



TRANSFORMATIONAL MARKETING

2014 SMA CONFERENCE

November 4-8, 2014
Hotel Monteleone
New Orleans, Louisiana

Program Chair
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SMA

SOCIETY FOR MARKETING ADVANCES



SOCIETY FOR MARKETING ADVANCES

2014 SMA Proceedings

ADVANCES IN MARKETING

Transformational Marketing

Rebecca VanMeter, Proceedings Editor

Jeri Weiser, Production Editor

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SOCIETY FOR MARKETING ADVANCES

Advances in Marketing Transformational Marketing

Rebecca VanMeter and Jeri Weiser, Editors

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Sample footnote:

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November 2014

Dear Members and Friends:

I remember vividly the first Society for Marketing Advances Annual Conference which I attended more than 10 years ago, and which, coincidentally, was also held in New Orleans. It was my first time visiting the *Crescent City*, and it left a lasting impression on me. But it was not the city itself, but instead the conference, with its friendly and welcoming members, its emphasis on the complete scholar, and its collegial atmosphere, which endeared the Society for Marketing Advances to me. It has been my pleasure and honor, therefore, to serve as President of the Society for Marketing Advances for the year, leading up to this, the 52nd SMA Annual Conference in New Orleans.

I am grateful to my colleagues on the Executive Committee who have worked tirelessly with me to continue the Society's leading role among marketing associations. Thank you to:

- Cynthia Cano, Treasurer
- Tracy Meyer, Secretary
- Kevin Shanahan, Communications
- Maria Kalamas, Executive Director
- Diane Edmondson, Academic Placement

I am also indebted to Charlene Davis who, as Conference Chair, has put together a fantastic conference. She was aided, of course, by numerous reviewers, track chairs, sessions chairs, and workshop leaders. I am thankful for the work of Rebecca VanMeter and Jeri Weiser who edited and designed the Proceedings. Finally, I thank all the generous corporate and educational sponsors who have supported the Society and the Conference.

In addition to running this Annual Conference, the Society for Marketing Advances is also dedicated to marketing advances through its two affiliated journals *Marketing Education Review* and the *Journal of Marketing Theory and Practice*. Under the leadership of their Editors, Brian Vander Schee and Greg Marshall, both these journals continue to grow in reach, ranking, and reputation. Many thanks and congratulations.

Finally, many thanks to you for attending the 52nd Annual Conference of the Society for Marketing Advances here in New Orleans. I hope that you have a productive conference, and a magical time in the *Big Easy*. If this is your first Conference, I hope also that you will find it as enjoyable as I did those many years ago, and that you will likewise be motivated to volunteer your time to serve our Society.

With best wishes,

John D. Branch

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DISTINGUISHED SCHOLAR

J. Craig Thompson is the Gilbert and Helen Churchill Professor in the Marketing Department of the Wisconsin School of Business. His research focuses on issues related to the use of qualitative methodologies in marketing, gender differences among consumers, media effects on consumer perceptions and body images, consumer satisfaction, and the symbolic aspects of consumer behavior. Craig has published articles in the *Journal of Consumer Research*, *Journal of Public Policy & Marketing*, *International Journal of Research in Marketing*, and *Advances in Consumer Research*. He serves on the editorial boards of the *Journal of Consumer Research* and the *Journal of Public Policy & Marketing*. His teaching interests are in the area of consumer behavior, research methodology, marketing theory, and retail management. Thompson received his Ph.D. in marketing from the University of Tennessee.





FOREWORD

For more than fifty years, faculty colleagues and managerial practitioners from around the world have attended the Society for Marketing Advances Conference, held this year at The Hotel Monteleone in New Orleans. Presentations of scholarly works, jubilant comradely, and profusion of scholarly networking abounded throughout the conference occurring November 4 through the 8, 2014.

We thank the many contributors to these 2014 SMA Proceedings for their thought-provoking papers as well as all who participated in sessions. Specifically, we thank John Branch, President and Charlene Davis the Conference Chair, and the 2014 Program Committee (listed elsewhere in the Proceedings) for their exceptional contributions and commitment to seeking innovative and exceptional research in competitive papers. In addition, we thank the SMA Officers for their encouragement and support. We also want to recognize and thank SMA Treasure Cynthia Rodriguez Cano for her communication with participants, reviewers, and officers throughout the process, as well as her dedication to the success of the conference.

