



LEADING THE WAY

YESTERDAY, TODAY AND TOMORROW

2012 SMA
 **conference**

PROGRAM CHAIR

Christopher D. Hopkins

Clemson University

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October 31–November 3, 2012

Walt Disney World Swan and Dolphin Resort / Orlando, Florida



Society for Marketing Advances

Annals of the Society for Marketing Advances

Kevin J. Shanahan, Editor

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Sample footnote:

Pelletier, Mark and Nicole Ponder, "The Impact of Rapport Building Behaviors via Social Networking Channels," in Annals of the Society for Marketing Advances, Volume 1,

Kevin J. Shanahan, Editor. Montgomery, AL: Society for Marketing Advances, 2012, pp. 261-262.

November 2012

Dear Members and Friends:

It has been my pleasure and honor to serve as president of the Society for Marketing Advances during the past year leading up to the 50th Anniversary Meeting. I am fortunate to have been surrounded with a group of talented individuals who have given much of their time to help SMA prosper. I'd like to offer a special thanks to our SMA officers for their advice and ongoing leadership throughout the year.

Conferences just don't happen. I wish to recognize the following individuals who contributed to the success of our 50th Annual Conference:

- **Chris Hopkins** for who organized a great line up of papers and sessions for the conference.
- **Kevin Shanahan** for serving as the Editor for the *SMA Conference Proceedings*.
 - **Jeri Weiser** for ensuring the accuracy and great appearance of the *Proceedings*.
- **Rhea Ingram** for working diligently to provide the Society with memorable meeting sites such as this one at the Swan Hotel.
- Our **track chairs**, who guided papers and ideas through the review and publication process.
- Our **workshop leaders**, who provide pre-conference professional development learning opportunities.
- Our **corporate and educational sponsors** who support our educational endeavors, recognize outstanding performance and assist in ensuring the conference is a success.

In addition to the Society's dedication to scholarly excellence seen in this publication, I would like to recognize Doug Hoffman, for his leadership as editor of SMA's *Marketing Education Review*, and our scholarly partners, for their ongoing support at the *Journal of Marketing Theory and Practice* and the *Journal of Business Research*.

A hallmark of SMA is our long history of promoting and showcasing teaching excellence, a unique characteristic among academic societies. The *Proceedings* contain a number of papers that communicate teaching philosophies, innovative classroom techniques, and research that add value to our members' teaching responsibilities and outcomes. Our partnerships with Pride-Ferrell/Cengage and St. Mary's University ensure that Society members are recognized for their teaching contributions.

Finally, I would like to thank you, our SMA members and partners, for making 2012 a memorable year. You are the driving force behind our 50 years of success. As SMA begins our next 50 years, please consider volunteering your efforts to support the good work of the Society. . For updates on future conferences, visit our web site: www.marketingadvances.org.

Best wishes,

Bob Erffmeyer

President - Society for Marketing Advances

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Doctoral Dissertation Competition
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Current Issues in Canada	Kirby Shannahan, Memorial University
Current Issues in Europe	Alexander E. Reppel, University of London
Current Issues in India	Mathew Joseph, St. Mary's University Dhruv Grewal, Babson College
Current Issues in Latin America	Rodrigo Uribe, Bravo-Universidad de Chile Enrique Manzur Mobarec, Universidad de Chile
Program Chair & Special Track History of Marketing Thought	Christopher D. Hopkins, Clemson University

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John Drea	1998	Western Illinois University

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Soloman Buyer Behavior

Exploring Innovation: How Induced Knowledge, Labeling and Innovativeness Play a Role on Consumer Perceptions and Intentions

Anastasia Thyroff, University of Arkansas

Scot Burton, University of Arkansas

Steve Kopp, University of Arkansas

B2B & Customer Relationship Management

Supply Chain Learning, Integration, and Flexibility Performance: An Empirical Study in India

P. Geoffrey Willis, University of Central Oklahoma

Stefan E. Genchev, University of Central Oklahoma

Haozhe “Jose” Chen, East Carolina University

Brand & Product Management

Brand/Gender Identity Incongruence: If in Doubt, Err on the Side of Masculinity

Renee Robbie, Queensland University of Technology

Larry Neale, Queensland University of Technology

Consumer Behavioral Issues

Individual and Collaborative Effects of Product-Cause Fit, Donation Quantifier, and Type of Shopping on Cause-Related Exchanges

Neel Das, Appalation State University

Anthony Kerr, Kerr Management LLC

Ethics, Legal & Public Policy

Chronic Negative Circumstances and Compulsive Buying: Consumer Vulnerability after a Natural Disaster

Julie Z. Sneath, University of South Alabama

Russell Lacey, Xavier University

Pamela A. Kennett-Hensel, University of New Orleans

Global & Cross-Cultural Marketing

Donation Intentions and Competitive Altruism: A Comparison of East Asian and American Consumers

Yunsik Choi, Clemson University

Jennifer Siemens, Clemson University

Jayoung Choi, Soongsil University

Lamb, Hair, McDaniel Best Paper Award in Marketing Education

Multi-Faceted Perceptions of Cheating Behavior: Scale Development and Theoretical Assessment

Kevin J. Shanahan, Mississippi State University

Les Carlson, University of Nebraska-Lincoln

Mary Anne Raymond, Clemson University

Marketing Research

Case Study of Large N Survey Data

Carol M. Megehee, Coastal Carolina University

Jean-Charles Chebat Best Retail Proposal Award

Vertical Versus Horizontal Line Extension Strategies: When Do Brands Prosper?

Helena Allman, University of South Carolina

Sales and Sales Management

Preaching to the Choir: The Double-Edged Effects of Transformational Leadership on Customer Orientation, Value Congruence, and Job Attitude

Ryan Mullins, Clemson University

Sharon Beatty Best Services Proposal Award

Frontline Employees on the Quality and Customer Perceptions of Service Recovery

Carol Azab, Southern Illinois University

Don McBane Best Paper Award in Marketing Social Media and Technology

Situational Variables and Attitudes Toward Self-Service Technology Choice:

A Qualitative-Quantitative Approach

Joel Collier, Mississippi State University

Robert Moore, Mississippi State University

Alisha Blakeney, Mississippi State University

Melissa Moore, Mississippi State University

Robert Robicheaux Best Supply Chain Management or Logistics Management Proposal Award

The Role of Product Management in SMEs Shifting from Customer-Driven to Market-Oriented Products

Ruediger Klein, International Graduate School (IHI) Zittau

Current Issues in Latin America

Trust Formation in Online Services in Latin America: The Effect of Reputation and Familiarity and the Moderating Role of Experience and Internet Penetration

Cristobal Barra, Universidad de Chile

Eduardo Torres, Universidad de Chile

Sergio Olavarrieta, Universidad de Chile

Award Winning Student Papers

Access Capon Doctoral Dissertation Competition

Brand Reputation and Product Recall

Meike Eilert, University of South Carolina

Access Capon Doctoral Dissertation Competition Runners Up

More Possessions Make Consumers Less Happy

Haiyang Yang, INSEAD Singapore

Individual and Social Dynamics of Self-Control

Hristina Dzhogleva, University of Pittsburg

SMA Distinguished Teaching Competition

Track Chair

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Finalists

Michael Garver, Central Michigan University

Gary Geissler, University of Arkansas at Little Rock

Pallab Paul, University of Denver

Brian Vander Schee, Aurora University

Judges

John Branch, University of Michigan

Danny Butler, Auburn University

Doug Hoffman, Colorado State University

Mandeep Singh, Western Illinois University

Barbara Wooldridge, The University of Texas at Tyler

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CENGAGE PRIDE/FERRELL INNOVATIONS IN TEACHING COMPETITION

**Track Chair
John Branch, University of Michigan**

What's in Vogue? Using the Vogue Archive as a Marketing Teaching Tool

Nicole Kirpalani, LIM College

Introduction

Vogue Magazine is one of the most recognizable fashion magazines in the world. In December 2011, Vogue Magazine made the “Vogue Archive” available--a digital record of every Vogue issue since its first publication in 1892. The Vogue Archive includes a collection of every article, advertisement, cover page, and fold-out ever printed in Vogue. It has been compared to “falling into a fashion time machine and being shot out into different eras at random” (Wilson, 2011, p. E4). The Vogue Archive is available through ProQuest as a fully indexed database that lets users search for articles, advertisements, or images by garment type, designer, brand name, and more.

Motivation

The Vogue Archive presents a fascinating resource for a variety of marketing related assignments and projects. Students can be encouraged to use the Vogue Archive to research specific designers or brands, e.g., as part of a brand audit project. The archive can also be used for analyses of advertisements, whether they are related to fashion apparel brands, cosmetics, accessories, retailers, etc. Advertisements can be downloaded as either JPEG or PDF files and can easily be integrated as visual aids in student projects, papers, or presentations.

In addition, students can benefit from the analysis of historical advertisements. Even though the approaches presented in the following are not based on formal historiographical analysis (e.g., Schwarzkopf, 2011), they nevertheless give students a glimpse into advertising in various periods of time. In turn, students will be able to evaluate historical and current advertising execution styles and objectives, as well as visual content and advertising copy.

Implementation Ideas

Undergraduate Course

The assignment titled “Examining Marketing Orientations with Historical Vogue Advertisements” was developed for an undergraduate (honors) Introduction to Marketing course. It was designed to help students make connections between specific marketing orientations (e.g., the sales orientation) and advertising themes and content of the specific time period (e.g., 1930s to mid-1950s). Students are instructed to select two advertisements from different time periods, compare and contrast them, and analyze them in their historical context. Students answer specific questions related to their chosen advertisement in an essay.

Graduate Course

A similar assignment was developed for a graduate Consumer Behavior course. The focus of this assignment is the concept of holiday gift-giving. The assignment is titled “Holiday Gift-Giving through the Years: A Look at Holiday Advertisements in Vogue.” Students are instructed to focus on the November/December issues of Vogue and to select two advertisements (from different time periods) with gift-giving themes. They are then asked to compare and contrast the advertisements, in particular as they relate to the notion of gift-giving and gift-giving customs in the historical context. They present their findings in an essay.

Learning Outcomes

The Vogue Archive and related assignments have enriched learning opportunities for students. Students seemed to be interested in the task and were eager to get started. Overall, undergraduate and graduate students demonstrated good insights, detailed analyses, and “a-ha” moments. During class discussions I often referred back to insights derived from research using the Vogue Archive. Feedback from students was positive overall.

Conclusions

The Vogue Archive represents a fascinating resource for marketing educators. Assignments that are built around this resource can help meet several learning objectives, for example:

1. Students are engaged in active learning. They choose relevant advertisements based on their areas of interest. Historical time period come “alive” through the advertisements.
2. Students engage in higher-level thinking. They use their previous knowledge (i.e., marketing orientations), apply it to find relevant advertisements, and critically analyze them.
3. Students practice information literacy skills. They refine and expand their research skills to include advertisements/images.

The opportunities for research projects, brand audits, advertising content analyses, etc. based on the Vogue Archive are endless. Instructors can narrow search topics to specific time periods, product categories, or brands, while giving students the opportunity to choose advertisements that interest them.

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Ad-SCM Experiential Lab Game for teaching Advertising and Supply Chain Management

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Introduction

Globalization and technology advances have enforced the global view of the business environment as a chain of suppliers and caused the emergence of management concept, known as Supply Chain Management (SCM) for managing the relationship and the synergy between the global supply chains (Al-Turki et al.,2008). From a business perspective, there is a huge evidence of the interactions between interdisciplinary areas of SCM and Marketing (especially, advertising and branding). The students in business and marketing become experts in individual areas of their major business disciplines but have difficulties in working in interdisciplinary environments which requires varied skill sets.

Strategic experiential gaming is an answer to teaching interdisciplinary areas of business and creating elaborate solutions for the issues of both individual behavioral control and collaborative strategy techniques (Arora, 2012). We established Advertising-SCM Experiential Lab called “Ad-SCM” lab in our courses where we introduced students to experiential (strategic) gaming exercises.

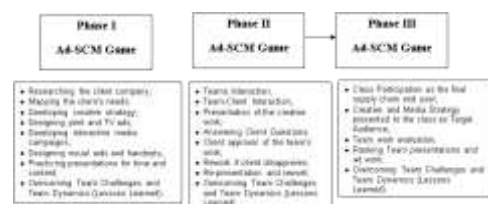
Ad-SCM Experiential Lab

Many companies prefer to hire outside ad agencies in order to provide the client with the services of highly skilled individuals who are specialists in their fields.

As a part of the course, the students were divided into the following teams - two clients representing different industries (one ‘electronics’ giant and the other as ‘quick service restaurant’ company), one full service ad agency (with a team of one account planner, one account executive, one research person for copy testing, two copywriters, one creative head and one media specialist), two creative boutiques, one media specialist company, and two production companies. These teams signified the supply chain relationships within advertising industry. The goal of Ad-SCM experiential lab game project was to satisfy the clients’ needs along with increasing sales for the product or service.

The game was played in three phases of the Ad-SCM project which are illustrated in Figure 1.

Figure 1: Elaborating Ad-SCM Experiential Lab Organization



Game Project (Three-Phased Approach)

Team Dynamics, Lessons Learned and Evolution of SCM Thinking

In Figure 1, it is evident that the class progression from Ad-SCM Game Phases I to III is dynamic and there are issues that teams overcome at each and every stage. Hence, there is a ‘Lessons Learned’ document prepared at every stage of this Ad-SCM project phase. Teams which met more often, and worked rigorously to remove all common doubts, perceptions and come to a common thinking were the ones that excel in this project.

Discussion

Table 1 presents the questions that the learners were asked in three categories of Ad-SCM Game Project - Team Experience, Team Effectiveness, and Overall Feedback, as an assessment of the Experiential Lab Game Project. The student participants learned that all business partners in a supply chain must remain in sync and should have the necessary qualities of trust, credibility, understanding and reliability to be effective in a supply-chain based marketing and advertising environment.

Table 1: Logistics and Effectiveness Questions for Ad-SCM Experiential Lab Game: Team Experience, Effectiveness and Overall Feedback

TEAM EXPERIENCE
<i>What did you learn while designing creative and media strategy for the client?</i>
<i>What did you learn while presenting creative and media strategy for the client?</i>
<i>What did you learn from other teams' creative and media presentations?</i>
TEAM EFFECTIVENESS
<i>What was the biggest challenge involved in the Ad-SCM project?</i>
<i>What was effective in your team's delivery on creative and media strategy?</i>
<i>What was effective regarding your team in terms of winning approval of clients?</i>
OVERALL FEEDBACK
<i>What was the most intriguing and effective part of your Ad-SCM project?</i>
<i>How did Ad-SCM game help you to understand the areas of Advertising and SCM?</i>

Conclusion

The Ad-SCM Experiential Lab Game is real-life business environment simulation exploring complexities in the advertising and marketing supply chains. It provides knowledge about the importance of information sharing, information visibility and dissemination across all business partners of any complex supply chain including the ones existent in the advertising industry. Communication and collaboration were elaborated and illustrated as key indicators for the success of this project. Understanding the clients, the clients’ partners and all players in the clients’ supply chains was important for the success of the advertising and integrated marketing communications (IMC), as a whole.

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SMA Innovative Teacher Comment

RacerGISOnline.org: An Interactive Online Learning Portal for Business GIS Applications

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Situation

Our College of Business was an early adopter of Business GIS technology and has a long standing commitment to integrating these tools into our classes. Business GIS is the application of geographic information system (GIS) to business problem solving and decision making.

These applications make substantial, positive contributions to business decision making. However, high hardware, software, training and opportunity costs have limited implementation. Our innovation is an online system that removes these constraints.

Description of the Innovation

This innovation addresses this problem through the concentrated efforts of a team of seven marketing faculty to integrate Business GIS exercises into six marketing courses during the Spring 2012 semester. It includes: 1) commitments of all seven faculty members to implementing Business GIS exercises into fourteen sections of seven marketing courses in that semester 2) a Web-based delivery system to negate the need for lab facilities, 3) online collections of faculty selected mapping resources for each course and 4) comprehensive evaluation system to collect student perceptions, suggestions and recommendations.

Targeted courses include Principles, CB, Research, Retailing, Sales Management, International Marketing, IMC and a dedicated Integrated Business GIS course.

The second component of the innovation is an online system (RacerGISOnline.org) system for delivering the learning exercises RacerGISOnline as an institutional GIS portal that hosts mapping resources for use in courses across campus.



Figure 1: RacerGISOnline Portal Page

Each exercise is based on an interactive map which supports students' performance of the analytical tasks required for the relevant marketing decision. The exercises guide students through the tasks and help them gather the data necessary to

answer specific questions. These answers, in turn, provide the information necessary to make the required decision. A sample map is displayed below as Figure 2.

Figure 2: Sample Map from Global Marketing Exercise

Third, the system also provides the capability of



accumulating Web-based maps, applications and other relevant resources. Thus faculty and students alike may work with more extensive mapping resources and build course specific collections

The fourth component of the innovation is the comprehensive evaluation system which concludes each with an online survey that provides us the information required to revise the learning exercises and maps as needed to improve their effectiveness.

3. Use of the innovation and potential for dissemination

In contrast with earlier versions of Business GIS learning resources, this approach is easily replicable in other institutions. All the learning resources are available by searching RGO Modules in Google, YouTube or ArcGIS.com. Overview videos and a video tutorial for faculty are linked through YouTube. The integrated evaluation system supports the continuous improvement of exercises based on student feedback. Because the exercises are Web-based, these improvements can be incorporated into them very quickly. Indeed, individual faculty may customize them to their specific course objectives as their skills and interest grow.

In short, this innovation offers significant advantages of delivery and effectiveness relative to previous Business GIS learning resources. It is readily available to faculty at other institutions, constantly being improved based on student and faculty feedback and integrated into an extensive collection of online mapping resources which provides significant capacity for expansion.

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DOCTORAL DISSERTATION COMPETITION

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BUYER BEHAVIOR TRACK

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The Effects of Different Product Designs Using Attribute Categorization and Layering

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Although convergence of attributes has been frequently applied as a product development strategy, its effects on consumers' perceptions and attitudes have not been sufficiently studied when these attributes are demonstrated with different product designs. Previous research has shown that increasing number of features included in a product may be appealing for some customers, it may also have downsides for others by causing feature fatigue (i.e., the detrimental effect of loading products with numerous features). In this study, I examine how usage of screened designs affects consumer perceptions of product evaluations, product usability and capability in the absence or presence of attribute descriptions. I find that usage of screened designs in multi-feature products enhances customer perceptions on product evaluations and product capability. I also find that in the presence of diagnostic attribute information, the effects of screened design are eliminated.

Introduction

One of the recent trends regarding ways of differentiating and improving existing products has been adding attributes to the base products (Mukherjee and Hoyer 2001; Nowlis and Simonson 1996). Although inclusion of multiple attributes in base products may attract customers in the product selection phase, it also carries the risk of increased level of confusion that may lead to dissatisfaction and "feature fatigue" (i.e., the detrimental effect of loading products with numerous features; see Thompson, Hamilton, and Rust 2005). In order to address the dilemma caused by market conditions that force producers to include more and more features in the base products and the associated risks of lower levels of long-term product satisfaction, product designers use a number of strategies. A commonly utilized method by designers is grouping attributes in sets, which in this paper defined as "attribute categorization". When attribute categorization is applied, features that are in congruence with each other are grouped together (are therefore become more abstract) and made available to consumer whenever they desire to use a specific attribute from that particular category. The main objective of this research is to explore how consumers perceive attribute categorization and what/how other factors influence evaluation processes of products with categorized attributes.

Theoretical Framework

To be able to categorize product attributes, product designers use layered structures to control and limit users' exposure to detailed features. A large body of research has been generated in the computer science discipline which analyzed various types of layering applications used to control the level of information transferred to consumers. In this research, attribute categorization is operationalized as a visible versus nonvisible

interface of a technology product. These interfaces, as they are commonly available in the marketplace, can take a variety of different forms.

Building on previous literature on effects of categorization and layering, this research predicts that when attributes are categorized and layered by the usage of digital touch screen in exterior designs, consumers' perceptions about product's capabilities and attributes will be higher than another product without such a digital screen (in which there is no categorization or layering of the attributes). Conversely, it is also proposed that implementation of categorization and layering by the usage of a digital screen and/or showing all of the visible attributes on the product will negatively affect the customers' perception of product usability.

H1a: Without any other diagnostic attribute information, consumers will have higher product evaluations, higher perceived product capabilities for screened designs than non-screened product designs.

H1b: Without any other diagnostic attribute information, consumers will perceive higher perceived product usability for non-screened and simple designs than screened and/or more complex product designs.

Another factor investigated in this paper is the moderating effect of diagnosticity level of the attribute information made available to consumers. By the direct explanation of product attributes to consumers, the diagnosticity level will be polarized and, due to the absence of need for inferences, the effects of exterior design caused by categorization and layering will disappear.

H2: In the presence of diagnostic attribute information, the effects of exterior design will be eliminated.

Methodology

Method

177 undergraduate business students (52.8% females, $M_{age} = 22.2$) from a large southeastern U.S. university participated in the experiment for extra course credit and were informed about the goal of the study as pretesting different prototypes of products. Subjects were randomly assigned to one of the eight conditions composed of 4 [exterior design: single button vs. multiple buttons vs. screen with a single button vs. screen with multiple buttons] x 2 [attribute description: included or excluded] in a between-subjects design. Subjects evaluated two different products (a blender and a coffee machine) individually. After being exposed to each product, participants were asked to provide answers for measures of product evaluations, inferences, product capability and product usability.

Stimuli

Categorization and layering was manipulated by creating products with one of the following configurations: (1) simple, non-screened design (SNS): one button and no screen; (2) complex, non-screened design (CNS): 15-18 buttons and no screen; (3) simple, screened design (SS): one button and one screen; and (4) complex, screened design (CS): 15-18 buttons and one screen.

Diagnosticity was manipulated by including (or not including) detailed attribute information of the product under its picture. All same-category products throughout the experiment had (did not have) seven attributes and the same attribute description (i.e. blender: different speed alternatives, multi-purpose blending, pulse option, very quiet, strong, long-lasting quality, great food processing performance; coffee machine: excellent brewing quality, auto shutoff, programmable timer, multiple beverage options, durable, fresh tasting coffee, multiple grinding options).

Results

To test the effects of design and product information on study dependent variables, a 4 (design) x 2 (info) ANOVA was performed. The results show the significant main effect of design on PC and PE but not on PU (PC: $F(3,346) = 2.64, p = .05$; PE: $F(3,346) = 8.70, p < .0001$; PU: $F(3,346) = .29, p = .83$). Aside from PU, none of the interaction effects were significant (PU: $F(3,346) = 3.72, p < .05$).

To test the effects of design and product information on study dependent variables, a 4 (design) x 2 (info) ANOVA was performed. The results show the significant main effect of design on PC, PE and IN but not on PU (PC: $F(3,346) = 2.64, p = .05$; PE: $F(3,346) = 8.70, p < .0001$; IN: $F(3,346) = 4.34, p = .005$; PU: $F(3,346) = .29, p = .83$). Aside from PU, none of the interaction effects were significant (PU: $F(3,346) = 3.72, p < .05$).

Further analyses of the data confirm H1a. Post-hoc tests on each significant independent variable show that the source of heterogeneity on design evaluations was largely due to the presence of screen. For example, participants significantly had higher product evaluations when the product had a screen (SS and MSB conditions) than when the product did not have a screen (SNS and CNS conditions) (SNS vs. SS: $M_{SNS} = 4.09$ vs. $M_{SS} = 4.77, F(1,88) = 6.01, p < .05$; SNS vs. CS: $M_{SNS} = 4.09$ vs. $M_{CS} = 4.81, F(1,88) = 7.39, p < .01$; CNS vs. SS: $M_{CNS} = 3.91$ vs. $M_{SS} = 4.77, F(1,88) = 9.09, p < .005$; CNS vs. CS: $M_{CNS} = 3.91$ vs. $M_{CS} = 4.82, F(1,88) = 9.28, p < .005$). Similarly, product capability was partially confirmed only when screened design had multiple buttons but not when it had a single button (SNS vs. SS: $M_{SNS} = 4.43$ vs. $M_{SS} = 4.40, F(1,88) = .01, p > .90$; SNS vs. CS: $M_{SNS} = 4.43$ vs. $M_{CS} = 4.90, F(1,88) = 3.51, p < .065$; CNS vs. SS: $M_{CNS} = 4.18$ vs. $M_{SS} = 4.40, F(1,88) = .75, p > .35$; CNS vs. CS: $M_{CNS} = 4.18$ vs. $M_{CS} = 4.90, F(1,88) = 12.96, p = .001$). Thus, when a product had a single button, regardless of having a screen or not, was not perceived as capable as a product with a screen and multiple buttons. Overall, these results confirmed that when in a high-tech product digital screen is used to categorize and layer its attributes, consumers expect that product to have better attributes and capabilities.

H1b is tested by investigating the significant interaction of PU. Recall that H1b proposed that when no other diagnostic information is present, SNS will have higher PU than other design configurations due to its simplicity. The results confirm

H1b for SNS versus all other design comparisons (SNS vs. CNS: $M_{SNS} = 5.68$ vs. $M_{CNS} = 5.05, F(1,90) = 7.81, p < .01$; SNS vs. SS: $M_{SNS} = 5.68$ vs. $M_{SS} = 5.22, F(1,88) = 4.81, p < .05$; SNS vs. CS: $M_{SNS} = 5.68$ vs. $M_{CS} = 5.11, F(1,88) = 6.14, p < .05$). This finding confirmed that simplistic designs tend to have higher levels of perceived product usability.

A one-way ANOVA is conducted on the dataset that included four design factors and product information included. The results largely confirm H2 except for product evaluations. Specifically, when diagnostic attribute information was present, participants did not show any significant differences for PC ($F(3,170) = 1.22, p = .31$), PU ($F(3,170) = .99, p = .40$) while there was a significant increase for PE ($M_{SNS} = 3.96$ vs. $M_{CNS} = 4.43$ vs. $M_{SS} = 4.80$ vs. $M_{CS} = 4.87; F(3,170) = 4.04, p < .01$). Specifically, participants had better evaluations for products with screens even though they claimed to have the same attributes.

General Discussion

This research sheds more light on the effects of attribute convergence on consumers' perceptions. Specifically, it investigates the effects of exterior designs to manipulate attribute categorization and layering on product evaluations, inferences, product capability and product usability. Additionally, it compares these effects under two different conditions established by the presence or absence of diagnostic attribute information.

In sum, the results show that usage of attribute categorization and layering in multi-attribute products enhances customer perceptions on product evaluations, inferences, product capability. However, the effects of categorization and layering disappear if the definitions of the diverse functions are visually made available to the consumers in the exterior designs.

This research also has some important managerial implications. Product design is a highly strategic decision routinely made by marketing and production departments of firms. Compared to the other elements of marketing mix, it is much harder and time consuming to correct any mistakes in product designs once products are launched to the market. Although it may be helpful for a firm to incorporate more and more attributes to its base products, it may also be harmful if its customers feel like the new product is too complex to use. This study shows that it may be strategically useful to use exterior designs that integrate attribute categorization and layering. Additionally, in the product development and package designing processes, it should be taken into account that if product attributes are visually presented to consumers.

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Post Purchase Dissatisfaction Response And Emotion: How Angry Do You Have To Be?

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Abstract

Dissatisfaction response is an area of research pertinent to customer retention. These behaviors bring significant information back to the marketer improving customer relationship management. While common sense would say that the more upset the customer is, the more likely he or she is to act, what is unknown is what aspect of emotion is the influence and which behaviors are influenced.

In a study of emotion and public post purchase behavior in a dissatisfying purchase situation, significant differences were found for arousal. This study found few differences in post purchase dissatisfaction behavior based on dominance or pleasure.

Managerial implications include recognizing signs of arousal in a dissatisfied customer and creating customer service protocols designed to minimize it. Theoretical implications include measuring pre and post emotional states, questioning locus of control and its role in dissatisfaction response and qualitative study.

Introduction

Intensity of dissatisfaction is affected by the amount of risk in the purchase, the level of “failure”, or disconfirmation and the subsequent reaction of the marketer to the consumer’s actions. It would follow, then, that the emotional state of the consumer would heavily influence level of dissatisfaction and choice of response behavior.

While emotion has been studied in consumer behavior, there has been very little research done in post purchase consumer behavior and none using all six dissatisfaction responses. Emotion in dissatisfaction is a little understood concept.

This paper will first briefly describe consumers’ alternatives to dissatisfaction. While there have been studies regarding emotional state and dissatisfaction (e.g., Oliver 1983), Dube and Menon 2000, Bui et al 2011 as examples) the studies have not linked emotion to the range of post purchase dissatisfaction responses. Integrating these two streams, dissatisfaction and emotion, an exploratory research study will be performed.

Post Purchase Dissatisfaction Behavior

In this paper, Day and Landon’s (1977) typology is used to classify dissatisfaction behavior. They describe 6 behaviors: no action, word of mouth, boycott, complaining to the seller, seeking redress and taking third party action. This is a classic model of dissatisfaction response, has been used extensively, and corresponds to other models (e.g. Bearden and Oliver 1985,

Singh 1990). Many other models leave out “no action” and fail to delineate public and private complaining behavior.

“Complaining behavior” has been defined as one or all of these actions and its working definition will change from study to study. For instance, Goodwin and Spiggle (1989) defined complaint behavior as “negative feedback to the marketer” and delineated it from negative word-of-mouth. Malafi (1990), on the other hand, grouped all “voice” actions together. In this paper, complaining refers only to complaints to the seller and is separated from word of mouth. This distinction is important because complaining to the seller is a public action and word of mouth is private action. Further, complaining to the seller alerts them to a problem and allows rectification. Word of mouth does not.

No Action

The most common form of behavior for a dissatisfied customer is to do nothing and to say nothing. In a study of post purchase behavior, Day and Landon (1977) found regarding dissatisfying purchases of nondurables, 26.5% said “I didn’t do anything”. For dissatisfied consumers of durables, 22.9% chose no action.

Private Alternatives

The two private responses to dissatisfaction are boycott and negative word-of-mouth. Boycotting is defection. Sharing one’s feelings with friends is word-of-mouth. Consumers engaging in negative word-of-mouth may also boycott or take public action.

The tendency to engage in negative word-of-mouth is associated with 1) problem severity, 2) nature of causal attributes for product failures, 3) perception of firm’s responsiveness, and 4) the individual’s level of social integration (Bristol, 1990, Richins, 1983).

Word-of-mouth behavior has many consequences for marketers. Consumers listen to their peers’ experiences with products or services before developing their own expectations. Lutz (1975) and Wright (1974) found that consumers weigh negative information more heavily than positive information.

Public Alternatives

Three types of public options include: complaining to the company, complaining to a third party (the State Attorney General’s office, the Better Business Bureau, or even litigation), and taking action to seek redress (returning a product for refund or replacement).

Public and private behaviors have different motivations (Brown and Beltramini 1989) and different implications for marketers. When consumers feel that their actions will result in

rectifying dissatisfaction, they will bring their complaints to the seller but when they do not feel that sense of control they will limit their complaints to family and friends (Brown and Beltramini 1990). This means that a seller who can exhibit a willingness to rectify dissatisfaction will engender more complaints and with them, the opportunity to satisfy consumers who might otherwise engage in negative word-of-mouth.

Emotion

As used in the satisfaction literature, emotions are affective responses to one's perception of a series of attributes comprising product or service performance (Mano and Oliver 1993, Richins 1997). Wundt (1986) was one of the first to perceive emotions as having different dimensions believing that pleasure, tension and inhibition were the dimensions of emotion (discussed in Bradley and Lang, 1994).

Mehrabian, 1970 used body language to develop the theory of three dimensions of emotion; pleasure, arousal and dominance (PAD). Mehrabian and Russell (1974) made a set of texts for different scenarios. Their PAD scale carries the advantage of working easily across cultures due to inclusion of pictures in the scale.

There have been several links between emotion and satisfaction (Mano and Oliver 1993, Dubé and Menon 2000) and emotion and loyalty (Yu and Dean 2001, White and Yu 2005). Predictors of word of mouth include found positive and negative emotions (Westbrook 1987), pleasure (Ladhari 2007) and joy, anger and sadness (Nyer 1997). White (2010) did not find a significant relationship between "angry and disappointed" and word of mouth (White 2010). Tronvoll (2011) found frustration to be a predictor of complain behavior.

Integrating level of satisfaction with sense of control and using PAD terminology, one would expect different post purchase dissatisfaction responses. Specifically:

H1: Consumers who choose not to take action will report lower levels of emotion than consumers who choose to act.

Keeping in mind that private behaviors include boycott and word of mouth and public behaviors include complaining, seeking redress and taking legal action, we can continue our development of the hypotheses.

H2: Consumers engaging in private behaviors will report lower levels of emotion than consumers who engage in public behaviors.

H3: Consumers engaging in public behaviors will report higher levels of emotion than consumers who engage in private behaviors.

Woodruff, Cadotte and Jenkins (1983) said that there is a grey area of indifference. That is, if a customer is neither greatly satisfied nor dissatisfied, then disconfirmation does not fully occur. But, if the consumer is greatly satisfied or dissatisfied, then he/she will become aware of his/her feelings and will be more prone to act. (They use the words "excitement or frustration" [Woodruff, Cadotte and Jenkins 1983, p. 300]). This is analogous to "arousal".

Public behaviors require more effort and, therefore, more motivation than do private behaviors. Motivation is arousal with direction. Hence:

H1a: Consumers who choose not to take action will report lower levels of arousal than consumers who choose to act.

H2a: Consumers engaging in private behaviors will report lower levels of arousal than consumers who engage in public behaviors.

H3a: Consumers engaging in public behaviors will report higher levels of arousal than consumers who engage in private behaviors.

The disconfirmation model (Oliver 1980) posits the level of disconfirmation between performance and expectation will lead to level of (dis)satisfaction. Further, Gelbrich (2009) found that anger was associated with lower levels of loyalty but not with decreased usage. (She did not measure other forms of post purchase response.) This would suggest that the degree of (dis)pleasure would motivate action. Hence:

H1b: Consumers who choose not to take action will report lower levels of displeasure than consumers who choose to act.

H2b: Consumers engaging in private behaviors will report lower levels of displeasure than consumers who engage in public behaviors.

H3b: Consumers engaging in public behaviors will report higher levels of displeasure than consumers who engage in private behaviors.

Gelbrich (2009) did not find an association between helplessness and loyalty or between helplessness and decreased usage. Dominance is a measure of the respondent's power relative to the source of dissatisfaction. Power would imply a strong locus of control. Helplessness is not the same as dominance but the issue of control is common to the two concepts.

Studies of differences in sex and sex role and complaining behavior have suggested that it is the stronger locus of control of male/masculinity that leads males to complain more (e.g., Meyers-Levy, 1988, Strahle, Duffy and Day 1989). Revisiting Brown and Beltramini's (1990) proposition that consumers feeling a sense of control will choose public behaviors (complaining, seeking redress, taking third party action):

H1c: Consumers who choose not to take action will report lower levels of dominance than consumers who choose to act.

H2c: Consumers engaging in private behaviors will report lower levels of dominance than consumers who engage in public behaviors.

H3c: Consumers engaging in public behaviors will report higher levels of dominance than consumers who engage in private behaviors.

The Study

The questionnaire comprised 80 questions and was 5 pages in length. The questionnaire asked respondents to consider the purchase of a computer, its failure, and then, the experience of dissatisfaction with that purchase. This was followed by measurement of emotion, likelihood of engaging in post purchase behaviors, and demographics.

Existing scales have been used whenever possible to attain as high a level of validity as possible (Babbie 1973). Some scales, such as the PAD scale for emotion, have been used intact. All were evaluated for reliability and validity by a pretest.

Post purchase consumer behavior items were designed in a very similar manner to those used by Parker, Funkhouser and Chatterjee (1993), Morgansky and Buckley (1980), Bearden and Mason (1984) and Bearden, Teel, and Crockett (1980). A factor analysis was performed on the post purchase behaviors. With Varimax rotation, four factors emerged explaining 62% of the

variance. These corresponded predictably to public complaining behaviors (complaining and redress) ($\alpha = .839$), private behaviors (word-of-mouth and boycott) ($\alpha = .796$), legal action ($\alpha = .799$), and no action ($\alpha = .683$). These results are particularly reassuring given that choice of post purchase dissatisfaction response is not mutually exclusive. Consumers often engage in more than one action (Halstead 2002).

The sample for the final study was drawn from three Northeastern schools. One was a large state university, and two small, private colleges. The final sample was 274 usable surveys. Students for the final study were enrolled in either a psychology or a marketing class. Care was taken to collect data from those students enrolled in consumer behavior classes before any discussion of post purchase behavior.

Ages ranged from 18 to 46, the average was 21.6. The gender split was relatively even with males and females (136 males, 153 females).

The goals of this study can be achieved using college students as a sample because they are consumers of the product. The scenario, a computer purchase, was something with which the students are familiar and something many of them had recently purchased.

Results and Discussion

Hypotheses were tested by use of a MANOVA using the six behaviors as the dependent variables and emotion as the independent variable as seen in the Table.

Table. Hypothesis Tests

	AROUS- AL	PLEAS- URE	DOMIN- ANCE
NO ACTION (H1)	F _{1,271} = 2.016, p>.05	F _{1,271} = .590, p>.05	F _{1,271} = 1.557, p>.05
WORD OF MOUTH (H2)	F _{1,271} = 2.305, p>.05	F _{1,271} = 2.169, p>.05	F _{1,271} = .386, p>.05
BOYCOTT (H2)	F _{1,271} = 2.65, p<.05*	F _{1,271} = 2.167, p>.05	F _{1,271} = .696, p>.05
	supported		
COMPLAIN TO SELLER (H3)	F _{1,271} = 3.811, p<.01** supported	F _{1,271} = 3.918, p<.01** supported	F _{1,271} = 1.431, p>.05
SEEK REDRESS (H3)	F _{1,271} = .748, p>.05)	F _{1,271} = 4.096, p<.01** supported	F _{1,271} = 2.766, p<.01** supported
SEEK LEGAL ACTION (H3)	F _{1,271} = .804, p>.05	F _{1,271} = .457, p>.05	F _{1,271} = 1.017, p>.05

* statistically significant at the .05 level

** statistically significant at the .01 level

H1: Consumers who choose not to take action will report lower levels of emotion than consumers who choose to act. This

was not supported. Consumers were prone to take action or not regardless of level of emotion.

H2: Consumers engaging in private behaviors will report lower levels of emotion than consumers who engage in public behaviors. This was partially supported. A significant difference was found between arousal and boycott. It appears that all respondents were likely to engage in word of mouth. H2b was partially supported.

H3: Consumers engaging in public behaviors will report higher levels of emotion than consumers who engage in private behaviors. This was partially supported. There were significant differences among public behaviors. There was a significant difference between pleasure, complaining and between pleasure and seeking redress and between arousal and complaining. H3b was partially supported

There was a significant difference between dominance and redress. H3c was partially supported.

Those respondents who felt a low level of pleasure or high levels of arousal were more likely to complain. Aroused respondents would also boycott. Respondents with low pleasure or high dominance were more likely to seek redress from the seller. H2c was partially supported.

There were no significant interactions. There were no significant differences for gender, age or school.

Implications and Conclusions

Limitations of the study include the limited range of ages and socioeconomic class and the fact that a transactional, rather than a relationship exchange was used in the scenario. Extensions to broader populations and more products is suggested.

Care must be taken to address customer complaints. Industry studies reveal disappointing response rates and time (Naylor 2003). Given the opportunity to satisfy a dissatisfied customer, it is wasteful to neglect a customer who takes the time and effort to complain.

The following is a set of suggestions for marketers:

1. Provide a mechanism for complaints, opinions and feelings. Encouraging dissatisfied consumers to express themselves has a positive influence on satisfaction (Nyer 2000) and complaining and a negative impact on negative word of mouth (Richins 1983).

2. Provide proper redress when sought. When consumers feel they have been compensated adequately, they are more satisfied (Gilly and Gelb 1982, Richins 1983, Gilly and Hansen 1985, Bitner, Booms, and Tetreault 1990, Boshoff 1997). Monetary redress seems to be more important in the circumstance of monetary complaints than nonmonetary complaints (Gilly and Gelb 1982).

3. Do not hesitate to apologize and explain even if the fault is not fully your own. Some studies (e.g. Goodwin and Ross 1992, Davidow 2000) found a strong interaction between apology and satisfaction. Apology (Davidow 2000, Karatepe and Ekiz 2010) and courtesy (TARP 1981, Blodgett, Hill and Tax 1997) can minimize negative word of mouth.

4. Give full attention to a complaining customer. In contrast to Karatepe and Ekiz (2010), Davidow (2000, 2003) found attentiveness to have the largest effect of any dimension on satisfaction and repurchase and a negative impact on engaging in word of mouth.

There are several directions for future research. A longitudinal study, following a panel of consumers over a period of time and incidents of dissatisfaction would be of particular interest to examine consumers' reactions to an escalating situation over time. Does a consumer proceed from complaining to seeking redress to taking legal action?

This has been a study of the effects of emotion on post purchase dissatisfaction response. While this is not a definitive study on consumer responses, it does lend understanding to characterizations of complainers.

This study found arousal, not pleasure, dominance, gender or age to be the significant difference among post purchase dissatisfaction responses. One possible explanation is that consumers respond to a situation in an escalating manner. That is, if one action does not bring them satisfaction, another action is tried. One might remember that these responses are not mutually exclusive.

The challenge to marketers is that word of mouth was engaged in by all consumers. The answer to the title question "how angry does a consumer have to be to engage in consumer complaining?" can be answered that more aroused consumers are more apt to complain to the seller but the damage of negative word of mouth is likely to be spread by all.

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Summary Brief

Exploring Innovation: How Induced Knowledge, Labeling and Innovativeness Play a Role on Consumer Perceptions and Intentions

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The purpose of this paper is to present an experiment study that provides insight into consumer safety perceptions and purchase intentions for a nanofoods. More specifically, in this paper we assess the effects of a package labeling disclosure, an experimentally-induced nanotechnology knowledge for one type of food a nano-modified food product, and consumers' general innovativeness on two dependent variables: perceived safety and purchase intentions. The findings from the study suggest that consumer acceptance of very new technologies varies greatly on whether the consumer is considered to be an innovator or not. That is, non-innovators (regardless of induced knowledge) believe nanofoods to be less safe and are less willing to purchase them. Innovators who were not provided information about nanotechnology responded similarly to non-innovators. However, when innovators are given information, innovators perceive nanofoods and foods not processed using nanotechnology to be equal in perceived safety, and they are equally willing to purchase the food product.

Introduction

Nanotechnology refers to a field of applied sciences whose theme is the control of matter on an atomic and molecular scale. By manipulating matter at such a small level, materials often have unique properties. Businesses are now beginning to invest heavily into this novel technology. Consumers will encounter nanotechnology in the form of food containers that kill bacteria, stain-resistant clothing, high-performance sporting goods, faster, smaller computers, and more effective skin care products. Nanotechnology also has the potential to provide new and better ways to treat disease, clean up the environment, enhance national security, and provide cheaper energy (Baker and Aston 2005).

As with any new technology, several factors may influence the consumer acceptance of use of that technology. In the past several years, research has been conducted to assess consumers' perceptions toward a variety of novel food technologies such as irradiated foods, bioengineered foods, foods containing pesticides, and foods processed using laser light sources. All of these food production technologies held both promise and risk, but experienced varying levels of consumer acceptance.

The purpose of this paper is to present an experiment study that provides insight into consumer safety perceptions and purchase intentions for a nanofood (i.e., foods that include nanotechnologically-derived ingredients). More specifically, in

this paper we assess the effects of a package labeling disclosure (i.e., labeling the product as "produced using nanotechnology"), an experimentally-induced nanotechnology knowledge for one type of food a nano-modified food product (i.e., potatoes), and consumers' general innovativeness on two key dependent variables: perceived safety and purchase intentions.

Hypotheses

The large food disclosure literature, which includes effects related to the disclosures of alterations from technology such as genetic modification, indicates that a disclosure that a food has been altered in some manner will negatively affect perceptions and purchase intentions (e.g., Carter and Gruère 2003). In addition, while most consumers do not have much information available as a basis for their initial thoughts about nanotechnology, it has been shown that there is a significant association between simply having an awareness of nanotechnology and a consumer's preliminary impression that the benefits of nanotechnology may outweigh the risks. However, in the absence of information, it has been shown that consumers are less likely to make a judgment on the risk-benefit tradeoff (Hart 2008). We predict that inducing knowledge of nanotechnology reduces the negative effects of a nanotechnology disclosure. Therefore, we hypothesize the following main and moderating effects:

H1: A nanotechnology product disclosure will reduce consumers' (a) perceptions of safety and (b) purchase intentions.

H2: The provision of nanotechnology information will moderate the effect of the disclosure on (a) safety perceptions and (b) purchase intentions. The provision of nanotechnology information will attenuate the negative effects of the disclosure.

To further expand our conceptual understanding, we use the theory of technology adoption life cycle and Roger's Diffusion of Innovation theory to look at the role that knowledge plays on purchase intentions and safety perceptions specifically for "innovators." Based on this knowledge, we expect differences between innovators and non-innovators with respect to the role of induced knowledge on perceptions of safety and purchase intentions for nanotechnology products. We hypothesize:

H3: The moderating effect of induced knowledge of nanotechnology will attenuate the negative influence of a nanotechnology disclosure more strongly for innovators than for

non-innovators for (a) perceived safety and (b) purchase intentions.

Method

The design of our experiment was a 2 (knowledge: induced versus not induced) x 2 (nanotechnology disclosure: nanotechnology label versus no nanotechnology label) x 2 (consumer innovativeness: high or low) between subjects design. Both the knowledge and label manipulations were between subjects' conditions, and each participant saw only a single stimulus. Packaged, unprocessed potatoes were used as the experimental target food product; these are the most-consumed vegetable in the United States. We manipulated the labeling of the potatoes with either a disclosure simply stating "Produced using nanotechnology" or a control group with no disclosure.

To induce knowledge of nanotechnology, study participants read an article derived from BusinessWeek articles (Bliss 2010; Baker and Aston 2005). The knowledge-induction group received an article summary that described nanotechnology and nanofoods and the control group received an article summary that discussed internet privacy concerns and makes no mention of technology, nanotechnology, or nanofoods. A total of 187 undergraduate students at a southern university took part in this research; 61% of respondents were male. Two dependent measures were used to test H1-H3: perceived safety and purchase intentions. The individual characteristic of "innovativeness" was used as a measured moderator.

Results

To test the hypotheses, a MANOVA was performed. Results are shown in Table 1. As predicted, there was a significant negative effect of the nanotechnology package disclosure ($p < .05$ and $p < .01$ for perceived safety and purchase intentions, respectively). However, the two-way interaction between induced-knowledge and the nano-disclosure was not found for either of the dependent variables ($p > .10$). The lack of the interaction suggests that the reduction in safety perceptions and purchase intentions for nanotechnology products is similar

TABLE 1

	MANOVA Results		Univariate F Values	
	Wilks λ	F	Per. Safety	Purch. Intent.
Main Effects:				
Nano-label Manipulation	0.83	9.15**	9.72**	15.25**
Induced Knowledge	0.98	1.06	0.06	1.58
Innovativeness	0.91	4.36*	8.68**	0.55
Interactions:				
Nano-label Manipulation x Induced Knowledge	0.99	0.68	0.13	1.36
Nano-label Manipulation x Innovativeness	0.99	0.68	1.15	.001
Induced Knowledge x Innovativeness	0.98	1.10	0.01	1.80
Nano-label Manipulation x Induced Knowledge x Innovativeness	0.91	4.39**	6.32**	5.85*

* $p < .05$, ** $p < .01$

for those with and without knowledge of nanotechnology.

Therefore, H1a and H1b are supported, but H2a and H2b are not.

While H2 was not supported, it might be argued that interest in the two-way interaction is superseded by the test of the three-way interaction. As shown in Table 1, univariate significance was found for the three-way interaction for both perceived safety ($p < .01$) and purchase intentions ($p < .05$), offering support for both H3a and H3b.

Discussion

The findings from the study suggest that consumer acceptance of very new technologies varies even within a relatively homogeneous sample of participants. Some consumers may perceive nanofoods as less safe than foods not processed using nanotechnology; these consumers may be less willing to purchase nanofoods.

Non-innovators (regardless of induced knowledge) believe nanofoods to be less safe and are less willing to purchase them. Innovators who were not provided information about nanotechnology responded similarly to non-innovators. However, when innovators are given information, their attitudes and intentions toward nanofoods change. Innovators are more strongly influenced by the provision of knowledge. Without induced knowledge they, like the non-innovators, believe nanofoods are less safe and they are less willing to purchase them when compared to foods not processed using nanotechnology. However, when knowledge is induced, innovators perceive nanofoods and foods not processed using nanotechnology to be equal in perceived safety, and they are equally willing to purchase the food product with and without the nanotechnology disclosure. That is, there is a greater favorable impact of nanotechnology knowledge for innovators.

Since innovators tend to be the first people to try a product and are ultimately a crucial consumer segment in the long run for new products (Taylor 1977), this gives managers an opportunity to explore options for attempting to increase the likelihood of acceptance of nanofoods. The key is to target these innovators and provide them with sufficient knowledge either before or at the point of purchase.

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Summary Brief

Causes of Confidence: The Moderating Influence of Need for Cognitive Closure on the Information Basis for Choice Confidence

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Prior research has demonstrated a positive relationship between choice confidence and the diagnosticity or usefulness of information describing the choice alternatives. The present research demonstrates that the relationship between choice-related information and consumer choice confidence is subject to individual differences in Need for Cognitive Closure, a trait that influences the consumer's interaction with the environment by altering the nature and amount of information processing. Implications for marketing theory and practice are discussed.

Introduction

Consumer choice confidence reflects the consumer's impression of the correctness or quality of a given choice (Heitmann, Lehmann and Hermann 2007). When consumers are confident they choose more quickly (Sieck and Arkes 2005), are more committed to their choices (Geller and Pitz 1968), and are more satisfied with choice outcomes (Heitmann et al. 2007). Given its pervasive influence on consumer reactions, insights into the drivers of choice confidence can guide marketing communications and lead to improved consumer experiences.

High quality information provides a basis for justifying a given choice and leads to high choice confidence. Prior research has demonstrated a positive relationship between choice confidence and the diagnosticity, or usefulness, of information about choice alternatives (Lynch, Marmorstein and Weigold 1988, Tsai and McGill 2011; Yoon and Simonson 2008). The present research asserts that the relationship between information diagnosticity and choice confidence will vary as a function of need for cognitive closure (NFCC), an individual difference variable that alters information processing (Webster and Kruglanski 1994).

Literature Review

Information Diagnosticity

Diagnostic information facilitates discrimination among choice alternatives and aids the decision maker in achieving his or her choice objectives (Lynch et al. 1988). An example of highly diagnostic information is a cue or marker that indicates the single alternative in a choice set that is superior to the rest (Amir and Levav 2008; Yoon & Simonson 2008). Highly diagnostic information cues increase choice confidence by justifying selection of the superior alternative (Tsai and McGill 2011). Because diagnostic cues must be processed in order to exert influence, factors that alter the nature or extent of information processing will also affect the influence that information diagnosticity has on choice confidence.

Need for Cognitive Closure

Need for cognitive closure (NFCC) reflects an individual's aversion to uncertainty or ambiguity and his or her desire to quickly arrive at a decision (Kruglanski and Webster 1996). Because NFCC reduces information processing (Houghton and Grewal 2000) and increases reliance on heuristics and peripheral cues (Webster and Kruglanski 1994), it is expected to moderate the influence of information diagnosticity on choice confidence.

Hypotheses

High (vs. low) NFCC promotes the use of even non-compelling information to facilitate a choice (Klein and Webster 2000). When information diagnosticity is low, and compelling information cues are absent, choice confidence will vary as a function of NFCC.

H1: When information diagnosticity is low, choice confidence will vary as a function of NFCC.

The literature provides support for support for contrasting predictions of the interplay of NFCC and high information diagnosticity. An argument can be made that high NFCC will strengthen the influence of a highly diagnostic information cue on choice confidence. However, another argument appears to supersede this one. Choice research has demonstrated that presentation of highly diagnostic information reduces consumer involvement in the choice because the consumer is told what to select (Amir and Levav 2008). If the consumer's involvement is reduced, then the influence of the consumer's traits (such as NFCC) should be similarly reduced and the effects of individual proclivities should not be observed.

H2: When information diagnosticity is high, the moderating influence of NFCC will not be observed.

Empirical Studies

Study 1

Drawing on prior research and the results of a pretest, high information diagnosticity was operationalized as a complete matrix of information about five attributes of three digital cameras. One camera was rated better than the other two. Given that most choice contexts are characterized by incomplete information (Kivetz and Simonson 2000), low information diagnosticity was operationalized as an incomplete information matrix in which no camera held superior ratings.

Undergraduate business students (n=174) participated in an online study in exchange for partial course credit. Participants viewed the information and selected the camera they preferred.

Congruent with prior research, confidence was assessed following the choice. Two measures were employed that were similar to those used by Heitmann et al. (2007), "I felt absolutely certain I knew which camera to select" and "I felt completely confident in making a selection." A single measure was employed as a check of the diagnosticity manipulation ("I did not have enough information to make a decision.") All three items were assessed via seven-point, Likert-type scale items anchored by "(1) Strongly disagree" and "(7) Strongly agree". No time limits were imposed on the choice task. Following two unrelated tasks, participants responded to the 42-item Need for Closure Scale (NFCS; Webster and Kruglanski 1994). To avoid confounding confidence and expertise, a proxy for expertise with digital cameras was collected by having participants indicate whether or not they owned a digital camera. This variable was included in the model as a covariate.

ANOVA indicated that the manipulation of information diagnosticity worked as intended ($F(1, 172) = 5.57, p = .019$). A custom model ANCOVA was conducted with Information Diagnosticity, NFCC, the interaction of the two, and the dichotomous indicator of camera ownership as predictors. The analysis revealed a significant main effect of Information Diagnosticity ($F(1, 170) = 8.07, p = .005, \eta^2 = .045$). This effect was qualified by a significant interaction between Information Diagnosticity and NFCC ($F(1, 170) = 5.56, p = .020, \eta^2 = .032$). No other effects achieved significance.

A slope analysis, by condition of Information Diagnosticity, was conducted by regressing choice confidence on NFCC. The findings provided support for H1 and H2. When information diagnosticity was high, the influence of NFCC was nonsignificant. However, when information was low in diagnosticity, choice confidence was positively associated with NFCC.

Study 2

Undergraduate business students ($n=245$) participated in a second online study that employed a simplified choice task which required fewer trade-offs and lesser levels of cognition. Since high NFCC reduces willingness to process information, a task that requires less effort represents a more stringent evaluation of NFCC as a moderator. The experimental design was the same as in Study 1 except that information for four attributes was shown instead of five and information on one of the four attributes was held constant across all three camera alternatives. The results from Study 2 exhibited the same pattern observed in Study 1. Thus, additional support for the hypotheses was provided.

Discussion

Findings from the two studies contribute important insights to the growing body of research on choice confidence. First, a confidence-buoying influence of NFCC was observed when

contextual information was low in diagnosticity. This suggests that high NFCC may enable consumers to convert even poor quality or incomplete information into confident choice. This finding holds somewhat counterintuitive implications for beta testing and new product adoption in that it suggests that people with high NFCC may be more likely to move confidently into these activities than persons with low NFCC. Second, when information diagnosticity was high, the influence of NFCC on choice confidence was muted which provides support for the proposition that highly diagnostic information reduces the role that the consumer plays in the choice. This suggests that highly diagnostic external cues may supersede the influence of individual traits, which raises new questions regarding the interplay of information diagnosticity and other trait-level factors such as individual need for cognition, impulsivity, and variety seeking.

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Summary Brief

Decisions, Decisions: How Bad Ones Keep Worsening Over Time

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Consumers often face difficult decisions, especially in the e-marketing environment where information overload is a common and costly phenomenon (Krishen, Raschke, & Kachroo, 2011). In this research, we conduct an experiment using a developed software program wherein respondents are asked to iterate through a decision process, within no specified amount of time. Utilizing hierarchical linear modeling, the gathered data shows that when they take too much time to make a lower quality decision, and then continue to iterate through further ones, the quality of their decisions continues to deteriorate. The key contribution is that subjective measures such as frustration and confidence are tied to objective measures including decision quality, elapsed time, and number of iterations; findings show that even when good decisions are made, increases in the number of iterations and elapsed time lead to increases in frustration. Implications are provided, most importantly, e-marketers should provide decision anchors and facilitate consumers through purchase decisions.

Introduction

This research proposes the concept of decisional commitment, by studying the way in which consumers hone in on a set of choices to make a decision over several decision occasions. We conduct an experiment with seventy-nine subjects who had to choose a computer they would buy, given monetary constraints, from a large choice set. Our goal in this research was to study the relationships between choice quality, elapsed time, and number of decision occasions using hierarchical linear modeling.

Literature Review

Decisional Commitment

Wood (2001) studies decision commitment in the context of return policies and signaling theory in e-commerce purchasing decisions. In that research, a consumer makes an initial decision, is presented further information, and then either chooses to commit to the initial decision or explore other alternatives. Cognitive dissonance theory (Elliot and Devine, 1994) suggests that in order to be consistent with prior knowledge, people often commit to a decision based on their prior beliefs and then seek support for that decision through, for example, decision aids (Woolley, 2007). Other researchers have discussed decision commitment in terms of post-rationalization of a choice or judgment, discussing factors such as accountability (Tetlock, 1991; Luce, Bettman and Payne 2001).

In the current research, subjects are presented with a set of choices which they can choose to iterate through as many times as they wish, until they reach a suitable decision. The aim is to

investigate the relationship between the subjective outcomes of frustration and confidence as they relate to the objective outcomes of choice quality and elapsed time. Commitment, defined as, "...the state of being bound emotionally or intellectually to a course of action..." can be applied to a decision making context when subjects actually have the ability to freely choose until they reach their final decision (Houghton Mifflin, 2000). Thus we introduce the concept of decisional commitment in order to allow subjects to actively decide when they want to commit to a choice.

Amount of Information Processed

Previous research on choice set construction has shown that when the amount of information displayed is structurally varied, information overload, resulting from less information acquisition, can result in lowered decision quality (Keller & Staelin; 1987; Lurie, 2004; Krishen, Raschke & Kachroo, 2011). Further, research shows that both subjective measures such as satisfaction and objective measures such as information recall can be increased by systematically reducing the perceived complexity of information which is presented, both on websites (Krishen & Kamra, 2008) and in advertising (Krishen & Homer, 2011). This research aims to explore an interesting question in regards to the ultimate choice quality, amount of time required, and the subjective state of the person. The law of diminishing returns, stated as "When increasing amounts of one factor of production are employed in production along with a fixed amount of some other production factor, after some point, the resulting increases in output of product become smaller and smaller" (Johnson, 1994-2005). Although this law was originally proposed to explain productivity in farming situations, is has continued to be applied to consumer choice models to explain, for example, attribute valuation (Meyer & Johnson, 1995). Economics literature has introduced cost-benefit analysis, which has been applied to consumer decision making strategy (Payne, Bettman, & Johnson, 1993) in terms of the trade-off between effort (cognitive load) and accuracy (choice quality). This framework suggests that compensatory decision making strategies are often bypassed in order to save effort and use noncompensatory heuristic ones, leading to a possible decrease in decision accuracy (Luce, Bettman & Payne, 2001).

Main Study

Experiment

A software program was created in order to allow subjects to traverse through a choice process gradually (or abruptly, if they chose to do so). In order to simultaneously assess the quality and efficiency of the choice experience for each subject,

we used both subjective measures (self-reports of frustration and confidence) and objective measures (total elapsed time, total number of computers viewed, mean information rate, final choice quality, and quality-efficiency). The subjective measures were measured one time during the choice experiment per person, thus they are present as level 2 variables in our HLM model. The objective variables were measured each time the subjects made a choice, and since the number of choices each subject made varied, these are present as level 1 variables in our HLM model.

Results

Two models were tested using HLM. The first model tests how choice quality changes over time, called Model 1. The second model tests how choice quality changes over multiple occasions, or quality over occasions.

Tests of Model 1, quality over time, find that, as hypothesized, a combination of the law of diminishing returns with this effort-accuracy framework would lead to the notion that choice quality, at some point, would be lessened by the addition of effort (computed as elapsed time), after passing the optimal choice in the optimal elapsed time. In the final analysis of the relationship between chosen quality and elapsed time, findings show that when a subject takes too much time to make a decision but makes an optimal one, he/she tends to be more confident of the choice. In contrast to this, when a subject takes too much time but makes a worse decision, he/she tends to be less confident of the choice.

Tests of Model 2, quality over occasions, find that as the number of choice occasions increases and the choice quality increases, the frustration also increases. Thus, making good decisions after spending several decisional occasions leads to a more frustrating experience.

Conclusions and Implications

There are several important aspects of this research. First, we study the within-subject outcomes per decision iteration (occasion) using hierarchical linear modeling, which allows for rich formulation of the model and accounts for how subjects undergo a growth process as they make their decision. Secondly, our findings show that even though spending too much time often yields diminishing returns with regards to quality, there are exceptions to this phenomenon. As model 1 shows, when subjects spend too much time but make good quality decisions, they are clearly more confident of those decisions; thus showing that confidence is in fact nicely calibrated with decision quality in this research. This finding is significant given that Lichtenstein, et al (1982) have previously noted a highly researched finding in decision and judgment theory, overconfidence bias, which essentially shows that people often miscalibrate their knowledge level.

The second model was introduced to further expand on the relationships between occasions and quality. This model, as could be expected, showed how the quality of a subject's decision improves as he/she continues to iterate through occasions. Further, we found that frustration was a significant covariate in the model, and though not always the desired result, we showed that when subjects iterate through occasions and increase the quality of their decision more significantly, they

tend to feel more frustration. This result could have direct impact, for example, on the way choice scenarios are constructed in the e-commerce domain. Essentially, consumers need to be provided with ample information so as to make decisions with as few iterations (i.e. clicks) as possible.

In summary, this research could be further extended such that we test the model with a different choice scenario, for example, by providing a website shopping experience. In a further study, we could take the confidence scale and research whether the phenomenon observed in terms of confidence level is more of an individual difference or if it is domain and task specific. Finally, overconfidence and risk propensity are large research areas and may be an interesting set of scales to add in.

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Contextual Effects of Humor Type in the Relationship Between Cognitive Processing and Attitudinal Efficacy of Humor Type

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In the spirit of examining humor contextually, I consider a basic question in this essay: do different humor types “play by the same rules,” cognitively speaking? I examine the relationship between humor and cognitive processing style, as operationalized through Need for Cognition. I find that humor based on disparagement processes “breaks through” the cognitive differences inherent in incongruity humor. Rather than exhibiting incongruity-based humor’s affective response transferring to attitude for low-NFC subjects, and more centrally-employing high NFC subjects’ higher tendency to dismiss the humor’s effect on overall attitude, disparagement based humor is processed the same by both low- and high-NFC respondents. Overall, my findings suggest that the relationship between cognitive processing (as operationalized through Need for Cognition) and resultant attitudes is a complicated one, strongly contingent on humor type. Were only incongruity-based humor utilized, my findings would have reinforced Zhang’s (1996) assertion that a person’s Need for Cognition will play a key role in the evaluation of humor, but my results suggest that a more complex conceptualization of the relationship between humor and attitude formation is required when humor is treated as a potentially more complicated, context-dependent construct.

Background

Humor is a fundamental human experience and perhaps a “ubiquitous human activity” (Martin 2007, p. xv), and marketers are certainly no strangers to this phenomenon. Over the past 40 years the advertising industry’s use of humor has increased to the point where it is estimated that \$20-\$40 billion per year is spent on humorous executions (Weinberger and Gulas 1992) and currently humor stands as one of the most utilized execution elements in consumer advertising, with around 20% of television ads containing some sort of humor (Beard 2008). However, humor is still rather poorly understood, from both a theoretical (e.g., underlying processes causing humor to occur) and an applied (e.g., efficacy in advertising) point-of-view. From the times of Plato and Aristotle, scholars have been striving to understand the theoretical nature of humor (Martin 2007), and it continues to remain a challenging research area. In fact, some of history’s greatest minds, from Aristotle to Kant to Hobbes to Freud have attempted to tackle the question “what is humor?” and yet there remains no one, central, paradigm of humor, but rather a number of different smaller theories.

It follows that academic reviews of the extant literature exploring the efficacy of humor in advertising are mixed. Generally speaking, humor is found to increase attention on brand advertising and attitudes towards the ad, but other ad effects and its effect on brand purchase intent are equivocal.

Some researchers find that humor increases persuasion, while others find that it might actually hurt; likewise, some research concludes that humor hurts comprehension of advertising messages whereas others find it has no effect. However, blanket statements on the efficacy of humor are potentially misleading. After undertaking a comprehensive review of the use of humor in advertising, Weinberger and Gulas (1992) conclude that “broad generalizations about the effect of humor in advertising are inappropriate” (pg. 56) but that instead context is key.

Humor: Incongruity Theory

Many of the leading theories of humor (dating back to the 1700s) emphasize the role of cognition. Research in cognitive psychology emphasizes incongruity’s role in humor from the perspective of schema theory, with the humor resulting from a first schema being activated but being insufficient to completely explain the stimulus, thus requiring a simultaneously activated second schema, an “altogether different (and even contradictory) interpretation of the situation” (Martin 2007, 87); resolving the incongruity from these two schemas is generally a pleasant undertaking, and results in a humorous episode. Theorists embracing this perspective typically view some type of incongruity as being a defining characteristic of humor; for instance, Ruch (1988, pg. 861) writes that “two structural parameters are considered to be essential ingredients in all kinds of humour: incongruity...and the resolution of the incongruity.”

Given the nature of incongruity resolution, it stands to reason that individual differences in cognitive processing styles might affect humor’s role in attitude formation. Need for Cognition is an individual difference construct that has been shown to influence the ultimate processing route that an individual uses (Cacioppo and Petty 1982). NFC is a reflection of an individual’s intrinsic motivation (versus a physiological need) and although it may often be correlated to, it does not reflect intellectual ability, yet persons high (compared to low) on NFC usually demonstrate a more positive attitude toward stimuli and tasks which are characterized by or require greater cognitive effort. Since high-NFC individuals will process information more deeply than those low in NFC (Cacioppo and Petty 1982), they will be more likely to discount stimuli elements that they deem irrelevant in overall attitude formation. Accordingly, Zhang (1996) demonstrates that brand attitudes and purchase intent measured after participants’ exposure to print humorous ads are lower (higher) for participants with high (low) NFC scores. Since high-NFC individuals tend to utilize central processing more than peripheral, these individuals are persuaded by argument cogency instead of humor, whereas low-NFC

participants are more likely, given their preference for peripheral route processing, to allow the humor to influence evaluations

Humor: Disparagement Theory

However, incongruity-based humor theory is rather different than another leading group of theories emphasizing the role of disparagement. Dating back to Plato and Aristotle, disparagement theories explain humor as a form of aggression; Thomas Hobbes, for instance, asserted that humor arises from a sense of superiority driven by the disparagement of another (Martin 2007). In disparagement, the humor functions as an attempt at superiority, and as an attempt to “include” some and “isolate” others (e.g., ethnic and sexist humor), or to allow us to “feel we are better than others” (Beard 2008, 47). As Martin (1998) writes, “superiority or disparagement theories are among the oldest theories of humor, dating back to Plato and Aristotle. Aristotle, for example, concluded that laughter arises primarily in response to “weakness and ugliness” (pg. 29). Disparagement, when coupled with a playful cue indicating that a stimulus is humorous and not simply mean or abusive, is at the heart of a significant amount of humorous communication. For instance, the popular humor form of satire which implies a triadic structure of message initiator, recipient, and satiric target, has been conceptualized as the combination of incongruity and disparagement (Speck 1991). Satiric advertisements, such as a comparative advertisement with one company mocking another for the amusement (and desired improved standing) of a consumer, are often much more negatively valenced than advertisements primarily utilizing incongruity-resolution techniques, and disparagement itself has been conceptualized as a decidedly different process than incongruity, with the former featuring a more conative consumer process (allowing a consumer permission to release his or her repressed feelings without feeling guilt for doing so) versus a decidedly cognitive one (Speck 1991).

Key Findings

In the spirit of examining humor contextually, I consider a basic question in this paper: do these different humor types “play by the same rules,” cognitively speaking? I examine the relationship between humor and cognitive processing style, as operationalized through Need for Cognition. I find that, as hypothesized, this humor type effectively erases the differences between low- and high-NFC individuals. The Encyclopedia of Psychology entry under “Motivation: Philosophical Theories” describes the difference between cognitive and conative aspects as cognitive states having “a more subordinate role (on motivation)” whereas a more conative process is “capable of triggering action.” I find that humor based on disparagement processes “breaks through” the cognitive differences inherent in incongruity humor. In other words, if a humorous advertisement featured strong disparagement humor, it may be more transparent to consumers in its use on resultant evaluations. Rather than exhibiting incongruity-based humor’s affective response transferring to attitude for low-NFC subjects, and more centrally-employing high NFC subjects’ higher tendency to

dismiss the humor’s effect on overall attitude, disparagement based humor is processed centrally by both low- and high-NFC respondents; thus, moving from incongruity-based humor to disparagement-based humor should effectively erase the differences supported by Zhang (1996). Overall, our findings suggest that the relationship between cognitive processing (as operationalized through Need for Cognition) and resultant attitudes is a complicated one, strongly contingent on humor type. Were only incongruity-based humor utilized, our findings would have reinforced Zhang’s (1996) assertion that a person’s Need for Cognition will play a key role in the evaluation of humor, but our results suggest that a more complex conceptualization of the relationship between humor and attitude formation is required.

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Summary Brief

Individual and Collaborative Effects of Product-Cause Fit, Donation Quantifier, and Type of Shopping on Cause-Related Exchanges

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Effects of product-cause fit, donation quantifier, and type of shopping on cause-related purchase intentions were examined. A high product-cause fit and an exact donation quantifier resulted in greater purchase intentions. Interactions between product-cause fit and donation quantifier and donation quantifier and type of purchase were also found.

Introduction

Cause related marketing (CRM) has been recognized as building good corporate citizenship and trust in the participating organization (e.g. Lafferty 2009). This research considers the collaborative effects of product-cause fit and donation quantifier on differences between cause-related purchase intentions. Additionally, being that CRM is considered more of a shopping kind of a donation (Krishna 2011), investigating the moderating effects of planned versus unplanned shopping is also likely to help buttress the effectiveness of CRM campaigns.

Based on prior research in the domain of CRM, a high (versus a low) product-cause fit and an exact (versus a vague) donation quantifier is likely to result in greater cause-related purchase intentions. Additionally, the collaborative effects of product-cause fit and donation quantifier will affect cause-related purchase intentions differentially. In accordance with cue-congruency theory and based on the main effects of fit and quantifier as mentioned above, greater cause-related purchase intentions will likely be exhibited for a high fit and an exact donation quantifier compared to any other combination of the two variables.

Finally, shopping type will moderate the main effects of fit and quantifier. Particularly, the likely greater purchase intentions emanating from a high fit will be replicated for planned shopping and not for unplanned shopping. Similarly, greater purchase intentions emanating from an exact donation quantifier will be replicated for a planned shopping and not during unplanned shopping. The effects are explained in the following sections.

Product-Cause Fit

Fit is the consumer's perception of the level of compatibility or congruency between the product and the associated cause. Such an embodiment of the fit construct is derived from branding literature. For instance, when evaluating brand extensions, consumers who perceive a good fit between the extension and the original product category usually generate positive beliefs, and those who do not perceive a fit generate

undesirable beliefs about the extension (Aaker and Keller, 1990). Based on the conceptual extension of fit as derived from above, it is hypothesized that (H1): *Higher (versus lower) levels of product-cause fit will result in higher levels of purchase intentions.*

Donation Quantifier

This represents the presentation of the amount going to a cause from each cause-related purchase that may vary from a stated exact amount (as a dollar amount or as a percentage of profits/price) to an unspecified/vague statement. Although an exact quantifier appears more effective (Grau, Garretson, and Pirsch 2007), there seems to be an overwhelming presence of the vague quantifier (Pracejus, Olsen, and Brown 2004). We found no existing experimental research in CRM that directly compares the effectiveness of an exact versus a vague donation quantifier. If we are to assume that consumers appreciate and value candid formats and prefer to know the amount going towards a particular cause, it is hypothesized that (H2): *An exact (versus vague) donation quantifier will result in higher levels of purchase intentions.*

Fit and Donation Quantifier

Miyazaki, Grewal, and Goodstein (2005) stated that when using multiple sources of information while considering a purchase decision, a consistent pattern among the cues is more useful than an inconsistent pattern. Based on the preceding hypotheses (H1 and H2 respectively), we suggest that a high level of fit and an exact donation quantifier represent a consistent pattern of positive cues resulting in greater purchase intentions. In contrast, a low fit and a vague quantifier or a high (low) fit and vague (exact) quantifier format will probably be evaluated less favorably, thereby resulting in lower purchase intentions. Hence, it is hypothesized that (H3): *Higher levels of fit and an exact donation quantifier will result in higher levels of purchase intentions than any other combination of fit and donation quantifier*

Moderating Effects of Shopping Type

Shopping for a product may be conceptualized as being unplanned or planned. Compared to unplanned purchases, planned purchases tend to be more deliberate and less spontaneous (Lee and Kacen 2007). Since more information is likely to be processed for a planned purchase, the level of fit and

the specificity of the donation quantifier are likely to be considered in order to develop favorable purchase intentions. Alternatively, for unplanned shopping, the mere cause-related promotion of the product may be reason enough for individuals to consider it. Hence, it is hypothesized that (H4i): *For planned purchases, a higher fit will result in higher purchase intentions. For unplanned purchases, purchase intentions will be similar regardless of the level of fit; and, (H4ii): For planned purchases, an exact donation-quantifier will result in higher purchase intentions. For unplanned purchases, purchase intentions will be similar regardless of the specificity of the donation quantifier.*

Methods and Results

143 undergraduate students participated in the experiment featuring a 2 (product-cause fit: high vs. low) X 2 (donation quantifier: exact vs. vague) X 2 (type of purchase: planned vs. impulse) between subjects factorial design. Respondents were randomly assigned across the eight conditions. The experiment was conducted in a classroom where each student was given a booklet with detailed instructions on the first page followed by a scenario and the measures in the subsequent pages.

A 2 X 2 X 2 ANOVA was run with cause related purchase intention as the dependent variable. Results indicated significant main effects of product-cause fit ($F_{(1, 135)} = 29.50, p < .001$) and donation quantifier ($F_{(1, 135)} = 6.75, p < .05$) on purchase intentions. Hence, H1 and H2 were supported.

The ANOVA yielded a significant interaction ($F_{(1, 135)} = 4.82, p < .05$). For high fit there was no difference in purchase intentions, regardless of the specificity of donation quantifier. For low fit, purchase intentions were significantly greater when the donation quantifier was exact ($M = 4.39$) versus when it was vague ($M = 2.89, t_{(70)} = -3.64, p < .001$). Hence, H3 was partially supported.

Results did not support H4 (i). H4 (ii) was supported. Results yielded a significant interaction ($F_{(1, 135)} = 9.18, p < .01$). For a planned purchase, significantly greater purchase intentions were exhibited when the donation quantifier was exact ($M = 5.74$) than when it was vague ($M = 4.91, t_{(69)} = -2.28, p < .05$). On the other hand, for the unplanned purchase condition, purchase intentions were similar regardless of the specificity of the donation quantifier ($M_{\text{EXACT QUANTIFIER}} = 2.97; M_{\text{VAGUE QUANTIFIER}} = 3.23; t_{(70)} = 0.78, n.s.$).

Discussion and Implication

Results indicate that a plausible link ought to exist between the cause supported and the product sold. Similarly, an exact (versus a vague) amount of donation request is more preferable in cause-related promotions. The interaction of fit and donation quantifier indicates that in the presence of both cues, fit (versus donation quantifier) probably becomes more diagnostic in terms of understanding the attractiveness of a cause-related offer. Importance of high fit, however, diminishes when considering the effects of shopping type. In contrast to our suggestion that a higher level of fit would result in greater purchase intentions for a planned (versus an unplanned) purchase, results yielded no difference in purchase intentions. Finally, for a planned (versus an unplanned) purchase, an exact donation quantifier resulted in greater purchase intentions.

The interactions obtained provide further guidance if and when a company wants to better segment the market according to how individuals view the different structural elements in a cause-related promotion and how they purchase a cause-related product (planned versus unplanned). Specifically, a high product-cause fit seems more likely to drive greater purchase intentions, regardless of the specificity of the donation quantifier. Alternatively, if a high product-cause fit is absent, individuals are likely to react more favorably to an exact donation quantifier. Furthermore, if a marketer finds that individuals buy the cause-related product/s in a planned (versus an unplanned) manner, it may prove prudent to specify the donation quantifier.

A convenience sample of student subjects was used in the study. Inherent concerns in using student respondents relate to generalizability issues, but given their level of consumer socialization development, student samples have proven to be providers of valid consumer behavior data.

Opportunities for future research in this area may include the impact on purchase intentions emanating from different personality variables and investigating the notion of brands. In addition, subsequent research may want to investigate different cause-related variables such as cause proximity and cause-support within the framework of what has been investigated in this research. Finally, future research might provide a better picture of cause-related promotions as observed here by assessing actual behavior rather than the intentions.

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Summary Brief

Independent versus Incentivized Word-of-Mouth

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Many firms have begun rewarding their customers for engaging in positive word-of-mouth (WOM). While prior research has shown that this practice can encourage WOM and be profitable, its impact on listeners of WOM has not been investigated. In this paper, an experiment is used to evaluate the effect that a firm's WOM incentive program has on listeners. Results indicate that when listeners are aware that a firm is rewarding its customers for engaging in WOM, they view such individuals as having lower trustworthiness and altruism. Explicit disclosure of the incentive improves trustworthiness as compared to nondisclosure, but this has no effect on altruism. Further, source altruism is shown to be an important antecedent to listeners making use of the WOM.

Introduction

In response to the widely acknowledged impact that word-of-mouth (WOM) has on consumers' purchase decisions, many firms in recent years have begun to actively encourage positive WOM by providing incentives for customers who successfully refers others to their firm. However, some research questions whether WOM stimulated by a firm is as valuable as independent WOM (Trusov et al. 2009). Given that a key aspect of WOM's effectiveness is the credibility of the WOM speaker (Martin and Lueg 2011; Sweeney, Soutar, and Mazzarol 2008), rewarding speakers for engaging in WOM may degrade the value of the WOM in the view of listeners. As such, the objectives of this research are to investigate the impact of WOM speaker incentives on listeners' views of the speaker and their use of the WOM.

Literature Review and Hypotheses

WOM is an informal form of interpersonal communication between two or more noncommercial parties concerning products (Arndt 1967). In examining the impact of WOM on listeners' views of the speaker and the recommended product, the concept of WOM usage (WOMU), the extent to which listeners incorporate WOM in their purchase decision process (Martin and Lueg 2011), is utilized here.

A central feature of research investigating the impact of WOM is that listeners are very concerned with the trustworthiness of the source (Martin and Lueg 2011; Sweeney et al. 2008), which is defined as the extent to which a speaker's assertions are viewed as being true and accurate (Pornpitakpan 2004). Source altruism is defined here as the extent to which a speaker is believed to be acting primarily in the interest of the listener. Whereas source trustworthiness refers to whether the information provided by a speaker is believed to be accurate, source altruism refers to whether the motives of a speaker are mainly driven by a desire to help the listener. Based on

attribution theory (Kelley 1973), source altruism is hypothesized to have a positive effect on WOMU.

H1: Source altruism is positively related to WOMU.

When a firm provides its customers with incentives for engaging in WOM, listeners of that WOM may well doubt the authenticity of the information provided if they are aware of the incentives. Speakers may be considered biased with regard to their information. Thus,

H2: When a firm incentivizes WOM, source trustworthiness will be lower than when the firm does not. H3: When a firm incentivizes WOM, source altruism will be lower than when the firm does not.

Conversely, if a WOM speaker informs the listener that he or she is receiving an incentive, the listener may feel that the speaker is being upfront and honest rather than potentially being deceptive. Thus,

H4: Disclosure of a firm incentivizing WOM by a WOM source results in greater source trustworthiness than nondisclosure when the listener is aware of the incentive. H5: Disclosure of firm sponsorship by a WOM speaker results in greater source altruism than nondisclosure when the listener is aware of the incentive.

Methods and Results

A two (good/service) by three (independent WOM [control]/sponsored and disclosed WOM/sponsored and undisclosed WOM) experimental design was utilized to test the hypotheses. Participants were provided a hypothetical scenario in which a friend of theirs had recommended a product to them. A local music store was used in the good scenarios, and a lawn care service was used in the service scenarios. A good and a service were tested in order to examine potential differences and to extend the generalizability of the results. For the sponsored and disclosed WOM scenarios, the friend informed participants that if they purchased the recommended product, the friend would receive a \$50 purchase credit with the firm. For the sponsored and undisclosed WOM scenarios, participants were told that the recommended firm offers \$50 purchase credits to customers who successfully encourage others to purchase their products, but that their friend did not inform them of this.

Participants

Using the student referral method, students in two marketing courses were offered extra credit for participating in the study and were allowed to recruit up to four other individuals to participate. This resulted in 277 responses, approximately 10% of which were verified via randomly contacting the participants. Mean respondent age is 33.8 years, and 55% are female.

Measures

Existing scales were used to measure the constructs, with the exception of source altruism, which was measured with four original items. Exploratory factor analysis, confirmatory factor analysis, and reliability analysis indicated that the measures demonstrate excellent reliability, convergent validity, and discriminant validity and are unidimensional.

Results

H1 was tested by examining the relationship between source altruism and WOMU in a latent variable structural model similar to that tested by Martin and Lueg (2011). This model had excellent fit and indicated that source altruism had a strong relationship with WOMU (standardized loading estimate = .49, $p < .001$), supporting H1.

To test H2 and H4, the independent WOM, the sponsored and undisclosed WOM, and the sponsored and disclosed WOM cells were compared with regard to source trustworthiness. This indicated that significant variance exists between these groups ($F(2, 268) = 14.03$, $p < .001$; $M_{\text{independent}} = 5.09$, $M_{\text{sponsored and disclosed}} = 4.82$, $M_{\text{sponsored and undisclosed}} = 4.26$). Contrasts were used to evaluate the hypothesized differences. This indicated that all three conditions were significantly different with regard to source trustworthiness ($p < .001$), with the exception of the independent WOM compared to the sponsored and disclosed WOM, for which the difference was moderately significant ($p = .052$). When the speaker did not disclose the WOM incentive, source trustworthiness was lower than when this information was provided to the listener. Thus, the data support H2 and H4.

To test H3 and H5, the independent WOM, the sponsored and undisclosed WOM, and the sponsored and disclosed WOM cells were compared with regard to source altruism. This revealed that significant variance exists between these groups ($F(2, 268) = 24.62$, $p < .001$; $M_{\text{independent}} = 5.26$, $M_{\text{sponsored and disclosed}} = 3.98$, $M_{\text{sponsored and undisclosed}} = 4.10$). Contrasts were used to evaluate the hypothesized differences. The independent WOM was significantly greater than both the sponsored and disclosed WOM and the sponsored and undisclosed with regard to source altruism ($p < .001$), but there was no difference ($p = .542$) between the sponsored and disclosed WOM and the sponsored and undisclosed WOM. Thus, the data support H3 but not H5.

For exploratory purposes, as noted above, the effects of a good as compared to a service on source trustworthiness and source altruism were compared. However, there was no significant interaction between the good/service and the independent, sponsored and undisclosed, sponsored and disclosed scenarios ($F(2, 268) = .08$, $p = .920$), nor was there a significant interaction between the good/service and the independent, sponsored and undisclosed, and sponsored and disclosed scenarios ($F(2, 268) = .86$, $p = .423$).

Discussion

In this research, the impact of firms' incentivizing or sponsoring WOM on listeners of WOM is examined. When listeners are aware that a firm is providing rewards to its customer for engaging in positive WOM, they view the WOM speaker as being less trustworthy and more motivated by self interest, which, in turn, leads to listeners of such WOM being

less likely to incorporate that WOM in their purchase decision. If the speaker discloses to the listener that he or she will receive an incentive for a successful referral, the trustworthiness of the source is better than if no such disclosure is provided, but is still inferior to that of traditional, independent WOM. WOM sponsorship also has a negative impact on the altruism of the speaker as perceived by the listener, an effect which is not reduced by the speaker's disclosure of an incentive for providing the WOM.

These results have substantial implications for firms who provide rewards to customers who engage in positive WOM regarding their firm. Incentivized WOM is not as likely to be attended to by listeners if they are aware of the incentives. Also, the results of this research indicate that known rewards for customers engaged in positive WOM reduce the value of their WOM from the listener's perspective. Consequently, such firms might be reducing the value of all positive WOM involving their organization, even if speakers engaged in WOM are not aware of or actually receiving any benefit for doing so. The indirect negative effects this may have on much of the positive WOM involving the firm may well counteract the direct profit yielded by the practice. An approach to lessen the negative effects might be to offer a reward not only to the WOM speaker, but also to the listener.

This research also makes significant contributions to the marketing literature. First, this research extends previous work concerning the usage of WOM by listeners by identifying a new antecedent, source altruism, which had the strongest relationship with WOM usage of the three antecedent variables investigated. Second, this research provides additional evidence of the highly dynamic nature of WOM, as well as further validation of the importance of WOM usage. Third, this study is the first to empirically compare varying components of WOM usage across varying service contexts. This investigation reveals that while the trustworthiness and altruism of the WOM speaker was higher for the service examined than for the good, WOM usage appears to otherwise operate very similarly in both situations.

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BRAND & PRODUCT MANAGEMENT TRACK

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Summary Brief

Can Hot Products Lead to Cool Brands? The Effects of Color on Food Temperature

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Temperature is an important factor in food product evaluations. In this research, the results of two studies show that red or blue color cues influence consumers' temperature perceptions. In the absence of any moderators, red color cues lead to higher temperature perceptions than blue color cues. The authors also find that masking the color cue diminishes these effects.

Introduction

Can color cues influence temperature perceptions? We focus specifically on red and blue color cues and suggest that because red and blue hues are often associated with warm and cold temperatures; these hues can also influence temperature perceptions. Specifically, red visual cues lead to higher temperature perceptions compared to blue visual cues.

Focusing on food temperature perceptions is relevant given that temperature is one of the haptic properties that individuals use in evaluating objects in general and is an especially important factor in food product evaluations.

Our hypotheses are influenced by literature in the domain of multisensory perception (Krishna 2006) as well as literature on learned color associations (Mehta and Zhu 2009).

Color-Temperature Associations

Red and blue hues are associated with hot and cold temperatures on everyday items such as thermostats, water faucets and weather maps. The co-occurrence of color and temperature in everyday life results in learned semantic associations (Morgan, Goodson and Jones 1975). Overtime, these associations strengthen and eventually become a predictive rule that consumers use in inference making (McSweeney and Bierley 1984).

We propose that when asked to evaluate the temperature of a food or beverage in the presence of red or blue visual cues consumers may unconsciously rely on learned color-temperature associations and bias the product temperature evaluation towards the association with the color cue. Specifically, we predict that red color cues will lead to higher temperature perceptions of foods or beverages compared to blue color cues.

Studies

We investigate the influence of red and blue color cues on food temperature perceptions in two studies. Study 1 used a single factor between subjects design with three conditions (color cue: red vs. blue vs. control). The results show that exposure to red color cues leads to higher temperature perceptions compared to the blue cues or no color cues. Similarly, exposure to blue color cues leads to lower temperature perceptions than red color cues (as mentioned above) or no color cues.

Study 2 tested the moderating influence of color masking with a 2(color cue: red vs. blue) x 2(color masking: present vs. absent) between subjects design. The results show that when color is not masked red (vs. blue) color cues lead to higher temperature perceptions, but the effects get diminished with the color cue is masked.

Collectively, the results of the two studies reveal that color cues influence food temperature perceptions. The results have interesting practical and theoretical insights regarding the influence of visual cues on haptic perceptions.

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Summary Brief

Brand/Gender Identity Incongruence: If in Doubt, Err on the Side of Masculinity

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Gender identity is the extent to which an individual identifies with masculine or feminine personality traits. As sex roles in Western societies are continuously changing, this study examines the relationship between gender identity and brand response. The results provide support for a congruence relationship between gender identity and consumer response to gendered brand personalities. In particular, there was evidence of a strong relationship between an individual's masculinity and levels of attitudinal loyalty toward masculine brands. Regarding incongruence, the study found that feminine individuals are more accepting of masculine brands than masculine individuals are of feminine brands. Furthermore, when considering individual preferences for brands with gender characteristics, gender identity was found to be a more appropriate dimension for segmentation than biological sex.

Introduction

In recent years, the gender identification patterns of men and women in Western societies have changed dramatically. As sex roles converge and the social stigma associated with 'cross-sexed' behavior progressively diminishes, males are increasingly identifying as feminine, females are increasingly identifying as masculine, and individuals are increasingly identifying as androgynous, i.e. both masculine and feminine (Fugate & Phillips 2010). Despite this eroding dichotomization of males and females in broader society, brand gendering remains one of the most popular strategies through which marketers seek to differentiate their brands and appeal to target markets. However, some social scientists suggest that gender identity – an individual's psychological masculinity or femininity – is now a better predictor of consumer behavior than biological sex (Costa, Terracciano & McCrae 2001).

The following research questions guide the study. First, does congruence between gender identity and gendered brand personality lead to higher levels of attitudinal brand loyalty? Second, how does incongruence between gender identity and gendered brand personality differ between masculine and feminine identified individuals? Last, is gender identity or biological sex a better predictor of desirable marketing outcomes with gendered brands?

Hypotheses

Consumers frequently use brands to derive self-expressive benefits regarding their schematic traits (Sirgy, 1982). Driven by a motivation for consistency and positivity, individuals prefer products and brands that are reflective of their personalities (Markus, 1977). Gender identity is widely acknowledged in the

literature to be a core aspect of self concept and an important schematic trait in relation to human personality (Connell, 1990). Gender is also one of the most salient dimensions of brand personality; even in an age of eroding sex dichotomization, marketers continue to assign masculine or feminine traits to brands in order to differentiate products and penetrate specific target markets (Fugate & Phillips, 2010). For example, Coca-Cola uses its Coke Zero brand to target masculine individuals and its Diet Coke brand to target feminine individuals, despite limited product attribute differences. In line with self – brand personality congruence theory (Sirgy, 1982), when individuals are classified according to gender identity (masculine, feminine or androgynous) and are exposed to brands with masculine and feminine personalities, their attitudinal loyalty will increase for brands that are congruent along that gender dimension. **Hypothesis 1[a/b/c]:** [Masculine/feminine/androgynous] individuals will exhibit [higher/higher/not significantly different] cognitive loyalty (CL), affective loyalty (AL) and purchase intent (PI) when exposed to the [masculine/feminine/masculine or feminine] brand as opposed to the [feminine/masculine/feminine or masculine] brand.

Past research has suggested that while females are highly accepting of brands perceived as masculine, males are not reciprocal in their acceptance of feminine brands (Wolin, 2003). This phenomenon is referred to as "opposite sex rejection" (Alreck, 1994), has been empirically shown in a number of studies and is widely observable in day to day living. For example, although females are comfortable purchasing masculine cars, males will generally refuse to purchase cars associated with a female target (Patton, 2004). Given that femininity is, by definition, a reflection of the personality traits associated with being female, it is expected that feminine individuals will be more accepting of masculine brands than masculine individuals are of feminine brands. **Hypothesis 2:** Feminine individuals will exhibit higher cognitive loyalty (CL), affective loyalty (AL) and purchase intent (PI) toward masculine brands than masculine individuals will toward feminine brands.

Both gender identity and biological sex have been studied extensively in marketing literature as variables that influence different aspects of consumer behavior. Given the ongoing erosion of the dichotomization of males and females: **Hypothesis 3:** Gender identity (GI) is a better predictor than biological sex of the dependent variables of cognitive loyalty (CL), affective loyalty (AL) and purchase intent (PI) when considering congruence with gendered brand personality.

Research Methods

This study required a four-stage data collection process. Stage 1 consisted of a focus group to identify an appropriate product category for the main study. Vodka was chosen because of the importance the participants placed in the alcohol category, vodka is not closely aligned with either feminine or masculine traits, and the product is essentially homogenous in nature.

Stage 2 used an online questionnaire to identify a masculine and feminine brand for the study. The stage two questionnaire used Grohmann's (2009) gendered brand personality scale as well as measures for brand familiarity and attitude towards the brand. A total of 131 respondents provided data, and Smirnoff and Skyy Vodka were selected as the two brands to be used.

Stages three and four were self-administered paper questionnaires conducted four weeks apart. Two hundred and twenty eight usable questionnaires were collected for stage three, followed by 219 responses for stage four. After removing the 123 participants who only responded to one stage of data collection and the eight cases identified as outliers, a final sample size for the main survey of 154 was achieved. Overall, the sample consisted of 56 males (36.36%) and 98 females (63.64%). The SBSRI scale was used as the measure of gender identity. Using a median split scoring system, 50 participants identified as masculine (32.47%), 42 as feminine (27.27%), 36 as androgynous (23.38%) and 26 as undifferentiated (16.88%). The mean and median age of the sample was 20 years, reflective of the fact that this was an undergraduate university sample. The majority of the sample consumed vodka regularly, with 79.87% consuming at least once a month and 91.56% consuming at least every 2-6 months. These consumption rates are indicative of high product category familiarity amongst the sample.

Analysis and Results

The collective results for Hypothesis 1 provide some evidence of a relationship between an individual's gender identity and their preference of brands with a congruent gender personality.

Hypothesis 2: Acceptance of Incongruently Gendered Brands. Paired-sample t-tests revealed that feminine individuals exhibited greater cognitive loyalty toward the masculine brand than masculine individuals did toward the feminine brand (SMIRNOFF = 3.30, SKYY = 2.30, $p < .05$), greater affective loyalty toward the masculine brand than masculine individuals did toward the feminine brand (SMIRNOFF = 3.17, SKYY = 2.62, $p < .001$) and higher purchase intent for the masculine brand than masculine individuals did for the feminine brand (SMIRNOFF = 4.67, SKYY = 2.85, $p < .001$). The results therefore provided support for H2, that feminine individuals are more accepting of masculine brands than masculine individuals are of feminine brands.

Hypothesis 3: Gender Identity vs. Biological Sex. Hypothesis 3 considers whether or not gender identity is a better predictor of the dependent variables than biological sex (BS) when considering congruence with gendered brand personality. MANCOVA analysis indicates gender identity is a better predictor than biological sex of the dependent variables when considering congruence with gendered brand personality.

Discussion

The results provide evidence that feminine individuals had higher levels of cognitive loyalty, affective loyalty and purchase intent toward the masculine brand than masculine individuals did toward the feminine brand. Although a number of studies have empirically proven opposite sex rejection, the results of Hypothesis 2 make this the first study to find that differences in the acceptance of incongruently gendered brands also exist on the basis of gender identity.

The results of this study indicate that, similar to biological males, masculine individuals also perceive a stigma associated with feminine traits and are eager to avoid association with feminine brands. Conversely, feminine individuals see little concern in being associated with masculine traits and are therefore more accepting of masculine brands.

While gender identity was found to influence an individual's levels of cognitive loyalty, affective loyalty and purchase intent, biological sex did not. Males showed no significant differences in their levels of attitudinal brand loyalty for the masculine and feminine brands, and females were similarly indifferent. These results support the notion that consumers more readily choose brands that they identify as being congruent with their gender identity, rather than with their biological sex.

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Summary Brief

Brand Attitude, Attachment, and Separation Distress: A Comparison of Fashion Apparel and Electronics Brands

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Research on consumer-brand relationships suggests that consumers often have complex emotional relationships with brands. Currently it is not known whether certain product categories lend themselves to stronger brand connections or brand attachments. The study was designed to investigate whether there are differences in brand connections across two popular product categories: fashion apparel and consumer electronics brands. Results suggest that consumers are strongly attached to both product categories; however, significant differences exist when individual elements of the consumer-brand connection construct are examined. Given practitioners' propensity for targeting consumers via emotional appeals, the research has implications for consumers' perceptions of brand value.

Introduction

Research on consumer-brand relationships suggests that consumers have multidimensional relationships with brands. Fournier (1998) examined the quality and depth of the consumer-brand relationship. Since then consumer-brand relationship research has studied additional variables such as attachment and personality (Aaker, Fournier, & Brasel 2004), and ability for self-expression (Carroll, 2009).

While contemporary research has focused on a number of consumer-brand relationship paradigms, existing research has not yet addressed possible differences in brand connections across product categories. For this study, fashion apparel and consumer electronics were chosen.

Conceptual Background

Prior research has demonstrated that consumers can form attachments to a variety of brands (Price, Arnould, & Curasi 2000; Slater 2000). Consumers can become attached with a brand, thereby establishing cognitive and emotional links that connect the brand to the self (Thomson, MacInnis, & Park 2005).

The strength of the consumer-brand connection can be expressed using three related, though distinct constructs of the consumer-brand connection as suggested by Thomson et al. (2005) and Park et al. (2010): Brand attachment, brand attitude strength, and separation distress. The present research has examined these dimensions.

Attachment theory (Bowlby 1979) originally focused on the emotional bond of parent-child attachments. Bowlby (1979) noted that a strong emotional tie could result in separation distress. Researchers have found that individuals can form attachments to inanimate objects as well. Consumers can form

emotional attachments to products and brands (Slater 2000). Attachments are few in number, but very significant to the person.

Brand attitude differs from brand attachment in that an attachment develops over time and an attitude is an evaluative reaction (Thomson et al. 2005). A consumer can evaluate a product without having direct contact with it. A favorable attitude toward a brand is not a guarantee that a consumer will not seek a substitute brand with similar features (Thomson et al. 2005).

Separation distress typically involves mourning the loss of emotional attachment. It can manifest as feelings of anxiety, depression, and other grief symptoms and is an expected component of attachment (Bowlby 1979). Therefore, the stronger the attachment, the greater the distress felt at the possibility of losing the relationship.

The concept of separation distress can also apply to products or brands, in particular in cases when consumers experience a strong emotional attachment coupled with the thought that the object is irreplaceable (Thomson et al. 2005).

Methodology

Design and Procedure

The survey instrument instructed participants to self-select one consumer electronics and one fashion apparel brand. Brand attachment, brand attitude, and separation distress were measured using existing scales (Park et al. 2010). The survey instrument also included open-ended questions related to participants' brand connections.

Participants

There were 154 undergraduate students who participated in the research with a mean age of 20 years, with 96% being female. Out of the 154 completed questionnaires seven were rejected because of incomplete sections.

Results

The participants chose 13 different consumer electronics brands. Remarkably, 111 participants (76%) chose Apple as the consumer electronics brand they like. In contrast, the participants chose 63 different fashion brands. The following brands were chosen as the top three: H & M (17 participants; 12%), Forever 21 (12 participants; 8%), J. Crew (9 participants; 6%).

Brand Meanings

Consumer Electronics. Participants noted mostly positive aspects of their connection to the chosen electronics brand, describing their choice of brand as innovative, meaningful, irreplaceable, and user friendly.

Interestingly, many of the electronics were characterized as necessary components to simply be able to “live life.” Some respondents even offered thoughts that went beyond characterizing consumer electronics as necessary, perhaps characterizing a dependency.

Fashion Apparel. Participants commented overwhelmingly on positive aspects of their chosen brand, describing “their” brand as stylish, unique, trendy, and distinct. The responses characterizing the connections to the fashion brands did not show any mention of “dependency” characteristics.

Separation Distress

A higher number of respondents (56%) reported to be more connected to their choice of electronics brand as compared to fashion apparel. When asked whether they would be more distressed if their consumer electronics or their fashion brand would be discontinued, 58% of respondents reported that they would be more distressed with the discontinuation of their consumer electronics brand.

Brand Connection Measures

Participants’ connections to their chosen brands were measured using existing scales (Park et al. 2010). All scale items show good reliability levels of $\alpha = .75$ or above.

Brand Attachment. The brand attachment mean for consumer electronics was $M = 7.25$ versus $M = 7.57$ for fashion. Even though the mean for the fashion brand was higher, the difference was not statistically significant ($t(145) = -1.320, p = .189; n.s.$) Results indicate a high level of brand attachment in both categories.

Brand Attitude. Likewise, the brand attitude strength was higher for the fashion brand ($M = 8.16$) than the electronics brand ($M = 8.08$), but not statistically significant ($t(143) = -.403, p = .687; n.s.$) Results seem to support a positive attitude towards both consumer electronics and fashion apparel brands.

Separation Distress. The research found a significant difference between fashion brands ($M = 8.06$) and consumer electronics brands ($M = 8.61$) when it comes to “separation distress” ($t(145) = 2.249, p = .026; \text{sign.}$).

Discussion

Participants demonstrated strong connections with both product categories, yet there was no significant difference in brand attitude and brand attachment between consumer electronics and fashion apparel brands. There was a significant difference in separation distress/anxiety—participants would be more distressed to see their consumer electronics brand discontinued as compared to their fashion brand. There is a question of whether there is an adequate substitute in the marketplace for this particular line of products. From the participants’ responses we conclude that in their opinion, there is none, which may help explain this stronger than expected emotional connection to the electronics brand and the strong separation distress.

Respondents expressed a strong emotional connection commenting that fashion demonstrates their self-concept, self-identity, and self-expression. While there was a strong emotional connection to fashion apparel overall, participants typically felt comfortable with their ability to find an alternative or replacement product, should their brand be discontinued, thereby decreasing their feelings of separation distress.

This finding is in contrast to prior research on brand attachment and distress (Park et al. 2010), which found that stronger attachment typically results in higher separation distress.

Limitations and Future Research

Understanding the levels of brand attachment, the strength and direction of the consumer’s attitude toward the brand, and the potential level of separation distress can aide a marketer in determining the type of tool to use with the target market. This study is a foundation for future research and demonstrates the need to continue examining if, in fact, level of attachment correlates to level of separation distress across product categories.

Future research is underway to address possible limitations of the current study. Our first study used a mostly female sample. Participants in the study may be more interested in fashion brands than typical male consumers. Will the findings hold with a more balanced (female/male) sample?

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A New Affinity Measure Based on the Personality of Brands and Newspaper/Magazine Brands: A French Perspective

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In this article we propose a new affinity measure by calculating affinity through the distance between the personality of newspapers/magazines and the personality of brands. By quantifying the proximity between a brand and a press title, we can rank these titles by order of affinity in terms of personality profiles and construct a media plan that can maximize affinity with the brand in terms of personality. Our results show that such an implicit measure of perceived brand-magazine associations perfectly corresponds to an explicit measure of the relevance of their association and clearly outperforms the consumption affinity approach.

Introduction

The targets of advertising have been traditionally defined through socio-demographic criteria such as age, gender and social class. These criteria serve as a means primarily for reaching a brand's existing or potential customers as effectively as possible. By using a media market information system such as SIMM¹, affinity indices can be directly calculated on the basis of the brand's self-declared consumers' characteristics, notably in terms of consumption behaviors for each title. Such an Affinity Index is an "efficiency indicator" usually relied on in media planning. It represents the weight of a specific target audience compared to the total population of a specific medium. However, given equal impact, cost and affinity, not all magazines provide the advertisement with the same effectiveness (Kusumoto, 2002). In addition, the consumer behavior literature has shown that self-image congruence, notably with regard to brand personality, helps explain and predict different facets of consumer behavior. However, to date, application of self-congruence theories to media selection has been very limited.

In this paper we put forward a new measure of affinity between a magazine and a brand by turning to the concept of personality. Ever since the landmark paper by Aaker (1997), there have been many studies of brand personality and several scales have been developed holistically or in different sectors (e.g. Geuens, Weijters and De Wulf, 2009; d'Astous and Boujbel, 2007) for taking it into account. Yet magazines too may be viewed as brands in their own right, as has been shown by the recent work of Valette Florence and de Barnier (2011, 2012).

The present study shows that by means of a "hybrid" personality scale, applicable both to commercial brands and to magazines we can thus determine, from among a set of magazines, which have the closest personality profiles to the brand's personality profile. By quantifying the proximity

between a brand and a number of magazine/newspaper titles likely to carry the brand's advertising, we can then rank these titles by order of affinity in terms of personality profiles and construct a media plan with those magazines/newspapers that maximizes affinity with the brand in terms of personality (subsequently referred to as personality affinity). The aim of this paper is to show a measure of personality can be used to help make media selections. To demonstrate this, we show that an implicit measure of perceived brand-magazine associations from the distance between their brand personality profiles perfectly corresponds to an explicit measure of the relevance of their association and clearly outperforms the SIMM approach (subsequently referred to as consumption affinity).

The remainder of this article first summarizes the literature related to self-brand congruity, brand personality affinity and consumer affinity. Then, it presents the methodology and discusses the main results. Finally, the findings, limitations, and further research opportunities appear in the conclusion.

Theoretical Framework

Self-congruity

In consumer behavior, self-concept has been advanced as a useful construct for understanding and explaining consumer choice behavior. Researchers have shown that consumers prefer products or brands that are similar to how they see or would like to see themselves (e.g. Sirgy, 1982). Self-congruity theory (Govers and Schoormans, 2005) postulates that a consumer tends to select products or brands that correspond to one's self-concept (Sirgy et al., 1997). The self-brand congruity hypothesis is founded upon the premise that consumers use brands to communicate their self-concepts (e.g. Escalas and Bettman, 2003; Sirgy, 1982). The core point of this approach is that material objects and possessions such as brands can serve as symbols or signs that represent socially constructed meanings and effectively reflect the owners' self-identity and relations to others (e.g. Dittmar, 1992). More precisely, the self-congruity theory proposes that consumer behavior is determined, in part, by a cognitive matching between value-expressive attributes of a product. In consumer behavior literature, a lot of recent researches (e.g. Usakli and Baloglu, 2011; Sung and Choi, 2012) have concentrated on how the personality of a brand enables consumers to express their own self.

Brand personality affinity

The main measurement scales of brand personality were first developed in North America, in particular following Aaker's (1997) seminal work based on the fact that brands are personified and sometimes "humanized". Since then, various

¹ Système Information Media Marché.

personality scales have been developed in diverse areas of application and many cultural settings (e.g. Milas and Mlačić, 2007). This profusion of researches had recently led Valette-Florence and de Barnier (2011, 2012) to propose a distinction between macro and micro approaches to brand personality. Holistic approaches are viewable as a macro form of brand personality, for which different brand domains are grouped together, such as tangible goods, services, and the media and telecom operators in Aaker's (1997) pioneering scale. The second approach is associated with the micro character of brand personality and offers a viewpoint specific to the area studied, as in d'Astous and Levesque (2001) for retail chains or Venable, Rose, Bush and Gilbert, (2005) for non-profit organizations. This view amounts to considering that brand personality may be understood at two, potentially complementary levels. At a macro level, it involves looking for cross-cultural and inter-category product dimensions, of which the Geuens et al. (2009) scale is the most recent and revealing example. At a micro level, the study of brand personality takes place within a quite specific area of investigation, leading to the generation of items or dimensions not necessarily found in macro inventories. This perspective has been adopted by Valette-Florence and de Barnier (2011), who propose in a French setting a "hybrid" personality scale jointly applicable to print media brands and commercial brands.

Consumption affinity

Traditional studies of print media are based on knowledge of their readerships in terms of reading habits, socio-demographic characteristics and consumption characteristics. In these traditional approaches, the proximity between the media can be calculated on the basis of duplication (percentage of readers common to two titles), distances between socio-demographic profiles or distances in terms of consumption profiles. These standard criteria do not specify, describe and differentiate the personality of readers or identify their areas of interest or their "reading climate" (Agostini, 1989).

In fact, the first studies dealing with the reading climate and centers of interest appeared in France in the mid 70's and were awarded at that time by the "Fondation Marcel Dassault - Jours de France" prize. These studies, measuring 109 areas of interest, 76 opinions indicative of the personality of readers, and 19 questions about their opinions on TV, radio, magazines and newspapers turned out to be highly discriminant between all types of media encompassed. However, it is only very recently that the "editorial climate" has been recognized as a judgmental heuristic that might influence the evaluations of the ads within a given print media brand (Chang, 2011). However, this influence has only been studied in terms of induced affect and not from an evaluative standpoint as consumers do when they assess brand personality.

Following these authors and the self-congruity hypothesis, we postulate that the personality affinity will correspond more closely to a direct measure of the pertinence of associations between brands than that of consumption affinity.

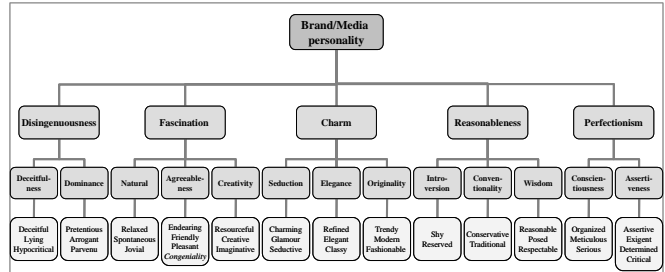
Methodology and results

Measurement scale

From a practical standpoint, the previously elaborated theoretical framework justifies using a "hybrid" measurement

scale of brand personality applicable to both brands (of tangible goods and services) and print media brands for accurate measurement of their proximity in terms of personality profiles. In the present study, brand personality was measured on the scale specifically developed by Valette-Florence et de Barnier (2011), which is validated in a French context and is applicable both to print media brands and commercial brands. This new scale has been carefully developed and validated on more than 5 successive data samples. As Figure 1 shows, this scale has a 5-dimensional structure of order 2 containing 13 variables of order 1 and 39 items.

Figure 1: Hybrid personality jointly applicable to brands and print media brands



Data sample and scale validation

Data was collected by means of the panel of the French press group, FigaroMedias, from 1061 respondents who were the main readers of two print media brands and actual consumers of two commercial brands. These groupings, produced by the FigaroMedias marketing department², selected the brands Fiat and Azzaro with the two daily newspapers Figaro Quotidien and L'Equipe. Two other brands, Nokia and Société Générale were associated with the news magazines Paris-Match and Figaro Magazine. Finally, Nivea and Carte d'Or were linked to the women's magazines Elle and Madame Figaro. Thus the first group of respondents, for example, was both mainly readers of Figaro Quotidien and L'Equipe (in addition to being occasional readers of the other press titles) and consumers of Fiat and Azzaro. First of all, the used brand personality scale was validated by means of a Partial Least Squares confirmatory factor analysis with a systematic Bootstrap procedure of 500 sample replications. All the corresponding reliabilities (ranging from 0.686 up to 0.880) and extracted variances (ranging from 0.510 up to 0.801) proved to be fairly above the recommended thresholds. Besides the fact that the PLS SEM approach doesn't require any distributional assumption, it has been selected since individual latent factor scores can be easily computed and used in any subsequent analyses.

Comparison with consumption affinity

Using the hybrid brand personality measurement scale presented above, we were able to calculate the Euclidean distance between these brands, computed thanks to the latent scores on the 13 personality dimensions. The result gave 36 brand personality affinities (6x6) that then allowed us to rank them in order of decreasing order. Table 1 shows that the ranking based on consumption affinity is not the same as the

² On the basis of the FCB Grid Think/Feel Products and managerial habit (for instance, Fiat is mainly advertised in either Figaro Quotidien or L'Equipe and very scarcely in the others press titles).

ranking based on personality affinity. For example, for the Nokia brand, Madame Figaro is ranked highest in consumption affinity while Figaro Magazine comes highest in terms of personality affinity. On the basis of personality affinity, Nokia should choose the Figaro Magazine or Quotidien, whereas Société Générale, Fiat and Azzaro should choose L'Equipe or Paris Match. Nivea should favor Figaro Quotidien or Figaro Magazine and Carte d'Or should use Paris Match and Elle.

We should emphasize at this point that only certain combinations were explicitly tested with the consumers. These are represented by the grey boxes in Table 1 and correspond to readers and consumers of the four brands concerned (2 magazine/daily newspaper titles and 2 brands). To show the lack of significant correlation between the ranking by personality affinity and the ranking by consumption affinity, Table 2 presents the Kendall correlations. We see that none of these correlations is significant at the 5% risk threshold. These results indicate that the rankings in terms of personality affinity and in terms of consumption affinity are not identical and thus measure different kinds of association.

Table 1: Ranking of six magazines/newspapers by personality affinity and consumption affinity

Brands	Ranks	Mme Figaro	Elle	Figaro Quotidien	L'Equipe	Figaro Magazine	Paris Match
Nokia	Personality	3	4	2	6	1	5
	SIMM	1	5	4	3	2	6
Société Générale	Personality	6	3	4	1	5	2
	SIMM	3	6	4	1	2	5
Fiat	Personality	6	3	4	1	5	2
	SIMM	6	5	4	2	3	1
Azzaro	Personality	6	3	4	2	5	1
	SIMM	2	1	6	5	4	3
Nivea	Personality	4	6	1	5	2	3
	SIMM	6	1	2	3	5	4
Carte d'Or	Personality	5	2	4	6	3	1
	SIMM	3	6	5	1	2	4

Table 2: Kendall correlations between rankings by personality affinity and by consumption affinity

	Nokia	S. Générale	Fiat	Azzaro	Nivea	Carte d'or
Correlation	0.33	-0.67	-0.47	-0.67	-0.20	-0.47
Risk threshold (p)	0.17	0.42	0.09	0.42	0.29	0.09

In order to obtain a more comprehensive view of the respective positioning of the brands and magazines/newspapers, we computed the average Euclidean distances between brand personalities and magazine/newspaper personalities, calculated on basis of all the respondents. We see in Table 3 that Société Générale is the brand whose personality profile is generally furthest away from the magazine/newspaper personality profiles, whereas some brands are close to particular titles, such as Fiat to L'Equipe and Paris Match.

Table 3 Mean distances between the personalities of brands and press titles

Mean distances	Mme Figaro	Elle	Figaro Quotidien	L'Equipe	Figaro Magazine	Paris Match
Nokia	36.356	37.461	31.472	56.159	30.088	40.406
Société Générale	96.942	81.027	86.575	36.853	92.367	49.591
Fiat	66.983	49.145	61.858	30.191	63.327	30.740
Azzaro	63.916	47.131	61.959	40.214	62.814	34.838
Nivea	51.677	54.478	37.875	54.377	37.940	47.812
Carte d'Or	45.935	38.079	43.222	49.608	41.589	36.456

Comparison of the Relevance of Personality Affinity and Consumption Affinity

To provide this operation with external validity, a direct measure of the relevance of the associations between a brand and a print media brand was investigated by adapting three of the five items proposed by Simmons and Becker-Olsen (2006). This step involved asking respondents by means of direct questions to assess the plausibility of the look of an advertisement for a given brand in a magazine/newspaper. Only those associations pertaining to the simultaneous consumption of the four brands mentioned in Table 1 were investigated. As shown in Table 4, an analysis of variance, accompanied by a Duncan's test, reveals that there were statistically significant differences between most pairs of brands/print media brands.

Table 4 Duncan's test on the direct measurement of associations (normalized values 0-100)

Direct measurement of associations		
Linkages	Values	Significance
SG in FigMag	55.42	0.15
Azzaro in FigQuot	55.69	
Fiat in FigQuot	59.60	1.00
Fiat in Equipe	62.27	0.08
SG in Paris-Match	63.38	
Azzaro in Equipe	68.29	0.12
Carte Or in Mme Figaro	70.08	
Nivea in Elle	70.11	
Carte Or in Elle	70.37	0.09
Nokia in Paris-Match	73.09	
Nivea in Figaro	75.28	
Nokia in FigMag	79.12	1.00

All the associations are significantly different except for that of Carte d'Or with Elle and Madame Figaro (which have similar scores of 70.08 and 70.37 respectively). Comparison with the previously presented proximities reveals an entirely consistent pattern, thus giving the results external validity. The only exception concerns the plausibility of the association of Carte d'Or with Elle and Madame Figaro, which by contrast clearly favors Elle in terms of the distances calculated (38.079 as against 45.935). Finally, a complementary regression analysis confirms that the distances between the brands in terms of personality predict well the direct measure of association proposed³. Thus, personality affinity seems to be a good indicator of the affinity perceived by consumers between a brand and a magazine/newspaper brand.

Discussion, Limitations and Possible Future Research

For each of the groupings of brands and magazines we show, firstly, that the rankings in terms of brand personality affinity and consumption affinity are statistically different and thus allow different types of association to be envisaged than those commonly in use in media planning. Secondly, we prove that an implicit measure of perceived brand-magazine associations derived from the distance between the brand personality profiles and those of the magazines perfectly

³ Adjusted R² = 43%, F = 12.251, p = 0.007; standardized coefficients = 0.429, t = 3.487, p = 0.007 for the distance between brands in terms of personality profiles.

correspond to an explicit measure of the relevance of the associations between brand and print media brands.

Hence, this study offers an innovative approach to media planning, which traditionally is rooted in the selection of media on the basis of objective descriptive variables that are generally socio-demographic. Based on a more qualitative and symbolic measure of pertinence, our proposed provide a more qualitative understanding of the proximity between brand/print media brand pairings. As such, the hybrid brand personality scale we relied on, applicable to both newspaper/magazine brands and to the advertiser brands, has the advantage of being able to explain how this proximity is assessed with regards to which facets a print media brand and an advertiser brand are closest or most differentiated.

On a theoretical level the results also validate the concept of implicit meaning transfer. In all cases, the associations between brands match those obtained for a direct and explicit measurement of the relevance of their associations. This innovative finding proves that the match in terms of personality between an advertiser brand and a print media brand implicitly corresponds closely to a value judgment made explicitly about the nature of this association.

At a managerial level, now that there is conversational advertising of brands with Web 2.0, personality affinity offers two advantages. The first suggests a more predictive character than a link based simply on past behavior. Indeed, the calculation of consumption affinity is currently unsatisfactory in terms of predictability, because managers work on the assumption that former consumers will buy the brand again whenever they are appealed to by that brand. Yet consumers are increasingly disloyal and past behavior is less and less a guide to future behavior (Belch, Belch and Purani K., 2010). The second advantage lies in the widening of the target. Currently, managers work primarily in the zone of current purchasers, since they target only those media which have the highest rates of purchasers of the advertiser brand. But what about the prospects for a brand that wants to expand to other targets? In this sense, the concept of personality affinity goes beyond the traditional approach since the calculation of the proximity based on personality affinity overcomes the limitations of the traditional approach of targeting former purchasers: it can now cover both purchasers and non-purchasers. In this respect, it opens up new fields of expression to print media brands, particularly in regard to increasing their impact, and optimizing the targeting of prospects.

As with any research, the present study has its limitations. The first concerns the limited number of associations actually measured in the study. The use of FigaroMedias panels also probably biased the results in favor of that group's brands. Furthermore, the level of involvement with respect to brands, as well as a more holistic measure of attitude towards them, were not taken into account. Finally, it was not possible to compare the results obtained with an actual measurement of purchasing patterns, following a real advertising campaign by these advertiser brands.

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Summary Brief

Anthropomorphic Responses to New-to-Market Logos

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To examine design antecedents and consumer responses to ascriptions of anthropomorphic features for logos, we applied a conceptual framework to evaluate 120 U.S. collegiate sports logos. Data collected from three logo experts and 119 consumer panelists indicate that (1) processing fluency mediates the relationship between elaborateness and all logo personality dimensions, and (2) ascriptions of aggressiveness (negatively) and activeness (positively) influence consumer affect and purchase intentions. These findings imply that universities should benefit from brand management informed by anthropomorphic ascriptions to their sports logos.

Introduction

Consumers may anthropomorphize—attribute human-like characteristics to—logos of collegiate U.S. football and basketball teams, which frequently depict animals, objects, spokes-characters, and stylized letters. Would such ascriptions influence consumers' affect and purchase intentions for logo-associated services and logo-emblazoned goods? As goods adorned with U.S. collegiate logos alone yield \$4.0 billion in annual sales (*Collegiate Licensing Company* 2011), possible anthropomorphic responses to sport logos are important to universities, professional sports teams, and researchers.

The extant literature reports universal logo design elements (i.e., elaborateness, naturalness, and harmony) only relate weakly to meaning creation (van der Lans et al. 2009; Henderson et al. 2003). This finding is puzzling given the strong link between meaning creation, positive affect, and purchase intentions for logo-associated services and logo-emblazoned goods (Janiszewski and Meyvis 2001). To explore the strength of the relationship between meaning creation and logo design, we assessed meaning creation from a different perspective—namely, potential anthropomorphic ascriptions based on universal logo design elements (Henderson et al. 2003).

Drawing from the literature on inferred personality characteristics and consumer responses (e.g., Malar et al. 2011; Venable et al. 2005), we examine how design elements affect logo meaning. We assess anthropomorphism vis-à-vis logo personality within a framework that portrays anthropomorphism as an ensuant of logo design elements and antecedent of consumer affect and purchase intentions (Henderson et al. 2003; van der Lans et al. 2009). The framework suggests universal design elements that influence people's anthropomorphic attributions and subsequent responses to logos.

Logo Design Elements and Personality

Three logo design dimensions—elaborateness, naturalness, and harmony—are generally accepted as universal (Henderson et al. 2003; van der Lans et al. 2009). *Elaborateness* is a logo's ability to capture something's essence through the structural properties of *complexity*, *activeness*, and *depth*. *Complexity* entails (1) the number and variety of design elements, and (2) the difficulty in grouping those elements into patterns or units; *activeness* entails perceptions of motion; and *depth* entails perspective or three-dimensionality (Henderson and Cote 1998). *Naturalness* means a logo is more representational and less abstract, with a more organic/irregular, less geometric, and rounder shape (van der Lans et al. 2009). *Harmony* is the degree to which the arrangement or pattern of design elements is congruent, balanced, and symmetrical (Henderson and Cote 1998).

Harmony correlates positively with affect (Huhmann 2007). A congruently designed object has a unity that people find aesthetically appealing; in contrast, an incongruently designed object creates *conflict* that lengthens peoples' reaction time to it (Veryzer and Hutchinson 1998). Greater complexity, activeness, depth, naturalness, and conflict increase demand for cognitive resources, which boosts processing at moderate levels but lowers it at higher levels (Huhmann 2007).

Regardless of designers' explicit attempts to include (or exclude) anthropomorphic features, the aforementioned design dimensions can induce people to ascribe personality traits to logos. The mechanism for this ascription, which is uncertain, may be *processing fluency*. Processing fluency—the ease of processing a stimulus—relates to stimulus clarity and familiarity because people attribute this fluency to actual or imagined prior exposure (Whittlesea 1993).

People are less able to associate pleasant experiences with logos perceived as abstract, irregular, unnatural, or asymmetric (Janiszewski and Meyvis 2001). In contrast, logos with harmonious designs should lend themselves to positive associations (Freling and Forbes 2005). Hence, personality ascriptions may ensue when design elements foster interpretative ease. Thus,

H₁: Processing fluency mediates the relationship between the design of a logo and personality ascriptions to that logo.

Five personality dimensions—responsibility, activity, aggressiveness, simplicity, and emotionality (Geuens et al. 2009)—may induce positive/negative affect and purchase intentions. Analogous to interpersonal relationships, people may attribute personality traits to a logo they find either enjoyable or unpleasant (Saucier 2010). Thus,

H₂: Ascriptions of personality to a logo relate to viewers' affect toward that logo and purchase intentions for logo-associated products.

Empirical Study

First, three graphic design experts participated in an online survey about all 120 major U.S. collegiate football team logos. Unlike recent empirical studies, this logo set contains naturally occurring polychromatic—rather than artificially derived monochromatic—stimuli (van der Lans et al. 2009). Furthermore, by representing providers within a single product category, intended variation in brand meaning is minimized as a confound because all collegiate football team logos would reinforce similar meanings.

Next, Australian consumer panelists participated in an online survey about university sports logos. As most Australians are unfamiliar with U.S. universities and their sports logos, it is unlikely that previous exposure to university logo-brand associations would confound their evaluations. In addition, Australian respondents should be similar to the targeted audience for these logos (i.e., U.S. collegiate football fans). Consumer panelists were recruited and selected based on their current residency and citizenship status (i.e., Australia) as well as age (i.e., ≥ 18 years old). To reduce response fatigue, respondents were queried about a randomly generated subset of only 24 (20%) of the 120 logos.