We leave these 2014 SMA Proceedings, as has been done in previous years, with a reflection about the purpose of research and collegiality by Frank Rhodes from his novel, *The Creation of the Future: The Role of the American University*: “The assumption is that research and... teaching are everyone’s responsibility...that all gain by the shared responsibility. John Slaughter, former president of Occidental College, put it this way: ‘Research is to teaching as sin is to confession. Unless you participate in the former, you have very little to say in the latter!’...Learning become a lifelong quest, meticulous attention to detail becomes the benchmark. The results, for individuals and for society, can be transforming.” (Frank H.T. Rhodes, *The Creation of the Future: The Role of the American University*. Ithaca & London: Cornell University Press, 2001).

It has been a tremendous experience for us as Editors for the 2014 SMA Proceedings, and we are honored to serve such a wonderful gathering of great minds.

Warmest wishes,

Rebecca

Rebecca VanMeter
Ball State University
Muncie, IN

Jeri

Jeri Weiser
UW-Eau Claire
Eau Claire, WI



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**GAMES, TEAMS AND ADS... OH MY!
VERY CREATIVE APPROACHES IN TEACHING**

Summary Brief

How to Win an Addy: Employing Fink's Taxonomy of Significant Learning in Advertising Pedagogy

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Kevin J. Shanahan, Mississippi State University

We provide a template to design and teach an advanced undergraduate advertising course Employing Fink's (2003) taxonomy of significant learning with experiential projects and an example of a current application of the taxonomy. Specifically, we discuss the application of the taxonomy in the context of student insertion into campaign design for a regional group of four Chevrolet dealers in Oklahoma and Texas. Students were tasked with incorporating the automobile group's brand with social responsibility while also staying within the clients' budget.

Introduction

Industry professionals have raised concerns about students' poor job preparation, particularly in creative and critical thinking particularly business students' ability to tolerate ambiguity as compared to liberal arts students. Graduates need a working knowledge of strategic marketing, the ability to follow through on tasks and projects, and the ability to work with others to accomplish a goal. Thus, marketing educators need to use teaching methods that address gaps in attributes sought by employers.

Fink's (2003) taxonomy of significant learning provides a framework in which practitioner identified gaps can be addressed. Six facets form the foundation of Fink's taxonomy: 1) foundational knowledge, 2) application, 3) integration, 4) human dimension, 5) caring, and 6) learning how to learn in a course. Fink's taxonomy transforms passive students into active, responsible, and reflective participants. This teaching method differs from and is superior to Bloom's taxonomy (1956) because Fink's taxonomy offers a more interactive and circular rather than hierarchical process.

Our study tests Fink's taxonomy of significant learning in an undergraduate advertising course through application of a team-based experiential project approach designed to enhance students' professional knowledge, creative and critical thinking, tolerance for ambiguity, teamwork, and student morale. Students serve as an advertising agency, tasked with tying the Chevy brand to a social responsibility message, for a regional automobile group of Texas and Oklahoma Chevrolet dealerships (hereafter referred to as "the client"). Each student group received a real budget of \$5000 with which to work. When students asked the client for ideas on how to approach this project, the client stated, "that is completely up to you", setting up the application of Fink's taxonomy.

The Six Model Tenets

Fink's taxonomy consisting of six interactive and circular tenets facilitates learning that is characterized as process and outcome driven. The taxonomy, designed to activate student motivation,

changes the way a student learns through experiential learning activities.

1. *Foundational knowledge.* Demonstrating the cyclical nature of the model, the instructor first determines the key information and ideas that students need to understand and master. A feedback mechanism such as quizzes ensures students master the foundational knowledge necessary to complete the project prior to moving on to the next tenet.
2. *Application.* The second tenet known as application engages students with projects and activities to apply foundational skills through critical thinking.
3. *Integration.* The third tenet requires students to create connections between similar and dissimilar terms, concepts, and theories. Students integrate foundational knowledge, application of said knowledge and use this information to create a framework to study the phenomena and to identify solutions to problems identified in the process.
4. *Human dimension.* The fourth tenet distinguishes the Fink model from being an outcome driven learning model by positioning itself as a process driven model. Students reflect upon the human element rather than just facts, numbers and calculations.
5. *Caring.* Reflecting upon the human dimension of the project tends to activate the fifth tenet of the taxonomy, caring about the project, participants and success.
6. *Learning how to learn.* The final tenet is to equip students with the motivation and mindset to seek out new knowledge, to integrate it into existing schemas and to learn how, not just what, to learn.