Results

The three logo design dimensions influence logo personality dimensions differently. H₁ is supported; elaborateness exerts direct and indirect effects on logo personality dimensions; processing fluency partially mediates the relationships between constructs. Direct effects for elaborateness on logo personality dimensions, such as responsibility ($\beta=0.67$), aggressiveness ($\beta=-0.54$), emotionality ($\beta=-0.51$), and simplicity ($\beta=0.78$), are all statistically significant ($p<0.05$). Indirect effects via processing fluency show elaborateness influences responsibility ($\beta=0.18$, $p<0.05$), activity ($\beta=0.40$, $p<0.05$), aggressiveness ($\beta=0.27$, $p<0.05$), simplicity ($\beta=0.12$, $p<0.05$), and emotionality ($\beta=0.36$, $p<0.05$). In contrast to elaborateness, naturalness has a more local influence on logo personality; only the negative direct effect of naturalness on logo aggressiveness is statistically significant ($\beta=-0.29$, $p<0.05$). Processing fluency is not a significant mediator of the other two design elements (i.e., naturalness, harmony) and personality. Finally, harmony is unrelated to logo personality, with neither direct nor indirect effects that are statistically significant.

H₂ is supported partially, as only some logo personality dimensions relate to consumer response variables. *Activity* has a positive effect on consumer affect ($\beta=0.62$, $p<0.05$) and purchase intentions ($\beta=0.37$, $p<0.05$); in contrast, aggressiveness has a negative effect on consumer affect ($\beta=-0.61$, $p<0.05$) and purchase intentions ($\beta=-0.42$, $p<0.05$). There is no evidence that the remaining anthropomorphic dimensions, as measured by logo personality, play a role in consumer-related outcomes.

Conclusions

This empirical study provides initial evidence of consumer anthropomorphic ascription (i.e., personality) to logos and subsequent affect toward logos and *intent to purchase logo-related products*. Specifically, consumers' responses to U.S. university sport logos suggest that both affect and purchase intentions relate to ascriptions of aggressiveness (negatively) and activity (positively). Processing fluency seems to mediate the relationship between logo elaborateness—one of three logo design dimensions—and anthropomorphic ascriptions.

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Summary Brief

Consumer Moderating Influences of Chronic and Manipulated Conspicuousness and Rarity on How Price Impacts Luxury Brand Choice

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This study examines how the chronic variables of desire for conspicuousness (CC) and desire for rarity (CR) moderate the price effect on luxury brand choice. The study is unique in examining chronic and manipulated conspicuousness (CC and MC, respectively) and chronic and manipulated rarity (CR and MR, respectively) as well as price influence on choice. The research design permits testing and confirming the nomological validity of a system of relationships among chronic and manipulated conditions. Specifically, high versus low MC (MR) conjoined with high versus low CC (CR) should negate a hypothesized negative main effect or improve a hypothesized positive main effect of price on luxury brand choice. The findings provide strong support for this theory for one of two products in the empirical study.

Introduction

Customers choose luxury products because they associate high price with high quality, and luxury products have their own unique properties and scarcity values that are exclusively distributed (e.g., they cannot be found in the supermarket) that lead to social values—like conspicuousness and a sense of entitlement—when consumers buy them (Wiedman, Hennings, and Siebels 2009).

The term conspicuous consumption was originally coined by Veblen (1899). A number of researchers carried out studies based on the original work of Bourne (1957) focusing on the influence of reference groups on luxury brand consumption (Mason 1992). Exclusivity (Dubois and Paternault 1997), scarcity (Dubois and Paternault 1997; Mason 1992), and snob appeal (Dubois and Laurent 1994, 1996) are linked to the uniqueness value of prestige. In addition, many authors demonstrate that the price of a good may have a positive role in determining the perception of its quality (Tellis and Gaeth 1990).

Previous studies report several mechanisms through which scarcity signals are expected to have a positive effect on consumer responses. First, consumers may respond positively to scarcity signals when products can be used to communicate with friends or colleagues. For instance, possessing scarce products might evoke feelings such as envy and respect. Products that can be consumed to satisfy such social needs are referred to as conspicuous consumption goods. Typical examples of such goods are automobiles, apparel, jewelry, and home appliances (i.e., goods that can be noticed by guests and friends). A second

mechanism through which scarcity signals are expected to positively affect consumer responses involves consumers using scarcity signals as heuristic cues to simplify their assessment of a product's quality.

The research reported here is a subset of a larger study that identifies the effects of the conspicuousness (brand seeking), rarity (uniqueness), and price (economic value) of products on the purchase intentions of women in their twenties and thirties who are power customers in the luxury market. The broader study aims to determine whether women in their twenties and thirties show off by symbolically sharing meanings of the conspicuousness and rarity of fashion items interacting with the price of such items.

In particular, Koreans 20-30 years old have moved from luxury consumption to show off economic status and acquired symbols of wealth to “masstige,” or large-scale adoption of luxury fuelled by the need to conform or fit in (Ipsos 2010).

The research reported here is unique in that it focuses on the nomological validity of a system of relationships among chronic and manipulated variables. Chronic variables in this study represent relatively stable traits; manipulated variables represent experimental treatments. Specifically, this research examines the relationship between chronic conspicuousness (CC) and manipulated conspicuousness (MC), chronic rarity (CR) and manipulated rarity (MR), and how conspicuousness and rarity interact with price to influence choice. The research design permits testing and confirming the nomological validity of a system of relationships among chronic and manipulated conditions. Normally, higher prices serve as a damper on choice, but in the case of luxury brands, high prices may signal quality (and symbolic values of conspicuousness and rarity). Conspicuousness and rarity are, therefore, expected to negate a negative main effect of price (i.e., the inverse relationship between price and quantity demanded) and/or improve a positive main effect of price (i.e., higher prices are a signal for luxury) on luxury brand choice.

Hypotheses

The study tests the following hypotheses. H_{1a}: High chronic conspicuousness (CC) coupled with high manipulated conspicuousness (MC) decreases the negative effect of price on purchase intention. H_{1b}: High chronic rarity (CR) coupled with high manipulated conspicuousness (MC) decreases the negative effect of price on purchase intention. H_{2a}: Incongruent chronic

and manipulated conspicuousness (e.g., low CC coupled with high MC), does not counteract the negative effect of price on purchase intention. H_{2b}: Incongruent chronic and manipulated rarity (e.g., low CR coupled with high MR), does not counteract the negative effect of price on purchase intention.

Individuals very high in CC•MC or CR•MR perceive (possibly unconsciously) prefer luxury brands with fairly high prices—only when prices become prohibitively high do they reject the idea of purchasing these brands. Individuals very low in CC•MC or CR•MR perceive (possibly unconsciously) things differently—they are sensitive negatively to higher versus the lower prices.

Method

A between groups lab experiment was performed to test the effects of conspicuous consumption, desire for rarity, and price on intentions to purchase luxury clothing and accessories among women ages 21 to 40 in Seoul and Gyeonggi province of Korea. 450 questionnaires were distributed of which 396 were completed and useable. The experimental design was a 3-way (2 x 2 x 3) between-subject design testing two levels of conspicuousness consumption (high vs. low), two levels of desire for rarity (high vs. low), and three levels of price (high vs. medium vs. low) for a total of 33 respondents per cell.

Shopping and buying were presented in the context of dressing for your best friend's wedding. The product categories on the shopping list were dress, handbag, shoes, jewelry, scarf, and necklace. Each product category in the shopping list included four choices represented by a photograph with a verbal description of the item. One of the four choices—the treatment item—would be represented by 12 versions of the verbal description while the messages accompanying the other three choices did not change. The survey ended with demographic items for classification purposes.

Results

The findings support H1 for dresses but not for shoes. Results are mixed when chronic and manipulated conditions are incongruent (i.e., low chronic conspicuousness and/or rarity with high manipulated conspicuousness and/or rarity and high chronic conspicuousness and/or rarity with low manipulated conspicuousness and/or rarity), providing some support for H2.

In summary, the price effect on choice is significant for all four combinations of high and low Chronic Conspicuousness (CC) and Manipulated Conspicuousness (MC) in Panels A (Conspicuousness Dresses) and B (Rarity Dresses) but in Panel C (Conspicuousness Shoes) only for the low CC • high MC and the high CC • low CC conditions. In Panel D (Rarity Shoes), a significant decrease in average choice for the price increases occurs for the incongruent high CR • low MR group only. Rarity seems to work better for shoes than for dresses.

Conclusion

The study is unique in examining both chronic and manipulated conspicuousness (CC and MC, respectively) and chronic and manipulated rarity (CR and MR, respectively) as well as price influence on choice of luxury products. The manipulated conspicuousness and rarity of a luxury product tend to dampen the negative effect of price on preference or choice.

The effect on choice or preference of the price of a luxury product differs, however, based on whether or not the consumer has a chronic desire for conspicuousness and/or a chronic desire for rarity in a luxury product. If the consumer lacks a chronic desire for conspicuousness and/or rarity in product choices, then price effects dominate (i.e., preference is highest at the lowest price and decreases as price increases). If the consumer possesses high chronic desire for conspicuousness or rarity, the parallel manipulated variable overrides the price effect to some extent.

The primary contribution of this research is supporting the usefulness in considering the chronic levels of manipulated variables among subjects in experiments. Possession of chronic traits may override or interfere with the desired effect of manipulated variables in experiments leading to inaccurate interpretation of results. This research design permits testing and confirming the nomological validity of a system of relationships among chronic and manipulated conditions and provide further support for using extreme values for high and low levels of variables rather than median splits.

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Summary Brief

Profiling Disney Pin Collectors: An Exploratory Study

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The fascination with collecting and accumulating objects to display, trade, or sell is a unique but common form of consumption. This exploratory research develops a perspective on Disney pin collectors. The preliminary findings indicate that Disney pin collectors, while similar in some characteristics to other collectors, exhibit some unique differences that set them apart from collector profiles in previous studies.

Introduction

Considered to be a highly involving form of consumption (Belk 1995), collecting is an important part of many people's lives. The type of object that becomes a collectable is almost limitless, constrained only by the variety of that product that is produced. Collecting ranges from the more traditional forms, such as baseball cards, coins, dolls, guns, art, and antiques among others, to the less traditional, such as fishing lures, spoons, watches, and the list goes on. In fact, in recent years, an increasing number of brands have been purchased for collection rather than consumption, turning collecting into a form of buyer behavior focused on the acquisition and possession of a brand (Slater 2000).

The purpose of this study is to explore the characteristics that define Disney pin collectors and traders to determine what they have in common with other collectors and what makes them unique. Following a definition of collecting, we examine the typical demographics of collectors. Based on observational and survey data, the profile of Disney pin collectors is explored in light of typical collectors. Discussion and future research follow.

Literature Review

"Collecting is the process of actively, selectively, and passionately acquiring and possessing things removed from ordinary use and perceived as part of a set of non-identical objects or experiences" (Belk 1995, p. 67). In a synthesis of the literature, the following demographic characteristics profile a typical collector.

Age. While collecting may begin in childhood and continue throughout one's life, it has been argued that older and retired collectors may have an advantage over younger collectors by having more time for their hobby and for developing and refining their collecting-related expertise over the years.

Gender. Typical collectables, such as stamps or coins, are more apt to be accumulated by adult males. However, adult females collect items such as dolls or china.

Social class. The middle classes make up the biggest proportions of collectors. In fact, it is only the lowest-income segments that are typically excluded from collecting.

Methodology

Preliminary observational data were gathered by the researchers at two Disney pin conventions where pin collectors and traders were recruited for further phases of this research. Generally, the attendees were adults, approximately equal males and females, and mostly middle-aged. Fifty potential respondents signed up at the second convention to participate in the online survey, providing profiles of themselves. Some of them, in turn, forwarded the link to other Disney pin collectors. Sixty-eight usable responses were received from 17 states and four countries.

Results and Discussion

Sixty-one percent of the respondents have a four-year college degree or higher; 79% were white-collar employed; 48% had incomes between \$50,000 and \$150,000, and the average age was 44, thus mirroring the profile of typical collectors. However, contrary to many other collectors that engage in the hobby individually (Belk 1995), 36% of Disney pin respondents said they share the collecting/trading with their spouses and 43% with family or friends. This finding indicates that Disney pin collecting/trading is equally a male and female hobby and is often a shared experience. Another atypical aspect to Disney pin collecting is trading pins, which is not often done with other collectables.

Future Research

These preliminary findings provide a profile of Disney pin collectors. Our next phase of research is to establish motivations for the collectors and their typologies through in-depth qualitative interviews with these same pin collectors. We hope to discover more insights into this unique consumer behavior and the fascination with Disney pins.

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Summary Brief

Materialism Values Scale (MVS): A Cross-Cultural Comparison between the United States and Thailand

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Due to the theoretical and managerial importance of materialism, several attempts have been made to cross-culturally examine Richins and Dawson's (1992) Materialistic Values Scale (MVS). However, the foreign applicability of the scale remains inconclusive. The current research responded to calls related to the use of reverse-worded items and the development of a shorter version of a single scale that can be cross-culturally applicable by examining Richins and Dawson's MVS in two different countries. The United States (n=276) and Thailand (n=262) were examined using multi-group confirmatory factor analysis (MG-CFA) to assess measurement invariance. The findings revealed a reduced 10-item 3-factor model of materialism that might be applicable in cross-cultural studies. Implications and future research directions are also addressed.

Introduction

The combined impact of world market globalization and technological advancement has led to the development of consumer culture, implying, among other things, the materialistic ideology has now spread beyond the United States and Western Europe (Clarke and Micken 2002). The globalization of cultures and values, therefore, makes it imperative for us to understand materialistic values cross-culturally in order to determine whether the standardization of marketing mixes and strategies is warranted.

Given the importance that scholars ascribe to materialism, the general consensus on both conceptualization and measurement of the materialistic construct remains inconclusive (Griffin et al. 2004), particularly with respect to the Richins and Dawson's (1992) MVS. Several researchers have reported threats to the measurement applicability of cross-cultural studies related to MVS containing reverse-worded items because people in different cultures have their own ways of comprehending and responding to reverse-worded statements. Thus, the primary purpose of the study is to investigate whether MVS measures are equivalent across two countries that possess different socioeconomic conditions and cultural values (the United States and Thailand). Specifically, if the measurement equivalence of MVS has been established, the second objective is to cross-culturally examine the mean differences in materialism and its dimensions.

Literature Review

Materialism and Measurement Applicability of Original MVS

Richins and Dawson (1992) defined materialism as a set of centrally held beliefs regarding the desirability of the acquisition and possession of material assets and developed an 18-item MVS that consists of three dimensions: (1) possession in defining success; (2) acquisition centrality; and (3) acquisition as the pursuit of happiness. Scholars have contended that the original 18-item MVS containing both positive- and reverse-worded items may pose measurement problems in foreign applications. Griffin et al. (2004) reported that although the original 18-item MVS seemed to be applicable to a Danish sample, its psychometric properties are less likely to be established when applied to French and Russian samples. It is critical that the scales support measurement equivalence prior to conducting mean comparisons across cultures. Thus,

H1: The MVS is invariant across American and Thai samples.

Cross-cultural Differences of Materialism

Although it has been acknowledged that materialism is a core value in the U.S., others have suggested that the impact of globalization may have turned Asian countries into consumer societies where one can accumulate and consume more products/services than ever before (Swinyard et al. 2001). While Swinyard et al. (2001) found that Singaporeans valued materialism higher than Americans; others have reported that Chinese teens were the least materialistic as compared to Japanese and American teens (Schaefer et al., 2004). Despite modernization, conformity to the group is highly valued among East Asians and thus may suppress the independent construction of the self and inner self. Modesty and humility in consumption may also trump personal material achievement among collectivists. Hence,

H2: Americans tend to display higher levels of materialism than their Thai counterparts.

Methodology

Measurement and Participants

The English version of the questionnaire using the original 18-item 3-factor MVS developed by Richins and Dawson (1992) was adopted. Responses to these items were made on a 7-point Likert-type scale ranging from 1 ("strongly disagree") to 7 ("strongly agree"). To develop a Thai version of the MVS, a back translation method was employed. The data were collected from two countries: the U.S. and Thailand, via a self-report questionnaire administered to convenience samples of college students. The final sample included a total of 538 young adults

(276 Americans and 262 Thais). The U.S. student sample consisted of 31% males ($M_{Age} = 19.3$ years); the majority was freshmen (35%). The Thai student sample consisted of 36% males ($M_{Age} = 18.7$ years); the majority was freshmen (40%).

Results

Once we removed eight reverse-worded items that were problematic when assessing psychometric properties of the scales, we reassessed the psychometric properties of the reduced 10-item 3-factor MVS for both samples. Results of CFA revealed an improvement of the model fit of the reduced MVS to both samples. The fit indices suggested that the model has a “good fit” to the data in the U.S. and Thai samples and possesses acceptable psychometric properties.

Hypothesis 1: Examining Measurement Invariance of MVS

We followed Steenkamp and Baumgartner’s (1998) three-hierarchical-step approach to test measurement equivalence of the reduced 10-item MVS via MGCFA (configural –metric – scalar invariance). Results showed that the χ^2 difference test between the full scalar invariance model and the full metric invariance model was significant ($\chi^2_{diff} = 184.08$, $df_{diff} = 7$, $p < .001$), indicating that the full scalar invariance model did not exist.

Although it is ideal to have scalar invariance, a partial scalar invariance model is acceptable. We then examined the partial scalar invariance for two latent constructs, success and happiness. Results show that for the success dimension, no intercept was invariant. Thus, the partial scalar invariance model did not exist for the success dimension. However, the results showed that we were able to achieve partial scalar invariance for the happiness dimension ($\chi^2_{diff} = 9.92$, $df_{diff} = 8$, $p < .05$). Thus, it is concluded that the partial scalar invariance model existed for the happiness dimension. Based on the above reports, only four items out of the total ten were not invariant; this may imply that partial scalar invariance for the overall materialism (10-item 1-factor) may exist across samples. Thus, H1 was accepted, indicating that latent mean constructs can be compared across samples.

Hypothesis 2: Examining Cross-cultural Differences of Materialism

We first examined the cross-cultural comparison of latent means of overall materialism. Results showed that the factor mean model demonstrated an inferior fit compared to the partial scalar invariance model ($\chi^2_{diff} = 146.46$, $df_{diff} = 1$, $p < .001$), suggesting that the mean of the overall materialism differs significantly across samples. That is, the latent mean for the overall materialism was higher for the U.S. sample ($M_{U.S.} = 4.07$) than for the Thai sample ($M_{Thai} = 3.63$). Thus, it is concluded that American participants were more materialistic than their Thai counterparts, supporting H2. We further explored cross-cultural differences on an individual latent means of materialism (success, centrality, and happiness). Results show that there were significant differences in means between the U.S. and Thai samples related to the success and the centrality dimensions. That is, the latent mean for the success dimension was higher for the U.S. sample ($M_{U.S.} = 3.75$) than for the Thai sample ($M_{Thai} = 3.45$). Likewise, the latent mean for the

centrality dimension was also higher for the U.S. sample ($M_{U.S.} = 4.51$) than for the Thai sample ($M_{Thai} = 3.44$). However, there was no significant difference in means between these two samples related to the happiness dimension ($M_{U.S.} = 4.06$ vs. $M_{Thai} = 4.07$). Thus, while American participants regard value materialism as a sign of success and central to their lives higher than their Thai counterparts, participants from both cultures tended to similarly view materialism as the pursuit of happiness.

Discussion and Conclusions

The primary purpose of the study was to examine the cross-cultural measurement equivalence of Richins and Dawson’s (1992) MVS between United States and Thailand using the hierarchical invariant approaches via MGCFA. Our findings confirmed that MVS scales that contain reverse-worded items tended to impose a threat to measurement applicability. However, once eight reverse-worded items were removed, we found, with the support of partial scalar invariance, the reduced 10-item 3-factor model of MVS to be invariant between the two cultures.

The study’s findings support previous studies noting that individualistic cultures such as the United States were likely to display a higher degree of overall materialism than collectivist cultures such as Thailand (Douglas and Isherwood 1996). Since 95% of all Thais are Buddhists, this finding may be due partly to the impact of Buddhist teaching about “the middle way” of life among Thais that instructs them not to be greedy and accept what they have, not what they can have. Such a notion may be reflected when examining differences specific to dimensions of materialism, which reveal that Americans were likely to view the possession of material assets as a sign of success and central to one’s lives more often than Thais. However, participants from both cultures tended to similarly regard possession of material assets as the pursuit of happiness. It may be possible that consumers from these two cultures tend to have similar beliefs that material desire does not lead to happiness; rather, material greed may provoke potentially destructive envy that may eventually harm one’s well-being and social welfare.

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Influence of Religion and Religiosity on Consumer Behavior – An Integrative Model

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Using the consumer socialization theory and traditional models of consumer behavior, we formulate an integrative model representing the influences of religious affiliation and religiosity on consumer behavior, through modeling, reinforcement and social interaction. We analyze religion as religious denomination that includes a system of symbols that produces a system or values and norms, influencing conceptions of life. The study focuses on the concept of religiosity, in terms of individual level of spiritual commitment or religious affiliation. We propose that religiosity and religious affiliation, including related reference groups, influence attitudes, cognition and consumer behavior. The key contribution of this study is its potential to integrate the effects of religion and religiosity on consumer behavior.

Introduction

In psychology and sociology, researchers have addressed the relationship between religion and various behavioral, affective, and cognitive phenomena. Cross-cultural research has noted the impact of religion on culture, greatly influencing societal and individual values, norms and symbols (Delener 1990; Hirschman, Ruvio and Touzani 2010; Muniz and Schau 2005; Vitell, Paolillo and Singh 2005; Weber 1904). However, studies in marketing literature have not been significantly clear and integrative regarding this topic. Numerous consumer behavior researchers note the importance of integrative research on the relationship between religion and consumer behavior (Delener 1990; Essoo and Dibb 2004; Lindridge 2005; McDaniel and Burnett 1990; Wilkes, Burnett and Howell 1986).

This project attempts to integrate the effects of religiosity and religious orientation in a consumption model based on consumer socialization theory (Moschis and Churchill 1978) and key consumer behavior models (Engel and Blackwell 1978; Howard and Sheth 1969; Nicosia 1966). We draw from theories used in consumer behavior models, including elements such as the impact of reference groups, materialism and social motivations (Belk 1982; Hirschman 1980). We analyze religion as religious denomination that includes a system of symbols that produces a system or values and norms, influencing conceptions of life (Delener 1990; Essoo and Dibb 2004; Yinger 1969). We focus on the concept of religiosity, in terms of individual level of spiritual commitment or religious affiliation (McDaniel and Burnett 1990; Weaver and Agle 2002). An integrative review on this topic can be a significant contribution in helping us understand the big picture of religious influences on consumer behavior.

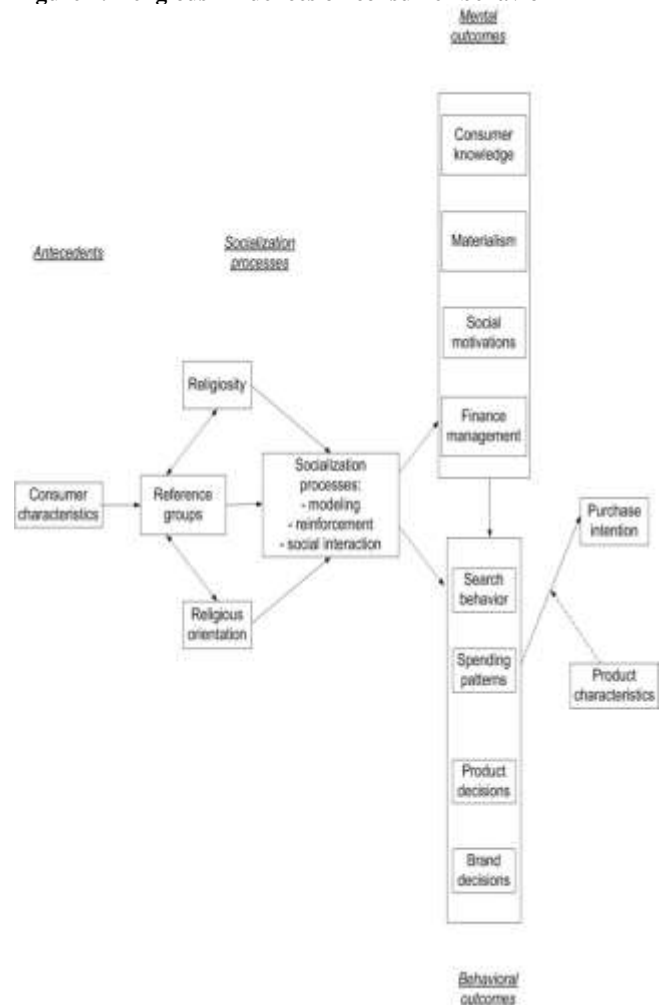
Conceptual Model

We integrate the effects of religiosity and religious orientation in a consumption model based on consumer

socialization theory (Moschis and Churchill 1978) and key consumer behavior models (Engel et al. 1978; Howard and Sheth 1969; Nicosia 1966). Figure 1 shows the key elements and relations of the conceptual model.

We adapt the three key elements of consumer socialization theory, antecedents, socialization processes and outcomes and elements from previous consumer behavior models, reference groups, and the influence of attitudes and motivations on behaviors. We draw from theories used in consumer behavior models, including reference groups, materialism and social motivations (Belk 1982; Hirschman 1980).

Figure 1: Religious influences on consumer behavior



Religion and consumer behavior

While some studies have noted the multiple definitions of religion present in research, we analyze religion in a traditional way, as specific religious denomination or religious orientation. Religion is a significant aspect of culture, a system of values, norms and symbols and influences individual values and attitudes, conception on life and existence, lifestyle, meaning and resolution of problems (Delener 1990; Essoo and Dibb 2004; Yinger 1969). Religion helps define the way to do things and is a platform for social behavior, it influences the importance placed on possessions and materialism, as well as the attitudes toward owning and using goods and services, and toward specific characteristics of products (Delener 1990; Essoo and Dibb 2004; Hirschman 1980). Research established two ways through which religion influences consumer behavior: as a macro-level transmitter of values and norms, and through different micro level specific religious denominations have on consumers' choices (Wilkes, Burnett and Howell 1986). Religion influences the way people evaluate products, the importance of specific products and develops established practice and influences choices and attitudes (Delener 1990).

Religiosity and consumer behavior

Unlike religion, religiosity is not related to specific religious denominations. Religiosity is the degree to which an individual or society hold beliefs in specific religious values, or the degree to which individuals are committed to a particular religious group (Delener 1990; Essoo and Dibb 2004; McDaniel and Burnett 1990). Religiosity can appear in separation of a specific religious cult, as belief in an external God, not a specific religion (Lindridge 2005).

Highly religious individuals are more conservative, traditional, with more stereotypes and restrictions imposed by religiosity on buying patterns, but also with higher influences and social pressures from the part of reference groups (Delener 1990; McDaniel and Burnett 1990). Religiosity also moderates the relationship between religion and consumption patterns and the influence of religious norms on consumption. It influences the adoption of life-styles and views on life, and makes individuals prone to influence from religious reference groups (Weaver and Agle 2002; Wilkes, Burnett and Howell 1986).

Conclusions

As seen in the literature review and theoretical presentation above, the relationship between religious affiliation, religiosity and consumer behavior is extremely important. Using the consumer socialization theory and traditional models of consumer behavior, we formulated an integrative model representing the influences of religious affiliation and religiosity on consumer behavior, through modeling, reinforcement and social interaction. We proposed that religiosity and religious affiliation, including related reference groups, influence attitudes, cognition and consumer behavior. The key contribution of this study is this framework's potential to integrate the effects of religion and religiosity on consumer behavior. The next big step of future research represents the phase of operationalizing and testing the propositions in the model in order to provide empirical evidence of these relationships.

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B2B & CUSTOMER RELATIONSHIP MANAGEMENT TRACK

Track Chairs

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Antecedents to Sales Force Job Motivation and Performance: The Critical Role of Emotional Intelligence and Affect-Based Trust

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Improvements to job motivation and sales performance can result in enormous positive changes in both market share and profitability for most companies. To this end, the authors examine the impact of perceived sales managers' emotional intelligence and affect-based trust on their subordinates' job motivation and performance. Here, an empirical study is conducted based on 247 responses from sales people serving in a wide array of industries. Using a series of regressions, the authors test main effects of managers' emotional intelligence and affect-based trust on sales force job motivation and performance, as well as the possible mediating role of affect-based trust on both dependent variables. Results suggest that there are main effects of both predictor variables, but affect-based trust does function as a mediator, intervening for the direct effect of emotional intelligence. These findings have a significant impact on the sales literature in a variety of ways. Implications are provided.

Introduction

According to the latest U.S. Census data, over 18 million people are employed in sales related jobs in the United States. Even though this only represents 6% of the total population, their effectiveness and job performance have a significant impact on the overall success of the American economy. According to Wilson (2008), within the two largest categories of sales, manufacturing and service, profits generated by salespeople were in excess of \$5.8 trillion, accounting for a significant portion of our nation's net income. Historically, they have served the role of vendor, persuader, and even counselor, but now salespeople represent a key competitive advantage for many companies as consultants to their clients and strategists to their own organization. However, there are as many poor performers as strong performers in the sales arena; therefore, the question of how a sales manager can effectively recruit, train and motivate his or her sales force to achieve peak performance is critical to corporate success.

Likewise, improvements to job motivation and sales performance can result in enormous positive changes in both market share and profitability for most companies. To this end, we examine the impact of perceived sales managers' emotional intelligence and affect-based trust on their subordinates' job motivation and performance. Here, an empirical study is conducted based on 247 responses from sales people serving in a wide array of industries. Using a series of regressions, the authors test main effects of managers' emotional intelligence

and affect-based trust on sales force job motivation and performance, as well as the possible mediating role of affect-based trust on both dependent variables. Results suggest that there are main effects of both predictor variables, but affect-based trust does function as a mediator, intervening for the direct effect of emotional intelligence. These findings have a significant impact on the sales literature in a variety of ways.

Despite the crucial role of trust within our business relationships, there has been little empirical research and analysis conducted that critically emphasizes affect-based trust as the primary link between the emotional intelligence of a sales manager and the motivation and performance of his or her sales representatives. As a result, the current study builds on and supports other empirical studies of emotional intelligence conducted by leading psychologists, Mayer and Salovey (1997) and Goleman (1998; 2006). Additionally, this builds upon the specific ideas of McAllister's (1995) research on affect-based trust. The results of our study indicate that a sales associate's perceptions of a sales manager's emotional intelligence directly influences their own job motivation and sales performance, as well as the perceived levels of affect-based trust with their manager. However, while there is a direct effect of the manager's perceived emotional intelligence on job motivation and sales performance, our analysis demonstrates that manager's emotional intelligence actually impacts an associate's motivation and performance *through* affect-based trust. These findings suggest that as a sales manager's emotional intelligence increases, their ability to foster a trusting relationship with their sales representatives will also increase, thereby increasing his or her sales representatives' job motivation and sales performance. This study confirms how vitally important it is to establish managerial relationships based on trust, specifically affect-based trust, as created by high levels of emotional intelligence by sales managers.

Regarding managerial implications, in order to build a successful work force, our research finds that managers must be adept at building trusting relationships by displaying high levels of emotional intelligence. Being emotionally intelligent instills the "ability to perceive emotion, integrate emotion to facilitate thought, understand emotion, and to regulate emotion to promote personal growth" (Mayer and Salovey 1997). Here, for sales representatives in the workforce, this intellect has been shown to significantly foster the essential growth of affect-based trust between those salespeople and their sales manager. This study supplements the foundation underlying the positive impact

of emotional intelligence in the workplace, especially among sales-related careers.

Because of the negative media associated with a down economy, more than ever in the business arena, there is a deep-rooted need for trusting relationships within the workplace. Given the simple observation that business is conducted via relationships, research from a variety of fields has concluded that trust must be present as the foundation for any relationship to be effective. By distinctively focusing on improving each part of their own emotional intelligence, sales managers will enable more effective appraisal and expression of emotions, while enhancing cognitive processes and decision-making. When managers can effectively appraise and express the emotions of themselves and others, healthier communication and improved understanding of needs naturally takes place. If a sales manager, professional, or anyone with a leadership role can display superior management of emotions, activities related to constructive thinking, cooperation, and, most importantly, trust, provide the best possible results. Interestingly, research also supports the idea that higher levels of trust may also be somewhat of a financial aid by decreasing monitoring costs and employee turnover rates (Bachmann and Zaheer 2006). This implication seems crucially important and relevant today, considering within these trying economic times.

Other implications involve specific evaluations of prospective employees and current employees. In response to the significance of emotional intelligence and affect-based trust produced within our study, many companies could implement an emotional intelligence scale for better assessment of each sales management applicant during the selection and hiring process. Furthermore, existing sales managers should be involved in

continual emotional intelligence training. Additionally, sales managers might be required to conduct regular, self-reflective observations of their own emotional intelligence performance over a period of time. Finally, companies might want to consider implementing yearly 360 reviews of each sales manager's emotional intelligence.

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Summary Brief

Constraining Opportunism in Buyer–Supplier Exchanges: The Roles of Macro and Micro Institutions

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This research examines the antecedents of opportunism in the buyer-supplier relationships. We articulate the institutional environment constraining the buyer-supplier relationships, because it is the fundamental determinant of transaction costs of market exchanges. Overall, we identify four institutional forces along with two dimensions: informal vs. formal and micro vs. macro. Drawing upon institutional theory and transaction cost theory, we develop propositions about the effects of institutional forces on channel opportunism. The theoretical model is tested through dyadic buyer-supplier samples from China. The empirical results well support our hypotheses.

Introduction

Opportunistic behaviors often occur in the buyer-supplier relationships and disrupt the relationship quality and performance. Using the transaction cost economics (TCE) perspective, the marketing channels scholars have substantially studied the antecedents, consequence of, and how firms can manage or constrain opportunism. However, the current TCE framework in the channels literature has severely downplayed the institutional aspects of marketing exchanges. We suggest that institutional theory can complement TCE to provide a holistic understanding of opportunism in the buyer-supplier relationships for three reasons: 1) Institutions are the primary determinants of the size and structure of transaction costs and they exert coercive and normative pressures on a firm's strategic decision. In order to obtain a holistic understanding of firm behaviors within the supply chain, it is necessary to supplement the economically rational perspective with the institutional theory. 2) How the process of institutional compliance interplays with the exchange hazards to shape opportunistic behaviors in buyer-supplier relationships is undiscovered in the literature. 3) Most existing studies about opportunism in the buyer-supplier relationship are conducted in the developed countries, which have a well-developed institutional framework. However, institutions in emerging economies are undergoing dramatically changes, and thus provide a dynamic and rich setting to study the interaction between the institutional environment and corporate strategies.

Theory and Hypotheses

Institutions, the “rules of the game,” significantly shape firm strategic choices and behaviors. We examine two key dimensions of the institutional environment within which a buyer-supplier dyad is embedded. The “enforcement” dimension distinguishes between institutions enforced by informal or formal channels. The “level of analysis” dimension distinguishes between the micro and macro institutions. Along with these two

dimensions, we identify four institutions which will constrain a firm's behavior in the buyer-supplier dyads. Informal institutions are socially shared norms, values, and cultures. Formal institutions include constitutions, laws, regulations, and interorganizational contracts. Informal institutions are mainly self-enforced through relations-based channels, using strategies and course of actions of participants within an exchange. Formal institutions are enforced through rule-based channels generally deemed as official with powers of coercion if needed, such as courts and government regulations. Macro institutions include constitutions, legislature, courts, regulatory agencies, and professional associations at the organizational field and norms and cultures in a society. The micro interorganizational institutional environment in the buyer-supplier dyads is characterized by an array of dyadic regulations, authoritative structures, and relational norms. In this study, we classify four institutions, namely, informal agreements (informal, micro), contract obligatoriness (formal and micro), guanxi importance (informal and macro), and Legal effectiveness (formal and macro).

In the marketing channels setting, opportunistic behaviors are mainly induced by exchange hazards in the relationship, including transaction specific assets (TSA) and information asymmetry. *Transaction specific assets* (TSA) refer to those assets that have little or no value outside of the exchange relationship or cannot be redeployed after the relationship is terminated prematurely. TSAs create a lock-in issue for the investor because the receiver can opportunistically and unfairly exploit or expropriate the value of the TSAs and thus lead to the receivers' opportunism. *Information asymmetry* occurs when a firm cannot monitor or measure the contractual performance of the other party of the buyer-supplier dyad. Information asymmetry increases the transaction costs of the party with asymmetrically insufficient information to monitor the other party's performance and behavior, and provides incentives for the other party to engage in opportunistic behaviors. Following the extant literature of the TCE framework in the marketing channels, we proceed that a channel member's TSAs and information asymmetry favoring its partner are positively related to its partner's opportunism. Then, we propose that the institutional forces have both direct and moderating effects on opportunistic behavior in the buyer-supplier dyads, and have the following hypotheses:

H1: The use of informal agreements reduces the channel members' opportunism in buyer-supplier relationships.

H2: Contract obligatoriness is negatively related to buyer/supplier opportunism.

H3: Guanxi importance is negatively related to buyer/supplier opportunism.

H4: Legal effectiveness is negatively related to buyer/supplier opportunism.

H5a: Informal agreements negatively moderate the relationship between a channel member's TSA and the other party's opportunism.

H5b: Informal agreements negatively moderate the relationship between a channel member's information asymmetry and the other party's opportunism.

H6a: Contract obligatoriness negatively moderates the relationship between a channel member's TSA and the other party's opportunism.

H6b: Contract obligatoriness negatively moderates the relationship between a channel member's information asymmetry and the other party's opportunism.

H7a: Guanxi importance negatively moderates the relationship between a channel member's TSA and the other party's opportunism.

H7b: Guanxi importance negatively moderates the relationship between a channel member's information asymmetry and the other party's opportunism.

H8a: Legal effectiveness negatively moderates the relationship between a channel member's TSA and the other party's opportunism.

H8b: Legal effectiveness negatively moderates the relationship between a channel member's information asymmetry and the other party's opportunism.

Results and Implications

We tested our hypotheses on a sample of matched buyer-supplier dyads from China. The results of the regressions show that the institutional forces have significant negative effects on opportunism in the buyer-supplier dyads. In addition, the institutional forces significantly weaken the positive relationship between the exchange hazards, namely, transaction specificity and information asymmetry and opportunism. The findings of this study show that the institutional theory complements well with the TCE perspective in explaining opportunism in the buyer-supplier relationship. This study also contributes to the research of institutional theory in reconciling the role of formal and informal constraints in defining organizational behaviors. The empirical results also suggest that channel managers doing business in an emerging economy such as China should take advantage of the institutional forces to constrain partner opportunism.

Summary Brief

Understanding Buyers' Responses to Relational Transgressions: A Framework and Proposed Plan of Study

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This study examines buyers' emotional and cognitive responses to ethical transgressions and service failures. The primary argument advanced in the study is that ethical transgressions differ from service failures in that they elicit highly emotional buyer responses, to the point that these responses nullify the effects of the recovery effort. Per the distinction drawn by Heide and Wathne (2006), the study also contends that buyers will differ in their responses depending on whether the offending salesperson is classified as a friend or businessperson. Emotions will run higher when the buyer categorizes the salesperson as a friend, while buyers who instead perceive the salesperson as a businessperson will focus on the debt that must be repaid to recalibrate the relationship. A conceptual framework is advanced in support of these arguments and a discussion of the proposed methods is offered.

Introduction

Though considerable research has focused on the means through which consumer and business relationships can be salvaged following a service failure, we know little about its applicability in the context of an ethical failure. This study addresses the issue through an examination of buyers' emotional and cognitive responses to ethical transgressions and service failures. The overarching hypothesis advanced in the study is that ethical failures differ from service-oriented ones in that they elicit a more intense emotional response on the part of the buyer, to the point that this response mitigates the effects of the recovery effort. Thus, while previous research supports the notion that emotional responses resulting from service failures serve to heighten the level of emphasis customers place on recovery efforts (Smith and Bolton 2002), we contend that the emotional responses elicited by ethical transgressions have the opposite effect – they block the intended effects of the recovery effort. This is important as buyers' behaviors are ultimately determined by their emotional response to the initial failure and cognitive assessment of the entire episode.

The study additionally examines the moderating effects of perceived relationship role. Heide and Wathne (2006) maintain that individuals in interorganizational relationships assume different roles based on how the relationship is governed. The authors identify two types of roles: a friend and a businessperson. A friend is motivated by cooperative norms and will acquiesce in order to advance the relationship, while a

businessperson is motivated by utility maximization and will defect from the relationship if such a move is deemed economically desirable. Consistent with research which reveals that relationship norms are influential in determining customer responses to relationship failures (e.g., Aggarwal 2004), we propose that ethical transgressions will elicit a stronger emotional response (i.e., anger) when the buyer believes that the offending salesperson is a friend. Buyers who instead categorize the salesperson as a businessperson will be more calculative in their response as for them the transgression creates a debt (i.e., a reciprocal debt) that must be repaid. In these instances the effects of the recovery effort will be stronger as the buyer assesses the adequacy of it vis-à-vis the initial failure.

The friend versus businessperson delineation will also affect the type recovery effort favored by the buyer. Research supports the notion that buyers view their relationships more through the salesperson than they do the sales company (Palmatier, Scheer, and Steenkamp 2007), as salespeople largely determine the level of value and satisfaction provided the customer. While this separation of salesperson and sales company can prove challenging for selling firms, might it also prove beneficial following instances of unethical salesperson behavior? Are there ways through which the firm can disentangle itself from the salesperson following an ethical transgression? Exploring this question, we examine the differential effects of recovery efforts led by the salesperson and sales company and hypothesize that sales company led initiatives are more appropriate following an ethical transgression while salesperson led initiatives should be utilized when a service failure has occurred. We additionally examine what type recovery initiative is most appropriate, contrasting the effects associated with an interpersonal apology against those associated with economic compensation. Here, we propose that compensation will be favored over an apology when buyers are more focused on the reciprocal debt owed them.

Hypotheses

In accordance with these arguments, the following hypotheses are offered for investigation:

H1: Ethical transgressions committed by the salesperson will elicit more negative emotion (anger) than will service failures.

H2a: Perceived relationship role will moderate the relationship between the initial failure and the emotional response. When buyers categorize the buyer as a friend, ethical transgressions committed by the salesperson will elicit more negative emotion.

H2b: Perceived relationship role will moderate the relationship between the initial failure and the emotional response. When buyers categorize the buyer as a friend, service failures committed by the salesperson will elicit less negative emotion.

H3a: Perceived relationship role will moderate the relationship between the initial failure and the cognitive response. When buyers categorize the buyer as a businessperson, ethical transgressions committed by the salesperson will elicit more reciprocal debt.

H3b: Perceived relationship role will moderate the relationship between the initial failure and the cognitive response. When buyers categorize the buyer as a businessperson, service failures committed by the salesperson will elicit more reciprocal debt.

H4: Buyers' emotional responses will moderate the relationship between the recovery effort and buyers' cognitive justice assessments. The relationship will be significantly weaker when the buyer responds with more negative emotion.

H5a: Reciprocal debt perceptions will moderate the relationship between the recovery effort and buyers' cognitive justice assessments. The relationship will be significantly stronger when perceived reciprocal debt is higher.

H5b: When perceived reciprocal debt is higher, recovery efforts offering economic compensation will elicit more favorable cognitive justice assessments.

H6a: When experiencing an ethical transgression, recovery efforts initiated by the company will elicit more favorable cognitive justice assessments.

H6b: When experiencing a service failure, recovery efforts initiated by the salesperson will elicit more favorable cognitive justice assessments.

Proposed Methods

The retail association of a southeastern state has agreed to sponsor the study and will assist in the data collection effort. The association represents approximately 4,000 members ranging from large national chain stores to small family-owned retail stores spanning 6,000 locations statewide. Data will be collected through an online survey hosted on Qualtrics. To construct the sample, an email message will be sent to all sample members inviting them to click through to the online survey.

A 2×2 between groups, quasi-experimental design will be employed. Hypothetical scenarios will be used to

differentiate subjects on the basis of relationship failure type (ethical failure and service failure), relationship recovery source (salesperson and sales company), and relationship recovery compensation (apology and compensation). Prior to this, participating subjects will be randomly assigned to one of two groups. Those in the first group will be presented a relationship role descriptor depicting characteristics common to a friend, while those in the second will be presented a descriptor that describes a relationship with a businessperson. Subjects in each group will be asked to think of a relationship they are currently engaged in with a supplier similar to the one described.

Following this the scenario depicting the failure will be introduced. All wording in the ethical transgression scenario and service failure scenario will be identical with the exception of the type failure experienced. Upon reading the scenario, subjects will first be presented a manipulation check to assess whether it was correctly perceived as an ethical transgression or service failure. Subjects will then be presented the anger and reciprocal debt measures. Subjects will next be presented the statement describing the relationship recovery effort and measures for each of the justice assessments. All measures will be drawn from established sources.

Results

A full description of the results that emerge from our analysis will be presented at the 2012 SMA Conference. Managerial and theoretical implications will be discussed, and future research directions suggested.

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Summary Brief

Supply Chain Learning, Integration, and Flexibility Performance: An Empirical Study in India

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Supply chain flexibility has been acknowledged as a necessity in the context of constantly changing operational and service requirements in the global marketplace. Still, limited research is focused on analyzing and empirically testing the dynamics of achieving enhanced flexibility performance. Based on survey data from India, the current paper addresses the gap by introducing supply chain learning as a key driver in the process. It is also suggested that the supply chain integration construct (in its cross-functional and inter-firm dimensions) mediates the proposed supply chain learning-flexibility performance relationship. Structural equation modeling technique was used as the main analysis method, and supply chain learning was found to have positive impacts on flexibility performance via supply chain integration.

Introduction

As early as the mid 1990's firms have started to realize that a standardized approach to building successful supply chains is not possible; flexible outcomes in terms of differentiated product offerings, both in volume and design, became the norm following constantly changing customer requirements (Fisher, 1997). The predominant perspective remained on a single-organization level focused on that organization's ability to react to changing environmental factors (Van der Vorst and Beulens, 2002). The proactive approach to jointly solve problems through interaction with major supply chain partners, although officially acknowledged as a viable option, was given just a recommending status (Johnson et al., 2003). The inability/unwillingness among supply chain partners to share relevant information was cited as the main barrier for the lack of shared responsibility toward satisfying changing customer requirements (Thomas et al., 2011). Surprisingly, the communication break surfaced not only on interorganizational level but also within firms' own supply chain management initiatives, leaving executives at woe as to where to focus available resources to develop state-of-art supply chain flexibility initiatives (Van Hoek and Mitchell, 2006).

At the same time, in a recent AT Kearney survey report, executives from high-tech and communications companies pointed out that supply chain flexibility and related performance is becoming a strong competitive weapon in the market place (Garber and Sakar, 2007). The authors of the report went a step further to conclude that: "In an environment of Global complexity what companies need most is supply chain flexibility." (p. 29) The apparent contradiction between perceived positive outcomes and inadequate implementation in

regard to supply chain flexibility warranted additional attention from both academics and practitioners.

A common theme emerging relates the ability of an organization to accumulate knowledge about its surroundings, including customers, suppliers, and other major participants in its supply chain(s) with its ability to better predict and respond to ever changing market needs and requirements. IBM dubbed this process as building the "Smarter Supply Chain of the Future" in one of their company's reports (2009). Bessant et al. (2003) defined it as supply chain learning, a continuous process where "... firms operate within value streams involving many firms in supply chains within a supply network, and that the competitive performance of the value stream depends upon learning and the development of the whole system ..." (p. 167).

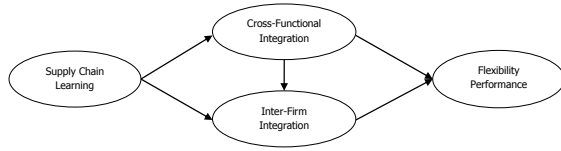
The current research puts forward an effort to empirically validate the relationship between supply chain learning and supply chain flexibility. Given the different levels at which supply chain learning should occur, i.e., within and among firms, the construct of supply chain integration was introduced as defined by two dimensions: cross-functional integration and inter-firm integration (Bessant et al., 2003). In addition, the data collected in India provide much needed global perspective on the issues of supply chain learning, integration, and flexibility performance.

Theoretical Background and Hypotheses

The relationship between supply chain flexibility (SCF) and firm performance has been well documented in the literature. Gains along operational performance measures, like enhanced product differentiation, shortened lead time to market resulting in increased customer satisfaction levels (Fantazy et al., 2009), and overall positive ROI, ROS, market share, and profitability indicators (Sanchez and Perez, 2005) are reported as direct outcomes of enhanced supply chain flexibility. At the same time, Malhotra and Mackelprang (2012) warn that, although the importance of the construct has been widely acknowledged, "(it) is a much more complex and nuanced than previously considered or believed." Additional understanding of what factors affect the development of measurable SCF outcomes and their empirical justification become the logical continuation in the related research efforts. Conceptually, as shown in Figure 1, the current study focuses on supply chain learning (SCL) as a predictor of the ability of a given firm's supply chain to achieve enhanced SCF performance. In addition, supply chain

integration (SCI), both internal and external, is depicted as a viable mediating factor in the SCL and SCF performance relationship.

Figure 1. Conceptual Model



H1. A firm’s supply chain learning is positively related to its within-firm cross-functional integration.

H2. A firm’s supply chain learning is positively related to its inter-firm integration with major supply chain partners.

H3. A firm’s within-firm cross-functional integration is positively related to its inter-firm integration with major supply chain partners.

H4. A firm’s within-firm cross-functional integration is positively related to its flexibility performance.

H5. A firm’s inter-firm integration with major supply chain partners is positively related to its flexibility performance.

Methodology

The researchers surveyed 120 companies, with the target population established as a cross section of manufacturers and retailers within the Bangalore area in India, one of the most developed areas in the country. The respondent within each company self-selected as based on their knowledge of the company’s sales performance and supply chain and logistics practices. It was made clear to all participants that the survey was voluntary and that responses would be reported only in aggregate form and available to them upon request. Of the 120 surveys administered, 28 were incomplete or otherwise unusable, for an effective response rate of 77%.

Results

Structural model testing results are presented in Table 1 and key indices suggested satisfactory model fit.

Table 1. Structural Model Results

Hypotheses	St. Weights	CR	p	Note
H1	0.533	4.489	<0.001	Supported
H2	0.281	1.965	0.05	Supported
H3	0.321	2.164	0.030	Supported
H4	0.152	1.153	0.249	Rejected
H5	0.389	2.604	0.009	Supported

Fit statistics: Chi-square = 158.753 ($df = 114$, $p = 0.004$), Chi-square/df (CMIN/DF) = 1.393, CFI = 0.937, RMSEA = 0.066

Implications

In conclusion, this study provides theoretical and practical implications related to the positive impact of supply chain learning on supply chain flexibility performance. In addition, it empirically tests and supports a strong mediating role of supply chain integration. Understanding how supply chain learning enhances supply chain flexibility performance should prompt a focused effort and resource commitment both on organizational and supply chain levels to support that iterative process.

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Summary Brief

Developing a Returns Competency: The Influence of Collaboration and IT Capabilities

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Product returns have been of increasing interest in recent years as firms seek to maximize profits through supply chain management practices. As firms look to obtain an advantage over competitors they may leverage their supply chains relationships to facilitate improved handling of returns. The research undertaken here provides empirical evidence from 267 managers of distinct firms regarding the impact of information technology (IT) and collaboration on firm returns competency and then firm performance. Interestingly, the influence of collaboration on firm performance as mediated by returns competency is nonexistent for firms with low IT capabilities. The disappearance of this relationship at low IT capabilities is an indicator of the importance of IT as an enabler of collaboration and the benefits it provides.

Introduction

The research put forward here describes how firm return competency benefits from capabilities in collaboration and IT due to increased responsiveness and information sharing. The resource advantage (R-A) theory of competition, as put forth by Hunt and Morgan (1995;1996), is useful when examining the motivation for firms to develop capabilities in collaboration and IT (Richey, Genchev, and Daugherty 2005). Capabilities are described by Amit and Schoemaker (1993) as “information-based, tangible or intangible processes that are firm-specific and are developed over time through complex interactions among the firm’s resources.” R-A posits that resources are heterogeneously distributed among firms in market, and firms seek an advantage over competitors through assembly of superior resources. Resource based theory suggests that firms that acquire superior bundles of resources may achieve a competitive advantage that leads to superior financial performance

Collaboration and IT Capabilities

The success of collaboration stems from the belief that firms can achieve more when they work together versus attempting to succeed independently (Min, Mentzer, and Ladd 2007). Stank, Keller, Daugherty (2001) found that external and internal collaboration had a positive influence on logistical service performance, with internal collaboration acting as a mediator of the relationship between external collaboration and performance. Definitions of collaborative relationships are numerous but in the research performed here collaboration is characterized as the partnerships formed between firms (Boddy, Macbeth, and Wagner 2000) which includes a process of decision making among these interdependent parties (Stank,

Keller, and Daugherty 2001). Firm IT capabilities compliment collaboration by allowing firms the visibility to see what is happening in their supply chain (Dehning, Richardson, and Zmud 2007). A strategic concern for supply chain managers is determining how they can push the demand forecasting point further up the supply chain to assist with making supply match demand (Christopher 2011).

Returns Competency and Firm Performance

With substantial amounts of revenues being consumed by returns it seems logical that firms would be concerned with how to handle these products. Through the lens of R-A theory, firms with superior returns competency have an advantage over firms without this competency. A firm’s returns competency centers on their ability to effectively handle product returns. Recent studies of reverse logistics have utilized R-A theory as a framework to understand firm strategies to deal with product returns (Hazen, Cegielski, and Hanna 2011). Firms who do not give adequate attention to their product returns run the risk of missing out on significant contributions to the bottom line (Andel 1997). Additionally, Petersen and Kumar (2009) found that allowing a moderate amount of returns maximized profits. As such, firms attempt to understand how to make the most of product returns and develop a returns competency that provides them an advantage over competitors. Thus, as firms develop their ability to handle returns they should benefit in greater firm performance as measured by financial outcomes.

Research Method

Empirical Context and Data Collection

To test the hypotheses, a survey was administered to supply chain managers via the Zoomerang Internet survey tool. Despite previous criticism over Internet panels used in academic research, exploration into the use of panels and potential biases has not found serious negative panel effects (Dennis 2001). Survey design procedures put forth by Dillman (2000) were utilized in the construction of a survey. Items were selected based on a review of previous literature with some modifications made based on the input from a panel of 25 executives participating in an academic supply chain technology forum at a major U.S. university. 1722 individual surveys were collected via an open pool by Zoomerang from individuals holding managerial positions in manufacturing and service firms. The key informant approach was utilized here with a single respondent representing the overall firm supply chain

technology issues and multiple respondents from the same strategic business unit not allowed.

Measures

Firm Performance. The dependent variable for firm performance is measured using six common measurements: market performance, customer retention, sales growth, profit margin, sales revenue and ROI (Moorman and Rust 1999; Pelham and Wilson 1996). **Returns Competency.** The measure for returns competency is an adaption of the reverse logistics satisfaction measures used in Autry, Daugherty, and Richey (2001). The measure centers on the firm's ability to handle product returns. **IT Capability.** Measures of IT capability were assessed using a 10 item scale adaptation from Tippin and Sohi (2003). **Collaboration.** Collaboration was measured utilizing an adapted 7 item scale from Stank, Keller and Daugherty (2001) which focuses on inter-firm supply chain collaboration.

Reliability and Validity

A confirmatory factor analysis was performed and all items loaded on their factors at .6 or higher. Convergent and divergent validity standards were also upheld. CFA analysis of the four factor model was compared to an alternative model where all items loaded onto one factor.

Hypotheses Tests and Results

Utilizing Mplus 6.1, and following the framework put forth by Preacher, Rucker, and Hayes (2007), the hypothesized first stage moderated-mediation model (see figure 1) is compared to a mediation only model and a full model containing first and second stage moderated-mediation. The testing of product terms are susceptible to higher Type I error rates because of nonnormal distributions and as such our analysis bootstrapped 10,000 samples according to current practices (Shrout and Bolger 2002). The hypothesized model, model 2, explains significantly more variance than model 1, the mediation only model. Furthermore, model 3 was not significantly different than model 2 in the amount of variance explained. Thus, the hypothesized first stage moderated-mediation model is supported.

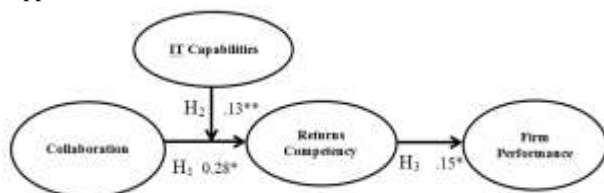


Figure 1. Hypothesized Model

Hypotheses 1 is supported by comparison of model 1, the mediation only model, and model 2. In the mediation only model, firm collaboration capabilities has a positive, significant influence on returns competency ($\beta = 0.28, p < .01$). Interestingly, in the proposed first stage moderated mediation model the relationship is still statistically significant but the sign of the beta becomes negative. Our conclusion is that the influence of the moderator, IT capabilities, and the variance it explains is responsible for this change. The first stage moderator, IT capabilities is also significant ($\beta = 0.13, p < .01$), supporting hypotheses 2. As shown in figure 2, firms engaging in low levels of collaboration will have a higher returns competency if they

also have low IT capabilities. Similarly, high levels of collaboration lead to a higher returns competency when firms also have higher IT capabilities. Finally, hypotheses 3 is supported with returns capabilities positively influencing firm performance ($\beta = 0.15, p < .05$). As predicted, firms who develop a returns capability are able to mitigate the lost revenues that can arise from product returns or perhaps even turn them into a profit center.

Additionally, an assessment was conducted on the indirect effects of the relationship between collaboration and firm performance as mediated by returns competency. Mediation was supported at both unstandardized high ($b = 0.08, p < .05$) and unstandardized mean ($b = 0.05, p < .05$) levels of the moderator, IT capabilities. At low levels of IT capabilities the indirect effects were not significant. Thus, the mediated relationship of collaboration with firm performance through firm return competency is restricted to firms with mean to high IT capabilities. Those firms with low IT capabilities will not benefit from the relationship. This boundary condition on the mediating influence of collaboration might be explained through the enabling influence of IT capabilities on the benefits of collaboration. As firms collaborate those with enhanced IT capabilities are perhaps able to share more information than those without. This higher level combination of collaboration and IT capabilities might be necessary when considering the requirements of reverse logistics.

Discussion

This research addresses a gap in current literature regarding how the combination of capabilities in collaboration and IT promote stronger firm performance through an increased returns competency for the firm. Although returns are a sizable expense at billions of dollars per year for US firms many may not be building capabilities to reduce the possible negative impacts of returns. Our findings indicate that firms with a mismatch in capabilities for IT and collaboration have lower return competencies than firms who have complementary combinations of collaboration and IT. High levels of firm collaboration and IT capabilities lead to the highest level returns competency for the firm. Thus, practical implications for managers are that firms who decide to make returns competency a priority will benefit most if they pursue complementary capabilities of collaboration and IT. For example, high collaboration and IT capabilities lead to the highest returns competency while a mismatch of high IT capabilities with low collaboration provides the lowest returns competency. Complementing high IT with high collaboration or low IT with low collaboration is more efficient as resources are not wasted on developing capabilities that do not provide an equitable economic benefit to the firm.

Among the questions raised by our research is how individual members of supply chain relationships are able to influence the development of returns competencies through relational governance mechanisms. Additionally, how does supply chain transparency influence firm return competencies. Advancements in technology have changed supply chain security in recent years and further research regarding security in product returns is needed. Lastly, green supply chain management research should explore how firms engaging in green returns practices perform in relation to those that do not have green practices as a priority.

References: Available upon request.

Full Paper

Do Information Sources and Differentiation Enhance Loyalty for Industrial Buyers?

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This study develops a model describing the mechanisms that are in play when suppliers search for information and translate the knowledge they gain about the brand to brand value, brand image and ultimately loyalty. The proposed model is tested in a business to business setting with small and medium sized organizational buyers. The results show that information source usage enhance brand image and variety in information sources increase perceived differentiation. Additionally, when brands are perceived differentiated their brand value increase which in turn enhances brand image and loyalty in B2B contexts.

Introduction

A long term relationship based on customer loyalty is considered a fundamental asset for any firm. Therefore, marketing scholars and practitioners have long recommended firms to focus on developing long-term relationships with their customers (Williams et al. 2011). Many corporate strategies are based on securing and increasing loyalty because gaining new customers is costly and customer retention is positively related to long term profitability (Anderson and Mittal 2000).

From the manufacturer's point of view, to achieve integration of channel operations, a high level of commitment and loyalty of the retailer is a prerequisite (Chiou, Wu and Chuang 2010). Although the literature recognizes that industrial markets are different from consumer markets, loyalty research involving retailers has focused more on consumer loyalty to specific retailers, than on retailer loyalty to specific manufacturers (Grewal and Levy 2007). In fact, since the complexity of the relationships between the manufacturer and the industrial buyer is higher, understanding loyalty mechanisms in a B2B context would be vital. Yet to date limited attempts have been made to examine antecedents of industrial brand loyalty (Williams et al. 2011).

Prior research highlighted the role of perceived brand value in achieving retailer loyalty (Curran, Varki and Rosen 2010). Branding in industrial markets has received comparatively less attention in the academic literature due to the belief that industrial buyers are unaffected by the emotional values attached to brands (Leek and Christodoulides 2011). However, research findings show that the industrial customers may be affected both by rational and emotional values (Jensen and Klastrup 2008). Various changes in the business environment such as the increasing homogeneity of product quality and the decreasing number of personal relationships due to digital communications triggered the interest in industrial branding (Baumgarth, 2010). Furthermore, existing literature focuses more on the marketing

strategy of large firms, rather than the strategies used by SMEs in industrial markets. SMEs constitute a potential research area for future because they play a crucial role in most economies as suppliers, distributors, and consumers (Ndubisi and Matanda 2011).

Our study's goal is to address these gaps in B2B loyalty research and contribute to the literature by focusing on the potential antecedents of loyalty of SMEs which include information sources, differentiation, brand image and brand value. Since prior research has examined their relationships mainly in the business to consumer environment, the authors extend prior research by developing a conceptual framework through linking these variables in a B2B context. After referring to the literature in the field, the research model and the research method are laid. Finally, the results of the study are presented and discussed.

Information Sources and Differentiation

Information sources are key determinants of brand awareness and brand knowledge (Keller 2003). In consumer contexts researchers have established how information sources influence and assert that consumer brand knowledge is a systematic understanding of the brand developed on the basis of brand exposure through various information channels. However, the research on the effects of information sources in B to B contexts has been scarce.

The information search in considering the potential solutions to recognized needs in a B to B context is one of the most significant differences between consumer and business purchasing. This difference stems from the organization's motive to reduce costs. As shown by Johnston and Lewin (1996) buyers use both commercial sources of information and personal information sources in the different stages of their decision making process. As the importance, complexity, uncertainty, and time pressure associated with an organizational purchase increase, the information search needs to be more active, with a wider variety of information sources to be used to facilitate the purchase decision (Alejandro et al 2011). Furthermore, compared to buying situations with low complexity, buyers rely more heavily on personal sources of information in complex buying situations (Bienstock and Royné 2007). Thus, as Alejandro and colleagues (2011) stated industrial buyers generally use multiple information sources during a complex decision making process, which allows them to check the quality of their information and, consequently, lower their uncertainty in the decision-making process.

Information becomes the critical element in differentiation. As per Bharadwaj et al.(1993), in this study differentiation is defined as the customers' perception of the product being consistently different on important attributes relative to its competitor's offerings. Evaluating and differentiating among product alternatives are fundamental to making an optimal decision (Hoegg and Alba 2007). To identify the best option out of a choice set, decision makers need to tell the differences among available alternatives, spreading them apart to an extent that a preferred emerges (Brownstein 2003; Svenson 1992). Thus, in order to facilitate the decision making process of the buying firm in a B to B context firms may use various information sources since the more the decision maker knows about a product and its features the more differentiated that product may be perceived.

Industrial Brand Loyalty: Information Sources, Differentiation, Brand Value and Image

Brand loyalty is defined as “the degree to which an industrial buyer has repeatedly purchased a supplier’s particular brand during recent years, tempered by the significance of that expenditure in terms of the buyer’s total outlay for the type of product” (Han and Sung 2008). An important research area in loyalty literature is the identification of its antecedents, the practices leading to higher levels of loyalty in B2B service settings. One way would be through building strong brands. The most successful brands have created wealth by attracting and retaining customers as a result of combining an effective product, distinctive identity, and added values in the mind of the customer.

Brand is an important element in the strategic tool mix of many companies. Successful outcomes are achieved through creating positive brand image and building valuable brands. Brand image can be defined as the perceptions about a brand as reflected by the brand associations held in the consumer’s memory (Keller 2003). Since brand image is a perception, it is important to manage these associations consumers hold about a brand. Brand value in B2B markets on the other hand exists in the form of a buyer’s willingness to pay a price premium for their preferred brand (Hutton, 1997). Researchers argue that loyalty is an outcome of brand value (for example, Taylor et al, 2004; van Riel et al, 2005, Vogel et al, 2008).

The objective of this study is to propose and analyze a conceptual framework that considers information sources, differentiation, brand value, and brand image as antecedents of buyer loyalty in a B2B context. In particular, we examine the mediating role of differentiation, brand value, and brand image in the impact of information sources on loyalty. Although some research has been carried out about these concepts, no research has empirically investigated these constructs in a single frame in a B2B context.

Research Model

In this study it is aimed to find out the indirect impact of information sources on loyalty based on the assumption that not only is it important how much you know your customer, but also how much the customer knows who you are (Zaichkowsky et al. 2010). In addition, this study assumes that the price and tangible

attributes of a physical product cannot always fully explain purchasing decisions, as intangible values matter even in rational and systematic decision making (Mudambi, et al. 1997).

Prior research in consumer market literature suggests that information source variety enhance the strength of a brand (Cooper 2010). The power of using multi-channel communication tools have been proved both by professionals and academic researchers who focus on the importance of different channels such as online, on TV, print and outdoor advertising, exhibitions, trade shows, WOM etc. (Brown 2004, Cooper 2010). For instance, it is found that the majority of the purchasers who cannot find specific product information on supplier Website choose a different supplier (Brown 2004).

Davis (2002) asserts that brand loyalty can be achieved through strong brand positioning which means creating and managing a unique brand in the consumer’s minds, providing a benefit that helps the brand stand apart from its competition. According to Webster and Keller (2004) companies must communicate points of difference as the basis for creating differentiation and providing superior customer value. Prior research shows that improving consumer’s knowledge of the company and brand gives companies an opportunity to increase their brand equity standing in the marketplace (Zaichkowsky et al. 2010) and the perceived differentiation of the brand. From this perspective, the information sources become an important determinant of perceived differentiation and brand value.

Prior research has admitted that differentiation is an asset which sets one product apart from another and constitutes the basis for branding (Zaichkowsky et al. 2010). Communicating the distinguished characteristics of a brand becomes essential in order to build strong relationships with buyers. Since the element that gives brands value is differentiation, it must be ensured that the potential buyers notice and recognize the brand’s uniqueness (Webster and Keller 2004).In this respect, this study proposes a positive relationship between information source variety and information source usage and perceived differentiation.

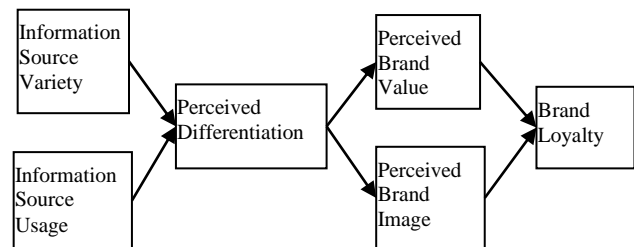


Figure 1: A proposed model of loyalty in B2B context

There is extant research that links brand image and brand value to brand loyalty, both in consumer markets and B2B settings. Researchers show that measuring the brand value is a must for predicting the loyalty of a company’s present customers and also gaining new ones (Curran et al. 2010, Zaichkowsky et al. 2010). Furthermore, the research studies focusing on the relationship between brand image and loyalty has showed that a strong positive perceived brand image not only helps a firm to achieve competitive advantage but also encourages repeated purchases (Silva, Alwi and Faridah 2007). Based on these research findings this study proposes that perceived brand value and perceived brand image are

antecedents of loyalty in industrial markets. Therefore, consistent with the literature, we propose that information sources and variety in information sources induce differentiation which is an antecedent of loyalty via perceived brand value and perceived brand image. The research model shown in Fig. 1, delineates the key factors that precede loyalty in the industrial context.

Measures and Method

The data used to test the research hypotheses were gathered from small and medium sized organizational buyers in car repair and maintenance industry. Past research has shown that size of the car repair industry increase in spite of the economic recession (Granger 2009). Rapidly increasing number of cars and accidents reported by the Directorate of Security (2010) also show that there are more cars than ever in need of maintenance and repair. The data were gathered via face to face interviews from small industrial service organizations who buy directly and independently from the manufacturer rather than larger firms that usually centralize their purchasing efforts. 110 responses were obtained where 40 were from owner partners, 37 were from managers and the rest were supervisors.

The respondents were asked to think about their most frequently purchased brand of a specific chemical used as rust remover. The statements measuring the perceived brand value and perceived brand image were adopted from Chandon (2003). A single item brand loyalty scale was used. Use of information sources was measured via 5 items (i.e. I follow the industry publications, When making decisions of buying a product, I get advice from people I know who have used that product before, I attend/follow the fairs etc.). Perceived differentiation was measured comparing the most frequently used brand with others on 4 factors (i.e. quality, performance, practicality). All variables were measured using a five point Likert scale (ranging from 1=strongly disagree to 5= strongly agree) with the exception of information source variety. The information source variety variable was measured via asking respondents to choose from a list of information sources and the responses were counted.

Results

The analysis is carried out in two phases. The first phase examines the unidimensionality, reliability and validity of the study constructs while the second phase tests the conceptual model. In the first phase, the means and standard deviations as well as the reliabilities of the constructs were examined. All were above the standards offered by Nunally (1978). Following Bollen and Lennox (1991), CFAs (confirmatory factor analyses) for each construct are conducted. Following the procedure suggested by Fornell and Larcker (1981), discriminant validity was assessed. Results indicated support for discriminant validity. Since the indicators of each construct loaded on their respective latent factors, convergent validity was also assessed (all t values >4.30).

In the second phase, structural equation modeling (SEM) is used to test the proposed relationships between the study constructs. Overall, the hypothesized model shows acceptable fit to the data (chi-square = 223.244, df = 146, RMSEA = .067, NNFI = .948, CFI = .955, SRMR = .096). However, based on the modification indices, removal of insignificant paths from the

model and inclusion of alternative paths between constructs an alternative model was formed (chi-square = 222.451, df = 147, RMSEA = .065, NNFI = .949, CFI = .957, SRMR = .089). The alternative model (See Figure 1) had a smaller chi square and larger degrees of freedom thus showed significant improvement.

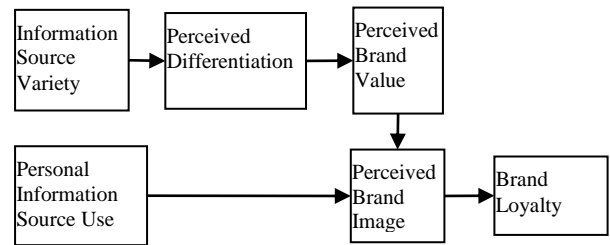


Figure 2: The alternative model of loyalty in B2B context

Based on the alternative model, results reveal interesting effects. The relationship between information source usage and degree of perceived differentiation was not found in the alternative model, however model shows that information source variety significantly increases perceived differentiation ($\beta = .43$, $t = 3.57$). Results indicate that information source usage although not significant on perceived differentiation, have a positive effect on brand image ($\beta = .25$, $t = 2.62$). Alternative model provides support for the relationship between perceived differentiation and perceived value was significant ($\beta = -.18$, $t = 3.22$). However, the proposed effect of perceived differentiation on brand image was dropped from the model based on the modification indices. The proposed positive relationships between perceived value and brand image ($\beta = .27$, $t = 2.43$) and between brand image and loyalty ($\beta = .29$, $t = 2.53$) was found significant, but the link between perceived brand value and loyalty was dropped from the model.

Discussion

This study extends prior research by investigating the effects of information sources on perceptions of differentiation, brand value, image and loyalty in a B2B service environment. Results of this study show that, strength of an industrial brand can be increased in the eyes of the buyers both by providing more information and by providing that information through different channels. Furthermore, alternative information sources other than advertising such as WOM, official websites, trade shows and sales promotions may be as influential when inducing differentiation.

Information source usage, on the other hand, influence brand image directly rather than through perceptions of differentiation. This interesting result suggests that industrial retailers when buying materials from manufacturers base their evaluations of products (i.e. brand image) on the information they gather from different sources. Consistent with Brown (2004), this study confirms that information source is an important decision making criteria, especially in industrial market. Taking into account that SMEs have fewer channels of information (Zablah et al. 2010), brands should put greater emphasis on making it available for industrial service providers such as through trade shows, official websites, advertising channels and other promotion tools.

Furthermore, the more differentiated the industrial service providers see the product of the manufacturer the more value

they perceive from the brand and the better image they portray about the brand. These in turn lead to brand loyalty from the industrial service providers' perspective. That is, in B2B contexts, the results indicate that the steps of buying as proposed by Hogarth's (1987) classic decision-process model and Bettman's (1979) consumer decision model (ignoring the problem recognition stage) actually occur in a consecutive manner. Starting from gathering information and then evaluating alternatives (perceived differentiation) and then forming attitude (perceived brand value and perceived brand image) then making the decision is actually a happening. Knowing this, manufacturers of industrial products should give importance to the information they pass to their customers. Eventually, these results may provide guidelines for practitioners in building stronger relationships in B2B context.

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Summary Brief

SKU Proliferation: A Potential Downside to Adoption of Service-Dominant Logic

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Introduction

In their widely talked about publication on Service-Dominant Logic (S-D Logic), Vargo and Lusch (2004) presented a framework that depicted the evolution of marketing logic from its traditional view of customers as recipients of goods to an emerging service-centered view of customers as co-producers and co-creators of value. The extant research in Service-Dominant Logic (S-D Logic) focuses on the benefits of involving customers in co-production and value co-creation efforts (Etgar, 2008). Some of these benefits include creation of new products based on consumer feedback, increase in variety, and customization for specific tastes. The present manuscript focuses on the impact of responding to customer feedback in the form of increased number of SKUs on the firms' supply chain management efforts.

Lusch, Vargo, and Tanniru (2010) suggest that supply chain management (SCM) research and S-D Logic *"fit naturally because it implies that SCM is concerned with developing and integrating resources to create competitively compelling value propositions (p.20)."* Therefore, there is a natural link between responding to customer feedback to increase variety to create value and creating a considerably more complex supply chain management process. In this brief summary, three main questions were raised in regards to this link:

1. Are the initiatives to involve end-consumers in co-production and value co-creation lead to SKU proliferation?
2. What is the impact of SKU proliferation on supply chain management performance?
3. If in fact the increased number of SKUs drive up supply chain costs, what is the best way to make cost versus benefit analysis of increasing the number of SKUs?

In order to address these questions, first the existing literatures on S-D Logic and Supply Chain Networks, SKU Proliferation, and Demand-Supply Integration will be reviewed. Next, preliminary results of case based interviews with shelf management teams from large grocery chains will be revealed. Finally, a cost/benefit analysis method for assessing the value of increasing SKUs will be proposed.

Service-Dominant Logic and Supply Chain Networks

As suggested by Lusch et al. (2008), the inherent manufacturing-orientation of the Goods-Dominant (G-D) logic has fed into a common view of supply chains as a vertically linear set of organizations tied to one another through inorganic

transactional exchanges. That is, organizations within the supply network are viewed as independently working entities moving operand resources downstream to generate cash flows for themselves (Mentzer et al., 2001). S-D Logic argues that "goods are distribution mechanisms for service provision. Goods and other operand resources enable the transfer of operand resources (e.g., knowledge and skills) between firms. Therefore, within the S-D Logic, supply chains are more aptly viewed as value co-creation networks. These networks promote knowledge (the fundamental source of competitive advantage) growth and exchange amongst network members via resource deployment and coordination. The exchange of knowledge and utilization of operand resources among the network members leads to co-created service offerings and value proposals for the end-users, with the ultimate goal of transforming end-user experiences to perceptions of superior value-in-use. Such a perspective is useful in illustrating how modern competition is based on the value proposals co-created by the entire network, from raw material extractors to end-users, through dynamic, multi-party dialogue, knowledge exchange, and utilization of operand resources. Networks that provide end-users with better service experiences gain perceptions of higher value-in-use, which in turn result in higher levels collaborative value creation behaviors from end-users such as loyalty, positive word of mouth, brand promotion, and further dialogue with network members.

S-D Logic suggests that a service-centered view is inherently customer oriented and value is always determined by the beneficiary, i.e. the end-user (Vargo and Lusch, 2008). Perhaps, the inclusion of end-users in the value co-creation process is one of the major contributions of S-D Logic to both marketing and supply chain management literatures. Therefore, this is also the area where majority of the existing empirical research in S-D Logic has been conducted. The extant research in this area includes co-production and customization (Etgar, 2008), discontinuous innovation (Michel, Brown, and Gallan, 2008), and value co-creation in customer networks (Cova and Salle, 2008). Some also examined the cautionary and/or negative aspects of customer involvement in value co-creation (Brown and Patterson, 2009; Chan, Yim, and Lam, 2010). Yet, there still remains a large amount of uncovered topics in the area of end-user involvement in value co-creation that concerns supply chain management issues. For instance, involvement of end-users in innovation results in SKU proliferation (Etgar, 2008). What are the implications of SKU proliferation for the supply chain managers and how do firms handle the complications created by SKU proliferation?

SKU Proliferation

SKU proliferation has been an important way of gaining customer satisfaction since the early 1980s (Connor 1981). SKU proliferation includes such activities like large number of new product introductions, wide product and package variety, and long product lines. Today, the practice of SKU proliferation is particularly obvious in consumer packaged goods. For instance, Coca-Cola Company's SKUs went from 200 to 530 in less than 5 years according to one of its executives (Karolefski 2008). A Wal-Mart executive suggests that they carry 130,000 SKUs on average in each store and over 1.2 million SKUs at their online channel and that each number grows exponentially each year (Court, French, and Knudsen, 2007). An article in Beverage World (2009) informs its readers that 80 percent of supply chain managers in the beverage industry "rate SKU proliferation as a challenge. More than 50 percent rate it as either "extremely" or "very challenging." The desire to manage SKU proliferation continues to drive many decisions on warehouse automation and configuration, fleet purchases and overall supply chain strategy among beverage companies." This begs the question – what is the source of such an enormous increase in the number of new SKUs in the past few years?

The link between consumer involvement in co-production AND SKU Proliferation

Lusch et al. (2007) suggests that co-production involves "the participation in the creation of the core offering itself, and it can occur through shared inventiveness, co-design, or shared production." Moreover, they put forward six key factors that contribute to the extent to which an end-user is an active participant in the co-production of offerings – namely: (i) expertise, (ii) control, (iii) physical capital, (iv) risk taking, (v) psychological benefits, and (vi) economic benefits. These factors increase the customers' participation in such feedback channels as online product blogs, retail showrooms, and online customer feedback forums among others. This feedback channels are then used to develop new SKUs as a response to identified consumer needs. John Fleming – a Wal-Mart executive – suggested in an interview that "When I was responsible for Walmart.com, I saw it as a commerce vehicle, but it's actually more valuable to Wal-Mart as a marketing channel. We have about 20 million customers who shop at Walmart.com, and 94 percent of those customers also shop at Wal-Mart once a month. These are Wal-Mart shoppers who are looking beyond the store for things that the online channel can provide--whether it's information, additional services, or assortments. We carry over 1.2 million SKUs online, as opposed to an average of 130,000 SKUs in stores. And online, we can also see the things consumers are looking for that we don't carry. So whereas we used to see Walmart.com as just another channel, now we see it as a complement to the stores and to the Wal-Mart brand" (Court, French, and Knudsen, 2007). As demonstrated by this example, the increasing involvement of customers in new and advanced feedback channels where they can participate in co-production of marketplace offerings has played a large role in the massive number of SKUs as of late.

Consequences of SKU Proliferation for Supply Chain Managers

Firms with long product lines are likely to have many SKU/retail store combinations with very low sales. These low-volume SKUs may have highly unpredictable sales patterns. When demand is not easy to forecast to the degree of accuracy desired, alternative approaches can be used to address the underlying business problem (Gilliland, 2011). Our literature review (e.g. Bayus and Putsis 1999) on this topic suggest that supply chain managers are forced to deal with the following issues as a result of rapidly increasing number of SKUs: (i) accuracy of sales forecasting, (ii) loss of scale economies, (iii) incremental design and production costs for each SKU, (iv) incremental inventory management costs for each SKU, (v) shelf space management, (vi) incremental cost of slotting fees for each SKU, and (vii) accuracy of order processing and fulfillment activities.

Preliminary Results

We interviewed shelf management teams of large nationwide grocery chains. Our conversations with them encapsulated products in such categories like snack bars, frozen foods, sanitary products, yogurt based products, breakfast products, and beer. In each case, the team members provided us with evidence of considerable increases in the number of new SKUs. We then continued to ask them about the challenges of such rapid increases in the number of SKUs and confirmed much of what we found in the existing literature. We also identified types of costs from retailers' perspectives that were not previously published in supply chain journals. These included shelf resets, reprogramming of the scanners with correct codes and prices, scanning error costs, and reprinting shelf stickers.

Next Step

Our findings based on extensive literature review and interviews with retailer shelf management teams suggest that there is a big gap between the demand-side factors considered by marketing departments and supply-side factors considered by the operations departments when it comes to introducing large numbers of new SKUs to the marketplace in short periods. In fact, these types of gaps are addressed in the Demand-Supply Integration (DSI) research (Stank et al. 2012). Our objective as a next step to this paper is to develop a cost/benefit analysis method that considers both the supply and demand factors when introducing new SKUs.

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College Students' Perceptions of Mobile Phone Etiquette

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An undergraduate team of marketing research students modified a questionnaire used in a 2003 study of mobile phone usage and etiquette and collected data at their university. The authors re-analyzed their data set after cleaning up mistakes and discuss the findings related to mobile phone etiquette perceptions. Several differences in significant results are discussed as compared to the 2003 findings. Recommendations for future research to assist marketers of mobile phones and marketing educators are provided.

Introduction

The use of mobile phones in society has increased rapidly over the past decade. According to the wireless industry's CTIA website, as of December 31, 2011, there were 331.6 million wireless connections in the USA and its territories (Guam, Puerto Rico and U.S. Virgin Islands), up from 128.4 million at year-end 2001. As of December 31, 2011, 31.6% of all USA households were wireless only, up from 10.5% in 2006 ("Wireless Quick Facts" 2012).

Such growth has resulted in the use of the technology in more places than usual, including in business meetings and other work settings, in public places, and in the college classroom. With this growth have come public perceptions of increased rudeness/incivility among people, an overall decline in proper mobile phone etiquette. The purpose of this paper is to report on the attitudes of college students at one university regarding the etiquette of mobile phone usage.

Literature Review

The use of mobile phones in more public situations, such as while driving, in libraries, churches and fitness clubs, and in schools and universities, has created concerns about public safety (e.g., Khan and Stark 2011; Nasar, et al. 2007; Richtel 2009), cheating (Nichols 2008), inappropriate camera shots (Saint Louis 2011), general rudeness (Schuldt, et al. in press) and addiction (Gibson 2011). Elgan (2010) offered an updated list of etiquette rules, including lowering one's voice when on the phone in public, drive without using the phone, assume it's your carrier that dropped the call, and avoid searches while on the phone. However, no specific set of officially designated rules appear to exist.

When looking at mobile phone usage, one needs to understand how technology is accepted. The Technology Acceptance Model (TAM) was developed by Davis (1989) and has been studied and modified since then by many researchers, and applied to the consumer market. "TAM was adapted originally from the theory of reasoned action (Fishbein and Ajzen 1975) and identified the relationships between perceived ease of use (PEU), perceived usefulness (PU), attitude, and

behavioral intention toward a target system (Davis, Bagozzi, and Warshaw 1989)" in Choi and Totten (in press). "More recently, it has been extended to include subjective norms (SN) to explain PU and usage intentions in terms of social influence and cognitive instrumental processes (Venkatesh and Davis 2000)" (Choi and Totten).

A search of the relevant literature revealed very little has been written about college students' perceptions of mobile phone etiquette. More recent articles have dealt more with mobile phone usage (including motivations) and students' personalities and social networking skills (e.g., Angster, et al. 2010; Guo, et al. 2010; Hakoama and Hakoyama 2011; Head and Ziolkowski 2010; Junco, et al. 2010; Love and Kewley 2005; Stubblefield, et al. 2010).

Gerow, et al. (2010) investigated the issue of slacking behavior in the classroom and found that three factors (social norms, multitasking and cognitive absorption with Internet-related technologies) contributed to students' likelihood of using those technologies to "cyber-slack." (Gerow, et al. 2010, p. 2) "Using the Internet during class for something other than course-related activities is referred to as *cyber-slacking* in the classroom" The one article that has been mentioned by other researchers when they briefly mentioned etiquette has been the work by Lipscomb, et al. (2007). A convenience sample of students at four universities and colleges in the USA was collected by the authors in 2003. A detailed questionnaire that addressed mobile phone usage (situations, frequency, features used, locations used) and etiquette was developed, pretested, and then used at all four schools. Women students thought that the use of a cell phone during worship services was inappropriate. Part-time employed students, younger students (18-21) and those from North Dakota and Louisiana thought it was appropriate to use a hand-held cell phone while driving (Lipscomb, et al. 2007, pp. 51-52). The authors called for continued research on etiquette and how to educate college students about the potential for abuse (driving accidents, bullying, etc.).

Methodology

The original questionnaire used by Lipscomb, et al. (2007) was readily available to the lead author. A group of marketing research students in the spring 2011 class was in need of a project topic, so the author suggested mobile phone etiquette and loaned them the questionnaire. The student group proceeded to modify the survey, updating the features and etiquette issues (class texting) to reflect the technology changes that occurred since 2003. Each of the five students distributed the IRB-approved survey to students on the campus of a southern state university in different locations. A total of 250 usable surveys were collected by the team through this convenience sample,

edited and coded, and entered into SPSS version 18 in the computer lab. The lead author has since gone back to their data file, re-run the statistics they ran for their paper, and run other pertinent statistics. The focus of this manuscript is on the etiquette section of the survey data.

Results

Overview of Findings

A total of 250 usable surveys were used in the analysis. There were item omissions for most of the questions. The variables Age and Major were recoded for purposes of analysis, especially to reduce cell size problem in crosstabulations. A profile of the typical college student respondent is provided in Table 1. Most have owned a mobile phone for more than two years. Respondents tended to be single, female, with no children under the age of 18. Most work part-time and depend on scholarships and/or students loans as the primary source of funding for college. While a third of the participants were non-business majors, the next largest major group was management and/or marketing (74/246, 30.1%). The average respondent's age was 23.2 years old, with a standard deviation of 5.32 years.

Table 1. Profile of Respondents

Demographic:	Mode	Freq.	%	N
Ownership	>2 years	244	97.6	250
Gender	Female	138	55.4	249
Marital Status	Single, never married	212	85.5	248
Children <18	Zero	213	86.6	246
Employment	Part-time (<40 hrs)	144	58.8	245
Funding Source	Scholarships/Loans	111	45.5	244
Major	Non-business	82	33.3	246
Age	21 years old	53	21.6	245

The demographic variables were subjected to crosstabulations and chi square analysis to determine if there were any significant relationships between them. Some degree of cell size problem (CSP) was found, even after recoding. Women students tended to rely on scholarships and loans as their primary source of education funding, while men tended to rely upon themselves and/or family ($\chi^2 = 8.363$, $df = 4$, $p = .079$, $CSP = 20\%$). Those who are unemployed relied on scholarships and loans, while those who were employed part-time relied on their families ($\chi^2 = 22.827$, $df = 8$, $p = .004$, 33%). Younger students (18 or 19) tended to rely upon themselves or scholarships/loans, while 22 year olds relied on family and/or scholarships/loans. Those between the ages of 24 and 30 tended to rely on themselves, while older students (>30) relied on themselves and/or scholarships and loans ($\chi^2 = 49.649$, $df = 28$, $p = .007$, 52.5%).

Turning to age, female participants tended to be between the ages of 18 and 20 or older than 30, while males tended to be 22 or between the ages of 24 and 30 ($\chi^2 = 14.798$, $df = 7$, $p = .039$). Older students (24 plus) tended to be employed full-time while 18 and 19 year olds tended to be unemployed ($\chi^2 = 38.367$, $df = 14$, $p = .000$, 33.3%). Finally, with regard to major, marketing and management majors tended to be employed either full-time or part-time while accounting and finance majors tended to only work part-time ($\chi^2 = 12.391$, $df = 6$, $p = .054$).

Means and other descriptive statistics for the 10 etiquette questions are summarized in Table 2. Students tended to disagree that it is appropriate to use mobile phones in three settings, church, classroom and while driving (texting only). Some disagreement existed regarding the use of phones to text in movie theaters. Most agreement among participants existed for use in the grocery store.

Significant Differences on Etiquette

Analysis of Variance (ANOVA) tests and one independent t-test were used to determine whether any significant differences by demographic variables existed for the 10 etiquette statements in the study. Given the lopsided response to the marital status and children questions, these were not used in the tests. Several significant differences are reported in this section of the paper

Responses to eight out of the ten statements were statistically significant by gender, as shown in Table 3. Female students tended to be less neutral regarding the appropriateness of mobile phone usage while driving or in the library, and about texting in the classroom or the movie theater. Women disagreed more than men did regarding texting while driving. The biggest difference between the sexes was the appropriateness of bathroom use, with women being more neutral and men being more in agreement with this statement.

Table 2. Descriptive Statistics for Etiquette Questions

Statement:	Mode	Median	Mean	S.D.	n
Appropriate to use while driving.	Neutral	3	2.82	1.296	249
Appropriate to use during church.	Strongly Disagree	1	1.33	0.745	248
Appropriate ... during class.	Strongly Disagree	1	1.68	0.934	249
Appropriate ... for texting in class.	Disagree	3	2.68	1.308	249
Appropriate ... to text while driving.	Strongly Disagree	2	1.92	1.229	249
Appropriate ... in a library.	Disagree	2	2.51	1.212	249
Appropriate ... on public transportation.	Neutral	4	3.54	1.198	249
Appropriate ... in the bathroom.	Strongly Agree	3	3.29	1.384	249
Appropriate ... in the supermarket.	Strongly Agree	4	4.01	1.145	249
Appropriate ... to text in movie theater.	Strongly Disagree	2	2.25	1.291	249

Scale: 1 = Strongly Disagree, 5 = Strongly Agree.

A number of significant differences were identified by employment, major and age. Unemployed students tended to disagree or strongly disagree with three statements that dealt

with driving (calling and texting) and the classroom (texting), versus those employed full-time (Means: 2.47 vs. 3.195 for driving-calls, $F = 4.265$, $p = .015$; 1.63 vs. 2.17 for driving-texting, $F = 2.698$, $p = .069$; and 2.33 vs. 2.73 for classroom (texting), $F = 2.728$, $p = .067$).

Non-business majors were more neutral regarding the appropriateness of texting during class versus general business majors (2.927 vs. 2.281, $F = 2.336$, $p = .074$). Accounting and finance majors disagreed the most with texting while driving, compared to non-business majors (1.638 vs. 2.195, $F = 2.498$, $p = .06$, homogeneity of variance problem), and with using a phone in the library versus general business majors (2.19 vs. 2.81, $F = 2.536$, $p = .057$).

Two statements were found to have significant differences by age. Older students (31+) disagreed the most with texting during class compared to younger students (18-23) (1.647 vs. means > 2.7 , $F = 2.161$, $p = .038$). Older students (26-29) disagreed the most with using a phone in the movie theater versus 20 year olds (1.625 vs. 2.77, $F = 2.639$, $p = .012$, homogeneity of variance problem).

Discussion

It is important to first acknowledge the limitations of the current study before discussing any conclusions and suggesting recommendations for marketers and educators. The revised questionnaire was not pretested by the student research team before data collection occurred. The sample size is lower than the Lipscomb, et al. (2007) study, and was drawn as a convenience sample of college students at one regional state university instead of at four schools in a wider geographic range. The students incorrectly coded some of the data, so the lead author had to clean up the coding mistakes before running the analyses. Therefore, the discussion that follows is at best exploratory in nature of student mobile phone etiquette perceptions.

Table 3. Significant t-test Differences by Gender

Statement:	Women	Men	T	DF	P
Appropriate to use while driving.	2.696	2.982	-1.741	247	.083
Appropriate ... for texting in class.	2.558	2.838	-1.685	247	.093
Appropriate ... to text while driving.	1.710	2.180	-2.982	209.94*	.003
Appropriate ... in a library.	2.312	2.757	-2.925	247	.004
Appropriate ... on public transport.	3.355	3.766	-2.724	247	.007
Appropriate ... in the bathroom.	2.884	3.793	-5.438	247	.000
Appropriate ... in the supermarket.	3.877	4.180	-2.093	247	.037
Appropriate ... to text in movie theater.	2.123	2.414	-1.752	220.05*	.081

*Equal variances not assumed; Scale: 1 = Strongly Disagree, 5 = Strongly Agree.

Lipscomb, et al. (2007) found that women perceived the use of mobile phones during church as being more inappropriate than men did. No difference by gender for this etiquette situation was revealed in our study. However, there were eight situations discovered that involved gender differences in perception of etiquette (see Table 3). Also unlike what Lipscomb, et al. (2007) found with regard to employment and using the mobile phone while driving, part-time employed students in this study were found to be in the middle, with the significant differences existing between unemployed students (inappropriate) and those employed full-time (neutral or appropriate). Lastly, while Lipscomb, et al. (2007) found that younger students thought using the mobile phone while driving was appropriate versus older students, no such evidence was found in our study. Older students did find the use of phones to text during class to be very inappropriate versus younger students, but this was a new etiquette situation. There were also differences by major with respect to the other new etiquette situation, texting while driving, as noted in the second part of the Results section.

We support the original call for further research into students' perceptions of mobile phone etiquette situations that was made by Anonymous1, et al. (2007). The research should be expanded to include a wider range of college students from more geographic regions of the USA and across ethnicity, marital status, and even religious preference demographics. The research should also be expanded in terms of age to include perceptions of Americans of all generations (Millennials, Gen-X, etc.) as well as to teenagers. The human subjects documentation is more burdensome for surveying high school and middle school children, but worth the effort. We need to provide marketers of mobile phones with sufficient data to encourage them to promote an awareness of mobile phone etiquette among their customers. Perhaps we also need to measure the perceptions of faculty members regarding mobile phone etiquette. We need to provide marketing (and other) educators with more data and suggestions on how to deal with mobile phone usage in the classroom, especially in light of today's apparent growing incivility or rudeness exhibited publicly in many locations, including our classrooms (see Schuldt, et al. in press).

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Summary Brief

Website Trust & Mediation Effect

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This study identified the predictors of organization's trust, commitment, and its mediational effect which is within the firm's control. The results indicated that some of the factors were strong predictors of trust than other factors. Implications from this study suggest an ordered "priority" to the different predictors of website trust, which may be used by firms to improve their relationships with consumers in an online environment.

Introduction

Success and survival of an organization depends on effectiveness and efficiency of an organization is in using the technology in generating trust in customer mind (Liaw 2002). Consumer's lack of trust in the World Wide Web is one of the most formidable obstructions that prevent consumers from sharing their information, both personal and financial, in an E-commerce environment (Zhu and Zhang 2010). If consumers perceive a website to be trustworthy, they are more likely to be committed to that website for the purchase of products (Gounaris 2005). For a business to succeed in the competitive e-commerce world, an analysis of the antecedents and consequences of consumers' trust in the corporation's website should be given high priority.

Building on theories taken from a multi-disciplinary perspective (e.g., psychology, sociology, and marketing) and a review of the relevant literature regarding online trust, we proposed and tested a framework examining the important factors related to consumer trust and commitment in a website. Structural equation modeling, utilizing a convenience sample of college students, was used for testing the various relationships.

Contribution of the study

The primary contribution of this research is the inclusion of multiple predictors of trust and commitment into a single model. In addition, managers can use the path estimates to suggest an "ordered" priority to the different predictors that were tested in this study. In order of importance from high to low, relevant and updated information, accessibility and credibility of information provided by the website were significant predictors of trust. Corporations should direct resources to maintaining the most up-to-date, relevant and credible information online. Allowing consumers to access their personal information on the company's database is also important to gaining trust.

Limitation of the study

This study has certain limitations. Some of the limitations of this study are: first, the conclusions drawn from this study are

limited to the restricted range of our respondents, with respect to age, education level, and ethnicity. Second, although the present study cannot establish that our model extends to all online consumers, it does reflect the perceptions of the typical working college student at a public university. The constructs in our model can be applied to websites in general, but it may be possible that the ordering of importance may change if all respondents were considering the same website (in our design, each respondent considered different websites, whichever one they visited most often). Because of this generality, we cannot assess the brand equity that a particular firm has on a consumer's perceptions of trust and commitment. Also, because our questions were not tied to consumers' perceptions of a single company, we did not measure actual online purchase behavior.

Future Research

Future research would benefit from including the three trust predictors and commitment from our model, in addition to measuring perceptions of the brand/firm reputation with respect to a single organization to examine trust and commitment to that website. This "company" focus would also allow researchers to measure actual online purchases to examine the impact of commitment on behavior. We chose to focus on predictors of website trust and commitment in general because we wanted to be able to generalize across companies, but certainly, we see the benefit of company-level analysis as well.

Conclusion

In a highly competitive world, it is necessary for firms to understand how to build trust and commitment with their target consumers. This study provides a unique look at elements within the firm's control that increase trust and commitment to their websites.

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Summary Brief

Investigating Consumers' Apparel Retail Format Choice: The Roles of Decision-Making Styles and Retail Attributes

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The current study explores how consumers' decision-making styles influence their evaluation of retail attributes, which in turn, affect their retail format choices (i.e., upscale department stores vs. off-price retailers) in the apparel shopping context. A convenience sample of 344 undergraduate students was collected and tested using structural equation analysis. Results reveal that perfectionist dimension of consumers' decision-making styles positively influenced the evaluation of service-related retail attributes, which positively influenced their selection of upscale department stores. Furthermore, fashion consciousness, perfectionist, and brand loyalty dimensions of consumers' decision-making styles positively influenced their evaluation of shopping incentive-related retail attributes, which positively influenced their choice to patronize off-price retailers and negatively influenced their choice of upscale retailers.

Introduction

The underlying motivations of why a person shops at a particular venue have been a topic of research for many years. Although most previous retail studies have focused on intrinsic (e.g., service, store layout) and extrinsic (e.g., parking) characteristics of retailers in understanding consumers' retail format choice (Arnold, Ma, and Tigert 1978), other researchers have suggested that consumers' cognitive process relative to decision-making styles may also aid in explaining their retail selection (Olsen and Skallerud 2011). In addition, previous retail studies have emphasized the more established forms of retailer (e.g., traditional department stores and specialty stores). However, the dramatic growth of retailers using discount pricing strategy (e.g., off-price retailers) contributed to the acknowledgement that varying retail formats contribute in differing degrees to consumer's retail choice (Choi 2000).

The current study extends previous research and argues that a concentration on consumers' perceptions and interpretation in rationalizing decisions may provide a more viable foundation through which to better understand consumer's retail format choice. Thus, the current study seeks to address how consumers' decision-making styles influence their evaluation of retail attributes, which in turn, affect their retail format choices (i.e., upscale department stores vs. off-price retailers) in apparel shopping context.

Literature Review and Hypotheses Development

Hypothesis 1: Consumer Decision-Making Styles and Retail Attributes

Sproles and Kendall (1986) define consumers' decision-making styles as "a mental orientation characterizing a consumer's approach to making choices" (p. 267). They developed the Consumer Style Inventory (CSI) scales to classify consumers into one of eight different decision-making styles; (1) Perfectionism/ High-Quality Consciousness, (2) Brand-Consciousness, (3) Novelty/Fashion Consciousness, (4) Recreational/Hedonistic Shopping Consciousness (5) Price Consciousness, (6) Impulsiveness/Carelessness, (7) Confusion-by-Overchoice, and (8) Habitual/Brand-Loyal Consciousness. These typologies represented an early attempt to create a robust methodology for measuring shopping orientations and patronage behaviors. Each typology describes a consumer's shopping 'personality' embodying their general consumption practices.

The current study argues that the evaluation of store attributes hinge on individual personality traits (e.g., shopping styles). For example, researchers reported that those who are brand conscious tend to pay particular attention to quality of apparel and brand names (Jamal and Goode 2001). Oh and Fiorito (2002) also found that brand loyal consumers were likely to search for quality and fashionable apparel. Thus, such findings may imply that consumers who are brand loyal tend to favor retailers that carry good quality, brand name apparel. Likewise, it might be also possible that quality and brand conscious consumers may patronize retailers who provide quality service. Thus,

H₁: Consumer decision-making styles influence perceptions of retail attributes' importance.

Hypothesis 2: Retail Store Attributes and Retail Format Choices

While cognitive reception of store attributes provides the attitudinal pathway for retail format selection, retail strategy provides the perspective to explain why particular retail formats emphasize particular store attributes over others. Research has reported the relationship between salient retail attributes and consumers' retail format choice. These studies suggest that price competitiveness, product assortment, and customer service are the most important retail attributes influencing consumers' store selection. In addition, according to Pan and Zinkhan's (2006) meta-analysis work, service, product selection and product

quality were antecedents for retail patronage. The current study seeks to confirm previous research findings by examining whether store attribute evaluations have an impact on consumers' retail format choices (i.e., upscale department stores vs. off-price retailer). Thus,

H₂: Consumers' evaluations of retail attributes' importance influences their retail format choices.

Methodology

Questionnaire Design

A multiple sectioned questionnaire was developed for this study. Twenty-five items from Sproles and Kendall (1986)'s Consumer Style Inventory (CSI) were used to assess participants' decision-making styles. Each item was measured on a seven-point Likert-type scale (1 = strongly disagree; 7 = strongly agree). A second section asked participants to indicate the importance of twelve retail attribute items (e.g., sales personnel, customer services, return policy, etc.) when shopping for apparel and were assessed on a seven-point Likert-type scale (1 = not important at all; 7 = most important of all). Retail format choice was measured by asking participants to indicate their shopping frequency in the past three months at upscale department stores (e.g., Bloomingdale, Nordstrom) and at off-price retailers (e.g., TJ Max, Ross) and were measured on a seven-point Likert-type scale (1 = never; 7 = always). These scales were developed by the researchers. Lastly, demographic information (e.g., age, gender) was collected.

Sample and Data Collection

The survey was administered to a convenience sample of college-aged students in a mid-sized Southeastern university. Students were deemed an appropriate sample base because of the homogeneity sample characteristics which is desirable for theory testing. Surveys were administered in multiple general-educational courses as to get a broader selection of students' majors (e.g., business, education, art and sciences, family studies). A total of 344 surveys were completed. Ninety percent of respondents were female with an average age of 20.1. About 60% of respondents were Caucasian.

Results

Structural Model and Hypotheses Results

Results for Hypothesis 1 indicated the importance of retail attributes related to shopping incentives were positively influenced by novelty/fashion conscious ($\gamma = 0.26^{**}$), perfectionism/high-quality conscious ($\gamma = 0.32^{***}$), and brand loyalty ($\gamma = 0.20^{**}$). In addition, the importance of retail attributes related to service was positively influenced by only quality conscious ($\gamma = 0.36^{***}$) dimensions of consumer decision-making styles. Thus, H1 was partially supported. Hypothesis 2 proposed that consumers' perceptions of retail attributes' importance would have significant impact on their retail format choices. Results revealed that consumers' choice to shop at upscale department stores was positively influenced by service-related retail attributes ($\beta = 0.15^*$) and was negatively influenced by shopping incentives-related retail attributes ($\beta = -0.25^{***}$), their choices to shop at off-price retailers was positively influenced by only shopping incentives-related attributes ($\beta = 0.15^*$). Thus, H2 was also partially supported. In addition, modification indices (MI) also suggested the additional

positive relationship between brand conscious and consumers' choice to shop at upscale department stores ($\gamma = 0.57^{***}$). Results of the modified structural model indicated an improved fit, yielding a $\chi^2(294)=786.06^{***}$, with RMSEA of 0.069, χ^2/df of 2.61, CFI of 0.93, TLI of 0.91, and IFI of 0.93.

(Note: *, **, and *** = significant at 0.1, 0.05, and 0.01 level)

Discussion and Conclusions

Overall, the study's findings supported the argument that consumers with different decision-making styles tended to evaluate retail attributes differently, which consequently, such evaluations affected their retail format choice decisions for apparel products. Specifically, novelty/fashion, perfectionism/high-quality conscious and brand loyalty consumers tended to pay more attention on retail attributes related to shopping incentives (e.g., price competitiveness, product assortment, and product quality). These results were somewhat in line with previous studies that reported that brand loyal consumers were likely to pay attention to product quality and brand names when shopping for apparel products (Oh and Fiorito 2002). Although the results of the study did not reveal that brand conscious decision-making style directly affected consumers' evaluations of shopping incentive-related retail attributes, e.g., product quality and brand names (Jamal and Goode 2001), we found that brand conscious consumers directly chose upscale department stores when shopping for apparel products. The findings also revealed that only perfectionism/high-quality conscious consumers were likely to pay attention to service-related retail attributes. In addition, the study's results showed that consumers' positive evaluations of shopping incentive attributes were more likely to influence their retail format choice toward off-price retailers, but such evaluations were less likely to influence their retail format choice decision toward upscale department stores. As expected, those who chose to patronize upscale department stores were likely to be influenced by service-related store attributes (Pan and Zinkhan 2006).

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ETHICS, LEGAL & PUBLIC POLICY TRACK

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Summary Brief

Marketing to Low-Literate Adults: Nonprofit Adult Literacy Organizations

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This article is a report of a study of marketing practices that nonprofit adult literacy organizations (NPALOs) employ to recruit and retain low-literate clients. The authors present a brief history of NPALOs in the United States, report results from a survey of key personnel from sixteen NPALOs in Virginia, and report the efforts of one NPALO that used focus groups to help develop a poster and a radio advertisement.

Introduction

Nonprofit adult literacy organizations (NPALOs) face unique marketing challenges as they strive to “assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency” (U.S. Department of Education 2007, p. 3). Because their potential clients are low-literate adults, their recruiting and retention efforts require them to deliver marketing communications uniquely tailored to low-literacy adults. Our major objective in this article is to review current NPALO communication, retention, and recruiting practices.

To gather information for the first study, we surveyed key personnel from sixteen literacy organizations in Virginia. For a second study, we worked with one literacy organization in its efforts to sponsor multiple focus group studies that yielded advice for developing a poster and radio advertisement that would appeal to potential low-literate clients. We depict the development of adult literacy organizations in the United States, report results from our survey and focus group studies, and conclude with implications for marketing to low-literate adults and future research directions.

Literacy Organizations in the United States

In 1911, in Kentucky, Cora Wilson Stewart introduced the first unofficial literacy education school with the primary goal of raising literacy levels for illiterate and low-literate adults in the region (Nelms 1997). She called it Moonlight School because it opened only on moonlit nights so deeply rural people could find and leave it safely (Cook 1977). James McCreary, governor of Kentucky, promoted and established the first illiteracy commission in 1914 (Cook 1977), and the literacy campaign spread nationwide (Nelms 1997), extending even to the U.S. military, which recognized that low-literacy was problematic among military members and developed intelligence testing for soldiers during World War I (1914-1918) (Stubblefield and Keane 1994). During the 1950s and 1960s, federal and state governments began playing pivotal roles in adult literacy education across the United States (Sticht 2002). After the Korean War (1950-53), the Laubach Literacy International was

founded in 1955 and the Literacy Volunteers of America in 1962. Also formalized were the Economic Opportunity Act of 1964 and the Adult Education Act of 1966. These acts and organizations fueled the development and expansion of adult education programs. In 1990, the National Literacy Act of 1991 replaced the 1966 Adult Education Act and encouraged nonprofit adult educational groups to request federal funds for supporting education (Moore and Stavrianos 1995).

In 2000, a national summit was organized to develop an action agenda for improving adult literacy education in the United States. It included the Division of Adult Education and Literacy of the U.S. Department of Education, the National Adult Education Professional Development Consortium, the National Organization for the Study of Adult Learning and Literacy, the National Coalition for Literacy, and the Commission on Adult Basic Education (McLendon 2002). Federal and state efforts to improve adult literacy education have been greatly successful for enhancing adult literacy programs.

Study 1: Marketing Practice

In 2010, the author participated in a one-day literacy conference in Richmond, Virginia, and surveyed key personnel from sixteen literacy organizations in Virginia to gather information about their marketing communication practices for recruiting or retaining their low-literate clients. A 2010 literacy conference held in Richmond, Virginia, provided the venue for surveying some of Virginia’s nonprofit literacy organizations. Sixteen key personnel from each organization attending the conference agreed to complete the surveys. They answered questions about classifications of their education programs, number of students, recruiting methods, retention methods, and retention rates, along with several open-end questions and demographic details.

The sixteen key personnel study participants had a mean age of 51.38 years; 87.5% were female. They reported a variety of literacy organizations that offer many different education programs. We learned that 93.8% of the literacy organizations offer English as a second language (ESOL); 75% offer adult basic education (ABE: 0 to 4th grade levels); 43.8% offer pre-GED (5th to 8th grade level); 25% offer GED (9th to 12th grade level), and 37.5% offer computer training. They may place less emphasis on GED programs because most private literacy organizations emphasize beginning and intermediary literacy acquisition and ESOL education rather than vocational training that emphasizes job skills. ABE programs serve an average of 45.6 students (lowest 2 to highest 300) and ESOL programs serve an average of 381.8 (lowest 4 to highest 2,200). Thus, the number of students varies widely depending on the organization.

Proximity to the metro area versus location in the rural area also influences the number of students. The various schools use 3 to 1,600 tutors.

The survey revealed that adult education organizations use both radio ads and print media to recruit potential adult learners. Radio ads often reach broader audiences in a few exposures, but television advertising is so expensive that its use was almost nonexistent. Of all methods, word-of-mouth referral was the most commonly used communication method. Thus, in spite of their focus on recruiting low-literate adults, adult literacy organizations lack proper print advertisement materials specifically targeted for low-literate adults. Consequently, we propose that it would be worthwhile to explore the development of relatively simple and effective print and radio communications for literacy organizations. In the next section, we describe one Virginia NPALO's effort to design better communications for reaching low-literate adults: a focus-group study that found ways to enhance radio and poster advertisements.

Study 2: Developing Marketing Communication

The author participated in one literacy organization's effort to develop a simpler and more effective radio script and poster for reaching potential clients. Focus group exercises revealed suggestions for developing an effective radio script and simple print poster. Based on the focus group study, the literacy organization created a new radio ad that the focus group members later reviewed and approved. Multiple tutors assisted in writing an appropriately simple, easily understood script; they eliminated all unnecessary or uncommon words and examined the script's content thoroughly to assure that it would trigger the interests of potential adult learners.

In addition, the literacy organization used the focus group responses to guide the design of a suitably appealing poster. The design featured two short messages: "Improve Your Reading" and "Free Classes and Tutors," and an illustration picturing two adults, one reading a book and the other helping the reader. The poster featured a blue background and included multiple easily removable white stickers with the name and phone number of the literacy organization. The focus-group adult learners also reviewed and approved the poster; they and the tutors resolved to distribute it to locations that adult learners frequently patronize.

The focus group findings helped the literacy organization develop a simplified, more effective radio ad and print poster.

Implications

Recent statistics show an alarming number of low-literacy adults in America. The 2003 National Assessment of Literacy estimates that 30 million adults in the United States can perform only simple reading tasks such as locating the time or place of a meeting on a form and identifying specific information in simple news articles. About 7 million adults in the United States cannot read English at all and are considered illiterate (Kutner et al. 2007). Despite the size of this population segment, only 10% of

low-literate adults enroll in literacy classes. About 90% of low-literate adults avoid seeking help because of illiteracy's stigma (Adkins and Ozanne 2005). Therefore, it is critical to learn how to develop effective marketing communications that can speak to the population of low-literate adults. Thus, investigating such marketing practice is critical if literacy organizations are to find the most effective and least expensive ways for reaching potential low-literate adult clients. The survey gathered information from a limited number of personnel from literacy organizations in Virginia. Larger sample surveys could enhance our further understandings of marketing practices and challenges faced by NPALOs. Additionally, future research investigating NPALO current marketing practices and their effectiveness could help organizations enhance their recruiting and retention practices. Such research will benefit not only low-literate adults who might otherwise avoid seeking help because of the stigma of low-literacy but will also benefit literacy organizations in their efforts to recruit and retain clients and to fulfill their goals.

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Chronic Negative Circumstances and Compulsive Buying: Consumer Vulnerability after a Natural Disaster

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The research is comprised of two studies that examine the lingering emotional distress associated with a natural disaster and extends understanding of its impact on consumption attitudes and behaviors when victims are confronted with additional challenges. Study 1 examines victims' (n=426) depression-induced impulsive and compulsive buying after Hurricane Katrina, and Study 2 investigates how the recession has further affected victims' (n=191) stress and depressive states, and their effects on consumption. Years after the storm, impulsive purchasing remains prevalent, but at levels lower than immediately after the catastrophe. Compulsive buying has not subsided and recession-induced adversity appears to have contributed to extended depressive states.

Introduction

The current study considers the emotional and behavioral outcomes linked to a major widespread event and then reevaluates these same outcomes over time and after the occurrence of a subsequent event. Study 1 examines victims' depression-induced impulsive and compulsive buying after Hurricane Katrina, and Study 2 investigates how the recession has exacerbated victims' lingering stress and depressive states, and their effects on consumption.

In the aftermath of Hurricane Katrina, many Gulf Coast residents faced unrelenting stressors, including relocation, financial difficulties, unemployment, and loss of community. Years later, levels of stress and depression among victims have increased and more incidences of anxiety, depression, and suicide are being reported. On top of an already stressful situation, Katrina victims faced a collapsing economy, resulting in record job losses and foreclosure rates.

Literature Review and Hypotheses

Vulnerability

Not everyone who experiences an event will respond in a similar fashion. Vulnerable consumers have been defined as people who are "more susceptible" (Smith and Cooper-Martin 1997, p. 4) than others to economic and psychological harm and are limited in their "ability to maximize utility and well-being in economic transactions" (p. 6). Although a vulnerable state may be short-lived, after a stressful event, vulnerability can increase for people who do not use "effective coping strategies" (Littleton et al. 2007, p. 985).

Events, Stress, and Depression

Research has found "tremendous individual differences" (Seligman et al. 1988, p. 93) in outcomes among those who have experienced an event. In general, undesirable and important events are more likely to lead to elevated levels of stress than desirable and unimportant events. Such occurrences also alter individuals' purchasing behavior.

Chronic stressors can intensify depressive states and are more predictive of outcomes than the mere occurrence of an event. While event-induced emotional difficulties can be minimal and short-lived, psychological distress may be lasting. In the context of this study, hurricanes have previously been linked to stress and loss of meaningful possessions and/or financial resources have been associated with depression. Chronic difficulties often increase stress levels, persistent exposure to adversity can prolong depressive states, and economic contraction has been linked to increased prevalence of depressive states.

In the current study, it is anticipated that individuals who endure material and psychological hardship as the result of a catastrophic event will exhibit higher levels of stress than those who did not experience catastrophe-induced hardship. Given the traumatic nature of the storm, intrusive thoughts are anticipated to linger over the long-term as a consequence of post-event distress. Similarly, victims who experience adversity brought on by the U.S. economic recession should display higher levels of stress than those who do not experience recession-associated hardship. Therefore, the following hypotheses are proposed:

H1: Hurricane Katrina hardship is positively and directly related to catastrophe-induced stress.

H2: Catastrophe-induced stress is positively and directly related to intrusive thoughts of the catastrophe.

H3: Recession hardship is positively and directly related to recession-induced stress.

H4: Intrusive thoughts of the catastrophe are positively and directly related to depression.

H5: Recession-induced stress is positively and directly related to depression.

Depression and Consumer Behavior

How a person copes with a difficult situation is a function of interactions between the individual and the situation. However, because events that result in the loss of personal possessions often lead to emotional distress, disaster-induced purchasing may be used to alleviate negative emotional states, cope with the situation, and regain a sense of "normalcy" (Delorme et al. 2004, p. 188).

Depression has previously been linked to *impulsive* buying. A sudden desire to buy something, buying on impulse may be

used to help alleviate feelings of depression. Although impulsive buying is emotion-induced, there is a cognitive component in the behavior because prior to engaging in the act, individuals consider the appropriateness of their actions.

Depression has also been linked to *compulsive* buying. Manifestations of compulsive buying include repetitive patterns of purchasing that are uncontrollable, excessive, and/or time consuming. Because compulsive buyers are unable to control the urge to buy, the behavior can lead to “extreme negative circumstances” (Ridgway et al. 2006, p. 131).

The propensity to buy compulsively has been linked to gender (female), poverty, and youth. However, the general consensus is that a combination of physiological, genetic, psychological, social, cultural, and environmental factors play a role in the behavior. Because of its economic and psychological consequences, for those predisposed to the behavior, the chronic difficulties that are experienced in the aftermath of a disaster may lead to increased buying and exacerbate vulnerability. Hence, the final two hypotheses of the study are proposed:

H6: Depression is positively and directly related to impulsive buying.

H7: Depression is positively and directly related to compulsive buying.

Method

Data Collection

The researchers compiled an initial list of 173 non-student email addresses of pre-hurricane Louisiana, Mississippi and Alabama coastal residents. An email message encouraged recipients to access the survey website, complete the survey and then forward the email to others they knew who had also experienced Hurricane Katrina. The online survey was left active during April 2006. At the close of the survey, 426 usable responses were received. Nearly four years later, a follow up survey was sent to the same 173 non-student email addresses used in the first study. This survey included questions that closely mirrored or replicated the earlier online instrument, in addition to new questions asking respondents how they were being impacted by the U.S. economic recession. At the close of this follow-up online survey, 191 usable responses were received.

Measures

For both studies, model constructs were measured using validated scales with self-report measures of perceptions for catastrophe-induced stress, event-induced trauma, depression, and impulsive and compulsive buying. In Study Two, items measuring financial strain were added to assess the impact of the recession.

Results

For Study 1, the structural model ($\chi^2(225) = 658.08$, NNFI=.95, CFI=.96, IFI=.96, RMSEA=.067, and $\chi^2(225) = 658.08$) shows Hurricane Katrina hardship contributes to catastrophe-induced stress (H1) while catastrophic-induced stress directly influences intrusive thoughts of this traumatic event (H2). Intrusive thoughts about the natural disaster are also found to impact depression (H3). Finally, depression is shown to have a positive and direct effect

on impulsive (H4) as well as compulsive (H5) buying behaviors. Each path is highly significant ($p < .001$).

For Study 2, the predicted direct relationships (H1 and H2) are reconfirmed ($p < .001$). While the hypothesized path between intrusive thoughts of the catastrophe is again shown to significantly impact depression (H4), the strength of this particular relationship is somewhat weakened ($p < .05$). Depression is once again found to have a direct effect on impulsive buying (H6) as well as compulsive buying (H7), both at $p < .001$ levels. Recession hardship is shown to influence stress (H3) and recession-induced stress contributes to depression (H5), each at the $p < .001$ threshold.

By examining these relationships over time, the results suggest a pattern in which the individual's stress levels impact depression. For many of the respondents, impulsive and compulsive buying are embedded in, or possibly fuelled by, their Hurricane Katrina hardships, expanding our understanding of how negative events can induce such outcomes in the months and years following a disaster. The second sample coincided during the height of the U.S. economic recession. While the results indicate that the recession was having a significant effect on depression and buying at the individual level, it was interesting to discover the persistent impact of Hurricane Katrina on these constructs.

Years later, emotion-induced impulsive purchases were being made, but at levels lower than in the period immediately after the storm. However, compulsive buying has not subsided and the adversity brought on by the recession appears to have contributed to extended depressive states. For many, the recession may have reignited or reinforced a bleak situation for them that initially began with the hurricane, suggesting that policy makers may need to consider how to assist and educate vulnerable individuals who use inappropriate coping methods to manage difficult situations.

Disaster relief efforts typically focus on restoring lost property and repairing damage. However, the study suggests that other issues and events continue to plague and prolong psychological distress and affect behavioral outcomes years later. Consumers and health care workers need to be aware of the potential impact of acute and chronic stressors on behavior, and develop interventions that will minimize emotional distress among vulnerable populations, both short- and long-term.

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Summary Brief

Evolutions in the Labeling Argument for Transgenic Foods: Policy Implications for the AquaAdvantage[®] Salmon

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The controversy surrounding transgenic foods continues to be fueled by the introduction of new products. In light of the pending availability of the nation's first bioengineered animal product, the goal of the present research is to illustrate the current social, political and legal environments for transgenic foods. Responses to the 2010 public hearing by the FDA for the AquaAdvantage salmon, in addition to heavy lobbying by a plethora of consumer advocacy groups, suggests that consumer acceptance of this new product might be slow and volatile. In response to this behavioral phenomenon, calls for research have been made in a variety of social science fields, including marketing. An analysis of federal policies and legal precedents will provide the necessary background for this research. Of specific interest is the variety of responses and the policy implications to requests for disclosure through product labeling.

Introduction

30 years after the introduction of a biologically engineered tobacco plant, transgenesis has become widely recognized as an agricultural technology. As a result, an exponential increase in global trade for its byproducts is anticipated. A multitude of domestic and international organizations have rallied in response to this technology's growth in fields like agriculture, health and manufacturing. However, as the regularity of this innovation permeates the marketplace, concerns continue to mount. There is concern for the safety of biotech products to human and animal health. There are also religious, ethical, dietary and environmental concerns. In response to the multifaceted aspects of this technology, governments across the world are creating new laws and regulations to cover the gamut of issues. While there is no international consensus on regulatory requirements for biotech consumables, there *are* global organizations that play a vital role in funding, developing research, and disseminating the results in an effort to create standards that any country and its government can utilize. Many of these organizations also depended on the efforts of researchers in various behavioral science fields to anticipate consumer acceptance.

The first bioengineered product approved for sale by the Food & Drug Administration (FDA) was a commercially grown product known as the FLAVR SAVR[®] tomato (FDA 2009). After years of testing, this product was declared safe for consumption. The next generation of genetically modified plants will begin to incorporate tangible consumer benefits with output traits such as nutrient-enhancement. However, for the past three decades only transgenic *plant* products have been available for commercial sale. The newest product under evaluation for sale in the U.S. is a genetically modified Atlantic salmon called AquaAdvantage from Aqua Bounty[®], inventors of the first transgenic *animal* food product. This product was submitted to

the FDA in 1999 and is nearly approved for retail sale (USPTO 2012).

Social Environment

Genetic modification (GM), genetically modified organisms (GMOs), recombinant DNA (rDNA), biotechnology, and genetic engineering (GE) are terms used to describe the process of changing the genes of an organism such as a plant or animal. In this research, the term 'transgenic' is used to provide comparability with previous biotech animal studies and to be consistent with a popular term used to describe AquaAdvantage in the media. Consequently, phrases used to describe food produced through genetic modification have been discovered to heavily influence public opinion. "Reactions to the technology depend on what it is called. The term 'biotechnology' evokes the most positive responses, while 'genetic modification' is perceived most negatively and 'genetic engineering' is most often associated with cloning" (Hallman et al. 2003, p. 2). As a result, biotech food producers may increase consumer acceptance of their transgenic foods if these products are positively framed.

Another reason behind the volatile consumer acceptance is a mix of low awareness of the technology (in general) and negatively-biased information found in the media (specific to the AquaAdvantage salmon). Many studies have shown that consumers are largely unaware of food produced using biotechnology (e.g., Han and Harrison 2007). Remarkably, most of the food products Americans consume already contain one or more GM plant-based ingredients. Ten years ago, the Grocery Manufacturers Association estimated that 60 – 70% of formulated food products contain some ingredients from genetically engineered crops. "Today that number may be more like 70 to 80%" (personal communication with Dr. Jeffrey Barach, November 3, 2010). On the other hand, the AquaAdvantage salmon is much more salient in consumers' minds- partially due to the "FrakenFish" nickname created by popular press. Given the dynamics and complexity between plant versus animal transgenic food acceptance, this area offers a fertile area for researchers.

Political Environment

Supporters of Transgenesis

A common argument for supporters of transgenesis is the important role transgenic food products will have in addressing resource depletion and world hunger issues. The United Nations projects the world's population for all 195 countries to be 8.3 billion by 2030 (UN 2008) with a vast majority of the growth expected to take place in developing countries. Approximately

80% of the world's population live in these developing countries and its citizens represent the majority of food consumers (Arundel and Sawaya 2009). As a result, supporters argue that transgenic plant and animal food products could become a relevant solution to the hunger and malnutrition problems prevalent in less developed parts of the world. The technology could also play a dominant role in improving the economies in these regions. It is in response to the growing world population that AquBounty Technologies purports to have created its transgenic salmon. "We're trying to supply tools to support what has become known as the blue revolution, the increase of global aquaculture to meet the food supply, and particularly the seafood supply, needs of a growing population." (FDA 2010, p. 31).

Opposition: In Favor of Product Labeling

Those who oppose the sale of transgenic foods without disclosure believe that unknowingly consuming GM foods impinges upon religious freedom. For example, two Native American tribes in California, known as the Karuk, are strongly opposed to eating AquAdvantage. Salmon is a large part of their diet and culture and also has religious significance. Before purchasing salmon, the Karuk need to know if this sacred fish has been produced through transgenesis (Hansen 2010). While ingredient disclosure is important for many religious groups, there is little legal precedent supporting disclosure for production methods in lieu of overt ingredient differentiation. Federal courts have already set a judicial pattern that supports the FDA's current position on mandatory labeling. When plaintiffs in the 2000 case *Alliance for Bio-Integrity v. Shalala*, tried to invoke the Religious Freedom Restoration Act, the court found in favor of the FDA and added that "a substantial burden to religion does not arise merely because the government refuses to conduct its own affairs in ways that comport with the religious beliefs of particular citizens" (*Alliance for Bio-Integrity v. Shalala*).

Legal Environment

In the U.S., regulatory discourse regarding acceptance of transgenic foods in the marketplace often refers back to the consumerism movement of the 1950s. Additionally, the 1962 Consumer Bill of Rights was instrumental in bringing consumer protection to the forefront of public policy and revealed the United States as a leader in consumer protection regulation. The U.S. legal environment has also influenced consumer protection policies around the world. 23 years later, the United Nations (UN) General Assembly created the UN Guidelines for Consumer Protection. It is appropriate, therefore, that countries around the world show great interest in the U.S. government's stance in the newest and most controversial topic in consumer protection: labeling transgenic food products.

On June 26, 1986 the U.S. Office of Science and Technology Policy issued a formal policy called the Coordinated Framework for Regulation of Biotechnology (51 FR 23302). All bioengineered products are now evaluated through this policy. The FDA has interpreted this regulation to conclude that food producers must disclose information about a food product's composition, but not its production method. Historically, this stance is supported by *United States v. Ninety-Five Barrels*, a

relevant Supreme Court ruling that took place in 1924. Since the FDA has discovered no material difference between transgenic salmon and other farmed salmon, labeling for the AquAdvantage is extremely unlikely.

Summary

Despite the absence of an international regulatory consensus, behavioral research is highly warranted. Do consumers want to freely choose between plant/animal-based transgenic foods and their traditional equivalents? U.S. legislation currently requires mandatory labeling only if the nutritional value or composition of a food product has been changed. However, voluntary product labeling may be an effective way to remedy any dissonance between producers and consumers. In 2005, a biotech study found that one such proactive approach, in the form of marketplace advocacy advertisements, found that an increase in public accountability significantly increased perceptions of credibility and trustworthiness (Sinclair and Irani 2005). Any labeling policy that a federal agency considers, however, must dovetail with public education campaigns. As consumers become more educated about agricultural production methods and technologies, demand for labeling may actually dissipate.

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A Retrospective Look at the Portrayals of the Female in Male-Targeted Cigarette Print Advertising

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My objective in the content analysis is to present a retrospective (a ten year period from 1994-2003), illustrative portrayal of female models in an era of male-targeted cigarette advertising. The content analysis findings suggest that, in aggregate, the portrayal of females in male-targeted cigarette print advertising overwhelmingly consists of young, physically attractive, highly sexualized women whose purpose is largely decorative, primarily to endow the advertising with sexual attractiveness. They are used to add an element of sexuality to the hedonic meaning of cigarettes. They are restricted in gender role to traditional notions of femininity, and rarely appear in groups. They even are assigned different roles in terms of the simple act of smoking--if they do actually possess the product, they are very rarely shown in the act of smoking.

Background

In describing advertising's large-scale "macro" functions, Belk and Pollay (1985, 888) identify it as (1) an archival record ("the family album of society") and, (2) as a standard (presenting "detailed instructions on how to live"); they suggest that determining conclusively whether advertising "shapes our way of life" or "merely echoes existing patterns" is probably not resolvable, but that advertising is "an important enough reflection of ourselves that it must be regarded as a significant factor in reinforcing and strengthening the life it portrays" (888). Guided by these assertions, this article examines the presence and role of female models in male-targeted cigarette advertising; despite extensive research, the extant consumer literature currently lacks such a focused effort.

Sexual Imagery in Cigarette Advertising

Researchers have been exploring gender-based model portrayals in advertising for over four decades, and consistent trends of inequality (as compared to male portrayals) and stereotyping have emerged. Research examining advertising of the 1960s and 70s suggests that women were depicted far less frequently than men as working outside of home and making important purchases (Courtney and Lockeretz 1971), were less likely to be portrayed as authoritative figures (McArthur and Resko 1975), more likely to be shown as belonging at home (Courtney and Lockeretz 1971), and as subordinate to (Goffman 1976) and dependent on (Courtney and Lockeretz 1971) men. Over this time period, women were also increasingly used as sexual objects in advertising (Sexton and Haberman 1974).

This last trend--the use of females as sexual objects in advertising--has continued to gain momentum over time. The stereotyping of women primarily as objects of male sexual desires increased continuously from the early 1970s to the point where nearly 50% of female models were sexually attired in

2003 (Ferguson, Kreshel, and Tinkham 1990; Reichert and Carpenter 2004; Soley and Kurzbard 1986).

Sexual imagery has been present in cigarette advertising for hundreds of years (e.g., in the 1800s cigarette companies' advertisements and labels often featured naked females in an attempt to attract male consumers (Reichert 2003)). For more than thirty years, researchers have documented women's use as sexual decoration (e.g., Venkatesan and Losco 1975) and the cigarette industry in particular has been a major contributor to this practice. Pollay et al. (1996) write, "because brand shares of advertising voice are significantly related to subsequently realized market shares, cigarette advertising appears to influence the smoking behavior of adolescents" and that this effect was larger than on adults by a factor of around three, leading them to write that "the battle of the brands for market share is waged largely among the young, for it is a brand's success among the young that leads to greater brand sales and profit in the long term" (13).

In addition to the amount of ads potential consumers see, advertisers are obviously concerned with what they see in those ads. Advertisers use executional variables to engender positive attitudes in consumers, and visual imagery has played an increasingly important role in cigarette advertising (King et al. 1991).

Content Analysis Objectives

Per Belk and Pollay (1985, 896), "rather than examine the behavior of individuals," the intent in the content analysis is to critically examine a recent decade's worth of cigarette advertising in male-oriented magazines as "a reflection of, and as an influence on" gender-based role stereotyping; the aggregated "photo album" of advertisements prepared specifically for male viewers by the cigarette industry is explored in this paper, explicating patterns in how these "photos" (print ads) depict a specific "family member" (females).

Given the findings of increased sexualization (nudity level, use as decoration, etc.) of females in overall advertising, one would expect that this has also occurred in cigarette advertising and the primary cause of the increased presence of sexual themes. However, the literature currently lacks an investigation of this connection, and thus our objective is to provide this rich description.

Key Findings

The objective of this content analysis was to present a retrospective, illustrative portrayal of female models in an era of male-targeted cigarette advertising. Content analysis findings suggest that, in aggregate, the portrayal of females in male-targeted cigarette print advertising overwhelmingly consists of

young, physically attractive, highly sexualized women whose purpose is largely decorative, primarily to endow the advertising with sexual attractiveness. They are used to add an element of sexuality to the hedonic meaning of cigarettes. They are restricted in gender role to traditional notions of femininity, and rarely appear in groups. They even are assigned different roles in terms of the simple act of smoking--if they do actually possess the product, they are very rarely shown in the act of smoking.

A long-standing debate in the consumer research community pertains to whether advertising shapes reality or vice versa (Gilly 1988; Lundstrom & Sciglimpaglia, 1977). Proponents of the "reflective" view (e.g., Holbrook 1987) argue that advertising primarily casts a mirror on society, capturing a record of reality, whereas others (e.g., Pollay 1986) contend that advertising exerts an influence in shaping the values of a society. Our review of these cigarette advertisements suggests that, unsurprisingly, cigarette advertising offers a mirror perhaps "distorted" to funhouse-like proportions.

Cigarettes often feature situations and model interactions that would be exceedingly unlikely in everyday consumer life (e.g., were a man to actually call out something along the lines of "are those real?" at a young, attractive female passerby, her response is unlikely, in the real world, to be a happy, flippant "Of course they're real, they're Winstons!" as a 2001 Winston ad portrayed). Cigarette advertising (e.g., the presented retro-chic ads from Camel's Pleasure to Burn campaign) is often stylized to the point that it could almost never be mistaken for snapshots of everyday consumer life. However, they can arguably be interpreted as idealized representations from a (perhaps misogynistic) male point of view, and these are indeed a decade's worth of portrayals of women that youth-aged and young adult males have consumed.

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Summary Brief

On-Package Nutrition Information: Important Moderators and Impediments to Population Effects

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The provision of nutrition information is one of the basic functions of food packaging and has been an issue of great interest to the academic community, government, food manufacturers, and food retailers for decades. While objective nutrition information (e.g., calories, fat, and sodium) has been displayed on packaged food for decades, there has been a great deal of discussion, debate, and research around the topic of *front-of-package* (FOP) nutrition information. Many countries around the world are considering whether legislation should require FOP nutrition information on packaged food items in a standardized format (e.g., Guideline Daily Values, Traffic Lights). The provision of FOP nutrition information has the potential to increase consumer awareness, understanding, and usage of nutrition information. Ideally, the increased understanding and usage of nutrition information will help consumers make better food choices for themselves and their families and will help to prevent or reduce diet-related illnesses and diseases (e.g., cardiovascular disease, diabetes, and stroke).

This research provides a concise review of the literature around consumer understanding and use of FOP nutrition information, and summarizes findings across a wide range of

research studies across many disciplines. Despite the large amounts of research and commentary around FOP nutrition information, and the general agreement that FOP nutrition information has the *potential* to be beneficial from a consumer health perspective, the research is clear in suggesting that no singular option is better than other alternatives. Furthermore, research demonstrates a distinct lack of consistent effects demonstrating that consumers utilize FOP nutrition information to make healthier food choices. Many studies report that a particular FOP nutrition information system performs best (versus other alternatives) in a particular study or with a particular sample of consumers. However, no study or series of studies has demonstrated a dramatic and consistent positive effect of FOP nutrition information on consumer decision making. While large, aggregate population health effects are not likely to be observed from any FOP nutrition information alone, FOP nutrition information can be beneficial to some consumer segments under some circumstances. It is especially important to consider moderating and individual difference variables that may influence the attention to and use of FOP nutrition information.

Summary Brief

Dying to be Accepted-The Marketing of Indoor Tanning to Young Adults

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The authors present an overview of the marketing of tanning beds and the attitudes and behavior of the primary target market (young adults) with regard to tanning beds. They conclude that the current attitudes toward tanning and tanning beds, and the marketing practices of the tanning bed industry, along with the availability and low costs of using a tanning bed have come together to create societal acceptance for a product and activity that are seriously hazardous to one's health. Authors also present results of a study comparing attitudes of indoor tanners and outdoor tanners. The authors call for more regulation of the marketing of tanning beds, particularly with regard to high school and college students.

Background

Skin cancer is now the most common form of cancer in the U.S. It is more common than all other forms of cancer combined (Consumer Reports 2011). Even scarier, the number of incidences of melanoma, the deadliest form of skin cancer, is rising at a rate faster than the seven most common cancers. Some of the rise in the number of reported incidences of skin cancer can be explained by greater awareness and more frequent screening for skin cancer, but other factors have increased the number of reported incidences as well. Societal shifts such as the popularity of golf for the mass market, and the various fashion styles which leave shoulders, stomachs, thighs, and backs uncovered have also contributed to the rise in skin cancer, but one primary reason is the shift in the perception of tanned skin, which took place late in the 20th century. Before this shift a tan was indicative of the working class (working in the fields, specifically) while the upper classes kept their skin pale. After the shift a tan indicated higher socioeconomic status - a dark tan became the signal that one could afford to winter somewhere warm and sunny (Diepgen 2002). This led to the activity we now call "tanning", or intentional exposure to UVL, and an increase in skin cancer. Of course, it didn't take long for the lucrative business opportunities connected to this interest in tanning to become apparent, and today one of the most controversial factors contributing to the increase in skin cancer is the successful marketing of tanning beds.

The current attitudes toward tanning and tanning beds, the marketing practices of the tanning bed industry, along with the availability and low costs of using a tanning bed have come together to create societal acceptance for a product and activity that are seriously hazardous to one's health. Increasingly dire reports regarding the health consequences of tanning, particularly for the young, have been released by the National

Cancer Institute and the World Health Organization, among others (NCI 2010; WHO 2010). At this point it is irrefutable that long-term exposure to ultraviolet rays increase the risk of getting skin cancer, whether from exposure to the sun or from the ultraviolet rays of a tanning bed, yet the popularity of tanning has not diminished at all (NCI 2010). Some who defend the use of tanning beds argue that tanning is something people can do with or without a tanning bed, since they can always sit out in the sunshine to get a tan. "We cannot control access to the sun," they say, "so what would be the point of controlling access to tanning beds?" However, tanning beds are available for use at all times and in any season, unlike the sun, so there is no natural limit to availability. Indoor tanning is also more dangerous than natural sunlight tanning because the more popular tanning beds use primarily UV-A rays, which penetrate more deeply into the skin. These tanning beds are marketed as "high pressure" tanning beds that offer the tan worshiper a "quick, burn free tan" (Russell, 2012).

The problem of long-term tanning may be more than just skin deep. Medical researchers have now concluded that there is strong evidence that tanning may be an addiction (Zeller et al. 2006). This may partially explain why the activity of tanning has persisted in society despite efforts to educate the public about the related health issues. The areas of the brain activated during tanning, especially the striatum, are the same areas that are activated when someone consumes a drug or sugary food. Tanning saturates the body with UV radiation, which is naturally occurring in sunlight, but the UV radiation produced by large tanning beds is 10 to 15 times the amount of UVA radiation than occurs in natural sunlight (Balk, 2011). The desire for UVA exposure, its physiological reward, and its influence on consumer choice was demonstrated by Feldman et al. (2004). Participants were asked to use both a UVA and a non-UVA tanning bed in a six week long experiment. Experimental subjects were unaware of any differences between the beds, which were located in the same space and identical in all respects except for the type of light used. Tanners consistently rated their experience in the UVA bed as putting them in a better mood and as more relaxing. By the end of the six weeks, given a choice between seemingly identical beds, most participants (92 percent) selected the UVA bed for tanning.

The Study

For the study reported herein, all participants were college age individuals (mean age of 25 with 77 percent 23 years or younger, and seventy-seven percent female.) Respondents who

indicated that they planned to use tanning beds at least once in the next six months following the interview (representing 77.6% of respondents) reported an intention to tan an average of 55 times in that time period. These indoor tanners forecast their tanning bed usage at 16 times, and their average outdoor tanning at 39 times. The twenty-two percent of the respondents who tanned only outdoors in the sun planned to tan an average of 31.7 times. Thus exclusively outdoor tanners planned to tan significantly fewer times ($t=2.01$, $p<.046$) in the next six months.

Based on the results of prior research, the authors expected that indoor tanners would exhibit greater dependence on or addiction to tanning than would exclusively outdoor tanners. It was predicted that indoor tanners would not only demonstrate a greater dependence on tanning than outdoor sun tanners, but would be differently motivated to tan and perhaps view social norms of tanning differently.

The data show that indoor tanners not only feel more dependent on tanning but that they enjoy it significantly more than outdoor tanners. They report the behavior to be more relaxing, and also report that it lifts their spirits to engage in tanning. Additionally, they rated the social acceptance produced by a tanned appearance as more important than did outdoor tanners. Indoor tanners also were more sensitive to the media portrayal of the value of a tan and the perception of social rewards from their friends and significant others. Not surprisingly, the indoor tanners engaged in significantly fewer sun protective behaviors such as limiting their time in the sun. Overall one can view indoor tanners as individuals who are more sensitive to social approval of a tan and more desirous of the physical pleasure of tanning. Interestingly, the indoor tanners were not significantly different from outdoor only tanners in terms of their agreement with the threat of cancer from tanning and the threat of injury to and aging of their skin, and clearly this knowledge did not deter their tanning plans. Thus it seems fair to view the indoor tanners as far more vulnerable to the promotion of tanning.

Conclusions

It is clear that the tanning industry targets young adults, and why wouldn't they? This is the perfect target market for this product. Looking good is what they are about, and in the current society, part of looking good is having a tan. This target market is, for the most part, aware of the risks associated with indoor tanning. They accept this risk since the rewards are immediate and the dangers won't manifest themselves until they are "old" (30 or more). However, the authors of this paper argue that young indoor tanners are a vulnerable market because of their level of dependence on tanning, the physically addictive nature of tanning, their strength of motivation derived from social and media sources, and their apparent unwillingness to modify behavior in their own self-interest. As a result, we strongly believe that legislatures should give increased consideration to proposals for the regulation of purveyors of indoor tanning, a known carcinogen, particularly with regard to their marketing strategies which target young adults.

We propose that some of the rules that are in place to regulate the marketing of cigarettes, another known carcinogen that is also addictive in nature, should also be applied to tanning beds. For instance, advertisements for tanning salons should not be in school papers. Even though most college students are not minors, they are vulnerable to promotion of a socially desirable product and one which is physically addictive for some consumers. Furthermore, high schools and universities should not give tanning salons a tacit endorsement by advertising them in the school papers.

The major lobbying organization for producers of indoor tanning equipment and operators of tanning salons, the Indoor Tanning Association, frames tanning as an innocuous activity as benign as allowing children to play outside. They pose the "threat" of regulation as an intrusion of big government into personal freedom (ITA 2012.) With such opposition, and given the current political mood of many Americans, it will be a slow process to get laws passed to regulate the marketing and use of tanning beds. However, when we objectively consider the evidence concerning the nature of the threat and the vulnerability of many target consumers, common sense urges increased legislative effort.

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Product Tampering in the U.S: Some Public Policy and Marketing Implications

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This study examines the act of product tampering and the possible public policy and marketing implications. Because product tampering could be easily used to endanger the health of the public, we argue that from the public policy viewpoint, the federal government must treat the design of tampering-resistant packaging as a public good and lead the way in conducting research in this area instead of leaving it to the industry. Furthermore, the federal government needs to increase the penalty available for product tampering under the FATA (Federal Anti-Tampering Act) to achieve a deterrence effect. Marketing could play a vital role in providing guidance on how to treat tampering incidents and in the dissemination of information.

Introduction

The object of this study is to analyze product tampering and discuss the marketing and public policy issues implicated by the act. For example, we discuss questions such as who bears the cost or should bear the cost of product tampering, and whether the government should be involved in research to develop tamper-resistant packaging.

The practice of maliciously tampering ingestible products such as water and food by administering poison is not new (Logan 1992). Poisoning of ingestible products could be traced even to as far back as the Biblical days. However, most people in the United States were unfamiliar with the phrase “product tampering” until the early 1980s when the media announced the deliberate poisoning of Tylenol capsules by some unknown person or persons in the Chicago area (Advertising Age 1986). Are there some proximate causes of these incidents, can they be prevented, and what are the costs? These are a few of the direct questions that were raised in the aftermath of the Tylenol incident. The answers are however not as direct or simple, and may even require inter-disciplinary approach.

Product tampering is defined as “The crime of intentionally altering a product in order to cause harm, threatening to do so, or communicating false information” (Food and Drug Administration 2006). In general, it can be described as an act by a third party who, without permission or authority of the manufacturer or seller, introduces or attempts to introduce a foreign object into the product that is being sold to the public. The foreign item is often poisonous, but there have been occasions when leaflets of hateful and other undesirable messages were inserted in the package of products that were being sold to the public (see www.senate.gov 2001). Examples of product tampering include agricultural produce such as Chilean grapes which were laced with cyanide in 1989 (Shenon 1989), Gerber’s baby foods which were tainted with broken glass in 1986 (Molostsky 1986), and over-the-counter

drugs such as Tylenol capsules which were laced with poison in 1982 and 1986 (Advertising Age 1986, Mitchell 1989). Hoaxes of product tampering on the other hand are reports of tampering which have later been shown to be fabricated. They include reports of finding items such as HIV-tainted needles in gas pump handles (snopes.com 2011), a syringe in a can of Pepsi (Kirby et al. 2003), and a human finger in a Wendy’s burger (Almedia 2005).

Product manufacturers and sellers are held responsible when a product is tampered with even though tampering acts generally occur when the product is outside their control. The fallouts that result from news of tampering (whether real or false) in terms of negative publicity are often substantial. Because ingesting a tampered product could cause a serious injury and in some cases (such as the Tylenol capsule incidents) death, news of tampering not only scares consumers away from the brand that has been allegedly tampered with, but also from other products that the manufacturer of the tampered product makes. Similarly, investors also shun the companies involved because of the high likelihood of liability lawsuits that they may face (Morgan 1988; Jarrell and Peltzman 1984, Koku 2006; Koku 2012). The combined effect of these forces results in a huge financial loss for the companies involved.

Even though the firms involved in product tampering incidents are the direct casualties of tampering, the nation as a whole also suffers a psychological blow from the realization that its food supply might not be safe when product tampering occurs. Mr. Tommy Thompson, a one-time secretary of health alluded to this fact in a public comment (see Allen 2004). Thus, product tampering incidents also have wider national security implications, and should attract researchers from different disciplines. Unfortunately, academic research on the issue is rather sparse (Kim and Choi 2003).

Previous Studies

Despite its allure to scholars and the need for rigorous analysis, not much work has been done in this area. Morgan (1988), in the wake of the Tylenol capsule tampering incidents, reviewed the legal implications of tampering in an article in the *Journal of Marketing*. He, in addition to the legal issues, suggested that a change in the retail format which allows customers direct access to inspect products being offered for sale could be a contributing factor to product tampering. This indeed seems to be the case in the Tylenol incidents, however, it is not relevant to the alleged tampering incidents of Pepsi and Wendy’s which were later found to be hoaxes. Thus it seems not being able to inspect a product before purchase does not necessarily preclude people from claiming to have found a foreign object in the product. Nonetheless, the danger posed by

customers' access to ingestible products, for inspection before purchase must be weighed against the conveniences and cost savings that it offers. An economic analysis of product tampering cases was conducted by Mitchell (1989). He sought to answer the question of whether the actions of external parties, whose conduct was outside the control of a firm, could still negatively impact the firm's brand-name capital. The answer to the question was in the affirmative, however, he also found that other makers of over-the-counter analgesics such as Contac by Smith Kline Beckman, Anacin by American Home Products, and Excedrin by Bristol Meyers did not suffer any statistically significant losses when they were tampered with. Mitchell also estimated that Johnson and Johnson, the maker of the Tylenol brand of analgesics lost, over all, about \$2.24 billion in wealth decline, about 14% of the company's value (Mitchell 1989), and surmised that Johnson and Johnson's loss may have been due to the fact that it was the market leader. What happens when a non-market leader's product is tampered with though remains unanswered.

The outcry in the media for better consumer protection was evident after the Tylenol episodes. A better public protection from product tampering however does have significant public policy and marketing implications. Can a safer product packaging be developed, what role should the government play in its development, and how would a new packaging affect retailing are issues that need to be addressed.

Jackson, Jackson and Newmiller (1992) examined consumers' perception of and reaction to product tampering incidents. The authors treated product tampering incidents as a situational variable and surveyed over 1200 respondents. Three hundred, twenty-eight usable responses were analyzed from which they found that there are significant differences in the reaction of the different consumer demographic groups. Specifically, older folks seem to think that producers of food and over-the-counter drugs are doing all that they can to protect consumers, and that money spent on developing tamper-resistant packaging is a waste. They also feel that the media exaggerate product tampering-related news.

In addition to age, the authors also found that consumers' reaction/perception of product tampering split along their level of education; the more educated were less likely to agree to a government regulation or mandate such as manufacturers of baby foods must develop and use tamper-resistant packaging. The educated also feel that (1) tamper warning signs would help consumers remember to check packages for product tampering, (2) producers are not doing all that they could to prevent tampering, and (3) media coverage of product tampering incidents only leads to more product tampering.

Logan (1993) reviewed major product tampering crimes that were committed between 1980 and 1990 in order to develop a profile of the criminals and decipher their motivation. As a result of the study, he lists amongst other things, such motives as terrorism, sabotage, homicide, insurance fraud, malicious mischief, and attention seeking as possible explanations and recommends public education on tampering and wide dissemination of punishments available under the crime.

The Profile of a Product Tamperer

Product tamperers come from all walks of life and have different motives. Some tamperers are mentally deranged and may tamper with a product because of their insanity. Most product tamperers are however sane and likely to be a disgruntled employee who wants to get back at his/her employer. Others are extortionists who tamper with products in order to extort money from the manufacturer or create a hoax of buying a product that has been tampered with and allege emotional distress. Take the case of Mr. Tex Triplett, a retired meat salesman and his wife Mary in the State of Washington. They reported that they found a syringe in a can of Diet Pepsi while looking for a prize-winning can that supposedly contained the phrase "Be young, have fun, drink Pepsi" and quickly hired an attorney. Pepsi had included the phrase in a can during a nation-wide award winning contest (see Kirby et al. 2003).

In the last alleged product tampering case that received a national coverage, one Ms Anna Ayala, a resident of Las Vegas, reported finding a human finger in the bowl of chili that she purchased from a Wendy's outlet in San Jose, California (Almedia 2005). She later, however, recanted and admitted making up the story. In other extortion cases, the extortionist threatens to tamper with a product if his/her demand, which is usually a large sum of money, is not met. Even though none of the hoaxes resulted in loss of life, they nonetheless caused huge negative publicity and economic losses for the companies involved.

Public Costs

What are the costs that tampering imposes on the public? Do the costs justify a development of tampering-resistant package at the expense of the public? Can the anti-tampering technology be developed through public-private partnership? If a tampering-resistant packaging is designed, would it be environmentally friendly? Above all, can product tampering be prevented or reduced? These are further tampering-related questions that have public policy and marketing implications.

There is no doubt that the firms whose products have been tampered with or who are the subject of a hoax bear the brunt of the cost of tampering, nonetheless other entities also bear a significant cost. Previous studies such as Mitchell (1989), and Koku (2012) focused on the cost incurred by a firm and concluded that these costs could be substantial. Mitchell (1989) estimates that the Tylenol poisoning cost Johnson and Johnson about \$2.24 billion, while Koku (2012) estimates that a firm, on average, losses about \$613 million in equity value per tampering incident. This paper, however, addresses only the cost to the public and the possible public policy and marketing implications.

The individuals who consumed the tampered products, e.g., those who consumed 1982 poisoned Tylenol capsules, incurred a cost by way of lost life and lost potential earnings. The medical expenses incurred in taking care of the sick, the dying, funeral expenses and the loss of companionship could also be significant. The general public also incurs costs associated with product tampering in several ways. Some individuals who consumed only the brand of product that was tampered with but not the tampered product itself, develop acute levels of anxiety that need medical intervention (Logan 1992). Even though there is no direct means of quantifying these costs, it is conceivable

that the medical costs and time lost from work could, in the aggregate, be significant. There is also an unquantifiable cost that is associated with the fact that the public's confidence in the tampered product is shaken when news of a product tampering is made public. The hysteria or panic that comes with the news of death due to product tampering could lead to loss in productivity in the local communities where the death occurs or in the state where the tampering incident occurs.

Public Policy

The act of product tampering is deceptively simple compared to the havoc it wreaks. As a crime, it is a federal offense, but often local statutes are also violated when the offense is committed, thus its successful prosecution calls for a collaborative work between local and federal law enforcement agents. The prosecution of tampering before the 1980s was left to local authorities as the act was thought to be rather isolated however it all changed after the Tylenol incidents (Logan 1992).

The public outcry that followed the 1982 Tylenol tampering incidents persuaded the law makers at the federal level to pass legislation on product tampering. The U.S. Congress in 1983 enacted the Federal Anti-Tampering Act (FATA) which in addition to defining the crime established the penalty for violating the FATA to be a fine of up to \$250,000 per offence and/ or imprisonment of up to three years. The FATA also assigned joint investigative responsibilities to the Food and Drug Administration (FDA), United States Department of Agriculture (USDA), and the Federal Bureau of Investigations (FBI). The FDA is primarily responsible for investigating all consumer complaints of tampering, tainting or adulterating of products under its regulatory control and refers matters to the FBI, local law enforcement, and the affected companies. The USDA is responsible for investigating all consumer complaints regarding meat, poultry, and egg products. It too refers matters to the FBI and other agencies as it deems appropriate.

The FBI is responsible for investigating cases that involve serious threats to human life, threatened or actual acts of tampering including extortion. It is also responsible for matters referred by USDA and FDA, and for investigating cases that involve consumer products that are not regulated by the FDA and USDA, or when a death occurs. The FBI's laboratory provides forensic analysis and whatever assistance requested by law enforcement agencies to process evidence in product tampering cases.

The 1983 FATA has had a series of amendments which were intended to tighten it. The Anti-Tampering Act 1 (the Act) was expanded in scope in 1994 to include product labels as well. This expansion was necessary because of the use of products as a vehicle to propagate hateful message. Hate groups or individuals pretending to represent such groups insert into packages leaflets that "attack African Americans, praise the holocaust, and encourage the killing of immigrants." Other acts involve the insertion of pornographic materials or information into packages of products meant for children or households (see www.Senate.gov. – "U.S. Senate hearings on Product Packaging Protection Act of 2001"). The Product Packaging Protection Act of 2001 was enacted as an amendment to the 1994 Act and intended to close the existing loopholes.

Manufacturers of products that are potential tampering targets are exposed to possible legal costs that will be associated

with product tampering. They could be sued for making an unreasonably dangerous product because of inadequate packaging that could prevent tampering. They are therefore caught in-between designing packaging that could withstand tampering and still be appealing to the consumer. Studies by the packaging industry have, however, determined that the technology does not exist to make tamper-proof packages. Furthermore packaging technologists have argued that designing a truly tamper-proof packaging is either impossible or prohibitively costly. These discussions prompted the FDA to provide guidance on what it considered a tamper-resistant packaging. The FDA's definition of a tamper-resistant package is that which "has one or more indicators or barrier to entry which, if breached or missing, can reasonably be expected to provide visible evidence to consumers that tampering has occurred" (see Greenberg 2000).

Other Practical Considerations

The other practical issue that confronts the manufacturer whose product has been tampered with and law enforcement authorities is to decide on the most appropriate time to make public news of a product tampering. Contrary to public belief, complaints from consumers about suspected product tampering incidents are not isolated, neither are threats from unknown individuals to tamper with products. The FDA alone reportedly received, about 1,700 product tampering complaints in 1986 (Crow and Erickson 2000), while General Mills said it alone receives 20 to 25 complaints of unauthorized messages in packages each year (MacLeod 2001).

Given this high frequency of product tampering-related incidents that are hoaxes, there is a possibility that making such news public could wreck havoc both on the company and on the public. Causing a false alarm could needlessly hurt the company financially, and cause undue public anxiety. On the other hand, withholding information from the public on a product that has been actually tampered with exposes the public to unnecessary danger.

The dilemma posed above coupled with the current environmental uncertainties (terrorist threats, biological war, etc) make it important that firms cooperate with the government on how to deal with product tampering incidents. The lessons from marketing can be invaluable to prevent product tampering or deal with the crime when it occurs. Proper labeling, and a statement on the product packing that reminds consumers not to consume a product if it appears tampered are necessary. Furthermore, reminding consumers periodically, through advertisements and public service announcements to be on the "look out" for tampering or tamperers could also be useful.

Businesses need to reflect the marketing philosophy instead of merely paying a lip-service. Practicing the marketing philosophy means that they are concerned about creating value for both customers and themselves. Therefore to mitigate the negative effects of product tampering, it is important for the targeted firm to move quickly without equivocation when a determination is made that a tampering threat or information is credible. This suggests that sometimes, it may be necessary to withdraw products from the market to ensure public safety. If such a step must be taken, the products must be withdrawn in a forthright manner. It is important for a targeted company to show the public that it is truly concerned about the public's safety rather than its bottom line (money). It is also important

for the company to maintain an open/and frank communication with the public. It needs to reassure the public that the company has confidence in its products/production process, and will do everything in its power to protect the public.

Small companies may be financially incapable of developing safe and tamper-resistant packages, nonetheless they may yet still experience product tampering as was the case of Odwalla in 1996 (Dietz 2000). Thus the government, as a matter of public defense, must lead the way in developing the technology that can yield the necessary protection and yet still be environmentally friendly. In light of the current environment, it may be time for the Federal government to revisit the Anti-Tampering Act. In our view, the penalty for tampering is strikingly small when it is compared to other federal crimes. For example, the sentence under RICO (Racketeer Influenced and Corrupt Organizations Act) statute (see Chapter 96 of Title 18 of The United States Code, 18 U.S.C. §1961) is 20 years to life imprisonment while FATA provides for a maximum of three years for product tampering. An enhancement in the severity of the penalty will make the punishment serve as a proper deterrent as well as make it fit the crime.

Further studies similar to Mitchell (1989) and Koku (2012) that not only quantify the costs of tampering but investigate the role of brand loyalty, its moderating effects and the public's perception of brands when products are tampered with will increase our understanding of marketing implications of product tampering.

Conclusion

The crime of product tampering encompasses a wide range of malicious activities which include non-life threatening acts, such as the placing of racist leaflets into packages, to the lethal, such as poisoning. Although the crime is not new, and the anecdotal evidence of its devastating effect abounds in the business community, the subject has not been given much research efforts; thus many questions remain unanswered. This study discusses some of the unanswered questions and shows the need for a collaborative work between the industry and federal government as well as the role marketing should play in crafting a better response to the problem.

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Summary Brief

From Trait to State: A Hierarchical Model to Understanding Information Privacy Concerns

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Marketers utilize advances in technology to gather and manage consumer data electronically to build customer relationships, understand consumer spending habits, and create efficiencies. However, consumers may have concerns about their privacy when marketers or service providers have electronic access to personal information. Previous research on privacy indicates that privacy concerns may be a function of both personal traits and contextual-dependent variables. In the current research, two online surveys provide evidence that consumer attitudes toward sharing personal health information (e.g., the U.S. Electronic Healthcare Records system) and personal shopping information (e.g., loyalty card programs) are determined through a hierarchical model of personal traits and contextual-dependent variables.

Introduction

Organizations strive to form long-term exchange relationships with consumers through the collection and analysis of consumers' personal data. The immediate collection, integration and analysis of personal data benefit all parties, including consumers, businesses and governments (Caudill and Murphy 2000). Consumers benefit from electronic management of their data through individualized product offerings, price discounts and special promotions. Businesses and governments benefit from increased operational efficiencies, cost savings and heightened responsiveness to consumer's (Demoulin and Zidda 2009; HealthIT.gov 2011). Despite the benefits associated with commercial and government data collection programs, consumers are not always willing to share their personal information (Sheehan and Hoy 1999). Some researchers attribute the variation in information sharing behavior to the individual traits of the consumer, as well as the contextual nature of the request to share information (Junglas et al. 2009; Sheehan and Hoy 1999).

This research presents two studies that examine the attitude toward two distinct data collection programs, retail loyalty cards and electronic healthcare records (EHR). The personal shopping information and the personal health information contexts both require consumers to share personal and behavioral information in which others have electronic access to consumer data. Utilizing Mowen's (2000) Meta-theoretical Model of Motivation (3M model), this research proposes that, in both contexts, attitudes towards the data collection program is a function of personality traits, which activate states of privacy concern.

From Trait to State: A Theoretical Framework

Privacy is a multi-faceted concept that has been researched in a multitude of disciplines for over a century. Based on the seminal work by Westin (1967) privacy is defined as "the claim of individuals, groups or institutions to determine for themselves when, how and to what extent information about them is communicated to others. Viewed in terms of the relation of the individual to social participation, privacy is the voluntary and temporary withdrawal of a person from the general society through physical or psychological means, either in a state of solitude or small group intimacy or when among large groups, in a condition of anonymity or reserve." This definition suggests that privacy is both a trait that is relatively stable, more enduring tendency of an individual and a state of concern that is contextual-dependent and varies across situations.

Mowen's (2000) Meta-theoretical Model of Motivation (3M Model) provides a basis to explain the trait and state nature of privacy and its influence on attitude towards data collection programs. The 3M model dictates that behavior in a particular context is motivated by personality traits that act as reference points for evaluating outcomes. Four levels of traits exist where traits progress from broad-level to specific. The levels of traits include *elemental traits*, derived from genetics and early learning history; *compound traits*, influenced by culture, learning history, and combinations of the elemental traits; *situational traits* that influence behavior within general situational contexts; and *surface traits* that influence behavior within specific contexts (Mowen 2000).

Utilizing the 3M model, we suggest that attitude towards data collection programs is influenced by a combination of elemental, compound, situational and surface traits. This research proposes that attitude towards data collection programs is influenced by the hierarchical combination of predispositions consisting of three dimensions of consumer privacy concerns (CPC), information privacy orientation (IPO), risk orientation and need for information. Specifically, we propose that IPO is positively influenced by risk orientation (H1) and need for information (H2). The three dimensions of CPC (information collection, errors, and unauthorized secondary use) are positively related to IPO (H3a/b/c). The three dimensions of CPC are negatively related to attitude towards the data collection program (Loyalty cards: H4a/b/c; EHR: H5a/b/c).

Method

Two separate studies address the research hypotheses in two distinct contexts: retail loyalty cards and electronic health care records. For both studies the seven compound, situational, and surface trait constructs and their corresponding items were identical. The studies deviated in the assessment of attitude toward the retailer loyalty card and attitude toward the EHR data collection programs.

For the first study, nine hundred sixty-four upper-level undergraduate students from three southern universities participated in an online survey regarding retail loyalty cards. A confirmatory factor analysis (CFA) indicates that the measurement model demonstrates good fit: $\chi^2 = 672.95$ ($df=254$, $p<.00$), the Tucker-Lewis-index (TLI) of .97, the comparative fit index (CFI) of .97 and root mean square of approximation (RMSEA) of .04.

For the second study, nine hundred and forty-eight upper-level undergraduate students from three southern universities participated in an online survey. Similar to study one, the CFA showed good fit for the measurement model: $\chi^2 = 706.19$ ($df=254$, $p<.00$); TLI =.97; CFI=.97; RMSEA = .04.

Results

The structural model was estimated and compared to the partial mediation model. The analysis indicated that in both studies the partial mediation model was the better fitting model (Loyalty Card: $\chi^2=965.72$, $df=257$, $p<.00$; TLI=.95; CFI=.95; RMSEA=.06; EHR: $\chi^2= 953.72$, $df=257$, $p<.00$; TLI=.95; CFI=.96; RMSEA=.05.). As such, the hypotheses were reported based on the partially mediated model. The model provides support seven out of eight hypotheses.

In hypotheses 1 and 2, we propose a relationship between the compound traits of risk orientation and need for information and the situational trait of IPO. The path coefficients are positive and significant for both studies (Loyalty Cards: $\beta_{\text{risk orientation}}=.25$, $p<.00$; $\beta_{\text{need for information}}=.21$, $p<.00$; EHR: $\beta_{\text{risk orientation}}=.30$, $p<.00$; $\beta_{\text{need for information}}=.15$, $p<.00$) supporting hypotheses 1 and 2. Hypotheses 3a, 3b, and 3c state that IPO is positively related to the three CPCs. All three are supported as the coefficients are positive and significant for both studies (Loyalty Card: $\beta_{\text{information collection}}=.35$, $p<.00$; $\beta_{\text{error concern}}=.18$, $p<.00$; $\beta_{\text{unauthorized secondary use}}=.15$, $p<.00$; EHR: $\beta_{\text{information collection}}=.39$, $p<.00$; $\beta_{\text{error concern}}=.21$, $p<.00$; $\beta_{\text{unauthorized secondary use}}=.17$, $p<.00$).

Hypotheses 4a, 4b and 4c propose negative relationships between the CPC dimensions and the dependent variable of attitude towards loyalty cards. The path coefficient is negative and significant ($\beta=-.08$, $p<.05$) supporting hypotheses 4a. Hypotheses 4b is significant and positive ($\beta=.20$, $p<.00$), which is contrary to the hypothesized relationship. Hypothesis 4c was positive, but non-significant, and thus not supported ($\beta=.07$, $p>.10$). Hypotheses 5a, 5b, and 5c propose negative relationships between CPC and attitude towards the EHR. The path coefficient is negative but insignificant ($\beta=-.06$, $p>.01$), not supporting hypothesis 5a. Hypotheses 5b, is significant and positive ($\beta=.14$, $p<.00$), contrary to the hypothesis. Hypothesis 5c is significant and positive ($\beta=.09$, $p<.00$), also contrary to expectations.

Discussion

The findings from both studies support the applicability of the 3M model of motivation as a foundation for understanding the phenomena of privacy concerns. This framework is unique and allows the psychological predispositions of privacy to be integrated with the contextual notion of consumer privacy. Data from two studies of data collection programs (e.g., a loyalty shopping card program and the EHR program) demonstrate that CPCs are derived from the individual's predisposition to guard and protect their personal information, which is a consequence of the compound traits of need for information and risk orientation. CPC influence attitudinal outcomes associated with data collection programs.

Contrary to the hypotheses, in both studies we found that the CPC dimensions of error concern and unauthorized secondary had a positive relationship with attitude toward the data collection program. Positive relationships between CPC unauthorized secondary use and attitude towards the information collection program were found in both studies; however this relationship was only significant with respect to electronic healthcare record programs. Lowry et al. (2011) finds similar results in their study that examined the usage of self-disclosure technologies. In particular, Lowery et al. (2011) utilize social exchange theory to explain the positive relationship between CPC and attitude towards self-disclosure technologies. In effect, the technology supports communication between the consumer and the entity, and, when self-disclosure is a goal in the relationship, the consumer will support these technologies.

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GLOBAL & CROSS-CULTURAL MARKETING ISSUES TRACK

Track Chair

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Exploratory Study of Ethical Perspectives of Future Mexican Managers

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A study of Mexican business students suggests that their ethical decision-making frameworks differ from their US counterparts as documented by Keller et al. (2007). The students were not found to be highly religious, but subscribed more to utilitarian, deontological and hermeneutical frameworks for their ethical values.

Introduction

As argued by Husted, Dozier, and McMahon (1996), business ethics researchers are discovering that there is an emerging global moral order. But, in order for global ethics to emerge, there has to be some agreement about ethical frameworks and behaviors in various situations (Buller, Kohls and Anderson, 1991). Husted et al. (1996) review prior research that found similarities and differences in moral attitudes and moral reasoning across cultures. They felt it would be expected that studies would find differences in attitudes in different countries but they wondered why similarities have also been found. They speculate, and test, whether exposure to other cultures, to foreign cultures, explains the similarities found by prior researchers.

Husted et al. indirectly allude to the globalization phenomenon occurring in the business world. Multinational companies (MNCs) operate in a world without barriers. Their value chain encompasses many and varied countries, each with its own culture. Because of its proximate geographical location, Mexico has become a major participant in the value of chain of US firms. The commercial relationship between the US and Mexico has become stronger since 1994 when the North American Free Trade Agreement (NAFTA) was signed.

As globalization continues, multinational firms have to do business in different cultural contexts. Moral practices need to be studied and understood. A manager might make a decision that makes perfect sense in a different culture but would not be considered ethical in the US. Bribery and nepotism might be accepted business practices in one country and thus not considered unethical, and the same behavior might be morally indefensible in another country (Forsyth, O'Boyle and McDaniel, 2008). US firms doing business with Mexico, or in Mexico, need to understand the decision making process followed by Mexican managers. No prior research was found that studies the factors affecting a person's ethical perspective in a Mexican setting. This exploratory paper attempts to fill a void in the study of ethics in the Mexican culture. It adds to the ethical decisions studies in cross-cultural business settings and increases the empirical work to date.

The following sections include a literature review of relevant research and a brief discussion of the ethical models

used in this research. This is followed by a section explaining the methodology employed, results, and finally, a conclusion section that also includes limitations and possible future research.

Literature Review

Husted et al. (1996) found "very significant differences in the form of moral reasoning in Mexico and the United States" but they also found "consensus transcending national boundaries ... regarding questionable business practices" (p. 401). They argue that there is a higher level of moral reasoning used by US managers when compared to Mexican managers.

Marta, Heiss, and De Lurgio (2008) studied the effects of background variables on the ethical perceptions of Mexican and US marketers. They bemoan the fact that the "US-Mexican literature is surprisingly sparse, given that NAFTA created a free-trade area ... over 10 years ago" (p. 539). At issue is the fact that the volume of trade across the US-Mexican border requires that managers from both countries make business decisions together and many of those decisions have ethical content. Marta et al. (2008) found similar results as those found by Husted et al. (1996). Marta et al. wondered if religiousness would explain the results, but they found no significant differences in religiousness between the two countries. They believe that "the significant difference on levels of perceived corporate ethical values between these countries" (p. 547) is due to a lack of communication. Their explanation is based on prior findings that more developed countries are more concerned and aware of the importance of business ethics. Because of this, Mexican corporations fail to communicate the importance of ethics to their employees. They are surprised by their results since their respondents were located in Monterrey, a city where US businesses are prominent. Residents of this city are very aware of US norms and have to work with them daily; and yet, Marta et al.'s results were consistent with those found in past studies of other less developed countries.

Neubam et al. (2009) wonder whether business majors are less ethical than majors in other disciplines. They wonder whether an ethical curricula should be revisited in business schools. They find that this is not necessary, that the lapses in ethics observed in the news lately are not because business majors are not being taught ethics. They argue that ethics awareness increases with academic proficiency. They also believe that as they age, individuals become more morally developed and found that women are more morally developed than men. They recommend that educators should focus on asking students "what would you do?" instead of merely

teaching ethical frameworks. This would help students develop a sense of why they are making certain ethical decisions.

Global moral thought has been widely researched, and yet, there is a gap in research that studies the ethical decision making in Mexico. In their meta-analysis study of cultural variations, Forsyth et al. (2008) do not include a single ethics study performed in Mexico. Their study looks at cultural variations in ethics positions reported in previous studies. They explore the measures of central tendency and dispersion. They find that levels of idealism and relativism do vary across regions of the world in predictable ways, and that these variations are consistent with prior studies of cultural differences.

Marques and Azevedo-Pereira (2009) looked at the ethical judgments in the Portuguese accounting profession. They found that younger accountants had higher ethical standards and they were more willing to follow rules. They conclude that more experienced accountants are less willing to follow the rules and that those just starting in their careers are more willing to follow the rules. They were also surprised to find that males were stricter than female accountants. Based on Hofstede's (1980) cultural values, Portugal and Mexico are very similar cultures. The question becomes, can the Portuguese findings be extrapolated to Mexican managers?

Using six ethical models, Keller, Smith, and Smith (2007) measured how future accountants might measure ethical dilemmas. They utilized seniors and graduate accounting majors to measure differences in the ethical models for these dichotomies: male or female, graduate or undergraduate, work experience or no work experience. They also tested the strength of the religious ethic against the other models by which students make ethical decisions. The six ethical models used by Keller, Smith and Smith (2007) are briefly discussed in the next section.

Ethical Models

Utilitarian Epstein and Spalding (1993) defined this ethical model as "... striving to make decisions that optimize the greatest possible good ... for the greatest number of people ..." (p. 229). Keller et al. (2007) believe that this ethical rule is flawed because it allows excesses to be justified. Ultimately, the manager is faced with having to decide what the greatest good for the greatest number is.

Pragmatism (egoism) In this model, the good for the decision maker guides the decision, and this might be the ethical approach that managers ultimately follow (Keller et al. 2007). This egoistic model of ethics reduces predictability and consistency of decisions. Managers are supposed to maximize profits by minimizing costs, but will the good of the company serve the needs of the community at large? Egoism as a model for ethical decision making might not be functional. According to Keller et al. (2007), "two possibilities exist for ethical outcome on the basis of egoism": 1) a clean conscience does have a certain utility to the ethical person and 2) "ego driven action is 'just' action because the system of economics supported by this self-service is the most 'just' system" (p. 301). In other words, religion and economic competition will be driving forces behind ethical decision making under this model.

Religious This ethic model is dependent on a supreme being, who sets standards of right and wrong. "[R]eligion is arguably the broadest basis that society has for ethics and provides the internal justification for many ethical acts such as

providing safe working conditions, treating employees fairly, and protecting the environment" (Keller et al., 2007, p. 302).

Deontological Under this ethical model the decision maker does not worry about the consequences of the decision but simply in making a decision. The action itself is what matters, following a code or a standard without having to worry what is best. The manager follows standards and regulations without considering whether those standards are adequate and thus could be considered unethical. "The bottom line is that fallible human beings will produce fallible ... standards" (Keller et al., 2007, p. 303).

Hermeneutical "In this ethical decision making model, the manager has an ethical guide that is higher than profit maximization and self interest. A corporation is a legal entity without consciousness so the manager must act as the corporation's moral conscience. As such, the manager becomes the firm's soul and the decision making then has ethical implications. Managing the business makes the managers accountable to society at large. "The fiduciary relationship between [the manager] and corporation formalizes the trust of the corporation that its identity will be faithfully rendered" (Keller et al., 2007, p.304). This ethical model then recognizes that there are standards and rules that managers are guided by and would likely follow; but, under the hermeneutical model of ethics, the manager may deviate from the standards if those standards prevent the manager from giving an adequate representation of a corporation's reality.

Amoral In this ethical model there is no model. No ethics guidance exists. It could be said that the amoral ethics model is 'none.' This amoral model posits that business decisions and ethics are not related.

Hypotheses

This paper attempts to detect differences in ethical decision making of Mexican business students based on work experience and gender. It also attempts to measure the religiosity of the respondents and how it relates to the other ethical models.

Hypothesis 1: Students with work experience will have significantly different ethical standards from those without work experience.

Hypothesis 2: There are significant differences in ethical standards between males and females.

Hypothesis 3: The strength of the religious ethic will be significantly different from other models by which students make ethical decisions.

Method

To test the propositions listed above, we surveyed Mexican college students. Our study is different from Marta et al. in that we test future managers to give MNCs and researchers a crystal ball into the future. While Marta et al. studied Mexican managers working in marketing, our research uses college students that will make up the likely job applicants and represent prospective future managers of MNCs. With this study we can understand the standard of ethics that future managers will bring to the workplace. The respondents were undergraduate students enrolled in a business major at the Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM) in the Cuernavaca campus. This campus is located one hour south of Mexico City.

By selecting this interior country location we hoped to eliminate the culture transfer discussed by Husted et al. (1996).

The survey used was adapted from Keller et al. (2007). Just like Keller et al. (2007), we tested six theoretical models. There were two statements for each model concerning ethics. A nine-point Likert scale was used, anchored on strongly agree (1) and strongly disagree (9). The questionnaire also includes demographic questions that allow researchers to identify demographic differences that prior researchers found to be significant in ethical decision making: gender, education and work experience.

The original questionnaire was prepared in English and was translated into Spanish and then back translated into English. Inconsistencies in the two versions were resolved by two individuals who are competent in both English and Spanish.

In general, t-tests were used for analysis of differences. For demographic differences, independent sample t-tests were used. For differences between agreement with various philosophies, paired-sample t-tests were used.

Results

There were 153 responses. Table 1 describes the Mexican student sample. Our Mexican business student sample is very young. About three fourths (76.5%) are 20 or younger. Only 7.3% are older than 22 years. Women outnumber men, but perhaps less than in the Keller et al. (2007) sample (55.6% female). About three fourths of the respondents (73.8%) are in their first 3 semesters, and 40.3% are in their first semester. About three fourths have no work experience (75.8%), and 90.2% have worked less than a year. Independent samples t-tests showed no significant differences between men and women in age, semester in college, or work experience.

Table 1: Descriptive Statistics of Mexican Sample

	Grand Mean	S.D.	Min	Max	Med		Mean
Age Mode = 18	19.37	1.96	17	27	19	Men	19.49
						Women	19.28
Gender	--					Men	55.6%
						Women	44.4%
Semester in college	2.99	2.43	1	9	2	Men	2.185
						Women	2.614
Mo. work experience	4.67	4.68	0	117	0	Men	12.059
						Women	16.113

Table 2 provides some evidence of the logical validity of the measures of ethical frameworks. The Religious measure is uncorrelated with the others. Since the other philosophical views are logical in nature, it is not surprising that these systems are uncorrelated to faith. The significant positive correlation between Utilitarian and Egoistic views contradicts any assertion that business students repudiate the economic view that personal gain is good and benefits society by properly allocating capital. However, that view is coupled with a positive correlation that suggests they also believe rules should be followed (Deontological). The Hermeneutical view is somewhat absolutist and correlates positively with the Deontological idea that one should follow rules, but negatively with both the Amoral view and Egoistic view. The largest, positive,

correlation is between the Amoral view and the Egoistic view, suggesting that if one doesn't see business as needing an ethical foundation, the Egoistic view may prevail.

Perhaps the most surprising result in Table 3 is that, unlike Keller, Smith & Smith (2007), there was not a significant difference in the degree to which students ascribed to the religious ethic and the amoral view ($p = 0.352$). In fact religious was one of the least subscribed ethics, more subscribed to but comparable to both the Egoistic and Amoral ethics. Most subscribed was the Hermeneutical view--that business is about truth.

**Table 2:
Correlation Table of Agreement with Ethical Philosophies**

	Rel.	Util.	Her.	Am.	Deon.
Rel					
Utilitarian	.027				
Hermaneutral	-.024	.046			
Amoral	-.009	.113	-.295		
Deontological	.078	.219	.234	.095	
Egoistic	-.004	.218	-.172	.420	.109

Significant correlations in **Bold and Underlined**.

In general, our sample adheres less to religious ethics than Keller et al's (2007) sample. This is consistent with Marta et al. (2007). If education or work experience plays a role, these differences may be explainable by differences in sample between our young Mexican sample and Keller et al.'s predominantly senior or graduate level sample.

**Table 3:
Differences between Religious and Other Value Structures.**

	Diff.	p-value	Mean Religious	Mean Other
Religious vs. Amoral	0.2109	0.352	6.8163	6.6054
Religious vs. Hermaneutral	2.7397	< 0.001	6.7740	4.0342
Religious vs. Utilitarian	1.8067	< 0.001	6.7933	4.9867
Religious vs. Deontological	2.0132	< 0.001	6.8079	4.7947
Religious vs. Egoistic	-0.0263	0.905	6.8224	6.8487

Nearly equally subscribed to, and below the middle value of 5 (more strongly supported), were the Hermeneutical philosophy, that business is about truth; the Utilitarian view that business should provide the greatest good for the greatest number; and the Deontological view that rules should be followed.

**Table 4:
Means Comparisons
by gender, education, and work experience**

	Men	Women	<5 th sem. n=112	5 th sem. or above n=32	No work exp. n=112	Some work exp. N=35
Ego.	6.588	7.024	6.655*	7.364*	6.664*	7.351*
Amor.	5.939*	7.122*	6.527	6.781	6.504	6.886
Herm.	4.169	3.915	4.162*	3.500*	4.098	3.800

***Significant differences at p < 0.05 level**

There were no significant differences in agreement with Religious, Utilitarian or Deontological perspectives based on gender, education, or work experience.

Following Keller et al. (2007), we next examined our results for differences based on gender, education level and work experience. Because our group is so young, we first grouped education level at 1st semester versus others. Work experience was grouped by none versus some.

The only significant difference by gender was the women were less likely to separate business from the Amoral view of ethics. Other mean differences were less than 0.5 on a scale of 1-9. There were no significant differences between first semester students and others, but to compare more accurately with Keller Smith and Smith (2007), another test comparing those with less than 5 semesters to those in their fifth semester or higher, and the results are reflected in the table above. There are two significant differences: upper division students seem to subscribe less to egoistic philosophy and more to the view that business is about truth (Hermeneutical). With regard to work experience, the only significant difference was that students who had worked were less likely to subscribe to an Egoist philosophy (D=0.688).

Limitations, Future Research and Conclusion

The purpose of this study was to examine ethical decision making frameworks of future managers in Mexico. The results show that multinational companies doing business in Mexico might want to schedule some ethics training for their Mexican managers, perhaps of the kind envisioned by Murphy (2004). Such formal training can enhance the ethical culture of the organization and clarify expectations. At a minimum, the multinational firms should have training to review rules, regulations, and standards that the Mexican managers are expected to follow. Compared to Keller et al's (2007) US respondents, our Mexican sample's ethical decision making is more deontological, utilitarian, and hermeneutical. This means that the decision making of Mexican business students, future Mexican managers, is more likely to benefit from having standards that they can follow.

The study of business ethics in Mexico is still in its infancy. Future research should sample graduate students to determine whether the additional education shows differences in the ethical

decision making of future Mexican managers. A study is also needed using actual Mexican managers. Furthermore, future studies could sample Mexican managers working for Mexican firms and Mexican managers working for foreign firms located in Mexico.

This study uses survey data which can add errors to the data. It is expected that the respondents will answer truthfully but this cannot be completely assured. Also, there is always the possibility that the sample does not reflect the population at large. Despite these shortcomings, the findings increase our knowledge of the ethical decision making of future Mexican managers. The results can help guide MNCs in their quest to have a presence in the Mexican business scene.

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Summary Brief

Materialism and Brand Engagement Across Two Cultures

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Materialism is overestimating the importance of material goods to human happiness. The purpose of the present study was to examine cultural differences in materialism by comparing the responses of samples from the U.S. (n = 259) and Korea (n = 226) to two materialism scales. The results showed the Korean's scored higher than the U.S. sample on five of six materialism dimensions, suggesting that materialism might have a stronger impact on consumption behavior in Korea than in the U.S. The U.S. consumers reported higher levels of brand engagement in self-concept than did the Koreans, revealing subtle cultural differences of potential importance to marketing strategy.

Introduction

Materialism is a concept of preeminent importance in the study of consumer behavior. Researchers have linked materialism to a very wide variety of normal and abnormal consumer traits and behaviors ranging from obvious ones like overspending, consuming for status, and hoarding behavior, to more obscure and unexpected findings like those linking testosterone levels to conspicuous consumption. Thus, materialism merits close study for both theoretical and practical reasons.

The purpose of this study is to examine the presence and function of materialism across two cultures, the U.S. and South Korea. We chose these countries because the U.S. is the most widely studied culture in materialism research, so U.S. results serve as a de facto standard against which other cultures are usually compared. We chose South Korea because it is an Asian culture, usually assumed quite different from that of the U.S., but which reflects the changes sweeping through Asia as these countries modernize and become affluent. We use validated scales to measure materialism and brand engagement in self-concept to explore cross-cultural differences.

Literature Review

In Marketing, we study motivations that give rise to consumers' marketplace behaviors in order to understand how those motivations play out and so that marketers can appeal effectively to their target consumers. The more than normal desire for physical goods, materialism, is one motivation that comes up repeatedly in social science literature including marketing. Ethnic differences in materialism are believed to exist. Research, however, is not clear on specific variations in materialism by ethnicity or national origin. We hypothesize that materialism scores vary between South Korean and U.S. consumers, but insufficient evidence exists to support a supposition of which group scores higher. Moreover, we hypothesize gender differences, but leave them unspecified

because no consistent empirical pattern justifies specific differences, except for attractiveness, where women score higher.

Brand engagement in Self-concept (BESC) is a relatively new concept in marketing (Spratt et al. 2009). BESC is defined as "an individual difference measure representing consumers' propensities to include important brands as a part of how they view themselves" (Spratt et al. 2009, p. 92). How consumers use brands as badges and embodiments of their self-images is important to companies selling branded merchandise. Spratt et al. (2009) show BESC is closely related to materialism. Because BESC is relatively new, the results are not in on how it might vary with culture. Spratt et al. (2009) found no gender differences in BESC, but Flynn et al. (2011) found a small difference in favor of men and that Americans of Asian descent scored the highest on the BESC scale. Thus, we hypothesize that brand engagement with self-concept does not differ by gender, but that Koreans should score higher than do Americans.

Finally, because Spratt et al. (2009) present strong evidence for a positive correlation between BESC and materialism, we predict that these variables are correlated in the present study for both the U.S. and Korean samples.

Method

We collected the data via surveys of U.S. and South Korean student consumers. In both countries, we asked students attending large, public universities to complete surveys for class credit. The data collection yielded two samples, 260 U.S. and 227 Korean.

We operationalized the variables using multi-item self-report scales developed by a variety of authors. We chose the Richins (2004) Material Values Scale (MVS) because it has had prior wide use, Kasser's (2002) Aspiration Index (AI) because it is newer and provides unique insights into the concept of materialism not provided by existing scales, and the BESC because it gives a new view of the role of brands in consumer behavior.

The questionnaire was translated in two ways. First, the English version was translated automatically using the translation feature provided by Qualtrics. The survey was also translated manually by a bilingual colleague. Finally the two versions were reconciled and the survey back translated by a second colleague.

Analysis and Results

We tested the hypothesized mean differences between both the countries and for gender differences with a 2 X 2 MANOVA with all seven latent variables as dependent variables. The

multivariate results showed a significant multivariate interaction ($F_{(7,475)} = 4.1$, $p < .0005$, partial $\eta^2 = .057$, Observed Power = .987), and significant main effects for both gender ($F_{(7,475)} = 10.4$, $p < .0005$, partial $\eta^2 = .133$, OP = 1.0) and country ($F_{(7,475)} = 35.3$, $p < .0005$, partial $\eta^2 = .342$, OP = 1.0). The follow-up univariate ANOVAs allow us to inspect the specific ways in which the countries and genders differed on these variables. Inspection of the residual plots did not reveal any violation of the assumptions of the ANOVA analyses, and there was only one outlier in the data set, the removal of which followed by reanalysis, did not change the results.

The interaction effect was significant only for one dependent variable, the Attractiveness subscale of the Aspiration Index. Women in both samples scored higher ($M = 25.0$) on the value of attractiveness than did men ($M = 22.3$), consistent with prior studies and with the third hypothesis, but the U.S. men scored significantly lower ($M = 19.8$) than their male Korean counterparts scored ($M = 24.6$), leading to the significant interaction effect.

The strong main effect for country was striking, supporting hypothesis 1. There were significant differences between the U.S. and Korean samples for every dependent variable. The U.S. samples scored significantly higher on the Finance and brand engagement scales than did the Koreans, but the Koreans scored significantly higher than the Americans on all remaining scales. For the main effect of gender, there were significant differences in two of the dependent variables, Attractiveness and Centrality. We have already seen the interactions between gender and country for Attractiveness. The main effect gender difference for the centrality dimension of the Material Values Scale revealed that women scored higher ($M = 10.2$) than did the men ($M = 9.8$), supporting hypothesis 2.

Hypothesis 4 proposed no gender difference in brand engagement, and the results supported this for both countries. The proposed difference between Korea and the U.S., H5, however, was opposite of the hypothesis. The U.S. mean BESC score (22.7) was significantly higher than the Korean (19.61). To test the final hypothesis, a positive correlation between BESC and materialism, we correlated the scores for both the entire sample and the two countries separately. These show the two variables correlated in both countries, but slightly more so in the US.

Discussion

Although it is important to understand cultural differences in materialism for both theoretical and practical reasons, there is little research on this subject. Most studies focus on aggregate levels of materialism and have not used the Kasser AI, which offers different perspectives on materialism than older measures. No studies seem to address cross-cultural differences in brand engagement in self-concept. We sought to fill these gaps with our study.

Subjects differ on all seven of our measures. For the AI, South Korean subjects score higher on the attractiveness and the social subscales and the direction is reversed for the financial

subscale where the U.S. subjects had higher mean scores. The fact that the Americans are more materialistic when it comes to financial success is not too surprising as Americans have that reputation worldwide. Koreans, in this sample of primarily young Koreans, have significantly higher mean scores on aspirations for social success or popularity and fame and on aspirations of attractiveness. Perhaps in Korea where there is less disparity in income there is less yearning for more money. This would fall in line with other research that found conspicuous consumption increases with income disparity. Perhaps it is a cultural issue and it is considered gauche to strive for more money. Turning to the MVS subscales, the South Korean subjects are significantly higher than the Americans are on all three. Centrality of possessions, success, and happiness derived from possessions were all more important in our South Korean sample. In Korea, men and women showed no mean differences on any of the measures. U.S. subjects showed sex differences only for the centrality subscale of the MVS. The difference on the MVS centrality subscale is perplexing. The difference is not large, but women evidence more of a sense that possessions are central to their happiness do men in the U.S.

BESC scores were not different for men and women within countries. This is consistent with the original paper, Sprott et al. (2009), which both found no gender differences for the BESC scale. However, there are large differences between the two countries. Korean consumers scored substantially lower on BESC meaning the Korean sample is less likely to use brands to express their self-image. Moreover, relationships between BESC and the materialism subscales are much weaker for the Korean subjects. It is interesting that a characteristic like brand engagement with self-concept functions differently in a different society. It seems that consumers in South Korea score higher on most dimensions of materialism compared to U.S. consumers but that level of materialistic tendencies does not translate to more brand-engagement. This seems to be a result of the more brand-restricted marketplace in South Korea plus the effects of a more collectivist society.

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Summary Brief

Donation Intentions and Competitive Altruism: A Comparison of East Asian and American Consumers

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This research explores whether donation messages which include a descriptive norm can activate status motives and influence donation behaviors by encouraging competitive altruism. Furthermore, the moderating influence of cultural differences (Individualism vs. Collectivism) is examined. The findings indicate that competitive altruism plays a key role in the intention to donate to a charity program. Participants are significantly more willing to donate when they are presented with a normative message, compared to a control (no message). Moreover, culture has a significant effect on the likelihood of donation intentions.

Introduction

Researchers have suggested that a person's contribution to a charity program is affected by not only his or her own altruism but only earning a positive social reputation or status (Goldstein, Cialdini, & Griskevicius 2008). Individuals with such reputations are seen as more trustworthy (Barclay 2004) and more desirable as society members (Cottrell, Neuberg, & Li 2007). People are more generous when observed and also rate group members who display generosity in cooperative tasks as having higher status than those who display relatively less generosity (Barclay & Willer 2007). According to Goldstein et al. (2008), people compete to behave more altruistically than others and establish an altruistic reputation, a phenomenon referred to as competitive altruism. Competitive altruism provides an explanation for some instances of altruistic behavior, and is based on two simple assumptions. First, there are individual differences in altruism. Second, in forming alliances there is competition people strive for the most moral and cooperative partners. (Roberts 1998). This research explores the use of descriptive norms in donation messages, and the impact of a cultural difference on susceptibility to that message.

Conceptual Background

Individuals across diverse cultures and historical periods are known to compete for status by trying to be seen as relatively more altruistic—a concept known as competitive altruism (Goldstein et al. 2008). An altruistic behavior communicates a signal which indicates a person's prosociality, and also their level of resources such as time and money (Griskevicius, Tybur, & Bergh 2009). Griskevicius et al. (2009) suggests that people might engage in what are perceived to be costly prosocial behaviors (such donating time or money to a charity) when they are motivated to attain status from others or

not to hurt their reputation. In fact, study participants that were primed with a "status" motive were more likely to participate in a conspicuous prosocial act compared to a control group. Social norms are also an important motivator of altruistic behavior. Goldstein et al. (2008) found that hotel patrons were more likely to recycle their towels when told that other hotel patrons participated in the "green" program. Frey & Meier (2004) demonstrate that students are more likely to donate to a social fund when they are told that a large proportion of their peers have donated in the past. According to Frey & Meier (2004), people behave pro-socially depending on the pro-social behavior of other persons. People want to behave in an appropriate way in order to conform to social norms (Messick 1999), and prefer some fair level of reciprocity with others (Rabin 1993). Furthermore, contributions by others might serve as a signal of the quality of the public good or organization that provides the good such as charity (Vesterlund 2003). But what remains to be seen is just how many others have to donate in order for the normative message to activate competitive altruism? Is it sufficient for an average number of people to donate, or does it have to be a larger majority? Based on these findings, the following hypothesis is proposed regarding donation behavior:

H1: Donation intentions will be greater when a descriptive norm is used, compared to a control group.

H2: Donation intentions will be greater when individuals perceive that a large majority of others have donated, compared to an average number.

Individualism and Collectivism

Cultural differences certainly may influence donation behaviors. Oyserman & Lee (2008) explain that individualism or collectivism exhibits a culture's relation to individual goals and accomplishments. The core origins and characteristics of this dimension are differences in family units and the extent to which they influence people's lives and everyday behavior. Whereas in individualist cultures the most important distinction is between self and others, in collectivist cultures the self is always defined in the context of social networks, and the important distinction is the line between in-group and out-group. For instance, collectivists are characterized by a "we" consciousness, while cultures high in individualism are characterized by a strong "I" consciousness and the emotional independence of individuals from institutions and organizations. Those with collectivist values are more susceptible to interpersonal influence and are more likely to exhibit social connectedness than those with individualistic values (Grace & Griffin 2006). For example, East

Asian cultures strongly emphasize social harmony and conformity while Westerners are more likely to perceive themselves as unique and special (Markus & Kitayama 1991). While Westerners tend to move away from anything that implies conformity, conformity is highly valued by East Asian cultures (Heine & Lehman 1997). Collectivist cultures have stronger social ties and value cohesiveness more than individualist cultures (Mooij 2011). As a result, individuals with collectivist values may be more sensitive to how many others donate to the same charity program compared to those with individualistic values. Based on these differences, we propose the following:

H3. Compared to people in an individualistic culture, individuals in a collectivist culture will be more willing to donate when they perceive that a strong majority of others have donated.

Experiment

Subjects at two public universities in the U.S. and South Korea participated in the study ($N_{U.S.} = 172$, $N_{South\ Korea} = 172$) and were randomly assigned to one of three donation messages (control vs. average norm vs. majority norm). Likelihood of donation was assessed.

Results show that participants are significantly more willing to donate when they are presented with a message containing a descriptive norm, compared to a control. Moreover, culture interacts with the type of descriptive norm used when assessing donation intentions. Americans are more likely to donate when seeing an average norm message compared to a majority norm. However, Koreans were more willing to donate when a majority norm message is used.

Future research opportunities include examining how social factors or individual differences influence this relationship. The findings also have clear implications for managers of charity programs. Our findings indicate that messages including a descriptive norm fared significantly better at encouraging donations than did the control message. However, this depends on the culture of the target audience. Messages which include a descriptive norm indicating a large majority have donated may remind people of their collectiveness and encourage donations through increasing conformity to society. On the other hand, using a descriptive norm that indicates an average number have donated may work better when targeting those with individualistic values by increasing competitive altruism while minimizing diffusion of responsibility.

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Summary Brief

Social Networks' Adoption & Usage in Individualistic vs. Collectivistic Societies

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While individualism and collectivism has been researched extensively from a cross-cultural perspective, this conceptual paper examines whether usage of social networks is leading to collectivistic behavior in otherwise individualistic societies and vice versa. Constructs from theory of planned behavior (attitudes, subjective norms, and perceived behavioral control) are utilized in examining antecedents behind social network usage intent and actual usage in individualistic vs. collectivistic cultures. From a usage perspective, the paper aims to study the extent to which these networks are utilized for social belonging vs. promoting ones' own self. A greater understanding of variables influencing social networks' adoption & usage across cultures can help researchers and marketers alike in comprehending user behavior and crafting site strategies.

Introduction

Over the past few years, social network sites have continued to gain significant popularity within the U.S. The growth in the number of social network users can be attributed to, among other things, the ability of these sites to satisfy the need for belongingness or the need for relationships on the part of the users (Mckenna and Bargh, 1999). The strong membership figures for social network sites in the U.S., an individualistic country (Hofstede, 1980), is reflective of a paradox in that high level of social media usage is typically aligned with the need for relationships with others (Pelling and White, 2009)-a collectivistic trait (Hofstede, 1980). As defined by Hofstede (1991), "individualistic cultures are reflective of societies in which everyone is expected to look after himself and or herself and their immediate family only, whereas in collectivistic societies individuals are weaved into strong and unified in-groups throughout their life and are protected from external influences or pressures." It is interesting to note, however, that many of the collectivist countries, such as India with its roughly 45 million users, have had a much lower overall penetration of sites such as Facebook given its large population. While social network usage depends on many factors such as availability of computers, Internet access, etc., the significantly higher number of users in the U.S. nonetheless begs further interrogation into the question whether the society is moving closer to collectivism.

The contribution of this conceptual paper resides in that it integrates two theoretical frameworks, Hofstede's (1980) individualism and collectivism (I-C) dimensions and Ajzen's (1991) Theory of Planned Behavior (TPB), to examine the extent to which attitudes and perceived behavioral control as opposed to social norms influence social network adoption &

usage intent in individualistic vs. collectivistic societies. With regard to actual usage behavior, the paper reviews the extent to which TPB variables influence social network site usage frequency as well as usage type, i.e., using social networks for self-expression vs. social belonging needs (Pelling and White, 2009; Engel, et al., 2011).

Background

Individualism-Collectivism

Individualism's core theme is that individuals are very independent of one another and are likely to have a very positive sense of self-worth, personal success, openness to personal expression, and view group relationships as flexible and not permanent (Oyserman, et al., 2002). Among U.S.-based users, the relatively large number of user connections on social networks is logical given the need for greater sense of self-worth and personal success in individualistic cultures; a theme that is consistent with Carpenter's (2011) research that showed greater prevalence of narcissism among Facebook users in the U.S.

Collectivism or collectivistic attributes generally include being concerned with the in-group's well-being, giving in-group's goals a priority over ones' own objectives, interdependence, cooperation, and reciprocity among group members (Parker, et al., 2009). From a social network perspective, the "status updates" feature is likely to align with many of the collectivistic attributes of keeping up with the in-group's well-being. Similarly sharing of ideas, including giving or receiving input on various topics and questions posted on the "message wall" are likely to address the interdependence and cooperation features of collectivism.

Theory of Planned Behavior

So which factors influence social network site usage intent and actual usage among individualistic and collectivistic societies? Theory of planned behavior has been extensively used in developing an understanding of and predicting individual intentions as well as actual behavior in offline and online environments across cultures (Chang, 1998; Pavlou and Fygenon, 2006). TPB involves three independent determinants of intention including attitudes, subjective norms, and perceived behavioral control (PBC).

Attitude toward the behavior refers to the extent to which a person has favorable or unfavorable evaluation or assessment of the behavior in question (Ajzen, 1991). Attitude can be classified as an individualistic variable in that it involves an individual's beliefs and thinking related to a particular behavior. *Perceived behavioral control* (PBC) is defined as people's

perception of the ease or difficulty of performing the behavior of interest (Ajzen, 1991) and has also been used as a cross-cultural construct to study consumer behavior within varying contexts such as ethics (Chang, 1998).

With regard to the integration of TPB with I-C dimensions, studies have found that in individualistic societies, individuals are motivated by their own preferences, needs, and rights (Hui & Villareal, 1989). In terms of TPB and I-C integration, the attitude construct then is reflective of an individualistic trait. Furthermore, individuals within individualistic societies are driven by, among other factors, a sense of autonomy and self-reliance (Hui & Villareal, 1989; Triandis, 1990) which aligns well with the perceived behavioral control construct of TPB. It is likely then that usage intention and actual usage is likely to be a function of an individual's attitudes and perceived behavioral control more so than social norms in individualistic societies.

Subjective norms or normative pressures are defined as norms that reflect the perceived social pressure to perform or not to perform a particular behavior (Fishbein & Ajzen, 1975). From an I-C perspective, social norms are more significant determinants of behavior within collectivistic societies more so than within individualistic societies (Parker, 2009).

From an actual social network site usage perspective, it is important to understand the extent to which these mediums are used for self-expression vs. social belonging. These two variables have been used to explain why younger consumers' adopt interactive technologies including social network sites (Engel, et al., 2011). *Self-expression* is identified as a characteristic that aligns typically with individualistic cultures (Oyserman, et al., 2002) whereas *social belonging*, as defined by Leary et al., (2008) involves "the need to be involved with, accepted by, and valued by others." Social belonging is a trait that is generally found in collectivistic cultures (Parker, 2009) and social network sites.

Implications and Conclusion

This conceptual research integrates I-C cultural framework with theory of planned behavior to answer the paradox posed by growing social network membership and usage in individualistic countries. The papers' findings are likely to have a significant on various aspects of marketing including but not limited to international cultural environment, globalization theory, social network site development activities, social network-based advertising, and others.

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Summary Brief

The Impact of Product Type on Consumer Ethnocentrism

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Although ethnocentric tendencies have been studied for decades in marketing, no reported research has explored the possibility that consumer ethnocentrism may differ across product type or form. The belief that purchasing foreign-made brands destroys domestic jobs and puts fellow citizens out of work is one aspect of ethnocentrism, so it is plausible that foreign competition for more widely produced and adopted product forms could result in more concern about greater job loss and thus stimulate heightened ethnocentric beliefs and feelings. Using Multivariate Analysis of Covariance (MANCOVA), that question is tested here for luxury goods compared to more typical products in the same industry, automotive in this case.

Introduction

Consumer ethnocentrism represents a person's concern about his or her fellow citizens and their country's economic health and well-being, and is able to significantly influence purchase decisions in scenarios where locally-produced products are viewed as superior to products produced in other parts of the world (Josiassen 2011; Steenkamp and de Jong 2010). Recent research has explored what are either various dimensions of ethnocentrism or very similar constructs. For example, *animosity* toward other nations or global regions has been determined to significantly influence consumer ethnocentrism (Chan, Chan and Leung 2010; Hoffmann, Mai and Smirnova 2011). On the other hand, *affinity* for another nation or geographical area is another potentially significant influence on consumer purchase decisions (Oberecker and Diamantopoulos 2011). Smyczek and Głowik (2011) report: "[T]he character of Polish consumer ethnocentrism is mainly concerned with the health of the economy... and responsibility for jobs, whereas moral or emotional responsibility does not play an important role (p.112)."

CETSCALE

Shimp and Sharma (1987) developed and tested a comprehensive measure of consumer ethnocentrism in the United States known as the CETSCALE. Based on the respondent's belief concerning how appropriate it is to buy imported brands instead of those that are manufactured in America, the CETSCALE contains ten 7-point Likert items that make statements such as: "Americans should not buy foreign products, because this hurts American business and causes unemployment" and "American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work." The CETSCALE has withstood rigorous testing of its validity and reliability (Herche 1992; Netemeyer, Durvasula, and Lichtenstein 1991), and has been adopted for use in this study.

The proposition of interest in this analysis is whether or not more widely distributed shopping goods elicit higher CETSCALE scores (i.e., stronger "buy American" ethnocentric responses) compared to the specialty goods featured.

Methodology Results

The Ford/Honda sample consists of 298 respondents, whereas the Cadillac/Lexus sample has 282, for a total of 580. After PCA factor reduction using Varimax rotation, the resulting coefficient alpha scores are as follows: CETSCALE, or *CET* (10 items, .94); Attitude toward the Ad, or *Aad* (8 items, .86); Attitude toward the Brand, or *Ab* (9 items, .90); Brand Beliefs, or *Bblf* (3 items, .79), and Purchase Intentions, or *PI* (5 items, .83). Table 1 displays the Multivariate Analysis of Covariance (MANCOVA) results featuring *Aad*, *Ab*, *Bblf*, *PI*, and *CET* as dependent variables across the two treatment categories, with demographic covariates included to control variance between the two independent samples. Only covariates with significance levels below .05 are featured due to space limitations. Univariate statistics are included in Table 2, and dependent variable means are in Table 3.

Discussion

The proposition that more widely adopted shopping goods can products relative to the "ordinary" brands, which arguably would be expected. Although gender, age, and occupation each significantly covaried a different set of dependent variables, consumer ethnocentrism was impacted in all cases.

Limitations and Direction for Future Research

The secondary nature of this database prevented testing the impact that advertising content could have on the formation of consumer ethnocentrism. For example, consumer ethnocentrism is an inherently comparative construct, so the lack of published research testing the impact that comparative advertising featuring domestic versus foreign brands might have on ethnocentric responses is surprising. Finally, a study designed to test the potential impact that product type might exert on consumer ethnocentric responses across several product classes is called for.

Table 1. Multivariate Results

ITEM	TEST	F	Sig.	Power
TRMT	Pillai's Trace	19.901	<.001	1.000
	Wilks' Lambda	19.901	<.001	1.000
	Hotelling's Trace	19.901	<.001	1.000
	Roy's Largest Root	19.901	<.001	1.000
Gender	Pillai's Trace	3.646	.003	.928
	Wilks' Lambda	3.646	.003	.928
	Hotelling's Trace	3.646	.003	.928
	Roy's Largest Root	3.646	.003	.928
Age	Pillai's Trace	5.959	<.001	.995
	Wilks' Lambda	5.959	<.001	.995
	Hotelling's Trace	5.959	<.001	.995
	Roy's Largest Root	5.959	<.001	.995
Job	Pillai's Trace	2.652	.022	.811
	Wilks' Lambda	2.652	.022	.811
	Hotelling's Trace	2.652	.022	.811
	Roy's Largest Root	2.652	.022	.811

Table 2. Univariate Results

ITEM	Dependent Variable	F	Sig.
TRMT	Aad	.583	.445
	Ab	48.245	<.001
	Bblf	8.121	.005
	PI	1.975	.160
	CET	6.538	.011
Gender	Aad	10.487	.001
	Ab	3.696	.055
	Bblf	2.057	.152
	PI	6.732	.010
	CET	5.917	.015
Age	Aad	4.314	.038
	Ab	1.484	.224
	Bblf	2.446	.118
	PI	.422	.516
	CET	24.172	<.001
Job	Aad	.277	.599
	Ab	.146	.703
	Bblf	4.597	.032
	PI	.604	.437
	CET	7.544	.006

Table 3. Dependent Variable Means

Study	Aad	Ab	Bblf	PI	CET
1	5.069	4.747	4.341	3.730	3.769
2	5.042	5.540	4.794	3.758	3.386
Total	5.056	5.133	4.561	3.743	3.582

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The Consumer Ethnocentrism and Product Involvement Dynamic: Is Ethnocentrism a Central or Peripheral Cue?

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Consumer ethnocentrism and product involvement have both been studied for decades in the marketing literature, yet questions remain concerning the interaction between these two constructs. This paper studies the impact of consumer ethnocentrism on purchase intentions for an imported versus domestic automobile in two retail markets, one in the Mid-Atlantic region and one in the Southeastern United States. A pre-processing measure of product involvement is used to segment respondents into the highest and lowest involvement groups, then attitude toward the advertisement, brand attitude, brand beliefs, and consumer ethnocentrism are analyzed using multiple regression to identify any significant impact they exert on purchase intentions for each of the two segments. Acting like a peripheral cue, ethnocentric tendencies predict purchase intentions for the low but not the high involvement group.

Introduction

The impact that a product's country-of-origin (COO) might have on consumer decision making through ethnocentric tendencies - plus the influence on purchase intentions that consumer involvement with the product class being considered might have - are two widely known constructs analyzed in the marketing literature. However, relatively few existing studies have modeled the dynamic effects these two constructs may exhibit together, and no known published study has used the research design employed here.

Prendergast, Tsang, and Chan (2010) use a very similar research domain, but they did not model the entire hierarchy-of-effects. Using a median split methodology, they found that COO of the personal computer brands studied (Japan vs. Korea) predicted purchase intentions for respondents with low involvement levels but not for the high involvement segment. Bloemer, Brijs, and Kasper (2009) offer several theoretical propositions related to the interaction between four possible Country-of-Origin (COO) effects identified in their literature review and the Elaboration Likelihood Model (ELM), and state that the "COO-ELM model still needs to be subjected to empirical verification (p.62)." Shirin and Kambiz (2011) study the impact that both COO and Product Involvement have on purchase intentions, but in separate analyses without considering the interaction between the two constructs. Ahmed et al. (2004) report that COO effects do play a significant role when consumers evaluate low involvement domestic versus foreign food products, but this impact is weaker than price and brand related attributes.

Consumer Ethnocentrism

Consumer ethnocentrism and country-of-origin are related but separate concepts. Country-of-origin is the geographical area of the world in which a brand was produced, whereas consumer

ethnocentrism is an individual behavioral construct with direction and intensity. Ethnocentrism can become a significant influence on consumer purchase decisions when domestic or local products are perceived to be superior compared to imported products (Josiassen 2011; Steenkamp and de Jong 2010). Animosity toward other nations has been identified as a significant determinant for consumer ethnocentrism (Chan, Chan and Leung 2010; Hoffmann, Mai and Smirnova 2011; Lwin, Stanaland and Williams 2010). Conversely, favorable feelings toward foreign countries (affinity) can also play a significant role in purchase behavior (Oberecker and Diamantopoulos 2011). Some people are simply more world-minded and prefer brands that are globally-positioned versus those with a local consumer culture positioning (Nijssen and Douglas 2011). In addition, more exposure to foreign products through advertising "changes [Russian] consumers' prejudice towards foreign products and reduces its negative effect on the frequency of foreign product purchases (Puzakova, Kwak and Andras 2010)." Finally, Smyczek and Glowik (2011) report that "the character of Polish consumer ethnocentrism is mainly concerned with the health of the economy... and responsibility for jobs, whereas moral or emotional responsibility does not play an important role (p.112)."

Despite these and other potentially mitigating factors, national stereotypes are known to shape COO perceptions among consumers (Chattalas, Kramer and Takada 2008). For example, Gopinath and Glassman (2008) report that highly ethnocentric consumers form negative beliefs about a product based on the presence of Spanish in addition to English on packages, and that these negatives beliefs resulted in lower product quality evaluations. Beliefs held by consumers about the appropriateness of purchasing imported versus domestically produced products are the foundation of Shimp and Sharma's (1987) comprehensive measure of consumer ethnocentrism, the CETSCALE. The CETSCALE was deemed valid and reliable decades ago (Herche 1992; Netemeyer, Durvasula, and Lichtenstein 1991) and used repeatedly since.

Consumer Involvement

Consumer involvement represents the importance of or interest in a product or service, and is one of the most established constructs in the marketing literature. The use of product involvement as an effective segmentation variable has been explored theoretically and empirically (e.g., Beatty, Homer, and Kahle 1988; Drichoutis, Lazaridis and Nayga 2007; Flynn and Goldsmith 1993; Taylor-West et al. 2008). Flynn and Goldsmith (1993) reported that product involvement segmentation enabled them to predict behavior better than demographic segmentation. Drichoutis, Lazaridis and Nayga (2007) found that "overall involvement with food... can be used

as a segmentation tool that can assist marketing management with marketing mix decisions (p.888).” A “customer’s expertise, product involvement and familiarity with the product are likely to provide more appropriate marketing segmentation tools (Taylor-West et al. 2008, p.361).”

The Elaboration Likelihood Model

One of the most studied involvement constructs is the *Elaboration Likelihood Model* (ELM), which proposes that under high involvement conditions consumers will focus on brand-related attributes central to the purchase decision, whereas under low involvement conditions consumers will be influenced more by cues that are peripheral to the purchase decision such as how much they like the advertisement rather than brand-related facts (Petty, Cacioppo and Schumann 1983). The ELM has intuitive appeal and empirical backing (Homer and Kahle 1990).

Aboulnasr (2006, 2007) has recently demonstrated the interaction between high and low levels of consumer involvement and COO effects. For example, according to Aboulnasr (2007, p.53): “Results... revealed that consumers who were highly involved with the product category [automobile] used attribute information to form their evaluations while less involved consumers relied more on the country of origin cue to form their product quality evaluations.” That study only focused on product quality evaluations, however, and did not model the entire hierarchy of effects sequence leading to purchase intentions.

Focus of This Study

Based on the ELM, consumer ethnocentrism is predicted to be a stronger influence in peripheral processing situations with low involvement parameters. Using the foreign versus domestic dimension for purchase intention formation is thought to require a lower level of cognitive effort than delving into and analyzing a more complex array of brand attribute information. Therefore, the following hypotheses are tested in this study:

H1: The CETSCALE (CET) measure will significantly predict purchase intentions for the low involvement segment but not for the high involvement group.

H2: Attitude toward the advertisement (Aad) will significantly predict purchase intentions for the low involvement segment but not for the high involvement group.

H3: Attitude toward the brand (Ab) will significantly predict purchase intentions for the high involvement segment but not for the low involvement group.

H4: Brand beliefs (Bblf) will significantly predict purchase intentions for the high involvement segment but not for the low involvement group.

Methodology

Two studies were conducted and combined for purposes of this analysis, one in the Mid-Atlantic region and one in the Southeastern United States. In both studies, two dollars were paid for each completed questionnaire in a between-subjects design. Identical measures were used for the dependent constructs, including attitude toward the test advertisement (Aad), brand beliefs (Bblf), brand attitude (Ab), and purchase intentions (PI). The exact adaptation of Shimp and Sharma’s (1987) CETSCALE was used in both studies, and Zaichkowsky’s (1985) Personal Involvement Inventory (INV)

was employed in the same manner. Demographic variables were also consistently measured across both studies. The literature that developed all items used in this study except INV and CET is found in: Neese (2004); Neese and Hult (2002, 1996); Neese and Capella (1997); Neese, Taylor and Capella (1997); and Neese and Taylor (1994).

To elicit consumer ethnocentric tendencies, a Cadillac was compared to a Lexus luxury sedan in one study (n=282), whereas a mix of Ford brands was featured versus a mix of Honda brands in the treatments for the other (n=298). The treatments in both studies were modeled after newspaper advertisements used by an actual dealership in each market recruited by the author. Data was gathered by a graduate student attending weekly and monthly civic organization meetings (e.g., Lions Club, Rotary Club) in one study, and through a (two) mall intercept survey conducted by an Honors Program undergraduate senior in the other. Both students received credit for Independent Research, and the author/IR advisor paid the \$2.00 incentive from personal funds. Since automobiles are typically more involving than other product purchase decisions, a median split segmentation methodology was not used for this analysis. To maximize the difference between the high and low involvement segments, two groups were selected from the most extreme opposite ranges resulting from a sample ranking based on involvement scores.

According to Hair et al. (2010), the ratio of observations to independent variables should be 50:1 when stepwise regression is used, which is a method frequently used in similar studies and selected for use here. There are six multi-item measures featured in this analysis: *involvement* (segmentation basis), *purchase intentions* (dependent variable), and - for the four independent variables - *attitudes* (both toward the advertisement and the featured brands, *brand beliefs* based on facts in the copy, and the *CETSCALE* results. As a result, to meet criteria for effective segmentation and the required sample size for stepwise regression, the two involvement segments are the highest 200 and the lowest 200 from the sample ranking. Finally: “To ensure that the overall error rate across all significance tests is reasonable, the researcher should employ more conservative thresholds (e.g., .01) in adding or deleting variables (Hair et al.2010, p.190).” That advice is followed in this study, and will be discussed in a latter section.

Results

Table 1 displays the factor loadings from the Principal Component Analysis conducted for the variable formation process. Varimax rotation was used with six factors specified based on literature used to construct the questionnaires. Bartlett’s test of Sphericity produced the following results: Chi-Square = 19886.267; df = 1540; Sig. = <.001. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was .913. Both of these statistics are excellent indicators that factor analysis is appropriate for this data matrix. One item that loaded above .400 on two factors (Ab and Aad) is excluded, as are two additional items that failed to load at a minimum of .400 on any factor. Total variance explained by these six factors is included in Table 2, and the Scree Plot is presented in Figure 1. Table 3 displays the coefficient alpha scores for the variables in this analysis, with all reaching acceptable magnitudes (Nunnally 1978).

Multiple Regression Analysis

Table 4 contains regression results for the high involvement segment, and Table 5 displays regression results for the low involvement segment. As hypothesized, the CETSCALE variable predicted brand purchase intentions for the low involvement segment but not for high involvement consumers, thereby completely validating H1. For the low involvement group, Aad was not added to the model predicting purchase intentions, which invalidates the first part of H2. In addition, since Aad was entered as a high involvement predictor of purchase intentions, neither aspect of H2 is supported. Contrary to the second part of H3, Ab was entered as a significant predictor under low involvement conditions. For the high involvement segment, however, brand attitude (but not brand beliefs) did predict purchase intentions. Therefore, H3 is partially confirmed but H4 is also partially disconfirmed. Finally, since Bblf was not included in the low involvement model, H4 is partially confirmed on that dimension.

Table 1. Principal Component Analysis Factor Loadings

INV	CET	Ab	Aad	PI	Bblf
.811	.882	.784	.687	.798	.837
.794	.865	.754	.677	.763	.806
.783	.859	.752	.651	.719	.783
.780	.834	.745	.629	.656	.603
.778	.830	.717	.623	.531	
.764	.808	.653	.605	.506	
.752	.791	.641	.597	.481	
.752	.784	.598	.591		
.745	.750	.580			
.736	.626				
.727					
.717					
.681					
.500					
.487					

Table 2. Total Variance Explained for Rotated Sums of Squared Loadings

FACTOR	TOTAL	% VAR.	% CUME
INV	8.324	14.865	14.865
CET	6.694	11.954	26.818
Ab	5.893	10.524	37.342
Aad	4.543	8.112	45.454
PI	3.470	6.197	51.652
Bblf	2.508	4.479	56.131

Figure 1. Scree Plot

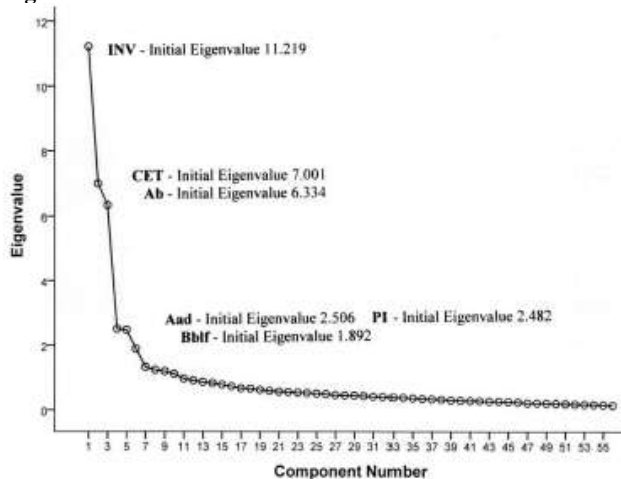


Table 3. Coefficient Alpha Ratings

FACTOR	ALPHA	# ITEMS	N
INV	.937	15	580
CET	.940	10	580
Ab	.900	9	580
Aad	.862	8	580
PI	.829	5	580
Bblf	.793	3	580

Table 4. Multiple Regression for High Involvement Segment

FACTOR	BETA	t	Sig.
<i>Entered:</i>			
Ab	.252	2.893	.004
Aad	.233	2.671	.008
<i>Removed:</i>			
Bblf	-.026	-.402	.688
CET	.127	1.962	.051
<i>R-Square:</i>	.198		
<i>Adjusted R²:</i>	.190		

Table 5. Multiple Regression for Low Involvement Segment

FACTOR	BETA	t	Sig.
<i>Entered:</i>			
Ab	.284	4.241	<.001
CET	.198	2.957	.003
<i>Removed:</i>			
Aad	.152	1.730	.085
Bblf	-.053	-.788	.431
<i>R-Square:</i>	.116		
<i>Adjusted R²:</i>	.107		

Discussion

The CETSCALE can represent a construct that acts as a peripheral cue during information processing, somewhat analogous to whether or not the less involved viewer likes the music or spokesperson in a TV commercial. The low involvement segment perhaps substituted judgments about the appropriateness of buying imported automobile brands in place of Aad to form purchase intentions. Consumers less involved with automobiles in general tend to have less detailed knowledge about them, which could mean that existing brand knowledge (i.e., brand beliefs) did not reach the threshold necessary to subsequently impact purchase intentions as expected. Without well-developed brand beliefs based on extensive knowledge to counteract these tendencies, consumer ethnocentrism then had a significant impact on the low involvement purchase decision.

Although not as predicted, it is hardly surprising that brand attitudes were significant under low involvement conditions: affect is more subjective than cognition and subjectivity is a known characteristic of low involvement. Here, the direction of the affect appears to have been focused on the brand in the advertisement rather than the actual ad itself. One plausible explanation for this result is that less interested respondents did not pay much attention to the content of their respective test advertisement. According to Chestnut and Jacoby (1977), what they term as "spectator behavior" in information processing is where "the problem solver becomes a passive recipient of encoded information and concentrates his capacity on creating and storing *holistic impressions* [emphasis added] (p.126)." The question why Aad significantly predicted purchase intentions under high involvement conditions, yet contrary to theory brand

beliefs did not, might also be answered in the same vein as the explanation above. Maybe more interested and active participants in these two studies paid more attention to the test advertisements and processed them more seriously. In any case, similar inconsistent results have long been noted in the ELM literature (e.g., Miniard, Dickson and Lord 1988; Neese and Capella 1997).

Mixed results from this analysis are further muddled when the statistics from the high involvement segment are reviewed. A knowledgeable reader might consider the .051 significance level of the CETSCALE t-test acceptable with a standard rounding procedure. If so, then it appears that the reason the CETSCALE measure was excluded from that model is the stringent P-IN (.01) specification established for these stepwise regressions. Had P-IN been set at .05 instead, this predictor would be included in the high involvement model. To the contrary, perhaps the lack of more stringent criteria used in previously published research accounts for at least some of the equivocal results that have been noted.

Limitations

First, the author notes low adjusted R2 values for both models produced in this analysis, .190 for the high involvement segment and .107 for the low involvement counterpart. Such low explanatory power indicates the absence of additional variables that would influence purchase intentions had they been captured. One possibility is illustrated by Josiassen (2011) in Figure 1 (p.126), which presents a four-cell matrix determined by “Foreign” versus “Domestic” countries of product origin and “Attraction” versus “Repulsion” of consumers to that country. Consumer ethnocentrism falls within the Domestic/Attraction cell, leaving three cells unaccounted for in this analysis. For example, consumers can also disidentify with their own countries and experience domestic brand repulsion as well. Other possibilities exist beyond this paper’s capability to thoroughly discuss. In addition, due to sampling limitations and priority goals of this analysis, treatment effects are not analyzed. The need to include a minimum of 50 respondents per independent variable combined with the priority of maximizing differences between the two involvement segments to constrain the number of variables that could be included in the regression analysis given a total sample of 580. As a result, the exact impact of advertising content on ethnocentric responses cannot be specified. Finally, the fact that this data is limited to one product form is a limitation that should be addressed in future research.

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Summary Brief

The Impact of Moral Identity on Country of Origin Perceptions

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The moral aspects of country of origin (COO), with the exception of consumer ethnocentrism, have received little attention. In the following research we examine the relationship between moral identity and various COO constructs. As expected we find that moral identity is not related to consumer ethnocentrism, that is positively associated with the preference of a foreign product over another foreign products and that this effect is mediated through admiration. We also find that moral identity leads to a higher preference for a domestic good over a foreign product.

Introduction

The country of origin literature has studied the cognitive effects of country of origin and more recently shifted toward examining the affective impact of country of origin (e.g., Klein 2002; Oberecker et al. 2011). However, the moral aspects of COO, with the exception of consumer ethnocentrism, have received little attention. In the following research we examine the relationship between moral identity and various COO constructs. A person with a moral identity is defined as "...one for whom moral schemas are chronically available, readily primed, and easily activated for information processing" (Lapsley and Lasky 2001, p. 347). More specifically we examine moral identity as an antecedent of consumer ethnocentrism, country affect, and preference for a foreign product over a domestic product as well as the preference for a foreign product over another foreign product.

Conceptual Model

We build upon the conceptual model advanced by Klein (2002). She examines animosity, product-country image and consumer ethnocentrism as antecedents of the preference for a foreign product over a local product, and a preference for a foreign product over another foreign product. Product-country image (PCI) is the overall image of products from a specific country (Roth and Romeo 1992) while consumer ethnocentrism (CET) is the perception that buying foreign products is immoral (Shimp and Sharma 1987).

The model we present is different than Klein (2002) in several aspects. First we introduce moral identity as an antecedent of positive emotions, as well as the preference for a foreign over domestic product, and finally the preference for a foreign product over another foreign product. Second, we substitute positive emotions for animosity. Recent research has shown that animosity toward Japan has subsided over the years and that admiration has a greater effect on the purchase intentions of Japanese products. This research was also

conducted in the aftermath of the tsunami which might lead to developing positive emotions towards Japan.

Literature Review

Shimp and Sharma (1987) use the terms consumer ethnocentrism to refer to "the beliefs held ... about the appropriateness, indeed morality, of purchasing foreign made products p.280". Thus consumer ethnocentrism, according to Shimp and Sharma (1987), should be driven by moral concerns. However recent advancement in the area of morality suggest that when being moral is important to people then they are more likely to expand their moral regard to others, even if other groups that might be viewed as antagonistic (Reed and Aquino 2003). A recent construct called moral identity has been developed in the social psychology to examine the impact of morality on people's attitudes and behavior (Aquino and Reed 2002). Morality identity is defined as the extent to which an individual's self is defined in terms of moral traits, like kindness, caring, honesty and fairness. Thus it is unlikely that a person identifying him or herself in these traits will have antagonistic attitudes toward other countries and thus the purchase of foreign products originating from such countries. Reed and Aquino (2003) found that moral identity was associated with expanding ones' moral regard toward people from other countries, strangers, people who practice different religions, and people from different ethnicities because it helped expand the logical boundaries that define in-group membership. Thus we expect that moral identity will not be associated with consumer ethnocentrism. We also expect that admiration will foster higher levels of admiration for another country and thus a preference for products from such a country. Thus:

H1: Moral identity will be positively associated with admiration, but will not be associated with consumer ethnocentrism

H2: Moral identity will be positively associated with the preference for a foreign product over a domestic product, and that this relationship will be mediated through admiration

We also expect that moral identity will be negatively associated with the preference for a foreign product over a domestic product. This preference for a domestic product is driven by a moral concern for those who are close to oneself. Thus a moral identity serves to expand ones moral for other countries by facilitating the experience of positive affect toward such countries but such moral regard does not extend to the purchase of products from such countries over products from one's own country.

H2: Moral identity will be negatively associated with the preference for a foreign product over a domestic product

Method

A marketing research company collected the data for this study from an Internet consumer panel in the United States. The company sent an invitation via email to 2,400 members to complete a questionnaire. An online questionnaire was forwarded to subjects who elected to participate in the study. Three hundred questionnaires were returned, and 20 were eliminated for extremeness.

Various measures were then administered in the following order: (1) the quality judgments of Japanese products measure; (2) the preference measures; (3) the admiration measure; (4) the consumer ethnocentrism measure; and, finally, (5) the moral identity measure. This order was employed in an attempt to reduce any potential bias in product judgments or preferences if respondents were first primed with the admiration questions.

Results

Structural equation modeling was used to test the hypothesized model. The measurement model, in which all of the constructs are allowed to correlate with one another, exhibited good fit ($\chi^2 = 237.26$, $p < .001$, CFI=.95, RMSEA=.06). The structural model was then tested and also achieved good fit ($\chi^2 = 255.85$, $p < .001$, CFI=.94, RMSEA=.07). The model accounted for 38% of the variance in the preference for a U.S. product over a Japanese product, 21% of the variance in the preference for a Japanese product over a South Korean product, 27% of the variance of admiration and 20% of the variance of product-country image.

The first hypothesis is supported as moral identity is positively associated with admiration ($\beta = .25$, $P < .01$) and is not associated with consumer ethnocentrism ($\beta = .01$, $P > .05$). The second hypothesis is also supported as there is a positive relationship between moral identity and the preference for a Japanese product over a Korean Product ($\beta = -.20$, $t = 2.39$, $P < .05$) in the absence of a path from admiration to the preference for a Japanese product over a South Korean product. However, when a path from path from admiration to the preference for a Japanese product over a South Korean product is added it is significant ($\beta = -.26$, $t = 2.78$, $P < .01$) and the path from moral identity does not remain significant ($\beta = -.13$, $t = 1.62$, $P > .05$) lending support that admiration mediates the effect of moral identity. The third hypothesis is also supported as moral identity is negatively associated with the preference for a Japanese product over a U.S. product ($\beta = -.30$, $P < .01$). These findings lends support to that people with a moral identity are not more likely to hold ethnocentric tendencies, but are more likely to prefer domestic products as a sign of support for their fellow countrymen.

Discussion

The results lend support that a self important moral identity is not associated with higher levels of consumer ethnocentrism. Furthermore, a self important moral identity leads consumers to experience higher levels of admiration because it expands that

boundaries of a person's self definition to include others. However, a self important moral identity is associated with a greater preference for local products over foreign products.

These results suggest that appealing to consumers' moral identity will fuel a preference for local products but that such appeals would do not fuel consumer ethnocentrism. In other words consumers will be more likely to prefer local products out of a desire to support their fellow countrymen, but not out of developing negatives attitudes towards foreign products.

The results suggest that customers with a self important moral identity are more likely to develop positive emotions towards other countries and that such emotions will lead to a higher preference for products from these countries. However, companies must also be aware that appealing to such customers might backfire when they face a choice between a foreign product and domestic product. Thus appealing to a consumer's moral identity is beneficial when a foreign company is competing with another foreign company.

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The Impact of Cross Cultural Relationships in Supply Chain Management Organization Succession Procedures

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This study explores whether there are detrimental effects of external hires on the management talent pool in companies and whether supply chain professionals have any advantages over other candidates. We make the argument that supply chain management professionals have an unusually rich portfolio of skills, but may lose out to national or industrial cultural preferences. A study is proposed to tests these propositions.

The designation of leaders within an organization is an important aspect of organizational dynamics. Researchers have studied the process by which leaders are chosen and the succession literature is replete with studies regarding the role of the board, outside stakeholders, and other influential people in determining that choice (Zajac & Westphal, 1996; Cannella & Rowe, 1993; Helmich & Brown, 1972). The number of studies on succession seems to indicate that there is no one process that will yield an organizational leader who will assist the organization in attaining its primary objectives. Based on the literature regarding the selection process, it is apparent that the results are mixed.

Organizations are adapting to dynamic environments where customers demand low prices and faster delivery times. Supply chains need to be agile and capable of coping with disruptions (Carvalho et al., 2009). Agile supply chains are designed and implemented by an executive team and selected staff members. As organizations adapt to a volatile, uncertain, complex and ambiguous marketplace, the succession process within supply chain management can determine an organization's competitive advantage (Davis-Sramek et al., 2007). The criticality and challenge of staffing an agile supply chain could turn out to be a blessing in disguise when organizations need to plan for top management succession.

The dynamic between supply chain management staffing and top management succession is two-fold. First, organizations, by virtue of current market and industry dynamics, must develop sound practices to mitigate any adverse effects regarding the selection process (Salbu and Brahm, 1992) on departmental or functional management. The implementation of globalization and information technology changes may pose challenges for executive decision makers and boards of directors uncertain in determining the choice of leadership (Fawcett et al., 2011). In addition to external forces, internal stakeholders may hold top leadership accountable for developing strong internal promotion policies which may signal a strong reward structure for those employees yielding high productivity. Alternatively, when the board of directors chooses an external candidate, a different

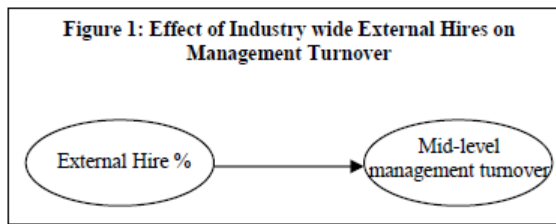
signal may tell a prospective internal candidate that his or her opportunities for advancement are reduced. This level of board ambivalence may provide anxiety among employees confused in determining the skills needed to move into the executive ranks (Appelbaum and Wohl, 2000).

The opportunity for career advancement is an important component for employees working in organizations. Promotions are seen by employees as an indicator of an organization's opinion of their value (Nevis et al., 1995). Employees who are promoted from within are seen as valuable components of the firm while employees who are not promoted quickly experience feelings of being unappreciated and decide to entrench themselves in the organization or resign and move on to another organization.

Employees who have experienced rapid promotion to middle level positions may find themselves in unfamiliar territory of unsuccessful promotion when they seek to move into higher levels of management within the organization. They may find themselves within a holding queue for an opportunity to move into top rank positions that are given to others outside the organization for a variety of reasons. There may be potential conflicts between the executive officers and the board of directors of the organization on the future direction for the organization. The boards of directors and top management decide on future leadership and have options of choosing external or internal candidates for succession.

High talent employees may find themselves in an unfamiliar role of being qualified to be promoted and are passed over for promotion for reasons they cannot control. This scenario places mid level employees in a situation where they must choose to remain entrenched at a mid-level position and influence upper level management and the board of directors for an opportunity of promotion to the top position or resign and move on to another organization. Moreover, the pool of high talent employees from which leaders are cultivated may be aggregated in certain functional areas of the organization.

Organizations should be concerned about these scenarios because they are at risk of losing talented employees. The loss of talent to competitors could leave the organization in more uncertainty than anticipated. If the organization depends on the talent to implement tasks, loss of talent could diminish its performance. It is obvious that everyone cannot be in the top level of management. However, it is important that organizations manage the succession process to reduce the amount of internal problems within the organization. The following model may be applied to examine this issue.



The second side of the succession/supply chain management dynamic is the ability of the supply chain/logistics management department to provide properly trained leadership candidates. Although there may be trends to train leaders with baseline financial educational backgrounds, employees within the organization's supply chain management (SCM) may have a skills advantage over other internal competitors for succession opportunities. SCM involves planning and management of logistics activities which include the coordination of suppliers, customers, third party service suppliers and channel partners (CLM, 2003). Since all of these functions are involved when companies develop supplier relations with other firms, the role of supply chain management is an opportunity for employees in the division to understand the complete function of the organization. They also are able to develop customer relationship management skills that are equivalent to marketing and sales professionals (Mentzer, 2006). The process of performing the activities required to source, manufacture, store and deliver to the products and/or services to the customer gives the supply chain management group an accelerated track in acquiring leadership skills. This provides SCM managers the opportunity to develop transformational leadership skills that are needed to lead an organization (Williams et al., 2002; Hult et al. 2000).

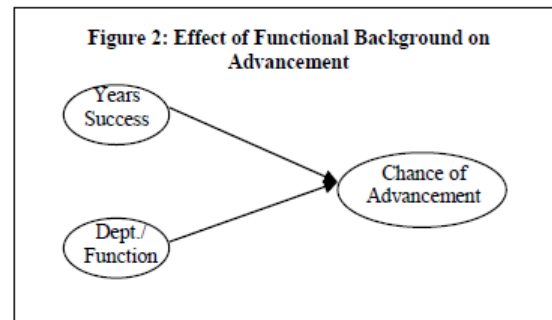
The function of supply chain coordination involves linking traditional business functions within a company with other businesses to improve long term performance of the individual companies and the supply chain as a whole (Mentzer, 2006). In order for the supply chain organization to perform the tasks mentioned, they must have an understanding of the traditional functions of accounting, marketing, finance, production, accounting and sales. They are also experts in the area of procurement, which is seen as a traditional function performed within supply chain. Subsequently, organizations in search of internal talent might look to the supply chain function as a pool of well diversified employees.

An additional factor effecting succession is cross cultural relationships. Hofstede (2001) pointed out that values and cultures have an influence within organizations. Hofstede (2001) not only discusses national culture, but industry culture as well. Many multinational corporations (MNCs) and Small Business Enterprises (SBEs) have alliances with manufacturers in multiple industries on multiple continents.

This paper suggests that the relationship between top management succession and supply chain management can be affected by both national in industrial culture, providing the following model.

Method

The researchers will determine whether readily available news sources on succession within publicly traded organizations can provide the required information, including hired CEO track



record, industry, other qualifications, other candidate track record/industry, and other control variables.

Contribution

This research is important because the research can assist organizations in managing the implementation of a succession at the executive level.

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Summary Brief

An Exploratory Study in Understanding the Importance of Cross-Cultural Awareness in Sales

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This qualitative study examined the importance of cross-cultural awareness in a customer – salesperson relationship by studying how Asian Indians living in the U.S. interact with salespeople. The study adapted a phenomenological research design and conducted interviews with 52 Asian Indians. Results of the study showed that first and second generation Asian Indians had significant differences of expectations interacting with salespeople.

First generation Asian Indians preferred purchasing from salespeople who were similar to them because they had similar experiences and expectations which made it easier for them to relate to each other. Second generation Asian Indians were more transaction oriented and was focused more on product features, benefits, and price when purchasing from salespeople. This study provides valuable insights to sales managers and salespeople as the Asian Indian consumers in the US are on the rise and compared to other ethnic groups they are educated and wealthy.

Introduction

As the United States entered the 21st century, it found itself with a more diverse population than ever in its 250-year history (U.S Census Bureau, 2010). The US population consists of many different ethnicities and races which are enriched by different cultures and values. As a result, customers who come from different cultures have different needs and wants; therefore, more than ever before, it is very important for salespeople to understand customers' cultures and values in providing solutions for their concerns and needs (Hansen, Singh, Weillbaker, and Guesalga, 2011). The objective of this study is to understand the importance of cross-cultural awareness in a customer – salesperson relationship by studying how Asian Indians living in the U.S interact with American Salespeople.

Literature Review

Cross-Cultural Awareness and Empathy

Cross-cultural awareness is extremely important for salespeople when they interact with customers who come from diverse ethnic groups. Cross-cultural awareness enable salespeople to recognize, acknowledge, and understand different cultures (Victor 2000). Although cultural awareness is an important factor in working effectively with culturally diverse populations, a person should first cultivate empathy which would enable them to have cross-cultural empathy (Chung and Bernak, 2002). Researchers defined empathy as taking the role

of the other (Mead, 1934); listening with the third ear (Reik, 1948); vicarious introspection (Kohut, 1959); and emotional knowing (Greenson, 1960).

Asian Indians Acculturation to the U.S. Culture

Asian Indian immigrants have grown by a significant rate during the last decade. In 2010, Asian Indians accounted for 3.2 million in the U.S making it the second largest Asian group in the U.S. (Hoeffel, Rastogi, Kim, and Shahid, 2012). Asian Indian (AI) immigrants have a higher social economical status compared to other immigrants. They are not a homogeneous group and have significant variations regarding their socio economic status, cast, religion, education levels, language, food habits and attitudes (Mogelongsky, 1995).

The second generation immigrants that are born in the U.S. were still integrating into the dominant culture rather than actually becoming a part of it. On the other hand, immigrants who were born in their native countries were only partially integrated to the U.S. culture (Metha and Belk, 1991). First generation AIs are defined as Indians who migrated after reaching adulthood with an average age of 18 or over. The second generation AIs are defined as being born in the US and whose parents are native Indians or those who migrated as a child accompanying their parents.

Methodology

This study used a phenomenological design. According to Patton (2002) phenomenological design provides the opportunity to understand social and psychological phenomena from the perspective of the people involved. A total of 52 face-to-face interviews were conducted with Asian Indian participants who lived in two large metropolitan cities in the Midwest. Researchers first contacted community leaders and explained the purpose of the research. Through the community leaders the researchers were able to recruit all participants. Twenty two interviews were conducted with first generation AIs and 30 interviews were conducted with second generation AIs.

Data Analysis and Interpretation

In qualitative research, data collection and data analysis is a simultaneous process. All interviews were audio taped first and then transcribed to paper format. Researchers then coded each transcript and any repetitive themes were named and assigned tagged bins. As the coding analysis continued, the bins were

narrowed down and themes were derived. Internal validity was constructed by spending significant time with each respondent in order to get to know them and to confirm the collected data was accurate. After completing the primary coding, a marketing professor and a PhD student's assistants were used to confirm all coding were accurate, which increased the validity of the coding process. After the completion of the data mining process, the findings were provided to a selected group of participants to confirm that the findings were accurately and interpreted correctly.

Findings

Five key themes emerged emphasizing the importance of cross-cultural awareness and empathy; cultural and value similarities, language similarities (accent), level of comfort, trust, and helping behavior.

Theme 1: Importance of Cultural and Value Similarities:

Majority of the first generation AIs who migrated to the U.S. valued and appreciated their culture. They viewed the western cultures as "different". Therefore, they are more comfortable doing business with people of their same ethnicity or with people who are aware of their cultural values. Second generation AIs were not concerned about the ethnicity of the salesperson but were more concerned about the salesperson knowledge, skills and expertise.

Theme 2: Communication: Many first generation AIs highlighted that they have a communication barrier when communicating with American salespeople. Although they were very fluent in English, they had a very thick Indian accent making it harder for non-Indian salespeople to communicate with them. Second generation AIs preferred using English rather than their native language to communicate.

Theme 3: Level of Comfort: First generation AIs were more comfortable doing business with Indian salespeople as they had similar interests such as sports, politics, and other social events. Second generation AIs felt more comfortable doing business with American salespeople. This was mainly due to the fact that they were more acculturated to the main stream U.S culture and were more bias towards the western culture.

Theme 4: Trust: First generation AIs felt that an Indian salesperson would always have their best interest in mind because he or she is an Indian. Therefore first generation AIs trusted an Indian salesperson more than they would trust a non-Indian salesperson. Second generation AIs had no preference with regard to the salesperson's ethnicity but they had a more open perspective of trust when it came to business relationships.

Theme 5: Helping Behavior: Both first and second generation AI preferred doing business with an Indian salesperson as they believed it was their responsibility to help a fellow Indian.

Discussion

It is important that salespeople understand whether an AI customer is a first generation AI or a second generation AI as they have very different purchasing behaviors and attitudes. Both first and second generation AIs agreed that they would purchase from Indian salespeople to help them achieve their sales goals. When sales managers segment their customer base, it is important that sales managers recruit and train sales people who would fit well with each target market segment. In other

words, if a sales manager is planning on targeting their products and services to the Asian Indian community, it is important that the sales manager recruit salespeople who are aware of the Indian values and culture. Also, it is essential that the sales people recognize how long each customer has lived in the U.S. (first generation or second generation) and customize their sales presentation accordingly.

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Summary Brief

Instrumental and Terminal Materialism and the Good Life: Print Ad Images in the U.S. and India

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In many cultures, consumers pursue an ideal that can be labeled as the “good life.” This ideal takes many forms, but materialism is often a major component. We examine images in print ads, through two constructs of materialism – instrumental and terminal. Also, we attempt to identify how good life themes relate to instrumental and terminal materialism. We analyzed 691 ads from fourteen comparable U.S. and Indian magazines.

Introduction

Magazines have a tradition of providing a forum for firm-to-consumer communication. Here, through a content analysis of ads appearing in popular magazines, we attempt to understand the “good life,” as portrayed in U.S. and Indian cultures.

Instrumental materialism “involves the cultivation of objects as essential means for discovering and furthering goals, so that the objects are instruments used to realize those goals” and “shows that goods can serve the “common good” for a person or culture” (Csikszentmihalyi and Rochberg-Halton 1999, p. 231). Terminal materialism involves the, “immediate gratification of needs conditioned by the consumer” (Csikszentmihalyi and Rochber-Halton 1999, p. 242) and focuses on over consumption and utilizing products as social status symbols. We also investigate six value themes related to advertising that are used to describe different ad appeals (Belk and Pollay 1985) with regard to how value themes link ad appeals to the good life and materialism.

This paper aims to introduce a method for distinguishing between instrumental and terminal materialism in print ads, and examine cultural differences between the U.S. and India through print ads. We attempt to understand how the “good life” is defined through instrumental and terminal materialism to U.S. and Indian citizens. A comparable set of seven different magazines, targeting different niche markets of each country, is selected to ensure that both countries’ various demographics are included. Each ad is analyzed and classified to help draw accurate comparisons and conclusions about how the ads represent the “good life” in respect to terminal and instrumental materialism.

Literature Review

Materialism: Instrumental vs. Terminal

We separate materialism into two components: instrumental and terminal. The former represents a more positive perspective on materialism, while the latter includes negative connotations. While derived from the same foundation, materialism, they are two completely different constructs.

The definition of instrumental materialism is developed from the Aristotelian not functionalist, sense (Aristotle 1973, pp. 600ff). Instrumental materialism’s core “is a sense of directionality, in which a person’s goals themselves may be cultivated through transaction with the object” to further ones goals; however, “this does not imply that possessions are used solely as means, because they also produce immediate enjoyment, consumption of experiences that are in a sense their own ends” (Csikszentmihalyi and Rochberg-Halton 1999, p. 231). This immediate pleasure does not contradict instrumental materialism because the end uses can be separate from greed and satisfy basic needs.

Terminal materialism represents the definition of materialism that has become commonplace today, “preoccupation with or emphasis on material objects, comforts, and considerations, with a disinterest in or rejection of spiritual, intellectual, or cultural values” (Random House Dictionary). Moreover, materialism is if often associated with negative attributes. For instance, “materialism conjures up an image of crass self-centeredness, of mindless consumers buying needless things and devoting their lives to a shallow quest for the acquisition of money and possessions that will serve as a status symbol”, making the focus of terminal materialism not that of satisfying life goals or basic needs but simply “consumption for the sake of consumption” (Csikszentmihalyi and Rochberg-Halton 1999, p. 231).

The Good Life

The “good life” is an evasive concept; each individual envisions and obtains the “good life” through different means. However, culture influences people’s perceptions of the “good life” more than any other factor. Although different across cultures, there are three basic similarities in the foundation the definition: the “good life” “cannot be confined to direct experiences,” “implies choice and a habit of reflection,” and “provides for basic liberal education” (Tuan 1986, p. 10-11). Furthermore, it is not simply pleasure seeking, but involves the “pleasurable experience of enjoyment” (Csikszentmihalyi and Rochber-Halton 1999, p. 245).

As Belk and Pollay explain, the “good life” as an extension of materialism (Belk and Pollay 1985). Consumers traditionally “seek out materialistic goods to obtain the ‘good life’,” and they describe the “good life” as consisting of “abundance, luxury, leisure, comfort and pleasure” (Belk and Pollay 1985, p. 888-889). As Csikszentmihalyi and Rochberg-Halton explain, people’s “intrinsic motivation remains that of pursuing a “good life” defined in terms of production and consumptions,” and that

people are primarily focused on material desires (Csikszentmihalyi and Rochber-Halton 1999, p. 238).

Magazine ads often make use of materialistic images to promote various products. Some ads attempt to connect with consumers' personal perspectives of the "good life" in order to achieve organizational objectives. The value themes that we use to indicate materialism in print ads are indicated in Table 1 (Belk and Pollay 1985, p. 890).

Table 1. Value Themes

Having	Shows a person displaying or referring to their owned object.
Doing	Shows a person using the object or being aided in some way by the product portrayed
Being	Shows what the reader can become or how the reader will be treated, with the help of the product
Luxury/ Pleasure/ Comfort	Can either explicitly mention luxury, comfort, or pleasure, or can depict luxury, comfort, or pleasure in illustration
Practical/ Functional	Can portray or discuss the functionality of the product or service and how it will serve the consumer with practical benefits
Beauty/ Pretty	Shows, implies, or discusses, enhancement of appearance of person, possession, or home as a result of product use

Contrasting Cultures: India and the U.S.