Application of the Six Model Tenets

For each model tenet, a learning activity and assessment is assigned. Experiential learning projects satisfy other tenets of the model such as active learning, a key component of the application tenet. Moreover, experiential learning engages students in the integration tenet of the model, whereby students transition from problem recognition to the recommendation process, resulting in a "learning spiral" that forces students to tap into interdisciplinary learning.

In the current study, the client informed students to feel empowered with the creative freedom to design their own events, commercials, and IMC activities placing the locus of decision making in students' hands. This empowerment taps into the human dimension tenet as students learn more about their own

level of creativity. Adding to the human dimension students interact with other students and customers in a real-life context.

The path to the learning how to learn tenet develops as students manage a national brand and present a final solution to the client. Having the locus of decisional control, students become aware of personal limitations in an advertising context.

Managing the Process

To manage stress and students' expectations, at the beginning of the course, inform students that the project presents challenges such as integrating theoretical with practical learning, ambiguity, and creative and critical thinking. Students employ data sheets to document implementation of course knowledge for each event in the process. These data sheets maintain structure and keep records of key components, including but not limited to selected consumer segments, a description of the activities in the process, the theoretical framework with desired and actual outcomes, fundraising efforts, event promotion and results. Final data sheets are submitted at the end of the semester.

Oral presentations to the client, provides additional assessment opportunity. Groups explain their selected consumer segment, events, marketing theories and how these theories were applied. Further the groups explain results and students' perceived added value from engaging in these events on behalf of their client.

Results Driven Feedback

Data sheets provide a more positive picture of the convergence of practitioner demanded skills and the skill set developed by students taking part in the Fink model based process. Student learning outcomes support the ability to deal with ambiguity and creative, critical thinking. Some of the student derived learning, drawn directly from student data sheets, includes a realization that "planning, organizing, and executing client projects shouldn't be procrastinated", directly demonstrating the development of time management strategies. Student confidence boosted by the process leading to students feeling more prepared to serve as a brand manager for a potential employer.

Students also benefit from client feedback from the oral presentations. For example, a co-owner/operator from one dealership stated, "they [students] blew him away." This co-owner and operator stated he'd use the students' tagline, "Strong Truck for a Strong Woman," in future advertisements. Students also received feedback from a General Manager who stated that each team provided a myriad of valuable and creative ideas that can be used in future promotions. Furthermore, an owner and President of another dealership asked students if they had taken another business class that provided a similar hands-on project offered in this course. Students overwhelmingly said, "no."

What About That Addy?

Instructor assessment on courses and projects provides feedback on the level of success students enjoy in meeting or exceeding instructor expectations. Similarly, client feedback offers

students a "pat on the back for a job well done" and an indication of how well they meet potential future clients' expectations as marketing graduates. There is, however, an extremely important source of feedback not immediately considered by students and academics alike; practitioner judging of student work versus their peers on a regional and national level.

The American Academy of Advertising hosts a national competition pitting some 45,000 industry professionals against one another to showcase their creative works. Within this competition is a student track. Students in this current study, upon completion of the application of Fink's model and subsequent advertising output entered the finished product in the competition, with one team winning an ADDY, the industry award analogous to the movie industry's Academy Award.

The ADDY served several purposes. First, it was far more valued by students than any grade or client feedback. Students were honored at a formal awards show boosting not only moral but also bravado. This sets a bar for subsequent students to follow. More importantly, it demonstrates the successful implementation of Fink's typology and generates confidence in the process across all stakeholders including instructors, clients and most importantly students.

A Final Word

The current study supports the literature on taxonomy of significant learning and experiential learning. In the end, the application of taxonomy of significant learning with experiential projects is meaningful, instructive and enjoyable for students, instructors and clients alike. Through this integration, this pedagogy provides for transfer of professional knowledge, student autonomy, recall, reflection, active learning, process and outcome based learning, employer concerns. This type of process serves valuable because it provides a different set of lenses to see how students can transfer their knowledge outside the traditional exam and quiz based courses. For example, instructors can develop a better understanding on where students need further academic development; likewise, students gain a better sense on the professional skills that require improvement and prior to entering the job market. Furthermore, clients can provide feedback directly to students on the strengths and weaknesses that can impact their job market value.