To some extent, materialism is a factor in all of society's cultures. And all cultures will differ in terms of materialism. The more materialistic a country's culture, the more likely their native magazines will represent ads displaying materialistic themes.

H₁: The materialistic orientation of a culture will be reflected in the print ads for that culture. Specifically, U.S. magazines possess a higher percent of either instrumental or terminal materialistic ads than Indian.

The U.S. and India are selected for study as these nations represent nations that are radically different in terms of geographic location, culture, and background. The differences between these two nations are highlighted through indicators such as: population, GDP per capita, and percent of citizens living below the poverty line. In addition, consumers in these nations may hold very different views of the good life.

Methods

The coding instrument is designed to classify ads into two groups: a) materialistic appealing ads, and b) those without such materialistic appealing ads, and then further designates between instrumental and terminal materialism. Similarly to Belk and Pollay 1985, a binary yes or no rating system is employed to judge whether ads possess qualities representative of the value themes listed above. To determine "brand effect" the coder judged whether or not the ad "refers to the effect of the brand on the overall image of the product with regards to luxury, comfort, or pleasure." These classifications depict a deeper understanding of the ads ability to possess qualities of the "good life." To classify the ads, descriptive categories are including in the coding form to represent: placement of the ad within the magazine, product type, brand name of product, whether the ad targeted males, females or both, and the product's country of origin.

We identify product categories that represent the range of products that are advertised in the target magazines. As a result, the ads are classified by using twenty-five broad, yet distinct categories allowing, this study can assess what types of products are mainly advertised for in the different types of magazines. Also, depending on the appeal that is used for these ads, the ads can be separated into categories that primarily depict instrumental or terminal materialism.

The magazines chosen for the study are listed in Table 2. The magazines in the study target males and females of various ages and income levels. From these 14 magazines, 691 ads were judged and coded to determine if the ad utilized the value themes and if so; if the value themes were utilized instrumentally, terminally or neither.

Table 2. Target Magazines

U.S. Magazines	Indian Magazine	Magazine's Target Market
<i>Maxim</i>	<i>Man's World</i>	Men's Magazine
<i>More</i>	<i>Women's Era</i>	Women's Trendy Magazine
<i>Women's Day</i>	<i>Good Housekeeping</i>	Mature Women's Magazine
<i>Time</i>	<i>Society</i>	News/General
<i>CosmoGirl</i>	<i>Seventeen</i>	Young Women's Magazine
<i>Elle</i>	<i>Elle</i>	Women/Glamour/Fashion
<i>Bazaar</i>	<i>Woman & Beauty</i>	Women's Style Magazine

Results and Discussion

H₁ predicts that both instrumental and terminal materialistic ads appear more frequently in the U.S. in comparison with India. H₁ is supported by the findings. Specifically, 95.5% of U.S. ads are classified as materialistic, while 90.4% of Indian ads are so classified ($\chi^2=6.7$, d.f.= 1, $p<.05$). The results highlight differences in U.S. and Indian ads and how the ads appeal to the intended consumer through different strains of materialism.

The limited number of ads from only two countries is the main limitation of our research. Also, a constraint of our paper is making the key assumption that the magazines ads reflect the countries culture as a whole. Finally, U.S. and India are different in terms of history, culture, religion ethnic background, stage of economic development, but similar in their connection with the United Kingdom and the widespread use of the English language.

Our recommendations for further research include expanding the number of countries and cultures to include in coding the magazine ads. Also, we recommend utilizing our revised classification scheme to code new sets of ads. Finally, we recommended using other methods to study culture (i.e. participant observations, sociological case studies, examinations of other cultural artifacts).

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Relationship Marketing Model under Confucius Influence

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This study examines Confucian moral philosophy, primarily the Analects, to explore how sellers and consumers in Chinese market form relationships under Confucian influence and how Confucianism can serve as “wisdom” for the modern marketing. The six important Confucian virtues, benevolence (ren), righteousness (yi), propriety (li), loyalty (zhong), filial piety (xiao) and faithfulness or trust (xin), together with golden rule of reciprocity are employed to discuss the seller-buyer and buyer-seller relationship. Based on different starting points and benefits sought by buyers and sellers, the core Confucian influences on them in forming transaction relations are dramatically different. Consumers agree more on firms’ “benevolence” (ren) as the core value and foundation of relationship, while sellers believe more on its “credibility” and “reputation” (xin) perceived by consumers as the foundation for a good relationship with consumers. This difference leads to the different logic of exchange relations for buyers and sellers.

Our model suggests that buyers and sellers will achieve the optimal relationship if the hierarchy of the seller-buyer relationship is harmonious with that of the buyer-seller relationship.

Introduction

With its GDP growth rate keeping 9% per year since 1978, real mean annual household income tripled in the recent 15 years, and consumer personal savings rising to over 1.7 trillion US dollars (14 trillion *yuan*) per year since 2006, no one in the business community can afford to ignore China’s enormous market opportunities. As an economic superpower, China has kept this growth momentum in the past few decades and has continuously surprised the world when the world economy has stepped into a recession in 2008. However, great opportunities won’t guarantee every business a success without a good understanding of the target market, especially its culture, philosophy, ethics, and business norms. Culture and business practices are inextricably linked. Businesses can learn and extend from the essence of traditional culture to increase the understanding of consumer and business relationship in cultural settings. China’s traditional culture is profound. If we can analyze and abstract from traditional Chinese culture and value, we are more likely to be able to achieve positive results and win the favorable positions in the increasingly competitive market in China.

Although, Confucianism is very important in China and other East Asian countries, little research can be found relating Confucianism to relationship marketing in the literature (Sheng 2005). Mostly, Confucius theory has been discussed in

management ethic, cultural, history, and anthropology studies. This study explores how sellers and customers form relationship under Confucian influence and how Confucianism can be served as “wisdom” for the modern marketing.

Literature Review and Model

Relationship marketing constitutes a major shift in marketing theory and practice during the last few decades (Dwyer, Schurr, and Oh 1987; Morgan and Hunt 1994). Morgan and Hunt’s (1994) well-known model theorized that commitment and trust are the two key mediator variables in relationship marketing and are central to successful relationships. The authors proposed that relationship termination costs, relationship benefits, shared value, communication, and opportunistic behaviors are the antecedents of relationship commitment and trust, and consequently result in buyer and seller’s relationship in terms of acquiescence and propensity to leave, cooperation, conflicts, and decision-making uncertainty. Dwyer, Schurr, and Oh (1987) criticized that the previous research of marketing strategies treated buyer-seller exchange relationships as discrete events. They view buyer-seller relationship as an ongoing process through five general phases, namely awareness, exploration, expansion commitment, and dissolution. Morgan and Hunt’s (1994) model focuses on exploring the nature of relationship marketing and views buyer’s and seller’s mutual commitment and trust as the foundation of a successful relationship. However, we propose that buyer and seller would have different routes to build relations based on their different starting points, priorities, and benefits sought. We adopt Confucius principals to illustrate a different angle to view the buyer and seller relationship.

The goal state of Confucius thought is harmony, thus the most distinct value of Chinese society is harmonious relationship among and between people and/or institutions. If there is harmony between buyers and sellers, “effortless” marketing strategy is achieved. This is the state of “Wu Wei”, literally means “non-doing” or “effortless action” (Woods and Lamond 2011; Xu 2006). In other words, if the relationship between seller-buyer or buyer-seller is harmonious, it would become effortless to maintain and develop their relationships. Confucianism is based on the practice of virtues that bring about this harmony. The six important virtues in Chinese history are benevolence (ren), righteousness (yi), propriety (li), loyalty (zhong), filial piety (xiao) and faithfulness or trust (xin). Therefore, these six key Confucian virtues are used to discuss the seller-buyer and buyer-seller relationship in the model shown in Figure 1 and Figure 2.

Figure 1. Buyers follow the following hierarchy to form the buyer-seller relationship

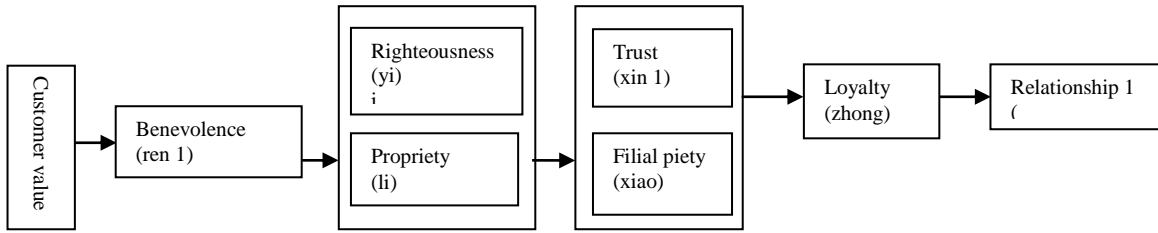
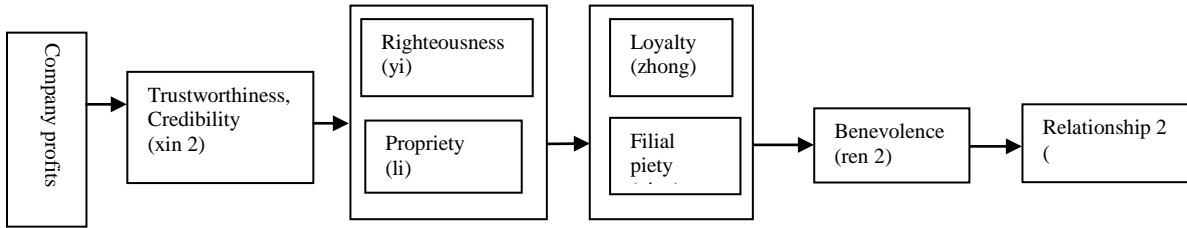


Figure 2. Sellers follow the following hierarchy to form the seller-buyer relationship



Consumers' needs, wants, and demands towards the marketing offerings are activated before they are motivated to search for information and actively evaluate the product or service to compare the cost and benefit. If the customer values are perceived, consumers are mostly likely to form a relationship with the sellers through transactions. On the other hand, we can't deny that making a profit is the motivation behind any business. Confucius himself acknowledges that "wealth and honors are what men desire", but he also warns against the temptation of mere profit by saying "if obtained in the improper way, they should not be held" (Analects 4.5). Under Confucian ethics, a business should not simply put profit as the mere goal. Instead, fairness and virtuousness should be added and more importantly, be placed in the most important position. Although customer value and company profits can be conflict to each other, if these two relationships are managed well and matching with each other, great results can be achieved in mutual buyer-seller and seller-buyer relationship (see Figure 1 and Figure 2).

Ren (benevolence)

According to Confucianism, the primary goal of a business should set to altruistically care for the welfare of customers. This is required by customers that "ren" should be practiced by sellers (see ren 1 in Figure 1). From a Confucian perspective, a corporation must abide by its promises, fulfill its obligation, and satisfy its accountability towards its customers before a long term buyer-seller relation can be established. This is the ren from the requirements of customers to firms, and we term it "ren 1" as the foundation of buyer-seller relationship. Ren 2 (in figure 2) is different from ren 1 (in figure 1). Ren 1 is from the consumers' expectation on firms to perform caring and humanity; and ren 2 is exactly from the firms' perspective to be "loving", "compassionate", and going beyond what are promised or have been done to consumers after consumers having established loyalty and filial piety to the firms. Through dedication to consumer welfare, customer service and customer welfare, economic benefits would follow. The Analects view society as a

community of interrelated responsibilities that must be performed for society to be moral, just and harmonious.

Yi (righteousness, virtue)

Yi symbolizes "rightness" and "virtue". Yi binds different organizations and individuals to their roles. Confucius said, "Virtuous men are driven by responsibility and non-virtuous men are driven by profits" (Analects 4.16). Consumers want firms to practice yi by being righteous and fair. He suggested doing what is right instead of what is of advantage: "when he sees an opportunity for gain, he thinks of righteousness", and "when wealth is gained by unfair means, it will be lost in the same way" (Bahm 1977, p.147). Chinese traditionally despise the money gained through a wrong way. If anyone selfishly looks at a customer merely as a source of revenue, he will undermine the most important business relationship in one way or another (Romar 2002, p.121). Confucianism can help locate profit in a proper way. Business should always care for its customers first and foremost, and strike a good balance between righteousness and profitability. If a business acts righteously first, profitability will follow, then it will harvest both. If a company focuses merely on profitability, it will be at risk of losing both (Liu 2008).

Li (propriety, respect)

For all parties to benefit from a relationship there must be a willingness to execute the relationship properly. The original meaning of li is "sacrifice" which refers to the ritual used in sacrifice and later was extended to cover every sort of ceremony and the "courtesy" (Creel 1953). The conception of li was extremely important in Confucius' teaching. It is cited 75 times in the Analects (Stanford Encyclopedia of Philosophy). It is important to the management of social relationships because it regulates human relation and lays the foundation for social relationship. Confucius regarded it as the appropriate manner of behavior to express one's inner thoughts or intentions (Bahm 1977). Based on Confucian, well-managed companies should set up a set of core values and rituals that provides guidelines for all

the organizational members and processes (Romar 2012). The fundamental concept of li is “respect”. In today’s Chinese language, it still contains such a meaning. For example, the word “to practice li” means to “salute”, which is of the same meaning as “respect” in Chinese. In Confucius’ words, “If you feel strongly about your beliefs, respect the beliefs of others.” Without any argument, a good business relationship start with a firm respect its customers’ needs, wants, preferences, and tastes (Sheng, 2005).

Li is specifically related to the reciprocity, the Golden Rule in Confucian thoughts. Li is related to reciprocation of greetings, favors and gifts (Hofstede 1991). In Confucian philosophy, concerning for others and create harmony are demonstrated through the practice of the Golden rule: “what you do not wish for yourself, do not do to others” (Analects 12.2), and “since you yourself desire standing then help others achieve it, since you yourself desire success then help others attain it” (Analects 6.30).

In a buyer seller relationship, consumers request firms to practice ren 1 (care and benevolence), yi (righteous) and li (respect) towards consumers. Consequently, as shown in Figure 1, consumers may show their loyalty, filial piety and trust to the firm. Thus a harmonious buyer-sell relationship is established (see relationship 1 in Figure 1).

Xin (trust)

Honesty, trustworthiness, reputation, and credibility are an important part of Chinese traditional virtue, and they are collectively reflected in seller-buyer relationship as “xin 2”. Xin 2 is the core principle for the formation of seller-buyer relationship. “Honesty” is the foundation to create a corporate image and reputation. Markets or customers favor genuine, sincere customer service and socially responsible companies. Product counterfeiting, conceiving price or price gouging, false claims in advertising, and poor service quality would be eventually revealed and elapse by itself.

Xin 1 in the Figure 1 is different from xin 2 discussed above. Xin 1 is referring to “trust” from consumers’ perspective, while xin 2 is credibility and trustworthiness from firms’ perspective. All the previous studies on opportunism regard trust as an important moral issue in business (Wathne and Heide 2000, Morgan and Hunt 1994, Romar 2012).

Zhong (loyalty)

In Confucianism, what constitute the excellence of a gentleman are not his wealth, but his virtue and moral character. Based on trust, loyalty can consequently be established (see Figure 1).

In marketing literature, loyalty and relationship marketing have been discussed extensively (eg, Kumar et al. 2003; Verhoef 2003; Naidu et al. 1999). Relationships lead to loyalty, and loyalty leads to profitability and market share. Guenzi and Pelloni (2004) find that interpersonal relationships between customers and employees contribute to the development of customer loyalty. On one hand, relationship build up loyalty; on the other hand, the loyalty incentives enhance such a relationship. Similarly, Naidu, et al. (1999, p. 207) point out that “relationship marketing gains momentum to build up customer loyalty and continued patronage. Development and implementation of customer retention programs, partnering with

customers.... and other relationship marketing practices have become a way of life in the 1990s.”

Xiao (filial piety)

Along with ren, Confucians regard filial piety (xiao), as foundational among virtues of human relationship (Yao 2000) and foundational for building social harmony.

Xiao (filial piety) is rarely discussed in marketing literature. Its original meaning is to serve and obey parents, respect elders, and worship ancestors; cultivate good relationship between rulers and subordinators, and between husband and wife; and care siblings, friends and relatives. In one word, self-regulation begins at home (Woods and Lamond 2011). Broadly speaking, xiao can be used in business relationship management in terms of cultivating good relationships with all parties and helping each other, being grateful, and knowing and taking each person’s responsibility.

Conclusion and Future Studies

We proposed a consumer relationship model to illustrate how businesses can learn and extend from the profound Chinese traditional culture, especially Ru school of thoughts – Confucianism. As viewed by Confucius, benevolence, trust and credibility, loyalty, righteousness, filial piety, and practicing reciprocity are closely knitted together. Modern relationship marketing views them in a similar fashion, and puts trust and benevolence in the center of consumer relationship marketing. We have discussed the seller-buyer and buyer-seller relationships separately in Figure 1 and Figure 2 based on different benefits sought by buyers and sellers and the different sequent of core Confucian influences on them. We are viewing the same object (relationship) through two different angles (buyer’s route and seller’s route). Our model suggests that consumers and sellers will achieve the optimal relationship if the route of seller-buyer is harmonious with that of buyer-seller relationship.

In summary, the relationship between sellers and buyers is optimal if seller’s benevolence (ren 2) delivered to consumers matches or surpasses buyers’ expectation of sellers’ benevolence (ren 1); If sellers follow Confucian propriety (li) and righteous (yi), consumers will generate trust (xin 1) and filial piety (xiao) towards sellers and consequently become loyal (zhong) buyers. Overtime, the seller would achieve credibility and reputation (xin 2) among buyers; and by continuing practicing Confucian propriety (li) and righteous (yi), consumers would further strength their loyalty (zhong) and filial piety (xiao) towards the seller. Consequently, the seller will deliver higher level of benevolence (ren 2) beyond what is expected (ren 1).

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INTEGRATED MARKETING COMMUNICATIONS TRACK

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The Long and the Short of It: Maximizing the Impact of Public Service Announcements in the Age of the “Twitterverse”

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This paper reports the results of an empirical study of current public service announcements (PSAs). We identify a dimension of PSAs – conciseness – that has been relatively understudied and that may be crucial to understanding the level of audience impact that is achieved. Further, recognizing the evolving concerns of sponsors in a marketplace flooded with novel modes of communication, we examine potential differences in the dynamics of conciseness as a function of the conventions of “new” (e.g., web-based) versus “traditional” (e.g., standard TV, print) media environments. After deriving and testing two primary hypotheses, the contributions of the findings are discussed.

Introduction

Public service announcements (PSAs) are noncommercial messages aimed at improving knowledge, attitudes and/or behavior on socially desirable dimensions (Martiniuk et al. 2010; Murry, Stam and Lastovicka 1996). Examples include the iconic “Friends Don’t Let Friends Drive Drunk” and “Only You Can Prevent Forest Fires” campaigns.

Background

Although anecdotal evidence suggests that PSAs can be remarkably successful, scholarly investigations suggest that results can be quite variable and that ill-conceived campaigns may even produce a “boomerang effect” (e.g., Fishbein et al. 2002; O’Dea 2005).

We explore the efficacy of PSAs, focusing specifically on those placed in the context of “new” media (e.g., web and mobile), for which prior investigation has been rare. To begin our analysis, we consider what sorts of factors might influence the manner in which a PSA is received by an audience member. Guidance on this matter may be derived from a treatise by Grice (1975) on the pragmatics of communication. Grice enumerates several maxims that govern the way in which messages are interpreted.

We have chosen to hone in, in particular, on the Gricean dictate of conciseness. In examining this axiom, we observe that what constitutes an appropriate degree of conciseness, or message length, may be less than obvious, because individuals vary both interpersonally and situationally in their preferences for an amount of information or detail (Chaiken, Liberman, and Eagly 1989; Petty and Cacioppo 1986).

We propose that a major influence on preferences for conciseness will be the media environment in which a message is delivered – that is, whether the medium is “traditional” (TV

and print ads) or “new” (web, mobile). In particular, successfully delivering PSAs in new media may require an understanding of the conventions of the contexts. In this vein, one of the most profound influences on the new media landscape is Twitter, a microblogging service that enables its users to send and read very short text-based messages. With a tight 140-character constraint, Twitter endorses a succinct, pithy approach to communication that, given its cultural prominence, may be argued to shape general expectations for the appropriate parameters of messaging in digital and mobile media. Some have bemoaned this effect as the “Twitterization” of communication (e.g., Hayes 2009).

Specifically, we propose that one consequence of the “Twitterization” phenomenon may be an inherent preference for conciseness. Organizations seeking to optimize the impact of a PSA on consumer behaviors may thus be well-advised to adhere to a criterion of brevity in creating messages for such channels. In short, less may often be more, as noted in our first hypothesis:

H1: After exposure to PSAs appearing in *new* media, audience attitudes will be *more* (less) favorable when message length is relatively *short* (long).

By contrast, given audience members’ long prior histories and ingrained habits of consumption of traditional (e.g., TV, magazines, newspapers) media, the new-media preoccupation with conciseness may not carry over. Instead, for PSAs placed in traditional media, a perhaps more intuitive wisdom of “more is better” may be expected to apply. Lengthier messages may be better able to convey more information about the behavior that is being advocated. Our second hypothesis captures this logic.

H2: After exposure to PSAs appearing in *traditional* media, audience attitudes will be *more* (less) favorable when message length is relatively *long* (short).

Study

One hundred fifty-two volunteers each viewed 24 PSAs that were sampled from the archives of the Ad Council. Two campaigns were represented. Themes were financial literacy and emergency preparedness.

Participants answered these questions for each PSA: “My response to this message is unfavorable/ favorable,” “My feelings toward this message are negative/ positive,” and “With respect to this message, I strongly disagree/agree.” Dependent variables were attitudes toward the position advocated by a PSA, as reflected by composite scores for each execution.

To create the independent variable of conciseness, lengths were coded for each message.

Repeated-measures ANOVA was employed to examine data within each medium.

New Media

For web banners, means differed by message length, and attitudes were *inversely* related to message length. These findings are consistent with Hypothesis 1. Results for online videos were parallel.

Traditional Media

For TV commercials, means again differed for PSAs with different lengths. However, as predicted by Hypothesis 2, persuasiveness was *positively* associated with message length. Results were analogous for print ads.

Discussion

Results garnered from testing two forms of new media and two forms of traditional media suggest that persuasiveness varies with message length in opposing directions. For new media, messages that were more brief created a stronger impression, whereas for messages in traditional media, greater duration corresponded to greater impact.

For organizations sponsoring PSA campaigns, the present research may provide useful insights into message development. Whereas a first impulse might be to inundate consumers with reams of information in support of an advocated position, especially when the issue has strong social and ethical implications, this strategy appears to stand at odds with the consumer mentality regarding new media.

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Summary Brief

The Effects of Online Reviews on Unfamiliar Brand Perceptions

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This study examines the effectiveness of online reviews for an unfamiliar brand. Online review trust and perception of usefulness are examined in order to measure cognitive attitude, brand trust and brand involvement among young adults. Source credibility and message framing are used as experimental variables. The results show that the usefulness of online reviews influences cognitive attitude, but the influence of online trust is not significant. Also, cognitive attitude is positively related to brand trust that ultimately influences brand involvement. In addition, the message framing is a significant moderator of the relationships between perceived usefulness and cognitive attitude toward online reviews and between cognitive attitude and brand trust.

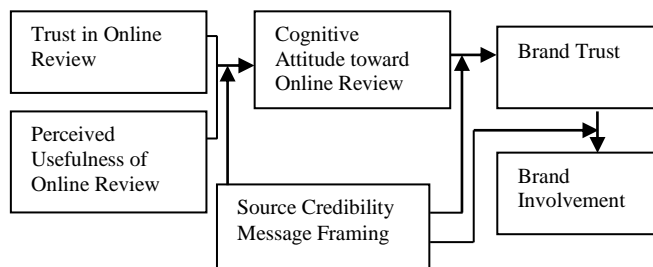
Introduction

A wide range of online reviews of products and services are available from various sources. Many researchers focus on the influence of consumer generated reviews: however, less attention has been paid to online third-party product reviews (TPRs), even though consumers prefer information that is from non-commercially linked third parties and TPRs play an important role in consumers' purchase decisions (Chen and Xie, 2005). The purpose of this study is to examine how TPRs affect consumers' attitudes, brand trust and brand involvement using two experimental variables, source credibility and message framing.

Literature Review and Hypotheses

This study applies a framework based on Cognitive Response Theory (CRT) and the Theory of Reasoned Action (TRA). CRT postulates that the rehearsal and learning of cognitive responses to a persuasive message, i.e., the processing of a recipient's prior cognition of certain online messages, may influence the effect of such message. TRA posits that a person's behavioral intention depends on the person's attitude toward the behavior and the subjective norms, which are based on beliefs. Based on the literature review and the concepts of CRT and TRA, an integrated model is proposed (Figure 1).

Figure 1 Conceptual Framework



This study hypothesizes that consumers' previous experience with online reviews will influence the attitude toward current product reviews.

H1: Trust in online reviews is positively related to a consumer's cognitive attitude toward a review message.

H2: Perceived usefulness of online reviews is positively related to a consumer's cognitive attitude toward a review message.

Brand trust is defined as the willingness of an average consumer to rely on the ability of a brand to perform its stated function (Chaudhuri and Holbrook 2001) and brand involvement is a person's perceived relevance of a brand based on inherent needs, values and interests (Zaichkowsky 1985).

H3: A consumers' cognitive attitude toward a review message is positively related to brand trust.

H4: Brand trust is positively related to brand involvement.

Source Credibility Theory posits that the audience's attitude toward the communicator influences the effect of communication (Hovland and Weiss 1948). Message framing affects consumers' perception. Levin et al (1998) point out that different types of message framing have different underlying mechanisms and consequences. Thus, this study hypothesizes that the effects of source credibility and message framing exist on consumers' cognitive attitudes toward review messages, brand trust, and brand involvement.

H5: Source credibility moderates the relationships between consumers' cognitive attitudes toward a review message, brand trust, and brand involvement.

H5: Message framing moderates the relationships between consumers' cognitive attitudes toward a review message, brand trust, and brand involvement.

Research Methodology

The proposed model comprises 5 variables that include 19 items. Items were adopted from previous research. Items were rated using a seven-point Likert scale ranging from strongly disagree (1) to strongly agree (7). To measure consumer attitudes toward an unfamiliar brand, the "Nova" brand for a smartphone was created by researchers. To apply two experimental variables, four different sets of experimental screens were provided for a 2 x 2 between-subject experiment design. Regarding the source credibility effect, consumerreport.org was utilized for high source credibility and onlinefreereviews.com was utilized for low source credibility. For message framing, positive and negative messages were used. Using a convenience sampling method, data were collected from

undergraduate business school students from two schools in the northeast US. A web-survey was created and participants received a survey invitation from the researchers. Subjects were randomly assigned to one of the four versions (Consumerreport.org and positive message, Consumerreport.org and negative message, onlinefreereviews.com and positive message, onlinefreereviews.com and negative message). Samples consist of 84 male students and 81 female students for a total of 165 respondents. The respondents' average age is 22 years old.

Results

Manipulation Check: Source credibility manipulation was checked by comparing scores between the "high" credibility and "low" credibility condition. There were significant main effects for source credibility, $F(1,161) = 21.15, p < .00$. Mean scores are 4.74 (high) vs. low (2.65). Message framing manipulation was checked by comparing scores framing between positive and negative messages. There were significant main effects of messages, $F(1,161) = 50.76, p < .00$. Mean scores are positive (5.05) vs. negative (3.29). Thus, the results indicate that source credibility and message framing manipulations were effective.

Overall measurement results: Confirmatory factor analysis (CFA) was used to test the overall validity of the measurement model. The CFA statistics indicated a good model fit ($\chi^2 = 173.70, df = 142, CFI = .99, TLI = .98, NFI = .92, RMSEA = .04$). All factor loadings were above .6 and significant ($p < .001$). The variances extracted (VEs) were .60, .67, .55, .82, and .73 for cognitive attitude, online review usefulness, online trust, brand trust and brand involvement respectively. The construct reliabilities were adequate ranging from .78 to .92. Discriminant validity was measured by comparing the VEs with the square of the correlations coefficients of any two constructs (Fornell and Laker 1981). The results indicated that all VEs are larger than squared correlations and thus discriminant validity is adequate.

Subsequently, Structural Equation Modeling (SEM) was used to examine the path model. The structural model showed a good model fit ($\chi^2 = 185.85, df = 147, CFI = .98, TLI = .98, RMSEA = .04$). The path coefficients showed that, while relationships in H2,

H3, and H4 are supported ($r = .44$ for H2, $\beta = .49$ for H3, and $\beta = .40$ for H4, all at $p < .001$ level), H1 is not supported. To test H5 and H6, hierarchical regression analysis was used. The results indicated that source credibility was not a significant moderating variable. Thus, H5 was not supported. The moderating effects of message framing (positive vs negative) were also examined. The results showed that message framing significantly moderates only the relationships between perceived usefulness and cognitive attitude ($\beta = .21, p < .05$) and between cognitive attitude and brand trust ($\beta = -.32, p < .01$). Thus, H6 was partially supported.

Discussion

With the explosive growth of online retail stores, online reviews have been a powerful force driving consumer attitudes and behavior. The results show that perceived usefulness of online reviews was positively related to cognitive attitudes toward a review message. It implies that consumers' subjective assessments of the utility offered by online reviews plays a

critical role in product or service evaluation. Also the results indicated that consumers' cognitive attitudes toward the online review is positively related to brand trust that ultimately influence brand involvement. Managerially, the results suggest online retailers need to understand and capitalize upon the significance of online review perceptions and their impact on brand trust and brand involvement. However, trust in online reviews was not positively related to a consumer's cognitive attitude toward a review message. One explanation is that consumers are more concerned about the usefulness of an online review, rather than whether or not they trust of an online review.

The study findings explain that message framing is a significant moderator on the relationship between perception of online review usefulness and cognitive attitude toward online review as well as the relationship between cognitive attitude toward online review and brand trust. The findings are consistent with Yang and Mai's (2010) study. However, source credibility is not a significant moderator in any relationship tested. Therefore, when considering online reviews for strategic decisions, the online retailer's focus should be on the content of reviews rather than on vehicles that carry reviews.

There are several limitations to the present study. This study utilized convenience sampling and I relied on a small sample of undergraduate students recruited from two universities. Thus, future studies should replicate these results with more representative and demographically and culturally diverse samples. In addition, it is important to consider additional factors such as types of messages, audience, situations and temporal factors in source credibility study.

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Summary Brief

Brand – Character Association and Attitude Toward Brands In Movie Placements

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This study examines the impact of brand-character association on consumer attitude toward the placed brand. A 2x2 within subjects experiment, using full-length movies as a stimulus, was conducted on a panel of student subjects to assess the interaction effect of character-brand valence on consumer attitude. Results support a significant interaction between character and brand valence. Analyses also indicate that congruency between character and brand valence enhances affective measures toward the placed brand, supporting the congruency theory and Meaning Transfer Model. Additionally, we found that brand familiarity mediates the character-valence interaction.

Introduction

In the context of publicity generally it is considered that “any publicity is good publicity”. A study by Sorensen and Rasmussen (2004) on the impact of book reviews empirically revealed that negative reviews resulted in increased sales, suggesting that all publicity is good publicity. However, information available on brand placements (Karrh, McKee, and Pardun 2003) implies that firms and placement agents do not subscribe to this.

This study aims to extend the brand placement literature by attempting to understand the effect of a character’s attitude toward a placed brand in the movie on the viewers’ evaluation of the brand placement. We also aim to study the moderating/interaction effects of the viewers’ familiarity with the brand.

Literature Review and Hypothesis

Genre Theory

Russell and Stern (2006) use genre theory to explain the relationship between the character and the placed brand. Their model was aimed at sitcoms, focused on brand valence and the strength of the association between character and the product. However, unlike sitcoms, it is unlikely that the audience may identify strong and weak associations of a product with characters. On the other hand, the nature of a character an actor portrays in a movie (positive role or negative role) might impact the way a brand is associated with that character and might influence the overall evaluation of the placed brand.

Meaning Transfer Model

According to this model (McCracken 1989), celebrity endorsers transfer meanings in a two-stage process. Transfer of

meaning from the endorser to brands, and the transfer of meaning from the brand to the consumer. For such a transfer to be effective, the celebrity endorser and the brand must be similar.

When a brand is associated with a particular character in a movie, a similar process may follow. Brands that are associated congruently with the character may not elicit objections and may influence the audience through a peripheral route of persuasion thereby producing more positive attitudes toward the congruent brand. On the other hand, a brand whose placement is incongruent with a character may appear unusual, attract greater attention and processing, thereby producing less positive attitudes toward the incongruent brand. This leads us to our hypothesis

Hypothesis: The attitude toward placement is more positive when there is congruence between the nature of character (positive/negative) and the character’s valence toward the brand (positive/negative), compared to when there is a lack of such congruence.

Methodology

Design and Stimulus

A 2 (Character type) x 2 (Showcasing of brand in the movie) within subjects experiment was designed for the study, where respondents were exposed to all levels of the stimuli. The biggest advantage of such a method is that the within group variance in the experiment is minimized drastically and increases the power of the test (Stevens 2002). *Rain Man* and *Face/Off* were used as stimulus where respondents watched both movies completely. The target placements for the study are presented in Table 1.

Table 1. Experimental design and stimulus

Character/ Valence	Positive Character	Negative Character	Notes
Positive Valence	Qantas Airlines	Chiclets	Brand:
	Rain Man	Face/Off	Movie:
	Raymond Babbit Dustin Hoffman	Castor Troy Nicholas Cage	Character: Actor:
Negative Valence	American Airlines	Seacraft boats Face/Off	Brand: Movie:
	Rain Man	Castor Troy	Character:
	Raymond Babbit	John Travolta	Actor:
	Dustin Hoffman		

Respondents

A convenient sample of 62 undergraduate business students was recruited from a university in the American Midwest. This has been found acceptable in earlier studies (Nebenzahl and Secunda 1993). 56 % of the respondents were male and 36% were non-white.

Data Issues – Order Effect and Attrition

Counter balancing of the movies where half of the respondents watched Rain Man first and the other half watched Face/Off first was implemented to address order effect. Attrition was addressed by collecting complete information about respondents and providing both tangible and intangible incentives.

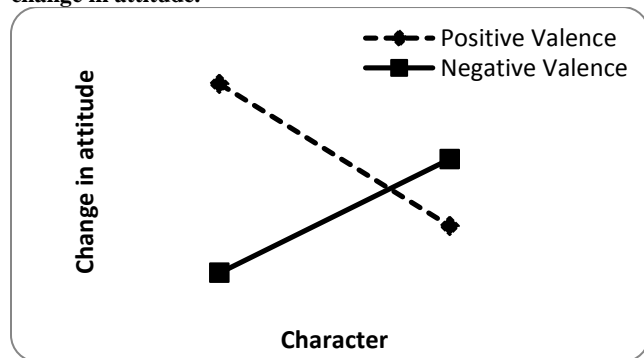
Measures

Three types of measures were collected – Dependent measures (Change in attitude toward target brand), Subject specific measures (demographics, familiarity with brand, movie and actor) and Subject independent covariates (movie and placement related data) using established scales.

Analysis and Results

Given the nature of data, a two-step repeated measures ANCOVA as suggested by Gamst, Meyers and Guarino (2008) was conducted to test the hypothesis. Results indicate that there was a significant interaction effect between character and valence on the change in attitude. Figure 1 diagrammatically depicts the results of the ANCOVA.

Figure 1: Interaction effects of character and valence on change in attitude.



Discussion

Our study provided strong support for hypothesis, where a significant interaction was observed between character and valence. Further, this interaction supported the source congruity concept, whereby treatments with congruence between the character and valence led to a significant positive change in attitude over treatments with non-congruence.

Our results are also consistent with findings of Russell (2002) where congruent treatments resulted in more positive attitudes whereas incongruent treatments had higher cognitive scores. In our study the incongruent treatments had recall rates

of 39% and 52% whereas for the congruent treatments the recall rates were 12% and 8%.

We also found that only valence had a main effect. Thus our study not only supports practitioners' view on negative placements, but also extends it by suggesting how this effect can be mitigated. Our study shows that as long as negative placements are congruent with the character, they do exhibit a positive effect on consumer attitude toward placed brand.

Additionally, we also found brand familiarity to significantly impact the change in attitude. Further analysis on the role of brand familiarity through a moderation-mediation analysis as detailed by Judd, Kenny, and McClelland (2001) indicates support for the mediating role of brand familiarity on the change in attitude between congruent and non-congruent treatments.

Conclusion

An experimental study using a panel of student subjects was initiated to understand the effect of character and its valence toward a placed brand on consumers' evaluation of brand. Based on Genre Theory and the Meaning Transfer Model hypothesis pertaining to the nature of interaction between character and brand valence was presented and tested using a within subjects model.

Our study showed that congruence between the nature of character and its valence toward the placed brand increases attitude toward placed brand, but reduces recall. We also found that the audience's familiarity with the placed brand mediates this relationship.

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Summary Brief

Doing Good: One Behavior and One TV Show at a Time

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*Social marketing and product placement are two common marketing practices. Consumers are now seeing the merging of these two concepts through behavior placements, which are the incorporation of social behaviors into television program story lines to sway viewers to adopt these actions. The purpose of this exploratory study is to introduce the concept of “behavior placements” and to better understand the role of perceived fit of these embedded messages on viewers’ attitudes and intentions. Utilizing a behavior placement on the NBC television show *The Office*, three hypotheses were supported advancing this concept. Implications, limitations and future directions are discussed.*

Introduction

In the 1970s, marketing academicians Philip Kotler and Gerald Zaltman introduced the concept of “social marketing,” realizing that the same marketing principles used to sell products to consumers could also be used to “sell” social behaviors to a target audience or even society in general (1971). The concept has been used to promote a variety of social issues, including health related programs, drinking and driving, organ donation and recently even environmental issues.

Recently, NBC Universal has featured environmental messages in its TV programs. Topics, like reduction of consumer’s carbon footprint, recycling plastic bottles and buying organic and locally grown fruits and vegetables, have been incorporated into its TV programming. The concept of a behavior placement was developed “to sway viewers to adopt actions they see modeled in their favorite shows” (Chozick 2010). The subtle messaging brings mainstream concerns, like environmental issues, to the public. NBC Universal has featured environmental behaviors twice a year through its Green Week Initiative with industry estimates of \$20 million in advertising revenue generated from 20 sponsors in one week (Chozick 2010).

This exploratory study attempts to examine the behavior placement concept by providing insight into whether a behavioral message embedded in the storyline of popular TV show can influence consumers. A conceptual model was developed to better understand consumers’ attitudes towards the behaviors portrayed on a TV show through a unique form of product placement called behavior placement, and whether viewing a behavior on television can lead consumers to embrace those behaviors.

Background and Hypotheses

Behavior placements are similar to product placements, but the focus is on the behavior not a specific product or brand. Product placement has grown in popularity in movies and TV programming since its origination in films in the 1940s (Karrh,

McKee, and Pardun 2003). While the effectiveness of product placement has been debated, theory supports that product placement can change behavior. Social learning theory suggests that behavioral changes can result from repeated exposure to modeled behavior (Avery and Ferraro 2000). The mere exposure of a product in the placement can enhance a viewer’s attitude toward that product and create motivation for purchase (Zajonc 1968). The concept of product placements has evolved into behavior placements, which attempt to influence viewers to adopt specific actions they see in their favorite shows (Chozick 2010).

A behavior placement is a concept similar to product placement and involves the actors in a TV show or movie performing some action with the intent to convey the importance of the action, such as recycling, to the viewer. The use of TV programming to change consumer behavior is not a new concept. Known as edutainment, social marketing strategies have been deliberately included in mass media with the hopes of promoting positive social behaviors, usually health related topics (Ganeshasundaram and Henley 2009). Behaviors like obtaining a library card and designated drivers have been woven into shows like *Happy Days*, *Cheers* and *The Cosby Show*. The question remains how viewers respond to these types of behavior messages in their programming.

Existing research on product placements have evaluated the general attitudes toward product placements; however, no study has evaluated the growing trend of behavior placements in TV programming. Thus, for this study, if a behavior placement is similar to product placement which is a form of advertising, similar attitudes and intentions may result. Utilizing the Fishbein and Ajzen framework (1975), it is proposed that consumers’ attitudes toward the behavior placement will influence behaviors. The mere exposure to the TV program which features a behavior placement can enhance attitudes and motivate viewers to change their behavior (Zajonc 1968).

Russell (2002) found that a strong connection to the TV program’s plot positively influenced viewers’ attention to the product placements and attitudes toward the products featured. The concept of connection of fit is not new in the marketing and advertising literature and has been found to have an impact on audience response, as it relates to celebrity endorsers, brands and sponsorships. The following hypotheses have been proposed:

H1: Attitudes toward the behavior placement in the TV show are directly related toward behavior intentions.

H2: Attitudes toward the TV show are directly related to a) perceived fit, b) attitudes toward the behavior placement in the TV show and c) behavior intentions.

H3: Perceived fit between the behavior placement and the TV show are directly related to a) attitudes toward the behavior placement in the TV show and b) behavior intentions.

Methodology

A behavior placement was identified from the 2009-2010 television season for the NBC sitcom, *The Office*. The episode which originally aired in November 2009 featured a fictional superhero obsessed with recycling. The segment of the behavior placement was edited to a reasonable length for research purposes and included the behavior placement, the opening credits of *The Office* and the first scene before the commercial break.

Respondents were recruited through an online panel recruitment service and were told they would share their thoughts and feelings about a TV show before and after they watched the edited segment. The study's measures were drawn from prior marketing and advertising research and adapted for the following constructs: (a) attitudes toward the TV show, (b) attitudes toward the behavior placement, (c) perceived fit between the behavior placement and the TV show and (d) behavior intentions. In addition, a number of demographic variables were measured.

Results and Discussions

For this exploratory study, a convenience sample of 276 Americans aged between 18 and 49 years old was obtained. After reviewing the familiarity and recall questions, the sample was reduced to 199 usable responses. Prior to analysis, the data set was explored for any issues, including missing data, normality and correlations, as well as reliability and validity of the measurement model. No concerns were identified and the measurement model adequately fit the model.

The proposed structural model was estimated with M-Plus 5.2 using the maximum likelihood (ML) estimation method. Despite a significant chi-square, other fit indices indicated that the structural model adequately fit the data (CFI = .94, TFI = .93, RMSEA = .09 and SRMR = .04) (Hu and Bentler 1999). Of the three hypotheses proposed in the study, all were fully supported.

Results indicate that attitudes toward the behavior placement had a positive effect on behavioral intentions ($\beta = .40$, $p < .001$), thus, H1 was supported. H2 proposed that attitudes toward the TV show are positively related to a) perceived fit between the behavior placement and the TV show, b) attitudes toward the behavior placement in the TV show segment and c) behavior intentions. All the relationships were significant ($\beta = .26$, $p < .001$, $\beta = .25$, $p < .001$ and $\beta = .13$, $p < .05$); thus H2 was fully supported. H3 predicted a positive relationship between perceived fit and attitudes toward the behavior placement and behavior intentions. A significant effect was found for both relationships ($\beta = .56$, $p < .001$ and $\beta = .24$, $p < .01$), thus H3 was supported.

As product placements become more prevalent in TV programming, consumers are becoming more sensitive to being "advertised to" in every type of TV show, and the effectiveness of product placements may come into question. Building a message (i.e. encouraging recycling) that connects with a storyline through a behavior placement, however, is a less obtrusive message and may have a greater influence on

consumers' behaviors. This exploratory study sought to expand the concept of product placement to include behavior placements as a unique form of product placement now featured on one television network.

Limitations and Future Directions

This exploratory study has several limitations. First, the current study was limited by the TV clip used. While respondents were familiar with the show, they may not have been interested in behavior featured. Also, the use of just one clip raises the issue of generalizability. Future research should include other behaviors and other genres of TV shows, like dramas and reality shows. Further development and defining of the behavior placement concept are necessary to understand its potential impact in the advertising literature. Future research could utilize an experimental design approach to measure the effectiveness of behavior placements compared to product placements, traditional advertising and news stories discussing different social behaviors.

To our knowledge, this study is the first of its kind to understand the growing use of behavior placements in the TV shows and provide significant theoretical and managerial implications. Featuring "good" messages is not a new concept, but NBC has taken an active role in packaging and marketing the concept not only to its viewers but also potential advertisers. Behavior placements provide a unique opportunity for pro-social messages to be embedded into TV shows, allowing marketers and advertisers to better target their advertising messages.

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Summary Brief

Hijacked Advertising: Effects on Attitudes Toward the Brand

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The internet has been an influential tool in communicating with target audiences. Many ads debut on TV but live a second life on the internet. A drawback is that the internet can house manipulated brand ads. An original ad that is manipulated by unknown users is termed a "hijacked" ad. A hijacked ad differs from a spoof or parody ad in that an original brand ad is manipulated. This study investigates the effects on brand attitudes of an original brand ad in comparison to two hijacked versions of the same ad. Although the original brand ad increases positive attitudes toward the brand, both negative and humorous hijacked versions have a negative impact.

Introduction

Integrated Marketing Communications (IMC) is a strategy for creating message and brand consistency to a target audience using any relevant form of communication. Control is an essential factor of IMC in which a brand maintains a consistent message in the minds of the target audience. The internet poses a potential threat to this control. This poses the question of the effect on brand attitudes if a brand no longer controls its message.

The current study considers the loss of message control when a brand's original and proprietary ad is taken by an outside individual who is instrumental in changing the original message and then redistributes it across the media channel. We refer to this process as "hijacking." The difference between the original and hijacked ad can be seen when a viewer tends to the message to find that something about the ad is not quite right.

The current study compares the effects of an original brand ad with two hijacked versions of the same ad on attitudes toward the brand. Through experimental manipulation, this study explores the following questions: (a) What effect does the original ad have on brand attitudes? (b) What effect does a negatively oriented hijacked ad have on brand attitudes?, (c) What effect does a humorously oriented hijacked ad have on brand attitudes?

Conceptual Background

Websites such as Youtube provide a rich environment for the collection and distribution of TV ads. Web links to ads can be sent between people as a form of digital word-of-mouth. This free and open access can be seen as a positive attribute of the internet. With a central collection and digital tools readily available, internet users now have the ability to hijack ads, resulting in a loss of brand control. This may have negative effects on the attitudes of individuals who are exposed to the hijacked ad.

Spoof, Parody vs. Hijacked Ads

Govoni (2004) defines parody advertising as "advertising that is an imitation or spoof of a common and well-known situation ...in an attempt to be humorous through ridicule ..." (pg. 154). An alternative term to this is spoof. The Oxford dictionary defines spoof as: "imitate (something) while exaggerating its characteristic features for comic effect." Conversely, hijacking, as defined by the Cambridge online dictionary, is "to take control of or use something that does not belong to you for your own advantage." In advertising, hijacked ads are different in that an *original ad* is taken without knowledge or express permission and manipulated in a manner unintended by the original ad creator.

Possible Motivation for Hijacking Ads

Hijacked ads may be a tool in expressing anti-materialism sentiments that were part of movements in the US, Canada, and France in the 1980s and 1990s (Jean, 2011). Hijacked ads may also simply be the result of a combination of technology and consumer power. That is, technological features such as the internet and easy-to-use digital video software provide consumers the opportunity to apply technology on proprietary ads as a means of expressing their sentiment, whatever they may be.

Hypotheses

General ad effectiveness: Ads are generally created in a way that enhances brand image by eliciting positive feelings toward a brand and its product. As such we hypothesize:

H1: The original brand ad will result in a positive increase in attitudes toward the brand and the ad.

Humorous Orientation: Humor is a much used advertising strategy. Research suggests humor in advertising can positively affect attention, likability, recognition, and recall (Brown, Bhadury, Pope 2010; Eisend 2009). We hypothesize:

H2: A humorous hijacked ad will result in a positive increase in attitude toward the brand and the ad.

Negative Orientation: Research on negative ads suggests that such ads increase attention (Sabato 1981) and are better remembered (Lang 1991). We hypothesize:

H3: Negative hijacked ad will result in a negative change in attitudes toward the brand and the ad.

Ad Sources: People are likely to correctly identify the corporate sponsor as the source of the original brand ad but incorrectly attribute the original corporate brand as the source of the hijacked ads. We hypothesize:

H4a: An original corporate brand advertiser is likely to be identified as the source of an original brand ad.

H4b: An original corporate brand advertiser is likely to be identified as the source of hijacked ads.

Methods

Study 1

Sample: Participants were 36 undergraduate students at a west coast public university who obtained course credit for their participation. About 55% of the sample was female with age ranging from 21 to 27 years (mean = 22.1).

Procedures: Participants were randomly assigned to one of three conditions that differed by ad type: Condition 1 presented an original General Motors (GM) ad. Condition 2 presented a humorous hijacked version of the original GM ad. Condition 3 presented a negative hijacked version of the original GM ad. The video ads were imbedded in an online survey system.

Measures: Each participant viewed the assigned ad and was asked to rate the ad in terms of the ad being funny, serious, negative, and damaging. Ratings were assessed using a 7-point scale with higher values denoting stronger endorsements.

Results: The negative hijacked ad had a mean negative rating of 5.00 and humorous rating of 3.78. The humorous hijacked ad had a mean humorous rating of 2.67 and negative rating of 3.56.

Study 2

Sample: Participants were 274 undergraduate and graduate students (62% women) from a medium sized western university. Age ranged from 18 to 56 years (mean = 22.4).

Procedure: Subjects were exposed to an original corporate brand ad, a hijacked-humorous version of the ad, or a hijacked-negative version of the ad in a between-subjects design. Stimuli were taken from www.youtube.com. The study was executed online. Attitude toward the GM brand was first assessed. Subjects were then presented one of the three ads by random assignment. Subjects answered manipulation check questions on their perceptions of ad contents with respect to humor and negativity. Finally, subjects responded to brand attitude and demographic questions.

Measures: Pre- and post-brand attitudes were measured using four 7-point anchor items: unfavorable/favorable, negative/positive, bad/good, and unappealing/appealing. Reliability coefficients for all were high ($\alpha_{\text{pre brand attitude}} = .96$ and $\alpha_{\text{post brand attitude}} = .98$).

Results

Manipulation check: ANOVA suggested that the humorous ad was more funny than the negative and base ads (mean_{HUMOROUS} = 3.61, mean_{NEGATIVE} = 3.2 and mean_{ORIGINAL} = 1.93; $F(2, 308) = 30.01$; $p < .001$). The negative ad was perceived as more negative than the humorous and base ads (mean_{HUMOROUS} = 4.13, mean_{NEGATIVE} = 4.45 and mean_{ORIGINAL} = 2.23; $F(2, 308) = 49.95$; $p < .001$). Results indicate that subjects perceived the manipulation of the treatment conditions as designed.

Effect of Hijacking on Attitude toward the Brand: Mean initial attitude toward the GM brand across conditions was 3.55 (sd = 1.37). One-way ANOVA suggested differences in mean attitude toward the brand (mean_{ORIGINAL} = 3.84, mean_{NEGATIVE} = 3.06, mean_{HUMOROUS} = 3.41; $F(2, 309) = 6.93$; $p < .01$).

Paired and independent samples t-tests were conducted to test H1, H2 and H3. In support of H1, results suggested favorable change in attitude toward the brand after ad exposure (mean_{PRE BRAND ATTITUDE} = 3.40, mean_{POST- BRAND ATTITUDE} = 3.84; $t = 5.06$, $p < .001$). Results did not support H2. The humorous hijacked ad resulted in an unfavorable change in brand attitude after the ad exposure (mean_{PRE BRAND ATTITUDE} = 3.72, mean_{POST- BRAND ATTITUDE} = 3.41; $t = 2.84$, $p < .05$). The results were corroborated using an independent samples t-test that suggested a lower brand attitude score after exposure to the humorous hijacked ad vs. the original ad (mean_{ORIGINAL} = 3.84, mean_{HUMOROUS} = 3.41; $t = 2.01$, $p < .05$). The negative hijacked ad had a detrimental effect on brand attitude after exposure (mean_{PRE BRAND ATTITUDE} = 3.54, mean_{POST- BRAND ATTITUDE} = 3.06; $t = 3.75$, $p < .001$). In support of H3, brand attitude after exposure to the hijacked brand was also lower than brand attitude post exposure to an original brand ad (mean_{ORIGINAL} = 3.84, mean_{NEGATIVE} = 3.06, $t = 3.75$, $p < .001$).

Hijacking Ad Source: Chi-square tests suggest that most individuals (89.5%) who saw the original ad believed GM to be the ad source. This result supports H4a. The ad source was not correctly identified as often in either the humor or negative ad conditions: about 29% in the negative ad condition and about 28% in the humorous condition identified GM and its ad agency as the ad source. These findings support H4b.

Discussion and Managerial Implications

Brand attitudes were more favorable after exposure to the corporate brand. Humor used in hijacked advertising does not increase brand image. As speculated, a brand may suffer from being hijacked to a negative destination. About a third of participants attributed GM and its ad agencies to be the source of the hijacked ads, a finding that suggests a potentially damaging and out-of-control threat to advertisers and marketers. This is important to branding marketing managers because consumers may not be knowledgeable that outside parties have the capacity to create hijacked ads that look like an original corporate brand ad. In light of these findings, it becomes imperative for advertisers and brands to educate consumers about how to identify original ads.

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Summary Brief

The Separate and Joint Effect of Advertising and Product Placement on TV

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This study explores the effects of the use of single and multiple-tool campaigns (advertising only, brand placement only and advertising plus brand placement) on consumer responses. Particularly, this paper examines consumers' responses in terms of brand awareness, brand attitude and purchase intention. Results showed the existence of differences between experimental conditions and the control group only in the case of brand awareness, and particularly in the case of advertising-only and synergy conditions (but not for placement-only condition). In the case of brand attitude and purchase intention, no differences were detected across the different conditions of this study

Antecedents

A main problem for contemporary advertisers is consumers' increasing ability to avoid mass media advertising, particularly in the case of TV. Nowadays, television sets all have remote controls and many people can watch previously-recorded shows, so the commercial breaks can be easily skipped. Moreover, several on-demand, paid broadcasting services are commercial-free. Even if people watch a commercial break, the level of attention paid to advertisements is significantly lower than the attention paid to the editorial content (Greenwald and Leavitt, 1984).

Since advertising has been questioned as being potentially ineffective, advertisers and academics have tried to find new or at least complementary ways to reach their target groups with commercial messages. In this context, there has been a growing academic interest in studying the impact of cross-media and cross-tools campaigns. In the case of the latter, studies have focused on the separate and joint effects of advertising and publicity (Stammerjohan et al., 2005). The only study using other promotional tools has been reported by Van Reijmersdal (2011). She evaluated the effect of advertising and product placement in the context of a radio program. She detected that synergy condition (placement and advertising) performed better than advertising-only and placement-only brand awareness, but not in brand attitude.

This investigation seeks to follow the line of research of Van Reijmersdal (2011). This study is the first piece of research that experimentally examines the separate and joint effects of advertising and placement on the case of TV. Moreover, this study incorporates the comparison with a control group, in order to test the differences between the separate and joint use of these promotional tools with their absence.

Hypotheses

It was hypothesized that the synergy group would perform better than single-tool conditions, and the latter would perform better than control group in terms of brand awareness (Hypothesis 1 TOM and Hypothesis 2 total unaided recall). In addition, no differences in the brand attitude were expected across the three experimental conditions (Hypothesis 3). Finally, the study explored whether purchase intention differed between advertisement, placement and synergy conditions (Research Question 1).

Method

An experimental between-subject design was used. A sample of 246 men and women (52% and 48% respectively, with a mean age of 26 years) were randomly assigned to one of the four conditions of this study: control, advertising-only, placement-only and advertising-plus-placement.

A real TV news clip containing a brand placement was used. In this clip, the news anchor had a computer on the desk with -or without- the Apple logo, and the clip featured a commercial break with -or without- an advertisement of Apple (advertising).

After watching the video clip, respondents were asked about brand awareness (top of mind and unaided recall of the brand Apple), brand attitude, and intention to purchase the brand (Chang & Thorson, 2004;). In addition, age, gender plus four covariates that could affect people's response were measured: most viewed newscast, attitudes toward product placement, attitude toward advertising, and ownership of an Apple computer.

Results

First of all, all the measures used in the study were valid and reliable. In fact, the scale of brand attitude loaded in one factor and reliability ($\alpha = 0.82$); similarly the purchase intention scale was also unidimensional and internally consistent ($\alpha = 0.84$). In terms of the covariates, the scales used to evaluate the attitudes toward advertising and placements were each one unidimensional and reliable ($\alpha = 0.79$ and $\alpha = 0.80$ respectively).

Second, in terms of manipulation checks, it was verified that the experimental conditions did not differ with respect to the covariates. Results showed that they did not vary according to gender ($F(3, 243) = 1,505, p = .214$), age ($F(3, 243) = 1,918, p =$

.142), preferred newscast ($F(3, 243) = 1,298, p = .276$), attitudes toward both advertising ($F(3, 243) = 1,526, p = .208$) and placement ($F(3, 243) = 2,415, p = .070$) and owned brand computer ($F(3, 243) = 1,547, p = .203$).

Then, the hypotheses and research questions were considered. Hypotheses 1 and 2 examined the differences between the three experimental conditions (and the control group) in terms of cognitive responses (TOM and unaided recall). Logistic regression was performed with control group, advertising, placement and synergy conditions as predictors of both measures of recognition (as binary result: whether or not Apple was freely mentioned in first place –TOM- or in any other place in the list). Results showed that advertising and combined (synergy) conditions performed better than placement-only condition and control group in terms of recall (top of mind and total unaided recall). The particular comparison between advertising and synergy conditions did not show significant differences in terms of either measure of recall. Moreover, placement-only condition does not depict significant differences with the control group in terms of TOM and unaided recall.

Then Hypothesis 3 was explored (difference in brand attitude across the different conditions of the study). An analysis of the variance (ANOVA) with the four conditions as the independent variable and brand attitude as the dependent variable showed no significant differences between the conditions examined in this study (control group, placement, advertising and synergy). ($F(3, 243) = 1,413, p = .240$).

Finally, ANOVA test was performed with the four conditions of this study as independent variables and purchase intention as the dependent variable in order to examine Research Question 1. Findings depicted no differences between the four conditions of this study in terms of purchase. ($F(3, 243) = 2,522, p = .057$). Nevertheless it is interesting to note that the P value approached significance, which is mainly explained by the advertising group (Table 1).

	Brand Attitude	Purchase Intention
Control	4,01	3,10
Advertising	4,28	3,19
Placement	3,98	2,98
Synergy	4,08	3,35

Table 1: Brand Attitude and Purchase Intention across the four conditions

Conclusion

Main results of this study show the significant effect of advertising on unaided recall (TOM and Total Unaided Recall) as previous literature has suggested (Duncan, 2002). This situation was detected in both advertising-only and synergy conditions. In this vein, findings supported the idea that promotional tools improve the brand awareness only for the case of advertising and the joint use of it with placement, but did not provide evidence in favor of the differential effect of placement-only condition over the control group. That is to say, this study does not provide support to the idea that placement (at least as passive product placement) leads to an increasing brand recall as previous literature suggested (see for example van Reijmersdal, 2009, 2011). Nevertheless, it is important to note that this study explored the particular case of passive placement. Thus differences could be explained by the absence of a powerful execution of the placement. Moreover, findings did not support

the idea that the combined use of advertising and placement would necessarily increase recall (TOM and total unaided recall). In fact, the joint use of both promotional tools did not lead to a better level of brand recall than the only use of advertising.

Secondly, this study reported no differences between the exposure to advertising, placement or both together and control group in terms of brand attitude and purchase intention. Regarding brand attitude, these results corroborate the previous findings of Van Reijmersdal (2011), in terms of the absence of differences in this variable between single tool condition (in this case advertising and placement conditions) and synergy condition. Moreover this study aggregates a relevant datum: this situation was the same in the case of the control group. That is to say, the absence of differences was detected not only between groups exposed to promotional tools but also in comparison with those subjects that were not exposed to them.

In the case of purchase intention, this result is consistent with previous findings in which only a few studies have found a significant direct effect on purchase intention from placement or advertising exposure (Balasubramanian et al., 2006; Belch & Belch 2004). Nevertheless, it is important to notice that what this paper adds to previous finding is that the synergy condition was not significant in this conative output either.

Future studies should explore the potential differences between exposing people to synergy conditions with active placement in which it would be possible to evaluate placement in its more powerful version. This point's relevance lies in the importance of determining whether placement is not affecting brand awareness (brand attitude or purchase intention), or whether the relationship between these variables is more complex and mediated by other factors.

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Summary Brief

Does Movie Trailer Release during the Super Bowl Really Work?: The Impact of Movie Promotion on Revenue and the Value of a Movie

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This study investigates whether movie trailer release during the Super Bowl affects revenue and the value of promoted movies. We compare the revenue of Super Bowl-advertised movies and non-Super Bowl-advertised movies. Results show that Super Bowl-advertised movies generate more revenue than non-Super Bowl-promoted movies based on revenue comparison between Super Bowl-advertised movies and their closest non-Super Bowl-advertised movies from 2004 to 2008. An event study is used to examine whether movie trailer release during the Super Bowl influences the value of individual movies and movie casts, including directors, actors and actresses. The result indicates that movie trailer release during the Super Bowl has a favorable impact on the value of movie, but little effect on the cast. This study offers a rationale for ad expenditure during the Super Bowl by investigating the financial impact of movie trailer release during the Super Bowl

Introduction

Over the past decade, the Super Bowl has been the top network primetime telecast each year. Nielsen rating surveys show that 111.3 million viewers tuned in during the Super Bowl this year (Levin, 2012). According to a recent Netbase and Wall Street Journal analysis on Twitter and Facebook, 40% of 5,200 posts show considerable interest in Super Bowl commercials right before the event (Wall Street Journal, 2012).

However, little attention has been paid to a seemingly clear benefit of the Super Bowl: does movie trailer release during the Super Bowl really work? This study examines how advertising influences sales and the value of movies promoted during the Super Bowl.

Movie Promotion and Movie Revenue

The relationship between advertising and sales has been examined based on mathematical modeling. In general, advertising is expected to create sales according to advertising-sales functions (Tellis and Weiss, 1995; Hsu, Darrat, Zhong and Abosedra, 2002). We expect Super Bowl-promoted movies can generate more revenue than movies that are not advertised during Super Bowl.

Methodology

We collected data on 34 movies advertised during the Super Bowl and 466 movies not promoted during the Super Bowl from 2004 to 2008 from <http://www.boxofficemojo.com/>.

The Super Bowl-advertised movies were coded as '1' while non-Super Bowl-promoted movies were coded as '0' using a binary scheme.

Random sampling was used to balance the sample size and compare revenue, showing that Super Bowl-advertised movies generate more revenue than non-Super Bowl-advertised movies (Yelkur, Tomkovick & Traczyk, 2004). We chose the matching method instead of random sampling for a more reasonable comparison of revenues of the two categories. For reasonable matching, three criteria were adopted with first priority placed on year, genre, production cost and producer.

Most Super Bowl-advertised movies were identified on the basis of year factor. Movie genre factors were then used to match Super Bowl-advertised movies to movies that were not advertised during the Super Bowl, which means that different genre movies are sequentially eliminated. Production cost, date released, and production studio are also used to identify movies similar to those advertised during the Super Bowl.

Results

We compared the revenue of Super Bowl-advertised movies and non-Super Bowl-advertised movies. Average U.S. box office revenue of all Super Bowl-promoted movies is far greater than that of all non-Super Bowl-promoted movies. While Super Bowl-advertised movies recorded \$125,168,852 for total U.S. box office revenue and \$38,867,013 for first week revenue, non-Super Bowl-promoted movies recorded lower revenue. Simple t-test comparison results show that Super Bowl-advertised movies generated more total revenue and opening week revenue than non-Super Bowl-advertised movies (significant at 0.005 and 0.001 respectively). Paired t-tests also indicate that Super Bowl-advertised movies are better than non-Super Bowl-promoted movies in terms of generating sales.

A MANOVA is used to take MPAA (Motion Picture Association of America) ratings into account as a covariate and to compare three revenue variables. A MANOVA including MPAA ratings as a covariate shows that Super Bowl advertising of movie trailers is an effective way to generate more sales

Movie Promotion and Movie Value

Four event studies have examined the impact of Super Bowl advertising on stock market activity in recent years. Kim and Morris (2003) found significantly different stock price performance relative to prior evaluation periods for companies advertising during the Super Bowl. Similarly, Fehle, Tsyplakov,

and Zdorovtsov (2005) found significantly positive abnormal returns for firms which advertised during the Super Bowl and were readily identifiable in the ads they aired. Finally, Chang, Jiang, and Kim (2009) found that firms airing well-liked Super Bowl ads commanded higher stock market prices in the days following the game. Kim, Freling, and Grisaffe (2012) interpret stock market reaction to Super Bowl advertising in terms of product benefit, ad appeals and ad characters.

However, these studies have focused on finding the stock market response to Super Bowl advertisers. Little emphasis has been placed on examining the impact of Super Bowl advertising on individual brands, and ad characters. We explore the financial impact of movie trailers released during the Super Bowl on subsequent movie and cast stock trading activity.

Methodology

An event study was used to uncover whether movie trailer release influences stock market reaction to a movie and its cast. Data on the movies advertised in the Super Bowl (2009 and 2012) was collected from the Hollywood Stock Exchange (<http://www.hsx.com>), which contains stocks for directors, actors and actresses. To assess the stock market impact of each movie released during the Super Bowl, we measure the corresponding movie's abnormal stock returns. We calculated expected returns for the movies in a sample over an estimation window of 13 trading days ending 3 days prior to the Super Bowl event. We used a constant mean return model to compute an abnormal return for movies, director, actor, and actress (Elberse, 2007).

Results

Movie promotion during the Super Bowl is observed to influence values of movie casts (director, actor and actress). Positive excess return for movie casts was found one day before and one day after the Super Bowl. However, abnormal returns for movie casts were less sensitive and less salient than for the movie itself. Figure 1 shows that cumulative abnormal returns for movies continued to increase after three days before the Super Bowl but those for a movie cast lasted for four days only.

Figure 1. Plot of Average CARs



Positive cumulative abnormal returns were found in 12 movies out of 14. *Avengers* and *The Lorax* released this year showed insignificant excess return. Movie trailer release has no impact on value of famous actors such as Robert Downey Jr., Liam Neeson, and Bruce Willis. Adrienne Paliacki and Ray Stevenson in *G.I. Joe* were highly evaluated by movie trailer release during the Super Bowl. Tadanobu Asano in

BattleShip and Zac Efron in *The Lorax* also received positive evaluation with movie trailer release.

Discussion

This study offers a rationale for ad expenditure during the Super Bowl by investigating the financial impact of movie trailer release during the Super Bowl. First, this study verifies that Super Bowl-advertised movies generate more revenue than non-Super Bowl-promoted movies based on revenue comparison.

Second, this study extends Super Bowl advertising research by examining whether movie trailer release during the Super Bowl influences individual movies and movie casts including directors, actors and actresses. As mentioned earlier, the financial impact of Super Bowl advertising on advertisers has been sought by prior research but this study strives to uncover the financial impact of Super Bowl advertising on individual movies and movie casts.

Although this study proves that Super Bowl advertising is still an attractive promotion vehicle in terms of sales generation, the difference in revenue between Super Bowl-advertised and non-Super Bowl-advertised movies may not be due to Super Bowl advertising. Other promotional expenses for internet ads and word of mouth can impact movie sales. Additional cross-sectional analysis will also make it easier to reveal the detailed relationship between Super Bowl advertising and the value of movies and movie casts.

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Summary Brief

Branding on Social Media: What Influences Consumers to Become Fans of Brands' Pages

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Social networking sites allow marketers to set up fan pages to create networks of brand followers or loyal customers. Fan pages on social networking sites are important for companies to maintain a strong online brand presence as well as to allow public access to their products and brands' information. The theoretical underpinning for this study is the combination of uses and gratifications theory (U & G) and theory of reasoned action (TRA). The findings reveal that both attitudes toward social media advertising and social influence significantly affect consumers' intentions to join brands' pages on social media.

Introduction

The advent of Web 2.0 has provided new interactive channels on the Internet for marketers to communicate with the consumers. Social networking sites enable users to connect with other people by creating personal information profiles, inviting friends and colleagues to have access to those profiles and sending e-mails and instant messages between each other (Kaplan and Haenlien, 2009).

Facebook, a social networking site, allows marketers to set up fan pages to create networks of brand followers or loyal customers. According to Emarketer (2012), advertising on social networking sites is projected to grow and reach about \$3 billion. Among all the social networking sites, Facebook will receive 70% of the social network advertising revenues.

This study examines what affects consumers' intentions to join brands' pages on social media. The theoretical underpinning for this study is the combination of uses and gratifications theory (U & G) and theory of reasoned action (TRA). The uses and gratifications theory provides the relevant perspectives to explain psychological and behavioral dimensions in which consumers are engaged in computer-mediated communication (Ko et al., 2005).

In addition, the behavioral intentions model of TRA supplies a better understanding of consumer attitudes in shaping behavioral intentions (Ajzen and Fishbein, 1980). The model developed for this study examines 1) the gratifications of accessing advertising information on social media, 2) consumers' attitudes toward social media advertising, 3) the effect of consumers' sense of belonging, and 4) social influence on behavioral intentions.

Literature Review and Hypotheses

Uses and Gratifications Theory

The U&G theory proposes that media users are goal-directed in their behavior and are aware of their needs by

selecting the appropriate media to gratify their needs (Katz et al., 1974). In addition, the media users are capable of perceiving the unique utilities associated with the use of different types of media content (Lin, 1999). The perceived utilities of using the Internet are finding information and seeking entertainment and escape. Social media advertising values can be derived from the two perceived utilities of online media – hedonic and utilitarian values.

Web advertising provides consumers with the utilitarian values that focus on product performance attributes and the hedonic values that emphasize on the entertaining aspects of the ads (Karson et al., 2006).

Theory of Reasoned Action

The TRA suggests that two factors influence a person's intention to perform a behavior: the personal factor (personal interest) and the subjective norm (social influence). Attitudes and subjective norms are a function of beliefs (Ajzen and Fishbein, 1980). The personal factor, attitude toward social media advertising reflects the person's positive or negative evaluations of performing the behavior. The social factor, the subjective norm, refers to the person's perception of the social or peer pressure to join a brand's page. These two factors provide this study the theoretical framework of behavioral intentions to define the linkage between beliefs about attitudes toward social media advertising, social influence and the intentions to become a fan of a brand's page on social media.

Social networking sites fulfill the basic needs for belongingness and peer-to-peer communication (Pempek et al., 2009) by offering users a space to connect and interact with individuals who have similar interests. Belongingness theory may closely relate to social or peer pressure to join a brand's page.

Brand Relationships

The relationship between a consumer and a brand is vital for developing brand loyalty. Franzen (1999) argues that the relationship between a brand and its consumers is characterized by either instrumental goals or sociological needs that are reinforced by an emotional bond. The functional attributes and psychological values of brands provide consumers with security. The comfort and reassurance of a long-term brand relationship helps eliminate the uncertainty of risks involved in using the brand.

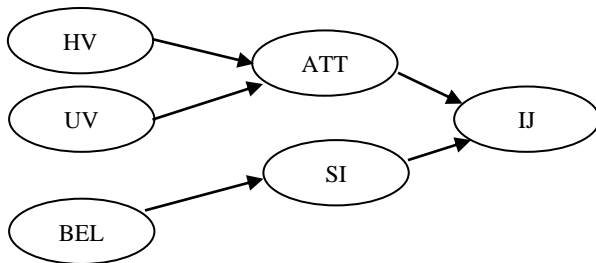
Five hypotheses were developed to examine the relationships between 1) hedonic values (HV) and attitudes toward social media (ATT), 2) utilitarian values(UV) and

attitudes toward social media, 3) belongingness (BEL) and social influence (SI), 4) attitudes toward social media and intention to join and 5) social influence and intention to join (IJ).

Research Methodology

Using a web survey, data were collected from one Southern university using convenience sampling techniques. The Sample size consisted of 124 college students with 55% females and 45% males. All respondents were between 18-26 years old.

Figure 1. Research Model



Findings

Exploratory factor analysis (EFA) with varimax rotation produced a six-factor solution with eigenvalues greater than 1.0. The coefficient alphas for each construct (BEL, HV, UV, ATT, SI and IJ) ranged from .76 to .94.

Confirmatory factor analysis was used to test the overall model analyses and indicated a good model fit. The χ^2 statistics are 429.34 ($df = 260$, $p = .000$) and $\chi^2/df = 1.65$. It provides a satisfactory fit as evidenced by a model comparative fit index CFI of .93, a RMSEA of .07, and a TLI = .91. As a result, a 26-item CFA model was estimated and the measurement model provided an appropriate fit. All loading estimates are significant ($p < .001$) with the lowest being .68 and the highest being .95. Further, the construct reliability estimates are all adequate ranging from .87 to .95.

Structural equation modeling (SEM) was run to examine the overall theoretical model specification and the hypotheses. The SEM results indicate that the χ^2 for the measurement model is 487.01 ($p < .001$) with 270 df , $\chi^2/df = 1.80$. The fit indexes are CFI = .91, RMSEA = .08, and TLI = .89. As a result, the model specification is estimated and it reveals that the measurement model provided a satisfactory fit of data.

Test of Hypotheses

Regarding the hypotheses tests, the SEM structural path results reveal that positive relationships between HV and ATT ($\beta = .42$, $p < .001$), UV and ATT ($\beta = .48$, $p < .001$), BEL and SI ($\beta = .27$, $p < .05$), ATT and IJ ($\beta = .25$, $p < .05$) and SI and IJ ($\beta = .58$, $p < .001$) are detected. Therefore, all the hypotheses are supported.

Conclusion

Preliminary evidence from this study reveals that young American consumers' decisions on joining brands' pages are based on both attitudes and social influence, with social influence having the strongest effect. The social influence effects can be explained by its positive relationship with belongingness. Research by Ridings and Gefen (2004) suggests

that staying in touch and getting social support motivate people to join online communities. Exchanging information with friends and peers represents the primary reason why people join virtual communities. The findings also illustrate the relative importance of advertising values in affecting consumers' perceptions of brands' fan pages on social media. As the U&G theory suggests, both the informational (utilitarian) and pleasurable (hedonic) aspects of accessing social media advertising enhance users' positive attitudes toward the media. The conceptual framework underlying the theoretical model provides a useful and comparatively straightforward basis for explaining consumers' intentions to become fans of brands' pages on social media. This study identifies the potential of a new research domain in brand communication, presents a conceptual framework for its investigation and suggests the importance of constructs under study.

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2012 Super Bowl Movie Ads Impressed Target Audiences

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This paper builds on prior research linking Super Bowl ad effectiveness to subsequent U.S. Box Office movie success. It tests several hypotheses regarding Super Bowl movie advertising effectiveness and Super Bowl advertising recall. The research sample included 283 high school and college students in one Midwestern city. Significant results were found for all nine 2012 Super Bowl movie ads studied. Respondents who saw movie trailers for upcoming movies during the Super Bowl telecast indicated they were more likely to attend these movies in the theaters than the respondents who did not see the advertisements. Additional hypotheses predicting gender and age effects were also confirmed. Males were more likely to express stronger interest in attending these Super Bowl promoted movies than were females. Similarly, high school students were more likely to express stronger interest in attending Super Bowl promoted movies than were college students.

Introduction

Super Bowl television commercials are routinely the most expensive ads aired each year. To underscore the high level of advertising investment made in Super Bowls, ABC, CBS, NBC, and FOX have collectively grossed over \$2.5 billion in ad revenue on this game since 2000. Over this same period, the average cost of a 30-second Super Bowl commercial has risen from \$1.6 to \$3.5 million—an increase of nearly 120%.

Several researchers have begun to look more closely at the effectiveness of these commercials. Choong, Filbeck, Tompkins, and Ashman (2003) found that companies which ran in-game Super Bowl ads between 1990 and 1999 consistently experienced an increase in stock price the first trading day following the Super Bowl. In a separate study, Berkrot (2004) reported that Cialis experienced a 48% increase in written prescriptions the week following their 2004 Super Bowl commercials.

More recently, Tomkovick, Yelkur, Rozumalski, Hofer, and Coulombe (2011) found that stocks of Super Bowl advertisers outperformed the S&P 500 by over 1 percentage point for the ten day trading period surrounding these televised events.

With regard to movies which aired commercial trailers during the Super Bowl, Tomkovick, Yelkur, and Christians (2001) examined every movie which ran a Super Bowl ad in the 1990s and found that Hollywood studios achieved tremendous U.S. Box Office success with the majority of movies which employed this strategy. Yelkur, Tomkovick and Traczyk (2004) found further evidence of this strong relationship between Super Bowl movie ads and subsequent U.S. Box Office success. This study noted that Hollywood movies which advertised in Super Bowls from 1998 to 2001 had over 40% greater first weekend,

first week, and total U.S. Box Office sales than did comparable non-Super Bowl promoted movies during this same time period.

The purpose of our paper is to test several hypotheses regarding Super Bowl movie advertising effectiveness and Super Bowl advertising recall. Our study was conducted on February 6, 2012, the day after Super Bowl XLVI, with 283 high school and university students in one Midwestern city.

Literature Review

The Super Bowl Ad Phenomenon

The Super Bowl is a major annual television event that is fully embraced by American culture. According to Ryan (2012), four of the top five most-watched television programs in American broadcasting history are Super Bowl telecasts. Since its inception, Super Bowl advertising rates have risen by over 6500% to a remarkable \$3.5 million for every 30 seconds of air time. In its inaugural year (1967), 30 second Super Bowl ads cost only \$42,000 to air!

Part of the attraction advertisers have to the game is that viewers watch Super Bowl ads more attentively than commercials broadcast during normal prime time television programs (Tomkovick and Yelkur 2010). Pavelchak, Antil, and Munch (1988) stated that consumers' recall of Super Bowl ads is likely superior to their recall of ads aired during conventional programming based on the presence of program-induced effects.

Research on Hollywood Movie Success

Regarding studies within the last decade that examined movie success, Sharda & Delen (2006) identified star power, number of screens, and high technical effects as the three major contributors to motion picture success. Additionally, Mishne & Glance (2006) found a strong correlation between references to movies in weblogs (before and after their release) and their subsequent financial success.

Development of Hypotheses

Hollywood studios design most of their movies around the preferences and tastes of young audiences because young people are the heaviest movie consumers. While people between the ages of 16 and 22 account for only 14% of the U.S. population, they represents approximately 28% of all moviegoers (McLean, 1998). The Super Bowl has historically been a good fit for Hollywood studios to promote select upcoming movies because the game is the premier ad vehicle for reaching adults under the age of 35 years (Jensen 1998).

One of the keys to effectively using Super Bowl ads to promote upcoming movies is *impulsivity*. Running an ad for a movie during the Super Bowl is the equivalent of getting that movie trailer in front of 100+ million Americans on the day of the game (Ryan 2012). The American public has shown itself to

be receptive to movie ads, and teenagers and young adults are even more receptive than the public at large. Related to this, teenagers and young adults are more likely to go to a movie on impulse than to wait for the reviews (Pampel, Fost, and O'Malley 1994).

In addition to targeting young audiences, researchers have indicated that another key to successful promotion is to expose potential moviegoers to trailers multiple times before these movies are released in theaters (Yelkur, Tomkovick, and Traczyk 2004). This type of exposure is critical to a film's early success.

All this suggests that young moviegoers will be more inclined to want to attend movies of which they have prior knowledge. It also suggests these consumers are likely to go to movies linked to cool media events.

Given these research finding and observations, the following hypothesis is posited:

H 1: Teenagers and young adults who recall seeing ads for specific movies during the Super Bowl will be more likely to indicate their interest in attending these movies than will those who did not recall seeing those ads during the Super Bowl telecast.

Historically, Super Bowl telecasts have received a greater male viewing audience than a female one. Lately, this gender gap has narrowed. In 2011, 54% of the roughly 111 million Super Bowl viewers were men, compared to 46% women. In the 2012 Super Bowl, Hollywood Studios chose to promote movies that were male-oriented, youth-oriented, action films in 8 of the 9 movie trailers shown.

Male preference for action-based, "men's films," is consistent with Social Identity Theory, which holds that people seek out particular messages which support their social identity (Abrams & Hogg 1990). Harwood (1997) extended the theory to selective choices in media viewing as a form of social identity gratification.

In most instances, the titles of these 2012 Super Bowl movie trailers reflect their male-oriented, competition-oriented, action-based themes. This line-up of 2012 films included *The Dictator*, *Battleship*, *John Carter*, *The Lorax*, *Star Wars-Episode 1 in 3D*, *The Avengers*, *G.I. Joe: Retaliation*, *Act of Valor*, and *Safe House*.

With regards to targeting younger audiences, while people aged 12-24 see the most movies, it is known that high school-aged teenagers attend more new movie releases in theaters than do college students (MPAA 2010).

Given these research findings and observations, the following hypotheses are posited:

H 2: Young males who watched the Super Bowl and saw the embedded movie trailer ads will be more likely to express stronger interest in attending these movies than will young females who watched the Super Bowl and the same movie trailers.

H 3: High School students who watched the Super Bowl and the embedded movie trailer ads will be more likely to express stronger interest in attending these movies than will college students who watched the Super Bowl and the same movie trailers.

Methodology

Survey Instrument

Based on the hypotheses generated and other related phenomena of interest, a two-page questionnaire was developed. Included were questions pertaining to whether the respondents watched the Super Bowl, how much of the game they watched, and whether they were more interested in the game or the ads. Qualitative questions of interest included asking respondents to name several ads they recalled seeing and their favorite ad. Pertaining to the nine movies advertised during and immediately surrounding the game respondents were asked whether they recalled seeing these movie trailer ads during the Super Bowl, whether they had heard of these movies before the Super Bowl, and how likely they were to see these movies in a theater. The survey concluded with demographic questions pertaining to age, gender, and academic class level.

Survey Administration

The survey was administered the day after the 2012 Super Bowl to high school and college students in one mid-sized, Midwestern city. The surveys were distributed by the instructors to students in their class. The completed surveys were collected from the instructors, counted, and numbered immediately for an accurate count of the sample.

Sample

Of the respondents, 128 were high school sophomores, juniors and seniors and 155 were college sophomores, juniors, and seniors from a major Midwestern public university. The age range of the sample was between 16 and 28; however, 96.5% of the respondents were between the ages 16 and 22. We sampled both high school and college students because these consumers fit the demographic range of the heaviest consumers of movies as indicated in our background research. This age demographic reported seeing an average of 8 movies per year (MPAA 2010). Of the respondents, 62.7% were male and 37.3% were female.

Results

Notably, 78.8% of the survey participants indicated they watched at least part of the Super Bowl. Of those who reported watching the Super Bowl, 46.6% indicated they watched the whole game, 79.4% indicated they watched at least half or more of the game, and 20.6% indicated they watched less than half of the game. Additionally, 40.8% indicated they were more interested in the ads, 21.9% indicated they were more interested in the game, and 37.3% indicated they were equally interested in the ads and the game.

T-tests were run on all nine Super Bowl movie ads, comparing the likelihood of theater movie attendance for respondents who recalled seeing ads for these movies during the Super Bowl versus those who did not. Since each test was significant at the $p < .001$ level, Hypothesis 1 was supported.

A t-test was also run on gender, comparing the likelihood of theater movie attendance for all males who watched the Super Bowl versus all females who watched the game. Since the test was significant at the $p < .001$ level, Hypothesis 2 was supported.

Finally, a t-test was run comparing the likelihood of theater movie attendance for *high school respondents* who reported watching the game versus the likelihood of theater movie

attendance for all *college student respondents* who reported watching the game. Since the t-test was significant at the $p < .001$ level, Hypothesis 3 was confirmed.

Regarding unaided recall results, Table 1 lists the respondents' most commonly recalled 2012 Super Bowl ads, the least commonly recalled Super Bowl ads, and the recall frequencies of all nine Super Bowl movie ads. Notably, in this unaided recall format, movie ads were seldom recalled, and almost never listed as the respondents' favorite Super Bowl ad.

Table 1: Frequencies of Unaided 2012 Super Bowl Ad Recall

Ad Description	Brands Recalled*	Favorite Ads**
5 Most Frequently Recalled		
Doritos: Baby and dog (2 ads)	137	36
M&M's: Introduces Ms. Brown	76	40
Coke: Polar Bears (3 ads)	41	5
Bud Light: Dog retrieves beer	38	18
Chrysler: Clint Eastwood	38	11
E-Trade: Baby	38	9
Recollection of All Movie Ads		
Relativity Media: Act of Valor	4	0
Disney: The Avengers	3	0
Paramount: The Dictator	2	2
Paramount: GI Joe: Retaliation	2	0
Universal: Safe House	1	1
Universal: Battleship	1	0
Fox: Star Wars 3D	0	0
Disney: John Carter	0	0
Universal: The Lorax	0	0
5 Least Frequently Recalled		
MetLife: Iconic cartoons	0	0
Teleflora: Adriana Lima	0	0
Best Buy: Info age innovators	0	0
GE: workers like their jobs	0	0
Lexus: Lexus breaks through	0	0

* Average recall was 3 ads.

** 14.4% of respondents indicated no favorite.

Discussion

Having found support for all three hypotheses suggests that the 2012 Super Bowl movie ads clearly impressed the target audience. As shown in Table 2, teenagers and young adults who recalled movie ads were more likely to indicate a strong interest in attending these movies than were those individuals who had no ad recollection. The greater the exposure to the movie, the more our respondents indicated a strong interest in attending this movie.

The support for Hypotheses 2 may provide additional support for Fischhoff, Antonio, and Lewis' (1998) contention that film preference is consistent with gender identity. Our results are also supported by Social Identity Theory (Abrams & Hogg 1990).

The support for Hypothesis 3 underscores the importance of age segmentation within the movie industry. While the 12-24 age cohort is the heaviest movie consumption group, high school students have a history of stronger movie theater attendance than do college students. This was reflected in our results, where high school students expressed stronger interest in attending these Super Bowl promoted movies than college students.

It is striking that movie ads are not that memorable. Out of nearly 1000 brand/ads recalled by our 283 survey respondents who watch the 2012 Super Bowl, movie ads were recalled only 13 times. Even more notably, three Super Bowl movie ads were not recalled by any respondents. Even though movie trailers are not frequently recalled, they appear to have a powerful effect on raising the likelihood of attendance among young Super Bowl viewers. This is possibly why movie studios aired a record 14 trailers during the 2011 Super Bowl, and a large number again during the 2012 Super Bowl (Lang 2011).

Table 2: Recall's Influence on Movie Attendance Likelihood*

Movie	Recalled Ad	Didn't Recall Ad	% Increase
Safe House	4.80	1.96	145
Act of Valor	4.33	2.09	107
The Avengers	4.55	2.47	84
The Dictator	3.98	2.09	90
The Lorax	3.61	1.90	90
Battleship	3.58	2.10	70
GI Joe: Retaliation	3.48	2.07	68
Star Wars	3.17	1.94	63
John Carter	2.97	1.90	56

*Measured on a 7-point scale.

Study Limitations

This study has several limitations. The research is exploratory in nature, with data originating from a convenience sample. Our study consisted exclusively of students enrolled in business courses, which is not reflective of the population at large. Other limitations relate to the study's small sample size ($n=283$), unequal mix between women and men respondents, and geographic exclusivity (i.e., from one Midwestern city).

Additionally, we did not control for the level of movie pre-exposure prior to the Super Bowl telecast. Respondents could have developed strong feelings about these movies from a variety of sources unrelated to the in-game Super Bowl advertisements.

Managerial & Research Implications

This study shows that Hollywood should continue to advertise youth-oriented, male-oriented, action and comedy movies during the Super Bowl. This study shows that their advertising efforts during the 2012 Super Bowl broadcast have the potential to be successful. Four of the nine 2012 Super Bowl movies have already premiered at the time of this writing, and three of these four premiered at number one (Box Office Mojo 2012) in the U.S. Box Office their opening weekend.

These findings may also encourage Hollywood studios to advertise select, upcoming movies in other highly televised events such as the Grammys or the Academy Awards. On the flip side, television networks that broadcast the Super Bowl should be encouraged by this study's results. Knowing the potential effectiveness of Super Bowl movie ads may allow networks to negotiate more favorably for future in-game ad rates.

In conclusion, our study results indicate that the 2012 Super Bowl movie ads clearly impressed the target audience.

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MARKETING, SOCIAL MEDIA & TECHNOLOGY ISSUES TRACK

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Examining Information Search and Internet Usage as Determinants of Social Media Engagement

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Social platforms are one of the online avenues that need to be effectively managed by organizations as to exploit their potential for stimulating consumers to disseminate information about the products/services available. In this respect, it is imperative to understand what motivates individuals to be engaged in social platforms. This study investigates whether attitudinal factors related to internet usage and online information search have any influence on individuals' social media engagement (SME). Examination of the total effects demonstrate that online information search related factors have less impact than internet usage capacity and perceived benefits of social media platforms.

Introduction

Today, the hub of customer activity has become more virtual, located inside a social media or social networking site. In 2011, Facebook has had more than 800 million active users and more than 75% of users are outside of the United States (<http://www.facebook.com/press/info.php?statistics>). By July 2010, more than 20 billion Tweets had been sent through Twitter since its launch in 2006 (Beaumont 2010). Today's businesses are working hard to get closer to those customers by building social media programs. Although social media holds enormous potential for companies in that sense, it is not very clear that whether customers are as enthusiastic to interact with companies via social media. To successfully exploit the potential of social media, companies need to understand what motivates customers to engage in online social platforms. This study focuses on online information search behaviour related variables, individual factors related to internet usage and benefits expected from social platforms as the antecedents of social media engagement.

Conceptual Framework

After the introduction of the Internet in our lives, many aspects of customers' decision process have changed (Jang 2004, Peterson and Merino 2003). It has provided an environment for one-on-one, one-to many, many-to-one and many-to-many interactions (Nellpamius et al 2005, Graeupl 2006, Peterson and Merino 2003). Such aspect of the Internet gave ascendance to the emergence of social platforms in which individuals are ever more willing to record and share their experiences, likes and dislikes with their friends and other community members for evaluation (Cooke and Buckley 2008). This study aims to investigate whether online information search, internet usage related factors and perceived benefits of online social platforms are more influential on individuals' engagement level with social media. Since, the social media is seen as one of the word-of-mouth dissemination platforms, its

impact has been retested on online word-of-mouth as a marketing performance indicator.

Laurent and Kapferer (1985) define personal involvement that it is an unobservable state of motivation, arousal and interest that stems from an individual's very personal and central values. Grant, Clarke and Kyriazis (2007) state that "the need of consumers to satisfy their information needs relating to product knowledge is the primary motivator for consumer information search" (p. 524). In other words, if one has a high personal involvement to brands, that person would have higher need to gain more knowledge about the products and services available and hence get involved in information search behaviour more (Grant et al 2007). If personal involvement is high, regardless of whether there is an urgent need to be satisfied, that individual will be more motivated to obtain information about a product or service from all available offline sources (e.g. friends, family members, other customers, one's own memory). The individuals, who already show high information acquisition effort through searching in offline context, will be more likely to gather information online (Balasurabmanian, Bronnenberg and Peterson 2007). Since online environment provide deeper and broader information with less cost and more convenience (Alba et al 1997, Graeupl 2006, Ratchford, Debabrata and Lee 2001), and bring higher entertainment opportunity (Richard 2005), consumers will be more likely to demonstrate more inner state of motivation and interest towards online information search (personal involvement to online information search). Accordingly, we propose that;

H1: The higher the information acquisition effort, the higher the personal involvement towards online information search is.

The research show that individuals are involved in online search behaviour for both rational (Mitra, Reiss and Capella 1999, Murray 1991) and affective reasons (Mathwick and Rigdon 2004). While they show goal oriented behaviour that is seeking information about products, services and ideas, they also would like to enjoy being online. Therefore, such individuals are more likely to spend more time online and gather experience and knowledge on different sites as to decrease the risk of knowing less as well as to increase their enjoyment in life. It could be inferred that the more the consumers are engaged in online information search, the more likely they are to demonstrate higher navigation skills on the Internet (internet usage capacity), and hence perceive it as an easy (perceived ease of use of the Internet) and beneficial tool that contribute to their personal and professional life performance (benefits of the Internet) (Teo, Lim and Lai 1998) (cf. Grant et al 2007). Moreover, individuals who have more personal involvement to online information search are exposed to online environment more that they become more likely to distinguish between credible and non-credible sites. Such involvement in search behaviour helps them

to gain more experience and hence to learn where trustable online sources are and evaluate the information provided by those sites more valuable (Yoon 2002, Metzger, Flanagin, and Zwarun 2003, Greer 2009). All these arguments suggest the following:

H2: The higher the personal involvement towards online information search, a) the higher the internet usage capacity, b) the higher the perceived use of the internet, c) the higher the perceived benefits of the internet, and d) the higher the perceived credibility of online information.

H3: When individuals are more skilled in using the internet, a) they will perceive it as an easy tool to use and hence b) perceive it as a beneficial tool to use.

Thanks to digital technology, communication in terms of how people gather information from their surroundings has a new face – faster, more compact and interactive. Such opportunity has aroused people’s curiosity to be more connected with the world through the newest communication avenues such as online social platforms and hence become more adept to the Internet. Accordingly, it could be concluded that the more the individuals perceive themselves as capable of using the Internet (Internet usage capacity), the more they perceive it as easy to use (perceived ease of use of the Internet) and contributing to their personal and professional life performance (benefits of the Internet), they will be more likely to engage in social platform. Moreover, since individuals are more curious about what is

available online, they will be more efficient to find the relevant information and hence assess it more credible (Yoon 2002, Flanagin et al 2003, Greer 2009). Although, some may consider that social media does circulate subjective and distorted information (e.g. Metzger 2007), individuals who are more involved with online information will be more likely to weed out what is valuable to them in social media platforms too.

Finally, not only the online information search and internet usage, but also the perceived benefits of the social platforms may affect how much individuals will immerse into those social networks. Sociological research regarding online interactivity argues that people in contemporary society feel the need to show and tell. We get reinforcement through liberally sharing what we do and what we like or don’t like in online social platforms. Such open environment helps us to share experiences, learn from others about social issues, products and services, catch up with friends and other community members, and so on (Cooke and Buckley 2008). Such social aggregation helps us to reform our personal relationships and to reassess our self image by posting our views for evaluation and hence support our sense of belonging (Daugherty, Eastin and Bright 2008). Accordingly;

H4: a) Internet usage capacity, b) perceived use of the internet, c) perceived benefits of the internet, d) perceived credibility of online information, and d) perceived benefits of social platforms are positively related to social media engagement.

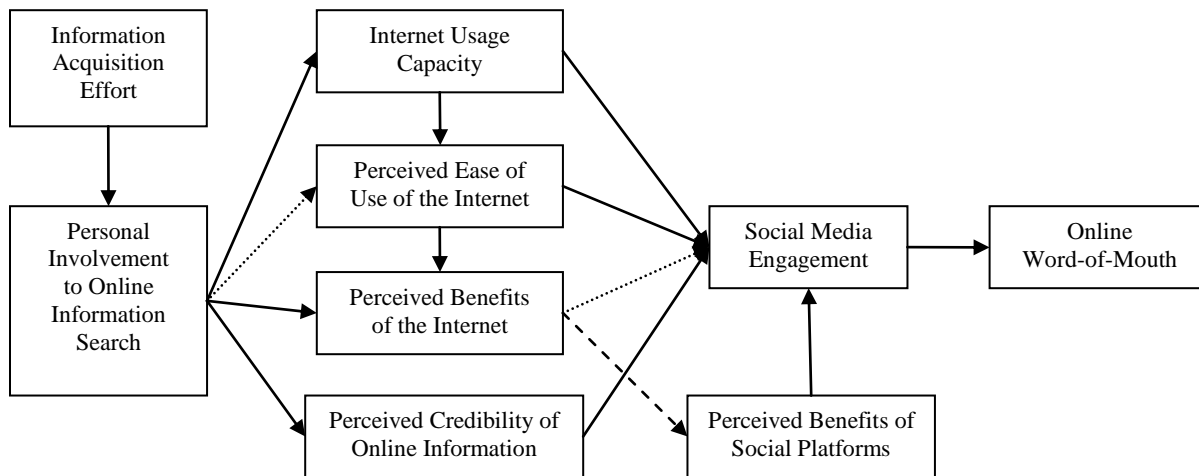


Figure 1. A Model of Social Media Engagement.

Note: Dotted lines - non-significant relationships; dashed lines - alternative model relationship.

To some extent, who you are, what you look like or what you do is not so important in a virtual community. As long as you have something to say within the context of a particular community you can join the neighbourhood. According to Cooke and Buckley (2008), there are social channel users who affect people within the framework of trends they create themselves. These are persons who like to market the trends they create to the society and spread mass ideas (Moe et al 2011). Cooke and Buckley (2008) state that “10 percent of Americans determine how the rest consume and live by chatting about their likes and dislikes” (p. 275). As academic research supports, experienced Internet users cannot only reach information via these platforms, but they also tend to share the

information and experience they have gained via these channels (Sun et al 2006, Riegner 2007). It is suggested that the very foundation of this societal approach is people’s giving meaning to their surroundings, giving meaning to themselves in front of society, or in a sense knowing themselves and being happy about this (Bright et al 2008). Therefore, it is argued that;

H5: The more the individuals are engaged in social media, the more likely they will be to share information about products and services with others via online activities.

Research Design

A convenience sample of 243 individuals has provided the data for this study. The research conducted in April 2010

indicates that the usage of the Internet among individuals aged 18-39 in Turkey increased by 22.8 percent from 2004 to date and half of the Turkish population is younger than 29.2 years of age (Turkish Statistical Institute (TÜİK) (www.tuik.gov.tr). Relying on those figures, a web-based data collection was considered as an acceptable method to reach respondents between 18-39.

The scales used in the study drawn from the following studies: information acquisition effort (Balasubramanian et al 1997); personal involvement to online information search (Mitra et al 1999, Mathwick and Rigdon 2004, Murray 1991); Internet usage capacity (Mathwick and Rigdon 2004, Ratchford et al 2001); ease of use of the Internet and its perceived benefits (Lai et al 1998); perceived credibility of online information (Flanagin et al 2003); perceived benefit of social media (Sun et al 2006; Riegner 2007); and online word-of-mouth (Sun et al 2006). Only the items for social media engagement are developed by the researchers covering issues like log-in frequency and duration, user status and capacity.

Analysis and Results

According to the demographics of the respondents, the target population has been successfully reached. 92.2% of the respondents were between the ages of 18 and 39. Approximately, 70% of the respondents were female and completed an undergraduate degree. The first three social media platforms preferred by the respondents were Facebook (98.4%), Twitter (37.4%) and Linked in (16.5%). Approximately half of the participants were going on social media platforms a bunch of times a day. While 34.6% of respondents were using the Internet for job related purposes, 21.8% of them were on the Internet for following social platforms.

The scales used have been refined and confirmed by exploratory factor analysis (KMO=0.867; Bartlett<0.05; Variance explained= 75.897), confirmatory factor analysis ($\chi^2=545.882$; RMSEA=0.0498; All t-values $p<0.05$; All $\beta >0.50$; All SMC >0.50 ; NFI=0.936; NNFI=0.968; CFI=0.973; GFI=0.865; AGFI=0.828) (Andersen and Gerbing 1988, Bagozzi Yi and Philips 1991) and reliability tests (Cronbach alphas range between 0.71 and 0.94 >0.70) (Nunnally 1978). The scale structures were proven as showing convergent and discriminant validity and all are internally consistent.

On the basis of the modification indices an alternative valid model has emerged showing good fit (Figure 2) ($\chi^2=626.767$; RMSEA=0.0544; SMC=0.306; NFI=0.962; NNFI=0.962; CFI=0.966; GFI=0.848; AGFI=0.819). The majority of the relationships have been found as theoretically stated. In other words, it has been illustrated that when individuals are spending more effort on information acquisition offline, they become more involved in online information search and hence feel more capable of using internet, consider it as an easy and beneficial tool. Moreover, such involvement makes them evaluate online information as credible that they become more likely to engage in social media as to possibly seek for more information available. Furthermore, such engagement also encourage them to share that information with others online (online word-of-mouth). However, it has been demonstrated that although individuals perceive internet as a beneficial tool, it has no direct impact on social media engagement. It rather increases the perceived benefits of social platforms ($\beta= 0.20$, $t=2.84$, $p<0.05$) and hence contributes to social media engagement ($\beta= 0.34$,

$t=1.73$, $p<0.10$). When we assess whether information search, internet usage or social media related factors have more influence on social media engagement, on the basis of the total effects we observe that personal involvement to online information search has less influence ($\beta= 0.173$, $t=4.34$, $p<0.05$) than internet usage capacity ($\beta= 0.36$, $t=6.04$, $p<0.05$) and perceived ease of use of the internet ($\beta= 0.206$, $t=1.99$, $p<0.05$) on social media engagement. Additionally, despite being weakly supported, the direct effect of the perceived benefits of social media is also more influential on SME ($\beta= 0.34$, $t=1.73$, $p<0.10$) than personal involvement to online information search. Overall, it could be concluded that seeking for information either being goal or entertainment oriented is not facilitating social media engagement but rather internet experience and social media's self-supporting nature are more relevant drivers.

Conclusion

With the worldwide penetration of social media usage, businesses are under pressure to discover where their customers are paying attention. Today, customer activity is increasingly virtual, located inside online social platforms (Baird and Parasnis 2011). Therefore, in this study we have tried to contribute to the literature that tackles with the underlying factors that affect social media engagement.

Social media does not only provide an environment to interact with affiliates and others, it also brings an opportunity to share and collect information about companies' offerings through social interaction. However, in our study we have found out that personal involvement with online information search does not motivate individuals as much as internet usage related variables (capacity and easiness) and self empowering benefits of social media. This finding is in line with a recent study by Baird and Parasnis (2011). They have shown that only a very small percentage of consumers engage regularly by responding to posts and authoring content and such activity is mostly for increasing personal connection with friends and family - not brands. Therefore, for businesses it could be suggested that they should try to create bonds with customers by making them feel like a part of a group by providing tangible benefits rather than soft ones that have been already cultivated by being connected to close human circle. In other words, sharing ideas with friends and others members and following what their close circle does or does not already support consumers' sense of being (social platform benefits) as our findings suggest. However, collecting information about brands through social media seems not to be considered as a part of such human intimacy. Accordingly, we would like to recommend that companies should motivate consumers of the digital world to pay attention to them in the social media by generating hard offers. As our findings supports that consumers who are more engaged in social media are more likely to disseminate information online. If businesses manage to stimulate people by offering tangible benefits, they might be more likely to be posted and circulated via social networking sites.

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Summary Brief

Social Customer Relationships: A Look at the Magazine Industry

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Marketers have been studying relationships for several decades. The influx of social media in recent years has impacted this area of marketing. The main purpose of this research is to find an appropriate place in the relationship marketing framework where a company's investment in social media fits. For this study, it is considered as a component of relationship investment and examined for its influence on relationship quality. Relationship quality is then hypothesized to mediate the relationship between relationship investment and the outcome variable: loyalty. The results suggest that social media is a part of relationship investment. Relationship investment (including the social media component) is positively related to loyalty and that relationship is mediated by relationship quality.

Introduction

Relationship marketing is becoming an established area of the marketing literature accepted in importance by both academics and marketing practitioners (Palmatier 2008). Marketers know that to be successful, they must effectively communicate with their target market. In recent years, there has been a paradigm shift in the way consumers communication with each other and with companies; they have been rapidly moving to social media means of communication.

Since social media is a relatively new phenomenon in marketing, the literature on social media is limited at best and lacking in empirical studies. A few articles exist that specifically look at social media as central to the content (Kozinets et al. 2010; Pfeiffer and Zinnbauer 2010). This paper addresses this gap in the marketing literature by proposing that social media can be integrated into established relationship marketing concepts. By bringing together relevant social media and relationship marketing research, the current study will provide a much needed and timely empirical foundation for relationship marketers.

Conceptual Framework

The primary purpose for this study is to determine where social media best fits into the existing relationship marketing framework. The ultimate goal of relationship marketing efforts is to form a high quality relationship with a customer that will encourage them to become a consumer champion or advocate. Ideally, this advocate would be loyal and willing to recommend the company and its products to others (Bhattacharya and Sen 2003).

Relationship Quality

Of all mediators in the marketing literature, it has been said that relationship quality in the most influential (Palmatier et al.

2006). "Relationship quality captures the essence of relationship marketing" (Jap, Manolis, and Weitz 1999, p.304). It is logical to assume that social media best fits into this framework as part of relationship investment since it can be argued that social media communications are an investment made to better reach consumers on the part of the marketer.

Relationship Investment

Relationship investment is the "seller's investment of time, effort, spending, and resources focused on building a stronger relationship" (Palmatier et al. 2006, p.138). The act of communicating with customers via social media outlets is a marketer's attempt at investing in the relationship with the purpose of increasing the quality of that relationship. Social media communications can be viewed as part of the time and effort mentioned in the definition of relationship investment.

Hypothesis 1: Relationship investment is positively related to relationship quality.

Loyalty

Loyalty is of particular interest to marketers because it is known that it costs less to retain customers than to compete for new ones (Rosenberg and Czepiel 1984). In the current time of social media communication, marketers aim to create an interactive dialogue with their target market via social media. The ultimate goal is to form a high quality relationship so that the customer feels loyal to the company and tells others about it.

Hypothesis 2: Relationship quality is positively related to loyalty.

Research Methodology

The magazine industry was chosen for this research due to its primary mission being communication-related. Magazine publishers intend to communicate regularly with their readers and form high quality relationships in an effort to create loyal customers. Magazine readers often turn to magazines for a source of trusted information. Many magazines are using social media outlets as a way to further add value to the existing relationship they have with their readers. The purpose of this research is to get the readers' view of these communications and explore the relationship between them and the outcome variable of interest.

Focus Group and Survey

A focus group was conducted in an exploratory manner to guide the quantitative research. For the quantitative component, a survey was created and distributed online concerning a small, regional magazine. The magazine chosen for the quantitative

portion is targeted to a broad market of consumers including males and females, mainly higher incomes, of all ages with ties to a particular regional area in the Southeastern United States.

Sample and Data Collection

Readers, subscribers and non-readers of the magazine within the targeted geographical area were invited to participate in the survey. Respondents were solicited through a variety of means including the magazine's subscriber list, email lists and also social media sites that were general in nature and applicable to a wide cross-section of people living in this geographical area. The magazine's readership market is centered in small city with a larger surrounding population. 144 surveys were completed over a period of several weeks.

Analysis and Results

Confirmatory factor analysis (CFA) was used for measure validation (Bollen 1989). The measurement model demonstrated an acceptable overall fit; $\chi^2 = 411.349$ (df =179), CFI = .904, RMSEA = .095. Moreover, all the standardized coefficients were significant at the $p < .001$ level, so no deletions were done. The t-values for each indicator loading were significant, which indicates minimal cross loadings, and establishes convergent validity (Anderson and Gerbing 1988). All constructs are reliable since all construct reliabilities are above 0.70 (Fornell and Larcker 1981).

Hypotheses Testing

Regression analysis with SPSS was conducted to test the empirical relationships proposed in the hypotheses. Hypothesis 1 which proposed that relationship investment (including the social media component) is positively related to relationship quality was supported ($t=12.751, b=1.472, p=.000$). Hypothesis 2 which proposed that relationship quality is positively related to loyalty was also supported ($t=6.898, b=.287, p=.000$). Finally, mediation analysis

(Baron and Kenny 1986) provided evidence of a drastically reduced coefficient for relationship investment when relationship quality was added to the equation, meaning that relationship quality is in fact a mediator for the relationship between relationship investment and loyalty ($t=-1.399, b=-.175, p=.165$).

Discussion

The purpose of this research was to include a social media component within an overall framework of relationship marketing. To do so, the concept was included within the measures for relationship investment since it makes sense that a company's social media efforts would be perceived as an investment in the customer relationship. This newly revised construct was then found to be related to customer loyalty, which is a valuable outcome for any marketer interested in forming long-lasting relationships with customers. Also, the relationship between relationship investment, including the social media component, and customer loyalty was found to be mediated by relationship quality, which is the most influential mediator in the relationship marketing literature (Palmatier et al.

2006). A social media marketer can take this finding and put it into practice by utilizing social media within his or her relationship marketing strategy. The use of social media is current and on the forefront of the way customers communicate with companies and with each other. Any company competing in today's marketplace would be wise to invest in quality relationships with their customers and include some form of social media to do so.

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Summary Brief

Strategic Innovation in B2B Markets: Managerial Insights

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This paper examines the strategic aspects of innovation for business technology companies and how this impacts corporate performance. Using snowball sampling, a national survey was conducted among experienced marketing managers. Several industry sectors participated: communications, computers, consulting, energy, media/publishing, medical devices, pharmaceuticals, and research/ information firms. This paper combines academic and practical insights to shed new light on how successful managers are in innovation activities and processes in B2B technology organizations. As an exploratory study, the focus of the research was solely on the focal organizations. Potential innovation partners such as customers, strategic partners, and vendors were not evaluated in this analysis.

Introduction

Dramatic shifts have occurred in technology which have transformed how firms do business and connect with their customers. Innovation is enabling firms to organize in new ways, design better products, and manage supply chains. Winners in today's economy will be those companies which can clearly define their processes, organize around those key processes, and work closely with their business partners. This paper examines how marketing executives employ innovation as a best practice tool to effectively create maximum value for customers in B2B technology markets.

Innovation Factors and Frameworks

Capon and Glazer (1987) discuss the role of technology and its potential impact on marketing success. Three sources of technological "know-how" include product technology (the set of ideas embodied in the product), process technology (the set of ideas embodied in the manufacture of the product), and management technology (the set of procedures associated with selling the product and administering the business unit).

Research by Barrett, Balloun, and Weinstein (2012) found that five critical success factors (creative culture, learning orientation, entrepreneurial orientation, market orientation, and organizational flexibility) account for 30% of organizational performance. These controllable CSFs can be as important to business success as external factors such as the economy or competition.

There are many ideas on how to best innovate. Typically, authors present various multi-step approaches to illustrate the innovation process. For example, Lafley and Charan's (2008) seven-step framework includes: 1) select the strategy, 2) connect to customers, 3) generate ideas, 4) select an idea, 5) prototype and test, 6) go to market, and 7) adjust for growth. Baumgarten (2009) offers an eight-step innovation cycle beginning with the

challenge and ending with new needs and inspiration (intermediary steps 2-7 are collaboration, combination, scientific peer review evaluation, testing and development, implementation and, review).

Research Questions

This study queries B2B marketing executives about their perceptions of innovation in technology-based companies. Three research questions (RQs) guide this investigation.

RQ1a: How successful are companies in product, process, and management technology?

RQ1a: How successful are companies in creating an innovative culture and R & D expertise?

RQ2: Is there a significant relationship between demographic variables (age, gender, experience in marketing, industry sector, and size of company) and innovativeness?

RQ3: Is there a sound model for innovation success?

Methodology and Sample

An email survey was used to collect data from marketing managers in business technology markets in California, Florida, and throughout the United States. The questionnaire was distributed via SurveyMonkey™ and data analyzed through SPSS 17.0.

Two-hundred and fifty (250) B2B technology marketers were contacted through personal networks, business advisory councils at the sponsoring university and members of professional organizations (Business Marketing Association and American Marketing Association Marketing Strategy and LinkedIn special interest groups). Seventy (70) marketing managers responded to the survey resulting in a respectable 28% response rate.

Three major sectors – technology, computer-related, and B2B/professional services accounted for 83% of the respondents (17% were in the medical/ pharmaceutical business). Fifty-seven percent of the participants worked for small companies, the rest was split between medium-sized (16%) and large organizations (27%). More than four-of-five (83%) of the respondents were male. Nearly half (49%) of the sample was 30-49 years old with the other half being 50 + (only 4% of the respondents were under 30). This reflects the experience level of the sample since two-thirds (67%) of the marketers worked ten or more years in a marketing position.

Key Findings

High-tech companies master most of the technological aspects of their businesses -- process technology was the one weak link (Table 1). Overall, medium and large companies were more successful in technology usage than smaller firms ($p < .05$).

Building on the literature and research findings, a five-step model (problem/challenge, generate ideas, find a solution, test with customers, and go to market/adjust) for innovation was developed.

Table 1. Innovation Success

“Our technological success is due to: _____”

Criteria	Agree (%)	Disagree (%)
Product Technology	81	19
Management Know	70	30
Innovative Culture	67	33
R & D Expertise	60	40
Process Technology	49	51

Areas for Further Research

Innovation management can be studied as a process improvement technique across a spectrum of activities (R and D, new product management, cycle time reduction, creative personality types, etc.) and over the short-term and longer

planning horizons. A variation in these findings may depend on organizational size, business or nonprofit, industry sector, environmental dynamics, or other considerations (management commitment to innovation, organizational capabilities, resources, etc.). Further research into these areas will provide additional guidance and inspiration to scholars and management teams.

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Scan Me If You Will: A Study of QR Code Use

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The study examines the use of Quick Response (QR) codes by consumers in the 18 to 35 year age range. Using a convenience sample, the web survey collected data on QR code scans, reasons for scanning, and potential influence on purchase decisions. The results show that QR code use continues to be a novelty and its use is not as widespread as other mobile device app usage. Consumers in the population of interest downloaded QR codes out of curiosity. As yet, these codes do not influence the purchase decision.

Introduction

Mobile apps are growing every day in terms of numbers and uses. In the last three years, over 300,000 mobile apps have been developed and 10.9 billion apps have been downloaded (MobiThinking 2012). The California based research firm Gartner predicts downloads of mobile apps will generate about \$15 Billion by the end of 2011 (Clark 2011). A study by Nielsen and the Pew Research Center showed that most mobile apps are downloaded for entertainment purposes, with game apps being the most popular (Purcell, Entner, and Henderson 2010). This study also showed that the highest number of app downloading is done by people between the ages of 18-29 and in college (Purcell, et al, 2010). Several companies are moving towards using mobile apps for commerce and mobile phone real estate is quickly becoming valuable (Purcell, Entner, and Henderson 2010). M-commerce is projected to be worth \$31Billion in the US market alone (Mobithinking 2011).

The latest phenomenon in M-commerce is the use of Quick Response (QR) codes. The proliferation of QR codes made it necessary for us to limit the field of study in order to focus on how this new sensation is shaping the world of M-commerce. QR codes are two dimensional bar codes. A QR code encodes information in the horizontal and vertical dimensions, unlike barcodes which contain information only on the vertical dimension. This allows the QR code to carry far more data than a bar code. Using the appropriate software, QR codes can launch websites and carry large amounts of information. Unlike bar codes, QR codes can be read from any angle thereby increasing its versatility. QR codes were originally created by Denso Wave Incorporated to track auto parts in Japanese plants. Since then, they have been rapidly adopted in the commercial space. Smart phones can read QR codes and can link directly to websites, e-mail addresses, and coupons. According to a study conducted by Okazaki, Li, and Hirose (2012), most of the content encoded in QR codes prompt users to register for loyalty programs. As of June 2011, 14 million Americans had scanned a QR code (Vuong 2011.) QR codes are now being used for more advanced functions such as purchases. Furthermore, QR codes can be used for integrated marketing communication (IMC) in order to offer consumers access to richer and more interactive marketing content (Sago 2011).

A great advantage to using QR codes is that it acts as a link between offline media such as newspapers, magazines and even billboards and mobile media. It allows for users to switch from one medium to another instantaneously—for instance from print to online media—therefore making it an ideal tool for multichannel marketing (Okazaki, Li, and Hirose 2012). Furthermore, a QR code is unique in that it can directly take a user to a website without the use of keyboard functions.

Changes in technology are embraced in varying degrees by different groups of people. For instance, Smith (2010) found that internet use differs among people depending on gender, age, socioeconomic status, and race. In light of this information, we set to find out whether there would be a difference in QR code use depending on gender and also to compare the differences in QR code use between different age groups. Specifically, we compare QR code use in the 18 to 25 and 26 to 35 year groups. Research shows that the highest use of wireless internet technology and mobile apps lies within these age groups (Smith 2010) and the authors hypothesize that this will also be the case in the use of QR codes.

Research Objectives

The following are the research objectives for this study:

1. Evaluate the use of QR code scans by consumers.
2. Compare the use of QR code scans between consumers in the 18-25 and 26-35 age groups.
3. Compare the use of QR code scans between male and female users.

Methodology

A quantitative research design was created for the purpose of this study and a survey was used to collect data from participants. Some of the items used in the questionnaire were from a previous survey created by the Princeton Survey Research Associates International for the Pew Research Center's Internet & American Life Project. These questions focused on wireless internet use and general usage of smart phones. In addition to these items, the authors created questions related to the use of QR codes that sought to answer the above mentioned research objectives. Convenience sampling was used to get a sample of the population from a small university in a south-western town. The data were collected by distributing the survey via e-mail and Facebook. The data were analyzed by means of SPSS using frequency and mean analyses.

Results

Sample Demographics

A total of 70 people took part in the survey. The sample was somewhat equally distributed between the two age groups of interest to this study with 39% in the 18-25 age group and

36% in the 26-35 age group. Only nine of the respondents were male with females making up 87.1% of the sample. This was probably due to the fact that the survey was distributed to students in a primarily female university. The survey takers did however come from diverse racial backgrounds with the majority being African American at 37.1%, followed by Caucasians with 25.7%, and then Asians with 22.9%. A majority of the respondents (71.4%) noted their education level was at or above a college degree.

Consumer use of QR codes

Our first research objective was to evaluate the use of QR code scans. Our results showed that of the 70 people who took part in our survey, 69% had downloaded mobile device apps. The results of earlier studies were replicated in our own in that our results showed that most mobile device app use was between the age group of 18-25 and 26-35. However, scanning QR codes was not as popular as downloading of mobile device apps. Among those who took the survey, only 30% of the total number of respondents had ever scanned a QR code. The results indicate that those who have scanned QR codes only did so because they were curious and the information received from the scan did not make the respondents any more likely to purchase products from the company.

QR code use by age group

Our second objective was to evaluate the use of QR code scans between different age groups. Consistent with prior findings, the highest use of QR code scans was within the 18-25 age group (31%) followed closely by the 26-35 age group (23%).

Finally, our third objective was to compare the use of QR codes between males and females. Unfortunately, we did not have sufficient data sets from male respondents to make the comparison. This shortcoming is further discussed in our limitations and directions for future research.

Most respondents scanned QR codes for the fashion (clothes, jewelry, and makeup) industry at 43%. This may have been due to the fact that most of our respondents were female who may have a greater interest in fashion related product categories. More than half of the respondents (59%) indicated that they either seldom or never used QR codes for sport entertainment. Also, more than eighteen percent claimed to scan QR codes while waiting for something or someone. None of the respondents had used the QR code to purchase a product or service. Only two respondents indicated that QR codes had some influence on their desire to purchase the product.

Discussion and Recommendations for Future Research

In this study, we set out to examine the extent of QR code use. We focused on the under 35 year segment because previous research has shown the use of mobile device apps to be the highest among younger users. QR codes are a type of mobile device app. While the proliferation of QR codes by advertisers and marketers appears to be high, little is known about the actual use of these QR codes and their effectiveness. In this preliminary study, we looked only at the extent of QR code use, comparisons of QR code use between two age groups and

between males and females. We also asked respondents about the types of QR codes they had scanned and whether these had influenced their purchase decisions.

Our results indicate that QR codes are still a novelty. The good news is that people are curious about QR codes. However, they are not quite sure what to do with them. In a related study, Sago (2011) found that people did not use QR codes because, they did not know whether their phones had the capability to scan the codes, they did not know what the QR codes could do and finally, they simply were not interested in the content that would be obtained from scanning the codes.

In the population of interest in this study, QR codes did not influence purchase decisions. Apprehension over the use of QR codes for purchase may be because of the perceived risk to one's privacy when a user scans a QR code. Abadi, Hafshejani, and Zadeh (2011) found that among six determinants for online shopping—that is, perceived enjoyment, trust, usefulness firm reputation, trust, social influence and risk—a firm's perceived trustworthiness was the strongest predictor of whether a purchase was made from a particular site. In relation to this, Okazaki, Li, and Hirose (2012), found that where a person accessed a QR code influenced their level of risk perception; that is, users felt a greater risk when they accessed a QR code at a public place such as on the street or on the move compared to being in the privacy of their homes.

Currently, most QR codes allow the user to seamlessly access the brand website on their mobile device. Some QR codes give the user a discount on purchase. Consumers are able to access websites and use online coupons with their existing phone browsers. They have not yet been convinced of the ability of QR codes to accomplish these functions in a more efficient manner. The question is should QR codes be used as yet another alternative to delivering brand information or should they be leveraged to deliver a significant component of the marketing strategy. The place of QR codes in the overall branding strategy is definitely an avenue for future research. We would also like to see the study replicated with a larger and more diverse sample. For instance we would like to have more responses from males in order to compare the use of apps between genders.

Limitations

There are a number of limitations to this study, many of which were the result of limited time and resources. To begin with, the sample size was not large enough to produce any significance. Secondly, the number of females greatly outweighed the number of males therefore it was not possible to have an accurate comparison of QR code use between the two groups. Finally, the measures that we used were not tested for validity and since convenience sampling was used, the data we generated may not be truly representative of the population.

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Summary Brief

Situational Variables and Attitudes toward Self-Service Technology Choice: A Qualitative-Quantitative Approach

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This paper provides evidence that firm controllable situational variables can impact customers' attitudes toward self-service technologies (SSTs). A critical incident technique is used to discover situational variables that customers identify as being influential in their decision to use an SST. Results indicate that situational variables including Location Convenience, Employee Presence, Tolerance to Wait, and Order Size impact attitudes toward SSTs. Managerial implications related to actionable strategies are also provided.

Introduction

Attitudes towards self-service technology vary from consumer to consumer. While some appreciate the speed, flexibility, and control offered by SSTs (Meuter et al. 2000), others find this technology to be a source of frustration or anxiety (Dabholkar and Bagozzi 2002; Dabholkar 2003). Many studies have attempted to explain SST attitude from a demographic or individual differences perspective, but one area which has yet to be explored for its impact on SST attitudes is that of situational variables.

Previous studies have shown that situational variables heavily influence customer's shopping patterns and choices (Wendel and Dellaert 2005). The purpose of this paper is to examine the influence of such variables in an SST usage situation. This study aims to strengthen managerial understanding of customers' decisions to avoid or approach an SST through determining the situational influences mentioned most often by SST users and to explore in what ways these influences contribute to the users' attitudes toward shopping effectiveness and overall attitudes toward SST use.

Literature Review

Situational Variables

Situational variables describe "factors particular to a time and place of observation...and which have a demonstrable and systematic effect on current behavior" (Belk 1974, p.157). These factors can temporarily alter a customer's preferences, attitudes, or intentions, exchanging their permanent perspective for a situational perspective, and therefore transforming their behaviors (Simon and Usunier 2007). For example, a customer with no time constraints may react quite differently to a service encounter than the same user who is feeling rushed. By including factors specific to the particular time and place, one is

able to more fully understand customer motivations and behaviors.

Much of the previous self-service technology literature has focused on individual customer traits including motivations (Meuter et al. 2005), technology readiness (Zhu et al. 2007), and technical anxiety (Meuter et al. 2003). Though these characteristics have been shown to influence both customer intentions to use SSTs and their evaluations of SSTs, they may be limited in their ability to fully explain attitudes and behaviors related to SSTs. Customers may be predisposed to use or avoid SSTs due to individual characteristics, but many will make the choice to utilize the SST at the time of transaction based on situational factors. For example, wait times can alter preferences for self-service technologies (Simon and Usunier 2007). Therefore, understanding the impact of situational variables may lead to a more comprehensive understanding of self-service usage than studying only individual difference variables.

Method

Exploration of Situational Influences with SSTs

In order to understand this phenomenon, the critical incident technique (CIT) was used to uncover emergent categories of situational variables that influence customers in an SST transaction. The CIT questions were designed to cover the three areas of greatest concern to customers during an SST transaction: the physical surroundings of the SST, the social surroundings during the transaction, and task orientation or specifically, size and content of an order.

For this CIT study, we chose to ask customers about their previous interactions with grocery SSTs, as these are familiar to most consumers. Four questions were asked to illicit responses regarding situational variables: 1) How does the physical layout of the store affect your self-service checkout 2) How does what you are purchasing during your shopping trip influence your decision to use a self-service checkout 3) How does who you are shopping with influence your decision to use a self-service checkout and 4) How does the social environment of the store influence your decision to use a self-service checkout.

After 317 usable surveys were returned, three judges familiar with the topic sorted responses for each question into categories and subcategories. Using the three-stage constant comparison process as suggested by grounded theory, the coders read, sorted, and re-read the incidents with the goal of

combining “similar incidents into distinct, meaningful categories” (Bitner et al. 1990, p. 97). This method revealed several categories of situational influences.

Findings

The CIT study revealed that the majority of situational influences during a self-service transaction can be captured in four primary categories. These are: location convenience, presence of employees, tolerance to wait, and order size. Location convenience was often mentioned in the context of how far away the SST kiosk was from the entrance to the store. The presence of employees was a polarizing topic, with some customers stating that they did not like to be watched during their transactions, while others felt comforted by the presence of a knowledgeable employee. The consumer’s tolerance to wait also emerged as an issue. Customers often stated that they made the decision to avoid or approach the SST after analyzing the checkout options and choosing the option that would prove quickest in that particular shopping situation. This is consistent with the fourth category, order size. Respondents stated that often the choice to use or not use an SST depended on the number of items they were purchasing. The discovery of these reported situational variable influences can have important implications for managers by aiding in the development of a more comprehensive model of SST attitudes.

Conclusion

It is clear from these responses that situational influences have a strong impact on customers’ decision to approach or avoid an SST. From this qualitative study, we can see that customers have numerous situational concerns that could easily be rectified by service providers such as: simply educating customers on what items are appropriate to scan through a self-checkout, how and where to form lines, spacing SSTs appropriately to avoid crowding, and locating the SST and accompanying employee station in a spot that reduces the anxiety and environmental load of a customer during a transaction. It appears that many SST service providers are ignoring these situational factors which can have tremendous influence on the trial and adoption decision of customers.

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Summary Brief

Relational Closeness and Its Influence on Social Media Appeals

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This research investigates the assumption in social media marketing campaigns that closeness in friendship influences one's acts on appeals made by friends who are participating in marketing campaigns. Utilizing an experimental design, our research tests the influence of tie strength on intention to follow such a request. We also assess the influence of both the message sender's explicitness of participation in the marketing campaign and the expectation of accrual of benefits derived from participating in the campaign.

Introduction

Social media has emerged as one of the most impactful agents of change since the Internet. With no set definition of social media, it can be described as a set of internet tools that enable or allow shared community experiences. Companies now often utilize individual customers as promoters and agents to make appeals to their friends via social media sites such as Facebook. This study investigates how specific message characteristics influence the likelihood of responding to the appeal.

Literature Review and Hypotheses

Tie Strength

Tie-strength indicates the "potency of the bond between members of a network" (Mittal et al 2008; cf Granovetter 1973). The strength of ties itself can be seen on a continuum of relations between nodes range from strong primary to weak secondary (Cf. Ryu and Feick 2007; Reingen and Kernan 1986). Brown and Reingen (1987) show that tie strength influences word-of-mouth propagation and Frenzen and Nakamoto (1993) indicate that stronger ties are mostly better for helping the flow of information. Closer ties between nodes in a network are typified by both parties acting on behalf of the other without necessarily seeking an equitable return (Frenzen and Nakamoto 1993) and that the helping itself becomes its own reward (Ryu and Feick 2007). Given that stronger ties between individuals help information flow, aid word-of-mouth communication, and induce receivers of appeals to act without seeking reciprocity, we believe that stronger ties will encourage the receiver to positively respond to social media messages aimed at taking action.

H1: Action will vary directly with tie strength.

Commercial-Cultural Tension

Kozinets et al (2010) in a qualitative investigation observed the effects of an online word-of-mouth marketing campaign and

found communication strategies were marked by the tension between commercial and communal norms. Norms are expectations about behavior that are shared by a group of people. As such commercial message norms would include information, persuasion, and enhancement of the commerce with the target of facilitation of an exchange. Communal messages are centered on sharing information, trust, friendship, altruism, and alliances (Hsu and Lin 2008; Pemppek, Yermolayeva, and Calvert 2009; Ellison, Steinfield & Lampe 2007).

This tension is handled in two ways (Kozinets et al 2010). The sender may adapt an explicit strategy and use full disclosure of the marketing campaign and their participation in it. Accordingly, the receivers are made more aware of the commercial-cultural tension. Receivers then understand the sender of the message is attempting to maintain trust and adhere to community norms. The likely result of this is the receiver evaluating the message appeal more positively due to the honest, upfront manner in which the communication was presented. As such, the receivers are more likely to reciprocate such consideration by responding to the appeal.

H2: Greater explicitness is directly related to action.

Communal vs. Individualistic

The receiver can perceive the sender's message as communal, where the appeal to the group is believed to be intended to benefit the group or others, not the sender. Individualistic messages appeal to the group "for assistance, support and understanding" with the intention of seeking benefit for the sender and not the group (Kozinets et al 2010).

When the benefit of the appeal is believed to accrue to the receiver or the group, the response to the appeal is likely to be stronger than when the benefit of the appeal is believed to accrue to the sender (Winterich and Barone 2011). When the benefits accrue not to the individual sender, but to the receiver or group, such appeals reinforce group cohesiveness and norms and are thus more likely to be seen as deserving of a response and action, tension is reduced. Accordingly, benefits which are communal reinforce action and benefits that are individualistic (for the sender who is making the appeal) likely results in less willingness to follow the appeal.

H3: Perceptions of individualistic benefits are inversely related to action.

Methods

Two focus groups were conducted at a medium-sized, Midwestern university. The focus groups centered on recounting

instances and general reactions to appeals made by contacts through social media contexts such as Facebook.

Experimental Design

This study uses a 2X2X2 experimental design (High/Low Tie Strength, Explicit/Implicit, Individualistic/Communal). The Tie Strength manipulation is similar to one utilized by Ryu and Feick (2007). The tension manipulations were based on the Kozinets et al (2010). The tension of Explicit vs. Implicit signaled the message sender's participation was overtly part of a marketing campaign or not. Messages were also manipulated to indicate that the potential benefits of participating would accrue to either the sender of the message (Individualistic) or the group (Communal).

Constructs

Tie Strength was measured using a four item, seven-point Likert type scale previously utilized by Ryu and Feick (2007) who adapted the measure from Frenzen and Davis (1990). The scale displayed a Cronbach alpha of 0.903. The explicit/implicit measure utilized a three item scale and the individualistic/communal measure was a four item scale (Cronbach alphas of 0.850 and 0.815 respectively. Action ("Like" the firm's fan page, suggest the firm to others, comment about, forward or "Share" the post) utilizes a five item, scale (Cronbach alpha of 0.952).

Sample

The survey was a convenience sample drawn from a national panel. Respondents were randomly assigned to one of the eight conditions and 368 surveys were completed.

Results

The manipulation of Tie Strength worked as the results of the comparison of means test ($t = 13.029$, 366 df, $p = .000$) show significant differences between the groups. For Explicit, the manipulation demonstrated significant difference than the Implicit scenario ($t = -5.798$, 366 df, $p = .000$). Additionally, the mean for the Individualistic messages was indeed higher than those on the Communal messages ($t = -4.479$, 366 df, $p = .000$).

The regression equation results indicate that Tie Strength, Explicit, and Individualistic influence Action directly and significantly. The significant positive standardized regression coefficient associated with Tie Strength (0.269) supports Hypothesis 1 as the positive coefficient associated with Explicit (0.407) provides evidence of statistical significance to support Hypothesis 2. Hypothesis 3 is supported with the finding of the significant inverse influence of Individualistic upon Action revealed in the regression equation (-0.146).

Discussion and Managerial Implications

Our research finds general support for the influence of Tie Strength on the likelihood to act on a friend's request to participate in a marketing campaign. Messages that clearly express the sender's participation in the marketing campaign and provide benefits that accrue to the group are significantly more likely to be acted on. Accordingly, marketers are encouraged to support participants by helping construct the message to be

distributed. Companies should direct those who are participating in their marketing campaign to a) send the appeal to their closest friends, b) include explicit language to express their participation and c) to highlight areas where additional participation by the receiver derives benefits for the community or group, as opposed to the sender.

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Summary Brief

Rethinking Social Media to Communicate with Students as “Customers”

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This study seeks to extend current research on the popular social networking site, Facebook, by examining student/faculty preferences on using Facebook as a classroom communication tool. This study proposed four hypotheses. First, students want to be friends with faculty and faculty want to be friends with students on Facebook. Second, faculty/students will be more willing to communicate with other faculty/students if they are friends on Facebook. Third, students are more confident in communicating with their instructors in and out of class if their instructors have a Facebook profile. Fourth, the relationships between faculty and students resulting from Facebook, promote classroom learning experience and academic outcome. The two online surveys yielded 816 student and 114 faculty responses for a total of 930 respondents.

Introduction

Many of today's undergraduate student population prefer to communicate and network with connections through social networking sites (SNS), like Facebook, as opposed to more traditional online communication methods such as e-mail (Decarie 2010). Studies have suggested that casual student/faculty interaction has a notable impact on student outcomes, both in the intellectual and the social realm (Endo and Harpel 1982). The purpose of this study is to extend the work previously completed on Facebook as a communication channel by administering a survey and statistically analyzing different factors that might influence the relationships among faculty and students. These factors are as follows: the probability of communication resulting from Facebook usage; Faculty attitudes toward self-disclosure; Student engagement in the classroom as a possible result of Facebook; Faculty/students increased understanding of one another; Faculty opinion toward Facebook's relevance to teaching/learning.

Facebook in the Classroom

Cox and Larson (2010) suggest teachers can better help students by reaching out to them through communication channels students already use, as opposed to mandated university issued email accounts or learning management systems (LMS). Some critics suggest it is inappropriate for students and teachers to communicate via Facebook due to the website's open nature, which lacks the authoritative boundaries typically set in a traditional classroom setting (Cox and Larson 2010). Even with the potential benefits Facebook can bring, Hewitt and Forte (2006) reported that only 66% of students thought it was acceptable for teachers to have an account with Facebook. However, improving communication channels with

students has the potential for improved student attitudes toward faculty. This finding is important to our study as improved student attitudes are directly related to creating a more positive educational experience for students and increasing learning outcomes (Teclehaimanot and Hickman 2011).

Relationship Marketing for Higher Education

The theory behind relationship marketing is to foster active and continual communication with clients in order to establish a closer relationship with them. Facebook is a means by which many small and large corporations have reaped the benefits of communicating with clients, such as higher customer satisfaction and retention rates (Porter Donthu MacElroy and Wydra 2011). According to Helgesen (2008), RM for higher education can be defined as, “a set of marketing activities or actions that attract, motivate, and enhance existing or potential students' relationships as well as students' parents, relatives, friends, reference groups for the benefit of all sides concerned, emphasizing on retaining existing students until their graduation, and attracting further students.” Many organizations have realized the value of engaging college aged users by communicating with them through the use of Social Networking Sites (SNS) (Helgesen 2008). While the use of SNS for exchanging education related information and for communicating with online friends or strangers is rapidly increasing, higher education is one area that has yet to reveal whether social media, namely Facebook, is an effective means of communication between faculty and students.

Methodology

Two surveys (one for student and one for faculty) consisting of 16 questions were utilized in this study. Each question was subjectively scored on a five point scale from strongly disagree to strongly agree. The surveys were distributed via the inventory email system to all students and faculty. A link within the email directed the participants to the online survey. (Student respondents totaled 816, and faculty respondents totaled 114).

Results

Validity and Reliability

Questions related to these hypotheses were tested for reliability. In each case, the questions showed strong reliability to each of the associate hypotheses. Cronbach's Alpha scores ranged from a low of 0.912 to 0.955, indicating strong reliability of the questions as related to the specific hypotheses.

Comparison of Group Means

To compare the responses from students and faculty ANOVA were performed on each question to determine if a difference exists between group means. In testing the difference of group means for each of the questions, half of the questions showed a statistically different mean response between students and faculty. The differences in these questions support the hypotheses and suggest that in both cases, students and faculty alike have no interest in being friends with the other group on Facebook.

Discussion

Twelve questions are related to hypothesis 1. Students and faculty agree that they do not want to communicate with each other via Facebook. Twelve of the survey questions are related to hypothesis 2. Students and faculty are not interested in initiating communication based on the other having a Facebook account. Ten of the survey questions are related to hypothesis 3. Students and faculty do not feel more confident or related when communicating with faculty who have Facebook accounts. These questions related to students' comfort level when communicating and participating in class. Nine questions related were related to hypothesis 4. Students did not feel that they were more engaged in classroom discussions when they were first friends on Facebook with faculty. Similarly, faculty did not find students more engaged in discussions when Facebook friends with the students.

In all cases, the evidence supports that each of the hypotheses should be rejected. Both students and faculty agree that neither desires to be Facebook friends with the other. Neither group feel that being friends on Facebook will enhance the learning process. Students do not feel more related to or confident when communicating with faculty if they are first connected on Facebook. Students and faculty agree that being friends on Facebook does not enhance learning or improve the learning process.

Conclusion

When setting up a college course, it may seem that utilizing the most advanced technology and means of communication would be desirable. Using social media would seem to be a reasonable approach to communicating and connecting with student, most of whom are children of the electronic age. But the findings of this study suggest that using some approaches to using technology and social media are not conducive to learning. Students are mostly connected to their peers through social media like Facebook, but have no real interest in being connected with their teachers in the same manner. Faculty too are unlikely to desire having the connection to students using Facebook, though they may have interest in being connected with other faculty.

While some (Wuest and Fishman 2010) suggest that higher education needs to consider the student as a customer, we also need to remember to look more to the needs of the customer student, and less to the wants of the student customer. As educators we need to recognize that there are differing learning styles for different students, so when developing learning materials we must not be tied to one or two methods of learning, but to be flexible to multiple styles. This includes advanced technology and social media in the educational process, and as our study shows, methods that students will respond favorably, even if this reduces or eliminates the use of some forms of technology or social media.

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Summary Brief

A Proposed Model of Antecedents of Self-Segmentation in Social Networks

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This paper introduces the concept of self-segmentation into the marketing literature. Homophily is used to propose a model underlying its occurrence in a social network setting. Propositions and managerial implications are offered.

Introduction

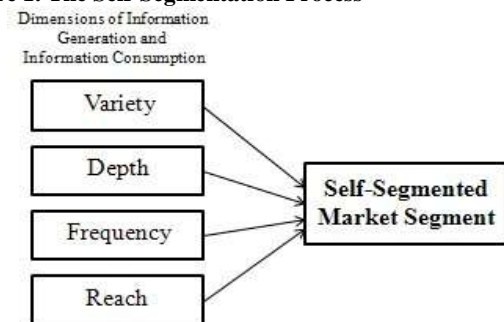
Numerous special issues have been devoted to the topic of market segmentation (c.f., *Journal of Marketing Research* August 1978; *European Journal of Marketing* 1987; *International Journal of Research in Marketing* September 2002). While the prevailing research has focused on the different bases of market segmentation and the statistical methods for segmenting customers (Beane and Ennis 1978), this paper provides a novel view based on the role of social media. We argue that “real” market segments are naturally formed based on activity within social network environments.

Self-Segmentation

Homophily involves the tendency for individuals to prefer interacting with others who are similar to themselves (McPherson, Smith-Lovin, and Cook 2001). In order for homophily to occur in a social network, the network must have the ability to connect network participants with one another and provide the ability to share different types of information. Thus as shown in Figure 1 below, self-segmentation requires information to be generated and information to be consumed by

network members. We propose there are unique features of information generation and consumption (e.g., variety, depth, frequency, and reach), that moderate the rate at which self-segmentation can occur.

Figure 1. The Self-Segmentation Process



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Summary Brief

Use of Technology in Higher Education: A Preliminary Analysis of Student Views

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This study examines student views and use of technology in conjunction with college coursework. Results reveal that there is widespread use of Microsoft PowerPoint and certain Learning Management System features. There are, however, significant differences based on gender in students' views concerning which LMS tools enhance learning. While students view podcasts positively, few report watching these regularly. Whether frequency of podcast use is due to student inaction is uncertain, since most students disagreed with the statement that professors adequately used podcasts.

Introduction

Today a variety of technology tools are available to help professors enhance teaching and learning. However, faculty adoption and mastery of these tools varies leaving questions about the popularity and reaction among students when the tools are integrated into pedagogy. Although many students find the use of technology in the classroom to be helpful, others may be frustrated if the technology is used infrequently or improperly. This study examines student views on emerging and more well established teaching technology tools. In particular, student views on Microsoft PowerPoint, podcasting, and use of a variety of functions/features within a learning management system (LMS) are explored. For this study the most commonly used LMS, Blackboard, is examined.

Microsoft PowerPoint

Part of the Microsoft Office suite of software, PowerPoint is a valuable tool for classroom presentations. The software has the ability to improve class participation, turn the classroom into an active learning environment, and make time spent studying out of class more valuable. Further, if the professor posts or emails presentations before the class meets, students have the opportunity to review the slides ahead of time, allowing them to formulate questions pertaining to reading material in advance and come to class already having reviewed the content. PowerPoint can also increase the professor's preparedness. Using PowerPoint can help instructors stay on topic (Burke and James 2008) and create an active learning environment.

Podcast

While older teaching techniques are still valid in this "new age of learning," the dynamics of the "typical" student has changed. Today, students are working, interning, and balancing their friends, families, and extracurricular lives while taking full

course loads. Butler and Pinto-Zipp (2005-2006) find that these circumstances force students to alter their study habits to fit their busy life schedules (Saeed, Yang, and Sinnappan 2009). In many cases, this includes incorporating new technologies into their studying and communication channels. Podcasting is a newer technology that is becoming increasingly popular among busy students and professors. Podcasts are broadly defined as "audio, video, text, and other media files that can be played on the computer or downloaded to MP3 players" (Sprague and Pixley 2008, p. 226); other terms for this technology include vodcasts (video podcasts) or enhanced podcasts that include hyperlinks or artwork.

Learning Management System (LMS)

The Learning Management System is an online program that serves as a learning and communication platform for students. Blackboard, Canvas, e-College, Moodle, and Sakai are examples of Learning Management Systems. This program has many functional qualities as well as the ability to create an out-of-class learning location for students. Use of a LMS can help make professors' and students' lives easier. One of the best qualities of this program is that it is easy for students and professors to operate (Green et al. 2006). Blackboard provides a platform for students to access course documents and supplemental course material out of class and at their own convenience (Bouhink and Marcus 2006; Liaw 2008). This technology also creates a place for students to submit papers online. Blackboard also provides a feature that can check the paper for evidence of plagiarism (Preidys and Sakalauskas 2010).

Method

A paper-and-pencil survey was distributed to undergraduate and graduate students at a private university in Texas. Students were asked to complete a questionnaire describing their opinions and use of learning technologies such as Microsoft PowerPoint, podcasts, and Blackboard in an academic environment. No incentive was provided for participating in the study.

Results

Respondents were asked their opinions of the use of podcasts for learning and to rate statements about podcasts on a scale from 1 = strongly disagree to 7 = strongly agree. Students generally were positive about the use of podcasts, with the

exception of “I would prefer to watch a podcast lecture than attend a lecture in class” which they rated 3.62 out of 7.

Respondents were also asked how much each of a variety of tools used within a LMS enhanced their learning on a scale from 1 = “not at all” to 7 = “very much”. The students rated the syllabus, assignments, course materials, online tests/quizzes, email, announcements, the calendar, and learning modules highly; whereas chat/who’s online and class roster were rated low in terms of enhancing learning. Perhaps most surprising was the significant differences between the views of men and women, with women rating assignments, online tests/quizzes, e-mail, and learning modules significantly higher on enhancing learning as compared to male students.

Students were also asked how frequently they used each course or LMS tool on a scale from 1 = “rarely use” to 7 = “frequently use”. The tools most frequently used were assignments, e-mail, course materials, the syllabus, announcements, online tests/quizzes, and the calendar. Tools used infrequently used were podcasts and chat/who’s online.

Lastly, students were asked their views of professors and their use of technology. Students rated statements on a scale from 1 = “strongly disagree” to 7 = “strongly agree”. The students agreed that PowerPoint files should be posted prior to a class lecture (5.63), that professors respond to e-mails in a timely manner (5.13), professors are technology competent (4.60), professors post grades in a timely manner (4.33), and professors adequately use the LMS (4.29); however, ratings were low for agreement that professors rely on PowerPoint too much (3.72) and professors adequately use podcasts (2.17).

Conclusion

Of the tools explored in the study, podcasting is a newer technology and students appear to be receptive to its use. That professors are not perceived as adequately using the tool suggests that training may be needed. This finding may also suggest that students may be better able to discern technology competency related to podcasting compared to other technology tools. While publishers often provide PowerPoint slides to accompany a book adoption, and an institution may create a campus-wide template for the LMS or provide instructional designers to work with faculty in order to effectively set up a course within Blackboard, no such third party currently provides custom podcasts. So, there is perhaps a greater burden on faculty to master podcasting on their own if the technology is used.

While this study should be viewed as a preliminary examination of these topics, the findings do reveal significant differences based on gender and suggest that technology tools are widely embraced by students, perceived as useful, and faculty are evaluated on their ability to adequately use them.

Future research focused on gender and other group differences is encouraged. Implications of these findings are important as it relates to providing teaching tools that enhance learning for all groups of students.

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Quick Response Code: A Review of its Applications and Factors Inhibiting its Adoption

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The application of the Internet in marketing has been growing exponentially and QR codes signify a new stage in that growth. QR codes are two dimensional matrix barcodes which store information that can be retrieved quickly by mobile phones with a camera function. In order to scan QR codes users must first download a QR code reader from their mobile application store and then open up the downloaded application and scan the desired QR code. The scanned code will take the user to the QR codes location, which is usually an organizations website where the user can find out more information. QRC are starting to show up all around us on billboards, magazines, newspapers, pizza boxes, newsletters, emails, business cards, bus stops, posters, t-shirts, and television commercials. Despite the promising nature of QR codes, its adoption has been fairly slow. The present study identifies and discusses some of the many applications of QR codes along with the factors inhibiting its adoption.

Introduction

Quick Response Code (QRC) is a small two dimensional graphical code (Figure 1). It contains encoded information, which can lead customers to find further information of interest about the product it promotes. QRC is gaining popularity among many organizations within the U.S. as well as the rest of the world as a mode of communication with their customers. QRC are starting to show up all around us on billboards, magazines, newspapers, pizza boxes, newsletters, emails, business cards, bus stops, posters, t-shirts, and television commercials. In most cases, the purpose of the codes is to guide the consumer to a website where they can find more information about a product or perform certain task being advertised. QR codes allow organizations to reach consumers all around the world as long as they have a mobile phone with a camera and internet capability. Despite the promising nature of QRC, its adoption has been fairly slow. The objective of the study is (1) to provide a summary of the current uses of QRC, and (2) to identify the main inhibitors associated with its adoption.

Origin and the Technology behind

QRC

Length

Quick Response codes were developed by Denson Wave in 1994 as a way for Toyota to manage their inventory. The main purpose of this code was to improve inventory control and tracking mechanism in the manufacturing units but the company chose to release the technology freely for public utilization in 1994 (Walsh 2009). QRC are two dimensional matrix barcodes which store information that can be retrieved quickly by mobile phones with a camera function. The distinctive feature of QR Codes is its position detection patterns located at three of its corners (Figure 1) and the code itself can encode several data types such as symbols, binary data, control codes as well as multimedia data (Kato and Tan 2007). In order to scan QR codes users must first download a QR code reader from their mobile application store and then open up the downloaded application and scan the desired QR code. The scanned code will take the user to the QR codes location, which is usually an organizations website where the user can find out more information.

QR codes enjoy a major advantage over one dimensional barcodes since they can carry data both horizontally and vertically thus allowing them to have more data capacity. The amount of data that can be stored on a QRC could be up to 4,296 alphanumeric, 7,089 numeric, or 2053 bytes of binary data (Rivers 2009). The key features of QR codes are error correction and masking technique. Data error correction capability allows QR Code scanners to still read the code even if 50% of the code is missing (Chuang, Hu and Ko 2010). This is a huge advantage for marketers who wish to put their codes on billboards where weather or other factors could damage their code. The masking technique on the other hand evenly allocates the black and white dots and helps prevent the duplication of the patterns (Rivers 2009). This helps the mobile reader identify the code correctly and send the user to the desired location.

Methodology

Finally, to explore unidentified reasons inhibiting the use of QRC, the authors of this article conducted a brief exploratory study. A session with a group of thirty undergraduate students took place at a Mid-western U.S. university, and the following questions were part of the discussion:

1. Do you know what a QR code is?
2. Have you seen this code before? Where?
3. Do you have a QR code reader/ scanner application (app) in your cell phone?

4. How many times have you scanned a QR code in the last six months and why?

Four out of thirty students (13%) knew the term 'QR code' while all of the students had seen a QR code before and knew its functionality. Only three students (10%) had a QR code scanner/reader app in their cell phone and just one student (0.03%) used the app to scan a code within the last 3 weeks of the day the discussion session was conducted. However the three students who had an app installed in their phones did try to scan a code at least once since they downloaded the reader but only one student was successful in accessing the information that was embedded in the code. Almost every student came across a QR code in a magazine and newspaper advertisement, direct mailers, coupons, brochures, product packaging, movie posters and in a variety of outdoor media.

The main adoption inhibitors for QRC that emerged from this exploratory study were: (1) the failure of the scanner apps while scanning a code, and (2) the lack of any incentives by the marketers stimulating the use of QRC.

Conclusion

As a new technology in the United States, the success of QRC is yet to be defined. Despite its promising potential for marketers, the utilization of QRC by customers still is low. In this paper, we explored and identified several inhibitors

affecting that process. These inhibitors were derived purely from a practical perspective and by no means are exhaustive. Academicians should examine them in the context of existing theories, which will help provide a broader understanding of QRC.

In conclusion, we summarized applications of QRC along with the factors inhibiting its adoption. We believe that our work can be used to understand better the behavior of QRC users, and also provide research agenda and practical considerations for researchers and marketers.

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Summary Brief

Customer Loyalty: An In-depth Analysis

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The emergence of the Internet is considered to bring beneficial revolution to managers and to society. However, research dealing with the relationship between customer experience, satisfaction, trust, and loyalty, has remained limited. Structural equation modeling was used to test and validate the relationship between the constructs.

Introduction

Understanding how organizations should appropriately use technology to positively affect customers' loyalty toward the company's products/services could be an important component. In a survey conducted by BizRate.com, they found that 55% of online shoppers abandon their "shopping carts" prior to check-out and 32% abandon their shopping cart at the point of sale (Shim, Eastlick, Lotz and Warrington, 2001). The key reasons were: security and privacy issues, trust, and satisfaction with the company's product and/or services.

It would seem that consumers who have had a satisfying first purchase experience online are likely to repeat the online purchase experience. Among both new and experienced Internet consumers, anxiety over privacy and security of their information, customer satisfaction, and customer trust has been the main factors that affect customers' loyalty toward the company's products/services (Reisch, 2003). Therefore, understanding how online shoppers behave when purchasing products/services is of vital importance to companies - that will help them in generating satisfaction, trust and loyalty in customers mind by meeting individual customer's needs (Ariely 2000).

The objective of this study is to ascertain the important predictors of customer satisfaction and customer trust, which drives consumer loyalty.

Methodology and Results

Students were used for this study because they are more technology savvy. EQS 6.1 was used to test the proposed model. A two-step process of structural equation modeling (SEM), as suggested by Anderson and Gerbing (1982), was used for analysis.

The results of this study indicated that customers experience with a product/service was a driver of satisfaction;

which in turn was a driver of trust; however, customer satisfaction was not an antecedent of customer loyalty. The result also indicated that consumer's level of trust in the e-medium was a predictor of customer loyalty.

Implications and limitations

Some of the managerial implications are: first, managers can learn from this study the importance that must be placed on the experience of consumer's search for information before a purchase is made. Further, managers can see the importance of consumer's satisfaction and trust which in turn leads to repeat purchase. The more positive experience a customer has with the company's product/services, the higher their satisfaction level and more likely they are going to frequently purchase from that company.

Second, while this research does not specifically examine all of the indicators that marketing managers need to know in order to enhance customers satisfaction, trust and loyalty to purchase online, a basis is developed for others to research other possible indicators in this area.

This research has certain limitations. First, students were the subjects for this study. Single group samples raise concerns about limited generalizability. Hence, the study needs to be conducted over a larger non-student sample before inferences can be made. A second limitation is that the data used in this study may have a bias towards the experienced and more frequent internet users. Finally, longitudinal trends may be more helpful in determining customer loyalty by studying the consumers over a certain period of time.

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Summary Brief

An Exploratory Analysis of Customer Engagement with Mobile Channels of Communication

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The mobile channel is expected to facilitate customer engagement. However, little is known about mobile customer engagement (MCE). To address this gap, we conduct an exploratory analysis of MCE with mobile phones. Findings suggest a multidimensional MCE construct with emotional and rational/cognitive components. Findings also suggest that involvement is a key predictor of MCE. Implications for marketing strategy and future research are provided.

Introduction

Companies are re-examining the mobile channel as a potential for engaging customers in what Nasco (2010) calls a dialogue. Such dialogue is facilitated with several mobile communication tools, including short message services, multimedia message services, mobile online content provision, and mobile commerce (Econsultancy and cScape 2010). Mobile applications (apps) on smartphones (e.g. Apple's iPhone), offer the key advantage of engaging customers while on the go (Sullivan 2010). The purpose of our research is two-fold: (1) to develop a MCE scale and (2) to explore involvement and participation in predicting MCE. We propose mobile engagement as a proxy for customer receptiveness to marketing communications via the mobile channel.

Conceptual Background

MCE as a Multidimensional Construct

Prior research suggests that customer engagement is multidimensional construct. Econsultancy/cScape (2011) defines customer engagement as "repeated interactions that strengthen the emotional, psychological, or physical investment a customer has in a brand (product or company). Bowden (2009, p. 65) proposes that customer engagement is a psychological process, comprised of cognitive, affective, and interactive mechanisms." According to Brodie et al. (2011, p. 3), "consumer engagement is a multidimensional concept comprising cognitive, emotional, and behavioral dimensions," playing a central role in relational exchange." Gallup's 11-item customer engagement scale (CE¹¹) includes two dimensions: L³, a three-item measure of "rational" satisfaction with a brand; and A⁸, an eight-item measure of emotional attachment (Applebaum 2001). Results of a study revealed correlations of 0.60 between the A⁸ portion of the CE¹¹ scale and actual consumer spending (Gallup Management Journal 2006). Since it has been suggested that mobile phones have the "ability to connect emotionally with us [consumers]" (Sedley 2010, p. 5), we propose MCE as a multidimensional construct.

The Role of Involvement and Participation

Brodie et al. (2011) suggest that engagement is critical to relational exchange whereas other relational concepts, such as participation and involvement, act as antecedents and/or consequences. We explore involvement and participation as two key predictors of MCE with the device. We conceptualize involvement in three ways – involvement in an activity (Unger and Kernan 1983); involvement in the product category in general (Srinivasan and Ratchford 1991), and product ego involvement (Neese and Taylor 1994). We conceptualize participation as the number of mobile activities performed by consumers.

Method

Data were collected from 75 respondents (students and non-students) in the US. Students earned class extra credit for their participation and all respondents were entered in a drawing for one of several \$20 Amazon.com gift cards. Respondents completed an online survey with questions designed to measure possible antecedent factors (i.e., activity involvement, product category involvement, ego involvement, and participation in mobile activities) and demographics. Three, five-point Likert scales were used to measure involvement: (1) with mobile activities, using a modified version of Unger and Kernan's (1983) Involvement subscale (reported Cronbach's alphas ranging from 0.77 to 0.86), (2) in mobile phones, using a modified version of Srinivasan and Ratchford's (1991) scale, which originally measured interest in cars (reported Cronbach's $\alpha = 0.86$), and (3) ego involvement, using a modified version of Neese and Taylor's (1994) scale (reported Cronbach's $\alpha = 0.90$), which originally measured the extent to which respondents' involvement with the product impacted their egos and perceptions of social approval. Reliability analysis on these scales showed acceptable reliabilities for our data, with Cronbach's alphas ranging from 0.78 to 0.88.

Results

Of the 75 respondents, most were male (48%), single (85%), white/Caucasian (73%), and had done some college coursework or held an Associate's degree (90%), and between the ages of 20 to 50 years ($M = 24.2$ years, $SD = 6.1$). To address our first objective, we conducted a factor analysis on the proposed 16-item mobile customer engagement scale. After removing items with non-significant loadings and significant cross-loadings, we were left with a 10-item scale with two emergent factors: affective and cognitive sub-scales (see Table 1).

Table 1. Scale Reliabilities for the Proposed MCE Scale

Component and Scale Items	α
Affective Subscale	.77
1. I am passionate about my mobile phone.	
2. I am distressed if I can't use my mobile phone.	
3. My mobile phone is fun to use.	
4. I experience anxiety when I am without my mobile phone.	
5. My mobile phone allows me to be creative.	
Rational/Cognitive Subscale	.73
6. I use my mobile phone daily.	
7. My mobile phone helps me organize my life.	
8. My mobile phone contains a lot of personal information.	
9. I rely on my mobile phone throughout the day.	
10. My mobile phone makes my job easier.	
MCE Scale	.84
Affective (5 items) and cognitive (5 items)	

To address our second objective, we conducted a hierarchical regression analysis in SPSS with MCE as the dependent variable; age as a control variable in the first block; and the three involvement measures and the index of mobile activities (i.e., participation) as predictors in the second block. Results showed that age was not a significant predictor of MCE, $R^2 = 0.01$, $F(1, 69) = 0.76$, *n.s.* The remaining predictors combined to significantly predict almost 40% of the variance in MCE, $F(4, 65) = 10.5$, $p < .001$. Though all three involvement measures were significant predictors of MCE, participation was not (see Table 2).

Table 2. Regression results predicting MCE

Model	Unstd.		Std.		t	R ²	ΔR^2
	B	SE	Beta	t			
Model 1						0.01	
(Constant)	3.01						
Age	0.01	0.01	0.01	0.11			
Model 2						0.40	0.39**
(Constant)	0.94	0.44		2.14			
Age	0.01	0.01	0.12	1.20			
Activity Involve	0.23	0.09	0.26	2.54*			
Product Involve	0.29	0.14	0.26	2.17*			
Ego Involve	0.24	0.11	0.25	2.15*			
Participation	0.01	0.01	0.11	1.00			

* $p < .05$, ** $p < .01$.

Implications and Future Research

Our research holds implications for marketers. We recommend that in the segmentation process, marketers consider involvement factors. Customers who are highly involved may be highly engaged with mobile devices and may be considered prime targets for mobile communication strategies.

Our research highlights the need for future research on MCE. Though involvement was a significant predictor of MCE, about 60% of the variance in MCE was left unexplained, suggesting that there is a lot more to MCE than involvement. Since the number of activities performed on the device (i.e., participation) did not predict MCE, we can infer that it is not the *quantity* but rather the *quality* of the activities performed on the device that predicts MCE. Certainly, the small convenience sample presented a limitation but this can be addressed in future

research by using larger sample. We also realize the need to for future research to incorporate measurable consequences of MCE, such as financial returns on the mobile channel investment.

We hope that by presenting preliminary attempts to measure MCE with mobile phones, these MCE items can be refined and extended to other devices such as iPods/iPads, laptops, netbooks, Internet-ready TVs, and Internet-capable gaming consoles (e.g., Wii, Xbox, DS, etc.). Ultimately, these measures could then be used as moderators in regressions predicting strategic outcomes from multiple measures of customer engagement.

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MARKETING EDUCATION TRACK

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Summary Brief

Multi-faceted Perceptions of Cheating Behavior: Scale Development and Theoretical Assessment

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In this exploratory study, the authors test shoplifting based constructs as predictor variables for cheating propensity. The authors develop and validate a cheating behavior scale that when used as a predictor of cheating performs well. Students differ from professors in their perception of two different types of cheating behavior; one serious and the other minor.

Introduction

Academic cheating is one form of aberrant behavior. When recognized as a behavior that is breaking norms, only a relatively small portion of the population, including students, will engage in aberrant behavior (Cox, Cox and Mochsis 1990). However academic dishonesty is an exception to this rule with 87% of college students self-reporting to have engaged in some form of cheating (Iyer and Eastman 2006). Therefore, it is important to understand both types and motivations to cheat. In our exploratory study, we develop and test a multi-faceted cheating scale with the goal being to uncover these very types and motivations to cheat.

Shoplifting and Classroom Cheating Motivations

As far back as 1929 the link between theft and cheating was established. "Anyone who cheats on exams will steal money if they think they can get away with it" (Carter 1929; p. 345). This link is a starting point in the development of a cheating scale based upon our understanding of shoplifting motivations.

More recent literature further supports this link. For example, the extant literature defines plagiarism as intellectual theft (Isserman 2003). Park (2003, p. 472) further adds that plagiarism is "literary theft, stealing (by copying) the words or ideas of someone else and passing them off as one's own without crediting the source."

Drawing on shoplifting theory, (Cox, Cox and Mochsis 1990) developed motivations for adolescent shoplifting which include economic factors, peer influence and contraband. They also discuss risk assessment as a factor in shoplifting.

Economic factors in classroom cheating are analogous to economic factors in shoplifting. In shoplifting students steal to acquire goods at little to no cost, or because they need an item badly or simply do not wish to pay for it. Related to this, students also cheat for economic reasons. They cheat because they want a grade badly or do not wish to work for it.

Students cheat when they "perceive a very high level of cheating on the part of their classmates" (Fass 1990, p.180).

McCabe, Butterfield and Trevino (2006) find that other students engaging in cheating is one of the largest contributors to cheating inclination. Peer influence is identified as a motivator to shoplift, particularly if with important others that are shoplifting. Similarly a key motivator to cheating is a belief that everyone does it; a fact backed up by the literature.

In the shoplifting literature, contraband refers to items shoplifted because they cannot be acquired through legitimate channels (Cox, Cox and Mochsis 1990). Goods might be thought of as unattainable unless shoplifted. Similarly, students may not have the necessary skills to earn the grades they desire. Finn and Frone 2004 find that students do cheat based on a desire for higher grades that they cannot earn on their own.

Finally, deterrence suggests an inverse relationship between the chance of being caught and the severity of the punishment. This holds true for both shoplifting and cheating. Singhal (1982) finds only 4% of students admit to having been caught cheating. Others indicate they have already been successful in their cheating endeavors and thus risk is perceived to be low.

Adapting Becker's (1968) *criminal as a rational decision maker model* to explain cheating behavior using risk, with a strong reward structure for cheating and little chance of being caught, students would therefore engage in cheating as a predominantly risk-free behavior (Kerkvliet 1994). Further reducing risk perceptions, most students believe that if they were caught, nothing would happen (Davis, Grover, Becker and McGregor 1992).

Research Methodology

Scale Development Procedures

We conducted four focus groups of undergraduate business students with the purpose of identifying the salience of previously identified items as being considered cheating behaviors. All groups were asked to generate a list of types of academic cheating they have observed then the lists of cheating behaviors were pooled and compared to those identified in the extant literature. Utilizing a factor loading of .5 as the cutoff for retention coupled with eigenvalues of 1.0 or greater, 11 items were retained for the cheating scale. A second data collection was undertaken consisting of 611 student responses. Along with the items for the cheating scale; four additional constructs were included; risk, economic, unattainable grade and peer influence to cheat were derived from modified versions of existing shoplifting scales. Validity was assessed via structural equation modeling. The proposed model consisted of measures for

cheating as well as the four potential antecedents to cheating including risk, unattainable grade, economic and peer influence. The initial model resulted in acceptable model fit and was tested for the occurrence of common method variance via the Harman's single-factor test. The single-factor model resulted in substantial reduction in model fit with significant variance (p -value $\leq .05$), between the two model's χ^2 values, thus, it appears that common method variance is not a concern.

Coefficient alpha values for the scales ranged from .94 to .74 while the variance extracted scores ranged from .58 to .87. Convergent validity was assessed via the t -value associated with the ratio of factor loadings to standard error for each item. Item t -values ranged from 38.92 to 7.45 (see Table 3). The psychometric properties associated with the perceptions of cheating are supported. Potential antecedents of each of these behaviors and significant relationships were identified.

Results and Discussion

From strongest to weakest contributor to cheating are perceived risklessness of the behavior, economic factors such as needing the grade badly or not wanting to put in the work necessary to earn the grade and the inability to earn the grade by non-cheating. These are based on risk, economic and contraband constructs identified in the shoplifting literature.

It is interesting that peer influence plays no part; contrary to much of the extant literature. It may be that because it is so prevalent --i.e. a perception that everyone does it-- that peer influence is no longer an explanatory variable in predicting cheating behavior. This indicates that there may in fact have been a paradigm shift in how students perceive cheating amongst their peers.

Threats intended to tap into risk are not an effective deterrent to cheating. The grade is sufficiently important enough that many students are willing to cheat regardless of risk. Contrary to previous studies' suggested solutions to cheating deterrence isn't working. Perhaps an explanation lies in the role that administrators play in their treatment of students who are caught. Many students do not feel they will be suspended, if caught, given that there seems to be such a strong push for student retention. With prevalence of hand holding that goes on at many schools, students seem to have developed an entitlement perspective. This feeling is supported when a *students as customer* mentality is present at so many schools.

During the debriefing, students were asked if they have ever and if so what they had shoplifted. This created a rapport with students. The next set of questions involved cheating and only 2 out of the 148 indicated they had never cheated; adding to the belief that they all cheat. They were open and candid not only about if they had cheated, but also how they went about cheating and which instructors at the university were the easiest on which to cheat.

In debriefings with students, they blame instructors and not themselves for cheating when instructors are lazy [sic], and do not change exams etc., it is not the students' fault for taking advantage of the situation. Again, this is analogous to the shoplifting literature which finds opportunism as a key driver for shoplifting.

Other potential fixes came out of the debriefings. Students suggest that instead of one project for all of the class to

complete, individualize the projects so that it makes it more difficult to collaborate beyond conceptual design. They also suggest having numerous exams and quizzes that give many chances to earn points in smaller increments and thus allow for a blown exam to de-emphasize the value of any one project. Finally, both undergraduate and graduate students were unanimous in suggesting professors allow ungraded drafts to be submitted for feedback to demonstrate attainability of grades. The last is especially important in minimizing the effect of economic need to cheat.

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Do Makeup Exams Help or Harm Marketing Student Performance?

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Many faculty feel makeup exams are a time consuming and irritating task. Past research shows some students taking makeup exams “fake” excuses. But the literature is silent on the performance of marketing students on makeup exams compared to regular exams. Our study of 1,089 undergraduate basic marketing students found makeup exam performance was lower than performance on regular exams and students taking any makeup had lower overall class performance. But student makeup performance was almost identical to the average of their other non-makeup tests (within subjects). On average, students taking makeup exams were just weaker performers.

Writing exams is a routine, yet time consuming task for every marketing educator. But in addition to writing the first exam, marketing educators often must write a second makeup exam for students missing the original test. Makeup exams are a time consuming and often irritating task occurring every semester. Abernethy and Padgett (2010) collected data on the excuses given for missing an exam and test miss rates for more than 400 undergraduate principles of marketing students. They found almost no students missed a final exam. Grandma really almost never dies during finals. Almost all of the excuses for missing an exam (84%) were medical with the remainder being death of a family member, court appearance, job interview or another conflicting university activity.

Approved official conflict students, sick students and “fakers” make up the vast majority of students taking makeup exams. A small proportion of exam absences are due to scheduling conflicts with other university sanctioned activities (Abernethy and Padgett 2010). Unless distraught with grief from the death of a relative, official conflict students should be able to perform as well on the makeup as they would on the regular exam. A substantial proportion of absences from exams are due to illness. Medical reasons represented 84% of total excused absences from exams for principles of marketing students (Abernethy and Padgett 2010). It is logical that students suffering from illness will have lower exam scores and lower overall class grades compared to students taking the regular exam.

“Fakers” are the third group of students taking makeup exams. “Fakers” impersonate illness to take a makeup exam. A thorough literature review failed to discover any studies of fraudulent excuses by marketing students. But in the psychology education literature, Caron, Whitbourne and Halgin (1992) found that 68% of surveyed students made a fraudulent

excuse at least once during college with 35% admitting using a fraudulent excuse that semester. Illness was the most commonly used fraudulent excuse. Students are angered when a legitimate medical excuse is disallowed or if a disproportionately hard makeup exam is given. At the same time, “fakers” are rampant with illness being the most commonly used fraudulent excuse.

We included all basic marketing students at a large public university over three semesters in this study which totaled 1,089 undergraduate students and a total of 141 makeup exams. Every effort was taken to have the makeup exams be the same nature, number of questions and difficulty as the regular test. The same faculty member taught all sections over the three semesters.

We found that the directionality and statistical significance of the results support that individual makeup exam performance is lower than regular exam performance. There was even stronger evidence that overall class performance for those taking any makeup exam is lower than students taking no makeups during the semester.

The last analysis was a within subjects test for any student taking any makeup during the time period. All students who did not take a makeup exam were excluded from this final analysis. The individual’s performance on the makeup exam was compared to the average of regular test performance for each individual student’s regular exams excluding the makeup. An example clarifies this analysis. Andrew made a 110 on the makeup exam compared to 105, 110, and 121 on his other regular exams. For Andrew, the comparison would be 110 versus the 112 average of the other three regular exam scores. Student average on the makeup exam(s) was 114.21 and the student average on all regular exams excluding the makeup was 115.03. These results strongly suggest that makeup exam performance in the aggregate was almost identical to the individual student’s performance on other regular exams. Taken as a whole, weaker performing students take makeup exams.

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Summary Brief

Clustered Deadlines: An Exploratory Investigation of Timing, Interventions, Performance and Satisfaction

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Clustered deadlines, the concentration of scheduled exams and due dates for projects, presentations, and other assignments during a semester are common in reality and perception. Students manage these clustered deadlines in varying ways with various outcomes in terms of academic performance and satisfaction. This study explores the relationships between perceived clustered deadlines, students' demographic characteristics, procrastination, academic self-efficacy, and academic stress, and students' interventions such as goal setting and prioritizing, and the outcomes of perceived academic performance and satisfaction with the quality of learning experience.

Introduction

Higher education literature provides few empirical investigations that have addressed the question of a concentration of deadlines in a typical academic schedule, but groans across the classroom certainly provide anecdotal evidence of what we refer to as “clustered deadlines.” Defining clustered deadlines as the concentration of exams and due dates for projects, presentations, and other assignments on a single day or within a few days, we operationalize this construct as perception of clustered deadlines (PCD), level of agreement as to exams and due dates about the same time. Exams, assignments, presentations, projects, and the like are supposed to develop and assess student knowledge and learning. If more than one of these are due or scheduled about same time, student performance in those activities will most likely depend not only on their subject knowledge and learning but also on other variables such as time management practices, academic self-efficacy, and ability to handle academic stress.

Background

From about the time that Barr and Tagg (1995) affirmed that a shift had occurred in higher education from an “instructional” paradigm to a “learning” paradigm, focus among educators and accrediting agencies have focused less on transferring factual knowledge to students and more on creating a learning environment that empowers students to gain and build knowledge for themselves. As a result, the purpose of assessment has moved from mostly evaluating students' comprehension of factual knowledge to assessment of both factual knowledge and higher levels of student learning. Historically, it was common for courses to include a mid-term and a final exam geared mostly to assess knowledge. However, most college courses now have multiple exams (at least 3 if not 4 to assess both knowledge and higher order learning) in

addition to activities such as presentations, cases, individual assignments and group projects. A recent study by Webber (2012) who compared available data from the National Study of Postsecondary Faculty surveys administered in 1993 and 2004 (1993 study included responses from 600 institutions and 13,000 faculty and 2004 study included 500 institutions and 12,000 faculty, NSOPF93 and NSOPF04) found oral presentations required in classes to increase by 12%. While no comparison could be made about group projects and service learning assignments that required interaction with the community or business/industry because in 1993 this data was not collected, about 46.2% in 2004 had team projects in all or some of the courses and 23% had service learning projects in all or some of the courses. Available data seems to clearly suggest multiple assessment techniques more frequently in more college courses now than two decades ago.

Given this incidence of multiple assessment techniques, students are likely to have more incidents of assessment now than ever before and as a consequence more likely to experience these clustered deadlines. While reality may be that certain days of the week college students are academically busier than others, an important question to investigate is whether or not students perceive this reality of clustered deadlines as well as the relationship of PCD with demographic and personal variables, time management practices, procrastination, self-efficacy, perceived academic performance and satisfaction with quality of learning.

Methodology

Data was collected from students enrolled in five randomly selected classes offered by the department of Management & Marketing in an AACSB accredited mid-sized university. Four of these classes were traditional face-to-face Tuesday/Thursday delivery which is a typical junior/senior, fulltime undergraduate marketing major schedule. One class was online. Syllabi for these courses were analyzed for important assessment dates. In 6 out of 14 weeks (43%) students had multiple deadlines to meet. In terms of day, 16 out of the 28 possible days during the semester (67%) students had multiple deadlines to meet. These results provide anecdotal evidence for the possibility of students having multiple deadlines to meet in multiple classes in certain weeks and on certain days. An online survey was available for all students enrolled in the five courses. Participation in the survey was optional resulting in a response rate of 47.7%. The sample consisted of 47% males and 53% females. In terms of major 27% were marketing, 19% management, 16% business administration, 15% accounting/finance, 13% international

business, remainder other. On average, students worked about 18.5 hours a week and the average age was 24.5 years. Except for the three items that measure PCD, all other scales used in the survey have been developed and used in multiple studies with acceptable reliability coefficients.

Results

The first hypothesis attempted to determine the extent to which students perceive most activities such as exams, quizzes, projects, assignments in courses being scheduled about the same time (PCD was supported with a p-value of 0.00 that was significant at the $p < 0.05$ level. Hypotheses testing the relationship demographic variables (age, gender) have with PCD were not supported. The third hypothesis tested the relationship between personal variables academic self-efficacy, perceived academic stress, and procrastination demonstrated significant positive relationships for self-efficacy ($r=0.25$, $p=0.02$) and perceived academic stress ($r=0.29$, $p=0.01$) but not for procrastination ($r=0.06$, $p=0.32$). As such, this hypothesis was partially supported. The fourth hypothesis investigated the relationship goal-setting and prioritizing dimension of time management and priority given by students to academics relative to aspects such as family, work, socializing, etc. demonstrated with perceived clustered deadlines. Results provided a significant positive correlation for priority given by students to academics and perceived clustered deadlines ($r=0.20$, $p=0.04$) but not time management and perceived clustered deadlines ($r=0.16$, $p=0.08$) partially supporting this hypothesis. The final hypothesis evaluated the relationship of perceived clustered deadlines with perceived academic performance and satisfaction with quality of learning. This hypothesis was also partially supported when perceived academic performance resulted in a significant correlation ($r=0.29$, $p=0.01$) with perceived clustered deadlines but satisfaction with quality of learning did not show any significant relationship with perceived clustered deadlines ($r=0.12$, $p=0.16$).

Discussion

This study clearly show students confronted with multiple deadlines during certain weeks and certain days and results show students to understand this reality. None of the demographic variables (age and gender) showed any significant influence on perceived clustered deadlines but personal variables academic self-efficacy and perceived academic stress demonstrated a positive influence on perceived clustered deadlines. That is, confidence in one's own relevant abilities to organize and execute courses of actions required to produce given attainment (defined as self-efficacy) seems to positively influence the ability of a student to understand the reality of deadlines in multiple courses to happen about the same time. In summary, students with high levels of academic self-efficacy and perceived academic stress seem to better understand the realities of having to meet multiple deadlines during specific times thereby giving them a better opportunity to plan and handle them effectively.

Even though the insignificant relationship the goal-setting and prioritization dimension of time management had with PCD was in the expected direction, the relatively low mean of 3.43 based on a scale that varies between 1 and 5 for GSP coupled with the insignificant relationship seems to suggest relatively

poor time management skills of college students especially in terms of setting goals. The significant positive correlation of priority given by students to academics relative to family, work, and socializing as well as how these priorities related with PCD demonstrates as priority for academics goes up their ability to understand the deadline demands in college also go up.

Post-hoc analyses were conducted to explore how students prioritize education, family, work, and socializing and how these variables relate with the study variables such as academic self-efficacy, time management, academic performance, satisfaction with learning, procrastination, and academic stress.. Results indicate that students on average seem to be making their number one priority academics. In addition, as the priority given to academics goes up, student levels of time management, academic performance, and satisfaction with learning also goes up. In addition, these students tend to procrastinate less and they demonstrate higher levels of academic self-efficacy and academic stress. The relationship between academic performance and perceived clustered deadlines was significant but there was no significant relationship between satisfaction with learning experience and perceived clustered deadlines.

Implications

Considering marketing majors, based on the nature of the discipline and compared to other business majors, have more active, service learning assignments and projects, this issue is more important to this curriculum than perhaps others in the business discipline. Marketing students perceived clustered deadlines at a higher mean than other business majors (4.38 and 4.10, respectively). Perhaps through student marketing clubs/organizations or other student services and professional development programs within the business school, faculty and staff can make students aware of time management skills as well as priority and goal setting methods. Instructor adherence to an exam/project calendar may help students to plan their time effectively. Furthermore, and supported by the work of Humphrey and Harbin (2010), deadlines with rewards for early completion were more effective than deadlines alone in decreasing late/missed assignments and increasing exam scores and course grades. To develop this idea further, perhaps major projects can be broken down into parts due throughout the term rather than all at once. As a more innovative curriculum management plan, instructors may coordinate these calendars at the departmental level, and promote this to students. While it is likely impossible to coordinate with all courses a student may take, this can be accomplished particularly effectively at the major level and relatively easily when only one or very few sections of a course are offered each semester.

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Summary Brief

The Klout Challenge: Preparing Your Students for Social Media Marketing

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A new class project created by the author aids students in their knowledge and experience with social media for marketing application. “The Klout Challenge” uses a social media influence metric from Klout.com to assess students’ level of engagement with others through social media sites, such as Facebook, Twitter, LinkedIn, and Google+. Students are informed how Klout operates and then exposed to class lessons describing how to engage others within the social web. This project has multiple benefits for students. First, students receive the opportunity for hands-on application of social media engagement strategies the current marketing landscape is seeking. Second, some hiring managers now assess applicants’ Klout scores. Therefore, as students increase their Klout scores with this project, a positive quantifiable signal is sent to hiring managers. A five-step implementation plan aids any educator who chooses to incorporate this as an out-of-the-box project.

Introduction

Firms will spend an estimated \$5 billion by 2016 on marketing within social media (VanBoskirk 2011) in an attempt to engage and influence consumers. Marketers are eager to engage popular opinion leaders who are influential within their own social networks. The idea of an organic brand advocate within a large social network is extremely appealing to brands, provided that these advocates can be located by marketers. The recent emergence of Klout.com as a social media influence metric aids marketers in this area. The Klout metric sends a quantifiable signal to marketers to identify those consumers who are more or less influential within social media. A higher Klout score represents a greater capacity to influence within the social web.

Despite the benefits such a metric provides to firms, a problem exists in that Klout adds yet another new social media-related tool to a collection of newer social media sites that has the marketing world in need of knowledgeable and experienced employees. This project helps to serve these needs by enabling students to develop hands-on social media experience for marketing application. In addition, students improve their Klout scores with this project. As hiring managers are beginning to screen applicants based on Klout scores (Griffith 2011), this project produces a tangible benefit students to use outside of the classroom. Educators can use a five-step implementation plan to adopt this project into a marketing or advertising class.

What is Klout.com?

Every time a person creates content or engages others in social media, a degree of influence is occurring. Klout.com measures the degree of that influence. This service uses an

algorithm to analyze hundreds of millions of data points available on the social web daily to determine a person’s social media impact. A person’s Klout score ranges from 0 to 100, with a higher score representing a higher degree of capacity to influence via social media. The average Klout score is 20, with scores above 30 considered reputable, and scores above 50 considered elite (Simpson 2012). Similar to many proprietary algorithms, the exact mathematical formula determining a Klout score is not available to the public. However, Klout states the following criteria factor into a score: Facebook comments, wall-posts, and likes; Twitter mentions and re-tweets; LinkedIn comments and likes, and Google+ comments, reshares, and +1’s (Klout 2012).

The Klout Challenge

The Klout Challenge is just that: a challenge to students to raise their Klout scores. An instructor must first present an overview to students of Klout and the known components contributing to a score by reviewing Klout.com’s “Understanding Klout” web page (Klout 2012). After the review, a five-step project implementation plan can be followed: 1) students creating a social media presence; 2) students creating a Klout profile; 3) an instructor presenting an overview of social media engagement strategies; 4) students applying the social media engagement strategies; and 5) an instructor assigning grades.

Step 1: Students create a social media presence

A student must have a profile setup at one or more of the following social media sites for Klout to generate a score: Facebook, Twitter, LinkedIn, or Google+.

Step 2: Students create a Klout profile

Creating a profile at Klout.com enables students to link their social media accounts to Klout. This association enables the Klout algorithm to scan each person’s social media activity, engagement, and influence with others to produce the Klout score. Klout has an easy to use interface to link a student’s social media accounts.

Step 3: Instructor presents an overview of social media engagement strategies.

After creating a Klout profile, students proceed to use principles from class lessons to engage others via social media, which ultimately increases their Klout. Social media is a consumer engagement tool (Hofacker and Bacile 2011), and students gain engagement experience during The Klout Challenge. This enables an instructor to not only lecture and present information about specific social media sites, but also gives students an opportunity to gain hands-on experience using social media engagement strategies. Due to space constraints in this summary brief the following paragraph contains a brief

synopsis of social media strategies that increase a student's Klout score. Interested readers can contact the author for the full paper with complete details.

Engagement refers to how other people respond to content created by another person and/or if people are talking about a person via social media. People respond to content by: clicking "Like" or similar buttons on various social sites signaling their approval of content; providing comments to text updates, pictures, and video; participating in online discussion boards; and sharing content created by another person. Sharing occurs through various share buttons on different social media sites, as well as re-tweets within Twitter. Other people talk about a person by tagging a specific person in social media text conversations, pictures, or videos. Mentioning people within Twitter is also a method used to talk about another person. Students are introduced to various strategies designed to get other people to interact with their social content to produce all of the aforementioned types of engagement. This gives students knowledge and hands-on experience of how to use various social tools to generate engagement with others.

Step 4: Students apply engagement strategies

Students proceed to interact with people via their own social networks throughout the project using the engagement strategies. The metric used to assess their effort and strategy application is their publicly viewable Klout score. Students are informed their grade will be based on their Klout score at the end of the project. The score is updated daily by Klout, meaning students who apply the aforementioned social media engagement strategies see an ongoing score improvement. Instructors follow each student's progress using Klout's "list" feature: an instructor compiles their students' into a public list on Klout.com. This list-view enables an instructor to view all students' Klout activity and scoring analysis.

Step 5: Instructor calculates and assigns grades

An instructor uses one of two methods for grade assignment. The first grading method uses the distribution of scores around the mean. Thus, The Klout Challenge *challenges* students to compete against one another. This method is somewhat subjective and does not provide students with a fixed grading point known up front up.

The second grading method uses a fixed multiplier established prior to the beginning of the project. The percentage grade for this project is determined by their final Klout score multiplied by 1.80. For example, the 1.80 fixed multiplier applied to a Klout score of 55 equals 99% (1.80 x 55). This multiplier was chosen due to higher Klout scores for students typically in the 50-to-58 range based on my experience. This translates into the highest scores earning 90% or better for this project.

Results

The following results are a before and after analysis for two classes that took part in this project. Class 1 participated in the fall semester of 2011 and Class 2 participated in the winter semester of 2012. When the project began, most students were at or below an average Klout score of 20 in Class 1 ($M = 16.7$, $SD = 10.7$, $n = 46$) and Class 2 ($M = 19.3$, $SD = 11.9$, $n = 42$).

Upon project completion Klout scores were significantly higher than scores from the beginning of the project for Class 1 ($p < .0001$, $M = 39.1$, $SD = 11.5$, $n = 44$) and Class 2 ($p < .0001$,

$M = 43.1$, $SD = 10.7$, $n = 42$). Students with higher Klout scores said they actively used the social media engagement strategies, while the students who scored lower said they put forth less effort in applying the strategies. Note: students with no interest in social media opted-out by writing a paper in lieu of this project.

Implications

Developing a class project utilizing Klout is congruent with the rising popularity of social media for business application. The Klout Challenge fills a noticeable void: many marketing programs or classes have yet to expose students to hands-on social media engagement strategies. Rather than lecture and test students on the nuances of individual social media sites, The Klout Challenge introduces the need for students to apply strategies to become more experienced and knowledgeable within social media.

This project is consistent with enhanced learning through empowerment by creating content and interacting with others (Munoz 2012). In addition, this project's use of hands-on application also provides the benefits associated with active, experiential learning (Love, Stone, and Wilton 2011).

Aside from earning a grade with this project, students' Klout scores serve as a tangible metric signifying a capacity to influence within social media. Many hiring companies are beginning to recognize Klout as an indicator of social media prowess. Aside from a graded assignment, this project assists students on the job market. In addition, over 5,000 companies including Disney, Red Bull, and Audi are identifying influential consumers using Klout (Bussey 2012). Thus, a working knowledge of Klout will aid any marketer seeking to engage consumers via social media.

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Summary Brief

Facebook and Higher Education: Do College Students Prefer to Segment or Integrate Their Academic and Social Lives?

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Universities are faced with the challenges associated with serving a new type of college student—one who has grown up with and is therefore proficient with technology. As students increasingly use computers, tablets, smart phones, and other mobile devices in their day-to-day lives, it seems that their expectations of how universities and professors should communicate with and engage them have changed. Role theory, boundary theory, and the role segmentation/integration continuum are introduced to examine whether students prefer to segment or integrate their student and social roles on the social media website Facebook. Applying these theories to higher education and Facebook could provide valuable insight for universities planning to use Facebook to communicate with students.

Introduction

According to a survey by *OnlineEducation.net*, approximately 96 percent of college students use Facebook (Andrews 2011). This should come as no surprise, since the social media website was originally targeted to college students. While the majority of college students are using Facebook to socialize, an increasing number are using Facebook in course work. A survey by Educause Center for Applied Research reveals that 58 percent of college students surveyed “feel comfortable using [Facebook] to connect with other students to discuss homework assignments and exams,” and “one out of four students even went so far as to say they think Facebook is ‘valuable’ or ‘extremely valuable’ to their academic success” (Rice 2011).

Facebook in Higher Education Today

While Facebook is no longer in its infancy, the use of Facebook by universities to better serve students is still relatively new. Facebook is being used by admissions offices, advisors, student support services, academic departments, and other offices on campus to communicate with current and prospective students. Facebook is also being explored as a retention tool, with some reports indicating that students active on Facebook are more likely to return after freshman year (Chapman 2010). This can be attributed to the ease with which students can use Facebook to create meaningful academic and social connections on campus.

Some college professors are utilizing Facebook to build online learning communities where they can engage students 24/7 with photos, videos, lectures, and links pertaining to course concepts. In this sense, Facebook can be used to extend classroom discussions. Because some course-management

systems still don’t offer smart phone applications, professors using Facebook offer students easy access to materials from any mobile device (Browning, Gerlich, and Westermann 2011). An Illinois State University technology instructor teaching freshman, business students has created his own personal Facebook page and requires his students to “friend” the page (Parry 2009). The instructor uses Facebook for all out-of-class communications, allows students to post questions to his page, requires them to post assignments to their profiles, and offers them the ability to chat in real time. He has met little resistance from students and uses any concerns to address online privacy settings and issues.

Facebook can be used for more than just course management. Some faculty members are devising more creative ways to utilize Facebook in instruction. One University of Nevada at Reno librarian created Facebook pages for two real students who attended the university in the early 1900s (DeSantis 2012). The librarian takes on the persona of these previous students to post status updates and historical photos in hopes of educating current students about life on their campus in the early 1900s.

Third-party companies have tried to merge Facebook with higher education by offering apps that allow students to interact with classmates on Facebook. One company has already failed, but other efforts are still underway. According to Parry and Young (2010), “Project leaders think that students are more comfortable now...with the idea of blending work and play.” Role theory, boundary theory, and the role segmentation/integration continuum should be examined to determine if this is indeed the case.

Theoretical Background

Roles

Roles are “sets of behavior expectations associated with given positions in the social structure” (Ebaugh 1988, p. 18). While it is common for college students to adopt multiple roles, every college student assumes at least two roles—a student role and a social role. Both roles are associated with certain behavioral expectations. College students are expected to prepare for class meetings, attend classes, study for exams, and complete course requirements. It is also expected that young, social adults will hang out with friends, go out on dates, attend social functions, and use social media. These behavioral expectations often impact role identities, defined as “the goals, values, beliefs, norms, interaction styles, and time horizons that are typically associated with a role” (Ashforth 2001, p. 6).

Boundaries

Individuals adopting multiple roles often create and maintain “mental fences” called role boundaries to separate each role and its behavioral expectations. “A role boundary refers to whatever delimits the perimeter—and thereby the scope—of a role” (Ashforth, Kreiner, and Fugate 2000, p. 474; Ashforth 2001, p. 5). By creating role boundaries, individuals construct domains where certain aspects of their lives become meaningful (Ashforth, Kreiner, and Fugate 2000). Domains for student roles often include locations on campus and other designated study areas, while domains for social roles often include bars, restaurants, a friend’s apartment, or a fraternity/sorority house. When located on campus, the student role and its associated behaviors become salient. The same happens with social domains and social roles.

Role Transition

Individuals occupying multiple roles often transition between roles. This transition is affected by the flexibility and permeability of role boundaries (Ashforth, Kreiner, and Fugate 2000; Ashforth 2001). Flexible role boundaries are those in “which the spatial and temporal boundaries are pliable” (Ashforth, Kreiner, and Fugate 2000, p. 474). This means that the role can be enacted in various locations and at different times of the day or night. Permeable role boundaries are those that allow individuals “to be physically located in the role’s domain by psychologically and/or behaviorally involved in another role” (Ashforth, Kreiner, and Fugate 2000, p. 474). Student roles and social roles are thought to be both flexible and permeable.

The Segmentation/Integration Continuum

Roles can be arranged on a continuum from high segmentation to high integration (Ashforth, Kreiner, and Fugate 2000; Ashforth 2001), and the flexibility and permeability of role boundaries influence the degree to which individuals segment or integrate multiple roles in their day-to-day lives. Segmentation is likely to occur when high contrast in role identities exists and when role boundaries are inflexible and impermeable; role integration is more likely with low contrast in role identities and when role boundaries are flexible and permeable (Ashforth, Kreiner, and Fugate 2000; Ashforth 2001). Do student roles and social roles have low contrasting role identities? Are the student and social role boundaries flexible and permeable?

If the answer to these questions is “yes,” does that mean that college students are more likely to integrate the two roles on Facebook? Ashforth, Kreiner, and Fugate (2000) provide valuable insight into answering this question:

As roles become more segmented, proportionately more effort is focused on the transition work of boundary crossing—that is, on between-role dynamics. Conversely, as roles become more integrated, more effort is focused on the boundary work of boundary creation and maintenance—that is, on within-role dynamics.” (p. 482)

Because integration between student roles and social roles occurs in so many other domains, it is expected that students will spend more effort creating and maintaining boundaries around these roles on Facebook. This is further fueled by the

fact that Facebook is a virtual domain where students are afforded more control over whether role boundaries are crossed or maintained. By communicating with students via Facebook, universities may actually be infringing upon these boundaries and causing frustration and discontent for students.

Conclusion

Future research will involve both qualitative and quantitative studies to examine how U.S. college students juggle their student and social roles on Facebook. Are these role boundaries flexible and permeable? Do students expend effort to create and maintain role boundaries on Facebook? What is the most effective way to utilize Facebook to engage students? This research could be an important first step in understanding whether or not Facebook can be successfully employed by institutions of higher learning.

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Summary Brief

Forecasting: A Missing Topic In The Marketing Classroom?

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Forecasting plays an important part in the marketing realm of business by helping businesses provide consumers with the right product at the right place at the right time and at the right price. Forecasting is an essential skill of any good marketer. Evidence analyzed from forecasters, marketing managers, faculty, and alumni show dissatisfaction in the forecasting knowledge and abilities of marketing graduates. The authors argue marketing graduates students should be able to evaluate a series, determine the appropriate forecasting method, make a forecast, and then think critically about the results.

Introduction

There are many ways one might think about the role of marketing in business. However, the bottom line is that to be successful, marketers must get the right product to the right place at the right time and at the right price. Therefore, forecasting is an essential skill of any good marketer. McCarthy et al. (2006) shows that marketing personnel are quite involved in forecasting in the “real” world. Yet evidence obtained from marketing managers, faculty, and alumni show that solid forecasting foundations and applications are lacking from the curriculum. We conclude by summarizing what marketing majors should know about forecasting to help close the gap.

Evidence from Marketing Managers

There is ongoing discussion between marketing professionals and academics on the missing links between theory (what is taught in the classroom) and practice (what is needed in the real world). Based on in-depth interviews with marketing graduates and employers, Walker et al. (2009) conclude that marketing graduates are ill prepared in terms of job requirements. The authors argue that rather than just understanding data, professionals were expected to be able to direct market research, determine the usefulness of new analytical tools, and analyze problems. The need for forecasting in marketing curricula is further supported by Schlee and Harich (2010) who analyzed 500 marketing jobs posted on monster.com. They found that the “forecasting” skill requirement becomes more and more important as marketers advance in their careers.

Further evidence of the dissatisfaction of managers in the forecasting abilities of their employees is evident by the growing number of companies (Lucent Technologies, Delta Airlines, Ocean Spray Cranberries, Pepsi-Cola, FedEx, Motorola, Tupperware, Chanel Inc., Pfizer-Warner Lambert) from many different industries that send employees to intensive two and three day seminars to help them get up to speed in terms of forecasting knowledge and skills.

Evidence from Marketing Faculty

In most cases, forecasting is not seen as its own sub-discipline in the marketing curriculum. When we talk with our marketing colleagues we find that few teach a forecasting class or cover forecasting in their courses, except in a very superficial manner. However, if you were to ask most marketing faculty whether they think that forecasting is important in business they would tell you yes. If the importance of forecasting is not a debate then why is the topic not a norm in the curriculum? Loomis and Cox (2000) claim the reason that forecasting is missing from many schools’ curriculum is due to the fact that forecasting is an interdisciplinary area that incorporates aspects of marketing, finance, and economics.

Many, if not most, undergraduate programs in marketing require a capstone course that brings together knowledge gained from a variety of required and elective courses (Bussie’re 2005). Crittenden and Crittenden (2006) review 122 capstone marketing course syllabi collected from schools around the United States and find that topic of forecasting was only contained in 4 (about 3.3%) of the syllabi.

Further, simulations are increasingly being used in business schools as a way to apply concepts in a more real-world scenario. Teach (1992) analyzes the *Marketing In Action* business simulation and finds a very strong link between the ability of students to forecast different outcomes with their performance in the simulation, measured by profitability. This provides more evidence that forecasting is essential to help make good business decisions, even in the classroom setting.

Finally, if you look in the indices of basic marketing texts you typically do not find forecasting listed. When forecasting is listed and you look at the coverage it is sparse to say the least. The same can be said for marketing strategy texts, sales texts, and marketing research texts.

Evidence from Marketing Alumni

While some recent graduates might have been taught about forecasting from a theoretical perspective, they frequently lack the technical skills associated with applied learning in order to be successful in the workplace. Harraway and Baker (2005) surveyed recent graduates and found large discrepancies between what is taught at the university level and what is practiced at work. Specifically, the authors point out insufficient preparation of graduates in “statistical preparation for employment.”

Another important consideration in the lack of statistical/technical skills of marketing graduates could be a self-selection issue. That is, college students “self-select” into the marketing major partly because they perceive a lower-level requirement of quantitative skills in marketing as compared to

other business disciplines. LaBarbera and Simonoff (1999) investigate this issue and claim that it is necessary for marketing students to learn and be comfortable with data analysis methods in order to improve their ability to identify, understand, and forecast future developments.

Survey of Forecasting Faculty

In February 2012 an email survey of faculty who teach forecasting was conducted. We obtained completed returns from 51 of those 395 for a return rate of 12.9%. Respondents felt that Moving Average, Simple Exponential Smoothing, Holt's Exponential Smoothing, Winters' Exponential Smoothing, Time Series Decomposition, ARIMA, Linear Regression Trends, and Multiple Regression Causal Models were "Very Important." Similarly, respondents felt that the root mean square error (RMSE), mean absolute percentage error (MAPE), and mean square error (MSE) were "Very Important" and that the mean absolute deviation (MAD), mean percentage error (MPE), and Theil's U were "Important."

What Should Marketing Students Know About Forecasting?

There is little debate that forecasting plays an important part in the marketing realm of business. Making the best possible forecasts using data that is readily available can help businesses provide consumers with the right product at the right place at the right time and at the right price. Forecasting helps change data into information and can help businesses become more profitable.

Students should realize that forecasts are not going to be "correct". However, quantitative forecasts can be used as a complement to (and most of the time outperform) judgmental forecasts. Students should be able to look at a graphical representation of a series and identify trends, seasonality, cycles, and/or outliers. This will allow them to determine the appropriate forecasting method(s) to use. Then, students should be able to make a forecast.

There are a minimum of six common forecast methods with which an undergraduate marketing student should be familiar. They include: simple exponential smoothing, moving average, Holt's exponential smoothing, linear trend, Winters' exponential smoothing, multiple regression, and combined forecasts in a real-world context. They do not necessarily need to know the algebra behind the more complex of these. However, they should be aware of the models, when they can be appropriately used, how much historical data should be used in developing the model, and how far into the future they should be projected.

Finally, students should be able to critically think about the results and evaluate the forecast using metrics such as RMSE and MAPE. Adding forecasting to the marketing curriculum will improve the quantitative skills of our students and help them to critically think about marketing problems in a real world context.

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Information Transfer Capabilities of Video: Comparing Video Lectures to Face-to-Face Lectures

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There have been several studies examining the use of video lectures in transmittal of declarative and procedural knowledge. Taken together there is still a question as to the optimal use of video lectures: do they do a better job of communicating information than face-to-face lectures or poorer? This study reports on some recent literature and designs a study to test the efficacy of video lectures compared to face-to-face lectures.

Introduction

Many teachers are excited by the prospect of active learning strategies, strategies to accommodate different learning styles, and innovations that make the classroom more fun and interesting. Faced with increasing class sizes, increasing paperwork, increasing demands for research, and increasing demands for accountability, many teachers are hoping that technology can help accommodate the objectives of increased learning and improved teaching evaluations. Despite our desires to meet the students where they are, and our desire to train them in problem solving and other higher order thinking skills, most college teachers have content requirements that are expected to be transmitted to the students in preparation for using those higher order thinking skills. Thus, traditional education is typically based on the idea that the transfer of content information is a critical role of education. Computers and technologies are presumed to support that role. However, if one takes the view that learning is a “SOCIAL act of constructing knowledge in a dialogic activity,” we are unsure if technology does as good a job with that aspect of learning as face to face instruction (Charbonneau-Gowdy & Cechova 2000; Moura 2006). Dey et al. (2009) cite Tapscott (1997) as stating that students are demanding use of technological delivery methods. Still, responsible educators must ask, what is the most efficient way of transmitting information to students? For the purposes of this study, multimedia is defined as using 2 or more perceptual modalities at the same time. Video lectures and face-to-face lectures both qualify as multimedia in that sense. Both includes slides (visuals, with or without video additions, with or without video of lecturer) with narration of relevant points (Jadin et al. 2009). Specifically, in the case of this study, the question is, whether video transfers declarative and procedural content information as effectively as face to face lectures.

Some advantages of video lectures include accessibility outside class time and class room, access on demand, reuse, flexibility, ability to stop and start (Brecht and Ogilby 2008; Jadin et al. 2009; Schwann and Riempp 2004). Because of the students ability to use the video at their convenience Jadin et al. (2009) posit that the video is a more “personalized” delivery, which should improve motivation and learning. Hughes (2009) asserts that the video lecture is a viable alternative to [boring] reading. On the other hand, Jadin (2009) mentions

disadvantages such as lack of interaction with professor and other students, lack of feedback, and the requirement of higher intrinsic motivation and self-regulation.

Another reason video is expected to outperform, or at least equal the value of face to face lecture, is its multimedia nature. Video is expected to increase motivation and involve more areas of working memory, thereby increasing retention (Dey et al. 2009; Tempelman-Kluit 2006). It is also thought to provide more “human” connection between online student and instructor (Jensen 2009). While video may provide an advantage in modeling complex processes (Brecht & Ogilby 2008), some disadvantages include production time, technical difficulties, download speeds, lack of real time feedback, and preference for reading (Hughes 2009).

Information Processing Theory on Multi-Media Learning

The first important assumption of teaching is the active processing assumption: students are actively trying to make sense of what instructors are presenting. (Baddeley 1992; Chandler & Sweller 1992). From the perspective of this study, a difference in receptivity/attention to video versus face to face lecture could influence the transfer of information.

Alternatively, Cognitive Load theory (Sweller 1994) suggests that there are limits on student ability to process information. Cognitive load means “total amount of mental activity imposed on working memory at an instance in time (Cooper 1998, p.11).” The theory is concerned with limitations of working memory and assumes those limitations are a “primary” impediment to learning. For example, students trying to absorb a complicated formula with more than 7 characters might be problematic, since there is the assumption that humans can only maintain about 7 things in working memory at one time (Babin 2011).

On the other hand, the Dual Channel Assumption suggests separate audio and visual channels within the perception processing centers of the brain, suggesting there is no inherent conflict between presenting a visual and narration/lecture at the same time. There is no inherent conflict in competing information if separated in into the audio and visual channels (Paivio 1986; Baddeley 1992). However, it is assumed that there is limited capacity in each channel. This suggests the Modality principle, that it is better to use spoken word rather than text within animation/video lecture (Jadin et al. 2009; Mousavi, Low & Sweller 1995). Tying all this together, Jadin et al. (2009) posit that learners “apply *cognitive processes* to make sense of incoming material.” [italics in original] Mayer (2001) believes multimedia learning occurs “when learners engage in different kinds of cognitive processing: selecting words, selecting images, organizing words, organizing images, and integrating these

elements. In selecting words and images, humans transfer externally presented visual or verbal information from sensory memory into working memory. Once in working memory, learners organize this selected material into a coherent representation or model, such as a process, comparison, generalization, enumeration, or classification (Cook and Mayer 1988). By integrating, we create connections between new knowledge and stored knowledge” (Jadin et al., 2009, p. 379).

From an information-processing perspective, video lectures and face-to-face lectures seem equivalent in the inputs and demands on the cognitive processing systems. Both provide dual channel inputs, visuals and narration, expected to induce greater activation of working memory. However, there may be other reasons to think one would outperform the other.

Personalization and Culture

Clarity, color, and context, the feeling of “being there,” are critical features [of HiDef] that are posited to be important to learning (Charbonneau-Gowdy & Cechova 2000). “Traditional Interactive” learning is limited to watching and clicking, which reduce learners to being outsiders. This is expected to reduce student involvement and motivation, resulting in less student learning. While there are strategies that can increase interactivity online, even mid-video, there are questions as to the value of such things. Jadin (2009) and Zhu (1999) noted that too much interactivity tends to distract from the important content, and “repeaters” gained more learning than “surfers.”

Another potential factor is the “personalization” feature. In this case personalized could be replaced with social, or with a person or the feeling of connection with someone (Charbonneau-Gowdy and Cechova 2000; Dey et al. 2009). Social-cue hypothesis (Rutter 1984) and persona effect (Lester et al. 1997; Kiesler and Sproull 1997) suggests that presence of real person aids in info processing due to reducing cognitive load [knowing what to do] and increasing motivation and attention (Andre et al. 1998; Lester et al. 1997). Empirical evidence does NOT show differences in recall or problem solving with versus without an agent [person, lifelike or cartoon or spokesmodel such as GEICO gekko] (Andre et al. 1998), but personalization did result in better retention and problem-solving transfer. This phenomenon is thought to be related to social presence (Reeves and Nass 1996; Hidi and Baird 1988). Likewise, Jensen (2009) did not find differences in performance on declarative knowledge (quiz scores), but students evinced a preference for in-class because of easier maintenance of attention (c.f. Wang et al. 2010).

Dey et al. (2009) compared online learning using video lectures by the same instructor with a face-to-face section, considering face-to-face to be personalized. Using an “academic confidence” control variable, Dey et al. (2009) found that students rated “live” presentation higher in quality than video presentation, and thought instructors presentation made more sense than did video presentations. Results seem to suggest that students prefer a “personalized”—with face-to-face instructor in the case of Dey et al.—to [non-instructor] online video. Dey et al. (2009) found that for information transfer (application type questions) the online class did better, but there was no difference in retention [2 objective short answer questions] between sections.

Preference of Students for Video

Brecht & Ogilby (2008) offer additional reasons why videos might enhance learning for certain students. First, it could be described as a more culturally current medium—perhaps they just prefer it to reading or lecture because they are used to receiving information in that way. Second, it can be used in the time, place, and under the circumstances (informal settings, with snacks, etc.) of choice for students. The question then becomes, is video sufficiently more engaging than face-to-face lectures to persuade students to use them outside class time, or to pay more attention in class?

The Importance of a Comprehensive Strategy

Several studies emphasize that the advantage of video in the classroom depends on its being part of a comprehensive strategy (Brecht & Obilby 2008; Mitra, et al. 2010). Obviously the studies cited in this paper used the videos in a variety of ways. They were used as alternative lecture delivery systems (Jensen 2009), as supplements (Brecht & Ogilby 2009; Weiling & Hoffman 2010), as enhancements, to accommodate learning styles, to free up time for active learning strategies, etc. It seems that to reap the benefits of video, instructors must have a good idea of the objectives and desired mediating outcomes as well as the information transfer ability of video.

Empirical Evidence of Effectiveness of Video as Learning Aid

In the end, what instructors must be concerned with is student mastery of the material. This includes retention of basic knowledge and application and other upper level thinking/learning skills. But before evaluating these results, it is necessary to consider whether the students thought the videos were valuable in some way and used them appropriately.

Authors have found that students use online video lectures as face-to-face lecture replacements (Jensen 2009), and as supplements for the purpose of class prep, review, or tutoring (Brecht & Ogilby 2009; Weiling & Hoffman 2010). Brecht & Ogilby found that 73% of students with videos available used them (although they were in fact instructed to do so), about 30% used them for class preparation or tutoring, and about 70% used them to assist with homework or exam preparation. This use suggests students believed the videos had value. Students also reported that videos provided value, whether it was in the form of grade improvement, entertainment, or boredom relief (Brecht & Ogilby 2009; Cascaval et al. 2008; Hamer 2001; Tang & Austin 2009).

Finally, considering the objective measure of grade improvement, the results are more mixed. Brecht & Ogilby (2009) reported a significant difference in the failure rate between those who watched the video and those who did not, and more to the point, improved final exam grades for students in all grade ranges (A-F).

On the other hand, some authors have not found differences between video lecture results and face-to-face lectures. Bassili (2008) found no differences or relations to motivational or learning strategies. Lents and Cifuentes (2009) found no difference between online narrated Powerpoint lectures and in-

class lectures gradewise. Weiling & Hofman (2010) found a positive effect for using online review lectures, and an interaction between in-class attendance and online review: poor attendance improved the value of online review. Despite using saved class time for active learning, Jensen (2009) found no difference in learning, and that students preferred in class

lectures. Mintu-Wimsatt (2001) also reported that students evaluated in-class lectures more highly than video distance learning. Further toward the negative end of the scale, Tang & Austin (2009) found that while video provided the most enjoyment, Powerpoint lectures provided the highest amount of learning & motivation.

These mixed results show that the basic question remains unanswered: is the video lecture better than the face-to-face lecture in its ability to transmit basic content. In this case the video is replacing the in-class face to face lecture. This question requires further empirical testing. The following hypothesis would represent one test of the research question.

Hypothesis 1a: Students will show greater increase in Multiple choice quiz scores of declarative and procedural knowledge (from before to after) with video lectures than with face-to-face lectures.

Hypothesis 1b: Students will show improved grades (between classes, controlling for academic self-efficacy and attention/use) on application (written) assignments with video lectures than with face-to-face lectures.

Table 1: Suggestions for Maximum Efficacy in Use of Video in Instruction

2004	Schwann & Riempp	Online learning	Provide interactive controls (stop, start, repeat, TOC).
2007	Whatley and Ahmad	review	Instead of full length lecture, use short videos on specific topics.
2009	Hughes	review	Watch video last, teach face-to-face first Provide copies of notes and print out notes as guide for video Make only major content points with narration—convey minor content points some other way Limit length of videos to improve download and easier download. Incorporate personal touches, but avoid references to weather, season, current events, etc.
2009	Jensen	Replace f2f lect.	Use saved class time for active learning strategies
2009	Ambrosini et al.	supplement	Use films to represent complexity of real world
1983	Madden	Video case assignments	Practice different skills from written case assignments.

Method

The study will be conducted using 2 upper division marketing classes at a regional southern university that are taught fall and spring. Two traditional lectures will be replaced with video lectures in each class. The video lecture is a full length (about 20 minutes) replacement of the face-to-face lecture, but it is available for review online (and mentioned) for both groups. Thus both groups have the book, PPT slides, the video, and the professor as resources (along with other things). The difference will be the formal presentation of the PPT lecture versus the formal presentation of the video lecture. The units will include other learning tools as well as the video lecture, such as written assignments. In the fall, the first two video lectures will be developed and used. In the spring, the topics selected for fall videos will be taught face to face, and video lectures will be created for two lectures that were taught face to face in the fall. This should provide comparability across topics. Attention to the videos and supplemental use of the videos will be assessed through survey and use of access logs in the course management system.

The main research design will be before and after and will be tested using paired sample t-tests of mean quiz scores, such that each student provides their own control. The before quiz is an extra credit “review” of what students might remember from previous classes. The after quiz is the final assessment for the unit. The final assessment will include the questions from the before quiz. This measure of student learning is limited to declarative and procedural knowledge. However, since this type of knowledge is foundational to all higher order learning and knowledge, it is the most essential learning. While the pre-test

may prime the students to pay attention to or study the important concepts, there is reason to think that phenomenon might be consistent across all 4 experimental cells, and it is hoped it will have that effect.

In addition, grade information on written assignments on the control topic and video lecture topic from the final assessments will be compared between classes, with controls for overall student performance such as GPA. This will include application, and information transfer in the sense of using the information in a new situation as suggested by Dey et al. (2009).

Additional data will be collected via survey, including learning self-efficacy, and use of and attitude towards the provided/required learning materials and assignments.

Implications for Pedagogy

The authors above, plus numerous others, have suggestions for improving the learning effectiveness and efficiency of video lectures. The table below lists specific suggestions that will provide input into the preparation of the study.

In this study, short videos on specific topics are used, and by their nature have interactive stop, start, rewind controls. Saved class time is not the issue here, and lectures are typically simplifications from real life. Consistency in teaching face to face first is sacrificed to the needs of the experiment, however it would apply to those F2F lecture students who used the video as a supplement—a situation that will be examined in the study.

Conclusion

If it can be shown that video does a better job of information transfer of declarative and procedural knowledge, due to student preference, greater use, or greater consistency,

this suggests including video lectures (at least as supplements) in all classes. If the F2F lectures produce better results, then perhaps video is better used for another purpose than replacing F2F lectures, such as helping students learn to extract information from a complex scenario (Ambrosini 2009).

While video lectures may or may not improve information transfer, if using them can help build a classroom culture of scholarship, instructors may have to settle for that benefit.

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The Effects of Peer Collaboration on Student Evaluations of Distance Education in Marketing

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The impact of peer collaboration on evaluation of on-line homework is presented. 359 students over eighteen months in seven sections of an undergraduate introductory marketing course evaluated McGraw-Hill's Connect™ on-line homework platform. Factor analysis of student responses revealed that helping others and being helped were important parts of the experience. To understand the impact of collaboration on evaluations of the assignments, students were categorized into four groups: 1. Neither given nor received help (n=169), 2. Helped others only (n=29), 3. Received help only (n=31) and 4. Both received and gave help (n=117). Discriminant analysis comparing students who worked alone to those who collaborated revealed that collaborators rated the on-line experience more positively, and thought the on-line homework assignments were more helpful with exams, but the group had lower self-reported exam scores. Theory and implications of the results are presented.

Introduction

A question recently addressed by Purzer (2011) is whether students who assist others demonstrate higher classroom performance. A recent posting by TOMORROW'S PROFESSOR eMAIL NEWSLETTER (<http://cgi.stanford.edu/~dept-ctl/cgi-bin/tomprof/postings.php> (Msg. #1158) *Help Yourself by Helping Others* reviews Purzer's finding that the amount of support-oriented discourse students provided others affected their own classroom performance. This study follows Purzer's work by exploring the impact of self-reported giving and receiving assistance on evaluations of on-line homework assignments and performance on exam scores.

Theory and Hypotheses

Educational research studies show the effectiveness of collaborative learning methods compared to teacher-centered methods (Chi 2009). Studied under keywords such as collaborative learning (Millis and Cottell 1997; Barkley and Cross 2005), student-centered classrooms (Sandholtz, et al 1997), peer-based professional development (Eisen 2001), or peer-assisted learning (Topping and Ehly 1998), the impact of peer dynamics on individual performance is an important matter in higher education, particularly for distributed (on-line) platforms Hall (2006).

Absent from these findings is a consistent body of theory that explain these phenomena. In the tradition of marketing, Kotler (1972) and Bagozzi (1975) emphasize the concept of exchange, by which individuals weigh the benefits and costs

transactions. The exchange addressed in this piece is whether to collaborate with others or to work alone. Benefits of collaborative learning can include sharing information from multiple perspectives and time savings while costs can include admitting to the need for assistance and time lost.

Purzer's (2011) findings were based on tracking the student interactions for two team projects in an engineering class. Analyzing the exchanges between team members such as giving directions, sharing new ideas, answering questions, elaborating on ideas, defending one's own point, and sharing incorrect or unrelated information, the study reported that students gain confidence in their own skills by supporting teammates.

To explain these results Purzer notes there are two learning theories that are commonly used to examine learning in group settings, social constructivist theory (Vygotsky 1978) and social cognitive theory (Bandura, 1989). Social constructivist theory focuses on the cognitive structures received from group interactions that elevate stand-alone knowledge. Social cognitive theory states that peers impact learning by stimulating cognitive, motivational, and affective processes. With increased motivation and confidence people tend to be more successful (Bandura 2001).

The context of collaboration for this study is the use of an on-line learning platform McGraw-Hill's *Connect™*, an example of a combination of face-to-face and on-line learning referred to as hybrid distance learning.

Relevant DL literature findings

Today's distance learning (DL) can be traced to the first correspondence courses in the early 1840's (Hall 2006). In 2007–08, about 20 percent of all undergraduates took at least one DL course and 22 percent, while 9 percent of graduate students took their entire program via DL (US Department of Education, 2011).

An example inquiry into the determinants of learner satisfaction is offered by Koenig (2010) who measured faculty satisfaction with classroom effectiveness to compare DL to face-to-face delivery on nine factors including allowance for student group collaboration. An example of DL best practices is offered by Boettcher and Conrad (2010) who provide ten suggestions for great DL experiences including creating a supportive online course community and using a variety of large group, small group, and individual work experiences. Key advantages of DL was summarized by Bigony (2010) who noted the value of global exchanges of ideas and information not possible in traditional learning environments, greater personal and

professional accountability, and improved technology skills. The DL disadvantages noted by the author include the lack of face-to-face contact that can lead to difficulty in understanding course materials, student frustration, isolation and less collegiality.

One of the most comprehensive and enlightening examinations of DL is offered by Zhao, Lei, Yan, Lai and Tan (2005). Using Meta Analysis of 51 journal articles, their analysis revealed no significant differences in outcomes exist between distance learning and the face-to-face format, confirming the “no difference” hypothesis of DL proponents. The authors also found that programs with a broad range of interactions between students and instructors and among students reported more positive outcomes.

Jackson and Helms (2008) found that Hybrid Distance Learning classes continued to exhibit the same weaknesses of the online format, and the addition of face-to-face interaction did not minimize weaknesses. Their results indicated an almost equal number of strengths and weaknesses of hybrid courses compared to all face-to-face and 100% DL. The top two strengths were delivery flexibility and time utilization but were also mediated by the weaknesses of lack of faculty interaction and technology challenges. Thus, flexibility is both strength and a weakness both in DL and HDL. See also, Colucci and Koppel (2010). Hall (2006) examined the perceptions of graduate management students and emphasized the concept of Learning Nets that facilitated peer collaboration and instructor feedback. Hall found particularly for working adults LNs offer a high degree of interaction and collaboration that can be more effective than traditional classroom methods, and that students can enjoy a dynamic, personal and scaleable experience for continuous learning in a flexible learning environment.

Study Hypothesis

Based on the considerable literature supporting collaborative learning on student performance, especially Purzer’s (2011) findings that students gain confidence in their own skills by supporting teammates, the study prediction is there should be a significant positive relationship between class performance and support they gave and received from others.

An Examination of the Impact of Collaboration in Hybrid DL

To explore the impact of cooperation in a hybrid DL format student perceptions of on-line homework assignments using McGraw-Hill’s *Connect*™ platform collected data from students’ perceptions from seven sections of principles of marketing classes over three semesters, using an anonymous questionnaire. An earlier study of the data revealed that a modest impact of perceptions of the effectiveness of the homework on self-reported exam performance was found, but that the impact of a ‘digital flashcards’ feature lead to a 13% in improvement in actual exam performance (Harvey et al 2012).

Students were assigned to teams in sections of undergraduate intro marketing class to complete a semester long project. At the end of the semester students responded to an anonymous survey to evaluate the learning modules. Survey anonymity was selected to increase candor of student responses. Ten items considered being important descriptors of perceptions of the homework, plus demographic items were included in the

instrument. The items selected for the study were based solely on their face validity for the context of the inquiry. Ideas stemmed from the professors in the course and from discussions with the vendor, McGraw-Hill.

359 usable questionnaires were collected over an eighteen month period in an introductory marketing course, required of all majors. Table 1 presents the frequency distributions of the sample characteristics. The sample characteristics included majors and GPAs that generally reflected school parameters.

Table 1. Demographics of the Respondents

Description	Number	Percent
Major:		
Accounting	112	33
Finance	62	18
Info Sys	45	13
Management	78	23
Marketing	48	14
Exam Average:		
< 60	2	< 1
60 - 69	6	2
70 - 79	62	18
80 - 89	179	52
90 - 100	93	27
Grade Point Average:		
< 2.0	5	2
2.0 - 2.4	12	4
2.5 - 2.9	106	31
3.0 - 3.4	150	44
3.5 - 4.0	69	20
Gender:		
Female	161	48
Male	173	52

Table 2 presents the overall results of student perceptions of the on-line homework assignments, listed in descending order of agreement. Students mostly agreed the assignments were relevant to real world marketing and interesting, while less agreement was associated with the assignments helping with the semester project (a team-based marketing plan) and the added cost of purchasing access to the assignments.

Table 2. Survey Item Means in Descending Order

Description	Mean	SD
Relevant to real world marketing	4.25	.887
Interesting	3.88	.938
Helped me better understand the course	3.86	1.026
More engaged in the course	3.78	1.028
Helped with exams	3.55	1.142
Made book more interesting	3.33	1.115
Helped with semester project	3.15	1.172
Worth the money	2.82	1.194
Others helped me with assignments	1.89	1.257
Helped others with assignments	1.85	1.220

To explore the underlying nature of the results of the student perceptions of the beliefs about the homework assignments, Principle Component Analysis with Varimax Rotation was conducted. Analysis revealed two independent factors underlay the homework experience. As seen in Table 3, the ten questionnaire items spread across two factors with eigenvalues 1 or greater, and no mixed loadings. Factor 1 (46.5% of variance) was comprised of evaluative beliefs about their experiences (interesting, helpful, etc.) and Factor 2 (15.0% of variance) was comprised of student behaviors regarding giving and receiving assistance with the on-line assignments.

Table 3. Rotated Component Matrix

Item (in questionnaire order)	Component	
	1	2
Interesting	.763	.058
More engaged in the course	.819	.072
Relevant to real world marketing	.686	-.162
Helped others with assignments	.113	.880
Worth the money	.697	.239
Helped with semester project	.690	.254
Made book more interesting	.752	.230
Helped with exams	.670	.202
Others helped me with assignments	.113	.867
Helped me better understand the course	.805	.074

Impact of Helping

To examine the overall impact of helping, students were grouped into whether or not they reportedly provided assistance to others (Yes = 142; No = 200) and means of the evaluations of the on-line assignments were compared. The group that helped other reported significantly higher mean evaluations of the assignments on seven of the eight measures, with only Relevant to real world marketing not significantly different. Grouping means across helping or not revealed an average rating 10.2% higher. Furthermore students who helped others evaluated Worth the money 20.5% higher, Helped with semester project 17.7% higher, Made the book more interesting 15.0% higher, and Helped with exams 13.7% higher. An examination of demographics of helping showed the only effect was gender with males reporting higher levels of helping than females. No effect of major or GPA was found but having slightly lower self-reported course exam average was associated with helping ($p=.099$).

To conduct further internal analysis of the data, descriptive statistics on helping others and being helped was undertaken. Based on median splits, students were categorized into four groups: 1. Neither given nor received help (coded NN), 2. Only helped others (coded NY), 3. Only received help (coded YN) and 4. Both gave and received help (coded YY).

To determine whether an overall effect of helping types on assignment evaluation took place, MANOVA was used to test that overall differences between the four groups on multiple dependent measures were significant. Results indicated a strong overall effect (Pillai's Trace $F=1113.5$, Hypothesized $df = 13$; Error $df = 317$; $p=.000$). Key between-subjects effects were found for Worth the money ($p=.000$), Helped with semester project ($p=.002$), Made book more interesting ($p=.001$), Helped with exams ($p=.003$), and Helped me better understand course ($p=.020$).

As presented in Table 4, One-Way ANOVA of self-reported exam averages revealed that a marginally significant effect of collaboration group was found ($F = 2.255$; $df = 3,338$; $p = .082$). A Post hoc LSD test showed that only the NoNo/YesYes groups were different ($p = .025$).

Impact of Assignments on Student Performance

Since data was collected anonymously, the key dependent variable relied on self-reported exam average in the course. Stepwise linear regression was selected to examine the impact of instrument items on class performance. Perceptions that the on-line homework assignments helped with exams were positively related to self-reported exam averages. However, only 3.9% of variation in exam performance was associated with variation in perceptions the assignments helped with exams ($F = 14.14$; $df = 1,352$; $p = .000$).

The association of study variables on helping behavior was explored using stepwise regression. Two variables were associated with offering assistance to others: Others Helped Me (Beta = .575) and Worth the Money (Beta = .128). These two variables explained 37.9% of the variation in helping others ($F = 104.84$; $df = 2,343$; $p = .000$).

Stepwise regression was also used to examine the reasons for receiving assistance. As expected, the idea of reciprocity was confirmed once again: Helped Others (Beta = .581), Major (Beta = -.122) and the Assignments Made the Book more Interesting (Beta = .095) were the three variables best associated with Others Helped Me with Assignments ($F = 71.98$; $df = 3,342$; $p = .000$). These three variables explained 38.7% of the variation in Others Helped me with Assignments.

Table 4. Effect of Collaboration Group on Self-Reported Exam Average

Collaboration Group	Self-Reported Exam Average	Group Size
Not given; Not received (NN)	4.14	169
Not given; Received (NY)	4.07	29
Given; Not received (YN)	3.87	31
Given; Received (YY)	3.93	117

Table 5 presents the summary statistical analysis of the differences between students who worked alone and those who collaborated. Differences were significant for all but Time (section or semester of the survey), Relevant to real world Marketing, Major and self-reported GPA.

Table 5. Mean Comparisons for Groups YY and NN

Item	Statistical Significance
Time	ns
Interesting	.007
More engaged in course	.021
Relevant to real world marketing	ns
Helped others with assignments	.000
Worth the money	.000
Helped with semester project	.000
Made book more interesting	.000
Helped with exams	.000
Others helped me with assignments	.000
Helped me better understand the course	.002
Major	ns
Exam Average	.028
GPA	ns
Gender	ns

This analysis also showed that collaborators rated each survey item more positively than those who worked alone, except for self-reported exam average. Furthermore, these findings show that the motivation to collaborate was not driven by major, GPA, or gender and that the results of the study were not affected by the time that respondents participated in the survey.

Discriminant Analysis of Groups YY and NN

To further establish the key differences between the group that collaborated compared to those who worked alone, stepwise discriminant analysis using the questionnaire items as predictors was employed. Results show that Worth the Money (.590), Helped with Exams (.504) and Self-reported Exam Average

(-.581) were the key items that predicted group membership (standardized canonical discriminant function coefficients are in parentheses). The function at group centroids for Group 1 (NN) was -.264 and .399 for Group 2 (YY). Using the proportions as prior probabilities, the model correctly classified 66% of the sample, with 81% of the NoNo group correctly classified. The model was significant ($p = .000$) at each step of the analysis.

Discriminant Analysis of Groups NY and YN

To understand the differences between the group who gave but did not receive help (NY) with the group who was helped but did not assist others (YN), stepwise discriminant analysis showed that Gender was the only marginally statistically significant variable ($p = .042$) to predict group membership. Males were slightly more likely to report they gave assistance but did not receive help. Gender correctly classified 63% of the sample of these two groups.

Findings and Discussion

Consistent with the hypothesis of the literature on collaboration that students who help others help themselves, the findings of this study indicate that those who provided assistance to others evaluated the on-line homework assignments an average 10 percent higher, with items Worth the money, Helped with semester project, Made the book more

interesting, Helped with exams being rated higher than the overall average. Males reported slightly higher levels of assistance than females.

An examination of students who worked collaboratively (YY group) compared to those who worked alone (NN group) evaluated the on-line homework assignments as more interesting, were more engaged in the course, thought the added expense of the on-line homework was more worth the money, helped with the semester project, made the textbook more interesting, more likely to help with exams, and helped them better understand the course. There were no differences by the semester across the eighteen months the data was collected or demographics such as major, GPA or gender. The finding that those who neither gave nor received assistance had higher self-reported exam averages reveals insight into the motivation to collaborate.

Contrary to expectations, the group who collaborated also reported lower self-reported exam averages, although the group also thought the homework was more likely to help with exams and to better understand the course. However, a related study bolsters the argument that on-line assignment performance improves actual exam scores (Harvey *et al* 2012).

Providing students with evidence-based communications of results from a growing body of support of the value of collaboration should raise the anticipated value relative to costs. Viewing collaboration as an exchange with costs and benefits, suggests that higher performing students view collaboration as possessing higher costs associated gains while students with lower exam scores believe they have more to gain by collaborating. An examination of demographics of collaboration showed only gender had an impact, with females reporting higher levels of working alone. No effect of major or GPA was found but having slightly lower self-reported course exam average was associated with collaborating.

A challenge for teachers and learners is to discover strategies for rescaling the perceived value and cost of collaboration, particularly for students with perception of high costs relative to value. One approach is greater recognition of the impact of collaboration by both teachers and learners. Presumably alerting students to the benefits of collaboration will boost their interest in doing so. Furthermore, these findings should provide a reminder for teachers to customize communications for different groups of learners. The present case suggests that lower achieving students will be self motivated to collaborate, while better achieving students need to be provided with messages that lower the perceived cost of collaboration. Remember, however that GPA had no effect, suggesting that the perceived degree of difficulty of the particular course overrides the GPA effect.

These findings support that messaging on worth the money, helped with semester project, made the book more interesting, and helped with exams are priority themes. Since males seem to be slightly more inclined to offer assistance, special communications that encourage both males and females to assert their inclinations to offer help and accept assistance may be required.

Appendix: Study Questionnaire

Reflect on the on-line homework for this class and indicate your beliefs about it on the 10 items below. Rate each item, using

A = Strongly Agree B = Agree C = Neither
D = Disagree E = Strongly Disagree

The Connect assignments in this course ...

1. were interesting
2. made me more engaged in the course
3. were relevant to real world marketing
4. I helped others with the connect assignments
5. was worth the money it cost
6. helped with the semester project
7. made the book more interesting
8. helped with my results on the exams in this course
9. I had help with the Connect assignments
10. helped me better understand the course materials

Also, please provide the follow information:

11. My major is (or most likely will be)

- | | |
|---|-------------|
| A Accounting | B Finance |
| C Information Systems & Operations Management | |
| D Management | E Marketing |

12. My exam score average in this class is

- A 90 – 100
- B 80 – 89
- C 70 – 79
- D 60 – 69
- E < 60

13. My GPA is

- A 3.5 – 4.0
- B 3.0 – 3.4
- C 2.5 – 2.9
- D 2.0 – 2.4
- E < 2.0

14. My gender is

- A Female
- B Male

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Summary Brief

Student Learning Styles as Success Factors: An Examination of Online Marketing Courses

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Online courses have seen tremendous growth in recent years. While many students will perform equally well in online courses versus traditional face-to-face courses, some students find online courses challenging. What could be the reason? One reason may be differences in learning style. General education research has long recognized the impact of students' learning styles on learning outcomes. There is less research, however, on the impact of learning styles on learning outcomes in an online environment. This study explores whether students' dominant learning styles (visual, auditory, or kinesthetic) will impact their perceptions of online learning as well as their performance in online marketing courses. The research discusses the results of the study and presents implications for online teaching and learning.

Introduction

Educational researchers have long recognized differences in student learning styles. However, by virtue of design, distance learning courses are often geared towards a *visual* learner who is able to effectively read and process information independently (Zapalska & Brozik, 2006). As online and hybrid course offerings are growing in popularity, especially in business schools, educators need to reevaluate whether their students' learning styles are sufficiently taken into consideration. General education research suggests that there might be a significant impact of student learning styles on learning outcomes in an online classroom (Battalio, 2009; Zacharis, 2010).

The present study has been developed to assess student learning styles in online marketing courses. While there is existing research linking student learning styles to knowledge acquisition and learning outcomes in business courses (Sood & Valentine, 1983; Tom & Calvert, 1984), there is little existing research on student learning styles in online business courses. The research aims to shed light on dominant learning styles, students' evaluations of their own learning preferences, as well as their ability to learn marketing effectively in an online format.

Conceptualization

There is a vast body of research on learning styles. Kolb (1976) developed a learning style inventory that results in four diverse learning styles, depending on an individual's preference for concrete or abstract learning, as well as their level of participation in regards to active participation vs. reflective observation: accommodator, diverger, converger, or assimilator. Gardner (1983, 1999) popularized the notion of "emotional intelligence," which is based on ten types of intelligence: linguistic, logical-mathematical, musical, bodily-kinesthetic,

special-visual, interpersonal, intrapersonal, natural, spiritual, and existential. The Solomon-Felder Index of Learning Styles (Felder, 1993; Solomon & Felder, 1999) presents four learning style dimensions, namely sensing/intuitive, active/reflective, visual/verbal, and sequential/global. These learning styles inventories are related, but conceptually different. For the purposes of the present research, a short learning style inventory was used to assess student learning styles on a very basic level: visual, auditory, and kinesthetic (similar to a learning style inventory by Jester, 2000).

The study had several goals: a) assess student learning styles, b) obtain information about students' self-assessment of their learning style, c) obtain information about students' perceptions of advantages and disadvantages of online marketing courses, and d) assess students' likelihood to take online courses again in the future.

Methodology

Participants

Participants were recruited at a small, urban college. Over two semesters, students in four online marketing courses were offered the opportunity to complete a learning style self-assessment in the context of online learning in exchange for extra credit. Fifty-two students participated in the research.

Procedure

The self-assessment included two parts. First, participants were directed to <http://people.usd.edu/~bwjames/tut/learning-style/>, a learning style inventory provided by the University of South Dakota (similar to Jester, 2000). Participants were then asked to read information about their dominant learning style and answer a series of questions in relation to online learning. In particular, participants were asked to assess to what extent they agree with the results of the learning style inventory, what advantages and disadvantages they see for their particular learning style in online courses, and whether they would be likely to take an online course again in the future.

Results

Learning Styles--Student responses were tallied and transcribed. Their dominant learning styles were obtained. The majority of students in the online courses identified as visual learners (28 students or 54% of the sample), followed by an equal number of auditory and kinesthetic learners (10 students each, or 19% of the sample, respectively). The remaining

students reported that their results showed two dominant learning styles.

Participants identified as auditory learners had the most disagreement with the identification. These identified learners were spread out almost evenly between somewhat agree, mostly agree, and totally agree. The majority of visual learners, kinesthetic learners, and kinesthetic + auditory learners strongly agreed with the identified learning style.

Likelihood to Take another Online Course in the Future—

The study also assessed the likelihood of students' taking another online course in the future. Presumably, their level of satisfaction and success in an online course would encourage them to seek out other online courses in the future. Does learning style impact their decisions?

The majority of participants, regardless of identified learning style, stated they would take another online course. The exception to this was the participants identified as kinesthetic + auditory learners. These learners stated they may take another course; however, the decision would be based on several factors including work schedule and course offerings. The kinesthetic + auditory learners clearly stated they would prefer a traditional class but, if they had to, would take a subsequent online course.

*Perceived Advantages and Disadvantages of Online Courses--*Students with the various learning styles showed distinct differences in what they viewed as the advantages and disadvantages of taking classes online. Overwhelmingly, visual learners stated that an advantage for an online course was that it worked around their schedule. They could work anywhere they wanted, all material for the course was in front of them, and they could go over the material as often as needed. The perceived disadvantage for visual learners were primarily having to teach themselves, not retaining information as well as in the classroom, not enough visually appealing information as most of the information is in text form (graphs, diagrams, Power Point files), as well as delays in response time when posing a question to the instructor.

All auditory learners in the study stressed the ability to read aloud as an advantage for online learning. Seventy percent of auditory learners stated that online courses without audio components were difficult, as everything had to be read instead of being able to listen to the instructor. Kinesthetic learners stressed the importance of being able to take breaks often and being able to move around as significant reasons to take online courses. A disadvantage for kinesthetic learners was the lack of hands-on experiences in an online classroom.

Across all learning styles, a common theme for taking online courses was the ability to complete work based on individual schedules. This, in turn, allowed many students to have jobs or hold internships while taking classes.

Discussion and Implications

Overall, the study indicates that students have a good understanding of advantages and disadvantages of online courses and are willing to continue taking these courses due to

the convenience factor of online courses. Visual learners, in particular, seem to take a liking to online courses.

The present research has taken a first step to assess possible differences in learning styles as well as students' general perceptions of online marketing courses. This research has demonstrated the need to include more visually stimulating information in courses as well as audio components. Future research is planned to assess the impact of learning style differences on learning outcomes in online marketing courses to assist faculty and course developers in enhancing online experience for improved student retention in online classes.

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Two Birds with One Stone: Rubrics as Tools for Grading Student Assignments

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Faculty members teaching at accredited business schools are familiar with assurance of learning practices and the accompanying documentation. One type of document used at many business schools is a rubric, a formalized scoring sheet which identifies students' mastery of the skills relevant to a given educational goal. Rubrics employed to assess student work represent an often underused class of documents, as rubrics frequently are used only in formal assessment cycles. This paper offers an approach to grading student work using rubrics for the dual purposes of assessment and grading. A brief description of the assessment process is offered, along with a description of the ways grading and assessment can be combined into a single activity. Also offered are corollary benefits of combining grading and assessment, as well as caveats.

Introduction

In recent years accreditation bodies have placed increased emphasis on measureable student learning outcomes (SLOs). For a number of years organizations such as AACSB and ACBSP require that business schools seeking, or maintaining, accreditation provide evidence showing a continuing effort to gauge student learning. Starting in 2002, AACSB has highlighted assurance of learning as a facet in providing evidence of continuous improvement in business education (Black and Duhon 2003). Currently, AACSB's Accreditation Standards stress the importance that learning goals are clearly stated, derived from the mission statement, and can be measured in relevant ways (AACSB 2012).

The result of the emphasis placed on the measurement of learning outcomes is formalized procedures for the assessment of learning. Assessment of learning (AOL) procedure operationalizes learning goals in a way that reduces subjectivity and measures student achievement against benchmarked standards. Assessment is an emergent process, owing both to its relatively new-found importance and the dynamic nature of benchmarks and learning goals. Because the AOL continues to evolve, the practice of assessment also evolves at a commensurate rate. As such, faculty charged with performing AOL tasks face a perpetually steep learning curve.

This paper briefly examines the source and nature of the AOL process, offering a descriptive framework of the related steps. Then, the differences between student grading and assessment is delineated. Finally, this paper offers a routine that combines the rudiments of the AOL process with student grading, with the goal of easing the learning curve.

An Overview of Assessment

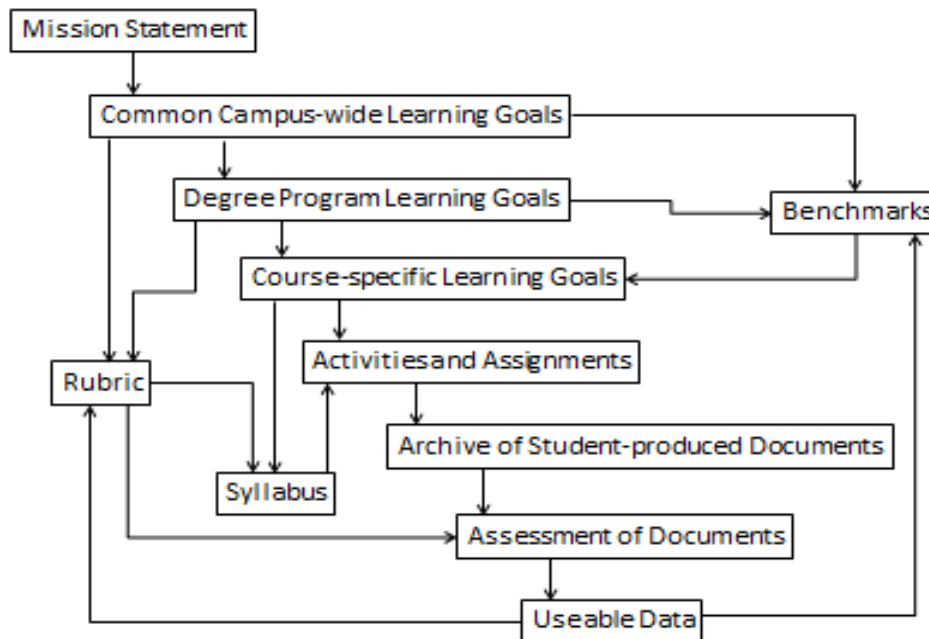
Although the practice of assessment has been part-and-parcel of AACSB accreditation since 2002, the importance of accountability in education has more recently been realized by the Association of American Colleges and Universities (AAC&U), Higher Learning Commission (HLC) and Lumina Foundation (AAC&U 2012, Lumina 2011). These groups outlined several overarching learning goals which are applied at the institution level while maintaining the integrity of degree-specific learning outcomes. The essence of the AAC&U and HLC initiatives is to provide an answer to the question, "What does a college degree mean?"

Couched in the language and procedural framework of accreditation lies a series of activities aimed at maintaining a culture of continuous improvement (see Figure 1). This framework suggests that the assessment process begins with an institution's mission state, but never truly ends. From the mission statement, a series of SLOs are written at the institution-level and degree program level, the SLOs are translated into activities at the course level. Related to SLOs, benchmarks for acceptable levels of student performance are stated, and rubrics are created to assess student performance. The documents produced by these activities are the centerpieces of AOL efforts (documents may be written papers, recorded videos, art work, etc). The rubrics are employed to create useable data describing students' achievement of learning goals, the data is compared against benchmarks, which drives a modification of the curriculum, which results in a another set of data, ad infinitum. This paper does not attempt to fully explore the implications of Figure 1 in its entirety. Rather, the focus centers on combining two necessary functions of the instructor: traditional assignment of grades and generating useable data from rubrics.

Assessment versus Grading

Grading focuses on the individual. Grading can, and often does, measure a student's attainment of SLOs, but the process of grading may obfuscate SLOs by accumulating various performance scores into a single score. A grade may include attendance, class participation, and low-stakes homework assignments, as well as high-stakes papers, exams and presentations. Because of this a course grade, or even an assignment grade, becomes analogous to a bucket where several aspects of learning are combined. In the process, fine-grained data that describe the facets of an SLO may be lost due to the student's desire to know their grade in a simple and straight forward way. Faculty may also see the advantage in generating a single grade for a given piece of work—less work in the process of grading.

Figure 1. Framework of the assessment process.



In practice, assessment aims at measuring student learning at an aggregated, cohort level. The goal of assessment is not assigning a letter grade to a student's work. Rather, it looks at groups of students to determine which SLOs have been achieved and where curricular improvements can be made. Typically, the practice of assessment will require faculty to score a number of student assignments on an agreed-upon rubric, then tally the scores for each row of the rubric. Table 1 shows a rubric used for evaluation of students' written communication. As an assessment tool, tallying scores along rows shows how well the students' papers were organized, as a group. Alternatively, histograms or bar charts can be created for each criterion to ascertain where students are succeeding and where they may need additional work. The outcomes of the scoring process will give instructors a more objective set of measures identifying relative strengths and weaknesses among a group of students.

Embedding Assessment in Grading

Combining grading and assessment allows professors the luxury of attending to two jobs in a single task. On its face this seems to suggest a higher level of efficiency, but there are several pitfalls and caveats in this process. Among these are unrealistically low grades, equally balanced components of grades, and a loss of course (or instructor) nuance in the process.

Every instructor has his or her own approach to grading a given assignment. A non-assessment based approach to grading may amount to awarding (penalizing) points due to good (bad) content. Some instructors offer separate grades for certain

components of the assignment such as content, mechanics, originality, etc. These component grades have value for students in understanding how their grades are calculated and identifying their own strengths and weaknesses. For the purpose of assessment, however, component grades only have value if they are treated as data, recorded, and analyzed for meaningful and relevant trends. Moreover, component grades have little value when compared against other classes unless the grades have been derived by common means, such as a rubric.

Using rubrics as grading instruments, as well as assessment instruments, has grown in recent years within business schools and across campuses (Arter and McTighe 2001, Lumina2011). From an efficiency standpoint, it makes sense that if students' work needs to be graded and used in assessment, then it stands to reason that both tasks be combined if possible. Simply stated, when an instructor sits down to grade paper, the grading process can include standardized rubric. Including a rubric in the grading process may result in marginally more work in the immediate task of generating grades and recording data, but the work has value in the more global task of AOL.

As a grading instrument, a rubric can result in low grades. Examining the rubric in Table 1, a quick calculation reveals that this particular example offers a maximum of twelve points (four categories and three points available in each). On a written assignment, imagine that a student earns a score of "proficient" in all four areas which would total eight points. Although this particular paper would not earn an A, it would certainly be deemed a passing paper earning at least a C, and possibly a B.

Table 1. Example of a Written Communications Rubric

Criteria	Excellent (3 points)	Proficient (2 points)	Needs Improvement (1 point)	Unacceptable (0 points)
Organization	Ideas are arranged logically to support the purpose. Ideas flow smoothly from one to another and are clearly linked to each other. Reader can follow the line of reasoning.	Ideas are arranged to support the writer's purpose, but order is sometimes questionable. Ideas are usually clearly linked to each other. Reader can usually follow line of reasoning.	Writing is not arranged logically. Frequently, ideas fail to make sense together and are not linked. By thinking hard, reader can usually figure out the line of reasoning.	Writing lacks logical organization. Reader cannot identify a line of reasoning.
Purpose	Writer's purpose is readily apparent to the selected audience and is clear.	Writing has a clear purpose, but may occasionally digress.	Purpose is not clear, nor is it easy to find an implied purpose.	Purpose is generally unclear and/or not even apparent.
Tone	Tone is consistently professional and appropriate for the selected audience and the purpose.	Tone is generally consistent, but may have a few lapses in fit or appropriateness to audience or purpose.	Tone is not consistently appropriate to audience or purpose.	Tone is not appropriate to audience and purpose.
Grammar and mechanics (sentence structure, punctuation, spelling)	Sentences are well-constructed. They vary in length and structure, and flow well. Writing is almost error-free, and reads well.	Sentences are functional. Errors are present but do not distract from the meaning.	Confusing sentences. Numerous errors distract reader.	Sentence structure and grammar errors are so numerous that the reader stops reading.

Based solely on the points awarded by the rubric this paper would eight out of a possible twelve points, or 66.6 percent. Thus, rubrics can be a fairly harsh grading instrument and result in relatively low grades which may be viewed as “unfair” by students.

The instructor has many options to overcome the problem of low grades generated by rubrics. By using any number of simple arithmetic tricks, a class's grades can be raised, lowered, compressed, or forced into a pre-determined scale. While the results of rescaling may please students, the drawback of rescaling is dilution of the data or obfuscating the comparisons among different data sets. For the purposes of assessment, the data should be in its rawest form.

Another problem associated with use of rubrics relates to the balance they provide among grading criteria. By design, the rubric offered in Table 1 weights each criterion equally. While equal weighting may be good practice for assessment, it may not be consistent with goals of a specific course or assignment. For instance, if a particular assignment is to write a letter of warning to an under-performing sales rep, then purpose and tone may be the important aspects of the assignment. For the purposes of grading, multipliers can be used to rescale certain criterion in the rubric to fit a particular situation. However, as mentioned before, rescaling should be limited to grading.

A drawback of using rubrics as grading instruments resides in the limited criteria they offer for evaluation. Certain nuances which may be germane to an assignment, or course, may not be adequately represented on the rubric. For instance, a written assignment may require the students to demonstrate information literacy in the form of research and citations, but the rubric offered in Table 1 cannot adequately capture that particular skill. When an instructor feels that a rubric does not meet the needs of

the situation, it is incumbent on him or her to develop the criterion needed to assess the skill. Recognizing that the rubric needs an additional criterion is relatively easy; the difficulty lies in developing the text describing the levels of proficiency. In writing these, care must be taken so that no ambiguity or overlap exists between levels. An added benefit of customizing a rubric is that the original rubric, no matter how well designed and vetted, may be outdated and lacking criteria reflective of the current state of affairs.

Benefits of Combining Grading and Assessment

Aside from the obvious efficiencies inherent in using rubrics for grading and assessment simultaneously, there are collateral benefits that can be accrued. As can be construed from Figure 1, the assessment process is daunting and complex. Any opportunity to gain an advantage in the AOL process can have benefits which are realized both in the short term and long term.

First, the practice of using rubrics whether for grading or assessment may seem cumbersome, particularly for a novice user. For the novice, the task of grading with a rubric may seem to be complicating the work and multiplying the effort required. Instead of “grading the paper”, the instructor is now grading grammar, tone, organization, etc. What was once a task that resulted in a single grade, or possible two component grades, now results in four or five component grades. Several studies reported that a portion of instructors resist using rubrics, but suggested that the resistance was based in unfamiliarity with the use of rubrics (Reddy and Andrade 2010). As familiarity is gained, resistance would be expected to wane and efficiency would be expected to increase.

For accredited business schools, the importance of continuous improvement is clearly stated by the AACSB (AACSB 2012). Assessment cycles are central to the continuous improvement of education. Rubrics, the instrument central to assessment, can also be improved upon. As rubrics are used by more faculty, and shared with more students, the increased familiarity may bring to light weakness in the instrument. The people that critically examine the rubric as a document, and the data it produces, may be able to offer suggestions for improvement in the document and process of data generation. Using rubrics for the purpose of grading gives people the experience with the rubric needed to discover any weaknesses or identify opportunities for improvement.

Typically, a single AOL cycle may run over the course of two years: student documents are collected in the spring, assessed in the summer, results are shared in the fall, curricular adjustments are hammered out in the fall and the following spring, the adjustments are implemented in the following fall, and data are collected again. In sum, this process appears to be summative in nature and improvements in student learning will take two years to realize. Combining grading and assessment offers a formative approach to improvements in learning. As the data generated by grading yields actionable information, improvements to course content can be implemented the following semester, or even during the same semester. Grading with rubrics can offer a formative approach to learning, curriculum adjustment, and to AOL cycles.