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Summary Brief

Enhancing Student Learning Using Gamification Methodologies

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Gamification incorporates game mechanics to non-game contexts and has been found to motivate or incentivize students using rewards such as points, badges, and certificates. The purpose of this research is to investigate how utilizing gamification mechanics and customer engagement principles in college business courses can engage and foster learning among students. Findings from this research suggest that using gamification techniques in the classroom can be an effective tool for enhancing student engagement and learning. Implications and future research are presented.

Introduction

Gamification is the process of using game-like elements such as points, badges, challenges, and levels of difficulty to encourage people to act and boost customer participation. Its significance has become increasingly important in the corporate sector, and it is forecasted to be a substantial portion of social media marketing budgets in the future (Findlay and Alberts 2011). Gamification has come to involve studying and identifying natural human tendencies and employing game-like mechanisms to give customers a sense that they are having fun while working toward a rewards-based goal. An example of gamification would include Nike Plus, an online community that motivates individuals to exercise more by enabling players to earn points and set goals.

In a business context, the potential value of gamification is an increased level of customer engagement. Customer engagement facilitates repeated interactions that strengthen the emotional, psychological and physical investment a customer has in a product offering or brand (Brodie et al. 2011). This research proposes that the same principles of gamification and customer engagement used in industry can be applied to the classroom setting, particularly with respect to student engagement. Student engagement has been used to depict students' willingness to participate in classroom activities, including attending classes, submitting required work and participating in classroom discussions (Natriello 1984). Students who are engaged show sustained behavioral involvement in learning activities accompanied by a positive emotional tone. They select tasks which cognitively challenge them, initiate action when given the opportunity, and make concerted efforts as they participate in learning tasks (Chapman 2003).

Thus, the purpose of this research is to examine how applying gamification techniques and customer engagement principles in the classroom facilitate student engagement and learning. A study is conducted which investigates how using game-like features in

the class room enhances student engagement similar to how such techniques engage the customer in an industry context. Findings from the study, along with implications for promoting student learning and engagement in the classroom are discussed.

Customer Engagement

Customer engagement (CE) has been defined as the “intensity of customer participation with both representatives of the organization and with other customers in a collaborative knowledge exchange process” (Wagner and Majchrzak 2007, p. 20). CE manifests in an individual’s participation in and connection with an organization’s offerings and activities (Vivek et al. 2012). Bowden (2009) viewed customer engagement as a psychological process comprising cognitive and emotional aspects. Further, Bowden proposed that CE is an iterative process, beginning with customer satisfaction, and culminating in customer loyalty.

CE may be manifested cognitively, affectively, behaviorally, or socially. The cognitive and affective elements of CE incorporate the experiences and feelings of customers, and the behavioral and social elements include participation by current and potential customers, both within and outside of exchange situations (Vivek et al. 2012). Potential or current customers build experience-based relationships through intense participation with the brand by way of unique experiences they have with the offerings and activities of the organization (Vivek et al. 2012).

As aforementioned, gamification is a tool that organizations may use to promote customer engagement. Because CE involves eliciting cognitive, affective, social and behavioral responses from consumers, effective gamification efforts must be successful at engendering these same reactions. Vivek et al. (2012) suggested that participation and involvement are key requisites to CE. Implicit in participation and involvement are cognitive, affective, social and behavioral components. Thus, this research suggests that both participation and involvement are essential components to successful gamification initiatives. Further, it proposes that gamification tools can not only be affective at engaging consumers in the business environment, but such tools can also be effective at creating student engagement in the classroom. The study that follows investigates the efficacy of two instructional methods in creating student engagement, one in which gamification techniques were employed and the other in which a traditional lecture format was enlisted. The details regarding the design of the study, along with its findings, are discussed next.

Study

Two classes in the college of business administration at a southern university were used to examine the effectiveness of applying gamification techniques in a classroom setting. Students in both classes were taught by the same instructor and exposed to the same content on accounting-based methods over the course of a three-week period; however, the instruction methods differed. One class ($n = 23$) was instructed using traditional lectures with PowerPoint slides. This served as the control condition. The other class was instructed using game-like techniques ($n = 31$). Specifically, the instruction that students received was thematically and procedurally patterned after the game shows, "Jeopardy" and "Who Wants to be a Millionaire." Additionally, in this class, students were placed in teams by the instructor and teams competed against each other during each class. Each day, special prizes were awarded to incentivize students.

Before instruction in both courses commenced, students were given a baseline assessment to determine knowledge of the subject area. The baseline assessment included 15 questions in a multiple choice format. Instruction began following the assessment and continued for a total of three weeks. After the instruction period concluded, students in both classes were given a 15-question exam (different from baseline assessment), which tested the students over the content presented in class.

Finally, in the class following the exam, students in both classes were asked to complete a short survey about their experience in the class over the course of the three weeks. Specifically, the survey measured students overall involvement in the class, their level of participation in the class, and their affective/emotional reaction to classroom activities. Students were also asked to provide comments regarding their experience in class.

Scores from the students' baseline assessments were compiled and analyzed. Results indicated that there were no significant differences between students' knowledge of the content to be covered in the class, $t(49)=1$, $p>.05$. This helped to establish overall knowledge equivalence between the two classes. Next, student scores from the final assessment were gathered and analyzed. Results indicated that there was a significant difference in performance between the two classes $t(49) = 7.34$, $p<.05$. The class exposed to the gamification treatment ($M=14.4$) performed better on the final assessment than the class that received instruction via a traditional lecture format ($M=8.2$).

Further, findings from the survey that students completed at the conclusion of the instruction period indicated that there were significant differences between the classes on level of involvement [$t(49) = 2.21$], participation [$t(49) = 3.65$], and affective/emotional reaction [$t(49) = 2.1$]. Students exposed to the gamification treatment expressed higher levels of involvement ($M = 6.81$ and $M = 6.23$), more participation ($M = 6.46$ and $M = 5.38$) and greater positive emotional reactions ($M = 6.41$ and $M = 5.65$) during the instructional period than those in the class with the traditional lecture format.

Students exposed to the gamification treatment were also more likely to share additional thoughts and comments regarding their experience in the class. Following are comments from the

students who were in the class where the gamification techniques were used.

I truly enjoyed playing games to learn the material as opposed to listening to a lecture. I would recommend this class to anyone.

I enjoyed this class. I learned a lot of things as well. I wouldn't mind taking a class taught by this instructor again. She made learning very understandable as well.

The past three weeks were very involved and engaging....I feel that the structure was consistent with the way I like to learn.

Discussion

Findings from this research suggest that using gamification techniques in the classroom can be an effective tool for enhancing student engagement and learning. In this research students exposed to the gamification tools performed better on the final assessment tool as well as reported experiencing higher levels of involvement, participation, as well as positive emotional responses to the instruction. Thus, the positive experiences that can occur by using gamification can manifest into not only more engaged customers, but more engaged students as well. Games are not only fun, but games can have power.

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Summary Brief

Innovation in Learning through Teamwork: The Case of the Independent Study Team

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This paper presents a course format that combines independent study enrollment with group project work for a course in Integrated Marketing Communications. An initial case is reviewed where students contract to complete an "A" level project for a client. Inputs and processes are described, where inputs include the task at hand, context of course design, group characteristics, and the professor as facilitator. Processes include individual and group learning, continuous revise-and-resubmit, and motivational feedback. Outcomes of learning effectiveness and goal attainment are assessed as successful. This case provides an initial observation of group independent study as a high-involvement, active approach to learning.

Introduction

While many marketing courses frequently require group projects for clients to apply and reinforce learning, the project is intended to benefit both the client and the students. The client receives some type of strategic plan to address a marketing-related problem. In turn, students benefit through applied learning of concepts and theories through a planning process. Students also gain valuable experience working within a group to serve a client. Moreover, group project work reinforces and extends learning as students are thrust into an active learning situation that requires a higher level of involvement (McCorkie, Reardon, Alexander, Kling, Harris and Iyer 1999).

Much of the literature on group project work examines the benefits and identifies challenges of successful learning from team performance. Antecedents and moderators of group work outcomes are examined for their influence on outcomes. However, much of the research on group project work has been completed within the context of a conventionally designed classroom course that includes regularly scheduled class meetings with lectures, in-class discussion and, possibly, in-class exercises and exams.