Assigning grades to written assignments or oral presentations can often be fraught with subjectivity. Imagine two papers, one is mechanically perfect, but is lacking in content; the other offers inspired insights, but contains several mechanical errors. Although neither paper could be considered outstanding, the instructor must decide how much of a reduction in grade each paper will be taxed. Reducing grades (or awarding grades) because of issues related to content falls to subjective valuation of a given error or insight. With the aid of rubrics, assigning grades to these types of work can be less subjective and more consistent and reliable (Reddy and Andrade 2010).

Finally, students view rubrics as learning tools. While faculty may see a rubric as a score sheet, students view them as a learning aid and secondary guide toward proficiently completing an assignment (Reddy and Andrade 2010). For instance, students may be assigned to give an oral presentation of a case analysis. Primarily, the assignment will focus on content: background facts, industry analysis, SWOT, and a solution. By using a rubric as a guide in preparing their presentation, students will know that content will account for a portion of their grade, and they will also be graded on eye contact, visual aids, body language, etc. Thus, students and faculty have differing views of what a rubric accomplishes. Faculty may have a limited perception of what a rubric can accomplish, while students see rubrics as a set of directions for approaching an assignment.

Caveats for Combining Grading and Assessment

Although there may be efficiency gains in the practice of combining grading and AOL, it should also be noted that there are potential pitfalls. First, if the data used in AOL come from a single section of a single course, generalizability may be a problem. Suppose an institution offers several sections of a given course, and uses several instructors to teach it. Further, suppose that one of the instructors enthusiastically supports AOL, gathers data every opportunity, and uses the data to make minor curricular adjustments mid-semester. Going one step further, suppose this instructor offers to share the data with an accreditation committee, with the aim of helping to “close the loop.” While the intentions are good, and the instructor’s efforts are valued, the data may not accurately represent the larger population. In the interest of accurate reporting, data should be drawn from a sample across sections rather than a single source.

Related to the problem of data from a single source is data from a single rater. Imagine a course (capstone, for instance), where there are only two sections, but both are taught by a single instructor. In this case, sampling will be even across the population, but there will be only one person generating the data. In this case, the data may lose a level of objectivity owing to personal motivations of the rater, the fallibility of the rater, or the possibility that raters may change from cycle to cycle. To ensure that the data do not contain biases, several raters should be involved and engage in inter-rater reliability norming.

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Summary Brief

A Review and Cross-National Factor Analyses of Motivators and Deterrents to Study Abroad

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Study abroad students accrue important intercultural competencies critical to the ever-expanding global marketplace. Limited empirical data elucidates both the positive and negative underlying attributes important to the study abroad by business undergraduate students. Based on the literature, data from the USA and Norway is collected to conduct a factor analysis of the motivators and deterrents to study abroad. The factor analyses of both countries, combined, and for both countries, separately, all reveal the same pattern. As hypothesized, the motivators all load on one factor (i.e., fun, different culture, personal development, different language, and broadened career opportunities). The deterrents load on three separate factors including: (1) relationships and commitments (family, friends, and work), (2) country concerns (culture, language, safety), and (3) economic concerns (finances, graduation delays).

Introduction

Most researchers argue that study abroad students acquire important knowledge and skills important to a growing global marketplace. Yet participation rates in study abroad programs by U.S. and Norwegian undergraduate business students are disappointingly low compared to the growth of the global marketplace. The low participation rates in both of these countries highlight the opportunity for significant improvement by specific countries.

A good portion of the research on study abroad is descriptive of existing study abroad programs rather than empirical. Empirical research on study abroad has reported on both benefits that come to students who study abroad or personality traits associated with students that do study abroad. Several studies are included in this paper's literature review examines motivators or deterrents to study abroad. However, to the knowledge of the authors of this study, there are no studies that test the independence of the attributes that serve as *motivators* to a student to study abroad from the attributes that serve as *deterrents* to a student study abroad.

Methodology and Results

The sample for this study included a survey of 512 undergraduate business students (257 citizens of the U.S. attending an undergraduate business college in the U.S. and 255

citizens of Norway attending tertiary business classes in Norway). Based on the literature review of motivators and deterrents, students were asked five 5-point semantic differential scale questions about if items would motivate them or deter them from studying in another country. In addition, students were requested to provide demographic information (gender and age).

In order to test the independence of motivator attributes from deterrent attributes of study abroad, an exploratory factor analysis was conducted (via varimax rotation) on the data collected. As hypothesized, the motivators all load on one factor (i.e., fun, different culture, personal development, different language, and broadened career opportunities). However, rather than loading on one factor as hypothesized, deterrents load on three separate factors including: (1) relationships and commitments (family, friends, and work), (2) country concerns (culture, language, safety), and (3) economic concerns (finances, graduation delays). The factor analyses for both the USA and Norway, separately, reveal the same pattern.

Conclusion

Future research should include the comprehensive list of both motivators and deterrents, as outlined in this paper) to a student's decision to study abroad. In addition, and to the knowledge of the authors, this is the first study to statistically test the independence of the attributes that serve as *motivators* to a student to study abroad from the attributes that serve as *deterrents* to a student study abroad from multiple countries. Results show that in alignment with Herzberg's (1966) two factor theory, there are some attributes of study abroad programs that serve as motivators (e.g., the opportunity to experience a new culture) that are statistically different from other attributes of study abroad programs that serve as deterrents (e.g., potential delay in graduation date). Finally, in order to expand this paper, students from additional countries should be included in study abroad research and should involve a more sophisticated comparative analysis among the countries.

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Summary Brief

Exploring Stakeholder Relationships in a University Internship Program: A Qualitative Study

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Internships are designed to provide practical on-the-job experience to facilitate the application of knowledge from the classroom to actual tasks in the workplace (Dewey, 1926). However, little has been written, especially from a qualitative perspective, about the nature of stakeholder relationships and what that means for the on-the-job internship learning experience. Vygotsky (1978) recognized the importance of experiential learning through what became known as the zone of proximal development (ZPD). Sides and Mrvica (2007) pointed out that internships provide an opportunity to develop relationships among all stakeholders that interns work with to help understand how internships impact the college internship learning experience.

Introduction

The literature reviewed for this grounded theory study generally supports the view that the undergraduate internship experience, for the most part, is doing what it is intended to do by providing actual situations to apply what students have learned in the classroom to the workplace. However, the very nature of public universities, funded by citizens for the greater good of society, working with private corporations, focused on stockholders, customers, and other corporate entities looking to maximize returns on their investments, represents challenges for internship directors and student interns.

What can be learned by looking at the challenging framework of publicly funded universities partnering with private for-profit corporations to create quality student internship learning opportunities? Are student perceptions of and needs for the internship experience considered? Are internships worth the resources needed to design and deliver these programs? What can be learned about this public university-private employer sector relationship?

Purpose

The purpose of this grounded theory study is to understand the meaning of stakeholder relationships among student interns, employers, and the university's college of business administration and other identified personnel with input to the marketing internship at Watershed University (a pseudonym for an actual mid-west university in the US). A deeper understanding of stakeholder relationships will explore the power dynamics of these relationships. An analysis of key stakeholders will explore the shared-power dynamics amongst these stakeholders and how they impact the quality of learning that takes place during the internship experience.

Internships in Higher Education

Internships provide students an opportunity to gain working knowledge and on-the-job training for a profession while in college. Internships also provide many benefits to students, employers, and schools (Gault, Redington, and Schalager 2000). Research has indicated that approximately 90 % of colleges offer for-credit internships or work related experience (Divine, Linrud, Miller, and Wilson 2007). Weible (2010) stated that "today 94 % of colleges of business offer some form of internship opportunity for their students, but only 6 % require students to participate in an internship program" (p. 59).

The *internship* of the late twentieth and early twenty-first centuries in the United States began to be perceived by students, employers, and universities as the crucible where student interns are tested. Interns are evaluated by an employer by how they apply what they had learned on campus to actual settings. Interns are under pressure in order to impress the employer to increase their probability of being offered a job upon graduation (Perlin 2011).

Advantages of internships for students are increased career opportunities, higher salaries, quicker job offers, faster promotion rates, job satisfaction, ease of transition from college to work, better communication skills, and applying the knowledge gained from the classroom. Sides and Mrvica (2007) argued that "not until would-be professionals begin to live the occupational life they have chosen (and we would advocate that they begin this as interns) do they really start to understand how their formal knowledge is applied" (p. 33). Internships help students identify careers that they would like to pursue and eliminate others, thus providing a focus for students' studies.

As the environment becomes more competitive it will be critical for higher education institutions to demonstrate the value of education. Internship programs could be a key tool to help higher education institutions differentiate themselves as not only providing quality educational programs but also equipping graduates to gain quality jobs upon graduation (Divine, Miller, and Wilson 2006).

Research Questions

There are three research questions for this study:

1. What are the stakes for each key stakeholder in the current delivery of the undergraduate marketing internship program?
2. What are the attributes of undergraduate marketing internship key stakeholder relationships and the potential meanings for internship program decision makers?

3. Is experiential learning of the internship transferable to other university course work and one's future professional career?

Internship Stakeholders

The concept of "stakeholders" has become a common term in business literature since around 1984 but with no agreement on a common definition (Bryson 2004). For the purposes of this study, "stakeholder" will be defined as any individual or groups who can affect or is affected by the achievement of the organization's objectives (Mitchell, Agle, and Wood 1997). Key stakeholders are those whose input is critical to any program decision.

Key Stakeholder 1: Higher Education Institutions

Emerging research suggests that institutions need to understand why they provide internships and the benefits it provides the institutions, employers, and student interns (Perlin 2011). Internships provide experiential opportunities that leverage the constructivists' ideology (Dewey 1926), but there is still the need to understand how to assess the internship experience by university internship program decision makers. To discover a comprehensive vision of the undergraduate internship program in the Marketing Department at Watershed University (WU), an analysis must include what WU, the student interns, and employers value in the internship experience.

Key Stakeholder 2: Student Interns

In a 2008 study of 619 deans of U.S. business schools accredited by The Association to Advance Collegiate Schools of Business (AACSB), Weible (2010) found some major benefits for student interns. The major benefits included higher starting salaries, higher job satisfaction, improved job-related skills, and the development of key communication skills. This study supports the concept that internship programs lead to economic development in local, regional, national, and global settings.

Key Stakeholder 3: Private Employers

Even though employers are a critical component of the undergraduate internship experience, there is little research on understanding the meaning of this relationship and consequently, an understanding of employer needs. Kochan (2012) stated the challenge more dramatically that "without a well-trained, well-paid, continuously improving workforce the United States cannot compete with other nations effectively" (p. 64). More research is needed to understand the role of employers in the internship experience.

Summary

The qualitative method of this study will allow rich meaning to emerge from the data collected on the relationship of the undergraduate internship experience among key internship stakeholders (Patton, 2002). Qualitative research is endlessly creative and interpretive. Grounded theory has evolved to include emergent design and reflexivity of the researcher to operate with flexibility among ambiguity in a natural setting to allow evidence to emerge (Patton, 2002). This approach supports an engaged researcher to interpret stakeholder experiences that take place in the undergraduate internship at

Watershed University and what they mean for the internship program's future.

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MARKETING RESEARCH TRACK

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Summary Brief

Case Study Research of Large N Survey Data

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Rather than taking a variable-oriented approach, the study here extends Ragin's (1999) perspective on studying conjunctive paths or "causal recipes" for a limited number of cases (usually $n < 30$) to the study of such paths in a large number of cases ($n > 300$ or in the study here, $n > 30,000$). The aim here is to provide a primer in theory and practice of qualitative comparative analysis (QCA) — a method that goes beyond considering the net contributions of individual variables in influencing a dependent variable. The study aims to describe alternative conjunctive paths that associate with a given outcome.

Introduction

While a formal meta-analysis is necessary to support the observation, scanning frequently-cited journals supports the observation that variable-oriented methods (e.g., matrix-based data analysis methods such as analysis of variance (ANOVA), multiple regression analysis (MRA), and structural equation modeling (SEM) dominate data examination in the behavioral sciences including the disciplines of hospitality, tourism, and leisure science. While informative in identifying how changes in an independent variable affects changes in a dependent variable, the findings from such analyses (e.g., averages, standard errors, beta coefficients, and adjusted R2 estimates) are less informative than case-based methods in identifying the alternative conjunctive paths among sub-segments of cases in a data-set that are sufficient in leading to a given outcome (Ragin, 1997, 1998, 2008; Zadeh, 1965, 1972)—for example, outcomes of "heavy users" of a product, that is, X consumers.

Theory-building and theory-testing are considerations relevant for both variable-based and case-based methods. A researcher building theory of variable relationships may propose that increases in a variable (X) causes increases in a second variable (Y); increases in a third variable (Z) moderates this relationship. A researcher building theory of case behavior may propose that the presence of a conjunctive statement that includes all four of the following antecedent conditions (high A, low B, high C, and low D) is sufficient for a given outcome to occur: $A_h \cdot B_l \cdot C_h \cdot D_l \rightarrow Y_h$, with the mid-level dot ("·") symbolizing the conjunctive "and" and " Y_h " a specific outcome condition, such as extremely high consumption, rather than consumption per se. See Woodside (2008, 2009) and Woodside and Zhang (2012) for examples.

QCA Basics

Achieving Sufficiency

Qualitative comparative analysis (QCA) is a family of case-based research methods that focuses on building and testing theory of complex antecedent conditions that are sufficient to explain (associate or cause) a specified outcome condition. See

Ragin (2008) for a thorough description of QCA with complete numerical applications. "Sufficiency" is the aim of QCA. In QCA a cause (such as a specific conjunctive path) is sufficient if the path associates invariably (or almost invariably) with a given outcome condition. Note that if each of four conditions has three levels—low or absent, medium, and high—, a total of 81 paths are possible, that is, the 3 levels of each of the four antecedents A, B, C, and D combine to 81 (34) complex conditional statements.

The theorist using QCA usually recognizes several theoretical perspectives that often go unrecognized in variable-based research. These perspectives include the following points of view. First, a few causal paths are sufficient to lead to (or cause) a given outcome. No one path or simple antecedent condition is necessary in causing a given outcome. A "necessary" condition is one that is present in all instances of a given outcome. Second, more paths usually occur that do not lead to the given outcome of interest than do. For instance, many of the combinations among the 81 combinations of four antecedent conditions do not lead to a given outcome (i.e., do not cause Y_h). Third, a few to several paths ("paths," "combinations," "conjunctive statements," and "complex antecedent conditions" are interchangeable in the study here) are void of cases unless that number of cases is extremely large (i.e., $n > 5,000$).

The exposition of all possible paths representing complex antecedent conditions illustrates the use of Lazarsfeld's (1962) "property space analysis" for theory development and testing. Property space analysis considers both the theory and observance of diversity of case behavior both as complex antecedent conditions and for a given outcome (e.g., engaging in extremely frequent road rage, Woodside & Zhang, 2008; extremely frequent casino gambling, Woodside & Zhang, 2011; or extremely frequent airline travel). See Jensen (2010) and Lazarsfeld (1962) for a complete exposition of the logic of property space analysis in qualitative survey research.

QCA and statistical methods (e.g., ANOVA and MRA) are both theoretical views of the causes for an outcome of interest. Both theoretical views-methods address the issue of causal complexity. While MRA builds on a foundation of matrix algebra, QCA builds on a foundation of Boolean algebra. QCA explicitly recognizes, and the available software (fsQCA.com) provides for, multiple paths leading to a specific outcome condition (e.g., extreme number of airline trips). Whether or not antecedent conditions overlap (the question of multi-collinearity of independent variables in a MRA) is not an issue in QCA.

QCA Contributions to Theory

Most studies that include the use of MRA do not include alternative MRA models even though high multi-collinearity almost always is present among the independent variables; most reports of MRA models do not provide for thorough tests of

causal complexity (e.g., via multiple-way interaction effects) and when reports of three and four-variable interaction effects are provided, their interpretation is frequently unfathomable. Most MRA studies include only goodness-of-fit tests for validation even though proof-in-the-pudding is available only by testing the predictive ability of a MRA model on outcome scores for an independent sample (Gigerenzer & Brighton, 2011).

QCA includes the construction of a truth table of all logically possible combinations of causal conditions and identifies the cases conforming to each combination. In doing so, the research may learn that certain logically possible paths do not lead to the outcome under examination. For example, in the study reported here, cases of respondents having less than high school degrees are never, or nearly never, extremely frequent air travelers—no matter their frequency of vacation trips, use of ATMs, ages, or incomes. Cases that include the respondents with college degrees and extremely frequent vacation travel are nearly always extremely frequent airline travelers—no matter the frequency of vacation trips, use of ATMs, ages, or incomes. Rather than reporting such nuances via individual cases, most MRA reports stop at reporting the net effects (betas) of the influence of independent variables on a dependent variable. Going beyond this introductory discussion, Ragin (1997) provides an extensive treatise on the unique advantages of QCA versus statistical methods.

Researchers using QCA recognize that “key success factors” and “net effects” usually provide inadequate views of executional paths that lead to specific outcomes of interest. Research on key success factors indicates that no one factor is necessary or sufficient for success or any other given outcome (Woodside, 2009). While not referring to metrics to measure reliability (e.g., coefficient alphas), the fact that simple antecedent conditions nearly always (read: “always”) have low r^2 s with dependent variables ($r^2 < .30$) supports the perspective that any one key success factor can be absent and success and is still reachable by taking a different available path.

Studies of the antecedents of specific outcomes, such as cases of extreme air-trip frequency and success in launching new products, need to focus on causal complexity (Woodside, 2008, 2009; Woodside and Zhang, 2011). Conjunctive paths define causal complexity not individual antecedent conditions or individual independent variables. QCA adopts the perspective that a simple antecedent condition may be necessary but rarely (read: never) is sufficient for the occurrence of a given outcome condition.

A sports analogy is helpful for visualizing this point. First, in American football, a great quarterback (Q) will not win games if all his receivers are unable to catch passes; at least one receiver (R) has to score above the crossover point on receptions for team success—plus the offensive linemen (L) must have at least modest ability to stop the opposing defense from getting to the quarterback. Thus, $Q_h \bullet R_m \bullet L_m$ is likely to be a path to

winning but $Q_h \bullet \sim R \bullet \sim L$ is likely to result in failure (Q_h = great quarterback; R_m = mediocre receiver; L_m = mediocre linemen; $\sim R$ is a receiver who mostly drops the ball; and $\sim L$ is linemen who cannot keep the offense away from Q).

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Summary Brief

A Proposed Update of the Churchill Paradigm for Scale Development in Marketing

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The Churchill (1979) paradigm for scale development has dominated the construction of the majority of new marketing measures over the last third of a century. Although Churchill provided an excellent blueprint to standardize the development of marketing measures, scale development has made substantial progress over the last three decades. A reexamination of the Churchill (1979) paradigm is overdue. As such, we examine the procedures advocated by methodologists in the context of Churchill's procedure with the goal of providing a scale development procedure consistent with the Churchill (1979) process while incorporating tools of an evolving paradigm.

Introduction

Churchill (1979) urged marketing researchers to develop better measures of marketing constructs by describing a well-structured process for conceptualizing, developing, and validating multi-item scales. Subsequently, countless peer-reviewed articles reference Churchill's (1979) seminal article as the procedural guideline for the development of volumes of multi-item self-report measures. Multi-construct models and the corresponding theories they presume to test rely upon the reliability and validity of hundreds of measures developed using Churchill's paradigm. A generation of marketing scholars has seen dramatic advances in the technology and, therefore, the analytical tools employed in scale development since Churchill's disco-era paradigm. Several prominent marketing scholars have suggested updates to the Churchill paradigm. However, to date, no procedure has incorporated all of the key updates to the Churchill paradigm. The result is that many marketing scholars refer back to the Churchill paradigm without recognizing the existence of these advances in scale development. The purpose of this paper, therefore, is to integrate the work of these scholars and propose an amalgamated scale development process. The primary contribution is an updated version of the Churchill paradigm that incorporates the best current practices in scale development.

The Churchill Paradigm

Churchill's (1979) article provided both a critical look at how marketing scales were developed and established a new, rigorous, and more structured paradigm for developing better measures. It was based on well established scale development paradigm in psychology and social psychology (Nunnally 1978).

Step 1 is a review of the extant literature to specify the *domain* of the construct (i.e., prepare an exact definition of the construct based on literature that delineates the boundaries of the construct domain). Step 2 is generating a sample of items.

Churchill recommends employing a literature review, experience surveys, insight stimulating examples, critical incident techniques, and focus groups as possible sources. Step 3 is the first round of data collection. The source and type of data collected depends on the type of scale used to operationalize the construct. Step 4 consists of purifying the measure. Churchill strongly recommends *first* examining internal consistency (i.e., reliability) of the measure via coefficient alpha (Cronbach 1951). Step 5 involves collecting a second round of data. The purpose is reliability and validity assessment. Step 6 assesses the reliability of the measure on the second set of data in the same way as in Step 4 (i.e., coefficient alpha). Step 7 is to assess the scale's validity. The final step consists of developing norms.

Key Updates to Churchill's Paradigm

Gerbing and Anderson (1988) advocate using CFA rather than coefficient alpha, item-to-total correlations, and EFA as a more accurate measure of unidimensionality. DeVellis (1991) emphasizes developing the survey instrument more than applying factor analytic procedures for reducing items and validating the measure. Spector (1992) presents an amalgam of Gerbing and Anderson's update to Churchill, DeVellis's procedure, plus additional suggestions. The biggest difference between Spector and previous methods is his suggestion of an initial pilot test. Flynn and Percy (2001) caution against using small developmental samples during the initial stages of scale development. They observe a lack of follow-up studies, despite the fact that Churchill calls for multiple studies. They identify the inappropriate use of factor analysis in many scale development papers (i.e., EFA conducted after coefficient alpha is used to reduce items even though coefficient alpha assumes a unidimensional construct). They point out that a distinction needs to be made regarding the scale's intended use (i.e., theoretical versus applied). Netemeyer, Bearden, and Sharma's (2003) four step procedure is comprehensive and heavily rooted in the Churchill paradigm and its subsequent Gerbing and Anderson (1988) update. Further, it combines the steps advocated by both DeVellis (1991) and Spector (1992).

Proposed Scale Development Method

The scale development methodology advocated is based on Churchill and an amalgam of subsequent updates and improvements. It seeks to incorporate the best practices of top scholars into a procedure to produce measures with exceptional psychometric properties.

The first step in any scale development effort is to decide what is being measured (DeVellis 1991). More specifically, the

research must delimit the theoretical domain of the construct, provide a theoretical definition of the construct, and determine the theoretical dimensionality of the construct (Netemeyer et al. 2003; Spector 1992). Prior to generating items, it is necessary to address preliminary scale design issues. Specifically, one must decide on the response format, the number of possible responses, and the instructions to accompany the scale. A large number of items should be generated to allow for further refinement in following studies. Thus, some redundancy in the initial item pool may be tolerated. Recommended sources of items include the scale developer, expert academics in the field of consumer psychology, and target consumers.

After generating an item pool, the items should be administered to expert judges to be evaluated for face validity. After expert judging is a good time to administer the scale in a pilot sample. Immediately after administering the scale to the pilot sample, researchers should debrief the respondents. They should adjust the scale based on feedback received from this preliminary data collection.

The first round of data collection examines the initial structure of the scale items and begins to purify the items. The analyses should include item analyses, EFA, and coefficient alpha. Subsequently, a preliminary examination of correlations between the summated scale and theoretically related constructs should be executed. It is important to include a measure of social desirability in the initial study to identify items that may be particularly vulnerable to SDRB. Items of the focal construct highly correlated with SDRB should be deleted.

Item statistics (e.g., intercorrelations, item-to-total correlations) should be reviewed for item reduction. Items that exhibit the highest intercorrelations and item to total correlations should be retained. Exploratory factor analysis (EFA) should be conducted to analyze the relationships among the items. The primary goal is to examine the factor structure (i.e., look for underlying latent factors). Thus, common factor analysis (principle axis factoring) is the appropriate extraction option. Assuming that any underlying factors are correlated, an oblique rotation (i.e., direct oblimin) is used.

Coefficient alpha can be computed on the development sample as a preliminary evaluation of scale reliability (internal consistency). Coefficient alpha assumes unidimensional structure. However, dimensionality of the scale is not empirically established until the validation sample (via CFA). Therefore, measuring coefficient alpha subsequent to CFA provides an indicator of scale reliability.

The purpose of a second round of data collection is to examine dimensionality, reliability, and validity (convergent and discriminant). Dimensionality should be examined via CFA. Reliability can be examined using both coefficient alpha and construct reliability. Confirmatory factor analysis should also be used to examine convergent and discriminant validity. Statistical distribution of scores can give a preliminary indication of norms.

Confirmatory factor analysis should be conducted to verify the hypothesized dimensionality of the scale. Netemeyer et al. (2003) recommend using four criteria: (1) model convergence and range of parameter estimates, (2) fit indices, (3) significance of parameter estimates, and (4) standardized residuals and modification indices.

The purpose of the next step is to provide additional evidence of dimensionality, reliability, and validity (particularly

nomological). A structural model should be estimated using hypothesized antecedents and outcomes of the focal construct. Norms as well as measurement invariance should be determined using this data. Validated scales demonstrate unidimensionality, validity, reliability, and consistency (i.e., model-to-data fit).

Constructs hypothesized as antecedents and outcomes of the focal construct should be measured to establish nomological validity. Confirmatory factor analysis should be conducted to reconfirm the scale's hypothesized dimensionality. The two-step process advocated by Anderson and Gerbing (1988) avoids interpretational confounding by separating measurement issues (i.e., relationships between indicators and latent constructs) from issues associated with structural relationships between latent constructs. Coefficient alpha is determined on a third data set for additional evidence of scale reliability. At this point, a model of the proposed relationships between the antecedents and outcomes of the focal construct can be tested.

Limitations and Directions for Future Research

This proposed paradigm is limited in several ways. First, it is limited in scope to an update of the scale development procedure advocated by Churchill (1979). It focuses on those types of measures that lend themselves to a Likert style response format. Second, this study merely represents a snapshot in time as improvements to scale development in marketing are ongoing. Future research in this area should examine the extent to which existing scales exhibit desirable psychometric properties as a result of the procedure. Finally, many who cite Churchill (1979) do not closely follow his procedure. Therefore, it would be worthwhile to examine our existing measures to see which steps were omitted from the process and the overall impact on psychometric properties of the resulting scales.

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Summary Brief

Determination of the Number of Clusters in Cluster Analysis Using Discriminant Analysis

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Cluster analysis seems to be a technique that was made for marketing practitioners. It practically has market segmentation written all over it. However, cluster analysis is an often ignored statistical procedure in marketing academia. One reason is because it is a non-dependence technique. Other reasons focus around the selection of the cluster method to use, the measurement method to employ and the determination of the number of clusters. Researchers using the same data can easily get multiple clustering solutions. In short, cluster analysis is more of an art than a science, while as academics we prefer scientific techniques. This paper focuses on the number of clusters that are derived in an effort to shed a bit more light on a procedure recommended by Joe Hair, a prominent marketing scholar and author of a top selling multivariate statistics book.

Milligan and Cooper (1986) identified and compared 30 different procedures for determining the number of clusters in a data set. All of these approaches are mathematical in nature and focus on the data to determine the appropriate number of clusters. Hair, et al. (2011) suggested a much more practical approach to cluster determination which is based on the largest percentage change in the agglomeration coefficient. While the Hair method still focuses on the data, his rule of thumb is more likely to be adopted by applied statisticians than are the mathematically oriented procedures mentioned by Milligan and Cooper. The unfortunate problem associated with the Hair approach is that it tends to always suggest a two-cluster solution. This paper presents and demonstrates a practical alternative to Hair that is based on the use of the hit rate in discriminate analysis to evaluate different clustering solutions.

The analysis for this paper is based on a convenience sample of 25 examples. Data used in this sample were drawn from publicly available databases. All variables included in each example are mentioned in the paper. Squared Euclidian distances were used along with the Ward method for clustering.

In our sample all 25 of the cases would have employed a two-cluster solution using the Hair rule of thumb. We used the clustering variables as the independent variables and the cluster solutions for two to five clusters as the dependent variables. Our procedure then involved comparing the hit rates for the four cluster solutions used in each case/example. No statistical comparisons were made between the hit rates. In fourteen of the twenty-five cases the two cluster solution produced the highest hit rate of the four. However, most of the “improvements” in the hit rate were less than one percent. In the other eleven examples the “best” solution was typically either a three or four-cluster solution. Based on these results it is hard to argue that the two-cluster solution is always the optimal choice. Certainly it is easier, but using the approach suggested here takes only a few minutes more.

The approach we suggest gives the researcher the opportunity to examine the results and pick the cluster solution that is the most intuitive appealing. Arguably our approach does not solve the uncertainties from an academic perspective that are associated with cluster analysis. In fact, this method may add to the uncertainties a bit. Yet the results obtained are not data driven as is in the case of either the Milligan and Cooper approach or the Hair rule of thumb.

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Summary Brief

The Impact of Rapport Building Behaviors via Social Networking Channels

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Social networking is becoming a popular channel for firms to establish and maintain relationships with customers. Can traditional interpersonal communication paradigms translate effectively to these new communication channels? This study examines rapport and rapport-building behaviors through the lens of social networking interaction. The primary research question asked is whether social networking interactions that simulate rapport-building efforts can lead to perceptions of enjoyable interaction and personal connection.

Introduction

Rapport and strong interpersonal relationships can generate positive word-of-mouth (Gremler and Gwinner 2000), justify premium pricing, and shield the firm from potential switching following a service failure. Gremler and Gwinner (2008) identify five rapport-building behaviors used by retail employees: uncommonly attentive behaviors, common grounding behaviors, courteous behaviors, connecting behaviors, and information sharing behaviors. These behaviors have been shown to be effective in building interpersonal relationships during face-to-face communication. Because of their effectiveness and possible translatability into the social networking communication (SNC) platform, these rapport-building behaviors are a good place for the study of effective SNC to begin.

Hypotheses

With the value of rapport and interpersonal firm-customer relationships established, Gremler and Gwinner (2008) identify the factors that go into proper rapport building between retail employees and customers. They delineate rapport-building behavior into five categories - uncommonly attentive behavior, common grounding behavior, courteous behavior, connecting behavior and information sharing behavior. These five categories of rapport building are applied to Facebook (FB) messages to determine whether or not these specific behaviors can lead to the building of personal connection and enjoyable interaction, as well as purchase intention, positive word-of-mouth and more favorable brand attitudes. Stated formally, hypotheses are as follows:

H1: SNC via FB using uncommonly attentive behavior will produce stronger: a) personal connection, b) interactive communication, c) brand attitudes, d) purchase intentions, and e) positive word of mouth than will promotional messages.

H2: SNC via FB using common grounding behavior will produce stronger: a) personal connection, b) interactive

communication, c) brand attitudes, d) purchase intentions, and e) positive word of mouth than will promotional messages.

H3: SNC via FB using courteous behavior will produce stronger: a) personal connection, b) interactive communication, c) brand attitudes, d) purchase intentions, and e) positive word of mouth than will promotional messages.

H4: SNC via FB using connecting behavior will produce stronger: a) personal connection, b) interactive communication, c) brand attitudes, d) purchase intentions, and e) positive word of mouth than will promotional messages.

H5: SNC via FB using information sharing behavior will produce stronger: a) personal connection, b) interactive communication, c) brand attitudes, d) purchase intentions, and e) positive word of mouth than will promotional messages.

H6: SNC via FB using all rapport-building techniques will produce stronger: a) personal connection, b) interactive communication, c) brand attitudes, d) purchase intentions, and e) positive word of mouth than will promotional messages.

Method

A fictional brand of soft drink, named Mr. FizzyPop, was created in order to test the presented hypotheses. Seven different FB pages were generated for the Mr. FizzyPop brand using a new FB account. Each page contained the same fictionalized history of the brand, as well as manufactured pictures and logos. Taking a cue from actual soft drink companies, Mr. FizzyPop was presented as a regional soft drink available in regular, orange-flavored, and diet versions. Each page represented one style of communication tied to the presented hypotheses. The first five FB pages contained status updates that mimicked the five different rapport-building communication types as presented in Gremler and Gwinner (2008). The sixth FB page contained status updates of a strictly promotional nature. Finally, the seventh FB page contained status updates pulled from all five types of rapport-building communication. With the exception of the status updates, the content on the seven FB pages was identical (layout, color scheme, images, etc.). As an example, two messages on the Common Grounding Behavior FB page were, "Our CEO was on campus today talking to students about going from a soda truck driver to CEO of the company," and "Hey FizzyPop fans, did you know that Mr. FizzyPop was created in Mississippi in 1896 and, as such, is one of the oldest major soft drink brands in the good ol' U.S. of A?"

Undergraduate students at a large Southeastern university were offered extra credit to participate in the study. The students were given a handout with a link for a Mr. FizzyPop FB page. Links for all seven FB pages were handed out randomly. In

exchange for class credit, students were encouraged to interact with the Mr. FizzyPop FB page as they normally would with a branded FB page. Students were able to comment on any of the status updates, post messages on the Mr. FizzyPop page, and “like” any of the Mr. FizzyPop status updates or the Mr. FizzyPop page itself. The final status update on all seven of the FB pages was a link which led the respondents to an online survey hosted on the Survey Monkey website. The survey was designed to be as cohesive to the FB page as possible. The respondents were asked questions designed to measure personal connection and enjoyable interaction, as well as purchase intention, positive word-of-mouth, and brand attitude. Each group contained between 30 and 40 respondents.

Results

A multivariate analysis of variance (MANOVA) was conducted for the constructs to determine if there were any significant differences among all of the FizzyPop FB pages. No significant effects were found. Pairwise comparisons were also undertaken between the different rapport-building FB pages and the promotional message FB page. Although we were not able to confirm any of our presented hypotheses, purchase intention was found to be significantly higher for the respondents who were exposed to the courteous behavior page (mean=3.2366) than the promotional messages page (mean=2.7667). The courteous behavior FB page was found to have the highest mean for purchase intention, positive word-of-mouth, and personal connection.

Discussion

Although we were not able to confirm our hypotheses with this study, the knowledge gleaned here will provide a framework for future research in this area. Fortunately, we received an impressive number of qualitative comments in our survey that allowed us to identify our limitations. First, the brand chosen for this study, Mr FizzyPop, was confusing to some respondents. We decided against using a real brand to prevent preconceived ideas about a particular brand from influencing the survey

results. But many people were unable or unwilling to respond positively to questions such as purchase intention and personal connection when dealing with an unreal brand.

Second, the interactive nature of the FB communication style was not accurately tested in this study. One of the key components of FB communication is that it allows for active two-way communication between the brand and the customer, and between the customers themselves. This test did not allow for this. Our future tests will be designed to allow for a more social and communicative environment in order to include this.

Finally, dividing the rapport-building behaviors into separate groups may have limited their impact. Just as a brick-and-mortar retail store would not rely on one type of employee-customer interaction style to build rapport, a FB presence for a brand would almost certainly not rely on one type of communication style. Future studies should examine the combination of the rapport-building behaviors as compared to promotion-only messages. A follow-up study is currently in process that addresses these concerns.

Conclusion

The capability to effectively use SNC channels in order to provide customers with enjoyable interactions and personal connections is of significant benefit for the firm. Rapport-building and effective interpersonal relationship cultivation and management has been shown to benefit the firm in numerous ways. If some combination of these benefits can be made possible through SNC channels, it is certainly in the best interest of the firm to understand what goes into effective SNC.

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Summary Brief

Exploring Generational Differences in Product Expectations and Choice

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Successful segmentation and positioning strategies require understanding factors driving differences in consumer product evaluations and choice. One variable that may be associated with variations in product needs is generational grouping. Further, generational differences may in part be attributed to unique personality or psychological characteristics associated with each segment. Regulatory focus theory provides a relevant framework for explaining such differences, if observed. The current study first explores the extent to which generational differences exist regarding product expectations and choice. Second, this research seeks to identify differences in regulatory orientation between and within these groups that may in future research prove successful in explaining observed variations in consumers' product preferences.

Introduction

Identifying differences between consumer generations can inform successful business strategy from both marketing and management perspectives (e.g., Bristow et al. 2011; Strutton, Taylor, and Thompson 2011). For a variety of reasons, marketers have become increasingly interested in understanding and effectively serving the complex and dynamic preferences of younger consumers, particularly those belonging to Generation Y or, defined as consumers born between 1982 and 1995 (Pew Research Center 2010). Of similar importance is Generation X (born between 1965 and 1981), a segment that has arguably been overlooked by marketers in their attempts to target younger and older generations (Gen Y and Baby Boomers, respectively). While past research endeavors provide a necessary foundation for appreciating differences among generations, marketing literature lacks detailed efforts toward understanding product needs and related motivational tendencies that characterize these consumers. In response, the current research has the two-fold objective of (1) understanding where and to what extent generational differences exist regarding product expectations and choice and (2) identifying a useful theoretical framework to explain product-related differences.

First, the proposed study seeks to identify generational differences in the perceived benefits offered by the same product. Research evidence indicating generational differences in values (e.g., career and family) and societal concerns (e.g., community involvement and government effectiveness), coupled with the observation that many product classes are adopted across wide demographic ranges (e.g., computers, cell phones, and food products), suggest that the desired benefit of any one product may largely differ between Generations X and Y.

Second, research suggests many factors (e.g., economic and social environment characteristics) that explain a portion of the observations just mentioned (Pew Research Center 2010).

Importantly, unique generational attributes likely reflect deeper psychological and personality differences between Generations Y and X that have yet to be explored. As the motivational framework underlying the current research, regulatory focus theory (Higgins 1987) proposes that people attain their goals in one of two different ways: seeking reward through promotion or avoiding regret through prevention (Higgins 1987). The current research poses a research question to explore the extent to which members of each group will exhibit significantly different inclinations toward one focus over the other.

Existing Literature

Experts suggest that differences emerging between generations may result from life cycle stage (e.g., adolescence) or major events (e.g., wars and technological breakthroughs), the latter of which can leave lasting impressions on consumers' value systems and lifestyles (Pew Research Center 2010; Twenge, Campbell, and Freeman 2012). Indeed, the sociocultural environment may differentially shape attitudes and behaviors of consumers, depending upon their maturity and personal development levels, which in part can be reflected in generational classification (Twenge et al., 2012).

Generation Y consumers are more ethnically diverse, educated, and digitally connected than Generation X (Pew Center 2010; Strutton et al. 2011). Further, Generation Y individuals derive value from interpersonal relationships, which supports their heavy reliance on peers when making decisions (e.g., media choice or preferred retail outlets). Consumers belonging to Generation X, on the other hand, value individuality and hesitate to network with others for personal gain (Bristow et al. 2011). Interestingly, although connectedness and peer reliance are valued by Generation Y consumers, they exhibit higher levels of personal confidence than Generation X members, who emphasize independent progress and are skeptical of comfort through community, dispositions which are in part due to fear of abandonment (Twenge et al. 2012). Finally, Generation Y individuals agree that older generations possess higher levels of work ethic and respect for others than themselves (Pew Research Center 2010), indicating differences in how these groups view authority figures and are willing to adhere to imposed norms of conduct (Bristow et al. 2011). At the very least, these findings underscore the complexity of factors contributing to differences between these two cohorts.

Generational differences notwithstanding, research has also uncovered similarities between these groups in terms of attitudes and behavior (Strutton et al. 2011), which implies that marketers may be superfluously allocating resources to target each generation in a unique manner. For example, both Generations

X and Y express needs for empowerment, work-life balance, and concern for the environment (Twenge et al. 2012). Indeed, comparisons among 4 generations in the United States (Baby Boomers and Silent Generation were included) indicate that Generations X and Y are more closely aligned than any other combination of these groups (Pew Research Center 2010).

Adding further complexity to understanding cohort behavior is the potential for important differences within generations. Because generational classification schemes create groups covering a wide age range, intra-generational differences are not surprising, given the importance of life cycle stage on the extent to which environmental factors are integrated into an individual's "self" development. Indeed, members on the extreme ends of the generational age range may less clearly exhibit unique characteristics of their cohorts. In other words, from a product positioning perspective, generational membership may not be effective for segmentation purposes. Understanding product expectations, on the other hand, can prove useful for marketing strategy. Therefore, the following research questions are presented:

RQ 1: To what extent do inter-generational differences exist regarding product benefit expectations?

RQ 2: To what extent do intra-generational differences exist regarding product benefit expectations?

The dynamic effects of regulatory focus on behavior are multidimensional in the sense that they can result from chronic orientations and/or priming stimuli (Higgins et al. 1994). Consequently, this framework provides a relevant explanation for cohort differences based on enduring (trait) and primed (situational) segment characteristics. As briefly discussed in the introduction, regulatory focus theory suggests that consumers approach a variety of tasks and behaviors with one of two orientations. Promotion-oriented consumers emphasize obtaining rewards (winning the lottery) while minimizing—or possibly underestimating—the costs associated with reaching a goal. In contrast, prevention-oriented consumers seek to minimize the risk of regretting a decision (losing the cost of the lottery ticket) while minimizing—at the risk of underestimating—the opportunity to gain rewards. A multitude of research evidence purports regulatory focus as a significant driver of various consumer behaviors (e.g., Higgins et al. 1994), including product evaluation (e.g., Herzstein and Posavac 2007) and message effectiveness (e.g., Zhao and Pechmann 2007).

The past predictive success of regulatory focus on various consumer behaviors underscores the possibility that divergent regulatory orientations may be the underlying driver of differences in product behaviors observed between and within generations. Moreover, this notion suggests that regulatory focus may be a more efficient segmentation variable than generational grouping in the context of product benefit positioning. As an initial step toward understanding the extent to which regulatory focus and generational grouping interact in driving consumer behavior, the following research questions are proposed:

RQ 3: To what extent do inter-generational differences exist regarding self-regulatory focus?

RQ 4: To what extent do intra-generational differences exist regarding self-regulatory focus?

Method and Implications

Using a mixed methods approach, study participants comprising two generationally representative samples complete surveys exploring the extent to which product expectations and regulatory foci differ between and within each group. First, a free-listing approach solicits consumers' expectations about four different products, each providing a unique benefit combination per the Foote Cone Belding grid, a widely used product classification system. Second, respondents complete a scale capturing chronic regulatory orientation. Data analysis procedures—content analysis and analysis of variance testing, respectively—seek to identify differences between and within samples in an initial exploratory fashion.

Taken together, findings from each of these areas—desired product benefits and regulatory orientation—complement each other in developing effective marketing strategy. Understanding generational differences in perceived product expectations and benefits informs product positioning, while assessing regulatory focus reveals viable insight toward enhancing market segmentation and message framing. Future research endeavors should seek to extend these exploratory findings through formal hypothesis development and testing.

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Summary Brief

Relationship Governance for Marketing Research Service Buyer and Provider

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This research addresses an important relationship management problem in the marketing research industry. In particular, the authors propose a theoretical framework that illustrates how to enhance the relationship quality throughout the joint efforts with relationship partner, marketing research process disaggregation, long-term relationship, and information sharing under the existence of transaction costs. Overall results from a structural educational model support the theoretical model that both the long-term relationship and the information sharing have a positive association with the marketing research process disaggregation, which results in relationship satisfaction. However, the relation between the marketing research process disaggregation and the transaction costs are not statistically significant.

Introduction

Prior studies in marketing research service relationship with incumbent partner have focused primarily on the firm's strategic decision about which activities should be performed internally or which should be done externally. The researchers in this research stream have further handled the more complex decision making problem in terms of the choice of a single versus multiple outsourcing.

However, the past studies in marketing research service buyer and provider relationship have mainly focused on the quasi-vertical relationship that a buyer has the relationship with only a few marketing research service providers. In this research, we argue that independent marketing research service providers that are even available at market can be useful as a value creating partner (e.g., increasing the quality of marketing research service) and thus promote the buyer's relationship satisfaction. We illustrate that marketing research service buyers can disaggregate the marketing research service processes into several tasks, and then allocate the separate tasks to the marketing research service providers who are highly specialized for the tasks.

Although buying the highly specialized and standardized marketing research service modules (e.g., data collection, transcript preparation, call center, multivariate data analysis, or conjoint analysis) seemingly promotes the quality of marketing research project, researchers in relationship marketing literature address the negative impact of the modularity due to the potential transaction costs (e.g., opportunism, monitoring, performance measure, etc) (Barthelemy 2001).

With this backdrop, the purpose of this research is to empirically test a theoretical framework that illustrates how to enhance the relationship quality throughout the joint efforts with

relationship partner, marketing research process disaggregation, long-term relationship, and information sharing under the existence of transaction costs.

Literature Review

In this research, we rely on the transaction cost theory as explaining the appropriate relationship governance strategy for marketing research service buyer and provider relationship (Buvik, John 2000; Canon and Perreault Jr., Williamson 1985). The theory views that the ultimate goal of the B2B relationship is to minimize the transaction costs that result from a variety of sources involving relationship specific assets, environmental and behavioral uncertainty, and performance measure (Ghosh, Dutta, and Stremersch 2006; Williamson 1985). We propose the special characteristics of marketing research process disaggregation as an alternative governance strategy that minimizes the transaction costs but increases the relationship satisfaction. The general idea of the concept of the marketing research process disaggregation refers to the firm's capability of breaking the marketing research processes into individual task modules, and later to re-integrate the separate task modules into a whole marketing research process (Sanchez 1999; Sanchez and Mahoney 1996; Schilling and Steensma 2001; Stremersch et al 2003).

To develop the marketing research process disaggregation, a buyer needs the two antecedents involving the long-term relationship and the information sharing. The long-term relationship has positive relationship with the marketing research process disaggregation because without it, re-integration of the separate marketing research tasks may be conducted without trust (Ganesan 1994). The information sharing is the key for the marketing research service buyer who needs to properly design the marketing research process disaggregation because the information sharing can provide the buyer with important know-how and relational exchange characteristics (Frazier et al 2009). Finally, the marketing research process disaggregation will reduce the transaction costs and increase the relationship satisfaction because the marketing research process disaggregation has been developed with the consideration of how to avoid the potential transaction costs. In addition, many studies in relationship marketing have provided empirical evidences that when transaction costs decrease, relationship performance involving satisfaction increases.

Hypotheses

Based on prior studies in B2B literature, we provide and empirically test following hypotheses below:

H₁: The higher the long-term orientation, the higher the marketing research process disaggregation will be.

H₂: The higher the perceived information sharing, the higher the marketing research process disaggregation will be.

H₃: The higher the marketing research process disaggregation, the lower the transaction costs will be.

H₄: The higher the marketing research process disaggregation, the higher the relationship satisfaction will be.

Methodology

The sample list was obtained from the *Quirk's Marketing Research Review*, where it provided key contact person names, their titles, and email addresses for domestic and international marketing research companies. This sample frame has been also used by Segal and Hershberger (2006) to study the marketing research industry. Our key informants had knowledge and experience in terms of selecting marketing research service providers. A total of 215 usable surveys were returned and used in the data analysis.

Results

Following Churchill's guideline, we first measured the quality of an instrument by assessing the internal consistency of a set of items, Cronbach α for the reliability analysis. Second, using the confirmatory factor analysis, we assessed the measurement model (Anderson and Gerbing 1988; Nunnally 1967). Last, the SEM identified the coefficients of the paths that explained the relationship among the variables used in the model (Bentler 1995).

As we predicted, both the long-term relationship and the information sharing had a positive relationship with the marketing research process disaggregation. The marketing research process disaggregation was positively associated with the relationship satisfaction. However, the path from the marketing research process disaggregation to the transaction costs was not statistically significant.

Conclusion

The purpose of this research was to investigate the relationship governance strategy in the context of marketing research industry, where contract was often impractical. In particular, we provided a theoretical framework that illustrates the role of marketing research process disaggregation as alternative governance strategy. Our research contributes to academic and practitioners. First, this research showed that the disaggregation could enhance the quality of marketing research service. Second, we theorized that relationship with marketing research service providers could be properly implemented under the existence of long-term relationship and information exchange.

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MARKETING STRATEGY TRACK

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Summary Brief

Marketing Entrepreneurship and Emergence of a Dominant Product Design Within an Industry: A Contingency Approach to Strategic Orientations

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Both marketing and entrepreneurship are recognized as key responsibilities for firms. Research efforts, however, have generally considered the two separately or examined integration only in specific contexts. This paper, building upon a perspective that views marketing and entrepreneurship as synonymous, explores the means by which a firm's marketing function fulfills an entrepreneurial role. Strategic orientations, it is suggested, serve to alert marketing entrepreneurs to opportunities by focusing attention on particular aspects of the firm's environment. Testable propositions linking entrepreneurial alertness to opportunities, strategic orientations, and industry evolution are presented.

Introduction

Ideas from the Austrian school of economics, founded by Menger (1871) in the late nineteenth century, have entered into several streams of marketing theory literature. Kirkpatrick (1983), for example, defines marketing as a technological (or applied) discipline and links the Austrian vision of entrepreneurship with strategic marketing. This paper expands Kirkpatrick's viewpoint by examining the means by which a firm's marketing function is able to fulfill the entrepreneurial role. The focus is on the part played by strategic orientations in directing a firm's marketing function to profit opportunities. Propositions are presented suggesting that the strength of the marketing function's product, market, production, and sales orientations vary as an industry evolves.

Austrian Economics and Marketing Entrepreneurship

Austrian perspectives view entrepreneurship as an essential producer (firm) function. For Kirzner (1973), an entrepreneur is a speculator seeking opportunities to better satisfy consumer desires. Entrepreneurs discover opportunities, assess the attractiveness of each opportunity, and then exploit the more attractive opportunities. Kirkpatrick (1983) equates this entrepreneurial role to the marketing function of a business enterprise. Speculative insight, or alertness to opportunities, allows a firm's marketing function to anticipate and realize profit opportunities by offering consumers "better deals." In essence, the marketing function creates these opportunities by employing the classic tools of marketing management: market research, product design, pricing, marketing communications, and distribution.

Klein (2010) identifies a weakness in this approach to entrepreneurship in its failure to offer a theory of how opportunities are identified. Earl (2003), addressing this limitation, suggests that entrepreneurs create the potential for profit opportunities by establishing mental connections linking elements of the firm's internal and external environments (product attributes, consumer desires, technological capabilities, etc.). A starting point in creating these mental connections lies with the traditional (or classic) philosophies and orientations presented in the marketing literature. Market, sales, production, and product orientations guide a firm's marketing function toward identifying and exploiting particular profit opportunities.

Concepts, Orientations, and Alertness to Opportunities

The marketing concept (as well as the corresponding market orientation) has become a philosophical foundation for both marketing academics and practitioners. Proponents argue that creating satisfied customers should be the primary objective of a business and believe that successful marketing programs must be designed to meet the needs and wants of consumers (Levitt 1960). Houston (1986), however, points to circumstances in which alternatives to a market orientation can better serve the organization in its efforts to discover and exploit opportunities. DeMarais (1996), building upon this perspective, expects firms to orient toward the more dynamic elements of a particular competitive environment. This research seeks to advance both the marketing entrepreneurship perspective of Kirkpatrick (1983) and DeMarais' contingency approach to strategic orientations. The basic premise is that marketing decision makers, acting based upon signals from the environment, choose where to seek opportunities. The marketing function, in other words, adopts a contingency approach to strategic orientations and alertness to profit opportunities. The product life cycle (PLC) model of Utterback and Abernathy (1975), with its particular focus on emergence of a dominant product design in an industry, presents a framework by which firms' contingent orientations can be explored.

The Utterback and Abernathy (1975) PLC framework describe three stages of technological evolution as product and process technologies pass from an early "fluid" stage to a "rigid" final stage. It is during the transitional second stage that a dominant product design emerges. Emergence of a dominant design changes the nature of innovation and competition in an industry. Utterback and Suarez (1993) summarize these changes

by pointing to shifts in emphasis toward process innovation and competitive rivalry and away from product innovation and customer-driven product modifications. The potential strength of Utterback and Abernathy's PLC framework in examining contingent strategic orientations is based on the unique competitive environment existing prior to and after the emergence of a dominant product design. The distinctive environment of each life cycle stage requires changes in a firm's knowledge, resources, and capabilities (Hwang and Park 2007). As Shahidi (2008, p. 157) notes, a firm "evolves through a sequence of learning, reevaluating, and readjusting strategic orientations" as its industry matures. Changing orientations allow a firm's marketing function to maintain alertness to opportunities by directing attention to the most dynamic environmental elements at each PLC stage.

Research from multiple perspectives has examined the relationship between elements of the competitive environment and a firm's strategic orientations. Kan and Ellis (2007), in a study of Hong Kong manufacturers, found a weakening of the market orientation as technology and competitive structure of markets stabilize. An extensive stream of literature emerging from the work of Utterback and Abernathy (1975), though not focused on strategic orientations, describes manufacturing firms' shift in emphasis from product innovation in the initial stage of the PLC to a focus on process (production) innovation in the final stage (e.g., Christensen, Suarez, and Utterback 1998; Utterback and Suarez 1993). From an orientation perspective, this research indicates a move from product to production orientations as dominant product designs emerge in industries. Both Narver and Slater (1990) and Day and Nedungadi (1994), studying managerial perspectives, report a move from customer (or market) to sales and production orientations in the most mature product-markets. In summary, this research suggests a shift in both internal and external orientations as firms and industries mature. Consistent with the Utterback and Abernathy PLC framework, it appears that firms move from product to production emphases (a change in internal orientation) and from market to sales (or competitive) approaches (a change in external orientation) during and after the time period in which a dominant product design emerges.

In accordance with the above conceptual analysis and prior research, the following research following propositions are presented.

P1: The product and market orientations are stronger for firms competing in an industry prior to the emergence of a dominant product design than for firms competing in an industry after the emergence of a dominant product design.

P2: The production and sales orientations are stronger for firms competing in an industry after the emergence of a dominant product design than for firms competing in an industry prior to the emergence of a dominant product design.

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Summary Brief

The Effect of Declining Lead Times on First Mover Advantage: A Twenty Year Empirical Study of New Product Announcements

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This study examines the effect of innovation lead time, the construct believed to be the key determinant of launch order strategic value, on first mover advantage. Anecdotal evidence has suggested that innovation lead times are continuing to decrease as the result of new product development acceleration strategies. Conventional wisdom suggests that this decrease in first mover lead time has had an adverse effect on first mover advantages for product innovators. This retrospective review of new product announcements spanning twenty years investigates the effect that lead time has on first mover advantage. The study also compares the advantage first movers have over second, as well as, third market entrants.

Introduction

Product and service innovation is crucial to the survival and success of firms. Innovation enables first mover advantage by supporting the creation of isolating mechanisms such as proprietary technology, switching cost hurdles and resource preemption. The impact on competitors is to delay their competitive reaction. (Suarez and Lanzolla 2008). As a result, product innovators are more likely to enjoy extended periods of prosperity and profitability before competitors enter the market (Suarez and Lanzolla 2008).

On the other hand, rapid innovation by fast followers can serve as a contravening force. Innovative followers can reduce the lead time enjoyed by first-movers by using technological advances to speed up the pace of change and facilitate transference of knowledge (Agarwal and Gort 2001). In this way, fast followers can respond more quickly and can shorten innovation lead time. Innovation designed to speed up response to pioneering innovation appears to have been the more powerful force historically. In a study of 46 new product innovations introduced from 1887 to 1986, it was determined that the average first-mover lead time had decreased from almost 33 years at the turn of the century to 3.4 years by the 1980's (Agarwal and Gort 2001).

There is little doubt that the financial markets view new product announcements by first movers very positively. Poletti, Engelland, and Ling (2008) found that of 423 new product announcements all but seven observations yielded positive abnormal three-day returns for first mover firms. The authors contend that the extent to which these returns are long lasting depended largely upon the reactions of competitors. However, the results showed that on average first movers relinquished

0.62% of their initial gains following the announcement of entry by the first competitor.

These results indicate that a gap exists in the FMA literature linking lead time to first mover advantage. To address the theoretical and empirical gap, the objectives of this paper are to examine the effect of lead time between first and second movers on the economic-based evaluation of first mover advantage.

Literature Review

Given the evidence provided in economic, management, and marketing literature, it seems logical that being first to market (pioneering) is an excellent strategy for a firm to employ (Alpert 1987; Carpenter and Nakamoto 1990). Further research indicates that increased lead-times enhance first-mover market share advantages (Huff and Robinson 1994; Vakratsas et al. 2003).

However, the literature reveals that first movers create the potential for garnering large benefits only to the extent that temporal strategic barriers can be activated and maintained over time. Entry barriers such as proprietary knowledge and patent protection, which initially allow the pioneer to operate as a pseudo-monopoly, afford greater value than barriers which may take time to activate, even if they have the potential to provide longer-term benefits. The effectiveness of entry barriers in deterring competitor entry and the length of time first-movers are able to earn monopoly-like profits depend largely on the first-mover's ability to impede competitive reaction (D'Aveni 1994). First movers attempt to engage in product and market innovation strategies that increase structural barriers between themselves and subsequent followers. The higher the barriers, the longer the early-mover lead time becomes; the lower the barriers, the shorter the lead time.

There has been a growing trend for firms to enter markets faster due to shorter product life cycles, faster product obsolescence, and intensified competition. Competitors seek to implement organizational and technological strategies that reduce the barriers erected by others, thus decreasing the longer lead times once enjoyed by early-movers. Advances in media and communication (Agarwal and Gort 2001), particularly the explosion of growth in technology fueled by computerization and the Internet, has lead to quicker dissemination of information, further eroding away the barriers to competitive entry. Both first-movers and fast followers have accelerated new product development through a broad variety of strategies and,

consequently, there are a number of forces that tend to compress innovation lead times.

The effectiveness of the aforementioned entry barriers in deterring competitor entry and the length of time first movers are able to earn monopoly-like profits depend largely on the first movers ability to impede competitive reaction (D'Aveni 1994). It follows that the value of those barriers enacted by first movers will vary, depending on the amount of lead time pioneers have to activate these mechanisms. For example, most would agree that a first mover would be more effective at influencing consumer preference formation if the product was the sole market option available to satisfy a particular need and if the pioneer had one year, rather than six weeks, of lead time. Therefore it is posited that:

H1: The shorter the lead time between the first mover and the first followers new product announcements, the greater the negative stock price realized by the first mover.

Methodology and Findings

In order to test the hypotheses, which address the reduction in first mover lead time and the corresponding decrease in the profitability of pioneering firms, data was gathered using a structured content analysis of new product announcements over a 20 year time period between 1985 and 2004. This allowed for the partitioning of the data into two ten year time periods so that continual decline in first mover lead time and the corresponding proposed decrease in first mover profits could be tested. In other words, it was hypothesized that not only has there been a decline in pioneer lead time and first mover profitability, but the decrease in the lead time and profitability of first movers has been more pronounced since the mid 1990s.

H1 posited that the more lead time between the first movers' and the second movers' new product announcements, the greater the positive stock return would be for the first mover. Regression analysis revealed that lead time was an extremely strong predictor of abnormal first mover returns (significance level .000, F statistic 232.472). It was a stronger predictor over the 1995-2004 period as compared to the 1985-1994 period with F statistics of 133.732 and 58.158, respectively. In addition, as average lead time declined from 369 day (1985-1994) to 266 days (1995-2004), average first mover stock value declined from 1.51% to .97% over the same time periods, a 36% decrease. These findings lend strong support for H1.

Summary and Conclusions

One of the main goals of this research was to show that average lead time was a key component of first mover

advantage. This study shows that there is strong evidence that lead time does have a substantial impact on the average abnormal returns which are realized by firms who are first to announce new products. Regression analysis showed that lead time was a strong predictor of average abnormal returns realized by first movers (significance level .000, F statistic 133.33) over the twenty year time-frame.

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Summary Brief

The Impact of CSR Capabilities on Sustainable Competitive Advantage

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Corporate Social Responsibility (CSR) is becoming a critical issue for improving a sustainable competitive advantage. Capabilities for social responsiveness are those that enable a firm to recognize and respond effectively to social responsibilities. This study examines how CSR capabilities influence customer orientation and price premiums through mediating variables of two types of corporate associations (i.e., CSR and CA). The results offer important implications for marketing theory and practice.

Introduction

Corporate Social Responsibility (CSR) is becoming a prominent issue for long term sustainability and many companies have come to recognize CSR as a key factor in their success (Lichtenstein et al. 2004). Furthermore, it is now well known that CSR needs to satisfy not only customers but also other stakeholders such as employees, investors, suppliers and communities. Hence those stakeholders' perspectives on CSR and evaluations of CSR need to be examined in academia.

This study attempts to answer the question, do corporate capabilities for social responsiveness respond effectively to their social responsibilities? The capability to be ethically and socially responsible may contribute to a competitive advantage (Litz 1996). Previous research has suggested that a firm's capability influences its environmental initiatives and business managers' ethical attitudes. Consumers' cognitive association of a company can be both a source of competitiveness (Hall 1993) and a strategic asset (Weigelt and Camerer 1988).

Research studying the role of CSR capabilities has been very limited and no study has suggested that specific CSR capabilities can affect customer orientation and profitability which is the key to a competitive advantage. This study examines the effect of CSR capabilities (i.e., CSR and PR (Public Relations) orientation) on corporate association (i.e., CSR and corporate ability (CA) association), and consequently, customer orientation and price premium.

Literature Review and Hypotheses

Capabilities are unique bundles of knowledge and processes that enables the activities in a process to be conducted (e.g., Sharma and Vredenberg 1998). The capabilities required for social responsiveness are those that meet its corporate social responsibilities, enable a firm to recognize and respond effectively to those social responsibilities (Black 2006). Black and Hatel (2004) introduce a CSR concept of management

capacity to describe the firm-wide ability to adapt to their social environment. They developed measures of CSR management capacity with two concepts: a firm's CSR orientation and PR orientation.

Previous studies have proven that a firm's capabilities resulting from combining resources provide them with a sustained competitive advantage (Barney 1991). Elsayed (2006) suggested that the quantity of resources available to the firm and firm size determine its organizational capacity to apply the appropriate environmental initiatives and thus affect its environmental performance. López Gamero et al. (2008) showed that a firm's resources have a strong influence on their business managers' ethical attitudes. An organization's capability to be ethically and socially responsive may contribute to that firm's competitive advantage (Litz 1996). This suggests that the ability to perceive stakeholder interest, ethical awareness and issue management ability are resources that can help organizations achieve and maintain legitimacy. Thus:

H1a: The employees' CSR orientation has a positive effect on their CSR association.

H1b: The employees' CSR orientation has a positive effect on their CA association.

H2a: The employees' PR orientation has a positive effect on their CSR association.

H2b: The employees' PR orientation has a positive effect on their CA association.

Most researchers agree that CSR and CA are an important consideration for firms and their stakeholders. Brown and Dacin (1997) demonstrated that corporate association influences product and company evaluation. Prior research suggested that CSR association influences overall product evaluation and loyalty which includes tolerance to pay a higher price (Maignan and Ferrell 2001) and CA association has a positive effect on consumers' evaluations and firm profitability (Porter 1985). That is, when consumers build a company image based on its product excellence, they are willing to purchase and pay premium prices.

Customer orientation is defined as the actions designed to understand the current and latent needs of customers in the target markets served so as to create superior value for them (Narver and Slater 1990). Corporate image is a function of the cumulative effect of customer satisfaction (e.g., Bolton and Drew 1991). Luo and Bhattacharya (2006) proposed that CSR activities enable a company to build their base of customer satisfaction which in turn contributes to a positive market value. Therefore:

H3a: The employees' CSR association has a positive effect on customer orientation.

H3b: The employees' CSR association has a positive effect on price premium.

H4a: The employees' CA association has a positive effect on customer orientation.

H4b: The employees' CA association has a positive effect on price premium

Research Methodology

Survey instruments were adapted targeting employees of several Korean firms. A total of 168 usable questionnaires were collected from seven companies which were conducting CSR activities. Following the two-stage approach of model validation (Anderson and Gerbing 1988), measurement validity of each construct appearing in the structural model was tested and the hypothesized model was estimated. The overall fit indices reflected a good model fit: GFI =.910, CFI=.946, RMSEA=.053.

Hypotheses Testing

All the proposed hypotheses were tested using a structural equation model by AMOS 6.0. As a result, H1 (a) and (b), which proposed a positive relationship between CSR orientation and (a) CSR association and (b) CA association, were supported ($\beta = .79$ and $.63$, $t = 5.76$ and 5.35 , $p < .01$). H2 (a) and (b), which suggested a positive relationship between PR orientation and (a) CSR association and (b) CA association were partially supported ($\beta = n.s.$, and $.23$, $t = n.s.$, and 2.27 , $p < .01$). The empirical result shows that PR orientation has no influence on employee perceived CSR association although it does have a positive influence on CA association perception. H3 (a) and (b) which predicted a positive relationship between CSR association and (a) customer orientation and (b) price premium were partially supported ($\beta = .18$ and $n.s.$, $t = 2.20$ and $n.s.$, $p < .01$). Employees' CSR association has a positive influence on customer orientation whereas it has no influence on price premium. Finally, H4 (a) and (b), which predicted a positive relationship between CA association and (a) customer orientation and (b) price premium, were both supported ($\beta = .67$ and $.72$, $t = 7.85$ and 7.68 , $p < .01$).

Conclusion

Our research shows that CSR capabilities contribute to a sustainable competitive advantage through their effects on two types of corporate associations. This study suggests that there are important theoretical implications for marketing researchers. This study is to gain further understanding of the perspective of employees on CSR activities. This study also revealed a difference between CSR orientation and PR orientation which were often considered as similar constructs in previous literature.

This study also indicates managerial implications for marketing managers. This study revealed that corporate associations are important for their customer orientation and price premium. Although CSR association is not a direct trigger for a price premium, we found that it does have an indirect effect on price premium through customer orientation. Moreover, this study found an empirical clue that CSR

orientation has a strong influence on corporate associations. Firms that have CSR orientation rather than PR orientation may have more opportunity to take a competitive advantage through CSR association and CA association. Hence marketing managers should understand the importance of CSR orientation for long term sustainability.

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PHARMACEUTICAL & HEALTHCARE MARKETING TRACK

Track Chair

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An Empirical Approach to Healthcare Supply Chain Risk Management

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This research is concerned with the quantification of risk in a hospital e supply chain. Specifically, the purpose is to develop risk management strategies that can treat the adverse consequences of disruption risk in a hospital supply chain and in turn improve efficiency and responsiveness, quality of patient care and safety. Risk management in healthcare supply chain demands identification and management of portfolio of risk exposures across the hospital. This research leverages AHP framework to assess, evaluate, and quantify portfolio of risks attached to a hospital supply chain operations.

Introduction

Healthcare supply chain represents the conduit in which pharmaceutical products flow from the suppliers of active pharmaceutical ingredients to the manufacturers of pharmaceuticals to the healthcare providers (hospitals and medical clinics) and clinicians to the ultimate end-user – the patient. Although hospitals often do not view themselves as directing a supply chain, they are in fact dependent on the capabilities of several providers, including medical groups, medical device manufacturers, hospital chains and pharmaceutical manufacturers (Culp et al., 2011). This dependency of several partners often makes the healthcare supply chain convoluted and vulnerable to disruptive influences. Per Snyder and Shen (2006), “for as long as there have been supply chains, there have been disruptions, and no supply chain, logistics system, or infrastructure network is immune to them.” Hospitals and health systems account for the significant pharmaceutical consumption in the healthcare supply chain (Everard, 2001). In spite of this, “the importance of supply chain management is oftentimes not recognized either for its current contributions or its additional abilities to reduce healthcare costs, improve margins and add value to the bottom line” (Tim and Jim, 2005). This means hospitals must consider adopting supply chain best practices such as risk management. Supply chain disruptions can have significant impact on costs and patient care (e.g., losses due to downtime, shortage of essential drugs, losses of life). The continuity of hospital operations in healthcare supply chains is imperative to patient care. It is necessary when public health is facing severe health emergencies, including a breakout of a pandemic (e.g., swine flu H1N1 virus), an industrial accident, and a terrorist attack (Graves et al., 2009). Indeed, identifying risk sources, quantifying them, and understanding appropriate supply chain risk management strategies are imperative for hospital administrators and healthcare providers.

We used Saaty’s (1980) analytic hierarchy process (AHP) to quantify risk management in a hospital supply chain in

Nigeria in which the goal to achieve has multiple and conflicting criteria. Risks in hospital supply chain are both qualitative and quantitative in nature, and selecting the alternative risk management treatments is equally conflicting. As a multi-criteria decision making process, the AHP enables decision makers or a group of decision makers set priorities and deliver the best decision when both quantitative and qualitative aspects of a decision must be considered. The advantages associated AHP include its reliance on easily derived expert opinion data, ability to reconcile differences (inconsistencies) in expert judgments and perceptions, and the existence of Expert Choice Software that implements the AHP (Calantone et al. 1989). Inability to mitigate and manage sources of risks in the healthcare supply can potentially affect the quality of patient care. In order to ensure delivery of quality patient care, it is imperative hospitals implement predictive risk management to mitigate disruptive risks. In so doing, hospitals can improve order replenishment of medical commodities, inventory management, faster inventory availability from source to demand, and monitoring and management of medical commodities with a limited shelf life. Results of this study will assist hospitals and particularly C-level administrators become effective and responsive in managing risks in their supply chains.

The purpose of this research is to use an empirical approach to manage risk in a hospital supply chain. In the next section, we provide an overview of healthcare supply chains in Nigeria. In section 3, we review the literature on supply chain risks, risks in healthcare supply chain and risk management in healthcare supply chain. In Section 4, we present the research methodology and data analysis. In section 5, we provide the results and discussion. Finally, section 6 provides the conclusions and managerial implications.

Nigerian Healthcare Supply Chain

Healthcare supply chains in Nigeria are vulnerable to disruption risks because they are broken. Worst, there seems to exist little or no pressure on the healthcare systems to mitigate and manage risks in order to reduce cost, improve patient quality care, supply chain efficiency and responsiveness. According to Everard (2001), if the welfare of the patient is the goal of the patient, all the links in the chains must support this goal. Adams et al. (2009) note “[patients] worldwide are demanding more and better healthcare services [and that] “...the current paths of many healthcare systems around the world will become unsustainable by 2015” unless they urgently address the realities of the new environment. Healthcare systems that ignore to reverse this new environment will do so at their peril and face

mandated restructuring – a “lose-lose” situation for all stakeholders (Adms et al., 2009). Healthcare or hospital supply chains that are vitally important and affects economies and the quality of daily living are complex and inefficient (Nachtmann and Pohl, 2009; Berry and Bendapudi, 2007).

Literature Review

Supply Chain Risk

Studies that have explored supply chain risk sources and risk management strategies (e.g., Manuji and Mentzer, 2008; Gaudenzi and Borghesi, 2006; Hendricks and Singhal, 2005; Cavinato, 2004; Kleindorfer and Saad, 2005; Towill, 2005; Barry, 2004; Christopher and Lee, 2004; Harland and Brenchley, 2001; Zsidisin et al., 2004; Spekman and Davis, 2004; Hallikas et al., 2002; Souter, 2000). All types of risks exist within supply chains (Lee et al., 1997) and organizations face them whenever they seek goods and services to meet their goals and objectives (Zsidisin et al., 2004). Based on review of relevant literature, regulation and legislation, operation, reputation, financial, market, relationship, counterfeit, regulatory agencies, intellectual property infringement, currency fluctuation, exchange rate, supplier failure, underdeveloped product pipeline, and legal liability are some of the risks that can disrupt pharmaceutical supply chain performance (Hillman and Keltz, 2007; Chan et al., 2002; KPMG, 2005). Bandyopadhyay et al (1999) reported that key components of risk management include 1) risk identification, 2) risk analysis, 3) risk reduction, transfer and acceptance, and 4) risk monitoring. Pharmaceutical supply chain risk mitigation strategies considered in this paper includes reduce (mitigate), avoid, accept (retain), and transfer (share) risks.

Healthcare Supply Chain Risk Sources

Hospitals are not only under pressure to reduce healthcare supply chain inefficiencies while improving quality patient care but also to mitigate and manage portfolio of growing risks. Like other industries, the healthcare industry is not immune from both predictable and unpredictable supply chain disruptions. Healthcare supply chains are prone to a number of disruptions that pose significant health risks to patients. Supply chain disruptions due to one event or series of events can lead to significant consequences. Given today’s increasing risks and uncertainties, Nigerian hospitals must consider the imperativeness of efficient monitoring of their healthcare supply chains. Indeed, by assessing the vulnerability of the supply chain network, supply chain managers can afford to mitigate risk and develop agile response strategies in order to reduce supply chain disruption (Soberanois, 2010).

Risks in the healthcare supply chain emanate from different sources, including medical supplies shortage, demand variability, pharmaceutical counterfeits, impoverish technology, frequent strikes by doctors, shortage of electric power supply, shortage of key talents, operational and supply chain infrastructure failures, regulations and service failures, longer supply chain lines, geopolitical instability, volatile fuel prices, and transportation logistics.

Healthcare Supply Chain Risk Management

Since the beginning of time management of disruption risk has always been an issue of great concern to policy makers,

financial institutions, and C-level executives. One of the premier goals of adopting supply chain risk management is to reduce the impact of disruption risks and increase the robustness of a healthcare supply chain. Risk management in the healthcare supply chain represents a systematic approach of identifying, analyzing, treating and monitoring the risks that affect patient care process. To improve patient care, healthcare risk management must be an essential part of hospital administration in Nigeria. Hospitals that lack a well-thought out, predictive or proactive risk management strategy are at risk of having a sub-optimal healthcare supply chain that undermines responsive patient care quality. Indeed, hospitals with the proper predictive supply chain risk management approaches can assure rest of mind to their patients and supply chain partners (e.g., doctors and clinicians, government, NGOs, and international donor agencies). For the case hospital to remain viable in today’s risky environment, it is imperative it implements supply chain risk management. Supply chain risk management benefits include better decision making, an improved balanced between risk (threat) and opportunity, enhanced competitive position (O’Brien and Joyce, 2007), achieve greater mutual understanding of the interests and problems of all supply chain members. Lack of appropriate risk mitigation can erode public health confidence and reputation, patients’ health and safety, and reduction in profit margin and shareholder value.

Research Methodology

Risk management in hospital supply chain is a typical multi-criteria decision making problem that involves multiple criteria that can be both qualitative and quantitative. A multi-criteria approach proposed for this study is AHP. AHP allows decision-makers to model a complex problem in a hierarchical structure, showing the relationships of the overall goal, criteria (objectives), and alternatives.

Application of AHP to Healthcare Supply Chain Risk

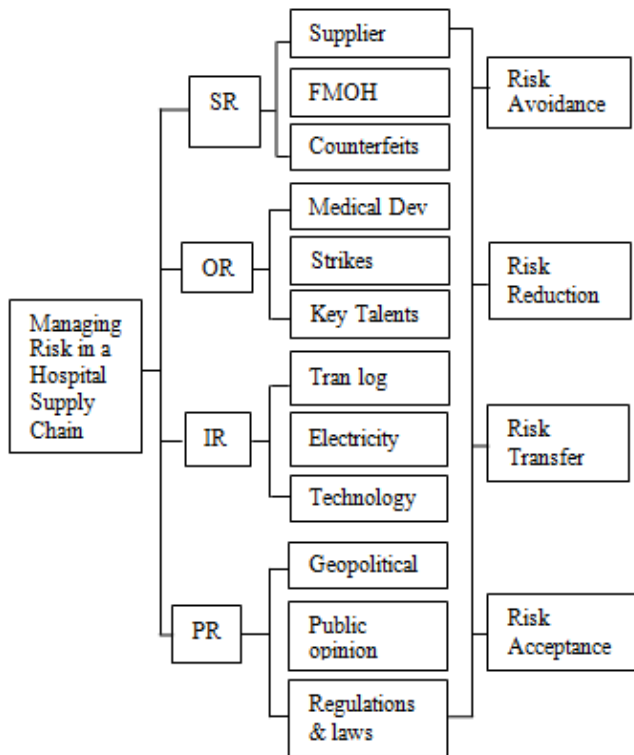
A typical AHP is composed of the following four-phases. 1) Construct a hierarchy, which describes the problem. The overall goal is at the top of the structure, with the main attributes on a level below. 2) Derive weights for the lowest-level attributes by conducting a series of pairwise comparisons. Each sub-criterion is compared with respect to its significance to the parent criterion. However, to compute the overall weights of the lowest level, matrix arithmetic is required. 3) A group of decision-makers scores available options with respect to the lowest level attributes. Similarly, the pairwise comparison approach is used. 4) Adjusting the options’ scores to reflect the weights given to the attributes, and adding the adjusted scores to produce a final score for each optimum (Roper-Lowe and Sharp 1990). In Figure 1, the hierarchy structure is consists of the major risks, including supplier risk (SR), operational risk (OR), infrastructural risk (IR), and political risk (PR). The sub-risks in healthcare supply chain include supply (supplier failure, federal ministry of health (FMOH), and counterfeits); operational (medical devices, strikes, and key talents); infrastructure (transportation logistics, electricity, and technology); and political (geopolitical, public opinion, and regulations and laws). According to Flanagan and Norman (1993) and Lowe and Whitworth (1996), response strategy to risk can be achieved

through risk reduction; risk avoidance; risk transfer; and risk retention.

AHP STEPS

1. Define an unstructured problem and determine the overall goal. According to Simon (1960), the methodology of decision-making process encompasses identifying the problem, generating and evaluating alternatives, designing, and obtaining actionable intelligence. The overall goal of is depicted in the first level of the hierarchy. 2. Build the hierarchy from the top through the intermediate levels (criteria on which subsequent levels depend on) to the lowest level, which usually contains the list of alternatives. 3. Construct a set of pairwise comparison matrices for each of the lower levels.

Figure 1: Hierarchy Structure of a Hospital Supply Chain Risk



The pair-wise comparison is made such that the attribute in row i ($i = 1, 2, 3, 4...n$) is ranked relative to each of the attributes represented by n columns. The pair-wise comparisons are done in terms of which element dominates another. These judgments are then expressed as integer values 1 to 9 in which 1) $a_{ij} = 1$ means that i and j are equally important. 2) $a_{ij} = 3$ signifies that i is moderately more important than j . 3) $a_{ij} = 5$ suggests that i is strongly more important than j . 4) $a_{ij} = 7$ indicates that i is very strongly more important than j . Finally, 5) $a_{ij} = 9$ signifies that i is extremely more important than j .

Establishment of Pairwise comparison matrix

A

The pairwise comparisons are accomplished in terms of which element dominates or influences the order. We used the

AHP to quantify experts' opinions depicted as an n -by- n matrix as follows:

$$A = [a_{ij}] = w_i / w_j = \begin{bmatrix} w_1 / w_2 & w_1 / w_2 & \dots & w_1 / w_n \\ w_2 / w_1 & w_2 / w_2 & \dots & w_2 / w_n \\ \vdots & \vdots & \ddots & \vdots \\ w_n / w_1 & w_n / w_2 & \dots & w_n / w_n \end{bmatrix}$$

If c_i is judged to be of equal importance as c_j , then $(a_{ij}) = 1$; If c_i is judged to be more important than c_j , then $(a_{ij}) > 1$; If c_i is judged to be less important than c_j , then $(a_{ij}) < 1$; $(a_{ij}) = 1/a_{ji}$, ($i, j = 1, 2, 3, \dots, n$), $a_{ij} \neq 0$.

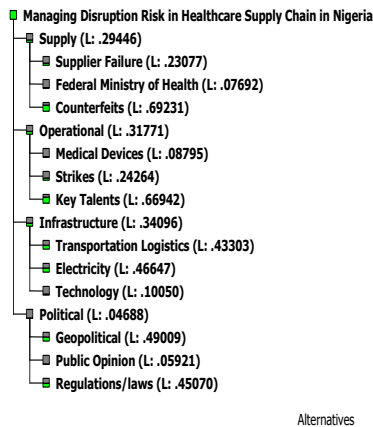
Data Source and Analysis

We used questionnaire survey to obtain hospital executives' opinions on risks in a hospital supply chain. The period for data collection was between October 2011 and April 2012. A group of hospital administrators provided response to several pair-wise comparisons, where two categories at a time were compared with respect to the goal. We used results of the questionnaire survey technique as input for the AHP. It took total of six judgments (i.e., $4(4-1)/2$) to complete the pairwise comparisons with respect to the major risks. For sub-risks, it took total of eight judgments to complete the pairwise comparisons (not provide because of limited space). To derive estimates of the criteria priorities, we used the data reported in the matrix. The priorities provide a measure of the relative importance of each criterion. We used the AHP-based Expert Choice Software 11.5 to analyze the collected data.

Results and Discussion

Figure 2 reports on the priority scores associated with risks in hospital supply chain and the risk management (alternatives) overall priority scores (see the bottom panel). For the decision criteria, infrastructure (0.34096) is the most important risk in the healthcare supply chain, followed by operational risk (0.31771), supply (.29446), and political (.04688), respectively. That is, infrastructure > operational > supply > political. For sub-risk categories, the most important risk within the supply is counterfeits (0.69231). With respect to operational risk, they are lack of talents (e.g., doctors and nurses) (0.66942)). For infrastructure, it is electricity (.46647). While in politics, it is geopolitical risk (e.g., lack of security associated armed robbery and kidnappings) (0.499009, respectively). The most important risk among the sub-category of risks is counterfeits. With respect to risk management strategies, risk reduction (.43276 is the most preferred risk management strategies, followed by risk avoidance (0.41734). That is, risk reduction > risk avoidance > risk acceptance > risk transfer. Thus, risk reduction is the overall best risk management option.

Figure 2. Supply Chain Risk and Risk Management Priority Scores



Alternatives

Risk Avoidance	.41734
Risk Reduction	.43276
Risk Transfer	.06544
Risk Acceptance	.08445

Conclusions and Implications

The motivation for risk management in healthcare supply chain is because of the escalating disruption risks in the Nigerian

context. With hospitals depending on third parties for medical commodities, breakdown in the healthcare supply chain can disrupt core health services thus making it imperative to identify supply chain threats and take the necessary measures to control them. This research attempts to identify and quantify risks in a hospital supply chain using AHP. This paper provides a number of contributions to managing disruption risks in supply chains and particularly in a hospital supply chain. This research contributes to the literature by identify and quantifying risks in the Nigerian hospital supply chains leveraging AHP model. The results of this research are relevant to the hospitals' C-level administrators in terms of how to identify and prioritize portfolio of risks for mitigation and predictive management.

Hospitals need proven systematic approach for identifying sources of risks, quantifying most probable and impactful risks, and establishing predictive risk management strategies for the prioritized risks. Both predictable and unpredictable disruptions to the healthcare supply chain can cause hiccup to the normal flow of processes, medical commodities and services. Hospital administrators and supply chain managers will find this study relevant for approached they can leverage to mitigate and manage supply chain risk and vulnerability.

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Available upon request

Summary Brief

Pharmaceutical Industry Data Mining Shielded by Supreme Court Ruling . . . For Now

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In June 2011 the United States Supreme Court decided the case of Sorrell v. IMS Health Inc. That case addressed the constitutionality of Vermont's Prescription Confidentiality Law, a statute that restricted the sale, disclosure and use of pharmacy records that reveal the prescribing practices of individual doctors. Data miners and pharmaceutical manufacturers challenged the statute as a violation of their First Amendment rights. The Supreme Court agreed. The result is a victory for business enterprises that wish to buy and sell information generated by business transactions and use it to facilitate further transactions.

Introduction

A recent United States Supreme Court ruling protecting the use of data mined information as a guide in developing promotional strategies in the pharmaceutical industry positively impacts all marketers using similar data collection and analysis. The purpose of this paper is to examine the use of data mining in the pharmaceutical industry, review its criticism, describe the Supreme Court decision, and assess the impact of the Court's holding on marketers.

In *Sorrell v. IMS Health, Inc.*, a data mining health information company won its constitutional challenge of a Vermont statute that restricted the sale and use of data mined information. The Supreme Court held that such information was protected by the First Amendment, and invalidated the statute as an infringement of free speech. The ruling positively impacts any business that uses information about consumer buying behavior to guide its marketing and sales strategies, but it has serious ramifications for pharmaceutical companies. Without tracking doctors' prescribing habits, marketers would have been left with no real way to segment and accurately target specific physicians.

Relevant Marketing Literature

Data mining involves utilizing electronic methods for distilling meaningful information, trends and predictions from large volumes of data collected for some other purpose. From a marketing perspective, the patterns discovered in the data have value because they can impact the bottom line of a business (Peacock 1998). Businesses either generate their own information from data mining or purchase the gleaned information in order to improve marketing planning and decision making.

Data Mining in the Pharmaceutical Industry

Doctors' prescription data is purchased from participating pharmacies and data mined by health information companies such as IMS Health, SDI Health, and Source Healthcare Analytics (*Information Management* 2011). The channel of distribution in the pharmaceutical industry is unique in that the intended user of a product cannot access it without a physician, a middleman whose involvement is mandated by law. The original data is generated when a prescription is filled by a patient; the name, dose, and quantity of the drug is collected along with the date of the prescription and the physician's name. The patient's name is not retrieved. The data miner, however, assigns a specific number to the patient for tracking future prescriptions to permit analysis of the patient's prescription history (Orentlicher 2010).

Data miners' development of integrated proprietary databases has led to a wealth of information that pharmaceutical marketers are eager to access, specifically, profiles of doctors including name, specialty, practice site, and tracking information on prescribing habits for their own and competing drugs (Rafalski 2002). Tracking helps a company label and group doctors as heavier or lighter prescribers of their drugs and determine the potential for a representative to effect a change in the doctor's prescribing habits. The face-to-face visit with the doctor by a sales representative promoting prescription pharmaceuticals and therapeutic devices is known as "detailing." Without data mining, pharmaceutical marketers' understanding of the target market would be diminished, and the ability to tailor messages for individual physicians would be compromised (Hogg 2005).

Marketers are not the only beneficiaries of data mining. The information produced by data mining is disseminated to insurers, pharmacy benefits managers, academic researchers, health policy officials, law enforcement agents and even the general public. Ultimately, patients benefit from this process.

Resistance to Pharmaceutical Data Mining

Resistance to sales representatives' detailing and their utilization of data mined information has grown over the years for several reasons. Some doctors believed that patient care and the doctor's integrity were compromised by accepting the detailer's complementary items such as pens, pads, lunches, and more. The second issue of resistance is an economic one – doctors simply have more demands on their time as a result of managed care companies' demands (Young 2011). The number of doctors who dislike the use of their prescribing history for one reason or another has grown over the years. Many

physicians bemoan the fact that prescription data is protected for patients but not for physicians (Stone 2011). Some feel as though they are being spied upon by members of the pharmaceutical industry (IMS Health Corp. 2007).

Criticisms include negative impacts on public health (detailers encourage the prescription of new drugs that might be riskier to patients, with perhaps no increase in efficacy, than already established treatments), skyrocketing drug costs due, in part, to marketing expenses (marketing efforts cost money and increase the usage of expensive brand-name medicines), and privacy issues (prescriber data is often sold without the consent or knowledge of a physician and patients' privacy may be inadequately protected, especially in small communities with small numbers of physicians or patients with specific diagnoses) (The Prescription Project 2008).

Legislatures React

Vermont, New Hampshire and Maine were among the first states to enact statutes restricting the sale and use of data mined information. The statute examined by the Supreme Court was passed by the Vermont legislature in 2007. Among the legislative findings supporting the act was that detailing increases the cost of health care and health insurance, and fosters disruptive marketing visits that are tantamount to harassment (Sorrell 2011). Over 20 other states were considering similar statutes at the time that *Sorrell* was decided. (Brief of Illinois, Alabama et al. 2011).

Commercial Speech and the Court

IMS Health Inc. based its challenge of the Vermont statute on the First Amendment to the U.S. Constitution. The First Amendment states that "Congress shall make no law ... abridging the freedom of speech..." (U.S. Const. amend. I).

IMS Health argued that the speech restrained by the Vermont Statute was entitled to full constitutional protection. If the Supreme Court had agreed with IMS Health, then Vermont would have been required to prove that the restriction of speech advanced a compelling interest and was narrowly tailored to achieve that interest (Sorrell 2011).

The state of Vermont argued that it was not proper for the statute to be evaluated as a restriction of speech at all. It argued that the statute regulated commercial conduct rather than restricting speech. The Court found that the interests identified by Vermont were not advanced by the statute, and thus concluded that the statute infringed upon the protections of the first amendment. This is significant because it means that the statute was evaluated as a restriction of commercial speech, rather than a restriction of commercial conduct (Sorrell 2011).

Conclusions

Marketing depends upon the flow of information. Marketing professionals must be able to gather information that they can use to create value for the customer; they must also be able to convey information to the customer, whether it be a channel member or end user of the product. The more traditional promotional strategy has been the use of personal selling and sales promotion to push the products to physicians who act as middlemen, whose involvement is legally mandated. As a result of the Supreme Court's holding in *Sorrell* each step in this

process is now considered a form of speech and, as such, is protected by the First Amendment.

Because of the Supreme Court's holding, manufacturers and marketing research firms can continue to combine data gathered from wholesalers, retailers, and other business entities and then data mine it to spot trends, segment markets, and develop promotional campaigns. But even with a victory in *Sorrell*, marketing practitioners should be discriminating in their use of this information. The Court's opinion does leave room for other states to enact similar laws (Hirsch 2011).

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Consumer Reactions in Cross-Cultural Service Failure

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Previous studies have not accounted for the fact that the service failure occurring might be in the context of CSI, where the consumer and employee are from different countries. Studying CSIs is especially important since immigration and travelling has increased around the world, leading to more cross-cultural interactions (Ng, Lee, and Soutar 2006). It is likely that people from different cultures do not share similar expectations of behaving in a specific situations like service encounters. The overall objective of this study is to examine cross-cultural service failures. We seek to determine the factors that influence consumer reactions in a cross-cultural service failure. Findings of this study should help companies to (1) train employees to deal with cross-cultural service interactions (2) as well as train employees to respond to cross-cultural service failure.

Introduction

Qatar, a small country in the Middle East, is succeeding in attracting numerous nationalities to participate in its development by joining its labor force. Along with the rest of the region and within a few years, it became the home to a large number of nationalities. With this change come a more vibrant business life and thus more interactions between people. Meaning that in the market there are countless cross-cultural service encounters. With 21% of Qatar's GDP coming from the service market (Lovelock, Wirtz and Chew 2009), it is imperative to research any failures or dissatisfactions that occur in this area and to try and solve it. Yet no actual research has been done about this issue in the country or the region which means there is a great deal of information that is yet to be discovered.

Dissatisfactions that are derived from cross-cultural encounters manifest in different forms as previous researches show. A previously established mindset about certain nationalities (of the customer about the provider or vice versa) can determine a certain expectation level from the service that is not met (Mattila 1999; Raajpoot 2004; Stauss and Mang 1999). This is either due to over-expectation or below par service providing. Furthermore previous research shows how miscommunication and language barriers are also a direct cause for cross cultural service encounter dissatisfaction (Bendapudi and Berry 1997).

We propose to examine how consumers react to service failures when the customer and employee originate from different cultures, and we will call these cross-cultural service failures. The critical incident research technique will be used to collect data from 10 consumers within Qatar. The data collected will then be utilized to develop a conceptual model that explains how consumers behave during a cross-cultural service failure.

Background

Culture is an aspect that strongly affects the entity of a person and their perception whether it is of themselves or of other people. This in turn plays a part in how cross-cultural situations end up whether it is a positive or a negative way (Hopkins, Hopkins, and Hoffman 2005; Javalgi and Martin 2007; Ueltschy et al. 2007). Previous researches talk about perceived cultural differences which is defined as the extent to which two cultures are different (or distant) from each other in terms of a cultural dimension (Stening 1979). The larger the distance the greater the difference in culture is and the more complex interactions can become. This is an important aspect that is looked at in more depth when analyzing ICSEs.

It is shown in previous research that customers usually have certain ideas and beliefs about certain cultures which influence his/her decision making (Ng, Lee, and Soutar 2007). This is why they would be more comfortable in dealing with people of the same cultural background. In this research we will label this thought process as Perceived Cultural Difference or PCD.

Moreover, people tend to see their own cultural beliefs as the correct way of thought (Triandis 1994). Again customers are influenced in their decision making where when faced with people of different cultural backgrounds, they become less comfortable. Thus they tend to work with people from the same cultural background. Previous research has shown a negative correlation between the Intercultural Comfort (IC) and the PCD where the decrease of one means the increase of the other (Paswan and Ganesh 2005).

Method of Research

This simple research was done in a qualitative way where 10 in-depth interviews were made (Refer to table 1 for characteristics of the respondents). It was insisted that these interviews are conducted with both genders and with people of different age groups, nationalities and positions. These interviews focused on asking the interviewees questions that aimed to probe further into reasons as to why these service failures occurred. Furthermore the interview served to find out how people reacted and what the aftermath of the incident was.

A certain criteria were made in order to be able to differentiate whether an interview is what is being looked for or not in order to save time. Meaning, not all service encounters were taken into account. But what was were ones that focused on high level of encounter and not a touch and go type of situation. This is to ensure that there has been enough interaction for an actual failure that can be researched to occur.

It is believed that it is important for the interviewee to know what is being asked first. That is why at the beginning of each interview the person was asked to define what service businesses are. Moreover, 'service encounters' was also

explained to ensure that there is no confusion in the rest of the interview.

The first part of the interview required the respondent to point out which service companies he used in the past 6 months. The reason behind this was to allow him/her to ease into the interview and to refresh their memory. This was followed by a question that required them to remember any dissatisfactions that they have felt due to a bad service encounters. This was not limited to the companies from 6 months ago. It was necessary to allow the person to remember the encounter without any intervention in order to ensure that the memory is not tampered with. However, questions were later asked to probe further as to why certain things happened during the incident.

Afterwards, the interviewer asked if the employee was from a different culture. A question that had to be asked during the interview is whether the customer thought that the reason this encounter was dissatisfying was because there was a cultural difference. Although it was crucial to keep the interview fair and unbiased, it was equally important to find out why dissatisfied customers thought they ended up being unhappy in order to solve the issue.

Table 1. Respondent Profile

Respondent Nationality	Respondent Age	Service Provider Nationality	Service Business
Sudanese	19	Filipino	Bakery
British-Egyptian	21	Indian	Barber
Iraqi	65	Indian	Barber
Palestinian	42	Filipino	House-cleaning
Pakistani	20	Indian	Megastore
Qatari	25	Turkish	Restaurant
Qatari	19	Filipino	Hairstylist
Jordanian	33	Filipino	Megastore
Sudanese	19	Indian	Car-rental
Indian	23	Filipino	Perfume shop

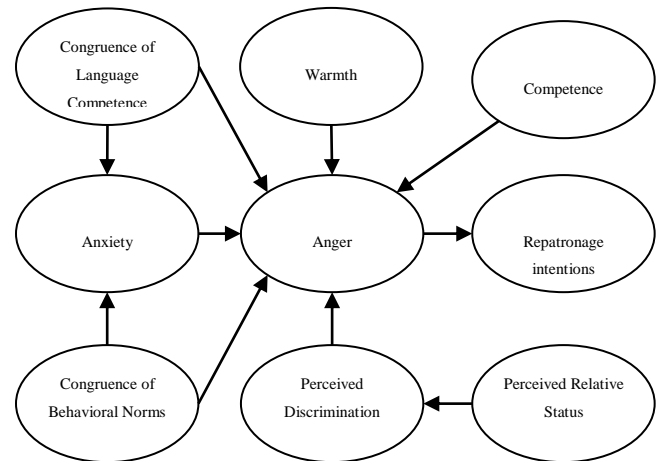
Qatar was chosen as the premise of this research for two main reasons. The first was the fact that the majority of the population in Qatar is not locals but a mix of different ethnicities. This means that there will be a great amount of interactions with a wide variety of cultural distances. Secondly, the majority of the workforces in Qatar, especially the face-to-face employees, are not locals. Therefore we believe that there will be a different set of cultural background in each scenario causing a different type of interaction complexity to arise from one case to the other.

Conceptual Model

We build upon and extend the conceptual framework introduced by Sharma, Tam and Kim (2009) to explain intercultural service experiences. In their model they postulate that perceived cultural difference is the main independent variables that would affect expectations and perceptions of the service encounter. We differ from Sharma, Tam and Kim (2009) in that we unfold the multidimensional nature of the perceived cultural difference. We find that differences in language

competencies as well as differences in behavioral norms are two cultural differences that contribute to the service failure. Differences in language competencies refer to the extent to which the customer and service provider are different in their mastery of the language that is used for communication in the service encounter. Differences in behavioral norms relates to the extent to which the customer perceives that employees behaviors as inappropriate. We also introduce anger as a main dependent variable in this model. The model is depicted in figure 1.

Figure 1. Conceptual Model



Results

Our findings reveal that differences in language competencies lead to a service failure. These differences in language competencies often lead to frustration during the service delivery process when consumers were unable to communicate their expectations to the service provider. These frustrations later turned into anger as the service progressed. Interaction comfort refers to discomfort that is experienced due to perceived differences in behavioral norms.

For example Zeena Shkara a Palestinian resident in Qatar who was unable to communicate with a hired cleaning service employee. This was due to Zeena’s inability to speak in English and the employee’s inability to speak in Arabic. Zeena ended up being dissatisfied when the employee went against specific instructions that were given to her. The maid was Filipino. Sarah Ali, a Pakistani who came to Qatar to study, had an unpleasant encounter while shopping at a megastore. Due to the employees low level of competency in English he was not able to understand the name of the product Sarah was looking for .Even though they were both from neighboring countries and had a similar native language, it was important for Sarah to say the name in English or it the meaning would change. This problem escalated to the point where the shopkeeper was rude, started laughing at the customer and ended up being unhelpful. Sarah ended up having to find the product herself and decided that she may not shop there again. Thus we expect that:

Proposition 1: Incongruence in language competencies will lead to higher frustration during the service delivery

Proposition 2: Higher Frustration will lead to higher levels of anger

Another cultural factor that contributed to service failures was the extent to which behavioral norms of the service provider and the customer are similar. These behavioral norms can include bodily contact, eye contact, as well as space kept between the service provider and the customer. For example: Obada Samir, a half British who lived in Britain for the most part of his life also had a dissatisfying experience at a barber. It is a common practice in Qatar for the barbers to offer massages as extra service. However such an act was not acceptable for Obada who felt like it was inappropriate and borderline sexual harassment. Therefore, in a state of panic he decided to leave the shop. According to Obada's culture, a man offering another man a massage was of homosexual nature. The barber was Indian. Thus we propose that:

Proposition 3: Incongruence of behavioral norms will lead to a higher level of anger

We also find that the perceived status of the customer relative to other customers or service provider might affect perceptions of the service failure. When consumer perceive that they are of lower status then they are likely to attribute the service failure to racism.

For example, Siva Buddhavarappu, an Indian resident of Qatar, felt he was mistreated at a high end perfume store. While in the middle of talking to the employee, she left him to attend to a Qatari customer who has entered the store. The cultural issue here was not that there was a clash between Siva and the employee but between him and the Qatari. Meaning, the Qatari man, like the majority of Qataris was rich unlike the majority of the Indians in Qatar. This difference is what caused the bad encounter. The case ended up with Siva feeling insulted and left the shop saying that he will never shop there again.

Proposition 4: Perceived racism is positively associated with anger about the service encounter for consumers with a lower perceived status level

Although not evident from the interviews we propose that stereotypes will affect the anger results from a service failure. Studies in the social psychology literature suggest that there are two main stereotypes, namely warmth and competence. (Fiske *et al.*, 2002). Warmth captures the extent to which a group are perceived as having good intentions towards one's group while competence relates to the capability of the group to act upon those intentions. More specifically we expect that competence and warmth will lead to higher levels of anger, because consumers have high expectations and thus a lower zone of tolerance for service provider that either high in warmth or competence

Proposition 5: Warmth is positively associated with anger resulting from a service failure

Proposition 6: Competence is positively associated with anger resulting from a service failure

Anger is found to be a factor that has a direct correlation to a customer's dissatisfaction. Moreover it has a direct effect on his actions resulting from this dissatisfaction. This direct effect is especially present in critical incidents. Even though actions may vary, switching providers is always an option considered. Studies that have tried to discover ways to increase customer loyalty and decrease possibility of switching providers, have recognized that anger is an issue that has a direct effect and needs to be dealt with (Anton, Camarero and Carrero 2005). Anger is an important part of a series of actions that cause the customer to act immediately.

Proposition 7: Anger is positively associated with switching from the service provider

Limitations and Future Research

Limitations of this research mainly revolve around the small number of interviews. Since this research was done by a university student it was not possible to conduct a large number of interviews. Moreover many cases did not have enough interaction between the customer and employee. Still, it was enough to see how cultural differences effected satisfaction levels. Also, there were cases that did cultural differences did not play as big of a role, if any, when it comes to encounter satisfaction. However even with these shortcomings, we were still able to stumble upon an interesting issue that could be used for future research.

Qatar is a booming country with people from all over the world coming over not to become a citizen but to simply work. Thus they come over for small periods of time depending on the contract. Thus we see that ICC level is low and there isn't an effective method of culture adaptation. This could be researched further in respect to how important is culture adaptation when there is such a limited time that people are present in the country.

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RETAILING, ENTREPRENEURSHIP & FASHION MERCHANDISING TRACK

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Summary Brief

To Pursue or Not to Pursue: An Examination of the Antecedents of the Salesperson's Desire to Approach a Customer

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This study provides an understanding on the factors that lead a salesperson to want to pursue a customer. Two major themes emerged from the qualitative research; the first theme is the employees' perception of the customer. This category gives employees the initial desire to want to pursue a customer. A customer that is perceived as congruent and/ or receptive to the salesperson is viewed as more approachable. The second theme includes the salesperson's characteristics. This category strengthens and weakens the initial reaction to the customer. The employee's stable characteristics include emotional intelligence and customer orientation.

Introduction

Research has shown that customers continue to be ignored (Bitner, Booms, and Tetreault 1990; Darian, Tucci, and Wiman 2001; Haynes 1990). The service literature also demonstrates that developing rapport is important for a success of a business (Gremler and Gwinner 2008; Hollman and Kleiner 1997). Thus, an examination of the salesperson's attitudes and premeditated behavior toward customers is essential. Specifically, an examination of what leads a salesperson to want to pursue a customer, and what strengthens and weakens that desire is vital.

Method

In-depth interviews were used for data collection due to the exploratory nature of the study (Strauss and Corbin 1998). Seven students from a major Southeastern university in the United States were recruited to participate in exchange for extra-credit in an undergraduate marketing class. Five participants were recruited from mutual acquaintances of the researchers. Participants' age averaged 27 years old and ranged from 21 to 45 with 6 female and 6 male.

Using a grounded theory approach, the themes discovered in this research emerged directly from the data (Strauss and Corbin, 1998). Open coding was used to identify major themes, and axial coding was used to identify sub categories (Strauss and Corbin 1998).

Results

Two major themes emerged from the data. The employee's perception of the customer is what creates the initial desire to pursue the customer. The salesperson's characteristic is what strengthens and weakens that initial reaction to the customer.

Employee's Perception of the Customer

The salespeople interviewed felt that they can connect with a particular type of customer. The salesperson's desire to approach the customer is heightened when the customer is similar and/or receptive to the salesperson. The similarities would include aspects such as age, culture, and language. Participants described age as an indicator of being able to predict and satisfy a customer's need better, as described in the following quote.

"I feel like I could relate to them more, that I knew what they wanted. Like, younger you have been that age, "... Older I have no idea, I am not that age yet. So, I guess it's easier because you are in the now, you know what you like right now. So it's easier to help them."

Employees enjoyed and wanted to assist customers that are receptive to their help. Salespeople generally go the extra mile for customers who appreciate the employee's advice and recommendation. Participants stated that the receptivity of the customer created more satisfaction with the task at hand, as demonstrated in the following quote.

"She was just like so engaged in me showing her where they were, and so that led me to showing her where the gifts and things were. So I think that was a positive experience because just me seeing the smile on her face from me showing her. And then she was like thank you so much, I really appreciate your help. Just me being thanked that was a positive experience for me."

Employee's Stable Characteristics

Our qualitative findings indicate that the salesperson's reaction to the customer's behavior depends on the employee's characteristics, which include customer oriented selling and emotional intelligence.

Customer oriented selling (SOCO) refers to "the practice of the marketing concept at the level of the individual salesperson and customer" (Saxe and Weitz 1982). When the salesperson was customer oriented, they felt it was necessary to give customers the space they needed to shop. This belief encouraged salespeople to deviate from company policy that instructed employees to continuously approach a customer. Being customer oriented also meant that salespeople helped every customer that approached them without hesitating, even when he or she was approached by another salesperson.

"Probably not, I think the managers probably would have me take a second run at them, but if I was not

feeling that there was some kind of connection, there was something they wanted to ask, or something. I would back off.”

Emotional intelligence is defined as “the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them and to use this information to guide one’s thinking and actions” (Salovey and Mayer 1990, p. 189). The salespeople would read a customer’s body language and tone to determine whether to pursue that individual. Salespeople reflected on how they felt during their own shopping experience, and how they wished the salesperson would have treated them at the time. Based on their own experience, the salesperson would change how he or she treated the customer.

“You would could get feedback from a lot of different (ways) from a customer: their body language, how they responded to your greeting. (If) they basically just said hi with a slight smile and turned around started looking at something, you know they are not interested in a lot of contact. If they start engaging you in conversation, or if they continue to pay attention to you as opposed to the merchandise you know you might be able to try and work with them.”

Discussion

This study provides an understanding on what factors create a salesperson’s desire to approach the customer. The employees’ stable characteristics and employee’s perception of the customer are major factors that determine the level of attentiveness a salesperson provides. The employee’s emotional intelligence and SOCO are moderators of the relationship between employee’s perception of the customers and salesperson’s desire to pursue the customer. The employee’s perceptions of the customer that create variation in the employees’ desire for a pursuit include congruity and perceived receptivity.

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Summary Brief

An Examination of the Factors that Influence Retail Sales Associates' Behaviors with Customers

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To better understand the types of selling styles and approaches that retail salespeople use with customers this research explores the cues that salespeople rely on that determine the interaction style they will use with a customer. Clearly salespeople play a crucial role for retailers in terms of facilitating the purchase process. In today's market consumers have substantial choice in terms of where they purchase, which makes it increasingly important for salespeople to approach and interact with customers in a manner that is perceived as positive. Once we understand the cues that trigger selling behaviors we can examine these within the theory of adaptive selling and assess the likely effectiveness of the various selling styles. The present research begins this process using depth interviews to explore retail salespeople's interaction styles.

Introduction

As consumers continue to be presented with more and different ways to make purchases, building customer loyalty becomes increasingly difficult. Retail salespeople play a significant role in terms of meeting and exceeding customers' expectations. Salespeople need to understand which sales approaches work best with which customers, especially in a fast-paced retail environment where consumers have tremendous flexibility in terms of how and where they shop. The difference between a good retail salesperson and a bad one may be key factor in determining where consumers choose to purchase and how likely they are to return to the retailer and purchase again. In order to examine the different interaction styles and the cues that salespeople use when determining how to approach and interact with a customer, depth interviews with retail salespeople were conducted.

Method

Sample Characteristics

Semi-structured depth interviews were conducted with 16 retail salespeople employed in the electronics and computer departments of two US national retailers specializing in electronics, computers, and home theater systems. The sample was 100% male with a median age of 27. The oldest informant was 45 the youngest was 22, and the average length of employment with the companies was 3.5 years. Educational background was varied ranging from one informant having only completed high school and two informants holding four year college degrees. The remainder had completed two-year degrees at community college. All informants were employed as full-time retail salespeople associated with a specific department – either computers or home electronics/home theater. Informants were paid \$10 for their time and all interviews were audio-taped

with the permission of the informants and were later transcribed verbatim for analysis. Interviews lasted anywhere from 25 to 40 minutes and the main topic areas of interest revolved around exploring how the sales associates chose to interact with customers and what sales training, if any, they had received from their company.

Data Coding and Interpretation

The informants' transcripts were coded using NVivo qualitative software. Following the initial development of themes in the data, category definitions were developed and refined by the author. An independent coder unfamiliar with the research read through each transcript and coded the data based on the categories and definitions that were provided. Inter-coder reliability was calculated based on a percentage agreement basis. A total of 580 statements were coded into categories associated with the areas of interest. Of these 580 statements, 534 (92%) were coded in the same manner by both the author and the independent coder. The remaining statements were discussed by the two coders until agreement was reached.

Excerpts from the informant interviews are used to illustrate the categories and themes of interest. All names of informants have been changed for the purposes of maintaining anonymity.

Descriptive Excerpts

Behavior with Customers

We were interested to see if the informants altered their selling behavior with customers, and if so what caused them to do this. Researchers interested in adaptive selling have proposed that selling behavior should be altered based on what the customer is trying to achieve in order to best facilitate the customer's goals. We were curious to see if the salespeople in our sample considered a customer's goals so we initially asked for specific examples of how they behaved with customers and then asked them to describe for us why they behaved in that manner. The majority of the responses seemed to use age or appearance as a cue for altering selling behavior.

"I had this young guy who kind of knew what was cool now and what he wanted and he wanted to take me in a certain direction, so I just treated him like he was my friend and we went from there, but when I had an older gentleman I treated him with a lot more respect and in a more polite manner. Like I didn't use slang or anything like that. You have to interact with the customer based on how the customer interacts with you." (Jeff age 24)

"Older people aren't as technologically advanced, well most aren't. I think every customer is important because I've

seen people in jogging shorts and sandals buy a \$10,000 TV and so sometimes you have to be careful and think about their background and where they came from.” (Joe age 27)

“I look at age and gender but not dress style. I look at old people and feel that they are different because they value their money more so they might take a bit more time than say a young person would because they always think they know exactly what they want. Young people tend to spend their money more freely. Sometimes I help the young person first so I can get them out of the way and then I help the older person because they’ll probably take more time and they’ll tell me how their grandson is or whatever and take up about 20 minutes of my time. I don’t look at somebody and say they look rich or they look poor and treat them differently that way.” (Tim age 26)

Tim is clearly concerned about using his time efficiently but in his striving for efficiency he does not seem to try and pin down exactly why each customer is in the store and how he might best help them. Steve, on the other hand used a combination of ethnicity, age, gender, and clothing type to determine how he would approach a customer.

“You have to pick up on the mixture of customers in order to be successful. We have redneck people, Latinos with an accent, and just regular people. You have to look at the clothes, the accent, the way they act in general, and you look at age and gender.” (Steve age 33)

Mike seemed to follow a similar approach and even indicated that stereotyping people based on clothing, accent, mannerisms was beneficial to his success.

“You have the customer who comes in who may be from across the bridge (referring to a more rural area) and they want the cheapest computer there is. They don’t want you to talk to them about it, they don’t want service, they don’t want anything with it they just want the computer and you can read that person as soon as they walk in the department. I can tell by their mannerisms, by the way they look, by the way they talk and by the way they dress. You could say to me “oh you stereotype people” but I think you’re a better salesperson for being able to do that and to already have an idea of how this sales call is going to go before it starts.” (Mike age 31)

Several informants clearly had preconceived ideas about how sales call would unfold based on very overt customer characteristics. Informants use age, location (rural versus non-rural), dress style, speech patterns, and ethnicity as indicators of consumer knowledge and/or spending power and spending habits. Using this type of classification system is questionable at best and clearly these observable characteristics do not provide any indication of what the customer’s goals are for the specific interaction with the salesperson.

Corporate Training

We asked informants whether they received any corporate training involving how to approach customers. The answer was yes.

“There is the 10 foot 10 second rule, which is like if you have a customer in your area within 10 feet of you, you have to say hello, how are you finding everything.” (Pete age 28)

Pete went on to say that the reason he follows this procedure is that he will get written up if he does not but that he actually does believe it works in terms of helping to make a sale.

“We are taught a certain technique (name of technique omitted). We ask lifestyle questions - like what do they do, what are they going to use it for and who is going to use it. We have to ask at least three questions and we tell them we are not on commission.” (David age 40)

“The way our company works is they want the experience to be the same for every customer and they tell you how that should be. You’re going to be that robot and their foundation way is what they hold you accountable to.” (Mike age 45)

“You’re going to give the person your name and if you recommend a sale you then try to encourage them to buy extras. So we have all these things set in place that we have to do.” (Carl age 36)

Adaptive Selling

We asked informants if they understood adaptive selling.

“I don’t remember being specifically trained on adaptive selling. I’ve been with the company for about three years so I just kind of know what it is. I know they would love it if I practiced their (named corporate training approach) on every single customer but I really don’t.” (Steve age 33)

“I’ve heard of adaptive selling. It means being able to move from one sales environment to another and trying to adapt. When someone comes in that needs your assistance but not everybody acts the same way so you’ve got to adapt your selling points and selling strategies around that person, you use the feedback that you are getting back from that person at that time.” (Eric age 22)

“I’ve never heard of adaptive selling but to me it seems it would be more of a laid back approach to selling. Like you take your environments and analyze it instead of going up to people you wait for them to come to you.” (Jackson age 24)

Concluding Remarks

The data indicates that overt customer characteristics are used as the primary means of determining how to approach and interact with a customer. Informants use category membership as a means of predicting how customers will behave, what they might be likely to purchase, and how much of the salesperson’s time they may demand. The fact that salespeople often classify customers in this way has been previously noted and has long been criticized as a method for selecting selling behaviors (e.g. Szymanski and Churchill 1990).

It is surprising that informants were not familiar with adaptive selling given the general agreement that adaptive selling improves selling effectiveness. Albeit a limited sample, it would seem to be that retail salespeople continue to rely on overt characteristics when determining how to approach and interact with customers. Retail salespeople presumably could benefit from more advanced training with respect to the concepts of adaptive selling and less reliance on scripted approaches and overt cues.

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Summary Brief

Use and Perceptions of Online Reviews: Descriptive Data from E-Tailers and Online Shoppers

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As online retailing has continued to grow, even during the recession, so has the use of eWOM in the form of online product and service reviews. Online reviews have been the subject of research, but this has mainly covered their communication effects. There is widespread knowledge that some online reviews are fake. Despite the foregoing, there is a dearth of descriptive research information on the actual use of online reviews by e-tailers and online shoppers. This paper reports descriptive results of two studies: the first on the use of online reviews by Top500 e-tailers, and the second on the usage, perceived benefits, and perceived authenticity/deceptiveness of online reviews from a sample of 1000 U.S. online shoppers. The findings confirm widespread use of online reviews by both e-tailers and online shoppers. A threat to e-tailing lies in consumers' awareness of deceptive reviews.

Introduction

The growth of e-tailing has spurred the growth of consumer generated media (CGM) such as online consumer reviews. While some research attention has been devoted to online reviews, there is surprisingly little information in the marketing literature describing the actual use of online reviews by retailers and by consumers. The purpose of this paper is to report: 1) results of a content analysis of the use of online reviews by the *Top 500* online retailers and 2) the results of research on 1,000 U.S. online shoppers which describes their usage, perceived benefits, and perceived authenticity/deceptiveness of online reviews.

Online consumer reviews are a significant source of word of mouth (WOM). Recent empirical studies (e.g., Zhu and Zhang 2010) suggest that online word of mouth (eWOM) is a strong influence on consumer behavior. There are two forms of WOM that are equally applicable to eWOM: organic and amplified (Sernovitz 2006). Organic WOM is WOM that naturally springs from positive qualities of a company's good or service. Amplified WOM is started by an intentional campaign to get people talking which leads to listening and buying. It is the latter form that may become problematic depending on how the intentional campaign is undertaken. The WOM Marketing Association (WOMMA) code of ethics prohibits what is known as "stealth marketing." The term "stealth" implies that marketers or their agents are posing, unidentified, as consumers. WOMMA's code requires full disclosure. However, some marketers, lured by growing opportunities to use eWOM, have not stayed true to WOMMA's code of ethics.

Stories of dishonest online reviews are now widespread. Fake or "stealth" online reviews were addressed by the Federal Trade Commission (FTC) in 2009. The FTC revised their endorsement guides to include disclosures of important connections (i.e., payment) between advertisers and endorsers (Federal Trade Commission 2009). Consumer awareness of stealth reviews should be a key consideration in research on online reviews.

Content Analysis: E-tailers' Use of Online Reviews

To assess the extent to which online retailers use online reviews, we took a census of the top 25 firms from *Internet Retailer's Top 500 Guide* and supplemented this with a simple probability sample of another 75 firms from among those ranked from 26 to 500. Each company website was then accessed and a search was conducted to determine whether or not they used online reviews. To assess reliability, we took a second sample which included the top 25 firms and another simple probability sample of 75 firms from the remaining firms. The results from Sample 1 were reasonably replicated with Sample 2.

Seventy-six percent of the e-tailers in our combined total sample feature online reviews on their websites. Distinct patterns of usage of online reviews based on the classification of e-tailers also emerged from the data. Retail categories most likely to have online reviews are: health/beauty, housewares/home furnishings, mass merchant, computer/electronics, office supplies, sporting goods, toys/hobbies, and automotive parts/accessories. In four of these categories, 100 percent of e-tailers use online reviews: office supplies, sporting goods, toys/hobbies, and automotive parts/accessories. In contrast, only one third of the food/drug and jewelry e-tailers in our combined sample do so. For most categories, however, well over 50 percent of the e-tailers in our combined sample use online reviews.

Survey of U.S. Online Shoppers *Online Shoppers' Use of Reviews*

For this part of the study, 1000 residents of the U.S. who are members of a large international mobile panel were selected as a sample. All respondents were asked the qualifying question, "How often do you search online for product information for the purpose of making a purchase?" The most frequent response was "2-3 times a week." Respondents who answered "never" to this question (n = 47) were omitted from further analysis. This

resulted in a usable sample of 953 (ages 15 to 65 plus, 55.1 percent male).

To obtain information about online shoppers' use of reviews, respondents were asked a set of scaled questions. Online shoppers in our sample reported using online reviews almost one-half the time they are searching for information. Most respondents agreed that online reviews are helpful. Table 1 highlights respondents' likelihood of using online reviews for different categories (1=less likely; 5=more likely).

Table 1: Online Review Use by Product/Service Category

Product/Service Category	Mean	s.d.	Rank
Electronic Goods	4.33	0.84	1
Household	3.61	1.08	2
Products/Services			
Automotive	3.52	1.15	3
Travel/Recreation/Leisure	3.47	1.15	4
Food/Restaurants	3.63	1.12	5
Personal Care Items	3.23	1.15	6
Clothing/Apparel	2.85	1.21	7

Table 2 reflects respondents' likelihood of reading reviews in different ways (1=less likely; 5=more likely). Simply checking the overall rating had the highest mean and lowest standard deviation. This is a highly used element in reading online reviews and represents the lowest search cost to consumers. Interestingly, the online shoppers in our sample indicate a relatively high likelihood of considering the proportion of positive to negative reviews. Even though this is a higher-cost element, the data suggest that it is valued by many consumers.

Table 2: Ways in Which Online Reviews are Read

Element	Mean	s.d.	Rank
Check overall rating (i.e. # of stars)	4.29	0.84	1
Consider proportion of pos. to neg.	4.03	0.93	2
Read the reviews carefully	3.81	0.95	3
Skim the reviews	3.40	1.10	4
Read the reviewers' profiles	2.46	1.30	5

Overall, all ways of reading online reviews showed an above average likelihood of use except reading reviewers' profiles. This may be because reviewer profiles are either not available or require additional search which adds to the cost of search. Reading reviewers' profiles has the highest standard deviation which may indicate there are segments of online shoppers willing to extend their search for information to include signals or evidence of review(er) authenticity.

Eighty-eight percent of respondents reported that they read both positive and negative reviews. Among those respondents who reported reading either only positive or only negative reviews (12 percent), more reported reading only negative reviews. Reliance on both positive and negative reviews is consistent with findings reported in Table 2, above. However, respondents who indicated that negative reviews were more influential in their decision-making than positive reviews outnumbered those who disagreed with this statement by more than 3 to 1.

Perceived Authenticity and Deception in Online Reviews

To obtain information about authenticity and deception in online reviews, respondents were asked about the role of the government, the perceived prevalence of "stealth" online reviews, and the general authenticity of positive online reviews. Over 85 percent of respondents indicated (correctly) that the government does not screen online reviews. Respondents indicated that they believe that a large majority of online reviews are authentic (mean=64.13 percent; s.d.=26.70). However, the large standard deviation indicates that there is moderate disagreement among respondents. The above finding regarding authenticity also suggests that nearly one-third of online reviews may be stealth, or fake. This is consistent with respondents' indications that almost 30 percent of online reviews may be written by someone paid to write the review. These results are also consistent with responses to a Likert-scaled item stating that positive reviews are often written by someone who has been compensated by the company (1-5 scale; mean=2.91, s.d.=0.98). In summary, online shoppers in our sample believe that a majority of online reviews are written by real customers; however, nearly one-third of online reviews may not be what they seem.

Conclusion

This study provides some baseline descriptive data on the current use of online reviews by both e-tailers and online shoppers. The widespread use of online reviews by e-tailers is in accord with research that has shown positive relationships between online reviews and sales. Online shoppers use online reviews for a wide variety of product/service categories. They rely heavily on overall ratings, consider the proportion of positive and negative reviews, and read carefully both positive and negative reviews. Although there is a general level of perceived authenticity in online reviews, the data show that online shoppers believe that about one-third of online reviews may not be genuine. E-tailers must be proactive in ensuring that genuine, trustworthy reviews are posted on their websites. In terms of future research, much remains to be done to understand online shoppers' use of and attitudes toward online reviews. Variables which may improve our understanding include familiarity with product/service, Internet experience, social trust, stage of buying process, and demographics. More research needs to be conducted on the elements of online reviews that signal trust, how consumers detect deception, and how FTC-compliant disclosure statements affect trust, attitudes, and intentions to buy.

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Summary Brief

The Impact of Status Consumption on Shopping Styles: An Exploratory Look at the Millennial Generation

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This study examined millennial consumers' relationships between status consumption, and Sproles and Kendall's (1986) Consumer Styles Inventory (CSI). It was hypothesized that status consumption would be a positive antecedent to the eight CSI's shopping style characteristics: brand conscious, novelty and fashion conscious, recreational and shopping conscious, impulsive/careless, and habitual/brand loyal, perfectionist, confused by overchoice, and price conscious. All of the constructs, with the exception of price conscious, that had to be dropped from further analysis, demonstrated good reliability and validity with the overall structural equation model a good fit. Five shopping styles were supported as hypothesized to have a positive relationship with the antecedent of status consumption. The results suggest that those millennial consumers who are motivated to consume for status will utilize the shopping styles of being brand conscious, novelty/fashion conscious, recreational shoppers, impulsive shoppers, and brand loyal.

Introduction

Eastman and Liu (2012) found there are generational differences in the motivation to consume for status with higher levels of status consumption for the millennial generation than Generation X or Baby Boomer consumers. What has not been examined is how this translates into shopping styles for the millennial consumer. This paper examines if the motivation to consume for status is an antecedent to consumer shopping styles per Sproles and Kendall's (1986) Consumer Styles Inventory.

Literature Review

Status Consumption

Status consumption is "the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others" (Eastman, et al. 1999, p. 41). Status consumption is seen as status purchases with consumption being socially/publicly visible (Chao and Schor 1998), principally irrational and influenced by ostentation behaviors (Shukla 2010), and fulfilling hedonic consumption needs (Eng and Bogaert 2010).

Shopping Styles

Sproles and Kendall (1986) developed a way to measure decision-making style differences. They conceptualized and

empirically tested a Consumer Styles Inventory (CSI) of eight basic decision-making style characteristics: perfectionist, brand consciousness, novelty, recreational, impulsive, confused by overchoice, habitual, and price conscious. The perfectionist consumer is focused on carefully searching for high-quality products and is not going to compromise. The brand conscious consumer is partial to expensive, well-known national brands and believes that higher prices are an indication of higher quality. The novelty consumer is fashion conscious, trendy, variety seeking, and takes pleasure in discovering new things. The recreational consumer loves to shop just for the fun of it and shopping is a source of entertainment. The impulsive consumer exhibits little concern for the amount of money spent and has no specific plans for their shopping. The confused by overchoice consumer struggles to make a purchasing decision. The habitual consumer seems to have favorite stores and/or brands that they purchase repeatedly. Finally, the price conscious consumer desires to get the most value for their money and is likely to be a comparison shopper as well.