Moreover, the literature on independent study (IS) courses within marketing education is limited in the particular area of group project work under IS format and subsequent outcomes. Therefore, this paper presents an initial case of a student team who completed a strategic promotional plan for a client under the course format of IS. The student team in this case was organized under circumstances where a traditional class format was not possible due to the timing of the request and the client's strategic challenges that dictated a hard deadline. A different approach was required to ensure both successful learning for each student as well as goal attainment in providing a professional level of a promotional plan for the client. The format combined IS enrollment among a group of students to complete a group project together.

This study is of interest to marketing education as an innovation developed out of a need to serve a client within a

limited period of time. In doing so, the objective was to ensure effective learning of course material with simultaneous application in solving a real marketing problem.

This initial case is reviewed via an input, process and output framework. Inputs are identified, processes are described, and assessment of outcomes are reported. Inputs include course design, the task at hand, group characteristics, and materials and information provided. Processes include independent learning, group setting learning and the professor's interventions. Outcomes are learning effectiveness and team performance.

Course Format and Course Objective

The strategic promotional plan included a situational analysis, identification, selection and profiles of target markets, design of a promotional mix with brainstormed suggestions for tactical implementation, and measures for monitoring and evaluation. In this case, the clients were administrators of Graduate Programs for the College of Business at a Southeastern metropolitan university. The course objective was for students to develop an understanding of the concept and philosophy of IMC, its role within a marketing mix, the benefits of each of the four major promotional tools, and to gain an understanding of the planning process to develop a strategic promotional plan as well as the ability to apply that process.

Overall, the instructional design successfully achieved two types of outcome objectives: 1) goal achievement (Deter-Schmelz et al. 2002) where a viable promotional plan was completed that meets the needs of a client and 2) learning effectiveness (Deter-Schmelz et al. 2002) where learning objectives were met via review of the final project, the professor's observations and interaction with students, and students' self-reported learning assessment

Inputs and Processes

The course design combined IS learning with group project work. This course design and the task at hand - the promotional plan - are both part of inputs along with group characteristics and material and information provided. Processes include both individual and group levels of learning, project completion work, and the professor's facilitation and feedback at completion of each of the four mini-projects, per the model of Deter-Schmelz et al. (2002).

A student team of five members was formed with a mix of undergraduate and M.B.A. students. Students were assigned a textbook and charged with learning text material through independent study. Each student contracted to complete an "A" level project, as a team, via the commitment to continue revising at the professor's instructions and resubmit until producing the

expected quality. This process differed from that used to grade this same type of project in a conventional IMC course, where comments after each of the 3 mini-projects were used to revise mini-projects only when compiling them into the fourth and final product. Therefore, the continuous revise-and-resubmit process was unique to this IS group project. The advantage of this revision process is that, not only is a thorough and professionally prepared product delivered to the client, but also the students continue to learn by receiving immediate feedback and by revising each mini-project until it is approved.

The professor's primary role was that of a facilitator via assigning text reading, providing project requirements and instructions, providing access to resources and information, and through assessment and feedback at intervals of the work process (Schaffer 1995). Initially, the professor provided an overview of the client's marketing problem and background information along with the objective of the promotional plan. The IMC planning process also was outlined. The professor provided very little direct transfer of knowledge via lectures and class discussion. Instead, examples of comprehensive IMC plans and measured outcomes were presented along with question and answer sessions for any of the text material. In addition, completed projects from previous student groups enrolled in the conventional course were provided as examples.

The project was broken down into four components of mini-projects: 1) Situation Analysis, 2) Segment Evaluation and Target Market Justification, MP3 3) Promotional mix and media selection with brainstorming of tactical implementation, and (4) Compilation of the three previous mini-projects with the addition of measures for Monitoring and Evaluation. For each of the four mini-projects, the student group met weekly and then worked either individually or collaboratively with one or more other students to complete a portion of each mini-project. The group also met weekly for one hour with the professor.

Group Characteristics

Group members represented diversity across gender, ethnicity and undergraduate major, with only one student being a marketing major. A mix of MBA and undergraduate students were included. All students were full-time enrolled and either employed and/or working in an internship.