The Millennial Generation

Millennials are perceived as consumption-oriented and sophisticated shoppers (Jackson et al. 2011). They are also seen as the most protected and indulged generation with an inability to delay gratification (Tucker 2006), and having a high level of spending power (Martin and Turley 2004). Finally, as many millennials were raised in working parent(s) households, they have learned to make shopping decisions earlier and shopping has become a recreational hobby (Bakewell and Mitchell 2003).

Hypotheses

There has not been a study comparing status consumption to shopping styles. Thus, we hypothesize that for those millennial consumers who are more motivated by status consumption, they will be more likely to perceive themselves as having the following shopping styles: a perfectionist shopping style (H1), a brand conscious shopping style (H2), a novelty/fashion conscious shopping style (H3), a recreational/shopping conscious shopping style (H4), a impulsive/careless shopping style (H5), a confused by overchoice shopping style (H6), a habitual/brand loyal shopping style (H7), and price conscious shopping style (H8).

Methodology

Sample

There were 260 surveys collected with 243 fully completed and usable. The millennial sample was somewhat more male (67.9%). The average age of the sample was 21.77 years old (sd 3.34 years). The majority of the sample was Caucasian (77.8%). Finally, the majority of the sample did not belong to a greek social organization (78.2%) and were not employed (51.9%).

Construct Operationalization

All items used in the analysis were adapted from established scales using a one to five Likert scale. The Consumer Styles Inventory (CSI) subscales were measured using the Sproles and Kendall (1986) instrument. Status Consumption was measured using the Eastman et al. (1999) scale.

Results and Discussion

While we were unable to test one of the shopping styles, price consciousness (H8) due to reliability/validity issues with the measure, we were able to test the other seven hypotheses and found significant positive relationships with status consumption and five of the seven shopping styles (H2 brand conscious, H3 novelty/fashion conscious, H4 recreational/shopping conscious, H5 impulsiveness/careless, and H7 habitual/brand loyal). We did not find support between the relationship of status consumption and the shopping styles of either perfectionist (H1) or confused by overchoice (H6).

First, in examining the non-significant finding of H1 (perfectionist/high quality), Sproles and Kendall (1986) suggest that these consumers are carefully searching for high quality products. For status consumers, it is not that that they are looking necessarily for the best product, but rather looking for the product that conveys prestige (Eastman et al. 1999) and that this may not be a rational motivation (Shukla 2010).

Second, for H2 (brand conscious), the literature shows a link between ones' motivation to consume for status and brand consciousness, particularly for millennials, as they are concerned with brand image, are prestige sensitive and spend more on branded products (O'Cass and Frost 2002).

Third, for H3 (novelty/fashion conscious), Sproles and Kendall (1986) suggests that this consumer is trendy and interested in new things. This relates to Eng and Bogaert's (2010) idea that status consumers are meeting hedonic needs. This suggests that as millennial status consumers are concerned with the newest trends, retailers cannot rely on past successes.

Fourth, for H4 (recreational/shopping conscious), Sproles and Kendall (1986) suggest that these consumers love to shop as a form on entertainment. We suggest that to reach the millennial status consumer, retailers have to make the shopping experience fun and entertaining.

Fifth, for H5 (impulsive/careless), Sproles and Kendall (1986) suggest that these consumers are not concerned with amount of money spent and they do not plan their shopping carefully. This relates to Shukla's (2010) idea that the motivation to consume for status is irrational. Thus, for those millennials more motivated to consume for status, that they could be more impulsive and careless in terms of money and shopping plans.

Sixth, for H6 (confused by overchoice), Sproles and Kendall (1986) suggest that this consumer struggles to make purchasing decisions. As millennial consumers have learned to make shopping decisions at a younger age than previous generations (Bakewell and Mitchell, 2003) and that status consumers have a specific motivation to consume, it makes sense that there is not a relationship between status consumption and confused by overchoice for millennial consumers.

Finally, for H7 (habitual/brand loyal), Sproles and Kendall (1986) suggest that this consumer has favorite brands they buy repeatedly. For status consumers, this would make sense that they would exhibit brand loyalty to the brands that provide them status benefits as the congruency between a brand's image and their self-image is important to them (O'Cass and Frost, 2002).

In conclusion, while this study focused on relating status consumption to shopping styles, future research is needed to further examine these relationships in terms of specific shopping behaviors, to more closely examine the construct of price consciousness/sensitivity, and to look at the differences in the relationships between status consumption and shopping styles for other generational cohorts.

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Summary Brief

A Descriptive Study of Taiwanese Women Entrepreneurs

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This study depicts an interesting profile of 111 women entrepreneurs who responded to a mail survey in Taiwan. The women entrepreneur respondents paid attention to advice from family, friends, and customers. The large majority offered services to domestic customers (n=72). Lack of capital was the number one concern of women entrepreneurs in Taiwan while risk of doing business in Taiwan was not considered a major issue among the surveyed women entrepreneurs. Given that business practitioners in China were recently allowed to operate their business in Taiwan, future research may want to explore the differences by interviewing women entrepreneurs who run business operations on both side of the Taiwan Strait.

Introduction

Woman entrepreneurs have been growing at significant rates since the middle of the 20th century, particularly in emerging markets. China has the highest number of woman entrepreneurs. Brazil, Thailand, Vietnam and Peru have high growth of woman entrepreneurs. Global Entrepreneurship Monitor (GEM) Program was initiated by Babson College and London School of Business in 1999 with sponsorship from the Kauffman Foundation. Recognizing the growing importance of female entrepreneurs, GEM study focused on female total entrepreneurial activity (TEA) index which measures the percentages of woman in the labor force who are either actively involved in starting a new business or who own/manage a business less than 42 months. The first study that focused on woman entrepreneurship was in 2002 that included 37 countries. Woman participation in entrepreneurship varies significantly across the 37 participating countries ranging from .6 percent in Japan to 18.5 percent in Thailand. Entrepreneurial activity as measured by the ratio of men/women which varied from 5.0 for Japan to 1.8 for Thailand. For mainland China, the ratio was 1.24 and for Taipei (Taiwan), it was 1.58 (Minniti and Arenius, 2003). Although GEM has contributed to the understanding of women entrepreneurship at a global scale, more studies are needed to address the business environment in the eyes of women entrepreneurs at the country level. Perceptions of women entrepreneurs could differ by business environment, government policies, socioeconomic profiles of women in each culture.

Many Taiwanese preferred to be their own boss by starting and managing a business than served as an employee of large company. Thus, Taiwan is often called the “Boss Island”. Given the unique characteristics of women entrepreneurs, our descriptive study focuses on women entrepreneurs’ demographics (e.g., age, education), their entrepreneurial efforts,

how frequent they seek for advice in various categories (e.g., marketing, finance, operation), and the main concerns in operating a business venture in Taiwan. That is, this descriptive study focuses on private women entrepreneurs and contributes to our understanding of entrepreneurial business in this “Boss Island.”

Brief Literature Review

Prasad et al. (2011) in their exploratory study of entrepreneurial fulfillment for women in India concluded that numerous networks and perceptions of family support contributed to a sense of entrepreneurial fulfillment for Indian women entrepreneurs. These factors acted beyond the influence of the financial performance of the venture. In the United States, Coleman (2007) used a year 1998 Survey of Small Business Finances compiled by the Federal Reserve to examine the role of human and financial capital. They found that “as human capital variables including education and experience had a positive impact on women-owned firms in particular, these findings emphasize the need to ensure that women entrepreneurs have access to educational opportunities and management experience and training as well as access to financial capital” (p. 316). Similar to Vanhonacker et al.’s work, the present study is descriptive in nature and it offers a snapshot of women entrepreneurs’ perception toward the challenges of business operation in Taiwan.

Empirical Findings

A total of 111 women entrepreneurs in Taiwan responded to our mail survey regarding their own demographic characteristics and their firms. Most of the respondents were between 35-54 years, with only two being younger than 25 years and one being older than 65 years. Almost half of the respondents (49.55%) had never been involved in the operation of a start-up business venture before they started their current venture. Slightly more than half of the respondents (51.35%) indicated that their parents owned a family business. With regard to the business ownership, slightly more than half of the respondents reported that family members had a larger percentage of ownership in their business. Finally, the distribution of education attainment was skewed to left, in which the majority of the respondents (71.17%) had at least a college degree. Twenty five respondents (22.52%) completed an up to high school education, and seven (6.31%) were exposed to college level education without earning a college degree.

Overall, an interesting profile of business practices emerges. Women entrepreneurs in Taiwan paid attention to advices from family, friends, and customers. The large majority offered services (n=72) to their customers, and most (n=77) were not involved in exporting their offerings to customers abroad. Lack of capital emerged as the number one concern, followed by lack of entrepreneurship education and training, and conflicting roles of family and business. These findings are consistent with Coleman's (2007) suggestion that "programs aimed at promoting entrepreneurship and small business ownership among women should be designed to address both human and financial capital needs" (pp. 316-317). Interestingly, risk of doing business in Taiwan was not considered a major issue among the surveyed women entrepreneurs. In contrast, risk of doing business in China seems to be relatively high as Vanhonacker et al. (2007) concluded that entrepreneurs operated "largely in an institutional and legal vacuum" and these entrepreneurs were "very much on their own" (p. 196) in China. It appears that the business environments across the Taiwan Strait were considerably different in the mind of private entrepreneurs.

Conclusions

Findings in the present study reveal that human capital and financial capital are both important factors in the mind of Taiwan women entrepreneurs. Slightly more than half of the respondents indicated that their parents owned a family business. It would be worthy to study whether there is significant difference in terms of personal and firm

characteristics between those who were raised in an entrepreneur family and their counterparts who were not exposed to business entrepreneurship until adulthood.

Given that business practitioners in China were recently allowed to operate their business in Taiwan, future research may want to explore the differences surveying/interviewing entrepreneurs who run business operations on both side of the Taiwan Strait. Moreover, it would be of interest to conduct a statistical comparison regarding key business factors that may influence a start-up or SME's operations on the coast side of mainland China and Taiwan.

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SALES AND SALES MANAGEMENT TRACK

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Summary Brief

Sales Presentations that “Keep on Ticking”: The Effect of Agenda Sales Presentations on Buyer Perceptions

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This research investigates the impact of an agenda sales strategy upon buyers' perceptions of the seller. Agenda sales presentations which attempt to structure the buyer's decision are compared to more typical presentations which summarize product benefits in relation to the resulting buyer perceptions of a seller's expertise and manipulateness. Findings suggest that, despite their attempts to shape the decision, sellers using agenda sales presentations are perceived to possess higher levels of expertise and to be less manipulative than those sellers using a more traditional presentation strategy. These favorable agenda effects on buyer perceptions were generally stronger for novice buyers.

Introduction

The sales presentation offers an opportunity for the formation of favorable buyer impressions of the seller. Positive perceptions tend to endure (Berg 1984) and to significantly influence both current and future sales outcomes (Brown 1990). A successful sales presentation prompts a sale but also sets the tone for the future. In other words, the optimal sales presentation “keeps on ticking” for the seller after the appointment has ended. This study contrasts an agenda sales presentation and a more traditional presentation with regard to perceptions of the seller.

Conceptual Development

In line with typical sales presentations, Wagner, Klein and Keith (2001) define a summary-of-benefits presentation as one in which the seller focuses on product benefits. Weaker attributes and competition are not systematically discussed. The central objective is the formation of a favorable overall evaluation.

In contrast, the agenda sales presentation suggests a non-compensatory decision process (Wagner, Klein and Keith 2001). The buyer is encouraged to apply a series of constraints to the set of alternatives. Each constraint shows the product to advantage and, if accepted, may eliminate strong competitors from consideration. Both presentation types provide favorable information about the product, but the agenda seller also provides verifiable competitive information. Wagner, Klein and Keith (2001) report that agenda presentations (vs. summary-of-benefits) significantly increased product evaluations and more frequent consideration and choice. This agenda advantage was significant overall, but stronger for novice buyers. Thus, there is evidence that agenda sales presentations can be considered effective for current purchases. If agenda presentations are to be effective longer term, it is important for them to generate positive perceptions of the salesperson. The current research investigates how buyers who experience agenda vs. summary-

of-benefits presentations perceive seller expertise and manipulateness.

Seller's expertise is linked with successful attempts to influence buyers. One common measure of seller expertise is the amount of knowledge displayed (Crosby, Evans & Cowles, 1990). By exhibiting information on how competitive products are positioned with respect to the suggested constraints, the agenda seller displays both product and extensive industry knowledge.

H1. Compared to a seller using a summary-of-benefits presentation, the seller using an agenda presentation will be perceived by the buyer to be more expert.

Perceptions of the seller could be damaged if the presentation were perceived as deceptive (Brown 1990). At first thought, the overt attempts of the agenda seller to shape the purchase decision might be perceived as manipulative. However, the buyer has the option of rejecting the constraints, and the suggested structure may be interpreted as assistance in organizing the deluge of information from competing salespeople. Third, wise agenda sellers do not try to reduce the set of alternatives too quickly or leave the seller's product as the only surviving alternative. Finally, the agenda seller's systematic coverage of competitive products may be perceived as forthcoming behavior.

H2. Compared to summary-of-benefit presentations, with agenda presentations, the buyer will perceive the seller as less manipulative.

Findings reviewed in Alba and Hutchinson (1987) may be interpreted to suggest that, compared to expert buyers, novice buyers tend to have greater difficulty in deriving firm choice criteria and are generally less likely to have a well-defined plan for approaching a purchase. Further, novice buyers are likely to be less confident about decision making as well as being less able to process all the information from multiple competitive sellers. Thus, compared to experts, novice buyers may welcome, rather than respond with reactance to, the agenda's decision plan and complexity reduction as well as have greater utility for the industry information and comparisons that are part of an agenda.

H3. The favorable effect of agenda presentation strategies (vs. summary-of-benefits) on perceptions of seller expertise will be greater for novice buyers than for expert buyers.

H4. The favorable effect of agenda presentation strategies (vs. summary-of-benefits) on perceptions of seller manipulateness will be greater for novice buyers than for expert buyers.

Methodology

This field study used a 2 (presentation strategy) x 2 (levels of expertise) x 2 (relative competitive strength) x 2 (sequence) between-subjects design. Buyer expertise was measured. All

other conditions in the design were manipulated. Dependent measures were buyer perceptions of seller expertise and seller manipulateness. Relative competitive position was included to explore the generalizability of effects across products of varying competitive strength.

The final sample included 128 organizational buyers. The choice set consisted of twelve copiers that differed with respect to relative competitive advantages. All buyers experienced two mandatory presentations; one for the Market Leader H and a second for a target product (Strong Contender G or Average Performer K. Buyers were randomly assigned to all conditions.

The selling strategy for the target products was manipulated as either a summary-of-benefits or agenda strategy. Sales presentations were delivered via a text-based computer-interactive questionnaire. Buyers were told that sellers were aware of their current needs and that they had sold to them in the past without an ongoing relationship. See Wagner, Klein and Keith (2001) for a complete description of the salient aspects, excerpts of each sales presentation type, and an overview of the entire simulation.

All measures for buyer expertise, seller expertise and seller manipulateness used multi-item 7-point scales. Buyer expertise (reliability .93) was assessed through self-reports of whether buyers considered themselves to be an expert regarding copier features, characteristics, buying criteria, and their own ability to act as an information source for others. Buyers' perception of seller's expertise (reliability .87) was measured by rating the seller on product knowledge, sales experience, and knowledge of competitive products. To assess buyers' perceptions of seller manipulateness (reliability .74), they indicated their perception of whether the seller had been "bending the facts," how honestly the seller had represented the product, and how upfront the seller had been with information.

Results

Data were analyzed using GLM. Sequence was non-significant and excluded from the analysis. Final overall models were significant. As H1 had predicted ($F = 20.49, p = .000$), agenda sellers ($\text{mean}_{\text{agenda}} = 5.39$), compared to summary-of-benefit sellers ($\text{mean}_{\text{sob}} = 4.71$), were perceived as more expert. A significant 2-way strategy x expertise interaction ($F_{1,120} = 2.61, p = .10$) provided support for H3 that the favorable effect of agenda presentations (vs. summary-of-benefits) on perceptions of seller expertise will be greater for novice buyers than for experts. As H2 had predicted, with agenda presentations buyers perceived the seller as significantly less manipulative ($F = 4.18, p = .04, \text{mean}_{\text{agenda}} = 2.78, \text{mean}_{\text{sob}} = 3.12$). Hypothesis H4 that predicted that the agenda advantage on seller manipulateness would be greater for novice buyers was partially supported by the 3-way interaction of strategy x expertise x product ($F_{1,120} = 3.63, p = .059$). Novices (compared to experts) did perceive the agenda seller as significantly less manipulative, but only for the Average Performer K.

Discussion

Building upon evidence that agenda presentations were effective regarding more immediate measures of selling effectiveness - consideration and choice (Wagner et al. 2001), this research supports the idea that agenda presentations may "keep on ticking" on behalf of the seller after the appointment ends.

Compared to sellers using a summary-of-benefits strategy, agenda sellers were rated as possessing greater levels of expertise. Agenda sellers display additional industry knowledge as well as provide information regarding an explicit plan for the decision. These benefits likely bolster perceptions of seller expertise.

Second, while neither presentation strategy was perceived as highly manipulative, agenda sellers (vs. summary-of-benefits) were generally perceived as being significantly less so. This occurred despite the fact that the agenda seller explicitly attempts to shape the decision. It may be that the constraint parameters and additional industry information are perceived as efforts to be open and upfront regarding the competition.

Finally, the agenda advantage was generally greater for novice buyers. Agenda sellers, on average, were rated as more expert by novices. There was only qualified support, however, for the notion that agenda sellers are perceived as less manipulative by novice buyers. This buyer expertise effect only occurred for the Average Performer product. The lack of a significant result for the Strong Contender suggests the need for further research into the relationship between relative competitive product strength and agenda effects.

Taken together, these findings build on existing understanding of buyer behavior and differences in buyer expertise or use of information. Further, this work provides sales practitioners with greater insight into how sales presentations may affect both their present and future selling effectiveness.

Despite concentrated attempts to add realism to the computerized simulation, it must be recognized that real salespeople delivering sales presentations differ from the simulated salespeople in many aspects. While the scripted presentations did afford added control, future research may wish to explore agendas used in actual sales interactions.

Participants were all organizational buyers. Future research may wish to explore the use of agenda presentations by sellers of complex consumer products. Finally, additional research is now needed to more fully establish the boundaries of agenda success and how to best construct agendas that eliminate the greatest number of competitive alternatives without provoking buyer reactance and thereby potentially damaging the prospect of future sales.

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Summary Brief

When to Win-back: An Investigation of Sales Firm Evaluations of Reacquisition Opportunities

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Introduction

No matter how effective a company's CRM program is, inevitably, some customers will defect and switch to alternative suppliers. When customers defect, they may leave behind a wealth of transaction specific information, including transaction history, preferences, motives, and evidence of what prompted their defection. Strategic leveraging of customer relationship portfolios will likely facilitate effective and efficient reacquisition processes (Thomas et al., 2004), and help design attractive win-back offers. Furthermore, by reacquiring lost customers with the right reacquisition strategy, suppliers may be able to communicate to the customer the importance of their relationship, form stronger bonds with these customers, and rapidly redevelop highly profitable exchange relations with these customer firms. A well-designed reacquisition program may also help companies better understand its market and competitive position. As such, with the increasing level of competition and customer demands, reacquisition programs should be the strategic second half of CRM (Stauss and Friege 1999).

In order to help narrow the gap in the Marketing and Sales literature on sales reacquisition strategies, this paper examines how sales organizations evaluate defected customers in order to determine if they should attempt to reacquire them. This study takes a grounded theory approach based on in-depth interviews with industrial salespeople utilizing a critical incident technique (CIT). This qualitative investigation was informed by current literature in related areas of Marketing.

B2B Relationships, Defection, Recovery

Managing buyer and seller relationships is a dynamic process as relationships are ever changing and evolving. Changes in a customer's cost structure, personnel, purchasing motivations and goals, as well as changes in the sales organization's personnel and process, and competitors' actions can strengthen or deteriorate an established relationship (Dwyer, Schurr, and Oh 1987). When challenges enter an exchange relationship, a deteriorated relationship quality may not necessarily lead to customer defection. However, defection often depends on the magnitude of the challenge and the existing bonds and mutual investments in the relationship. These linkages can exist at the firm level or individual level and include financial, structural, and social bonds that may be derived from assessments of mutual financial investments,

operational linkages (e.g., transaction specific investments), and the existing relationship. However, unless the exchange process is mutually beneficial, relationships will not likely sustain for long. Since salespeople often manage customer loyalty in business-to-business relationships, salespeople are crucial in regaining business, rebuilding value, and repairing relationships (Palmatier, Scheer, and Steenkamp, 2007).

Although the ultimate goal of CRM is to retain all profitable customers and expand the lifetime value of each customer, organizations realize that it is impossible to achieve a "perfect retention" record. If and when exchange relationships are terminated or dissolved, it is important for the sales organization to analyze the data that they possess on the lost customers in order to determine the value of departed customers before attempting to reacquire them. With these goals in mind, Stauss and Friege (1999) suggest that sales organization should conduct a "regain analysis" incorporating a customer value analysis and a customer life-cycle analysis. They identify five types of lost customers (defectors) based on the cause of the relationship dissolution: (1) the unintentionally pushed away, (2) the pulled away, (3) the bought away, (4) the intentionally pushed away, and (5) the moved away. Since not all lost customers are worthy of reacquisition efforts, Griffin and Lowenstein (2001) advocate for sales organizations to develop internal criteria to identify if and when a customer is worthy of a reacquisition effort and to aid a salesperson or team to properly customize the reacquisition effort. Specifically, Griffin and Lowenstein recommend that unintentionally pushed away customers and the pulled away customers may be the best potential segments for reacquisition efforts, since sales organizations have higher probability to develop and co-create better value propositions to meet these customers' needs.

Methodology

In order to gain in-depth knowledge of the reacquisition processes, we used the critical incident technique (CIT). This technique involves the use of specific stories and examples (i.e., incidents) that are content analyzed with the purpose of uncovering emergent themes and patterns. We used CIT to investigate reacquisition evaluations by asking industrial salespeople to describe in as much detail as possible an incident where they successfully attempted to win back a lost customer. Furthermore, salespeople were asked to describe an incident where they unsuccessfully attempted to win back a lost customer.

Respondents for this study are salespeople who sell exclusively to other businesses identified from a convenience sample developed from a university's MBA alumni database. No attempt was made to identify salespeople in specific industries. Therefore, there is ample variability with respect to the good-service make-up of the products sold and the degree of product customization required by customers. All critical incidents were conducted person-to-person. Each followed the same interview protocol and was conducted between March 2011 and March 2012.

Findings and Discussions

Sample Characteristics. A total of 50 salespeople were interviewed generating 90 useable critical incidents for evaluation. 32 respondents were male (64%). On average, respondents were 39 years old and had over 16 years of working experience. 91% of the sample had a Bachelor's degree; 23% having a Master's or higher. 46% of the sample was selling a business service. The official job titles of respondents include: Owner, CEO, President, Vice Managing Director, Chairman, General Manager, VP of Sales, Marketing Manager, Sales Director, Director Business Development, Account Executive/Manager, Sales Consultant, Senior Sales Representative, and Sales Representative.

Types of Sales Firms and Their Assessment of Reacquisition Opportunities. General findings from our preliminary research provide support for the validity and importance of Vroom's (1964) Expectancy Theory. Expectancy theory suggests that a salesperson's or team's motivational level to pursue a lost customer depends on (1) the expectancy that effort will lead to performance, (2) the instrumentality that performance will be associated with the outcome, and (3) the desirability of the outcome. Across the critical incidents, salespeople provided various reasons why they considered a lost customer to be a good candidate for reacquisition. In almost every case, these reasons could be identified as either increasing (1) the probability that the sales organization would be successful at winning back the customer (i.e., ease of win-back motivator), or (2) value of the customer to the sales organization (i.e., value of win-back motivator). Thus, selling firms assess how easily a lost customer can be reacquired (i.e., the expectancy and instrumentality of reacquisition), and they assess the benefits of reacquiring a lost customer (i.e., the valence of reacquisition). These motivators are also consistent with Economic and Statistical calculations specifying an Expected Value to be the probability times the value (i.e., $E[X] = \sum_{i=1}^{\infty} x_i p_i$).

Further, applying attribution theory, equity theory, and justice theory (Tex et al., 1998), we identified four types of sales firms depending on their level of evaluation of the "ease of win-back" and the "value of win-back". Quadrant 1 includes sales firms either with a corporate policy directing salespeople to attempt to win back every lost customer, or firms in high-growth markets with plentiful new business opportunities and simply don't have the time or wish to expend the effort to reacquire lost customers. Sales firms in Quadrant 2 focus mainly on regaining valuable and profitable customers based on customers' current sales opportunities (e.g., large accounts or high-profit customers) and potential growth and referral business (e.g., opinion leader or high profile customers). Sales firms in

Quadrant 3 tend to have a more formalized, established customer reacquisition process in place to simultaneously assess the value and ease of each lost customer for reacquisition. Sales firms in Quadrant 4 focus exclusively on likelihood of developing customized unique value propositions, leveraging organizational support, existing network relationships, and supply chain relationship to regain customer's business.

Reacquisition Motivators. Qualitative findings from our first study further identified four areas that salespeople considered to signal ease of win-back: (1) Remaining Relationships: the ability to leverage relations both within the customer firm (i.e., with influential buying center members) and with other firms in the network (i.e., members of the lost customer's value-chain); (2) Value Proposition: the ability to develop competitive, unique, and valuable win-back offers, often through product quality and delivery reliability; (3) Defection Attribution: the ability to objectively assess the reasons why customers left and assess if these reasons constitute a significant barrier to reacquisition; and (4) Organizational Support: the level of internal support and the ability to bring in other resources within the company to help the reacquisition effort. In addition, salespeople identified four areas that may increase the value of win-back: (1) Account Size: large account customers have higher impact on business operations, revenue generation, and sales goals; (2) Account Profitability: the potential profitability and price sensitivity; (3) Market Influence of Account: customer's market referral potential, leadership, innovativeness, and brand image; and (4) Cross-selling Opportunities: the ability to cross-sell other products or to other divisions within the customer's organization (see Figure 3).

Thomas, Blatiberg, and Fox (2004) advocate sales firms to adopt a strategic approach to reacquiring lost customers. This study explores one initial step in a systematic customer reacquisition strategy; specifically, the current research enables us to gain insights of the sales processes involved in evaluating reacquisition opportunity and categorize sales firms into four typologies. These typologies, along with the taxonomy of reacquisition motivators, have been developed in order to demonstrate the variability in reacquisition approaches and to further research in developing a framework customer reacquisition and identifying critical determinants. When sales firms systematically evaluate these opportunities, our research suggests that subsequent plans to reacquire lost customers can be focused on those customers that are seen as valuable and winnable.

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Summary Brief

Fishing for Silent Traits in Salesforce? An Empirical Investigation of the Role of Perspective-Taking Empathy, Nonverbal Immediacy, and Listening

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This study examines the impact of perspective-taking empathy and nonverbal immediacy on industrial salesforce effectiveness. Results show that both empathy and nonverbal immediacy improve salespeople's presentation effectiveness, but only empathy influences adaptive selling behavior. Salesperson's listening moderates the impact of empathy and nonverbal immediacy on sales performance via adaptive selling behavior and presentation effectiveness. Sales performance is positively associated with job satisfaction.

Introduction

Relatively, there is little empirical research that examines the impact of nonverbal immediacy (i.e., perception of closeness in an interpersonal interaction) and perspective-taking empathy (i.e., accurate perception of others) on industrial salesperson's job performance and job satisfaction. Empirical studies are scarce on the role of perspective-taking empathy on adaptive selling behavior and presentation effectiveness. Little is known about the influence of nonverbal immediacy on industrial salesforce effectiveness. In addition, research has yet to examine the moderating role of salesperson listening on the relationship between nonverbal immediacy or perspective-taking empathy and sales performance. Therefore, the current study aims to fill some of these gaps.

Background and Hypotheses

While few studies have confirmed that empathy has a positive relationship with sales effectiveness, perspective-taking empathy has received scant attention. Since perspective-taking empathy entails better understanding of client's thoughts in a given situational and individual circumstances, salespeople with higher levels of such empathy should be more effective in using adaptive selling and sales presentation.

Nonverbal immediacy behaviors such as looking, leaning, and sitting near clients; gesturing during presentation; using purposeful body movements; and smiling and speaking in an animated way are crucial in industrial selling. The principle of immediacy (Mehrabian 1971) may entail that the respondents are prone to evaluate highly and prefer those communicators who employ immediacy behaviors (Richmond and McCroskey 2004). Thus, we predict a positive role of nonverbal immediacy on salesforce effectiveness.

Research has shown that salesperson listening behavior is one of the most critical skills for industrial selling as it leads to higher sales performance (Castleberry et al. 1999). Since

listening can play a critical part in strengthening the empathy and nonverbal immediacy (Comer and Drollinger 1999), impact of perspective-taking empathy and nonverbal immediacy on sales performance are likely to be high when level of salesperson listening is high than low. Thus, we predict moderating role of salesperson listening. Based on the above arguments, we hypothesize that:

- Perspective-taking empathy or nonverbal immediacy is positively related to adaptive selling behavior and presentation effectiveness.
- Listening moderates the relationship between perspective-taking empathy or nonverbal immediacy and adaptive selling behavior or presentation effectiveness.
- Adaptive selling behavior or presentation effectiveness is positively related to sales performance.
- Sales performance is positively related to job satisfaction.

Methodology

Sample and Procedure

In this study, a professional marketing consulting firm was hired to collect data from pharmaceutical sales representatives (PSRs). Thirty large and medium pharmaceutical company marketing executives were approached for a list of their PSRs and eighteen of them obliged and a master list of 852 active PSRs were prepared. Out of them, 450 were randomly selected based on the criteria of minimum of three years of sales experience, and distributed across major Indian cities, including Mumbai, Delhi, Chennai, Bangalore, and Hyderabad. Respondents were requested to complete the questionnaire based on their latest meetings with their physicians. Out of 372 completed and returned questionnaires, 24 were rejected due to incomplete and missing information and thus the survey generated 348 useable responses. Most PSRs represented domestically-owned companies (58.1%) that engaged in the production and marketing of prescription drugs. PSR's average work experience was six years.

Measures

Davis's (1980) five-item self-report measure was used to measure perspective-taking empathy. Nonverbal immediacy was assessed with a 5-item scale adapted from McCroskey et al. (1995) and Richmond et al. (1987). Sales representative's presentation effectiveness was measured by using Strutton and

Lumpkin's (1994) 7-point scale. Salesperson's job satisfaction was measured by Cammann et al. (1983) three-item scale. The ADAPTS scale developed by Spiro and Weitz (1990) was used to measure the degree to which PSRs practice adaptive selling approaches. Salesperson listening was measured by employing a 7-point scale of Ramsey and Sohi (1997).

Results

Measurement Model

The hypothesized relationships were estimated using structural equation modeling. The goodness-of-fit indices for the measurement model are acceptable: $\chi^2_{(148)}=280.87$; $p<.00$; goodness-of-fit index (GFI)=.92; root mean square error of approximation (RMSEA)=.051; Tucker-Lewis index (TLI or NNFI)=.94; normed fit index (NFI)=.91; and comparative fit index (CFI)=.95. The values of fit indices were above recommended levels. All standardized loading estimates are higher than .5. All average variance extracted (AVE) estimates are higher than recommended level of .50 and construct reliabilities are higher than recommended level of .60. Thus, they provide initial support for the convergent validity of the measurement model.

Hypothesis Testing

The fit indices for the hypothesized structural model are acceptable ($\chi^2_{(149)}=244.34$; $p<.00$; GFI=.93; AGFI=.91; RMSEA=.048; TLI=.96; NFI=.92; CFI=.97; and normed chi-square=1.64). The values of fit indices were above recommended levels.

As predicted, results show that perspective-taking empathy is a significant predictor of adaptive selling behavior ($t=5.236$, $p<.001$) and presentation effectiveness ($t=5.526$, $p<.001$). Results do not provide a support for nonverbal immediacy-adaptive selling behavior link ($t=1.530$, $p>.05$). Nonverbal immediacy positively influences presentation effectiveness ($t=2.542$, $p<.05$).

Results of MANOVAs reveal empathy \times salesperson listening (Wilks' $\lambda=.961$, $F_{(2,342)}=6.991$, $p<.001$) and nonverbal immediacy \times salesperson listening (Wilks' $\lambda=.962$, $F_{(2,343)}=6.823$, $p<.001$) interactions. Univariate tests confirm that a high level of perspective-taking empathy generates more favorable adaptive selling behavior ($M_{high}=5.859$ vs. $M_{low}=5.094$, $F_{(1,343)}=6.045$, $p<.05$) and presentation effectiveness ($M_{high}=6.087$ vs. $M_{low}=5.242$, $F_{(1,343)}=13.932$, $p<.001$) than a low level of perspective-taking empathy when perceived salesperson listening is high than low. Similarly, in a high level of listening situation, high nonverbal immediacy outperforms low nonverbal immediacy in enhancing adaptive selling behavior ($M_{high}=5.717$ vs. $M_{low}=4.947$, $F_{(1,344)}=5.764$, $p<.05$) and presentation effectiveness ($M_{high}=5.517$ vs. $M_{low}=4.903$, $F_{(1,344)}=12.275$, $p<.001$). Results suggest that salespeople with high listening and nonverbal immediacy traits demonstrate significantly higher adaptive selling behavior or presentation effectiveness than those who score low on these skills, thus establishing a moderating effect of perceived listening. Results clearly suggest that adaptive selling behavior positively impacts sales performance ($t=3.747$, $p<.001$). Presentation effectiveness also affects sales performance

($t=6.513$, $p<.001$). Sales performance is positively related to job satisfaction ($t=11.150$, $p<.001$).

Conclusion and Implications

This study examined the role of perspective-taking empathy, nonverbal immediacy, and salesperson listening in enhancing salesforce effectiveness. The results show an indirect effect of perspective-taking empathy and nonverbal immediacy on sales performance through adaptive selling behavior and presentation effectiveness. Salespeople listening moderated the effect of perspective-taking empathy and nonverbal immediacy on salesperson effectiveness. The results have several managerial implications, especially in the case of recruitment, training, and retention of sales personnel. While the need for incorporating these skills into salesforce training packages are important, it is equally indispensable to train the trainers to make them more proficient in teaching these skills. Executives who are responsible for recruitment of salesforce may want to consider if potential candidates value the importance of perspective-taking empathy, nonverbal immediacy, and listening skills and are trainable.

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Preaching to the Choir: The Double-Edged Effects of Transformational Leadership on Customer Orientation Value Congruence and Job Attitudes

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This research examines the formation and effects of customer orientation (CO) value congruence between salesperson and manager. Using a novel approach, the author proposes and empirically tests a conceptual framework suggesting that while transformational leadership leads to CO value congruence, salespeople may increase or even decrease their values to achieve it. Additionally, the author finds that congruent values, while often sought after, are not always optimal. Surprisingly, job satisfaction and job commitment can decrease as salespeople shift their own CO values towards their perception of the managers' CO.

Introduction

Many top sales organizations encourage their front-line sales representatives to be customer oriented due to the numerous positive outcomes including positive customer evaluations, customer satisfaction, and increased performance. In order to communicate this vision from the front office to the front-line, sales managers are often tasked with promoting customer oriented values to their sales teams. However, research has indicated mixed results on the effectiveness of transferring market, or customer oriented values down the hierarchy; and while recent studies on cultural transfer, leadership, and values have highlighted the important effects of managerial leadership styles on desirable employee outcomes, there has been scant research on the value congruency between manager and salesperson.

To better understand the manager's role in shaping salesperson values, we examine the leadership mechanisms that align manager-salesperson values. This echoes calls for further understanding of leadership and immediate supervisor effects on employee customer orientation. Specifically, we need to understand how managerial leadership creates customer orientation (CO) value congruence between managers and their respective salespeople, and how value congruence, or incongruence, affects job attitudes (i.e., job satisfaction and job commitment).

The underlying assumption in salesperson-manager value congruence is that salespeople typically aspire to move up towards the values of their manager's projected vision. However, this perspective overlooks the notion that salespeople may already view themselves as more customer oriented than their managers. With the proliferation of firms working to select-in sales representatives with high customer orientation, and mixed findings on values transference, we need to dig deeper in order to uncover the whole picture. Surprisingly, literature on transformational leadership has always suggested two paths to values congruence: 1) offering a values-laden

vision that is *adopted by followers* or 2) transmitting a values message that *reflects followers' values*. This conceptualization suggests that congruence can be achieved by salespeople *or manager* value adoption, changing the dynamics of the sales rep-manager relationship, and could even create negative job attitudes.

Methodology

Sample and Measures

We administered online surveys to both managers and their direct reports in the sales force of a U.S. based news and media services organization. The sample organization was highly relevant for our study as they were concurrently undergoing a cultural shift from a deadline centric and selling orientation, to a more customer oriented selling philosophy. This makes the context ripe for the study of CO value congruence as many managers were expected to implement this shift in vision with their sales representatives. Both managers and sales representatives were asked to rate themselves as well as their sales representatives/manager resulting in 197 matched ratings between salesperson and manager.

All scales were Likert-type, multi-item scales that were adopted from previous research and anchored at '1' strongly disagree to '7' strongly agree. All of our latent constructs had reliability scores that exceed .70 and average variance extracted greater than .50.

Analytical Strategy and Results

Rather than examine self-reported values, we examine how transformational leadership impacts perceived values congruence – the extent that one's own value beliefs are similar to the perception of another. Here, we view CO value congruence *as the extent to which a salesperson's customer orientation matches their own perception of their manager's customer orientation*. We use perceived values congruence because the salesperson's perception that they share their own leader's values should have a strong impact on job attitudes such as satisfaction and commitment.

Because CO value congruence consists of two separate constructs (salesperson CO and salesperson perceived manager CO), we take a two-step approach to separately model the formation and effects of congruence. To model and test the effects of Transformational Leadership on CO value congruence, we use two-level multivariate regression in HLM for studying congruence as a dependent variable. To model the effects of CO value congruence we use polynomial regression and response surface modeling. This method allows us to

illustrate the complex effects of both congruent (matched scores) and incongruent values between self- and perceived manager CO ratings.

For the first step, hierarchical multivariate regression equations were used to simultaneously test for the relative effects of transformational leadership on salesperson self- and perceived-manager ratings of customer orientation. Overall findings show that transformational leadership will have a positive relationship on CO value congruence indicating that salesperson self-ratings approach the perception of their manager's rating. However, to provide evidence of any directional change in perceptual congruence, we use dummy variables within the regression to separate the sample into two groups: 1) Salespeople who self-rate their CO below their manager, and 2) Salespeople who self-rate their CO above their manager.

For the former group, results show transformational leadership had a positive significant effect on both self- and perceived manager ratings of customer orientation ($\beta_{21} = .78, p < .01$; $\beta_{11} = .47, p < .01$). To support the presence of differential coefficient effects, a constraint (e.g., $\beta_{11} = \beta_{21}$) is fit to the model. Using multivariate constraints in HLM to test these hypotheses, results show that indeed the coefficients are very unlikely to be equivalent ($\chi^2(1) = 6.75, p < .01$). This supports the notion that as transformational leadership increases, salespeople increase their self-rated CO to move closer to the perception of their manager's CO.

For the second group (salesperson self-ratings above perceived manager ratings), we assess the significance of the dummy variables to determine the magnitude of effects. Significant dummy interactions indicate that while the effect of transformational leadership remains positive for perceived manager ratings ($\beta_{11} = .75, p < .01$), the effect on self-ratings is flipped ($\beta_{21} = -.10, p < .01$) after simple slopes analysis. Therefore, we also find support that transformational leadership leads to congruence for this group as well, except that salespeople lower their CO in order to move closer to the perception of their manager's CO.

For the second part of the analysis, polynomial regression was performed to ascertain the effects of CO value congruence on job satisfaction and commitment. Because the results are similar for both outcomes, we only discuss findings for job commitment. Results from response surface analysis indicate that congruent CO values will provide higher job commitment for high values of CO. Surface level tests for job commitment along the congruence line show a significant coefficient for the slope ($\beta_1 + \beta_2 = 1.17, p > .01$) and a non-significant curvature

($\beta_3 + \beta_4 + \beta_5 = -.09, p > .05$). This indicates a positive slope along the congruence line providing support for increasing job commitment with higher levels of congruent CO values. To assess the effects of incongruent values, the effects along the incongruence line provide evidence of the relationship with both job commitment and satisfaction. For job commitment, the coefficient for the slope along the incongruence line is not significant ($\beta_1 - \beta_2 = .20, p > .05$) while the curvature is positive and significant ($\beta_3 - \beta_4 + \beta_5 = .29, p < .05$). This indicates there is a U-shaped curve along the incongruence line, suggesting that job commitment is highest when values are highly incongruent and decrease as they approach congruence.

Discussion and Implications

With this in mind, this study aims to make several contributions to both researchers and firms wanting to understand the formation and effects of CO value congruency with their sales representatives. First, we take a new perspective on CO by examining the value congruence between the salesperson's own self-ratings and the perception of their manager's CO. With the many calls for more dyadic research, we feel this new approach to studying CO value congruence provides insightful and revealing outcomes.

Second, we examine the role transformational leadership plays in shaping the values of sales representatives. While studies show that transformational leadership often increases sales representative's CO, we uncover that salesperson CO can both increase and decrease towards perceived manager CO. This suggests that sales organizations focusing on "selecting-in" highly customer oriented sales representatives need to think twice about the managerial vision being cast down due to the multiple paths value congruence can take.

Third, while congruent CO values were found to steadily increase job satisfaction and commitment for higher levels of CO, we find surprising results for incongruence. When salespeople have large discrepancies between their self-rated CO and their perceived manager's CO, job commitment is high. Thus, salespeople who rate themselves with high (low) CO are more satisfied with managers using a transactional (transformational) leadership approach and lower (higher) customer orientation. These implications become more impactful as findings show that as salesperson and perceived manager values approach congruence, job commitment decreases. Thus, when there are large discrepancies in perceived value congruence, there will be a cost for achieving perceived value congruence within the sales force.

Summary Brief

Internal Marketing: The Moderating Role of Service Climate and Mediating Role of Organizational Citizenship Behaviors in the Relationship between Organizational Identity and Performance

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Internal Marketing posits that creating the right climate, and managing employees using methods typically reserved for external customers, can be advantageous for a firm in demonstrating to employees the importance of customer service and customer care. While IM has evolved through several stages of understanding and subsequent application since its genesis, the original tenets of the strategy remain largely intact. Employees first learn the values of the organization through the actions of the firm and its leadership before ultimately seeking to emulate those values with internal and external stakeholders as their association with the identity of the firm grows. This paper investigates how Service Climate acts as a moderator in the relationship between an individual's Organizational Identity and her/his Organizational Citizenship Behaviors, as well as the role OCBs play in mediating the relationship between Organizational Identity and Behavioral and Outcome Based Performance. Support for the latter relationship was found.

Introduction

As the U.S. has evolved from a manufacturing to a service based economy, academics and executives alike have invested substantial time, money and effort into uncovering the secrets behind what makes some firms succeed, while others fail. While scholarly research investigates and debates the nuances of each additional contribution to theory in the latest journal article, managers and consultants work in concert to translate the findings and piece together practical applications that create a competitive advantage and enhance the bottom line. In almost every instance, however, the focus of the investigation can be traced back to the nucleus of the firm – people. Individuals are the key component, indeed, the key *resource* of the firm. They create, manage and ultimately enact the strategies, mission, climate and culture which differentiate one firm from any other. This research seeks to understand that process. Specifically, how does Service Climate interact in the relationship between an individual's Organizational Identity and Organizational Citizenship Behaviors to ultimately impact Behavioral and Outcome based measures of Performance?

Two Theories, Social Identity Theory (SI) and Service-Dominant Logic (SDL), explain the role individuals play in creating competitive advantage for firms, and also form the basis for the contribution this paper makes to Internal Marketing (IM).

IM posits that creating the right climate and managing employees with methods typically reserved for external customers, can be advantageous for a firm in demonstrating to employees the importance of customer service and care. Rafiq and Ahmed (2000, p.454) define IM as “a planned effort using a marketing-like approach to overcome organizational resistance to change and to align, motivate and inter-functionally coordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer oriented employees.”

Some scholars argue that this *Organizational Identity (Org ID)*, or “the perception, the value, and the emotional significance of oneness with or belongingness to the organization” is the end result, outcome, or “ultimate goal of Internal Marketing” (Wieseke et al. 2009, p. 126). Yet, Org ID remains a significant gap in the literature. As such, this paper seeks to fill that gap with five testable hypotheses.

Method

Procedure

The population in this study included employees working in a B2B service capacity with large hospitality industry clients operating in the U.S. The firm's customers look to the company to provide critical support services related to guest satisfaction, food and employee safety, as well as operational efficiency. After receiving extensive on-the-job training, employees partner with their customers to develop customized solutions through provision of services, products, systems and training aids crucial to keeping client facilities operational. Supervisors maintain regular contact and interact frequently with service employees and are thus able to confidently evaluate their functional behaviors and performance.

Sample

Data for this study were collected from three primary sources. Employees and Managers were first asked separately to complete and return written surveys assessing the employee. Then, three to six months later, archival performance data were collected from the company in order to capture performance results for each participating service employee.

Service employees participating in this study receive salary and bonus compensation for their work. Bonuses are based entirely on the individual service employee's performance against goals. All 428 firm employees were invited to participate in (and received) the survey. However, just 277 (64.7%) returned the survey with usable responses.

Managers working for the firm have broad responsibility for their service employees. They are tasked with selecting, hiring, training, coaching and developing employees in their service roles. In addition to managing relationships with clients, managers also bear responsibility for operational functions including productivity, customer satisfaction and retention, business results, and effectively maintaining a customer focus. Toward that goal, the firm employs 80 managers.. Though each manager received a survey, only 67 (83.8%) returned them to the researchers. As a result, after matching employee and manager data, a final usable sample size of 253 employees was identified, and archival performance data were collected for each.

Measures

Scales used in this survey were adapted from existing literature. Managers were asked to share their opinions as to the applicability and relevance of questions to the B2B service hospitality industry. No issues were identified and the final survey included the following five measures: Org ID, OCB, Service Climate, Service Performance, and Objective Performance (Percent-to-Quota). Confirmatory Factor Analysis was employed to test for model fit and factor loadings.

Results

In order to test the hypothesized interaction effect of Service Climate, a Linear Effects model was first explored. This model included four hypothesized paths. Similarly, paths were added to test each subsequent model with the goal of fully understanding each relationship in the hypothesized model, including those not directly predicted. The original Linear Effects model was expanded to include the relationship from Org ID to Service Performance, as well as Org ID to Objective Performance. The Interaction Effect (Hypothesized) model was next explored which looked at each of the five hypotheses, as well as the relationship from Service Climate to OCB. Finally, a Total Effects (Interaction) model which included every possible model path was also tested in order to confirm no unplanned results or relationships were uncovered. In each case, and following the guidance of Shrout and Bolger (2002), bootstrapping was employed to re-sample data 10,000 times in an effort to find the best model estimate. The following relationships were confirmed.

Hypothesis 2 was Supported ($\beta = 0.203$ $p < 0.01$) in the hypothesized model showing a significant positive relationship between OCB and Service Performance as predicted. This finding suggests that an employee practicing OCBs with co-workers is likely to carry that mindset to external customers.

Hypothesis 4 was also Supported ($\beta = 0.199$ $p < 0.01$) in the hypothesized model showing a positive relationship between Service Performance and Objective Performance as predicted. Service employees performing well in behavioral measures of performance are likely to record strong outcome based performance as well, offering further evidence that those with commission based compensation packages who excel in

customer interactions have a strong incentive to continue such practices.

Results

Summary of Findings and Contribution

This research confirms the important role that OCBs play in the modern firm. Though limited support was found for the hypothesized model, significant positive relationships between OCBs and Service Performance, as well as Service Performance and Objective Performance were found. These findings suggest that employees practicing OCBs are more likely to excel in a service environment. Similarly, employees who perform well in meeting customer needs in the service environment are more likely to perform well in objective measures of performance. This suggests that employees who dedicate themselves to serving others, internal or external, are likely, ultimately, to reap the rewards of their good deeds and commitment to service.

Research findings lend themselves well to further support of SDL in so far as they suggest that service employees who meet the needs of their customers do in fact create a competitive advantage for the firm. It is very likely that service employees who receive high marks for their service interactions are indeed building the relationships espoused by SDL, and not just individual highly regarded singular transactions.

Implications

Though limited support was found for the hypothesized relationships in this study, it is evident that employees who practice OCBs perform better in meeting customer needs. Similarly, service employees who perform at high levels in their interactions with customers are shown to perform very well in objective performance measures such as Percent-to-Quota. Managers might work with HR to identify personality tests and screening tests which increase the likelihood of hiring employees predisposed to performing OCBs, in addition to normal criteria used to identify those best suited to service roles. In the very competitive sales and service environment, every possible competitive advantage that a manager or firm can uncover can be the difference between meeting and exceeding growth targets, and hence this study reveals one more opportunity to improve the service capacity of the firm and the bottom line.

Future Research

Future work might investigate whether different types of organizational climates support or refute the hypothesized relationships. Research into Sales climates is the logical next step for an expansion of this model. Sales and Service climates might act directly and differently as antecedents to OCBs. The authors intend to further explore this relationship in a subsequent study.

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Summary Brief

Why Are You Watching? A Cross-cultural Comparison of Field Sales Force Monitoring

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Just as the global sales force has increased their use of IT tools, so too have their managers. Monitoring is no longer proximally limited as technology has increased managerial access to performance data of their globally dispersed sales force. This study's comparison found industrial salespeople in Poland, a higher power-distance culture than USA, were more likely to perceive managerial monitoring to serve controlling purposes. No cultural differences were evidenced in the degree to which salespeople believe this new form of managerial monitoring serves informative or empowering purposes.

Introduction

The practice of managerial monitoring of employees is certainly not new but the tools available to the global field sales manager today are unlike any experienced in the past (e-Policy Institute 2007; Gartner 2010; The Economist 2009). Employees react strongly to the perceived purposes behind this ever-present method of managerial monitoring (Allen et al 2007; Sewell & Barker 2006). These purposes include both a controlling purpose (i.e. giving directives to salespeople) and an empowering purpose (i.e. giving information to guide decisions). The degree to which a salesperson may gauge the level of either of these two purposes (directive or empowering) may be influenced by the cultural context. Thus this study compares the perceptions of USA to Polish industrial salespeople.

Perceived Purposes

Lower power distance cultures cooperate and use relational governance methods (Steenkamp and Geykens 2012). Organizations in lower power distance cultures are more decentralized, subordinates expect to be consulted and superiors are viewed as resourceful democrats (Hofstede 1982). Higher power distance cultures work under a benevolent autocrat where decisions and task guidelines are provided from above and the overall work environment is structured and formal (Hofstede 1982). Sales managers operating in cultures typified by high power distance found the effect of controlling behavior was stronger (Cravens, Piercy and Low 2006). As a result one might expect lower power distance culture see monitoring purposes as more informative than controlling.

Method

Samples were drawn from two cultures which differed in terms of power distance (Poland at the high power distance value and USA at the lower). Both samples were comprised of salespeople employed with firms engaged in business-to-business sales. Those firms who employed a geographically dispersed field sales force and made the investment in supplying

their employees with IT tools were deemed appropriate respondents for this study. Double reverse translation method was used to develop the Polish version. To test for the effect of differential IT investment levels, this study included items measuring both behavior (i.e. frequency and duration of IT use) and attitudes (i.e. the perceived connectivity of the sales information system).

The perceived purposes (informative or controlling) were measured using scales developed in this study. Factor analysis on one culture dataset provided a factor structure which was then constrained and tested on the second. All items were transferable and thus these measures were applicable to both samples. Thus informative-empowering purposes were measured using a four item scale with .80 (coefficient alpha) reliability. Directive-controlling purposes were measured using five item scale with .84 reliability.

Results

The response rate was approximately 27% (323/1195) and provided 177 usable responses from United States and 146 from Polish salespeople. The Polish sample tended to be younger and a higher proportion was compensated using a combination method. The lack of significant pairwise differences in respondent's attitudes toward respective IT systems implies equivalence across samples (i.e. the higher per USA salesperson investment in IT does not appear to inflate IT related attitudes). In fact, the Polish counterparts were actually accessing the web more frequently for job-related purposes daily and had been using wireless computing longer. To add a cautionary note, however, demographic variables were used as covariates in subsequent comparison of perceived purposes.

MANOVA results indicate significant difference in the perceived purposes of computer-enhanced managerial monitoring. The F-statistic testing for differences in either empowering-informative or controlling-directive measures is 44.49 (probability less than .0001). The Wilks lambda value of .78 appears supportive since it implies about 22% of the variation in these perceptions may not be explained by national culture alone. Pairwise comparisons indicate these differences are relegated to perceptions of controlling purposes but not empowering purposes. The Polish sample tended to believe managers were using computer-assisted monitoring to serve controlling or directive purposes at a higher level than their USA counterparts. The average controlling-directive score for Polish sample was 22.24 and the average for the USA sample was 16.54. No pairwise differences, however, were uncovered for empowering-informative purposes. The average empowering-informative score was 20.26 for Polish sample and 19.67 for the USA sample. When this study control for the

effects of age, this study found MANCOVA analyses did not change the pattern of results.

Conclusions

Technology has fundamentally changed global sales management monitoring (i.e. from intermittent to continual, from restricted to limitless indicators) (Ball 2010). Salespeople may believe this new form of managerial monitoring may be serving empowering purposes or controlling purposes. This comparison of perceived purposes found differences in the level of controlling-directive purposes, but none regarding informative-empowering purposes. Salespeople in high power distance cultures were more likely to perceive these purposes to be serving controlling or directive purposes. Salespeople operating in this higher power-distance culture expect centralized nature of the organizational decisions and these expectations permeate IT-monitoring of the sales force.

The direction of these differences in perceived controlling-directive purposes may carry pragmatic suggestions as well. These differences in perceived controlling-directive purposes may suggest managers who have access to sophisticated technologies are not necessarily using these tools to control their sales force. USA tends to engage in a higher and more sophisticated level of IT-monitoring of employees than their Polish counterparts (Stanton and Stam 2006 p3). Despite this difference level, the results here indicate USA respondents did not feel these investments were serving more controlling-directive purposes. Perhaps IT-enabled monitoring evolves over time (and economic development level) to protect rather than direct.

Technologically enhanced monitoring may be equally empowering (regardless of cultural context). IT-enabled monitoring may increase the ease with which a salesperson can access and analyze their own performance. Perhaps the ability to download and analyze objective quantitative performance data allows the salesperson to self-manage and this resultant capability usurps any perceptual differences across cultures. Results here indicate this empowering effect may be a uniform effect for global sales management. Panoptic theory certainly suggests this open; more panoramic form of monitoring has the effect of diffusing power to the salesperson/employee (Findlay and Newton 1998).

Future research directions are suggested from both the significant differences as well as those lacking differences. While this study found differences in the perceived level to which IT-enabled monitoring is serving a controlling-directive purpose, we still need to know if these levels have differential outcomes. While this comparison shows cultural differences exist in terms of perceived controlling-directive purposes, we still need to know if these purposes hurt or help. Controlling-directive purposes may not be universally deleterious. If higher controlling-directive purposes are culturally appropriate then outcomes should be more productive (Steenkamp and Geyskens 2012). The work of Baldauf et al (2001) suggests these differences may be especially important in developing salesperson technical knowledge. The effect of empowering may not yield far better results in a market-driven rather than collectivistic economy. Respondents expressed similar levels of empowering-informative purposes, but these purposes may result in confusion for some and clarity for others. Thus the

limitation of this study gives rise to opportunities for future efforts.

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Summary Brief

A Framework of Narcissism, Customer Orientation and Job Satisfaction in Salespersons

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Narcissistic salespersons can undermine organizational goals to be stable and productive through narcissism's negative influence on job satisfaction and customer orientation. Job satisfaction has a negative relationship with a salesperson's intentions to leave an organization, which is linked to turnover. Customer orientation is related to customer loyalty and organizational performance. In this paper, I develop a conceptual framework which proposes the relationships of narcissism with the selling and customer orientation dimensions of a salesperson customer orientation, and narcissism's proposed relationship with the coworker, supervisor, work, pay, and promotion satisfaction dimensions of job satisfaction. Implications for organizational stability and productivity are addressed, and managerial recommendations are made.

Introduction

Narcissistic salespersons can undermine organizational efforts to be stable and productive due to their antagonistic personalities (Rhodewalt and Morf 2008). In this paper, I develop a framework of the relationships of narcissism with the dimensions of a salesperson's customer orientation and the dimensions of job satisfaction. Customer orientation has been linked with sales performance (Siguaw, Brown and Widing 1994), and job satisfaction is negatively related to employee intentions to quit (Babin and Boles 1998). Therefore, these variables influence the productivity and stability of a sales force.

Narcissism

Westen (1990, p. 227) defined narcissism as a "cognitive-affective preoccupation with the self." Emmons (1987) identified the dimensions of narcissism as (1) Exploiteness/ Entitlement, (2) Leadership/ Authority (3) Superiority/ Arrogance, and (4) Self-absorption/ Self-admiration.

Miller and Campbell (2008) characterize narcissists as having an antagonistic interpersonal style because they tend to be exploitive, manipulative, and lack empathy (Rhodewalt and Morf 1998).

Customer Orientation

A salesperson's customer orientation (SCO) is described by Saxe and Weitz (1982) as showing customer orientation at the individual level (CO) by having solution-focused customer oriented behaviors designed to foster customer satisfaction and avoiding more exploitive, manipulative selling-focused behaviors (SO). Recent research treats CO and SO as separate factors (Johnson, Sivasdas and Kashyap 2009).

Job Satisfaction

Smith, Kendall and Hulin (1969) define job satisfaction as "the feelings a worker has about their job" which include feelings about their coworkers, supervision, pay, promotion, and work. Job satisfaction is negatively related to intentions to quit (Babin and Boles 1998) and positively related to organizational commitment, which has the strongest negative relationship to intentions to leave an organization (Johnston, Parasuraman, Futrell and Black 1990).

Propositions

Narcissists lack empathy and are preoccupied with their own goals and desires (Westen 1990). They are exploitive (Sedikides, Rudich, Gregg, Kumashiro and Rusbult 2004), manipulative, and emphasize immediate short-term personal gains (Robins and Beer 2001). SO tactics include the use of pressure and deceit to make a sale for personal gain with little regard for the well-being of the customer (Saxe and Weitz 1982). Based on the above reasons, the following propositions are offered.

P1- Higher levels of narcissism in a salesperson have a positive relationship with higher levels of a salesperson's selling orientation.

P2- Higher levels of narcissism in a salesperson have a negative relationship with higher levels of a salesperson's customer orientation.

Narcissists are abrasive and dismissive in their interpersonal relationships (Sedikides et al. 2004), unaware of others' feelings, and not reluctant to create conflict with others (Wallace and Baumeister 2002). Wallace and Baumeister (2002) argue narcissists are not good team players and Judge, LePine and Rich (2006) note that narcissists' inflated sense of importance and being extraordinary seems likely to foster an environment of distrust and competitiveness. Based on the reasons above, the following proposition is presented.

P3- Higher levels of narcissism in a salesperson have a negative relationship with higher levels of coworker satisfaction.

The leadership and superiority facets of a narcissist's personality should lead them to believe they are more qualified to lead than their supervisors. They may become angry, hostile, and derogatory when given failure feedback (Judge et al. 2006). Drawing from the evidence above, I develop this proposition.

P4- Higher levels of narcissism in a salesperson have a negative relationship with higher levels of supervisor satisfaction.

Mundane, behind-the-scenes activities such as planning, follow-up and administrative work are crucial to continued sales success. Narcissists withhold effort when a situation does not

offer the chance of self-enhancement for top performers (Wallace and Baumeister 2002). Based on these reasons, I develop the general proposition below.

P5- Higher levels of narcissism in a salesperson have a negative relationship with higher levels of work satisfaction.

Salespersons with a high level of narcissism have a strong sense of entitlement. Since narcissists overrate their own performance relative to supervisory ratings (Judge et al. 2006), a salesperson high in narcissism is likely to regard themselves as underpaid. Thus, the following proposition is presented.

P6- Higher levels of narcissism in a salesperson have a negative relationship with higher levels of pay satisfaction.

Leadership/authority and superiority/arrogance components of a narcissist's personality may lead them to believe they are more qualified to lead than their own supervisors and feel they are currently in positions beneath what their self-perceived and inflated capabilities and accomplishments merit. Thus, the following proposition is provided.

P7- Higher levels of a salesperson's narcissism are negatively related to higher levels of promotion satisfaction.

Discussion

Sales organizations value stability and performance. I show in this framework how narcissism in salespersons can undermine sales force effectiveness by adversely affecting job satisfaction and customer oriented behaviors. Hiring less narcissistic salespersons should lead to two desired outcomes. First, more customer-oriented behaviors should result in higher levels of customer loyalty and customer retention. Second, greater job satisfaction should decrease the likelihood of turnover in the sales force.

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SERVICES MARKETING TRACK

Track Chair

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Summary Brief

Consumer Personality Trait and Provider Expertise Influence on Service Relationship Success: An Examination of the Hair Stylist-Customer Relationship

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This study extends prior research on the importance of consumer sociability and service provider expertise on relationship success by examining these constructs in an experiential service context. Provider expertise was found to be a driver of satisfaction, trust, and commitment; while consumer sociability was shown to have a negative impact on the duration of the relationship. When compared to research in a credence service setting, these findings reveal that consumer and provider traits have different roles in forming and sustaining service relationships in these service contexts.

Introduction

The benefits of long-term service provider relationships to the customer and provider are well documented. Customer-provider relationships have received much attention in the literature, yet little research has been conducted on customer personality (c.f., Bove and Mitzifiris 2007) and its role as an influencer of service relationship development and success. This research examines the role of customer sociability and hair stylist expertise on measures of relationship success, including satisfaction, trust, and commitment to the stylist. It further explores the role of relationship duration on commitment to the provider. Findings related to the duration-commitment relationship are mixed; some studies show support for relationship duration as an important influence on customer commitment (Verhoef et al. 2002), while others find little support (Palmatier et al. 2006) for the significant association between these variables.

Customer-Provider Relationships

Perceived Expertise

Customers may be more willing to maintain ongoing relationships with service providers when the provider is perceived to be an expert (Bendapudi and Berry 1997). Expertise has been found to be a determinant of key relationship measures including trust (Moorman et al. 1993) and satisfaction (Liu and Leach 2001) across a variety of contexts (Macintosh 2007).

Sociability

High sociability people tend to seek friendships and opportunities to engage in relationships (McAdams 1988), including retailing relationships (Reynolds and Beatty 1999), online relationships (Blais et al. 2008), and sports activities (Ko

and Pastore 2005) in order to fulfill social needs. Sociability of a service provider is evaluated as part of the service encounter (Surprenant and Solomon 1987); however, the sociability of the consumer has received less attention (c.f., Spake and Megehee 2010).

Satisfaction, Trust, and Commitment

Trust and commitment are important factors in relationship development (Morgan and Hunt 1994) and all three constructs play a role in customer retention (Garbarino and Johnson 1999). Spake et al. (2003) find that satisfaction has a direct impact on trust, and trust a direct impact on commitment across two service contexts, including relationships with hair stylists. Long-term customers are also more forgiving and less likely to defect (Anderson and Sullivan 1993).

Duration of the Relationship

Over time, as customers have the opportunity for greater interaction with an exchange partner, they may form a bond with the provider and be more likely to form a lasting commitment. However, the link between duration and commitment are mixed, with some studies showing support for a direct link between these constructs (Verhoef et al. 2002) and others finding little support (Palmatier et al. 2006). Duration of the relationship should impact social benefits and social benefits should mediate the link between duration and commitment consistent with the findings of Spake and Megehee (2010).

Social Benefits

Gremler (1995, p. 92) asserts that “customers seek, and value, the interpersonal interactions that occur, and the resulting relationships that develop, when purchasing services.” Bendapudi and Berry (1997) suggest that customers may be more willing to maintain ongoing relationships with service providers when social bonds have developed with the provider. Such social interactions may cause the customer to receive more personal attention from a service provider and gain a sense of uniqueness apart from other customers (Gremler 1995).

Method

Fifteen hundred (1,500) questionnaires were mailed to a random sample of adults drawn from a nationwide (United States) list purchased from a commercial list service. Two hundred thirty-three (233) completed surveys were returned.

Results

The hypotheses were tested using structural equations modeling using LISREL 8.80. Many of the hypotheses were supported; however, the direct paths from sociability to satisfaction (H4), sociability to trust (H5), sociability to commitment (H6), trust to commitment (H8), satisfaction to duration (H9), and duration to social benefits (H10) were not supported. There were high modification indices on a number of constructs; therefore, the model was re-specified with the resulting fit statistics: $\chi^2 = 654.56$ (264 d.f., $p = 0.0$), CFI=0.97, NFI=0.96, SRMR=0.06, and RMSEA= 0.08.

Following the respecification, expertise had a significant impact on satisfaction (H1), trust (H2), and commitment (H3); satisfaction had a significant impact on trust (H7); and social benefits had a significant impact on commitment (H11). In addition, satisfaction and trust had a significant impact on social benefits; commitment had a significant impact on the duration of the relationship; and social benefits had a significant impact on commitment and duration of the relationship. Surprisingly, the customer's level of sociability had a significant, negative impact on duration of the relationship with the hair stylist.

Discussion and Conclusions

This study provides further support that customer and service provider traits impact the service relationship. Hair stylist expertise plays a key role in satisfaction with and the level of trust in the provider, as well as commitment to the provider. Unlike findings in a healthcare context (Spake and Megehee 2010), customer sociability in a hair stylist context appears to play a different role in the customer-service provider relationship such that highly sociable customers are significantly less likely to form long-lasting relationships with hair stylists. Perhaps, in this setting, high sociability customers are more likely to switch hair stylists as a form of variety seeking given their predisposition to be more out-going. While provider expertise impacted satisfaction and trust in a healthcare setting (Spake and Megehee 2010), provider expertise impacted satisfaction, trust, and commitment in this study. In addition, the moderating role of trust, satisfaction and social benefits differed in the hair stylist context as compared to a healthcare setting.

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Financial Services Innovations: A Study of Pricing Strategies

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This study examines optimal introductory pricing strategies for financial innovations by considering the effect of price sensitivity of the market and competitors' ability to introduce competing financial solutions, on the optimal introductory pricing of financial innovations. We use an agent-based simulation model to pinpoint optimal introductory pricing strategies under a wide range of product-market conditions. The analysis shows that financial institutions may increase their profits when market price sensitivity is low and there are barriers for competitive entry by setting higher prices. Higher levels of price sensitivity or chances of competitors entering the market create complex patterns for the relationship between study factors and profits. The study concludes with recommendations for optimal pricing of financial innovations.

Introduction

Financial services providers have introduced a significantly high number of innovations following the advent of the Internet and other electronic technologies and the deregulation of financial services markets. Examples are credit cards, specialized insurance products, and more recently different banking apps for use on mobile devices. These innovations sometimes target a specific niche market such as accidental insurance for skiers or credit cards with unique customer benefits. As a result, marketing managers and researchers are increasingly becoming interested in the optimal introductory strategies including pricing strategies for their new services (Hauser et al. 2006).

In this study, we examine the effects of two factors on optimal pricing decisions: The time horizon the managers expect before a competitor enters the market and market price sensitivity. We conduct extensive agent-based simulation experiments to capture the alternative market and product conditions and examine the optimal pricing strategy under each condition.

Study Factors

Price Elasticity

Consumers often face challenges in understanding the prices of financial services innovations as prices of financial services are often made of multiple components that are difficult to understand. In addition, consumers are often unable to evaluate the quality of such services ahead of time. As a result, consumers have little knowledge of prices in financial services and have difficulty in comparing prices of financial services (Estelami 2006). "Price sensitivity" refers to the degree to which customers may change their buying and or consumption behavior with changes of price

(Tellis 1988). We capture price sensitivity using price elasticity of demand, which captures the changes in overall

market demand if the price changes by one percent (Bijmolt et al. 2005).

Expected Time Horizon

Financial institutions may set different goals for optimal pricing depending on the time horizon they expect before competitors' entry. For example, when expecting a short period of time, the managers may decide to maximize the number of adopters in this short period in order to create a large-customer base. On the other hand, when they expect delays in competitors' entry, they may adopt a higher pricing strategy. This strategy will likely lead to a greater long term profit if the price is set at a decent level and it also generates the highly-needed cash at the time of launching the innovation in order to cover the marketing and R&D costs. However, existing research knowledge is limited on the relationship between this time horizon and the optimal pricing strategy.

Simulation Framework

We use agent-based modeling and simulation in order to explore the research questions. This methodology allows us to examine alternative pricing strategies in a wide range of markets and for alternative financial innovations. Meanwhile, it has a high degree of internal validity and allows for exploring complex phenomena that are beyond other methodologies' capabilities (North and Macal 2007). We model consumers as agents and define their responses to marketing activities and pricing strategies. We further assign a social network among them to allow for the influence of consumers on each other. We simulate market results under different conditions. For each market condition, the framework simulates diffusion processes in which a new product is launched and diffused, and the resulting profit impact is captured.

To capture the performance of each pricing strategy, we used the Net Present Value (NPV) of profits as the dependent variable. For each combination, the NPV of alternative prices were divided by the NPV from a base case price under the same conditions. This variable, labeled as NPV Ratio (NPVR) captures the performance of pricing strategies using a single measure (Ghoreishi Nejad 2011; Goldenberg et al. 2007).

Analysis and Results

We used a factorial design of *price*, *price elasticity*, and *expected time horizon* (between subjects), with 5 levels for *price* and *expected time horizon* and 4 levels for *price elasticity*. Each experiment was replicated 20 times to capture the variations that may be due to stochastic nature of the model (North and Macal 2007).

A *price* × *price elasticity* × *expected time horizon*, ANOVA was conducted. The results show that the price (F(4,

1900)= 1394.99, $p < 0.001$), price elasticity ($F(3,1900)=535.22$, $p < 0.001$), and expected time horizon ($F(4, 1900)=633.53$, $p < 0.001$) all had significant main effect on NPVR⁴. Moreover, all two-way interactions and the three-way interaction effects were statistically significant. Thus, the optimal pricing strategy depends on a combination of the study factors.

The results indicate that when the market has very low price elasticity, a high pricing strategy is recommended for all expected time horizons. When price elasticity is average, firms must use lower pricing strategies for average time horizons and high prices for long horizons. When price sensitivity is high, a very low pricing strategy is recommended for short to average time horizons and a low pricing strategy is recommended for average to long time horizons.

Discussion

The results indicate that the optimal pricing strategy of a financial innovation depends on a combination of the study factors examined in this simulation. We show that in short time horizons, reducing prices not only creates a large customer base that may create barriers for competitors' entry, it also generates the highest NPV of profits. On the other hand, if competitive entry is expected to be delayed and customers do not exhibit higher levels of price sensitivity, higher prices will optimize NPVR. However, under average time horizon for competitive entry, optimal pricing requires a careful examination of prices, price elasticity and the expected time horizon.

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⁴ Details of the ANOVA model are available from the authors.

Summary Brief

An Empirical Examination of How Educating Service Employees about the Brand Influences Customer Satisfaction

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This paper highlights how building brand equity via the dissemination of brand information to frontline employees (internal branding) ultimately leads to customer satisfaction. Hierarchical linear modeling is used to test the model with data from three sources (frontline employees, management personnel and customers) of a business-to-business service firm. The data provide a further understanding of how employees react and respond to internal brand education and the positive influence these initiatives have on customer satisfaction.

Introduction

A model is developed and empirically tested to provide insights into why firms should leverage the brand as a basis of enhancing customer value. Specifically, we consider the extent to which internal branding activities lead to service employees engaging in behaviors which are valued by customers. We argue that the service climate, defined as the employee's perceptions of the "practices, policies, procedures, and behaviors that get rewarded and expected regarding meeting customers' needs effectively" (Mayer, Ehrhart, and Schneider 2009) created by management plays an important role as it relates to ensuring that service employees perceive the brand to be authentic which in turn has implications for specific actions (brand citizenship behaviors ("BCBs", service ability) and characteristics (brand advocacy, perceived brand value). These, in turn, lead to higher levels of customer evaluated service performance.

Hypothesis Development

An integrated marketing communication (IMC) perspective considers every point of contact between the consumer and the firm an opportunity to enhance brand equity (Duncan and Mulhern 2004). One aspect of IMC that has received little attention in the literature relates to the transfer of brand specific knowledge to employees or internal branding (Madhavaram et al. 2005). If the IMC process relative to brand knowledge dissemination is effective and marketing communications are fully integrated, one outcome may be a reduction in "corporate dissonance" (Punjaisri and Wilson 2011) arising from incongruences between externally obtained brand information such as advertisements and internally derived brand information. As this dissonance is reduced, employees are likely to have more positive perceptions of perceived brand authenticity, defined as the extent to which a brand genuinely embodies the values the brand stands for (H1).

Service climate likely plays a role in the strength of the relationship between brand knowledge dissemination and brand authenticity. Service climate relates to employee perceptions of the practices, procedures, and behaviors that get rewarded, supported, and are expected. In order for the frontline employee to deliver on the brand message, actions of managers must be supportive of and consistent with the brand message (Harris and de Chernatony 2001). Such a service climate should act to enhance the relationship between brand knowledge dissemination and perceived brand authenticity since it provides additional information to the employee as to how the organization expects the brand to be portrayed (H2).

We believe that as firms strengthen the relationship between internal brand knowledge and perceived brand authenticity via the creation of a service climate (i.e., engage in transformational leadership behaviors), this will enhance perceptions of leader supportiveness, minimize the negative effects of role perceptions (e.g., role conflict, role ambiguity) and lead to employees perceiving a better "fit" between their values and that of the brand which should lead to greater amounts of BCB (H3).

In addition to increasing the amount of BCBs, we believe that perceptions of brand authenticity will enhance the manager's perceptions of how well the employee services customers (H4).

Earlier we defined perceived brand authenticity as the extent to which the employee genuinely believes the brand embodies the values it stands for. We believe that employees perceiving the brand as being more authentic will lead to two outcomes. First, we believe that perceived brand authenticity will positively impact employee brand advocacy which we define as the extent to which the employee understands the brand message and has a personal fit with the brand (H5). In addition, brand authenticity should increase the employee's brand value perceptions, which we conceptualize as the employee's psychological attachment to the brand (H6).

We propose that as employees are perceived as being higher in BCBs, customer perceptions of service performance will be positively impacted (H7) as will perceptions of service ability (H8). Another relevant outcome is that of brand advocacy. Brand advocacy has to do with the ability of the employee to understand the brand and the extent to which he or she fits the image of the brand. The employee's ability to understand the brand and ensure their "brand" is consistent with what is communicated by the organization about the brand should also lead customers to report higher levels of performance (Moskowitz, Skurnik and Galinsky, 1999; H9).

Finally, we propose that service performance is positively impacted by employee brand value perceptions (H10). Brand value perceptions have to do with employee's psychological attachment to the brand in the sense that the employee perceives their values to be consistent with those of the brand.

Methods & Results

The data used in this study come from business-to-business employees of a U.S. based firm in the hospitality industry. The employees in this study engage in a service role and partner with customers to provide service support using the company's solutions. Data were collected from three separate sources: (a) written employee surveys, (b) written manager surveys, and (c) archival job-performance data collected from company records between three to six months following the completion of the study surveys. All 428 service employees in the organization were surveyed and 277 (64%) usable responses were obtained. Likewise, all 80 managers were surveyed, with responses being received from 67 (83.8%) managers. Employee and manager-level data was matched to customer service ratings and experience metrics from corporate records. Information about the measures utilized is available from the authors.

Level one relationships were assessed via structural equation modeling. The data provided an acceptable fit to the model [$\chi^2 = 640.6(199)$, $p < .01$; CFI = .91; TLI =.89; RMSEA=.09; SRMR = .09. Support was found for all but two of the hypotheses (H9: brand advocacy to service performance and H10: brand value to service performance). We then examined the linear effects of the Level 2 variable service climate. Results indicate that service climate does have a significant influence on perceived brand authenticity ($\gamma = .156$; $p < .05$). As hypothesized, results suggest that a service climate positively influences the relationship between brand knowledge dissemination and the perception of the brand's authenticity (H₂: $\gamma = .060$; $p < .10$). This suggests that the creation of a service climate by the firm will accentuate the extent to which brand knowledge dissemination impacts perceptions of brand authenticity.

Discussion

We believe our research provides a number of benefits to both theory and practice. First, since we utilize measures from managers, service employees and customers, we are able to provide a very strong test of our model due to the minimization of issues derived from using single-source data. Furthermore, the utilization of both structural equation modeling and hierarchical linear modeling allows assessment of both measurement and cross-level structural properties. A limitation involves the need for exploratory analysis to determine if there exists a better fitting model.

Martin et al. (2005) found that less than half of all corporations have implemented an internal branding effort consistent with IMC. It seems plausible that this reluctance to invest in internal branding initiatives may be in part due to the difficulty in assessing financial outcomes associated with the investment. There are few empirical studies that reveal the value of internal brand management initiatives. The studies that do

consider the value of internal branding efforts focus on how the initiatives positively influenced the employees perceptions of their own behavior (i.e., Burmann, Zeplin and Riley 2009; Punjaisri, Wilson and Evanschitzky 2008). While these studies do provide unique insights that demonstrate a positive outcome they are limited in that they use employee only data and no quantifiable firm outcome is identified. The results of this research suggest that internal branding efforts represent a tremendous opportunity. It is shown that employees who perceive that they are receiving brand related information behave in such a way that customer satisfaction increases. The dissemination of brand-relevant knowledge to frontline employees of a firm is shown to have very real implications in terms of firm performance.

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Summary Brief

Employee Engagement: The Pathway from Strategic Profit Emphasis to Service Climate

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This research examines how two different strategic orientations (revenue generation focus and cost containment focus) differentially influence two types of employee engagement (job and organization engagement) and how these constructs jointly develop a service climate within service organizations. Results primarily show that a revenue focus and organizational engagement have the greatest influence on service climate.

Introduction

An important issue for service organizations is to improve customers’ service experiences by identifying ways to develop and maintain positive service climates (Schneider 1998). A service climate is employees’ shared perceptions of the service behaviors that are rewarded, supported, and expected by a service organization in terms of customer service and service quality. Developing a service climate produces in beneficial results for service organizations. Organizations are recognizing that their treatment of their service employees and provision of work-related resources are crucial to the overall service climate of the organization (Lusch, Vargo, and O’Brien 2007). Engaged employees have a passion for what they do (Kahn 1990) and engagement can be viewed as a competitive differentiator.

Background, Theory and Hypotheses

Employee engagement is “the harnessing of organization members’ selves to their work roles.” To be engaged, an employee must be “cognitively, psychologically, and physically present when occupying and performing an organizational role” (Kahn 1990, p. 694). Zigarmi et al. (2009, p. 302) discuss engagement and passion for work interchangeably and characterize the construct as an “energetic state of involvement with personally fulfilling activities to enhance one’s sense of professional efficacy.” Saks (2006) makes an important distinction between two types of employee engagement: job and organizational engagement. Job engagement focuses on passion for the job itself, while organizational engagement entails passion that is focused on the specific company. Their results verify that job and organizational engagement are related, but distinct, constructs that have different sets of antecedents and consequences.

Social exchange theory (Thibaut and Kelley 1959), or SET, provides the theoretical basis for this study. The basic principle of SET is that relationships between entities are based on interactions that involve reciprocal exchanges in which parties become indebted to one another, which is followed by that

repayments in some form, including financial, ideological, social, behavioral, and emotional resources. In terms of the relationships between organizations and employees, when organizations provide resources for the employees, the employees repay the organization with some sort of beneficial consequences.

Two types of quality profit emphases, revenue enhancement and cost containment, are the exogenous variables. A revenue enhancement approach focuses externally, on customer perceptions and attitudes that will lead to increased sales and profits. Conversely, a cost containment approach that focuses internally, on reducing the labor and materials required to produce a unit of output in order to increase profit (Rust, Moorman, and Dickson 2002). Although they imply conflicting goals for service organizations, they are distinct and affect firm performance differentially (Rust et al. 2002).

Revenue generation most closely aligns with the ultimate purpose of service employees: to serve customers well. This congruence of approaches suggests that a revenue generation approach would be more comfortable and less adjustment for service employees to accept than a cost containment approach that would run counter to the customer-focused schema and training of most service employees and would require more effort to adjust their attitudes and behavior (Ye, Marinova, and Singh 2007). Thus, because service organizations with a revenue generation emphasis provide their service employees with the resource of a work environment with consistent strategic quality goals, SET suggests that service employees feel obliged to repay the organization through their levels of employee engagement.

H1: Revenue enhancement emphasis has a stronger effect than cost containment emphasis on job engagement.

H2: Revenue enhancement emphasis has a stronger effect than cost containment emphasis on organizational engagement.

Service climate is defined as service employee perceptions of the practices, procedures, and behaviors that are rewarded, supported, and expected with regard to customer service quality (Schneider et al. 1998). Creating a climate that is conducive to superior service is important for differentiating service providers, especially in an era when so many services are becoming commodities. According to Salanova et al. (2005), service climate is a shared, collective phenomenon that grows from the organizational practices along with service employees’ affective and motivational responses, such as engagement. SET supports the notion that when service employees receive job-related resources from their organization and reciprocate by becoming more engaged in their role of providing excellent service to customers as well as their role as a member of the

organization, and by doing so, encourage a positive service climate (Salanova et al. 2005).

H3: Job engagement is positively related to service climate.

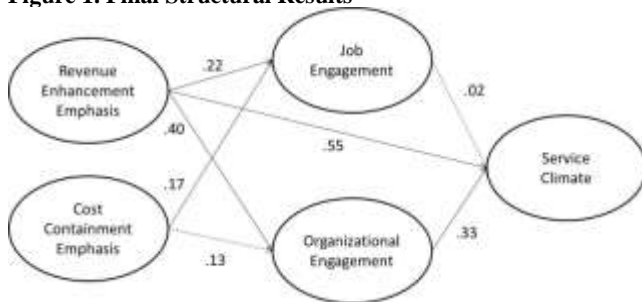
H4: Organizational engagement is positively related to service climate.

Method and Results

Established, validated measures for the five constructs examined in the study are used in the survey. The respondent pool is a convenience sample of 502 full-time employees who work in multiple organizations in a wide range of service industries. A confirmatory factor analysis is conducted to test the measurement model. A Harman single factor test is used to determine that common method variance is a problem in this data. All of the measures exhibit acceptable levels of reliability and the data also show evidence of adequate convergent and discriminant validity.

To test the hypotheses, a structural equation model is estimated. Figure 1 displays the final structural model, including key fit indices. The results support H1 because while both constructs have a significant and positive relationship with job engagement, revenue enhancement unit emphasis has a stronger relationship than cost containment unit emphasis. H2 is also supported because revenue enhancement unit emphasis has a significant effect on organizational engagement, while the relationship between cost containment emphasis does not. The results do not support H3, but they do support the H4. In addition to the originally hypothesized relationships, theory and the data suggest a direct relationship between revenue enhancement emphasis and service climate. Decomposition of effects shows that organizational engagement partially mediates this relationship.

Figure 1. Final Structural Results



Note: $N = 502$, $\chi^2(365) = 1063.80$ ($p < .01$), $\chi^2/df = 2.91$, NNFI = .97, SRMR = .047, IFI = .98, RMSEA = .062

Discussion

The current study evaluates how firms can use their strategic focus create environments that are more conducive to their service employees' engagement with their jobs and organizations, and in turn create better service climate. Overall, the study's findings demonstrate that revenue enhancement and cost containment profit emphases affect job and organizational engagement differently and that only organizational engagement drives service climate.

The findings related to the supported hypotheses are consistent with SET and prior research. Upon reflection, the lack

of support for H3 is reasonable because employees with high job engagement could be absorbed with their job itself, but not have strong feelings about the firm within which they perform their jobs. Thus, they may neglect to create a service climate since they may not feel the need to reciprocate the firm's provision of the job and job-related resources.

The current study has both academic and managerial implications. Academically, this work answers multiple calls for research in prior literature and better illuminates the tensions between revenue enhancement and cost containment approaches. Managerially, the results demonstrate that in order to create a climate for service, managers of service employees should create an atmosphere that focuses on revenue enhancement, rather than cost containment. They should also take measures to encourage organizational engagement, rather than job engagement.

The current study has some limitations, which imply opportunities for future research. For example, the current study uses single-source, cross-sectional data. Future research could produce more robust findings if the data were drawn from service employees, managers, and customers. Future research could also examine moderators, outcome, and predictor variables.

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Towards a Better Understanding of Service Outcomes: The Impact of the Discrepancies between Should and Will Expectations

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Service expectations are important in understanding service satisfaction and failure. Although expectations literature demonstrates there are at least two types of expectations, should expectations (SE) and will expectations (WE), service satisfaction and failure studies have only considered one type. This paper presents a conceptual analysis of service customer experienced outcomes when SE and WE discrepancies come into play using the customer satisfaction/ dissatisfaction (CS/D) paradigm. Furthermore, it provides a possible explanation of the service recovery paradox that could be subject to future empirical testing.

What Are Expectations?

Expectations are relevant because they represent standards customers use in evaluating a service (Zeithaml, Berry, and Parasuraman 1993). Expectations have been examined in two main research avenues in the field of marketing: namely satisfaction literature and service quality research (Teas, 1994, Higgs, Polonsky, and Hollick 2005). In satisfaction studies expectations are defined as beliefs or predictions about a focal brand's desired attributes (Olsen and Dover 1979). These beliefs are based on prior experience, current circumstances or other sources of information (Oliver 1996). In service quality literature, expectations reflect predictions of what a service provider "should" offer. However, in contrast to satisfaction literature, expectations are not conceptualized as predictions about what *would* happen but rather what *should* happen (Teas 1994). Thus, scholars have started recognizing that there are different types of expectations, should expectations (SE) and will expectations (WE) (Boulding et al.1993) So, WE are the predictions of future events in regards to service delivery, while SE are the normative expectations of future events of how a service ought to be.

Customer Satisfaction/Dissatisfaction (CS/D) paradigm

One of the most famous models and widely used is the customer satisfaction/dissatisfaction (CS/D) paradigm (Oliver 1986). It has also been tested frequently (Cadotte, Woodruff, and Jenkins 1987; Voss, Parasuraman, and Grewal 1998). The paradigm simply states that customers compare the perceived performance with expectations and accordingly could experience two main outcomes. The first occurs when customers are satisfied, because their perceived performance is equal or higher than their expectations. Hence, satisfaction is a function of expectations and perceived performance. Now the question is,

given the above review, which expectations are these customers comparing against: SE or WE? What happens when $SE \neq WE$? For instance, what happens when customers have very high SE and moderate level of WE and where perceived performance meets their WE but not their SE? Imagine a businessman and a middle aged woman who are about to fly. Although the businessman expects to wait at the self check-in line (WE), he considers this a waste of his time (SE). This translates into $SE > WE$. Conversely, the middle aged woman thinks the self check-in has improved waiting in lines since its development. When compared to traditional check-in, she will wait less time than before self check-in ($SE \leq WE$). Do both the businessman and woman experience the same satisfaction level when the self check-in takes five minutes but they wait in line for the self check- in for ten minutes? Would both of them experience the same outcome if the machine broke down while checking in? The following section presents an analysis of how to look at these discrepancies and how they are related to customer experienced outcomes.

The Discrepancy Between SE and WE

SE can hypothetically be higher, equal and lower than WE. Furthermore, each of these could have the same discrepancy with perceived performance, higher, equal and lower. However, the conceptual analysis considered here reflects a zero or positive discrepancy between SE and WE, because SE get updated with experience and are more stable over time (Boulding et al. 1993). Thus, customers with lower SE experience than WE will adjust their SE accordingly. Therefore, the following table focuses on five main situations.

Table 1: The Relationship Between the Discrepancy of SE, WE and Perceived Performance and Service Outcomes

	1	2	3	4	5
(SE/WE)	$SE \geq WE$	$SE \leq WE$	$SE > WE$	$SE = WE$	$SE > WE$
SE – WE	0 or +	0 or +	+	0	+
Perceived performance	>SE, WE	= SE, WE	= WE	<WE	<WE, SE
Outcome	Delight	Satisfaction	Non Satisfaction	Dissatisfaction	Double Deviation

Based on the CS/D paradigm, columns 2 and 4 are fairly straight forward. In column 2 a customer's SE are equal to or less than his/her WE and is also equal to perceived performance and hence a customer experiences satisfaction. In column 4, a customer SE and WE are the same and higher than perceived performance resulting in customer experience dissatisfaction. Column 1 describes a customer with SE equal to or higher than WE and perceived performances that exceeds both levels that results with customer delight (Oliver and Rust 1997). In Column 5, however, a customer's SE are higher than his/her WE and yet perceived performance falls short of both and therefore a customer experiences what is called a double deviation. A double deviation is usually used in the service literature to explain a situation where a service failure occurs and accompanied recovery also fails, creating a double disappointment or deviation (Maxham and Netemeyer 2002). In the same way, we use it here to explain the double discrepancy between SE and perceived performance and WE and perceived performance. Finally, column 3 describes an uncommon situation but one relevant for further discussion. When a customer's SE are higher than WE and the perceived performance meets WE but not SE, a customer is said to experience non satisfaction. Non satisfaction was introduced by Oliver (1996) to show that a customer could have negative expectations confirmed or met, yet they are negative. In this case, a customer experiences non satisfaction, which represents a stage of indifference. Similarly, we use it here to show that although WE is being met SE are not, so a customer is not dissatisfied yet is also not really satisfied because there is another level of satisfaction that is not being met.

Traditionally, the literature has treated the five different columns distinguished above as two main areas, satisfaction and dissatisfaction. Not recognizing the differences between dissatisfaction and double deviation for instance, can lead managers to offer a recovery that would match their WE and not SE. This is particularly interesting when the service recovery paradox. The service recovery paradox occurs when a customer who has experienced a service failure has a higher satisfaction level than the one he/she originally had because of the effective service recovery (McCullough 2000). So a post-failure satisfaction would exceed the pre-failure satisfaction (Magnini et al 2007). However, results have been inconsistent, if not conflicting when it comes to the possibility of a service recovery paradox (Matos, Henrique, and Rossi 2007). For instance, McCullough (2000) and Maxham and Netemeyer (2002) found support for the service recovery paradox, whereas Zeithaml, Berry and Parasuraman (1996) did not find the same support.

Studies have considered factors like perceived controllability, failure attribution, chance of reoccurrence and frequency of occurrence as moderators of the service recovery paradox (Magnini et al. 2007; Matos, Henrique and Rossi, 2007). However, these studies do not look at the different types of expectations as an explanation to the occurrence above. It is proposed in this research that by considering WE and SE simultaneously within the context of service failure, and the possible discrepancies between them, an explanation for the inconsistent finding regarding service recovery paradox can be provided.

Hence, a service recovery paradox might not occur because service providers offer a recovery that only focuses on meeting

the WE that have been broken without paying attention to the pre-existing SE.

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SUPPLY CHAIN MANAGEMENT & LOGISTICS TRACK

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Summary Brief

A Responsiveness Perspective of Interorganizational Management

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The examination of responsiveness in the context of firm's reaction to market conditions has highlighted the basic conceptualizations of the concept and its nomological network. The many divergent terms of responsiveness (e.g. flexibility, adaptability) have also promised important research directions. This research argues that responsiveness realized through interorganizational management is the main outcome that affords firms the opportunity to compete successfully amidst dynamic changes.

Introduction and Conceptualization

Generally, the interorganizational research area has long focused on process and operations at the expense of fully conceptualizing relationship related phenomenon. For example, the criticism of the extant research on both adaptability and flexibility, the latter often referred to as organizational slack, is that each concept has become dangerously close to a conceptual tautology (e.g., Evans 1991; Fawcett, Calantone, and Smith 1996; Johnson et al. 2003). This form of contextual study has complicated the crusade for a specific research focus. While specifically converging on the characteristics that indicate successful flexibility, agility, adaptability, improvisation and slack; less attention has been afforded to whether the concept of responsiveness can be formally identified or whether its role as an important outcome of management among organizations can be accentuated. We suggest that responsiveness, as a tradeoff between operational efficiency and market flexibility, reflects the outcome of interaction among firms within a network.

Marketing and management strategy literatures explore the concept of intraorganizational flexibility as a firm's approach to addressing market demands. Yet, the two disciplines largely examine and develop the higher level concept of responsiveness from diverse perspectives. The marketing literature examines the issue of responsiveness from a customer-centric approach, which underlies the idea that organizations must have the ability to respond to customer demand and its inherent variability (e.g. adaptability). This is a view that typically highlights the external consumer as the catalyst for market effectiveness which ultimately drives organizational efficiency (Aaker and Mascarenhas 1984; Bahrami 1992; Bowersox and Daugherty 1990; Evans 1991; Matusik and Hill 1998). Contrarily, the strategic management literature emphasizes the organization's reaction (e.g. flexibility) to the uncertainty of its environment as the primary foundation for developing responsiveness. This perspective highlights the external environment as the catalyst for influencing organizational efficiency. Thus, an efficient

organization ultimately encourages market effectiveness (Carlsson 1989; Evans 1991; Johnson 1999; Johnson et al. 2003; Sanchez 1995). Neither literature base holistically canvasses responsiveness as a perspective that exemplifies an interorganizational phenomenon; recognition of flexibility and adaptability as capabilities that can be built upon and reconfigured into an outcome that provides a more sustainable competitive advantage in both relatively stable and disruptive environments. To date, the main research focus has concentrated upon intraorganizational aspects with few exceptions (Vickery, Calantone, and Dröge 1999; Zhang, Vonderembse, and Lim 2002, Duklos, Vokurka, and Lummus 2003). This is a limiting factor in the study of how organizations, as a network of partners, respond to the environment (Hult 2011).

The focal outcome of this approach is that the conceptual boundary has been followed too closely in its theoretical development of internal efficiency. One inference is that efficiency produces a limited view as it examines the interaction of processes and activities with no specific outcomes beyond cost. Consequently, studying flexibility within this contextual treatment leaves little that addresses how organizations (as a system) utilizes resources or processes to respond or incorporate the market's customers (e.g. Porter 1980; Zollo and Winter 2002; Wang and Ahmed 2007). The shortcoming of not integrating the respective literature bases has impeded the development of understanding how organizations in a supply chain develop and utilize capabilities towards developing responsiveness; an outcome of internal efficiency and external market effectiveness.

The current study highlights how the extant research actually evokes responsiveness as an outcome or goal of partner firms' capabilities. Supply chain's responsiveness suggests that partners mutually and willingly modify their resources, arrangements, behaviors and activities to develop a higher, more dynamic capability enabling firms to adapt to environmental uncertainty and opportunities (Evans, 1991; Young, Sapienza and Baumer 2003). In this connotation, responsiveness represents an outcome that is achieved through the development and orientation of basic capabilities. Basic capabilities are relatively static and operational-these capabilities are essential ones that enable firm survival. Building upon these capabilities to renew and enhance their foundational configurations leads to a more comprehensive and thus long-term dynamic outcome (Collis 1994; Teece, Pisano, and Schuen 1997; Aragon-Correa and Sharma 2003). Additionally, the emphasis on interfirm collaboration and cooperation places increased importance on the relationship and the reliance of the individual firm upon its

relationship with its partners for resource obtainment, maintenance, allocation and ultimately, competitive advantage (Hart 1995; Dyer and Singh 1998). The results of these ideas leads to one fundamental premise motivating this conceptual paper: the notion that responsiveness is the appropriate concept within an interorganizational context as it reflects the integration of marketing and management while underscoring the notion of an outcome of firm interaction that builds upon ‘lower’ or operational capabilities. Appropriately, it is necessary to examine this interaction to understand the concept of responsiveness as a phenomenon that is unique to this context. .

Discussion and Conclusion

Responsiveness, as a defining dynamic outcome or goal, embodies the strategic interaction among organizations as they seek intra- and interorganizational efficiency and effective customer demand management. Therefore, we propose that responsiveness be adopted as the fundamental strategic foundation that captures and exemplifies the outcome of interorganizational management. This proposition highlights the idea that dynamic capabilities are the core drivers of organizations as systems (Lusch 2011) which embraces intra- and interorganizational structural efficiency (management) and market effectiveness (marketing) to deal effectively with customer demand (Barney 1991; Day 1994).

This paper takes the position that the concept of flexibility, as a capability, is a firm-level latent construct which does not fully capture interorganizational characteristics or structure between firms. Furthermore, we propose that flexibility is a ‘basic’ capability that does not necessarily allow a company to compete both efficiently and effectively in dynamic markets. This is because flexibility primarily addresses firm-level function reaction in terms of cost containment to market dynamics. The primary distinction between flexibility and responsiveness is that flexibility is a vital component and dimension of responsiveness. Responsiveness examines the reaction to market dynamics from the perspective of multiple firms that work together as partners. Responsiveness is an outcome of partner interaction that builds upon flexibility as it embodies the ability to recognize the intrinsic values of resources across the network from which to incorporate and to develop these important resources (Collis 1994). Thus, responsiveness is a richer and more holistic concept which should be examined in the service-oriented interfirm context (Lusch 2011) whereby its study can capture better the integrated management and marketing theoretical notions.

As organizations confront uncertainties or opportunities their responsiveness can be either short- or long-term. This paper proposes that two dimensions of responsiveness, flexibility and adaptability, are two capabilities that represent short-and long-term aspects, respectively. The short-term aspect refer to the supply chain’s ability to make adjustments in response to temporary changes in the environment, such as competitor price cuts or customer demand inputs, and minor product changes or temporary investments in warehousing. Essentially, these are the operational decisions that managers must make to handle the various demands of the market environment.

Responsiveness also embodies elements of the strategic flexibility concept defined in the literature (Bowman and Hurry 1993; Buckley 1997). Evans (1991) defines adaptability as a singular and permanent adjustment to a newly transformed environment. This differentiates the term from flexibility (a

structural approach which enables successive, but temporary strategic and/or operational permutations). The automakers’ development of hybrid cars, for example, is an adaptation to the longer term issues such as persistent fuel shortages which contribute to higher gas prices. A system is adaptive if it can react by changing its state in order to increase its efficiency to capture the value lost when presented with a change in the environment. From this discussion we suggest the following:

Proposition 1: Assuming relational resource and demand assumptions are met, responsiveness is an outcome developed from the dynamic capabilities of two dimensions -- flexibility (proactive) and adaptability (reactive) -- which represent firms’ structure and time horizon.

Proposition 2: The flexibility dimension of responsiveness is characterized as a proactive approach within an environment to address short-term, fairly predictable market events.

Proposition 3: The adaptability dimension of responsiveness is characterized as a reactive approach which addresses long-term market events; adaptability reflects the lag associated with the accumulative effect of decisions across the organizations.

Marketing’s Interface with Responsiveness

Firms are increasingly incorporating customer insight into their operational and strategic developments when seeking value-creating activities (Beverland and Lockshin 2003; Flint, Larsson, Gammelgaard and Mentzer 2005). These insights and approaches are not single firm oriented. They reflect inter-organizational cooperation and coordination due to firms’ recognition that combining their resources increases the potential for success (Ellram 1992; Pfeffer and Salancik 1978). For instance, the costs of various activities associated with purchasing, ordering, delivery, and service vary greatly across customer segments in the supply chain.

The relationship marketing literature suggests that increased service offerings can be better implemented through partnerships that focus on sharing resources. Assuming that organizations strive to create superior value propositions for customers (Lusch 2011), it is to their advantage to develop the capabilities to generate customer-specific options that reflect value-creating configurations (Johnson et al. 2003). The supply chain literature underscores responsiveness as a process-oriented outcome of joint capabilities that includes the coordination of upstream (procurement/sourcing) and downstream (logistics/distribution) elements. Responsiveness is thus a central aspect in achieving sustainable financial performance results because it embodies the dynamic capability development (Hitt, Keats, and DeMarie 1998; Kritchanai and MacCarthy 1999). In addition, it may provide a level of sustainable advantage as the network “leverages resources and competencies to achieve greater responsiveness to market needs” (Li 2009, pg. 63). Consequently, the assumptions are that:

- Customers prefer firms that provide responsive product, service, and combined offerings;
- Customers and business partners desire differentiated service offerings such as the different dimensions of responsiveness and are capable of distinguishing among the differences;
- The competitive duplication of inter-organizational structural relationship is difficult if not impossible.

References: Available upon request.

Improving Supply Chain Intelligence Through Social Media Channels: A Sensitivity Analysis of Multi-Criteria Approach

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Social media channels are the new information ecology that will enable organizations mine, collect, analyze, produce and gain supply chain competitive intelligence and drive supply chain performance improvement. Like in marketing, public relations, and human resources, supply chain is not immune from the impact of social media. However, in spite of this revolutionary trend, there is little or no empirical research on social media channels' role in supply chain intelligence. The current study fills the gap by leveraging multi-criteria decision sensitivity analysis to evaluate the impact of SMCs on supply chain intelligence.

Introduction

Social media channels (SMCs) are increasingly becoming quintessential part of society, human resources, marketing and supply chain management. As the latest sources of data, SMCs can be valuable tools for acquiring supply chain competitive intelligence. Social media provides firms with timely access to significant data. (DeAngelis, n. d). Bloom (2012) describes social media as an important tool that is adding new value to supply chain management for organizations of all sizes and external sites like Facebook and Twitter. It helps manufacturers monitor demand real-time and plays critical role in supply chain management (Dhekyne and Chittal, 2011). Casemore (2012) claims that a few firms have integrated social media channels into their logistics and supply chains, even though there seem to be a number of good reasons to use them. For firms to maximize their business opportunities and competitive advantages, it behooves them to be engaged in this revolutionary trend (Sun, 2011).

This paper adopts a sensitivity analysis (SA) approach to explore impact of social media channels on supply chain intelligence. SA can examine the sensitivity of the alternatives to changes in the objectives' priorities. According to Rapport (1967), SA "tests the responsiveness of model results to possible variations in parameter values, and thereby offers valuable information for appraising the relative ..." supply chain intelligence among the social media channels. For that to happen, Insua (1990) notes SA must provide a sensitivity measure and recommend means to improve on the current condition, help to identify critical judgments, utilize only available known information, and be palatable to implement.

We used Saaty's (1980) analytic hierarchy process (AHP) to perform the SA of social media impact on supply chain intelligence in which the goal to achieve has multiple and conflicting criteria. Supply chain intelligence factors and social media channels are both qualitative and quantitative in nature, and selecting the alternative social media platforms is equally

conflicting. As a multi-criteria decision making process, the AHP enables decision makers or a group of decision makers to set priorities and deliver the best decision when both quantitative and qualitative aspects of a decision must be considered. The advantages associated AHP include its reliance on easily derived expert opinion data, ability to reconcile differences (inconsistencies) in expert judgments and perceptions, and the existence of Expert Choice Software that implements the AHP (Calantone et al. 1989).

The purpose of this research is to explore (1) the role of social media in acquiring supply chain intelligence. In the next section, we review the literature on competitive intelligence, supply chain intelligence, SMCs for supply chain intelligence. In Section 3, we present the research methodology and data analysis. In section 4, we provide the results and discussion. Finally, section 5 provides the conclusions and managerial implications.

Literature Review

Competitive Intelligence

Haags (2006) contends that competitive intelligence is both a process and a product. Competitive intelligence is regarded a process because of the set of legal and ethical methods that an organization deploys to harness information that enable them to strategically attain international success. Conversely, competitive intelligence as a product is an information system used to analyze data associated with competitors' activities gathered from the public and private sources (i.e., business intelligence). The outcome of the analysis is knowledge building associated with the current and future behavior of competitors, suppliers, customers, technologies, acquisitions, markets, products and services, and the general business environment. Competitive intelligence entails the process of gathering market information and using the same to develop strategic planning (Teo & Choo, 2001; Vedder et al, 1999). In agreement, Bao et al (2008) point out that actionable information derived competitive intelligence can aid a firm in its strategy planning formulation required to gain competitive position in the marketplace. Firms can find answers quickly and provides an opportunity to acquire some CI information directly from free online sources when they adopt social media (Zhang et al, 2011). Indeed, competitive intelligence is a means of procuring information to study competitors and anticipate their actions in order to gain a competitive position in the marketplace (West, 2001; Gordon, 1989). Competitive intelligence has become an internationally recognized and practiced discipline (Teo and Choo, 2001). Competitive intelligence is neither marketing research nor

business scanning (Teo and Choo, 2001, Gilad and Gilad, 1998). Ettore (1995) contend that competitive intelligence is all about knowing the competition's game plan and staying a step ahead of the competition by gathering actionable information about competitors and using it to execute short and long term strategic planning. Social media-internet based as a competitive intelligence resource, Graef (1997) asserts that it is an important source of information and an inexpensive ways to share information with decision makers. SMCs "...would have its greatest and most natural application on the soft side of SCM, helping to understand how patterns of personal relationships translate to competitive advantage through diffusion of information, social control of opportunism, coordination and aid..."(Borgatti and Li (2009). Teo and Choo (2001) point out that marketing and sales leverage the internet to gain knowledge of customer taste and preferences via interactive web 2.0 sites and agents. According to Teo and Choo (2001), "online sales reveal information that facilitates continuous forecast of sales, resulting in competitive advantages in terms of better production planning and less inventory stockpiles." It enables manufacturers to enhance their supplier selection process and understand competitors' process technologies (Teo and Choo, 2001 and Barua et al. 1997). Collection of data from sources such as blogs, corporate publications, websites, newspaper articles, patent filings, specialized databases, and information at trade shows (El Haddadi et al, 2011) when analyzed can yield actionable intelligence for organizations.

Literature Review

Supply Chain Intelligence

Leveraging SMCs can help firms acquire supply chain intelligence through their real-time interactions with suppliers, manufacturers, distributors, retailers and customers. Haydock (2003) contend that "supply chain practitioners consider that the intelligence required to efficiently source, make, store, ship, and ultimately sell and deliver the product or service to a customer is an area of opportunity not well-leveraged in most companies." Batori (2010) attests that effective supply chain relies on competitive intelligence systems to nimbly anticipate, react, respond and adapt to changing business conditions. "Supply chain intelligence is a new initiative that provides the capability to extract, sense, and analyze information about a supply chain" (Haydock, 2003). In addition, Haydock (2003) notes that Supply chain intelligence helps firms to understand the entire supply chain from the customer's perspective and reveals both threats and opportunities to reduce costs and stimulate revenue growth. Andreascu (2009) states that competitive intelligence can play a role in supporting data visibility associated with inventory levels and evaluation of customer service levels necessary to identify likely problems. In order to develop a more meaningful relationship with a customer, it is imperative to gather data across the supply chain about the stimulus and response behavior of customers, segmentation of those customers into clusters of behavior and then treating those customers most efficiently relative to their ability to return profit (Haydock, 2003). Handfield (2008) describes supply chain intelligence as the convergence of data collection, analysis, actionable information, dissemination and response in both the upstream and downstream supply chains.

Business intelligence data include (spend, demand, performance, finance, and quality) and market intelligence include industries, goods & commodities, finance, suppliers, competitors, and technologies (Handfield, 2008). Business and marketing intelligence enable supply chain management processes by collecting, analyzing and synthesizing data to achieve actionable information. By leveraging actionable information, firms can afford to build knowledge with respect to supplier relationship management, customer relationship management, performance management, supplier quality management, risk management, and continuous improvement (Handfield, 2008).

SMCs for Supply Chain Intelligence

Although competitive intelligence primarily focuses on understanding competitors' strategies, it is imperative to gain insight of their products, services, customers, finances and partners (Barnes, 2011). Social media represent a significant technological advancement that bode well with competitive intelligence (Gudgeon et al., n. d). Rice (2010) indicates that competitive intelligence is all about understanding competitors' strategies by gaining insight into their products, services, finances, partners, and customers. In today's increasingly open and social Web, there are few better places to gather all of this important data than from social media. This is because "competitors are leaking more information than ever into social media channels [and] snooping on these dropped hints and disclosures can" (Rice, 2010) provide a significant strategic competitive intelligence and winning edge. Supply chain intelligence-based social media will help organizations deal with the difficulty associated with untimely and unreliable data. Bets (2005) surveys indicate that 75% of firms experienced financial problem due to lack of data quality. Stefanovic et al (n. d) recommend organizations can use business intelligence to enhance their supply chain analytic areas. Organizations and supply chain professionals can leverage the speed and global reach of social media to gain supply chain competitive intelligence. Gonzalez (2011) notes "...the vast potential for social media to enhance the way people up and down the supply chain communicate and collaborate with one another; improve the way companies discover and analyze real-time information to make smarter and faster business decisions; and enable new, more efficient supply chain processes."

Oxford consulting (2011) reports that social media tools enable supply chain managers to track customer complaints and quickly provide remedies to the customer's complaints. McKinsey (2009) survey of 686 executives report that social media enhanced better interactions with organizations and customers; improved innovation skills because by jointly shaping and co-creating products with their customers; and better ties to suppliers and partners. Companies can to gather actionable information and opinions about their competitors, products, new technologies, new ideas and consumers' preferences through LinkedIn, twitter, blogs, Yammer, among others (<http://www.globalintelligence.com/insights-analysis/newsletters/gia-newsletter-2-2011/>).

In the future increasing number of B2B firms will not only leverage social media technologies to acquire competitive intelligence but also to ameliorate "external communication and collaboration with customers, suppliers, logistics service providers and other partners, as well as improve internal

communication and collaboration between co-workers and across functional groups (Gonzalez, 2011). Patel (2011) reports that Anand Rjaraman of Wal-Mart emphasizes that “while store receipts help stores see which products sell well where, social media can help predict demand and determine new products to add to inventory.” Social media as proxy for early warning system can provide valuable information, including potential supply chain disruption, change in customer and competitors perception of other firms (their products and services), performance of key suppliers (financial position, quality and cost issues), and changes in international political, social, economic, and regulatory environment that can affect competitive intelligence (Johnson, 2006).

Research Methodology

The role of social media in improving supply chain intelligence is a typical multi-criteria decision making problem that involves multiple criteria that can be both qualitative and quantitative. A multi-criteria approach proposed for this study is AHP. AHP allows decision-makers to model a complex problem in a hierarchical structure, showing the relationships of the overall goal, criteria (objectives), and alternatives.

Application of AHP to Social Media in Supply Chain Intelligence

A typical AHP is composed of the following four-phases. 1) Construct a hierarchy, which describes the problem. The overall goal is at the top of the structure, with the main attributes on a level below. 2) Derive weights for the lowest-level attributes by conducting a series of pair-wise comparisons in which each attribute on each level is compared with its family members in relation to their significance to the parent. However, to compute the overall weights of the lowest level, matrix arithmetic is required. 3) Experts score options available with respect to the lowest level attributes. Similarly, the pair-wise comparison approach is used. 4) Adjusting the options’ scores to reflect the weights given to the attributes, and adding the adjusted scores to produce a final score for each optimum (Roper-Lowe and Sharp 1990). The hierarchy structure is consists of the supply chain intelligence factors, including supplier intelligence, logistics intelligence, demand intelligence, production and process intelligence (Haydock, 2003) competition intelligence, and supply chain visibility intelligence. The social media (alternatives) considered for this study include Facebook, Twitter, LinkedIn, YouTube, and Blogs. O’Leary (2011) examined how social media tools capabilities such as Facebook, Twitter, Delicious, Digg and others can facilitate the supply chain as shown in Figure 1.

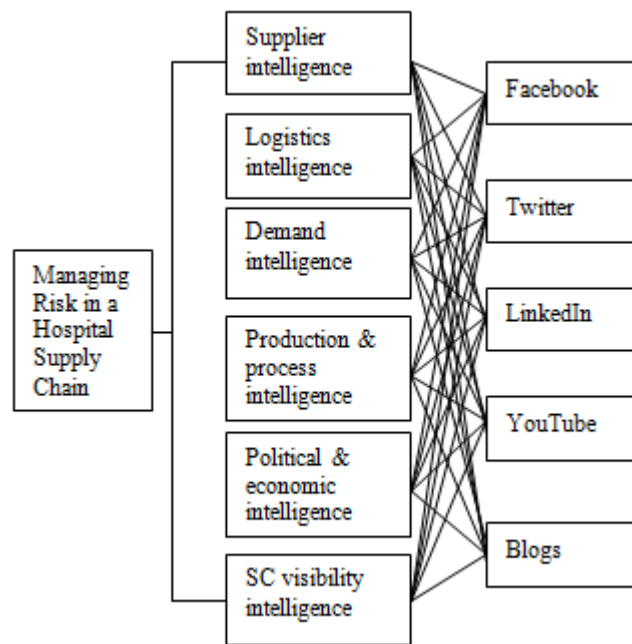
AHP STEPS

1. Define an unstructured problem and determine the overall goal. According to Simon (1960), the methodology of decision-making process encompasses identifying the problem, generating and evaluating alternatives, designing, and obtaining actionable intelligence. The overall goal of is depicted in the first level of the hierarchy. Risk management in hospital supply chain is a typical multi-criteria decision making problem that involves multiple criteria that can be both qualitative and quantitative. A multi-criteria approach proposed for this study is AHP. AHP allows decision-makers to model a complex problem

in a hierarchical structure, showing the relationships of the overall goal, criteria (objectives), and alternatives.

2. Build the hierarchy from the top through the intermediate levels (criteria on which subsequent levels depend on) to the lowest level, which usually contains the list of alternatives. 3. Construct a set of pairwise comparison matrices for each of the lower levels. The pair-wise comparison is made such that the attribute in row i ($i = 1, 2, 3, 4...n$) is ranked relative to each of the attributes represented by n columns. The pairwise comparisons are done in terms of which element dominates another. These judgments are then expressed as integer values 1 to 9 in which 1) $a_{ij} = 1$ means that i and j are equally important. 2) $a_{ij} = 3$ signifies that i is moderately more important than j . 3) $a_{ij} = 5$ suggests that i is strongly more important than j . 4) $a_{ij} = 7$ indicates that i is very strongly more important than j . Finally, 5) $a_{ij} = 9$ signifies that i is extremely more important than j .

Figure 1: Hierarchy Structure of a Hospital Supply Chain Risk



Establishment of Pairwise comparison matrix

A

The pairwise comparisons are accomplished in terms of which element dominates or influences the order. We used the AHP to quantify experts’ opinions depicted as an n -by- n matrix as follows:

$$A=[a_{ij}] = \begin{bmatrix} 1 & a_{12} & \dots & a_{1n} \\ 1/a_{12} & 1 & \dots & a_{2n} \\ \cdot & \cdot & \cdot & \cdot \\ \cdot & \cdot & \cdot & \cdot \\ \cdot & \cdot & \cdot & \cdot \\ 1/a_{1n} & 1/a_{2n} & \dots & 1 \end{bmatrix}$$

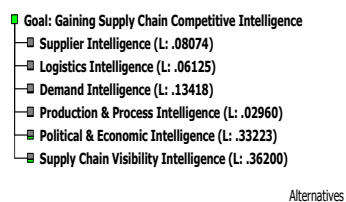
If c_i is judged to be of equal importance as c_j , then $(a_{ij}) = 1$; If c_i is judged to be more important than c_j , then $(a_{ij}) > 1$; If c_i is judged to be less important than c_j , then $(a_{ij}) < 1$; $(a_{ij}) = 1/a_{ji}$, $(i, j = 1, 2, 3, \dots, n)$, $a_{ij} \neq 0$.

Data Source and Analysis

This paper uses Questionnaire survey to obtain supply chain executives' opinions on using social media channels to improve supply chain competitive intelligence. The period for data collection was between November 2011 and March 2012. Given the exploratory nature of this research, we sent questionnaire survey to 20 supply chain executives and consultants to provide their expert judgments. The experts responded to several pairwise comparisons with respect to the goal. It took total of 15 judgments (i.e., $6(6-1)/2$) to complete the pairwise comparisons shown in Table 2. To derive estimates of the criteria priorities, we used the data reported in the matrix. The priorities provide a measure of the relative importance of each criterion.

Results and Discussion

Figure 2 reports on the priority scores associated with supply chain competitive intelligence decision criteria and the SMCs (alternatives) overall priority scores (see the bottom panel). For the decision criteria, supply chain visibility intelligence (0.36200) is the most important supply chain competitive intelligence, followed by political and economic intelligence (0.33223), and demand intelligence (0.13418), respectively. With respect to SMCs (alternatives) overall priority scores, Facebook (0.36393) is the most preferred social media platform option, followed by LinkedIn (0.22315), Blogs (0.18422), Twitter (0.17294), and YouTube (0.05576), respectively. That is, Facebook > LinkedIn > Blogs > Twitter > YouTube. Therefore, Facebook is the overall best social media platform option.



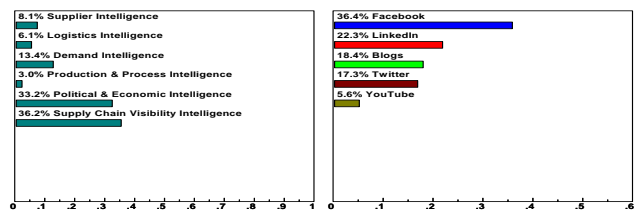
Facebook	.36393
Twitter	.17294
LinkedIn	.22315
YouTube	.05576
Blogs	.18422

Multi-Criteria Decision Sensitivity Analysis

Supply chain executives can use SA to compare a "what-if" scenario by increasing or decreasing the objective's priorities on the left column to observe if there will be changes in the priorities of the alternative social media channel options on the right-hand side column as shown in Figure 3. Because of space limitation only dynamic sensitivity analysis of two of the most important objectives, including supply chain visibility

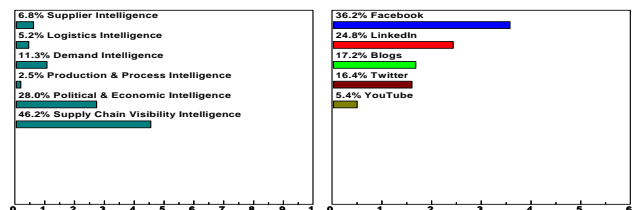
intelligence and political and economic intelligence are considered. According to Figure 3, the original ranking is follows: Face > LinkedIn > Blogs > Twitter > YouTube. In Figure 3, increasing (decreasing) the relative significance of supply chain intelligence from 36.2 % to 46.2 % (26.2%) (Figure 4), there was no change in the social media channels ranking. Similarly, increasing (decreasing) the political and economic intelligence's relative importance from 33.2% (Figure 3) to 43.2% (23.2%) (Figure 5) did not change the ranking order associated with the social media channel options. Indeed, with respect to the four scenarios the ranking remained stable or unperturbed.

Figure 3
Dynamic Sensitivity with respect to Supply Chain



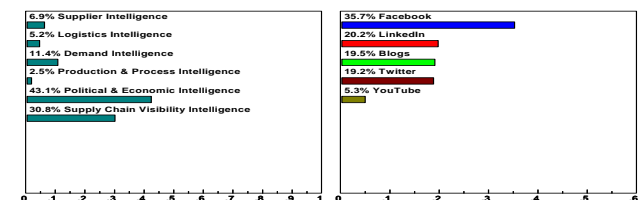
Intelligence and Social Media (Original)

Figure 4
Dynamic Sensitivity for Supply Chain Visibility Intelligence



(Increase Scenario)

Figure 5
Dynamic Sensitivity for Political & Economic Intelligence



Conclusions and Managerial Implications

Firms are experiencing environmental changes resulting from the new source of information encouraged by the advent of SMCs. Social media can help firms better understand the customers' needs and competitors' strategic moves by taking actionable information through the value chain to develop both customer and competitor intelligence. Supply chain competitive intelligence enabled by the SMCs will enhance firms' position to anticipate and deploy strategic responses to external threats and opportunities. Supply chain intelligence reveals opportunities where firms can mitigate supply chain risks and minimize competition strategic moves and to meet customers' changing needs. Supply chain competitive intelligence can

support organizations in gathering and analyzing information about competitors' activities and strategies, partners, suppliers, distributors/wholesalers, retailers, service providers, and the ultimate end-users by employing fact-based social media. Competitive Intelligence, an important fact-based strategic tool can help organizations detect competitive threats, mitigate and manage unpredictable surprises, enhance competitive advantage, and discover new product or market opportunities (Duhamel, n.

d). Thus, adoption of SMCs to acquire supply chain competitive intelligence is more than ever imperative for firms who desire to thrive and prosper.

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Available upon request

Summary Brief

The FlowJet Golf Aid

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While many companies focus on the production of a new product or service, they often overlook the importance of the distribution channels needed to get that offering to customers. This case, presented as the story of one man's journey through production and distribution of a new golfing product, gives the reader an opportunity to work through the multiple considerations that are part of distribution decisions.

Introduction

Golf is more than a game, it is a huge industry. The U.S. golf industry generated \$76 billion worth of goods and services in 2005 and employed more than 2 million people (SRI International 2008). Additionally golf involved more than 57 million golfers worldwide (Golf Research Group 2012). While sometimes considered a “rich man’s game,” golf nonetheless maintains its place as the game of choice where deals can be made as players complete 18 holes.

Danny is a successful golf pro who has run a pro shop at a country club for many years. One of the recurring problems that his clients face is learning to swing a golf club in a way that is consistent and replicable. To solve this problem, Danny designed and developed the FlowJet golf aid, a product that uses

a proprietary construction to provide immediate feedback to golfers about the consistency of their golf swing. The design and development process required years of experimentation to arrive at a product that is now ready to take to market. Danny thought that developing the FlowJet itself was the challenge; however, he now faces an even greater one – selecting the best distribution channel for his new product. Unexpectedly, this has become a complicated and far-reaching decision. His distribution channel decisions are heavily influenced by the financial resources required for each option as well as the diminished return for Danny that might result from some options once the FlowJet is successful.

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Summary Brief

Perceived Importance of Extrinsic and Intrinsic Career Factors and Predicting SCM Career Satisfaction

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A significant issue facing supply chain managers today is attracting, retaining, and developing appropriately skilled individuals, particularly when a growing shortage of talent exists. Career shifts and turnover of talent resulting from quits, retirements, and promotions, for example, can have a negative impact on organizational performance. Maintaining a talented workforce that is largely satisfied in their career could help minimize career shifts most organizations are experiencing today. This paper expands the application of classic needs theory and career theory in SCM as it focuses on intrinsic and extrinsic factors in relationship to career satisfaction. Means tests and hierarchical regression were used to identify important career choice factors that influence career satisfaction.

Introduction

Attracting and retaining supply chain management (SCM) talent is a major concern among practitioners (Keller and Ozment 2009). Organizations are seeing a shortage of talent at most supply chain occupational levels. The global industrialized workforce is maturing and nearly 50% of senior-level managers will likely retire in the next decade (Wolff et al 2009). Career shifts, including retirements, promotions, and quits, are concerning because they can have a negative impact on firm performance (Glebbeck and Bax 2004). Supply chain managers, for example, are a critical resource in generating sustainable competitive advantage (Richey et al. 2006). In addition, the cost of employee turnover can range from 20% to 150% of a transitioning employee's annual salary (Ton and Huckman 2008). Before these issues become an even costlier burden on industry, it is important that firms learn more about careers to manage imminent shifts and to provide satisfying SCM careers that in turn attract and retain exceptional talent. Thus, this study will examine career perceptions to identify factors that reflect career choices and that influence satisfaction in a SCM career.

Careers, Needs, and Satisfaction

Hall (1976) defined a career as an "individually perceived sequence of attitudes and behaviors associated with work-related experiences and activities over the span of a person's life" (p. 4). Earlier research (e.g., Super, 1957) defined a career simply as an employer-employee relationship characterized primarily by natural advancement and extrinsic reward (Sullivan and Baruch, 2009). Consequently, career research has focused mainly on the objective physical component. Contemporary career theory suggests that careers are much more than a mere sequence of

jobs and tend to have both objective (physical) and subjective (psychological) aspects that need consideration to understand career satisfaction (Sullivan and Arthur, 2006).