Motivation and Feedback Process

The grading policy held each student accountable for their individual contributions to the group's effort. While an "A" project was completed and delivered to the client, individual grades were based upon four peer evaluations and the professor's observations and conversations with individual students about their own contributions. Each student received individual mean ratings on five attributes of individual performance. When necessary, the professor supplemented peer review with confidential counseling on improving work performance. The professor observed subsequent changes in behavior in terms of improved communication among group members and individual contributions toward the project.

Assessment of Outcomes

Learning effectiveness was evaluated by two methods: 1) the content and quality of the completed project as determined by the professor, and 2) results of students' confidential self-assessment of learning after completing the project. The content and quality of the final project also was used to assess goal attainment. The student team produced three mini-projects through a number of iterations of revise-and-resubmit with the final product being of the desired professional quality for a strategic promotional plan.

For self-assessment, students rated their knowledge and understanding of different topics and concepts of IMC. They also rated their ability to apply their knowledge and understanding in two work scenarios: 1) in leading a cross-functional team in planning a promotional plan, and 2) as part of the same type of team as a contributor. Finally, students were asked to estimate proportionally how much of their learning came from 1) their independent learning, 2) group interaction and 3) the professor.

Using a four-item scale from "strongly agree" to "strongly disagree", each of the five students rated that they either agreed or strongly agreed that they had knowledge and understanding of all of the concepts and the process of IMC planning that were rated. On a 5-point Likert scale, four of the five students indicated that, under a real work scenario, they were either "Likely" or "Highly Likely" to be capable of both leading a team and contributing as a member of a cross-functional team to plan and design a promotional plan.

In estimating proportions of learning across individual learning, group interaction and work, and the professor, responses indicate that the majority of learning came from group interaction (50% from most students). So, responses indicate that group interaction and collaboration of project work accounted for a large portion of total learning of course material.

Adaptability and Future Research

This course format should be examined further as this is an initial observation of one case. One consideration is that this format could also be used for other marketing courses that entail conceptual material which becomes more meaningful through application of a comprehensive project. Another consideration is that the independent and group learning component could also be applied to online and hybrid course formats in marketing courses.

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GUYS VS. GIRLS: FITNESS, LIQUOR, TATTOOS, AND SHOPPING

Summary Brief

College Students on Pins and Needles: Gendered Differences of Tattoos and Piercings

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In spite of the rich history of body modifications such as piercing and tattoos there has been little recent work on consumption meanings. Do male and female college students hold similar meanings for body modifications? If these differences exist, do they fall along traditional gender role lines?

The scope of this paper is to study the literature of body modifications such as alternative piercings and tattoos and to conduct an exploratory study to see what gender differences appear. Both gender differences and similarities were found and their potential impact on future research discussed. Finally, suggestions for marketers and researchers are given.

Introduction

There is a rich history of body modifications, including piercing and tattoos, however, there has been little recent work on consumption meanings. There is ample chronicling of gender and its impact on consumer behavior but almost nothing on gender and consumption meanings of body modifications.

Do male and female college students hold similar meanings for body modifications? If these differences exist, do they fall along traditional gender role lines?

Literature Review

Tattoos and piercings are forms of body modification. Other forms might be scarification, hair transplants, cosmetic surgery, orthodontics, bodybuilding, and even dieting.

A Brief History of Tattoos

There are some historical, culturally-rich reasons for obtaining tattoos. There are also newer, fashionable reasons for tattoos.

Tattoos have served as “amulets, status symbols, declarations of love, signs of religious beliefs, adornments and even forms of punishment” (Lineberry 2007).

The tattoo literature has traditionally concentrated on “fringe” populations such as prisoners, at-risk juveniles, and tattoo extremists. Most of the literature on college students consists of attitude surveys and catalogs of motivations. There have been very few attempts to form a theoretical framework of tattooing and piercing behavior (see Armstrong et al 2004 for an exception) or to capture the owners’ meanings for their body modifications.

Recently, a set of meanings has been proposed (Purinton 2007). These meanings are: Experiential (similar to rites of passage), Fashion, Sub-Cultural Identity, and Spiritual.

Sex Roles and Consumer Behavior

Sex roles are the expected behaviors for gender or sex or the behavioral (visible) component of gender (Eagly, 1987). Eagly also claims that these sex roles are a reflection of the social positions of men and women and they are more strongly held than other values or beliefs instilled in childhood.