Many early needs theorists emphasized the importance of managing both intrinsic and extrinsic factors of work (e.g., Maslow, 1943; McClelland, 1961). Herzberg's (1959) influential two-factor theory suggests people have two distinct sets of needs and that different work elements can meet these needs, which in turn can result in satisfaction with work. Herzberg referred to the first set of needs as extrinsic hygiene factors, which are basic conditions that surround work and careers such as salary, security, policy, and relationships. Herzberg claims that when hygiene factors are present they will not increase motivation or lead to satisfaction with work. Alternatively, Herzberg argues that these basic conditions must be present in work (or a career) to prevent dissatisfaction. Herzberg identified a second set of needs referred to as growth needs or motivators. Needs in this category include recognition, responsibility, advancement, and the work itself. When these intrinsic factors for growth are met, it will increase motivation and enhance satisfaction with work encompassed in a job or a career. Career satisfaction is the satisfaction one derives from intrinsic and extrinsic career components such as compensation and opportunity for advancement (Judge et al., 1995, p. 487).

Career Satisfaction in SCM

Few studies exist that focus on career satisfaction and retention issues in SCM, and even fewer studies look at career expectations and selection factors. Satisfaction and retention in supply chain operations is a major challenge. The trucking industry typically experiences turnover rates in excess of 100%. Min and Lambert (2002) attribute this high turnover to high demand for trucking services, the limited supply of qualified labor, and ineffective HR management. Satisfaction and retention at management levels presents similar challenges. Cook and Gibson (2000), for example, reported that 3PL junior manager retention rates decreased 12% per year for the first three years, yielding a mean retention rate of 67%. The authors of the study attributed the turnover to better financial offers, less than desirable job locations, and lack of challenge. Gibson and Cook (2003) found that

logistics undergraduates seeking entry-level SC positions valued advancement opportunity, positive company culture, salary, job security, training, and challenge.

Hypotheses

When reviewing literature a mix of both extrinsic and intrinsic factors were important to work and satisfaction. However, literature was inconclusive with respect to identifying factors most important to SCM professionals. Thus, this study focuses on identifying key extrinsic and intrinsic career selection factors that predict satisfying careers. Table I lists the extrinsic hygiene factors next to the intrinsic motivator factors included in the present study. Two principal hypotheses are proposed:

Hypothesis 1a-e: Perceived importance of each extrinsic career selection factor (e.g., salary, career location, career security) will have a significant association with career satisfaction.

Hypothesis 2a-i: Perceived importance of each intrinsic career selection factor (e.g., advancement, leadership, challenge) will have a significant association with career satisfaction.

Methodology, Sample and Procedure

A self-report questionnaire was selected to obtain the perceived importance that SCM professionals place on extrinsic and intrinsic factors (i.e., career selection criteria) when they made the choice to major in SCM and assume it as a career. Participants were asked to respond to the following statement, "When choosing logistics/SCM as your career major/concentration, how important were each of the following" items, specifically those shown in Table I. All items were assessed on a 5-point scale from 1 (not important) to 5 (very important).

The electronic survey was successfully delivered to 632 recipients. 232 responses were collected, for a response rate of nearly 37%. The responses were cleaned (e.g., eliminating duplicates and missing data) which left 204 useable responses.

Table I
Extrinsic and Intrinsic Career Choice Factors & Item Measures

Extrinsic (Hygiene) Factors	Intrinsic (Motivator) Factors
a. Starting Salary	a. Advancement Opportunity
b. Flexible Career Path	b. Leadership Opportunity***
c. Job/Career Location	c. Responsibility*
d. Job/Career Security	d. Fast Paced Work
e. Demand for Skills	e. Perceived Future Earnings*
	f. Contribution to Society
	g. Challenging Work
	h. Respected Profession*
	i. Prestige

*Significant relationship with career satisfaction at *p<0.10, **p<0.05, ***p<0.01

Results

This research looked at 14 items and found a number of predictors of career satisfaction. Leadership opportunities emerged as the most important factor in predicting career satisfaction. Other predictors of career satisfaction were also of an intrinsic nature, which is consistent with classic needs theory. Results of this research suggest that individuals who place more value on careers that provide leadership opportunities, significant responsibility, and future earnings potential are more likely to be satisfied with their career.

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Summary Brief

Operations Management in Marketing: An Advocacy of Underutilized Tools and Techniques

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Introduction

A recent text in the field of "operations management (Von der Embse and White, 2004) defines operations management as "decision-making involving the design, planning, and management of the factors that affect operations." Operations are identified as "processes within organizations that acquire inputs (people, capital, and material) and transform these inputs into outputs (products and services) consumed by the public." A method of delivery of these products and services (i.e., a marketing channel or logistics process) is not mentioned

Many of the techniques of operations management are applicable in marketing, though many marketers are unfamiliar with them or think of them as too complex to use. Gone, however, are the days when using operations management models required extensive computer programming and creation of large input files to apply the simplest techniques. Much can be done using off-the-shelf "Office-type" applications packages. This paper delineates and discusses some of the operations management tools that should be of use to marketers. It first examines adjustments that must be made to the traditional assumptions of these tools and the occasional stumbling blocks that can impede immediate use of some of them, then examines their advantages over alternative methods.

Traditional Assumptions of Operations Management Analysis

Operations management -- "OM" -- is oriented toward supply rather than demand. OM models assume stable levels of demand across long periods of time. If demand is variable, it is usually assumed that the variance is normal and moves within a predictable range. It is further usually assumed that supply conditions are stable over the same periods of time. Most OM models assume that the processes involved in operations are under the firm's control. Seasonality is predictable and cyclical rather than unpredictable. The typical OM model further assumes that timing of events in general is at least somewhat predictable based on prior events.

In marketing, these assumptions often do not hold. Both demand and supply can vary erratically depending on changes in the stability of the economy as well as varying weather conditions. New product introductions often cause non-seasonal peaks in sales volumes. Competitive interaction in which what one producer or vendor does may change the behavior of another is a fairly common issue that must be addressed as a marketing action.

Finally, assuming the subject here is bricks-and-mortar marketing, customers do not expect lead time between purchase and receipt when they want to purchase an item. They seek and

expect immediate gratification. Thus, having the correct goods on hand at the right time is crucial in many retailing situations.

Applying Alternative Models

For marketing purposes, the assumption of demand stability in the short cannot be made. In the absence of major changes in product technology or market makeup in the long run, some demand stability exists, but short-run demand instability can affect supply stability. A sudden increase in consumer demand can result in a substantial reduction in available supply.

Assuming that a good database of historical information about the behavior of demand exists, regression models, including time series, are excellent choices of intermediate time-frame demand model for many marketing institutions, especially if the user recognizes that, while the simple linear model is by far the most well-known, curvilinear alternatives are often more appropriate for analyzing the trend component of the behavior of demand.

Simple Linear Regression

The simplest of the available choices, the simple linear model requires little sophistication to calculate, and where appropriate, can be an effective tool. The r^2 statistic states the proportion of the change in the dependent variable that results from a unit change in the independent. For all the models described in this paper, a higher r^2 indicates better fit of model to data.

The tendency among analytical practitioners has been, when bivariate linear regression yielded unsatisfactory results, to seek out additional independent variables and calculate a multiple linear regression. The addition of more independent variables measures not whether the correct curve is being used, but rather whether the statistician chose the best predictive variable in the first place.

Time is a unique predictor (independent) variable in the sense that it is readily acceptable as such though it is also recognized that the passage of time causes nothing (except entropy, and that is not a matter at issue here.)

Parabolic Regression

One step up from the simple linear model is the parabolic. It relates sales growth from the date of product introduction to some future time to a second order curve $Y = a + bt + ct^2$ where Y ordinarily represents sales volume. The assumption is made that sales are zero at time zero. Such a curve is one of the best fits for the situation where the product has not yet reached maturity and is in the early to early-middle stage of the product life cycle. One of the great features of curvilinear modeling as in

this case is that one need not know initially whether the chosen curve is really the best fit to the data. The parabola may not be the ideal. After fitting several curves, the r^2 value generated by the correlation analysis tells one immediately which curve the data best fits and allows recognition of factors such as life cycle position.

The Product Life Cycle Model (The Cubic Equation)

The Product Life Cycle (PLC) Model is widely used to describe market penetration, growth, and decline. First advanced in the 1950s (Forrester 1959), this analog has been used in connection with products, services, retail institutions, and even specific outlets. In recent years, at least one researcher has proposed a professional qualification in Product Management as a university degree (Komninos, 2002). Described by a cubic equation of the form $Y = a + bx + cx^2 + dx^3$, the PLC model assumes that market insertion is followed by a fairly long, shallowly sloped introductory phase that moves into a phase of relatively rapid growth, followed by phases of maturity and finally decline.

The Gompertz Model

The Gompertz curve (Gompertz 1832; Kenney and Keeping 1962) can be used in lieu of the PLC curve to describe the rising portion of the PLC curve for improved simplicity of mathematical handling and exposition. The curve is of the form $N = (c^R)^t$ where N is the number of persons in a population of known size c who have purchased the product or visited the store under analysis, R is the rate at which purchases are increasing, and t is the number of time periods that have elapsed since the first offering was made. This curve possesses the same mathematical characteristics as the rising portion of the PLC curve, but is asymptotic to c, the size of the population.

The Learning Curve Model

A radical alternative from either of the two approaches above is the learning curve model (Kelly 1967, Ritter and Schooler, 2003). This model has proven its robustness over the course of the last forty years when its basic assumptions hold.

Of the form $Y = \int_{(range\ 0,t)} rc(1-r)^{t-1}dt$, where the segment r is the proportion of repeat purchases to users and c is size available as a market. Kelly's form reduces to $Y = ce^{-t \ln(1-r)}$, the exponential, or alternatively to $N = c - ae^{-kt}$ where $k = \ln(1-r)$, $c = a$, and c, a, and k are positive. This is, of course, the classic learning curve with the period under examination delineated as t.

Appropriateness of the selection of regression models

The user must have an idea of the manner in which each model reflects real-life conditions to be able to explain what is being asserted when he or she says "This is the appropriate measure to use." The theory of diffusion of an innovation (Robertson 1969; Rogers 1995, 2003) has identified four classes of innovation. Based on the degree to which an innovation disrupts or changes established consumption patterns, the four classes, from most disruptive to least disruptive, are:

- a) Discontinuous, involving radical changes in consumption patterns and the creation of previously unknown
- b) Dynamically continuous, involving substantial disruption of established patterns of consumption for the product class;
- c) Continuous, involving relatively little change in established consumption habits; products are usually altered or modernized and seldom is a new product involved (fluoride toothpaste)
- d) Congruent, involving no disruption of established consumption patterns at all; the congruent innovation is characteristic of promotional efforts at product differentiation.

Conclusions

Results obtained using the regressive methods of analysis of the behavior of retail customers, development of products possessing differing levels of "innovative" quality, and even some perceived to be of differing levels of perceived innovation have been consistent with real-world behavior of institutions and products. In general, the most commonly conforming models have been the parabolic and the Learning model. It is suspected that the Gompertz and PLC models become useful only after a fairly large number of periods of data have been accumulated. On the other hand, the parabola does approximate the behavior of these curves in the early going when sales volumes are small.

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**TOURISM, HOSPITALITY, FOOD, MUSIC AND
SPORTS MARKETING TRACK**

**Track Chair
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A Study of Web Use by the United States Golf Course Industry

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Despite the United States golf industry's size and economic importance, comparatively little empirical academic research has been published. This study is aimed at investigating the web-based marketing and operations aspects of country/golf clubs and their effectiveness. The study includes a representative sample of over 727 golf clubs in the United States. The sample was randomly drawn from the 2009 PGA of America Membership & Golf Directory that includes approximately 28,000 entries. Our study of U.S golf clubs indicates that while a large majority of clubs have some sort of Web presence, in most cases the websites tend to mostly play a promotional or informational role. Few of the golf course websites that were observed take advantage of the many marketing and operational opportunities offered by appropriately designed and operated websites that can help them to gain and sustain a competitive advantage.

Introduction and Literature Review

Driving forces such as decentralization, the growth of the middle class, war, economic depression, suburbanization, the growing role of the federal government, the information/knowledge economy, and the internet revolution (Napton, & Laingen, 2008) have influenced the game of golf since it arrived in the United States in the last quarter of the nineteenth century. Approximately 16,000 golf courses serve 25 million Americans who play golf each year. Even though the total number of golfers has declined over the past two decades, the number of golf courses has dramatically increased. One study of private clubs indicated that not only were most clubs experiencing a decline in overall number of members but clubs having a waitlist of members wanting to join had a smaller number of individuals on the waitlist (Ferreira and Gustafson, 2006). There has been increasing competition to attract golfers to individual clubs and additional pressure on managers to formulate consumer-oriented strategies to retain those customers (Petrick et al., 2001). According to Bradley S. Klein (2010), if the golf course industry is to emerge from the current economic downturn it will have to establish a premium on service and value. Many golf course operators are promising to deliver improved service, better deals, and more opportunities to play. He indicated that these are not "gifts of generosity, but acts of necessity" considering the tough climate for golf operations and golf participation in general.

Since we are currently living in the "information age" and most citizens appear to be tethered to their smart phone, iPad, and computer, one might assume that websites would provide enormous potential in selling and facilitating the total golf experience. Appropriately designed and operated websites that enable players to set tee times, reserve carts, buy golf equipment

from pro-shops, etc. online would be very attractive to most potential customers. The need for access to the most recent information and the focus on convenience by the consuming public is evidenced by the growth in the internet and social media industries.

The study and analysis of motivations has proven to be a useful tool in designing attractive services for customers (Prentice, 1993, Staurowsky, et al., 1996). Research indicates that outdoor recreationists' participation is often motivated by different factors (Prentice, 1993). The identification of factors which restrict golfers from participation as often as they like is also very useful to golf course managers (Petrick, et al., 2001). Analysis and understanding of such restraining factors are often considered important in formulation and implementation of management and marketing strategies (Jackson, 1994, McGuire & O'Leary, 1992).

Kotler, et al., (1996) suggests that for leisure service marketing efforts to be successful they should be concentrated on specific groups. Various attempts at segmentation of golfers have been based on lifestyle (Gray, 1982), profile conjoint analysis (Toy, Rager, & Guadagnola (1984), Schreyer, et al., 1989), loyalty (Backman, 1991), demographics (PGA, 1996), and attachment (Petrick, et al., 1998). In order to identify distinct segments of users by investigating their past behavior and experience levels, Williams, et al., (1990) made use of "Experience Use History" (EUH) that was originally developed by Schreyer, et al., (1984). In their study of river trips, Williams, et al., (1990) created a six-category measure to represent previous participation. The six categories were Novices, Beginners, Collectors, Locals, Visitors, and Veterans. Petrick, et al., (2001) used EUH as a tool to investigate differences in golfers' motivation and constraints to participation. Based on their study they suggested specific promotion and advertising strategies to target golfers in each of the six modified categories of Infrequenters, Loyal-Infrequenters, Collectors, Locals, Visitors, and Veterans.

Petrick, et al. (2001) indicated that the largest segment in their study, Visitors, should respond best to marketing efforts that emphasize golf as an elitist sport, and at the same time offer special rates on tee times that generally go unfilled. Their results also show that more frequent players, that is: Visitors, Veterans, and Collectors are more likely to be enticed by marketing efforts that stress competition compared to Infrequenters, Loyal-Infrequenters, and Locals, while Collectors, specifically tend to find lower prices and value most attractive. They also indicate that Locals are more likely to respond best to advertising in local media. Finally, they suggest that promotions for weekend or after work play would be most welcome by Loyal-Infrequenters.

An exploratory study of United States rural tourism websites conducted by Beldona and Cai (2006) indicated that a significant number of the websites demonstrated poor interactivity and had only marginal promotional value. Powers and Tabibzadah (2010) observed in their study of the golf course industry in the state of Kentucky that only 46% of the 223 golf courses studied even had a website available and of those only 20 courses had any interactivity. This supports the observation by Evans and Berman (2007) that some retailers remain unsure of what to do with the Web. In the new economy, the personalization of product offerings becomes a key competitive factor to be fulfilled with the coming of e-business (Poulin, Montreuil, and Martel, 2006). This can be an enormous challenge since there are a significant number of personalized offerings that a business could possibly propose for each golf customer. An effective website that is interactive and convenient to use is the potential answer to the problem posed for today's golf course industry.

Conceptual Framework and Methodology

The purpose of this study is to identify the level of Web utilization as a promotional, marketing, and/or operational tool that currently exists in the golf/country club industry. The Professional Golfers' Association of America, in their Merchandising and Inventory Management Training Manual (2000), indicated that "the Internet is the fastest growing promotional vehicle ... and that many golf facilities have their own websites." Yet Berman and Evans (2007) indicated that at a time when customer service expectations are high, some retailers remain unsure what to do with the Web. "They are still grappling with the emphasis to place on image enhancement, customer information and feedback, and sales transactions." In keeping with this line of thought, it is the objective of this research to determine:

1. the number of golf courses that have a website;
2. the number of golf course websites that are informational/promotional only;
3. the number of golf course websites that are comprehensive marketing sites;
4. the number of golf course websites that are geared to business operations (i.e., setting tee times, reserving golf cars or a caddy, reserving driving range times, scheduling lessons, registering for club tournaments, or purchasing golf shop merchandise, such as golf attire, golf clubs, or other equipment.)

The focus of this study is directed toward golf course operations in the United States. An observation approach was used to determine website availability and the purposes for which they could be used. A random sample of 727 golf courses from a population of approximately 28,000 PGA members was used for this study by applying a table of random numbers for making each case selection. The population came from the 2009 PGA of America, Membership and Directory publication. Using this directory, the researchers attempted to access each club's website to determine whether a course website existed or not. After finding the website, an attempt was made to determine whether the website was interactive or simply an information/promotional one-way site. If the website was interactive, an attempt to observe the operational nature of the

site was made. A limitation of this study was that for a significant number of sample observations, 91 required member login to access the club's website. Therefore, these sites could not be observed regarding their interactivity. A few of the sample's (41 observations) were not functioning or were something other than a golf course/club, such as a driving range, golf school, golf store, etc.

Data Analysis and Results

A simple frequency distribution was used to analyze the observations of the population sample. It was found that of the total sample (727) studied, 574 (79%) of the courses observed had a website available and 21% did not have a website or it was not accessible. This was significantly greater than the 46% that was observed in the 2010 exploratory study of golf courses located in the state of Kentucky. Of the 574 golf courses with websites, twenty of the golf course websites (85%) were found to be interactive. The interactive sites were either operational (115 sites, 23%), allowing customers to make tee times, reserve golf cars, purchase merchandise, etc. or they were informational, (270 sites, 47%) allowing visitors to navigate the site accessing course information or promotions. Of the golf courses with a website, four hundred ninety-nine (87%) courses had a website that was at least an informational/promotional site. Most of the operational websites were centered on the activity of setting customer tee times (30.4%), but of those, 43.6 percent were directed to a "third party" location for this purpose. Of the operational interactive website category (115 sites), only 10 sites permitted cart reservations, 7 sites permitted sign-ups for practice/lessons, and 59 sites permitted online purchases in the golf retail shop. These types of interactivity are what will be needed for an effective Web presence in the golf industry. It is good to see that the golf industry is making improvements in Web use, but there is still ample opportunity for future change in the area of marketing and operational sophistication.

Summary and Conclusions

This study of website utilization by the golf course industry revealed that 79 percent of the golf courses in the United States make use of the Web for either marketing and/or operational purposes. Those using the Web mostly used it to provide golf course information but only some with interactive applications. The level of marketing and operational sophistication of the observed websites was definitely suspect. This supports the observation provided by Berman and Evans (2007) that some retailers (golf course industry) remain unsure what to do with the Web. It also indicates that even with the promotion of the internet by the PGA (2000) as "the fastest growing promotional tool," Web use has not grown as quickly as expected. One would expect that with the growth of electronic technology in the United States, being as dynamic as it is currently, the golf course industry would be embracing Web technology as a valuable marketing and operational asset. The use of the Web for static applications (non-interactive) is primarily as a "cost center", since it is not directly generating sales for the golf operation. It is mainly used to provide information about the golf course, such as: course layout, available facilities, and promotion of special events or tournaments. As indicated earlier, the golf industry has been suffering through difficult financial times recently and they cannot afford such a passive approach to

Web applications. Taking advantage of the Web in an interactive manner makes more sense because it would then be contributing to the sales of the golf operation and improved customer service levels. Customers prefer to use the Web for making reservations and the purchase of merchandise online. Future research of website use for the marketing of other service industries, particularly focusing on tourism, could generate significant value to other industries.

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Summary Brief

Twenty Years of COOL Research: A Review of the Literature from 1990-2010

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Recent legislation by the US and EU governments now mandates the provision of country-of-origin information at the point-of-purchase for a variety of meats, fresh fruits, and vegetables. These country-of-origin labeling (COOL) initiatives have had a profound impact on the retail information environment, yet the exact nature of that impact remains unclear. To better understand the significance of this modification to the shopping environment and consumers' response to it, we review the past 20 years of country-of-origin food labeling research and discuss relevant areas for future research.

Introduction

Numerous researchers have stated the importance of the food industry to the global economy, and thus many attempts have been made to predict the future of food retailing in order to better prepare manufacturers, retailers, consumers, and academicians to face impending problems and take advantage of potential opportunities (Bellenger, Stanley, and Allen 1977; Berry and Wilson 1977). Contrary to this approach, our article does not seek to make any predictions; rather we delve into past research to analyze what we *do* know, what we *do not* know, and what we *need* to know about the “most researched international aspect of consumer behavior” – country-of-origin labeling (Tan and Farley 1987, p. 540). Specifically, the goal of our paper is to review research during the past 20 years (i.e., 1990 to 2010) on food country-of-origin labeling (COOL), analyze the state of our current knowledge of the area by presenting a model offering a visual summary, and discuss the implications for future research.

Review of COOL Research

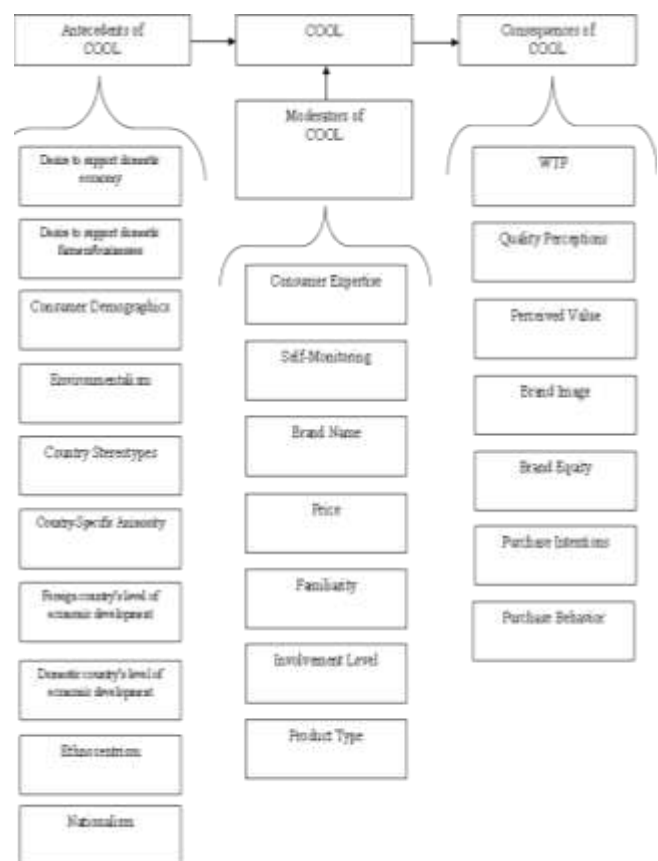
Review Scope

Our review encompassed academic, peer-reviewed COOL studies from 1990 to 2010, a time period that precedes the first quantitative review of country-of-origin research (Liefeld 1993) and includes fifteen years of research that have not yet been reviewed. In total, 155 articles from 60 scholarly journals stemming from over a dozen academic fields were reviewed in order to present the reader with an informed, comprehensive look at “one of the most widely studied phenomena in all the international business, marketing, and consumer behavior literatures” (Peterson and Jolibert 1995, pg. 883) within the context of the global food industry.

State of our Current Knowledge

From our review (which is too detailed to be discussed in-depth in this summary) we developed a model, presented in Figure 1, which summarizes our findings.

Figure 1. COOL Construct Model



This model provides a framework within which COOL for food products research can begin to delineate the relationships between the antecedents, moderators, and consequences of COOL.

Directions for Future COOL Research

Based on our review, there is still much to be researched regarding COOL in the food industry. Some of these areas include social responsibility, consumer (mis)trust, and consumer health. These future research directions provide a general guideline for academicians, policy makers, and managers to consider in order to further expand our knowledge in this important research area.

Social Responsibility

Despite growing interest in the social responsibility and sustainability arenas, many food retailers are still under public scrutiny for neglecting “food miles” as a consideration in their retail planning policies (Nichol 2003). Future research should examine how food miles – or the distance from farm to plate – affect consumer perceptions of food retailers now that county-of-origin information is required. Retailers wishing to communicate their sustainability efforts can take advantage of the option to label their food items with more regional origins (e.g., Louisiana Crawfish or Vidalia Onions) as opposed to national origins (e.g., U.S. apples) so that consumers can more accurately assess the actual food miles of the items. A fruitful area of research would be to examine if consumers think that local food products are more sustainable than food products of national or foreign origins. This unexplored relationship between origin provision and the perceived sustainability of food products would provide useful implications for managers and public policy makers alike.

Consumer (Mis)Trust

Consumer mistrust in retailers – and particularly supermarkets – has long been documented (e.g., MacLachlan and Spence 1976). Because there is no independent third-party to monitor the validity of retailers’ claims of food product origins – and no one standard, specific labeling scheme that food retailers must follow - future research should examine how credible differing labeling systems are perceived to be amongst consumers. Just as “greenwashing” has been documented as a consumer trust issue in terms of products’ sustainability levels (e.g., Beder 1997; Laufer 2003), we propose the terms “originwashing” or “localwashing” as potential trust issues in terms of a product’s origin – especially among retailers advertising origins of historically premium food products (e.g., Swiss chocolate or Argentinian beef).

Consumer Health

It is estimated that by 2015, 75% of all U.S. adults will be overweight and 41% will be obese (Wang and Beydoun 2007). However, food labeling systems and programs may be able to curb this epidemic. Recent research has shown that U.S. state-sponsored agricultural marketing programs promoting the consumption of foods grown in-state (e.g., Georgia Peaches or Washington Apples) have a positive effect on people’s overall daily consumption of fruits and vegetables (Howlett, Burton, Newman, and Faupel 2011). Future research should expand upon the interplay between food origin labeling and consumers’ (un)healthful eating habits. For example, are some foods labeled as originating from certain regions or countries seen as healthier than comparable food items from other areas?

Conclusion

To better understand the potential effects that recent mandates made by the US and EU governing bodies may have on the retailing landscape, our article reviews COOL, “one of the most widely studied phenomena in all the international business, marketing, and consumer behavior literatures”, within the context of one of the largest sectors of retail trade in the world, the food industry (Peterson and Jolibert 1995, pg. 883). The model presented provides a framework within which the current literature can be interpreted and future research can be positioned.

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Market Segmentation Based on Travelers' Perceived Destination Image: A Case Study of a Heritage Tourism Destination in China

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Heritage tourism has been developed and commercialized in China for a couple of decades. It is important to understand whether there are any gap between what a heritage destination offers and what visitors expect. Therefore, the purpose of this study is to segment the travel market to Hongcun on the basis of visitors' evaluation and perception of destination image attributes. The results of a two-step factor-cluster segmentation analysis revealed a structure of three segments. Three clusters had significant differences regarding visitors' overall evaluation of destination tourism image, visitors' affection towards Hongcun, visitors' overall satisfaction, and their travel intention and willingness to recommend the destination to others. There were no significant differences identified among the demographic profiles of the three clusters. Finally, marketing strategies and implications were discussed in the context of a heritage tourism destination.

Introduction and Background

Commercialization of cultural heritage tourism started from mid-1980s in China. Many rural and heritage tourist destinations emerged since then. Compared to other adjacent cultural heritage sites (such as Xidi) in China, Hongcun is still at an early stage of tourism development (Ying and Zhou 2007). Hongcun is located in the northeastern part of Yi County in southern Anhui province, China. It is an ancient village established in 1131, with a history of over 880 years. It has 137 ancient buildings of 14th to 19th century. An over 400-year-old hydro project, highly creative and artistic, possesses great landscape value and practical functions. The water system also defines the layout of the entire village. Besides the well-known ancient stone bridge, streets, water system, trees, public and residential buildings, Hongcun also has local folk arts (e.g. bamboo weaving and brick and stone carving) and folk festivals and customs.

The Committee of the United Nations Educational, Scientific and Cultural Organization (UNESCO) decided to inscribe Hongcun on the World Heritage List in 2000 on the basis of three criteria as follows:

- The villages of Xidi and Hongcun are graphic illustrations of a type of human settlement created during a feudal period and based on a prosperous trading economy.
- In their buildings and their street patterns, the two villages of southern Anhui reflect the socio-economic structure of a long-lived settled period of Chinese history.
- The traditional non-urban settlements of China, which have to a very large extent disappeared during the past century, are exceptionally well preserved in the villages of Xidi and Hongcun.

Although the initial intention of designating areas as World Heritage Sites was to strengthen international and national heritage identities and recognition in the public mind, the designation of the World Heritage Sites are increasingly used as a promotional tool for national tourism campaigns (Drost 1996). As noted by Ethtner and Ritchie (2003), one of the most significant marketing challenges is how to effectively position a destination when the available destination choices are constantly and rapidly expanding. For instance, there were 28 World Heritage Sites designated in China during the period of 1987 to 2001 (Li, Wu, and Cai 2008).

To become a successful tourism destination, a heritage site needs to employ an effective positioning strategy. Market segmentation is a process of classifying customers into groups of similar needs, characteristics and behavior. It has strong implications and critical influence on target market decision and product positioning strategies. Market segmentation is well studied topic in the field of tourism. Frequently used segmentation variables include demographics (e.g. gender, age), psychographics (e.g. travel motivation, constraints), and behavioral variables (e.g. benefits, repeat visitors).

Tourism destination image has been a very popular discussion topic in the literature (Pike 2002). Prayag (2010) studied destination image attributes as pull factors of a tourist destination and generated four clusters of travelers based on their perceived importance of pull factors. The purpose of this study is to segment the travel market to Hongcun village based on destination image attributes. This study attempts to address the following questions:

1. What are the underlying dimensions of destination image attributes perceived and recognized by visitors to a heritage tourism destination?
2. How to segment the travel market to a heritage tourism destination based on the perceived destination image variables?
3. What are the significant differences among various market segments/clusters?

Method

The Research Center of Tourism Development in Shanghai Normal University collected a sample of 400 visitors to Hongcun during April 1-10, 2011. Survey respondents were approached to complete a two-page survey at selected lodging facilities where they stayed during their visit. Respondents were asked to indicate their agreement level with 23 Hongcun destination image attributes (Table 1). Many of the destination

attributes have been studied in the destination image literature (Echtner and Ritchie 1993 and 2003).

The data analysis utilized SAS 9.3 and proceeded in four steps. Firstly, descriptive statistics were conducted, which profiled the socio-demographic status and some travel information of the respondents who visited Hongcun. Secondly, exploratory factor analysis (EFA) was employed not only to reduce observed perception variables into a smaller number of factors that would account for most of the variance in the observed variables but also to identify the underlying factor structures of the tourism destination image perceived by travelers to Hongcun village (Stevens 2002). The desired results should meet these criteria: 1) the components, after orthogonal rotation, are interpretable; 2) each variable loads 0.4 or higher on only one component; and 3) the acceptable reliability coefficient, which was determined with Cronbach's coefficient alpha, should not be lower than .60. PROC FACTOR statement was used to decide on the number of factors retained for each construct.

Thirdly, a cluster analysis was conducted to segment the travel market at Hongcun. According to Sheppard (1996), cluster analysis followed by factor analysis was a better approach if the primary purpose of a study was segmentation. Cluster analysis is an effective statistical technique that can identify and place observations into groups or clusters. Respondents within each group share many similarities while members of different groups exhibit many differences. Cluster analysis is capable of producing a classification where there is little pre-existing knowledge about the number of categories or the components (i.e. members) of these categories will be (Churchill and Iacobucci 2005). The number of clusters was determined with a two-stage cluster analysis method (Arimond and Elfessi 2001). The statement PROC FASTCLUS was performed to assign observations to clusters and identify the number of clusters. The motivation items retained in the factor analysis were independent variables used in the statement PROC CANDISC. Finally, different profiles were described among different clusters. A series of ANOVA (PROC GLM) and Chi-square tests (PROC FREQ) were employed to reveal any statistically significant difference between various groups' socio-demographic variables.

Results

A total of 325 visitors to Hongcun village completed the survey, which yields a response rate of 81.25%. More than half (53.54%) of the respondents were female (n=174). About 60% (58.77%) of the respondents were 18-24 years old. Half of the respondents (51.38%) were students. Only about 10% of the respondents did not have higher education. Most of the visitors (69.23%) took tour buses. Top three information resources included the internet, travel agents, and family and friends. Half of the respondents to Hongcun (50.46%) traveled with their friends.

The means and standard deviations of the 23 destination image items, evaluated and perceived by visitors to Hongcun, are presented in Table 1. The item that had the highest mean score (mean = 4.16) was the natural beauty of the ancient village. The item with the lowest score (mean = 3.08) was the availability of entertaining options at night.

A final four-factor structure based on 15 items, which loaded 0.4 or higher on only one component, was retained after several runs of factor analysis (Table 2). The four factors

explained 97.65% of the total variance. Factor 1 included the main and core aspects of Hongcun as a heritage tourism destination, such as the richness of local culture, clean and peaceful tourism destination. Factor 2 focused on the quality aspect of the service providers, such as high quality food service and lodging. Factor 3 covered the auxiliary tourism services, such as tour guide, signage, and tourist souvenir. Factor 4 reiterated the basic infrastructure involved in tourism service, such as lodging and utilities.

Table 3 shows cluster means generated on the basis of four destination image dimensions. Two discriminant functions were derived, explaining 69% and 31% of the total variance respectively. Cluster One had the only one positive mean score on the basic facility factor, indicating that travelers in the cluster did not have a high or positive evaluation of tourism destination image. Therefore, the first cluster was labeled as "indifferent" travelers, with an implication that visitors' expectation or perceived values had not been completely or successfully met at tourism destination. Cluster Two, with all negative scores on the factors except for the core value factor, was named as "experiential" travelers, indicating that visitors in this cluster did not find any major service gap in their experience at the destination. The core image of destination was about the same as what they had expected and experienced. Visitors in this cluster would have more likely enjoyed their overall experience at the destination than those in the first cluster. Cluster Three had all the positive mean values except for the auxiliary factor; thus the third cluster was labeled as "passionate" travelers, showing that travelers in this group were happy with what they had experienced at the destination and they usually had a positive impression or perception of the destination image.

Table 1. Description of Hongcun destination image perceived by visitors (N=325).

Tourism Destination Image	Mean ¹	SD
It has accommodation facilities.	3.40	.91
There are basic utilities and facilities for living.	3.55	.80
There are natural wonders.	4.16	.75
There are opportunities for outdoor activities.	3.81	.88
There are appropriate signages for travelers.	3.82	.80
Its visitor center provides help and information.	3.57	.90
Guided tour services are available.	3.94	.87
There are tourist souvenirs for sale.	3.76	.84
There are basic commodities for sale.	3.47	.81
Its admission price is acceptable.	3.27	.95
There are special events and festival celebrations during holidays.	3.25	.90
There are many heritage and historical sites.	3.53	.87
There are entertainment facilities for evening activities.	3.08	.98
It is a clean place.	3.47	.91
There are diversified and unique local foods.	3.43	.93
It shows the culture of an ancient town in southern China.	4.02	.80
It is an accessible tourism destination.	3.46	.94
Lodging facilities in Hongcun are of high quality.	3.09	.86
Restaurants in Hongcun provide high quality services.	3.14	.87
Local residents are very friendly.	3.63	.91
Tourism service providers are friendly and considerate.	3.68	.83
It is a relaxing and peaceful place.	4.04	.86
It provides value-added experience.	3.61	.83

¹ Based on a scale of 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree.

Table 2. Retained, purified, and labeled factors/dimensions of perceived destination image.

Perceived Destination Image	Factor Loadings	Eigen-value	Variance Explained %	Cumulative Variance %	Cronbach alpha
F1: Core Value		10.76	60.25	60.25	0.66
It is a clean place.	0.65				
It shows the culture of an ancient town in southern China.	0.64				
Tourism service providers are friendly and considerate.	0.60				
It is a relaxing and peaceful place.	0.55				
It provides value-added experience.	0.48				
F2: Quality Service		2.77	15.50	75.76	0.68
There are entertainment facilities for evening activities.	0.75				
Lodging facilities in Hongcun are of high quality.	0.68				
Restaurants in Hongcun provide high quality services.	0.52				
F3: Auxiliary		2.47	13.84	89.59	0.66
There are appropriate signages for travelers.	0.85				
Its visitor center provides help and information.	0.81				
Guided tour services are available.	0.51				
There are tourist souvenirs for sale.					
There are basic commodities for sale.					
F4: Facilitation		1.44	8.05	97.65	0.72
It has accommodation facilities.	0.69				
There are basic utilities/facilities for living.	0.67				

Table 3. Cluster means among four dimensions of perceived destination image by visitors to Hongcun.

	Indifferent n=61	Experiential n=166	Passionate n=97	F(df=2)
Factor 1 Core Value	-1.17	0.00	0.73	167.16**
Factor 2 Quality	-0.23	-0.43	0.88	98.54**
Factor 3 Auxiliary	-0.86	-0.09	-0.70	98.97**
Factor 4 Facility	0.01	-0.43	0.73	70.24**

** p≤.001 *p≤.01

Results of general linear regression models showed that three clusters were statistically different regarding visitors' evaluation of the overall destination tourism image, visitors' affection towards Hongcun, visitors' satisfaction, and revisit intention and willingness to recommend the destination (Table 4). The means of the three clusters were universally ranged from low to high.

A series of Chi-square tests revealed that clusters showed no significant difference regarding socio-demographic characteristics, such as age range, gender, profession categories, education, and travel behavior characteristics, such as transportation, information sources, and travel companion. Table 5 shows that travelers in the indifferent cluster, unlike travelers in the other two clusters, did not show too much interest in major attractions.

Conclusion and Discussion

This study aimed to test the validity of having destination image attributes as segmentation variables. Three clusters, namely "indifferent", "experiential" and "passionate" travelers, had somewhat similar demographic and travel behavior profiles; however, three clusters were significantly different in their overall satisfaction with the visit, and their travel intention and their perceptions on Hongcun as a tourism destination. The passionate cluster was the most satisfied travelers, since most of

their expectation was fulfilled. They had a very positive evaluation of the overall image of Hongcun. They also had some moderately positive evaluation of their experience at Hongcun. Compared to the other two clusters, they were more likely to come back to Hongcun for a future visit, and they were willing to recommend Hongcun to their family and friends since they enjoyed their travel experience. There is no doubt that tourism professionals and promoters should make special effort to pursue after travelers in this group.

Table 4. Visitors' perception of the destination image and experience, visitors' satisfaction and travel intention among three clusters (Indifferent N=61; Experiential N=166; Passionate N=97).

	Mean	STD	F-value
The overall image of the destination is superior.			48.30**
Indifferent	3.00	.84	
Experiential	3.67	.66	
Passionate	4.09	.60	
I enjoy touring at Hongcun.			13.65**
Indifferent	2.73	.96	
Experiential	3.04	.81	
Passionate	3.45	.90	
In general, I am satisfied with my visit at Hongcun.			37.64**
Indifferent	3.06	.85	
Experiential	3.72	.70	
Passionate	4.06	.59	
I am willing to visit Hongcun again in the future.			21.69**
Indifferent	2.84	.95	
Experiential	3.30	.94	
Passionate	3.79	.82	
I may recommend my family and friends to visit Hongcun.			17.95**
Indifferent	3.18	.88	

Experiential	3.63	.81
Passionate	3.96	.71

** p≤.001 *p≤.01

Table 5. Major activities that visitors participated in at Hongcun.

	Indifferent (n=61)	Experiential (n=166)	Passionate (n=97)	χ^2 Value	p
Leisurely walk				0.32	.85
Yes	37	94	55		
No	24	72	42		
Photography				2.70	.26
Yes	46	113	61		
No	15	53	36		
Main attractions				10.31*	.01
Yes	27	108	66		
No	34	58	31		
Local food				0.81	.67
Yes	20	47	32		
No	41	119	65		
Other				0.67	.72
Yes	6	20	14		
No	53	142	82		

** p≤.001 *p≤.01

There are several things that tourism promoters can consider to encourage repeat visit from the passionate cluster. First, an implementation of a loyalty program may trigger and reward travelers' re-visit intention. All the tourism service suppliers (e.g. lodging, restaurant, attractions) should be included in the loyalty program. A combination of high quality service and provision of unique natural scenery and local culture can be a continuous drive for return travelers. Secondly, an in-depth and sustainable development of tourism resources at Hongcun is a necessity for keeping return travelers interested and entertained. The natural beauty of Hongcun is the most recognized destination attribute item with the highest mean score among the 23 attributes; therefore, an effective preservation plan is the key to building a successful heritage tourism destination. Thirdly, activities such as culturally themed seminar or workshop hosted by local folk artists at heritage sites will not only enhance travelers' experience but also rejuvenate local folk arts. Hosting some special events related to local culture and celebrating festivals with local customs may also bring in travelers year around. One of the interesting findings was that most of the travelers who traveled alone fell into the category of the passionate cluster; therefore, the provision of innovative, social and interactive recreational programs may get this group of travelers involved and interested in local tourism activities.

More than half of respondents were categorized in the experiential cluster, which indicates that travelers were generally satisfied with what Hongcun offered to them; however, there was a need for service quality improvement. High quality food and lodging service can significantly improve their overall evaluation of destination. An industry quality standard should be formulated and strictly enforced. Service providers should welcome and encourage voices and feedbacks from travelers. Tourism professionals need to interact with travelers constantly via various channels. With the advance of the internet, tourism

providers should increase their visibility on the internet and make it convenient for travelers to interact with them. Tourism professionals also need to take advantage of the popular social media and address travelers' needs and concerns promptly.

This study has several limitations with the survey instrument, data collection, and sampling. For example, the 23 destination image items (except two items) were used to measure tourism destinations in general. Future studies should design and employ some measurement items that focus on the unique characteristics of heritage destinations. Since data was collected at lodging facilities and only the overnight visitors would have a chance to be included in the sample, the results and findings cannot be generalized to the general traveling public, especially day-trippers. Majority of the respondents were students, which also makes it impossible to generalize the findings of this study to the general public. Future studies are needed to validate the factor-cluster segmentation methods in the context of promoting heritage tourism market. Future studies should also consider exploring several travel behavior variables, such as travel distance to Hongcun and length of visit at Hongcun. The acquired information will be helpful for making decisions on constructing infrastructure, allocating resources, and identifying target market.

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DOCTORAL STUDENT TRACK

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What to Convey in Anti-drinking and Driving PSAs for College Students?

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Traffic fatalities are the leading cause of death among young adults in the age group of 18 to 24. There is widespread concern among policymakers about drinking and driving among adolescents. Of particular interest is that it may be important to counter the potential effects of alcohol advertising and social pressures on young adults, who frequently are at risk for heavy and problematic drinking. In this study using Rogers' (1983) protection motivation theory, this study investigates which factors contribute towards reducing the drinking and driving behavior of young adults. Implications for future involvement of the marketing discipline to research efficacious methods to reduce drinking and driving behavior are discussed.

Introduction

There is widespread concern among policymakers, the public and multidisciplinary literature about the potential effects of excessive alcohol consumption and related problems, especially among adolescents and college age. Of particular interest is that it may be important to counter the potential effects of alcohol advertising and social pressures on young adults, especially college age students (18-24 years old) who are frequently at risk for heavy and problematic drinking.

Marketing researchers who have begun to grapple with drinking and driving PSAs have focused primarily on the controversial "drink responsibly" strategically ambiguous message themes emanating from the self-regulated alcohol industry (Roznowski and Eckert 2007; Smith et al. 2006,). Protection motivation theory (Rogers 1983) is proposed to help predict why certain cognitive behavioral choices whether or not to drink and drive are selected. Protection motivation theory (PMT) is a highly comprehensive theory of health communication including social pressures. Although this research primarily addresses social marketing, it also explores the broader issue of how youths make decisions about risky behaviors and in particular, the emphasis placed on health versus social risks in the area of anti-smoking PSAs.

Theoretical Background

Protection motivation theory (Rogers 1983) posits that health information (e.g., cigarette health warnings, drinking and driving warnings) elicits both appraisal of the threat and appraisal of coping techniques; both cognitive processes involve (a) either maladaptive or adaptive responses and (b) variables that increase or decrease the probability of those responses. People use the threat-appraisal process to evaluate the variables associated with the potentially harmful (maladaptive) response.

Intrinsic rewards and extrinsic rewards increase the probability of the adaptive response; severity of and personal vulnerability to the danger decrease the probability of the maladaptive response. By using the coping-appraisal process, a person evaluates his or her ability to cope with and avert the threat (adaptive response). The efficacy of the response and one's ability to perform it increase the likelihood of the adaptive response, whereas response costs decrease the probability of the adaptive response. The potentially logical inclusion of fear into PMT has been debated in the literature.

Based on existing literature on antecedents to drinking and driving behavior, this study came up with the following hypotheses:

H1: Increased perception of health risk severity of drinking and driving by college students will increase the behavior not to drink and drive.

H2: Increased perception of health risk vulnerability of drinking and driving by college students will increase the behavior not to drink and drive.

H3: Increased social risk perception of drinking and driving by college students will increase the behavior not to drink and drive.

H4: Attitude towards helping others will have a direct positive relationship with the behavior not to drink and drive.

Methodology

As this was a research study on college age drinking and driving, data were collected from college students enrolled at a major university in the mid-south. One-hundred forty-four surveys were administered out of which 36 were rejected as only those students who self-reported that they drink were retained. A total of 104 surveys were retained for the final analysis. The sample demographics were 42% male and 58% female. The mean age of respondents was 21 with a standard deviation of 2.5 and range of 18 to 28 years (4 respondents over 28 were rejected as too old). Using the regression results, testing among the PMT dimensions yielded a significant equation $F(4, 99) = 18.52, p < .001$. The correlation R^2 of the model was 0.428 which indicates that the model explains 42% of the variance in the dependent variable. The regression results indicated that the set of independent variables explained 42.8% ($F(4, 99) = 18.52, p < .001$) of the variance in behavior of not to drink and drive with three of the four independent variables having significant unique influence on the dependent variable (see Table 4). In order of importance, they were social risk perceptions ($\beta = .54$), health risk severity ($\beta = .376$), and health risk vulnerability ($\beta = .121$).

Concern for others was not significant influencing variable at the $p < 0.05$ level. Thus all hypotheses except H4 were supported in this analysis.

Discussion

Results indicate that college students who properly assess their health risk vulnerability to severe health consequences from drinking and driving are less inclined to drink and drive. Also college age students that are sensitive to social risk perceptions are less inclined to drink and drive. People's attitude towards helping others has no significant impact on their behavior to drink and drive. Hence advertisements that focus to reduce the drinking and driving behavior of teenagers will be more effective if they concentrate upon the health risks of driving under influence behavior. Based upon the findings we can also conclude that ads with themes that highlight drinking and driving as a socially unacceptable behavior will provide better results. Since concern over others is not a significant determinant of drinking and driving behavior ads with such themes might not prove to be effective. Future research still must determine whether the appeals of alcohol PSAs translate, over time, into a deep central processing of such counter advertisements with an enduring behavior change. Hopefully more research into drinking and driving in the marketing field will be stimulated by this research just as marketing has focused on the anti-smoking debate.

As this is hopefully an important study due to the life and death consequences of college students, it is important to point out several limitations. The study was done in one geographical area with a student sample. More studies in different geographical areas are needed to generalize the results of this study. As the survey also extracts a controversial social response to self reported drinking and driving, future research should also include a social desirability scale. Discussion of topic is also limited by a general lack of extant marketing literature on this topic.

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Summary Brief

The Impact of Involvement Types on Millennials' Innovativeness, Opinion Leadership/Seeking and Behavior in the Mobile Technology Domain: An Exploratory Study

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Millennials have a high level of spending power and is much larger in size than the previous generation. A clear understanding of this generation's consumer behavior, particularly for important domains such as mobile technology is critical for marketers. Literature on Millennials and mobile technologies has addressed topics such as adoption determinants, lifestyle implications, and involvement. With regard to involvement, researchers have investigated mobile technology involvement from a cognitive and behavioral addiction perspective, but not from a consumer behavior perspective. As involvement is a key construct in models of information processing and in influencing persuasion, there is a need to investigate the construct with regard to Millennials' consumer behavior toward mobile technologies so that successful marketing campaigns may be crafted. The purpose of this summary brief is to propose a survey study to explore the role of involvement, specifically outcome-relevant and impression-relevant involvement types on select consumer behavior constructs as well as purchase behavior.

Introduction

Millennials, otherwise known as Generation Y, are people born between approximately 1980 and 2000. Along with a high degree of spending power, they have different values, characteristics and behavior compared with previous generations, therefore a clear understanding of this generation's consumer behavior is critical for designing and implementing successful marketing campaigns (Eastman and Liu 2012).

Of particular importance to Millennials is mobile technology as its use pervades almost all aspects of Millennials' lives and influences the patterns of consumption that are typical of this generation. Academic literature on Millennials and mobile technologies has variously addressed topics such as: perceptions and usage patterns; consumption styles; determinants of mobile multimedia services adoption; lifestyle implications; and mobile technology involvement from a cognitive and behavioral addiction perspective. However, the literature has not specifically addressed the overall issue of Millennials' involvement with mobile technology from a consumer behavior perspective. As involvement is widely considered a key construct in models of information processing and in influencing persuasion, there is a need to investigate the construct with regard to Millennials' consumer behavior regarding mobile technologies so that successful marketing campaigns may be crafted.

In addition, recent research on involvement suggests that different types of involvement lead to different outcomes, such that a specific consideration of involvement types is warranted. The purpose of this study is to address the identified gap in the literature by exploring the role of involvement types on select consumer behavior constructs. This study will contribute to the literature by extending understanding of Millennials' consumer behavior in relation to mobile technologies.

Literature Review

Involvement is defined as an unobservable state of motivation, arousal, or interest (Rothschild 1984). In a consumer behavior context, involvement reflects a consumer's degree of personal relevance or interest in products, advertisements, and different aspects of the consumption process. Following the meta-analytic work of Johnson and Eagly (1990), involvement has been explored from a multidimensional perspective. Johnson and Eagly (1989) identify three types of involvement that are activated by distinct dimensions of self-concept: outcome-relevant, impression-relevant, and values-relevant involvement. We propose to investigate types most relevant to the chosen domain: outcome-relevant involvement and impression-relevant involvement.

Outcome-relevant involvement (ORI) is defined as the relevance of an issue to one's important goals or outcomes. ORI is similar to Petty and Cacioppo's (1979) concept of issue involvement. Consumers are motivated to pay attention to, to process, and to seek additional information about messages on topics they believe are likely to have an impact on their goals or lifestyle. ORI's influence on the persuasion process is almost always concerned with future consequences stemming from performing or not performing a behavior.

Impression-relevant involvement (IRI) is defined as consumer's desire to express attitudes that are socially accepted by significant others, is similar to Chaiken's (1980) concept of response involvement. IRI is concerned with one's perception of others' attitudes toward and acceptance of a particular action. People with high IRI are likely to adjust their buying behaviors to align with the perceptions of others' beliefs and buying behaviors in order to reduce dissonance.

Each type of involvement has been shown to play different roles in various studies (e.g. Cho and Boster 2005), reflecting the importance of understanding the nature of involvement with regard to the domain of research. Specifically, we explore the relationships between ORI and IRI with key domain specific constructs: innovativeness, opinion leadership and opinion

seeking as well as actual behavior in the form of purchase frequency, upgrade frequency, and number of devices owned.

Involvement Types and Innovativeness

Innovativeness is defined as the tendency to learn about and adopt new products within a specific domain of interest (Goldsmith and Hofacker 1991), in this case, mobile technologies. Domain specific innovativeness has been previously correlated to product involvement, however no study has explicitly investigated the relationship between the nature of product involvement (i.e. involvement types) and innovativeness. The tendency to learn about and adopt new products within a specific domain may be related to either outcome- or impression-specific goals as previous studies have shown a wide variance in the generation's propensity and motivations for brand loyalty.

H1: *For millennial consumers there will be a positive relationship between their level of ORI (H1a) or IRI (H1b) and innovativeness in the domain of mobile technology*

Involvement Types and Opinion Leadership/Opinion Seeking

Opinion leadership occurs when individuals try to influence the purchase behavior of other consumers in specific product fields whereas opinion seeking happens when individuals search out advice from others when making a purchase decision (Flynn et al. 1996). In short, opinion leaders give advice and opinion seekers ask for it.

The Millennial generation considers the opinions of peers or fellow consumers to be more credible than traditional media or company sources of information. As with innovativeness, there is no explicit investigation relating type of involvement with either opinion leadership or opinion seeking. However, Millennials have been found to exhibit a high propensity for being market mavens, defined as consumers with general product knowledge that act as disseminators of product information. Millennials as market mavens share their expertise and opinions with other consumers and talk about products online more than the general population.

H2: *For millennial consumers there will be a positive relationship between their level of ORI and opinion leadership in the domain of mobile technology.*

In contrast, Millennials motivated by IRI are focused on behaving in a manner easily adaptable to the expectations of others. Those guided by IRI consider the attitudes of others and have a desire to have similar attitudes, congruent with opinion seeking behaviors.

H3: *For millennial consumers there will be a positive relationship between their level of IRI and opinion seeking in the domain of mobile technology*

Involvement Types and Behavior

Several studies have suggested a positive relationship or correlation between involvement and behaviors such as product usage and frequent buying behavior. In the domain of mobile technology, research that involves behavior has focused on motives for usage such as entertainment, companionship, and social interaction; or has related frequency of usage to

psychological dependency on mobile technology. Based on previous empirical work linking involvement and behavior that:

H4: *For millennial consumers there will be a positive relationship between their level of IRI (H4a) or ORI (H4b) and purchase behavior in the domain of mobile technology*

H5: *For millennial consumers there will be a positive relationship between their level of IRI (H5a) or ORI (H5b) and upgrade behavior in the domain of mobile technology*

H6: *For millennial consumers there will be a positive relationship between their level of IRI (H6a) or ORI (H6b) and number of devices owned in the domain of mobile technology*

Future Directions

This study will employ a survey methodology of consumers in the millennial generation. Item scales will be adapted from existing multi-item scales and will be measured on a 5-point Likert scale (1=strongly disagree to 5=strongly agree). Hypotheses 1 through 6; exploring the impact of involvement types on innovativeness, opinion leadership, opinion seeking, and behavior will be tested via regression analysis.

The ability to customize the nature of information such that it is congruent with the nature of consumer's involvement is important for marketers in reaching Millennials because they are commonly perceived as sophisticated shoppers who are more resistant to advertising that is commercially-oriented, as opposed to descriptively-oriented advertising. This study proposal will help to gain better understanding of how types of involvement specifically relate to the constructs of innovativeness, opinion leadership and seeking, as well as purchase behavior in the domain of mobile technology.

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Summary Brief

The Influence of Acculturation on Attitude Toward the Ad: Direct Mail Advertising to Bicultural Hispanics

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This study examines the influence of length of residency in the United States, language (English or Spanish), and model ethnicity (Anglo or Hispanic), on attitude toward the ad among Bicultural Hispanic consumers. An advertising experiment was conducted using a sample of 102 Bicultural Hispanic respondents from an urban area in the southwestern United States. As hypothesized, length of residency in the United States was found to be a significant predictor of respondents' attitude toward the ad. However, model ethnicity and language used in the ad yielded results that were not significant.

Introduction

According to data from the 2010 U.S. Census, more than 50 million Hispanics currently reside in the U.S., representing 16 percent of the total U.S. population (Ennis et al. 2011). Purchasing power for Hispanics exceeded \$1 trillion in 2010, and is expected to increase to \$1.5 trillion by 2015. To capitalize on this lucrative market, advertisers spent \$4.2 billion in 2010 to reach Hispanic consumers (Association of Hispanic Advertising Agencies 2011).

Despite this large investment in Hispanic targeted advertising, direct marketers often overlook the Hispanic market (Korgaonkar et al. 2001). On average, Hispanics receive less direct mail per year compared to the average non-Hispanic household; however, a recent survey indicates that 72 percent of Hispanics regularly read their direct mail and are more likely to purchase than non-Hispanics (hispanicad.com 2007).

Effective communication with Hispanic consumers demands an understanding of the importance of acculturation and its constructs in segmenting Hispanic audiences (Arjona et al. 1998). The purpose of this study is to examine the influence of acculturation in terms of length of residency in the U.S., language use and ethnic salience on attitude toward the ad among Bicultural Hispanic consumers.

Theoretical Background & Hypotheses

Acculturation

Acculturation describes the process of adopting the values and norms of a culture different than the one in which one was raised (Valencia 1985). Language use is a key identifier of one's level of acculturation and can affect the level of importance given to specific cultural norms and values (Deshpande et al. 1986), including advertising (Ueltschy and Krampf 1997).

Goffan (2008) identifies three distinct Hispanic market segments by acculturation level: non-acculturated, acculturated, and semi-acculturated or bicultural. Bicultural Hispanics are fluent in both English and Spanish and are able to comfortably navigate between the dominant U.S. culture and their native

Hispanic culture. Bicultural Hispanics are by far the largest Hispanic segment, representing more than 57 percent of the total U.S. Hispanic population (Arjona et al. 1998).

In addition to language, another key indicator of acculturation is length of residency in the U.S. This is especially true of younger generations, who acculturate more rapidly than do older generations (Portes and MacLeod 1996).

H1: Length of residency will be a significant predictor of respondents' attitude toward the ad.

Distinctiveness Theory

McGuire's distinctiveness theory (1984) suggests that a person's ethnicity in relation to others in society will be more salient than the common traits they share. Research has shown that when ethnicity is salient, members of an ethnic group will identify more with ads that feature models of similar ethnicity and, as a result, exhibit an increased level of trust for the source of the advertisement and improved brand attitude (Deshpande and Stayman 1994; Dholakia and Sternthal 1977).

H2: Bicultural Hispanics will have a more positive attitude toward direct mail advertising featuring Hispanic models.

Accommodation Theory

The Spanish language is a key indicator of ethnic identification among Hispanic subgroups and provides a sense of cultural identity and belonging (Guernica and Kasperuk 1982). Accommodation theory suggests Hispanics will have a positive attitude toward an advertiser that addresses them in their native language (Giles et al. 1973). Research shows that Hispanic audiences have more positive attitudes toward the advertiser and the brand featured in print advertising when those ads are presented in Spanish (Koslow et al. 1994).

H3: Bicultural Hispanics will have a more positive attitude toward direct mail advertising presented in Spanish.

Methodology

Research Design & Measures

The experiment is as a 2 (English, Spanish) x 2 (Anglo, Hispanic) factorial design. Each bicultural subject was randomly assigned a single direct mail advertising treatment featuring the independent variables of language and model ethnicity. After reviewing the advertisement, subjects were asked to complete a questionnaire that measured their attitude toward the ad (A_{Ad}), level of acculturation and demographic variables. Subjects were recruited from Catholic Church congregations in a large metropolitan city in the southwestern U.S.

Acculturation was measured using the 24-item Bidimensional Acculturation Scale for Hispanics (BAS) which

uses two subscales to measure Hispanic ($\alpha=.911$) and non-Hispanic ($\alpha=.932$) cultural dimensions to produce two scores by cultural dimension as well as a bicultural score (Marin and Gamba 1996).

A_{Ad} was measured using an adaptation of the 25-item Reaction Profile (RP) (Wells 1964). RP is an 8-point semantic differential scale with three subscales that measure specific emotional reactions to the ad: attractiveness (RP_{att}) ($\alpha=.930$), meaningfulness (RP_{mea}) ($\alpha=.932$), and vitality (RP_{vit}) ($\alpha=.868$).

Stimulus

For the purpose of the experiment, four variations of a direct mail advertisement were created featuring a VISA Rewards credit card offer from a prominent regional bank. One version featured an Anglo model with English copy. The second version was also in English, but featured a Hispanic model. The third version was presented in Spanish with an Anglo model and the fourth ad was in Spanish with a Hispanic model. All ads were identical with the exception of model ethnicity and language used.

Results and Discussion

Regression analysis showed length of residency to be a significant predictor of attitude toward the ad on all three RP subscales: RP_{att} : $R^2=.259$, $p<.001$; RP_{mea} : $R^2=.167$, $p<.001$; RP_{vit} : $R^2=.153$, $p<.001$. Thus, H1 is supported.

Further support for H1 is provided through MANOVA, with significant results on all three RP subscales; RP_{att} : $F=5.545$, $p<.01$; RP_{mea} : $F=2.739$, $p<.05$; RP_{vit} : $F=3.685$, $p<.05$.

Tukey post hoc results show Hispanics living in the U.S. 0-5 years have a significantly lower A_{Ad} than those living in the U.S. 6-16+ years. Interestingly, lifelong U.S. residents also have a significantly lower A_{Ad} than those living in the U.S. 6-16+ years on the RP_{vit} subscale and results approach significance on the RP_{att} and RP_{mea} subscales; thus, suggesting an inverted U-shaped curve for the affect of length of residency on A_{Ad} . These results offer support for the "boomerang effect" proposed by Rodriguez et al. (1995), which describes a negative rather than positive affect among Hispanics from targeted advertising.

Results were not significant for language used or model ethnicity; therefore, H2 and H3 were not supported. The lack of support for H2 and H3 was surprising, as both are widely supported in the literature. An explanation could be that since data were collected in the context of Hispanic church congregations, ethnicity was not salient. Likewise, because the respondent's are fluent in English and Spanish, language use in the ad was not relevant either. Product involvement is another possible explanation for the lack of support for H2 and H3.

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Summary Brief

The Food Consumption Environment: Incentives for Using a Neuroscience Paradigm

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There is an old and well known Italian adage that suggests we eat first with our eyes. Contemporary research methods such as neuroscience imaging confirm the importance of visual cues to eating beyond satiation- a behavior that has led to the obesity epidemic. In the context of food consumption, the present research builds upon recent developments in behavioral neuroscience methodology to suggest directions for future marketing studies. The dominant theory of reward sensitivity shows that overeating also leads to an increase in responsiveness to food cues. An obesogenic environment has led to a propagation of these food cues. As a result, marketing studies can benefit from neuroimaging research techniques to take a new look at the role of environmental cues in the purchase and consumption of food.

Introduction

What is behind the rising obesity rates in the U.S. and other industrialized nations? An interdisciplinary approach to understanding its etiology has resulted in a growing body of evidence that point to biological changes shaped by the environment. These neurobiological adaptations are highly correlated with overeating, a behavior that has become more compulsive in nature. Even before food consumption takes place, the human brain can be persuaded by the body's senses in an extremely dramatic and influential way. Contextual cues in a variety of settings can then motivate consumers to engage in non-homeostatic appetitive behavior. There are many other factors exclusive of taste that have a neurological basis in shaping behavior. Recognizing and understanding the role of these secondary reinforcers in behavior, therefore, is essential in creating new solutions for those people who are most vulnerable to these influences.

An unfortunate side effect of contemporary advances in technology is the changed nature of food consumption. Overeating has developed "in an environment where food was both scarce and unpredictable such that eating to our physical limit when food was available was a dominant strategy. Continuing to apply this rule mindlessly when food is abundant underlies modern obesity epidemics" (Ariely and Norton 2009, p. 476). People have evolved from scavengers of necessity to scavengers of excess. A commercialized environment heavily biased toward unhealthy foods has been coupled with a sedentary lifestyle. As a result, behavioral strategies are needed to moderate these negative effects. Fortunately, recent studies that utilize neuroimaging methods, such as functional magnetic resonance imaging (fMRI), positron emission tomography (PET) and electroencephalography (EEG), have richly supplemented previous studies that examine behavioral differences between restrained and unrestrained eaters and

normal weight and obese consumers. A primary benefit of neuroimaging research is the consistency and validity of results, advantages not always found in typical behavioral studies. As a result, new research questions addressed by studies that employ these methods are necessary to contribute to the evolving body of knowledge across the social sciences.

Environmental Influences

The role of the environment in influencing overeating is largely uncontested. Researchers, scientists and government health officials agree that the influence of genetic factors has remained relatively unchanged over the past few decades. "Because of constantly changing and shifting environmental conditions, coupled with the very slow rate of genetic change, direct genetic controls over behavior tend to be inflexible and unable to adapt quickly enough to changes in the environment" (von Hippel and Trivers 2011, p. 27).

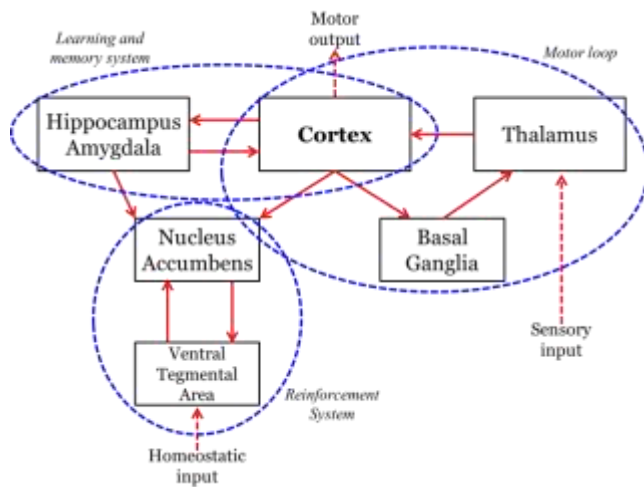
The current position of the government is that the burden for overcoming the effects of an environment laden with vice foods falls largely on the consumer. "As a result of the changing food environment, individuals need to deliberately make food choices, both at home and away from home, that are nutrient dense, low in calories, and appropriate in portion size" (USDA 2010). However, there is a growing body of evidence that show the magnitude of subconscious hurdles that have to be surpassed in order to follow the USDA's advice. In response, there is a new direction in food research that looks at environmental food cues and their influence on the subconscious processes behind eating. Papies, et al. (2008) discovered that repeated exposure to food cues for palatable foods can attenuate the cognitive accessibility of long-term weight control goals for restrained eaters compared with non-restrained eaters. When an attentional bias for vice foods is created by environmental cues, opposing goals are significantly undermined. Since the researchers were able to restore weight control goals with the aid of subliminal diet-related words, despite the presentation of hedonic food cues, attentional biases may be prevented. This mechanism shows how helpful environmental cues can be for restrained eaters if weight control goals are primed. A useful model for replicating these results in a retail setting is a mechanism for unconscious goal pursuit (Custers and Aarts 2010). This discovery marks an important opportunity for increasing the efficacy of nutrient-dense food marketing.

Theories of Reward Sensitivity

A fresh approach to examining the role of food cues and reward circuitry activation was recently highlighted in the *Journal of Neuroscience*. The three overarching theories of

reward sensitivity were tested with normal weight adolescents at risk for obesity (Stice et al. 2011). The first theory suggests that people at risk for obesity initially experience less reward from food intake. They compensate for the reward deficit by overeating. This eventually results in a hyper-responsivity of reward circuitry (Figure 1) through conditioning, or repetitive consumption. This condition is referred to as a reward-deficit and underscores an initial hypo-responsivity of reward circuitry. Previous studies that compared obese and lean participants found support for this reward-deficit theory when they found less striatal dopamine receptor availability and striatal response to food intake (Kenny 2011). The second theory states that people at risk already have a hyper-responsivity of reward circuitry for food cues. This leads to overeating coupled with a decrease in dopamine signaling during eating (food intake). This condition is referred to as reward-surfeit. Supporters for the reward-surfeit theory found a predicted weight gain for those not at genetic risk when there was increased response to the anticipation of food in the striatum, insula, OFC and amygdala (Rothemund et al. 2007). The third theory says that people at risk initially experience hyper-responsivity of reward circuitry from food intake. This leads to overeating which causes a decrease in dopamine signaling during eating. This eventually leads to an increase in hyper-responsivity of reward circuitry to food cues.

Figure 1: Neural Mechanisms Associated with Food Consumption and Dopaminergic Pathway Activation



Adapted from McKim (2007)

Summary and Implications

The goal of this research is to illustrate a marketing opportunity to address one of the nation's primary health concerns by using a new methodological framework. Extant marketing literature does little to utilize advances in the neurosciences which have contributed to a deeper understanding of eating misbehavior. Of specific interest is an understanding of how brain responses to food cues at the point of sale show potential biological indicators of vulnerability to obesity. A criticism in the design of most fMRI studies is the use of ready-

to-eat food stock photographs. The use of such stimuli does not simulate the decision-making processes that take place at a crucial point in time- at the point of sale. This consideration provides a unique opportunity to introduce marketing cues in the research design. How does the brain respond to visual and tactile differences in food packaging, advertising, store signage, et cetera across various conditions? Now is the time for marketing researchers to test how the properties of food at the point of sale become conditioned stimuli that reinforce food consumption.

As suggested by the Office of the Surgeon General (OSG), "behavioral and environmental factors are large contributors to... obesity and provide the greatest opportunity for actions and interventions designed for prevention and treatment" (OSG 2012). Fortunately, results from recent neuroimaging studies provide incentives for exploring how environmental cues may influence food consumption in a marketing context. As a result, consumer research that utilizes neuroimaging can highlight the roles of external cues as secondary reinforcers of behavior and provide helpful implications for those most vulnerable to these environmental influences.

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CURRENT ISSUES IN CANADA TRACK

Track Chair

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Summary Brief

Revisiting Salesperson Competitiveness: A U.S.-Canadian Perspective

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A two-part study was conducted with U.S. and Canadian sales managers to understand the role of salesperson competitiveness in driving hiring decisions and in facilitating sales performance. Forty-two interviews suggest that sales managers have an inherent preference for utilizing competitiveness as a leading, positive trait for selecting top sales talent. While differences existed among sales managers in terms of what they relied on as indicators of competitiveness, involvement in sports was one of the most recurring dimensions. To more fully explore this finding, a follow-up quantitative study was conducted, the focus of which was to better understand the interactive effects of a salesperson's past participation in organized sport with salesperson trait competitiveness on sales performance.

Introduction

There are few better examples to exhibit the true spirit and essence of competition than the Olympics. It is a venue where the “best of the best” athletes from the United States, Canada, and across the globe showcase their talent to the world. The forthcoming 2012 summer Olympics showcases the pinnacle of individual as well as team competition, however, the payoff for the athletes’ years of work comes down to a single point in time with the difference between success and failure often decided within hundredths of a second. While there is no equal to the Olympics in selling, one could argue that salespeople have it more difficult. This is because a salesperson does not have years to prepare for a single key customer sales call. The salesperson’s “Olympic moment” occurs any given day, week, month or year. Therefore, a salesperson must be “game-ready” year-round in order to achieve their goals and stay ahead of the competition.

Given that sales managers look for new recruits who will be successful in a competitive environment and given that many sales professionals note that their own level of competitiveness in selling can be associated back to their own competitive sports experiences in college or high school, an empirical question that arises is to what extent does participation in organized sport have on sales performance. This easily measured behavioral indicator, empirically examined in conjunction with the already demonstrated link between salesperson trait competitiveness and sales performance may be particularly telling.

Salesperson Structural Competition, Trait Competitiveness and Sales Performance

Competition is commonly inherent in situations in which two or more people vie for rewards that are too scarce to be enjoyed equally by all participating parties (Kohn 1992). Trait competitiveness is the enjoyment of interpersonal competition and the desire to win and be better than others (Spence and Helmreich 1983). Both of these concepts can be applied across corporate and national selling contexts. Trait competitiveness has been a key topic of interest in the sport and human resource management literature (Gould and Dieffenbach 2002; Laabs 2000; Murphy 2006) because it is often considered a predictive variable of success against others as in the case of athletes competing against other athletes for a winning outcome or prospective job candidates competing with others for a limited number of jobs. It is also a variable of interest to the sales literature since successful salesperson performance hinges on competition against others to win accounts.

It is clear that many prominent sales organizations value individuals high in trait competitiveness since these individuals tend to set higher goals (Brown, Cron, and Slocum 1998). Further, interviews with sales managers in the U.S. and Canada suggest that athletes are more likely to have higher trait competitiveness. This aligns with the point that participation in individual and team sports provides individuals with the ongoing development of skills, strategies, and techniques to set, plan for, and attain goals for themselves (Green 2005). Learned competitive behavior through participation in various sports (levels and types) and gained through structural competition inherent in performing a selling function may extend into the selling environment in business markets and be positively related to salesperson trait competitiveness and salesperson performance.

Research Design and Sample

A two-part study was conducted to better understand the role of salesperson competitiveness on sales performance as well as its importance in hiring decisions. Part one of the study was comprised of telephone interviews with 42 sales managers from across the U.S. and Canada. Part two consisted of an electronic survey of sales representatives from U.S. and Canadian companies. Key measures included respondents’ participation levels in sports and type of high school and college sport played

(structural competition). Salesperson trait competitiveness was assessed using Helmreich and Spence's (1978) measure of trait competitiveness and salesperson performance was assessed using Yammarino and Dubinsky's (1990) measure of subjective salesperson performance. One-hundred forty two sales representatives completed the survey in electronic format.

Findings and Conclusion

While trait competitiveness and other aptitude variables have often been considered key characteristics for salespeople, they have not been able to explain a very large proportion of the variation in sales performance (Ford, Churchill, and Walker 1985).

The results suggests that structural competition at the college level – an easily measured behavioral variable - was a strong predictor of trait competitiveness and sales performance. These results support the qualitative insights from the sales manager interviews. Further, we determined that higher levels of trait competitiveness and sales performance were found with salesperson respondents who played organized sports than those who did not. The combined effects of trait competitiveness and past participation in organized sport had the greatest influence on sales performance.

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CURRENT ISSUES IN EUROPE TRACK

Track Chair
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Summary Brief

University Branding: Implications for German University Selection by Graduate Students

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This study reveals that German university graduate students consider a wide variety of criteria when selecting the institutions to which they apply. However, students' views of the institution at which they enroll were shown to significantly differ from the importance they say they place on certain selection criteria, providing support for a weak link between attitudes and actions in this context. The findings lend support for university advertising/branding initiatives that seek to promote the university experience as including updated housing, an attractive campus setting, and the latest technology.

Introduction

According to Naidoo (2003) "the perception of higher education as an industry for enhancing national competitiveness and as a lucrative service that can be sold in the global marketplace has begun to eclipse the social and cultural objectives of higher education generally encompassed in the conception of higher education as a 'public good'" (p.250). Instead, as noted by Bunzel (2007), many universities now compete for students by branding themselves in order to improve their rankings, create an entirely new image, improve name awareness, perceived quality, and/or strong brand associations (Paden and Stell, 2006). Despite the motive, there appears to be many differentiation approaches to university branding with the most common being academic quality, high profile athletics, convenience, co-branding, and/or unique programs or majors (Kurz et al. 2008).

Benefits of Branding a University

A well branded university attracts, "more and better students, more full and fuller-paying students, more students who will persist, better faculty and staff, more donated dollars, more media attention, more research dollars, and more strategic partners" according to Sevier (2007). Results from successful university branding campaigns include increased admission applications, better student qualifications, increased retention rates for professors and students, faculty recruitment, recognition, donors, and increased graduation rates. Further, such campaigns can be targeted to different university constituencies and have been shown to be effective; particularly since many Universities are somewhat different from other organizations in that they tend to have two distinct identities – one academic and another athletic (Alessandri et al. 2006). There may also be differences between branding initiatives of public and private institutions with respect to university brand

clarity (Judson et al. 2009), the desire for institutional growth as a branding objective, and the focus on branding in the organizational strategy (Winston 2002).

Criteria for University Selection

Aurand, Gorchels, and Judson (2006) find that the four main factors that assist a student in determining which college to attend are (1) image or reputation, (2) cost, (3) location, and (4) majors offered. Others have suggested additional factors that may be important in the college selection process such as student experiences or other intangibles (Lockwood and Hadd 2007) or individual characteristics such as a student's ethnic background, religion, age, sex, academic ability, and duration of the institution search process (Dawes and Brown 2002). Though most studies suggest that academic reputation of an institution is an important criterion, further exploration into what comprises academic reputation reveals that the ability to get a good job following graduation, the perceived expertise of the faculty, and up-to-date technology are strongly associated with the academic reputation of an institution (Conard and Conard 2000).

Purpose of Research

While university branding is now commonplace among American institutions, the current study was undertaken to explore views of graduate students selecting a university in Germany; how selection criteria match up with students' views of the institution they ultimately attended; and how graduate students gained information about the colleges/universities to which they applied. While the literature offers a number of criteria that may impact the choice of institution for a prospective college student, institutions differ considerably by size, program offerings, (non-) religious affiliation, cost, amenities, and reputation. Thus, the focus of this study is to explore which criteria are most important to those students who selected a public, German university for their graduate education. The study extends the findings of Joseph, Mullen and Spake (2012) who examined these issues among American students.

Method

The study was conducted at a public university in Germany. The intention was to gather opinions from college students during the fall semester, as the college selection process was most recent for this cohort. Surveys were distributed during

class time over a two week period. No incentives were offered for participating.

Results

Of the 141 respondents, 76% were female. As expected, most (70%) were in the 23-25 age range. Two-thirds (66%) had applied to multiple universities and obtained information about the university from advertising (55%), word of mouth (46%) and by visiting the institution (36%).

Selection criteria were rated on a 5-point scale ranging from (1) "did not consider," to (5) "very important." The respondents were also asked to rate the same criteria in describing the university that they attended. The top five criteria were housing, attractive campus, small class sizes, student services and public university.

Paired t-tests were conducted to determine whether students' views of criteria for consideration set institutions differed from their views of the institution chosen to attend. The institution chosen received significantly higher marks on smaller class sizes, student services, public university, community involvement, latest technology, acceptance rate, name recognition, location, faculty/student interaction, faculty/student ratio, reputation of the faculty, and low cost of education. Interestingly, the institution chosen received significantly lower marks on highly-rated criteria such as living accommodations/housing, attractive campus, friendly environment, and athletic program as compared to the general group of colleges/universities considered. Principal component analysis was used to identify whether these items grouped together to form constructs of interest to the prospective student in considering colleges/universities. Six factors were identified: amenities/facilities, university/faculty reputation, small class size/acceptance rate, location/academic programs, cost/available funding and public institution.

Discussion and Conclusions

The study reveals that while advertising/branding initiatives may build awareness and shape the image of a university, campus visits and word-of-mouth continue to play a role in disseminating information about universities to prospective students. This study also reveals that public university graduate students in Germany consider a wide variety of criteria when deciding to which universities to apply; and that their actual behavior in terms of enrollment may not directly reflect the importance they report giving to certain selection criteria. Whether students' actions differed from stated attitudinal criteria reflect a discrepancy between those institutions considered and those to which they were accepted is unknown.

While some of the university selection criteria examined appear to remain consistently important over decades of research, amenities/facilities emerged as an important selection factor in this study and would seem to reflect a 21st century view of the university experience. Some within the academic community have raised sharp criticism of competitors that build modern recreation centers, student centers, and student housing (Twitchell 2004) in an effort to increase enrollment; however, our findings suggest that these amenities may be important selection criteria to the modern graduate student when choosing among higher education alternatives in Germany.

It should also be noted that higher education institutions differ considerably by size, program offerings, cost, amenities, and reputation. Not all students will be equally drawn to each type of institution. This study focused on the interests of graduate students who attend a public, German institution. The importance of these selection criteria might well have differed if the students surveyed had attended a private institution or were pursuing undergraduate education. Future researchers should expand on this study by exploring the importance of different selection criteria among different student groups and institution types.

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Is Social Network Privacy a Myth or Reality? A Study of German Consumers

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The study examines privacy behaviors of German users of social networking sites. A sample of German residents was used to investigate the relationships between trust, security, technology, and privacy behavior. Trust was found to have three factors: commitment to the customer, customer concern and perceptions of technological capabilities. Consumer perceptions of security and technology were found to be strong predictors of all three trust factors. Privacy concern was a predictor variable for technological capabilities. The results suggest that site builders need to promote trust among consumers by making their security and privacy policies transparent.

Introduction

Social networking sites are “both a basic tool for and a mirror of social interaction, personal identity, and network building” (Debatin, Lovejoy, Horn, & Hughes, 2009). As websites like Facebook, Myspace and LinkedIn come to mind, other social networks such as Twitter, or online gaming networks where people connect to play their favorite video game need to be considered as well. In all instances, people utilize the Internet to connect and communicate with each other, while giving up a certain degree of privacy to do so. Ultimately, the risks associated with the loss of privacy create concerns in people's minds. While these online privacy concerns have been studied in general, the evolving nature of social networks over the past decade has increased the need for more specific research. Country or economic region specific privacy laws and guidelines have also necessitated the need for more specific research on privacy issues. For instance, the US has recently revamped the FTC guidelines for online privacy. In the European Union (EU), the privacy laws are more prescriptive compared to the US. Many of the emerging markets in Asia and Africa are taking a closer look at their existing or non-existent privacy laws.

The rapid changes in technology and the lagged response of governments in response to online privacy concerns leaves the online user with a bewildering array of options which s/he may or may not fully comprehend. One line of inquiry has been to examine the laws specific to an economic region. Another line of inquiry has been to examine how consumers interpret and react to the privacy issues. It is necessary to understand the attitudes, concerns and behaviors of online users in order to shape privacy guidelines and laws that can be useful to the consumer. In this paper, we look at the European Economic Community. The one caveat is that while the laws are common to all EU countries, the actions of consumers in each country are guided by their respective culture and ethos. Hence, when studying consumer responses, behaviors and attitudes to online privacy, it is important to look at each country as individual

units. Against this background, this paper looks very specifically at the German market as one of the countries in the European economic union. The choice of only one country in the EU is a limitation of this study.

Consumer privacy behaviors are defined as the set of actions consumers take in order to protect their individual privacy. These include the decision to be members of social networks, use of privacy settings and the extent of controls used to protect individual privacy. Privacy behaviors refer to how consumers control their personal information. Privacy behaviors could range from taking an active role in using all the provided privacy features to a passive role in using the default settings. It also includes the option of not belonging to an online social network because of potential privacy problems.

Research Objectives

The objective of this study is to gain some insights into the privacy attitudes and behaviors of social networks users in Germany. The main research objectives are:

1. To examine social networks used and preferred by German users.
2. To assess some basic privacy behaviors of German users.
3. To examine the effects of consumer privacy attitudes and behaviors on consumer trust in social networking websites. Consumer privacy attitudes and behavior include consumer experience with technology, security and privacy behaviors.

Methodology

The data for this study were collected through an online survey, which was provided to German residents. A snowball approach was used. Participants who were originally invited to the study through email and announcements on various social networks were also encouraged to recruit their peers to participate in the survey. An existing survey was used after being adapted to be better suited for this research. The survey was hosted on psychdata.com and included questions about demographics, several aspects associated with the use of social networks, trust and security perceptions of online social networks, experience with technology, as well as the user's privacy concern and behavior. This generated 212 participants, of which 170 completed the survey, yielding a response rate of 80%.

Four main measures were identified and adapted to better suit the research purpose of this study. All scales used presented answer options along a 5-point-Likert-scale. Experience with technology (Morris and Venkatesh, 2000; Parasuraman, 2000), perception of awareness and trust (Fox et al., 2000; Raman and Pashupati, 2008) as well as perception of security (Rifon, LaRose and Choi, 2005) items were measured on a scale ranging

from 1= strongly disagree to 5 = strongly agree. Privacy behavior was measured in terms of experience with privacy issues with items measured on a Likert-style scale ranging from 1 = never to 5 = very often.

Results

Sample Demographics

After eliminating incomplete responses, the final sample size was 170. Of these respondents, 77 (45.3%) were male, and 93 (54.7%) were female. The majority (46.5%) of respondents were between the ages of 25 – 34 years.

Use of Online Social Networks

The use of online social network by the respondents was further analyzed in terms of membership, used online social networks, preferred online social networks and the reasons for use. A majority of (78 %) participants indicated that they are a member of at least one online social network and were therefore considered for further data analysis. Some of the respondents are members of more than one online social network. Most (90.2 %) respondents use the social network to stay in touch with their friends. This is consistent with previous research findings (Khveshchanka and Suter, 2010.) A little less than half of the sample (43.2 %) use social networks to comment on others. Over one third (37.1 %) of users try to reunite with others. Keeping in touch with family (32.6 %) and/ or business partners and co-workers (28.0 %) are also among the main reasons for use. Close to a quarter (24.2 %) also want to share some form of media with others.

Privacy Behaviors

Survey participants restrict their profile access depending on their perception of sensitivity of the information provided. The data show that most participants grant access to all users of the social network when it comes to one's name (70%) and gender (68%). However, all other information is mostly made available to immediate friends. Participants are most hesitant about providing information about their sexual orientation as well as their phone number. On average, participants are least concerned about making public their gender, name and relationship status. Most are concerned about pictures and phone numbers.

Effects of Privacy Attitudes on Trust

Linear regression models were formed with the three factors of trust as dependent variable and experience with technology as well as security, and privacy behavior as independent variables. The three underlying factors of trust used were consumer perceptions of commitment to consumer, concern for the consumer and technical capabilities of the site. The results show that consumer perception of website security, technology and privacy have an effect on the perception of trust. Trust in the website is strongly influenced by users' perceptions of security and technology. Site commitment to the consumer and concern for the consumer are solely dependent on the perceived levels of security and technology.

Discussion and Recommendations for Future Research

The results suggest that it is critical that websites are explicit in their communications with their users regarding the security and technological measures they have implemented. Confusion about privacy policies and frequent changes without adequate explanations can unnerve the consumers. Another interesting aspect of influencing consumers' perception of security and technology could be the importance, or benefits of privacy certifications. With privacy policies being lengthy and often complicated, having earned certain privacy certifications could benefit companies.

Future research should replicate the study in other EU countries as well as broaden the demographics to include more age groups. Another suggestion for future research is to examine people's perception of the combined threats that consumers are facing by assessing online social networks through their mobile devices.

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Summary Brief

Being Green Doesn't Rank with Universities or Students

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Empirical research that relates to university applicants' attitudes towards green issues when choosing among higher education institutions is currently almost non-existent. Corporate Social Responsibility in terms of green issues in UK universities appears to lack a significant voice for improvement. The People and Planet Green League Table is used as a basis for this study alongside university league table scores and the demographic factors of the respondents. The researchers use primary data from a national (UK) survey with a large number of respondents (11,824) from a large number of higher education institutions (178). Findings show that students do not base their choice on green issues (as expected) but also that students do not rate green issues as important. Implications for leadership on green issues are discussed.

Introduction

Corporate Social Responsibility (CSR), often in connection with performance, has been researched for many years with an extensive literature on the subject. However, there is very little on universities with regard to CSR. The Green League of UK universities (Williams, 2011) reveals that 71% of UK universities still get all their electricity from fossil fuels and that universities' carbon emissions continue to rise even though capital funding for English institutions is now linked to CO₂ reductions. Many of the most prestigious institutions are placed low in the 2011 [Green] league table, including Oxford (103rd), Cambridge (68th) and London Business School (136th) (Williams, 2011). In this paper we conduct analysis to illustrate the lack of consumer pressure to encourage CSR in terms of environment issues. This paper reports on the analysis of quantitative data from a survey of 11,824 students in UK universities, carried out 2010-11.

It is thought that commercial corporations are less likely to act in a socially responsible way when they experience weak financial performance (Campbell 2007). With growing commercial pressure on universities, it is not inconceivable that universities may act similarly. Facing too much or too little competition tends to reduce CSR while state regulation or the threat thereof encourages CSR as does effective self regulation. More pertinently, CSR is more likely where corporations face normative calls for responsible behavior from business schools and other educational institutes (Campbell 2007). While universities may act as a moral compass for many social issues, it would appear that green issues lack a voice to challenge the green oversight within universities themselves. Present Government regulation appears insufficient.

There were no empirical papers that emerge through literature searching that relate to applicants' attitudes towards green issues in terms of higher education institutions. The *People and Planet Green League Table* of UK universities is

based on a number of key variables: transport management, waste management; procurement, water, buildings and architecture, discharges, community issues and bio-diversity (Williams, 2011), and is used as a basis for this study.

Methodology

Data were collected as part of an annual, national survey of students attending UK higher education institutions. In addition to a wide and comprehensive range of questions relating to demographics, factors in choice of university and attitudes to marketing, a question relating to environmental and green issues was included and is the focus of this study. The researchers use data from this question as the dependent variable, however, despite this limitation, the exceptionally large number of respondents (11,824) from a large number of higher education institutions (178 including some university colleges) to some extent compensates for the limitations of the single "green" question itself. All those participating in the study are first-year undergraduates at UK institutions during the year 2010-2011. The largest number of students from any single institution is 342, and there are 13 universities where fewer than 10 respondents completed the survey. Data relating to a respondent's university is coded by using total scores from *The Complete University Guide* (2012) UK league table (analysis is not carried out at individual university level). Data were also coded by using the total scores for each university listed in the *People and Planet Green League Table for the UK* (People & Planet, 2012).

Results

A Pearson Correlation test was carried out to establish whether there is a relationship between *The Complete University Guide* (2012) UK league table scores and the *People and Planet Green League Table for the UK* (People & Planet, 2012) scores. The findings show that there is a significant (0.01 level) and negative relationship (-.232) between university ranking scores and green league table scores (greenness). That is, higher scores for greenness are related to lower scores in the university league table (total scores achieved). The relationship though small (Pallant, 2007) is significant.

The Likert Scale data for the environment/green question was recoded to become a dichotomous variable (Not important-Important) so that a series of tests using demographic factors as independent variables could be conducted to find out whether there are any significant differences between the two groups, those who think environmental and green issues are important to choice, and those who do not. Some of the variables reveal significant differences between the groups in terms of whether they considered environmental and green issues to be important

in choice of university and these results were included in binary logistic regression model. (The dependent variable (green/not green) is dichotomous for use in Logistical Regression modeling.)

Chi-Square testing was used when the independent variables are categorical and t-tests are used when the independent variable is continuous. The findings from tests show that the following factors are significant in terms of students who claim that environmental and green issues are important in choice. First, more female students are green-focused; green-focused students have significantly lower UCAS point scores; and are studying at universities further from their parental home. University rankings are not related to greenness – students are not more, or less likely to attend a higher or lower ranked university. There is also no difference between widening participation students and others, or any difference by age, type of schooling or social class in terms of greenness.

Binary Logistic Regression Analysis was performed to assess the impact of a number of factors on respondents' views on whether green issues are important in their choice of university. The model contained nine independent variables (gender, ethnicity [White/non-White; Asian non-Asian], Religion [Islam/non-Islam], UCAS points, distance between their home and their chosen university, the green ranking of their university, whether the university was Russell Group, or 1994 Group). The full model containing nine predictors was statistically significant, $X^2(9, N=11824) = 88.97, p < .001$, indicating that the model was able to distinguish between respondents who reported that green issues were important and those who did not.

Five of the independent variables made a unique statistically significant contribution to the model: individual UCAS points score, distance from home, green score of the university, gender, and ethnicity (non-white). The strongest predictor of choosing a green university recording an odds ratio (ExpB) of 1.008 (ranging from 1.001 to 1.016) is the green score of the university. This means, however that respondents who indicated that green issues were important had an odds ratio of 1 and therefore the possibility that there was an equal chance of respondents giving a 0 or 1 (No or Yes) answer to the question (Pallant, 2007) cannot be ruled out. In addition to the very low R-Square results this means, disappointingly, that the model does not enable researchers to predict green-focused behavior using these variables.

Discussion and Conclusion

Independent demographic variables are able to provide some insights into the possible differences between those who consider green issues to be important in choice of university and those who do not. Test results indicate that there are significant differences between some of the different demographic groups in the study (e.g. by gender, ethnicity, religious affiliation) although the final modeling suggests that this is not a predictive model. Only a very small proportion of students indicate that green issues are important in their choice. Moreover, for this

small proportion, this does not mean that their choice of university is *based* in any way on green issues; other factors are likely to be far more important, although this small group may be advocates for the greener university. Given the weakness of green issues in student decision making, it is unlikely that universities will alter policies on green issues without other external pressure such as strong government regulation or threat thereof (Campbell 2007).

In regard to green issues, the lack of consumer motivation in terms of choice and the likelihood of this situation being resistant to change, we suggest that other mechanisms are required in order to motivate UK universities to adopt a green approach. External pressures such as strong government regulation in terms of more stringent 'carbon tax' linked to funding or the threat thereof may be necessary to encourage UK universities to initiate further improvement in environment policy and practice.

With little interest in green issues when it comes to student choice, it would appear rational for universities to ignore the green appeal. However, there may be an opportunity for universities with greener credentials to capitalize on their current green status by being 'first to market' in terms of differentiating themselves from competition and taking a leadership role in creating a differentiated and ethical market position. Marketing managers of universities with better green credentials could take the initiative in educating their potential students of the importance of CSR on green issues, even if this is not a current determining factor in choice of university. There may be a moral imperative to educate and cultivate an ethical understanding in their potential students and with this comes leading by example.

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CURRENT ISSUES IN LATIN AMERICA TRACK

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Attributions and Expectations for Business Success Strategies Aimed at Low-Income Consumers

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This study evaluated the influence of the powers to low-income consumers (LIC) (entrepreneurship and sociability), beliefs about poverty (individuals and nature and government) organizations variables (size of the company, the number of hours in formal training and the functional area (marketing/customer service and production) and personal variables (sex and age), on the expectation of business initiatives aimed at this sector (traditional and innovative). Is a quantitative study that examined the study variables by applying self-applied scales in 370 men and women, graduate and executive education, occupying middle management positions in organizations aimed at low income consumers. The results reveal an expectation of greater success caused by business initiative based on innovation compared to traditional strategies. The functional area, the attribution of sociability to the LIC and age, influenced traditional business strategy, while the expectation of success of innovate initiatives only by beliefs into poverty due to the nature and government. The study of business success expectations for working with the LIC and the influencing factors, is a first approach to the business's strategic management analysis to assist this sector in Latin America, considering the Venezuelan case as reference.

Introduction

When thinking about challenges for business development and marketing in Latin America, it is unavoidable to think of low-income consumers (LIC), as this sector is one of the most important segments in size and opportunities for the entire region. Although Latin American countries have made an effort to increase their economic growth and improve their performance in social indicators, only 7 of the 18 countries surveyed in the study of the Economic Commission for Latin America and the Caribbean (ECLAC) could succeed in reducing their poverty levels to half by 2015 (Argentina, Chile, Colombia, Honduras, Panama, the Dominican Republic and Uruguay), six will continue decreasing but without being more than half of the population (Brazil, Costa Rica, El Salvador, Guatemala, Mexico and Nicaragua) and, the remaining five countries are expected to increase (Bolivia, Ecuador, Paraguay, Peru and Venezuela) (Trigo, 2004). With the exception of Chile, which managed to reduce by half the number of poor since 2003, the base of the pyramid accounts for more than half of the population of all Latin American countries, resulting in a market comprising 360 million people, representing US\$5000.000 per year (Inter-American Development Bank, 2003)?

Despite its large size, low-income consumers at global level have been perceived as people to be addressed by the State, public corporations, nonprofit institutions and programs of corporate social responsibility, and not as attractive market,

profitable and of great opportunities that can be served by private companies (Dakduk and Puente, 2008; Puente, 2008).

A distinctive aspect of researches on low-income consumers is that interest has focused on their behaviors, and exceptionally considers the attitudes, beliefs and duties as other groups in society have about these consumers (Dakduk, Gonzalez and Malave, 2010). In this regard, Edelman (1998) questioned the lack of importance that Latin America has given to the implications the features attributed to these individuals served to perpetuate or eliminate opportunities for improvement; especially the powers from social actors, such as political organizations, the public sector and the business sector (Alvarado, 2006).

The most important consequence of this treatment to the LIC is that they have not been served by the private sector in an appropriated way and the traditional market offers to those with access, have been developed for other groups, since there are few innovative business strategies, specifically designed to the needs of this large sector. All this results in a potential market to be met and perceiving that cannot aim to a decent offer and meet their needs (Dakduk and Puente, 2008; Dakduk, Gonzalez and Malave, 2010).

In this sense, the objective of the present research is to evaluate the influence of powers to the LIC (entrepreneurship and sociability), beliefs about poverty (individuals and nature and government), organizations variable (the size of the company, number of hours for informal training and the functional area) and personal variables (sex and age), on the success expectation of business initiatives aimed at this sector (traditional and innovative).

In Venezuela, the term "low-income consumers" refers to individuals who are located in the lowest socioeconomic sectors corresponding to D and E sectors of the population (Puente, 2006). These socioeconomic levels group about 80 percent of the Venezuela's population, equivalent to 21,766,462 people and 4,318,654 households (Jimenez and Puente, 2009), which is a representative sample of this group of consumers in the Latin American context.

We review the literature and present theoretical framework in the next section. In section 3, we present the method and findings on the issue regarding the business strategy about LIC. In section 4, we discuss the results and the implications for the international marketing strategy.

Literature Review and Conceptual Approaches

The traditional business strategy to serve low income consumers, has been to redirect the current product offering designed for other market groups, with some changes in the

marketing mix, such as: presentation (smaller sizes, cheaper versions, change in the current structure of attributes) and commercial openings (low channels). A traditional business model is consistent with the belief that these consumers do not have access to new deals, which only are encouraged by low prices and are not interested in innovations. The traditional proposals work because there are no other options, but are far from market-oriented initiatives to meet the needs of these consumers. As noted by D'Andrea, Stengel and Goebel-Krstelj (2004), although the LIC have basic needs, this is not a simple decision process. Likewise, although the price as an attribute occupies an important position in the hierarchy of value to attract them, they would be willing to pay more for higher quality products (Lopez and Bridge, 2008).

Innovative business strategies are those most successful when assisting the LIC, as the creation of new and specific products adapted to their environment and their everyday life, are consistent with the Prahalad's (2006) recommendations to create consumption capacity and innovate in new developing products. This is, offering products or services that may be acquired and paid by LIC, considering financing and payments options for an unstable income group, understanding the value of the product as the relationship between price and quality and available on channels in which these consumers have access (time, location, availability), combined with disruptive innovations that go beyond changes in attributes, form the most appropriate marketing mix to reach out these consumers. An innovative business model to serve the LIC is only possible before the belief that this is a profitable market and with great opportunities that value innovations and demand a more comprehensive understanding of their environment to generate more attractive proposals.

The reasons for not investing are many, but they all have a common element, myths and paradigms in organizations, linked to consumption behavior of these sectors, which affect the perception of low profitability and low expectations of business success targeting these segments (Dakduk, Gonzalez and Malave, 2010).

Prahalat and Hart (2002) indicate that some of the most common paradigms in thinking about business development to low-income consumers are as follows:

- They are not the target market for our company, because with the current cost structure, we cannot obtain a competitive return on that market.
- They cannot afford or use products and services sold in developed markets.
- Only the developed markets appreciate and are willing to pay for new technology.
- The base of the pyramid is not important in the long term in our business, so we can leave this segment to the government or nonprofit organizations.
- The intellectual challenge is in the developed markets, so it is complicated to contract managers interested in working with the LIC.

All these myths are the result of a causal attribution process of the behavior and job opportunities with the LIC, which represents the main barriers to serve and develop value offers adapted to their needs. The importance of studying attribution lies in the impact shown in researches that these trials have on the expectation, intentions, feelings and behaviors related to the purpose of attribution (Dakduk, Gonzalez and Malave, 2010;

Kelley and Michella, 1980; McBride, Brody, Brown, Wisenbaker, Cutrona and Simons, 2002; Palomar and Perez, 2003; Smith and Stone, 1989; Sun, 2011).

Feagin (1972), based on the framework of attribution theories, laid the foundations for developing a line of work trying to identify the judgments that people establish as cause of poverty, and the distinctive characteristics of poor people. Three types of arguments were identified: fatalistic, structuralistic and individualistic. Fatalistic explanations lay the causes of poverty on factors beyond human control, as Act of God or bad luck. Structuralistic attribution, as its name suggests, makes responsible for the social structure as poverty determinant. Finally, individualist point out that persons are the causes of their conditions and not the environment or chance.

The few investigations that have been interested in the attributions impact have shown a significant association between attribution and the intention to help in poverty reduction programs and the implementation and expectations to perform behaviors to contribute to overcome it. Such as: Donations and political, social and cultural activities and social responsibility programs (Feagin, 1972, 1975; Kluegel y Smith, 1981; Hine, Jayme, Cooksey y Lewko, 2005). But these studies have a significant weakness highlighted by Harper (2003: 188): "lack of research policy relevance". Most samples have been performed with little impact, at least directly, to significantly contribute to poverty reduction: students and minority groups of low social impact. Additionally, these have mainly been developed in developed countries where LIC is a minority group.

In order to overcome these weaknesses, Dakduk and Puente (2008) conducted an investigation to determine attributions of marketing managers in Venezuela within different business areas who were starting business aimed at the base of the pyramid. The results showed the tendency to describe these consumers according to two groups of factors: internal or dispositional (lazy, irresponsible, consumerist, wasteful, conformist, lack of entrepreneurship and poor financial discipline) and external or environmental (political ideology, poor State management and fatal causes such as chance and lack of opportunities). The internal arguments were predominant judgments, implying a greater willingness from the interviewees to negatively perceive this group and hold them accountable for their condition, which negatively affected on the expectation of success associated to the business for that sector.

Perceptions towards this group are conditioned by attributions and beliefs to a wider phenomenon, such as poverty. Beliefs constitute the set of object-attribute associations that make-up the knowledge that people have directly or indirectly related to objects, events or occasions. Palomar (2005) argues that beliefs about poverty are often consistent with attributions to the poor. Insofar as people believe that poverty is associated with external variables (nature or environmental conditions and the government) tend to make more structural and fatalists judgments about these people. In contrast, those who believe that poverty is due to individuals shall conclude that belonging to the base of the pyramid is a matter of disposition.

For example, attributions identified in researches (Dakduk and Puente, 2008; Prahalad and Hart, 2002) have contributed to perceptions of LIC as a homogeneous market, compact, of hard access and low profitability (D'Andrea, Stengel and Goebel-Kristell, 2004), which contradicts the conditions required to a

market segment to act on it, that the same be measurable, accessible, differentiable and actionable.

Despite the little attention that private organizations have provided to the LIC, in recent years it is evidenced a growing interest in this group as a market where there are business opportunities (Prahalad, 2004; 2006). Interest in this sector arises from 1999 when Prahalad and other researchers began to promote the thesis that the companies could serve the base pyramid market in a profitable way and even transform it into their competitive advantage. (Prahalad y Hart, 2002; Prahalad 2004).

The analysis of the consumption and purchase behavior of the LIC and its implications for strategic management, have shown an interesting fact about these consumers. The most common attributions towards the LIC is that they have no money and ability to pay, but actually, what they dont have is stability in their income flows, since most of them have informal jobs or free-lances (Lopez and Puente, 2007). But the classic demographic criteria of the market segmentation consider the fixed incomes and not the variables, giving a restricted view of the purchasing power of these consumers. Additionally, prevails the idea that they are consumers, impulsive and they lack of strategies to have a better income distribution but, what really happens is that they are less exposed and have less access to all offerings available in the market, therefore, their decisions tends to be lower (Dakduk and Puente, 2008).

On the other hand, financial indicators of companies that have started business with the LIC show that it can be an attractive business. Examples of initiatives that have been developed in these sectors in Latin America are illustrated in the network SEKN – constituted by the universities of San Andrés (Argentina), Sao Paulo (Brazil), Los Andes (Colombia), Pacifico (Peru), Catolica de Chile and Harvard (United States), and the INCAE institutes (Central America), ESADE (Spain), EGADE (México) y and IESA (Venezuela)— which discussed, among others, thirteen cases of companies (multinational companies, large nationals and small and medium enterprises) that sell goods (equipment, home appliances, housing and home improvements) and lasting services (electricity, water and gas) which LIC have always had less access (Bruni, Gonzalez and Lozano, 2010). The companies that formed the research are summarized in the following table:

Table 1: Attributes of large company business ventures with LIS (taken and adapted of Bruni, González and Lozano, 2010)

Table 1: Attributes of large company business ventures with LIS (taken and adapted of Bruni, González and Lozano, 2010)

Company	LIS customer venture	Business driver of venture	Starting Year
Codensa (electric energy) Colombia	Provision of electric household appliances to urban LIS (Codensa Hogar)	Securing customer loyalty	2001
Aguaytia (gas) Perù	Provision of liquid gas in cylinders in the region neighboring the refinery (Peruvian Amazon)	Penetrating volume market; savings in transportation	2002
Grupo Salinas (banking and retail) México	“Empresario Azteca” Provision of tools and equipment to micro-entrepreneurs	Penetrating volume market	2004

Company	LIS customer venture	Business driver of venture	Starting Year
Edenor (electric energy) Argentina	Electric service provision in urban LIS	Loss reduction	2001
AES-EDC (electric energy) Venezuela	Electric service provision in urban LIS	Loss reduction	2003
Gas Natural BAN (direct gas) Argentina	Direct gas provision in urban LIS	Penetrating volume market	2003
Amanco (irrigation systems) México	Provision of irrigation systems to small farmers	Penetrating volume market	2004
Cemex (cement) México	“Construmex” Provision of construction materials and homes to LIS	Penetrating volume market	2004
Colcerámica (ceramic tiles) Colombia	“Your home as new step by step” Provision of ceramic tiles to urban LIS	Penetrating volume market	2 0 0 4
Cativen (retail) Venezuela	Procurement of vegetables for supermarkets from small farmers.	Capturing intermediation margin; increasing supply chain efficiency	2001
Agropalma (palm oil) Brazil	Procurement of palm for palm oil plant from small farmers.	Using idle capacity (increased efficiency)	2001
Palma del Espino (palm oil) Perù	Procurement of palm for palm oil plant from small farmers.	Using idle capacity (increased efficiency)	2003

The result of the SEKN study (Bruni, González and Lozano, 2010) agrees with other sources (Prahalad and Hart 2002; Prahalad 2004) in which the business development at the base of the pyramid is not fast or easy, but it is possible and profitable. Business viability and success in these segments depends on many factors, but criteria on which authors agree are: the paradigm shift and innovation in the offer development and implementation. In other words, a change in the attributions that affect the development of proposals consisting with challenges of serving these sectors.

Other factors that have been associated with expectations of success towards these segments are organizational variables such as: firm size, functional area and work training with these LIC. As well as personal factor such as age and sex.

In this sense, investigations refer that the size of the organization is a critical aspect that affects the decision to serve or not the LIC. It is more complicate to the larger companies because they must invest in the necessary scale to make this business grow as the rest of the company. For small companies that are used to serve niche markets, require a larger scale to be profitable when serving LIC, but it would be expected to be less complex to approach to this market (Puente and Auletta, 2009).

The functional area and formal training are other variables to be considered since the position that people occupy in the organization and the training they have received to serve their customers, provides different perspectives that impact on the success expectation to serve them properly. One would expect that those who received a better training to work with LIC and that occupy positions demanding a closer relation with these consumers, will have higher success expectation for innovate initiatives. Given the influence of culture on sex and age,

variables have been used to explain the differences in beliefs, attributions and expectations.

Based on the foregoing, the objective of the present research is to evaluate the attributions influence on the LIC in its two dimensions: entrepreneurship and sociability, beliefs about poverty in its two dimensions: individuals and nature and government, firm size, participant's sex, age, number of hours in formal training and functional area over the expectation of success innovator business and the expectation of success of traditional business.

The results of this work will enhance the knowledge available in both public-private organizations and business schools to design strategies and staff training, responsible for developing proposals for low-income consumers.

Methods and Results

Empirical method

370 volunteers were selected, (165 men and 205 women). The average age of interviewees was 31 years, graduate and executive education of a business school and the university graduate area, who occupy middle management positions in organizations aimed to low-income consumers in different business areas (22% services, 22% banking, finances and insurances, 16% massive consumption 12% telecommunications/ technology, 12% health/pharmaceutical, 6% education, 5% construction, 3% manufacturing and 2% amusement/entertainment). As for the size of the company to which they work to, 67% belonged to large firms (251 or more employees), 15% mediums (51-250 employees), 10% small (11-50 employees) and 8% micro-companies (10 or fewer employees). The largest proportion of the interviewees were working in the new projects/products area (33%), marketing/sales (26%) and finances/ administration (21%), while the lowest proportion belonged to such areas as human resources (8%), production (8%) and customer service (4%). Finally, regarding the training received by the interviewees related to low-income consumers (courses, inductions, training programs) resulted that 62% had not received any training, while the remaining 28% said that they had received training connected to consumers of the base of the pyramid. This latter ratio, 16% reported to have received more than 20 hours of training, the remaining 12% ranged from at least 2 hours and up to 20 hours.

To collect the results, an identification questionnaire was used and three scales for measuring of each of the following variables: expectation of success of the business model, attributions to low-income consumers and beliefs about poverty causes. All previously translated, adapted and tested in similar studies, showing high reliability and validity in the estimation of these variables. (Dakduk, 2010).

Empirical Findings

In order to describe the study variables in the sample, central, dispersion and shape tendency of descriptive statistics were calculated (see Table 2). Regarding the dimension of success expectation of traditional strategy, it resulted that those people presenting an average of 4.54 in a range from 1 to 9 and with little asymmetry indicate a success expectation to the moderate traditional business strategies; this of platykurtic and dispersed form. Regarding the subscale of innovative business success expectation, scores reached a high average (6.89), with

high negative asymmetry implying a high expectation of success to innovative business strategies as distribution is leptokurtic and homogeneous.

An attribution to LIC comprises two dimensions: sociability and entrepreneurship. In its entrepreneurship dimension, it reached an average value of 3.16 in a range of 1 to 5 tending to a normal distribution ($As=0.135$, $K= 0.002$), which indicates a moderate tendency to the allocation of features to low-income consumers related to their entrepreneurial ability and guidance to work, as heterogeneous manner. In the sociability dimension an average of 3.45 was obtained, evidencing a normal distribution ($As=0.100$, $K= 0.026$), which implies that interviewees consider that the low-income consumers have these features in moderate proportion, in heterogeneous manner.

In terms of beliefs towards poverty, based on the causes attributed to poverty, two factors were identified: individuals, referred to internal causes and nature and government, referring to external causes. In the individuals dimension an average of 3 in a range of 1 to 5 was obtained, with a normal and homogeneous distribution ($As=0.06$, $K= -0.10$), so most of the group presents moderate beliefs about that individuals who are responsible for poverty. Similarly, an average of 2.41 and a low asymmetry in the nature and government dimension was found, which indicates moderate beliefs about that are external factors, as the environment or the government responsible for poverty, this of platykurtic and homogeneous way.

Table 2. Descriptive statistics for study variables.

	N	M	TD	As	Ku	Mín	Max
Traditional business Expectation	371	4,54	2,180	,096	-,946	1,00	9,00
Innovative Business Expectation	371	6,89	1,717	1,063	1,295	1,00	9,00
Entrepreneurship	368	3,16	,671	,135	,002	1,50	5,00
Sociability	362	3,47	,640	,100	,026	1,64	5,00
Individuals	361	3,00	,756	,057	-,099	1,00	4,80
Nature and Government	362	2,41	,712	,051	-,603	1,00	4,25

Moreover, correlations between different variables were evaluated using the Pearson's correlation coefficient r (see Table 3). And significant associations between functional area and attributions of sociability to the poor with success expectations of traditional business ($r=0.23$ y $r=0.13$) were obtained; in the sense that belonging to the area of production and management and presenting sociability attributions towards the LIC, was associated to a greater success expectation of traditional business. There were no significant associations with the prospects of success of innovative business. There is a negative correlation between functional area and size of the company ($r=0.20$), where a smaller company is associated with the production area; likewise, between age and sex ($r=0.15$) and age with formal training ($r=0.12$), thus, a greater age is associated with being male and having more formal training. This training was associated with sociability ($r=0.11$), where more training is related to attributions of sociability towards the LIC. Sociability was correlated with entrepreneurship ($r=0.58$) in the sense that sociability attributions towards LIC are associated with entrepreneurship attributions towards that group. Finally, the

individuals beliefs was correlated with sociability ($r=0.16$), entrepreneurship ($r=0.15$), and beliefs about nature and government ($r=0.27$) so believe that individuals are responsible of poverty is associated with lower attribution of sociability and entrepreneurship towards de LIC.

Table 3. Correlations between study variables

Step	R	R ²	R ² adjust ed	Estim ation error	Chan ge in R ²	Chan ge in F	Sig. of F	Varia ble	b	Beta
1	0,24	0,057	0,053	2,188	0,057	13,75	0,000	Func tional Area	1,007	0,223
2	0,30	0,090	0,082	2,155	0,033	8,081	0,005	Socia bility	0,593	0,173
3*	0,32	0,106	0,094	2,141	0,016	3,990	0,047	Age	0,040	0,127

* the intercept of the latest model was of $a=-,499$

To carry out the research objective, a step-by-step regression was done for each success expectation of business initiative as variable to predict and, as predictor variables, the attribution subscales, the subscales of beliefs, the functional area, size of the company, formal training, sex and age were introduced.

In the first regression, the expectation of success traditional business initiative, results can be seen in Table 4, and indicate that the functional area, the attributions referred to sociability and the age, were the predictors in this order, of this type of expectative. At the inclusion of the functional area variable, the model significantly explained the 6% of the total variance of the predicted variable ($R^2= 0,057$, $F(1,226)=13,8$, $p=0,000$). In the second step the sociability variable was added which explained the 3.3% raising the explained percentage to 9%; finally in the third step age was included, which explained the 1.6% raising the explanation of the model to 11%. When considering this latest model, it can be observed that the functional area, the sociability and the age, present a low and positive association with the expectation of success traditional business initiative ($\beta= 0,22$; $\beta= 0,17$ y $\beta= 0,13$, respectively) evidencing that belonging to the production area, having a higher attribution of sociability towards the LIC and older, determine a greater expectation of success traditional business initiative.

Table 4. Results of the multiple regression analysis, step-by-step for the success expectation variable traditional business initiative.

	1	2	3	4	5	6	7	8	9	10
1. Innovative Business Expectation	1,00									
2. Traditional business expectation	,026	1,00								
3. Size of the company	,002	-,051	1,00							
4. Sex	-,024	-,024		1,00						
5. Formal Training	,011	,085	,097	-,049	1,00					
6. Functional Area	-,112	,228*		,109	,026	1,00				
7. Age	-,002	,056	,057	,145*	,118*	,051	1,00			
8. Entrepreneurship	,038	,055	,048	,016	,100	-,045	-,058	1,00		
9. Sociability	,054	,133*	,027	-,095	,113*	,062	-,003	,575*	1,00	

In the second regression the success expectation innovate business initiative was used, it was found that the only significant variable was the belief to poverty of nature and

government (see Table 5) which significantly explained 2% of the total variance of the predicted variable ($R^2= 0,022$, $F(1,226)=5,11$, $p=0,025$), which shows a low negative association ($\beta= -0,15$) indicating that to a lower belief more success expectation innovative business initiative.

Table 5. Results of the multiple regression analysis, step-by-step for the success expectation variable innovative business initiative.

Step	R	R ²	R ² Adjust ed	Estim ation error	Chan ge in R ²	Chan ge in F	Sig. de F	Varia ble	b	Beta
1*	0,149	0,022	0,018	1,640	0,022	5,109	0,02	Natur e and gover nment	-0,34	-0,149

* The intercept of the model was of $a=7,86$.

As it can be seen from the two variables, although the explanation for the chosen set of variables is very low, the best predicted success is the expectation of traditional business initiatives.

Discussion and Implications

The present study analyzed media managers to the LIC-led organizations, their expectation of success of two business strategies (traditional and innovative) to serve that market. Then, these expectations are influenced by the attributions towards the LIC, beliefs about the causes of poverty, organizational and personal variables. The results reveal a greater expectation of success by initiative of business based on innovation compared to traditional strategies. Prahalad (2004; 2006) notes that although the most common practice in organizations is the business development with traditional strategies, this does not exclude that many executives recognize that innovative strategies are a better option; the problem is that they consider them as a possible and economically profitable option for business development with the LIC. Innovative strategies are more successful but imply higher risks, and that is why most organizations opt for the traditional route, consisting in redirect the current range of products designed for their groups, with changes in presentation (smaller sizes, cheaper versions, changing the current structure of attributes and time to market (low channels). The relevant aspect of this result in strategic terms is that managers recognize the innovation as part of success to serve this sector, which could be considered as the first step to create value offers for the LIC. However, given the gap that other authors have established between intentions and behaviors, it would be appropriated to assess in a similar sample, the relationship between perceived expectation of success and the concrete business initiative developed for this sector. Other way to evaluate the expectation-behavior relationship would be through companies' cases that have successfully developed innovative initiative.

Another result is the prediction of traditional business strategies from a functional area, sociability and age, so then, belonging to production area, having a greater sociability attribution towards LIC and being older, determines a higher expected success traditional business initiative. While the expectation of success of innovative initiatives only was predicted by the belief to the poverty of nature and government, which indicates that those who think that poverty is due to external, geographic or governmental factors, express a lower

expectation of success by initiative innovative business. These findings indicate in principle that the expectations for success share variables related to social perception a specific one to the LIC as the case of the traditional and others, to a broader phenomenon of poverty, for innovative expectation. This result is relevant for the formation and training of personnel involved in the design and execution of specific products for the LIC, as managers have information about this segment, as well as the causes that affect their status assigned to the success and attractiveness perceived in this market.

Traditional expectations are determined by more variables and greater magnitude of those considered in the study, influenced not only by factors related to perception but to individual and organizational aspects. Contrary to expectation, to be older is not a strength for work challenges with the LIC, as experience in working with this age-related segment, seems not to determine a greater predisposition to develop business model other than traditional. It could be inferred that ages affect the perceived risk, leading to conform traditional models where business would be less involved. On the other hand, those who work in production tend to prefer the traditional models, in respect to those working in service, it is important from a strategic point of view because the entire organization must be committed to the initiative to succeed, which would lead us to consider the motivations for working with the LIC and the perceived risk of the business of each functional area.

The present research included factors that, according to literature, are important in predicting success expectation for working with LIC, such is the case of formal training, considered as key variable for the creation of innovation but in this research it did not behave as predictor of business expectation. It is recommended to further explore this variable and the remaining variables included in the model, as well as select additional factors that help to explain the business strategies with the LIC.

The results of the present work are a first attempt to analyze the management of the LIC in Latin America, with reference to the Venezuelan Case. To understand which are the criteria that determine the development of a success offer to serve this market in Latin America, allows to lay the necessary foundations for the development of attractive and profitable offers of a wide and unassisted sector.

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SPECIAL SESSIONS

Special Session Abstract

The Evolution of Sustainable Supply Chains in the Hospitality Industry: Fifty Years of Evolving Commitment to Green

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Sustainability has evolved into a core business strategy. An integral part of this evolution has been shifting supply chain dynamics. The emergence of sustainable supply chains has made a considerable strategic and operational difference in many industries. This is particularly the case in the hospitality sector. Given the depth and breadth of the impact of hospitality as a key component of the economy, it is appropriate to examine the evolution of sustainable hospitality supply chains over the past fifty years. Collier and Evans (2012) refer to green sustainable supply chains as ‘the process of using environmentally friendly inputs and transforming these inputs through change agents – whose by-products can improve or be recycled within the existing environment. Wisner, Tan, and Leong (2012) broaden the concept of supply chain sustainability to include some aspects of social responsibility and financial performance. They define supply chain sustainability as ‘the ability to meet the needs of current supply chain members without hindering the ability to meet the needs of future generations in terms of economic, environmental and social challenges.’

Given that almost two-thirds of a firm’s carbon footprint is linked with some aspect of the supply chain (www.greensupplychain.org), it is incumbent upon both practitioners and researchers to jointly explore the planning, implementation, and assessment of sustainable supply chains in general, and the hospitality supply chains in particular. Thus, the purpose of the proposed panel is to trace the themes, trends, and major initiatives impacting the evolution of sustainable supply chains in the hospitality arena. Managerial and research implications of this evolutionary review will be offered and discussed, with particular emphasis on strengthening the capacity of hospitality organizations to respond to the myriad challenges needed to become ‘best practice’ firms.

There is a plethora of evidence that demonstrates the evolving nature of sustainability in hospitality supply chains.

Among these is the development of a sustainability index for hospitality purchasing, the formation of the hospitality sustainable purchasing consortium, and the emergence of website such as *Green Lodging News* (the lodging industry’s leading environmental news source). Sustainability in hospitality supply chains has evolved from an afterthought to a key component in both strategic and operational thinking and action.

As part of the presentation, the following themes will be addressed: (1) Sustainability as a core strategic anchor in hospitality practice; (2) Risks and costs associated with green/sustainable hospitality supply chains; (3) Sustainability as a marketing tool in the hospitality sector; (4) Key stages, orientations, and phases of hospitality sustainability evolution; (5) Dimensions and scope of sustainable supply chains in the hospitality industry; (6) Key research themes in sustainable hospitality supply chains; (7) Case examples of integrated, sustainable hospitality supply chains; (8) Developing and implementing sustainability indices for hospitality supply chains; (9) Reverse logistics in hospitality supply chains; and (10) the future of sustainable supply chain research and practice

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www.greenlodgingnews.com

www.greensupplychain.org

Special Session Proposal

The Psychological Dynamics of Workplace Bullying: Recognizing Internal Marketing Erosion

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Introduction

This Special Session will be devoted to the psychological dynamics of bullying behavior and how such behavior can negatively affect an individual's well-being and also adversely impact an organization's welfare. The discussion will be framed within a strategic internal marketing perspective. Additionally, theory advancement and applied research development will be discussed as a means to stimulate additional study of the workplace bullying phenomena.

Internal Marketing Focus

The concept of internal marketing (IM) which is defined by Berry (1984) as the application of the philosophy and practices of marketing to the people that serve external customers will provide the underpinnings of the discussion.

Within this context, the organizational and human costs of deliberately undermining employees will be discussed. Only after recognition and acknowledgement of behavioral impediments can organizations go through the hard work of constructing pathways to a healthier work environment. The successful implementation of an IM philosophy necessarily shapes organizational culture and corresponding climate. Therefore if IM is adopted as an organizational philosophy, it is submitted that a cultural transformation that implements a behavioral analytic component is not only necessary, but a mandatory requirement of establishing an IM infrastructure.

Bullying Behavior, Interrupted

Given the variety of media genres bringing attention to bullying behavior, including both popular and academic venues, it is apparent that framing paths for problem recognition and

corresponding pathways for problem resolution are resonating with many concerned citizens, including those in academia. Various literature and art forms will be presented for the purposes of clarifying the nature of bullying behavior in general. Definitions of bullying behavior will be presented and corresponding bibliographic citations will be distributed.

Overview of Panel Presentation

Initially, a panel member will present an overview of internal marketing literature and then highlight the preliminary linkages between the corrosive effects that bullying behavior can have on IM efforts. Next, a member of the panel will discuss the specific psychological dynamics of bullying behavior, while incorporating examples found in workplace settings. Afterwards, a panelist will discuss the negative consequences that bullying behavior can have on internal marketing efforts. A panel member will then present the need to build an organizational infrastructure to aid in the prevention of institutionalized workplace bullying. The importance of such an approach will be bridged to both an employee health perspective and a reputation management strategy. Next, a panel member will discuss theoretical avenues, including power-dependency theory, as contexts for advancing workplace bullying research. Lastly, a panelist will focus on the strategic importance of addressing bullying behavior within organizations with special emphasis on the economic and legal consequences of unabated workplace bullying.

The SMA audience will be specifically invited to share their insights relative to IM leadership issues and bullying in the workplace. Also, panelists will encourage discussions of workplace bullying within academic settings with an emphasis on structural solutions.