Females are expected to be caring and nurturing. They value relationships more strongly than males (Bem 1993). Therefore, they would be expected to modify their bodies in a way that would reflect sub cultural identity. Hence,

P1: Females are more likely to cite sub cultural identity as the meaning of their tattoos and piercings.

Females have also shown a greater interest in fashion and are more likely to consider themselves fashion innovators (Stitch and Goldsmith 1989). If alternative piercing and tattoos are considered to be in fashion, then,

P2: Females are more likely to cite current fashion as the meaning of their tattoos and piercings.

Males tend to be characterized as self-reliant, defending their own beliefs, willing to take risks, making decisions easily, and willing to take a stand (Bem 1993). Historically, it is more common for males to take part in *visible* rites of passage than females. Therefore,

P3: Males are more likely to cite the experience as the meaning of their tattoos and piercings.

P4: Males are more likely to cite spiritual meanings of their tattoos and piercings.

The Study

This exploratory study of gender differences and similarities is an extension of a study done on consumption meanings of college students’ piercings and tattoos (Purinton 2008).

One hundred surveys were distributed (and all returned) to business students classes at a medium sized, private college. The sample was aged 19-27, 50/50 male/ female, and 77% white.

A three page survey first asked respondents to catalog all of the piercings they had (excepting earlobe piercings for females following Roberti and Storch 2005). Open ended questions asked about meanings behind piercings and tattoos followed by Likert style questions written to capture the themes proposed earlier.

Demographic questions asking age, gender, class status, major and ethnicity completed the survey.

Results and Discussion

Of the one hundred completed questionnaires, sixty eight of the students were tattooed and/or pierced (21 tattooed, 47 pierced, 11 were both). Most tattooed students had one tattoo. There was no significant difference in occurrence of piercing or tattoos by gender.

Consumption meanings were determined by factor analysis of the tattoo and piercing items. Content analysis of open ended questions and follow up interviews added to the story. ANOVAs were then performed to test for differences of the meanings among the demographic variables.

Six factors emerged, using Varimax rotation, explaining 92% of the variation. Reliability analyses resulted in Cronbach alpha above .80 for all but one factor, well above .7 suggested by Nunnally (1967). Factors included *Experience, Fashion, Sub-Cultural Identity, Piercing-Hip, and Spiritual Tattoo*.

An ANOVA compared gender with the six factors. Significant differences were found for Experience, Sub Cultural Identity, Piercing-Hip, Spiritual and Permanence

P1 stated "Females are more likely to cite sub cultural identity as the meaning of their tattoos and piercings." This was significant but in the opposite direction as expected, $F_{(53)} = 14.767$, $p < .05$. Males ($x = 2.8968$) were more likely to cite sub cultural identity meanings than females ($x = 3.9706$).

P2 stated, "Females are more likely to cite current fashion as the meaning of their tattoos and piercings." There were no significant differences even though females' mean ($x = 2.841$) was lower than that of the males' ($x = 3.042$). There was, however, a significant gender difference for Piercing -Hip, $F_{(53)} = 6.102$, $p < .05$. These two seemingly contradictory results allow for no generalization.

P3 stated, "Males are more likely to cite the experience as the meaning of their tattoos and piercings." There were significant gender differences $F_{(53)} = 17.442$, $p < .05$. Males ($x = 3.896$) were more likely to the experience of being tattooed and pierced than females ($x = 4.617$).

P4 stated, "Males are more likely to cite spiritual meanings of their tattoos and piercings." There were significant gender differences $F_{(53)} = 4.616$, $p < .05$. Males ($x = 3.2$) were more likely to cite spiritual meanings ($x = 4.09$).

The ANOVA included Tattoo Permanence wherein significant gender differences were found $F_{(53)} = 4.786$, $p < .05$. Males ($x = 1.0909$) were more likely to cite the permanence of their tattoos than females ($x = 1.75$). This may be the result of females' fashion consciousness.

There were no differences in factor scores based upon year in school or age.

Two potential limitations of this research include instrument shortcomings and the relatively homogenous population. Later research should expand to other subcultures.

Conclusions

The goal of this paper was to examine consumption meanings of college students' tattoos and alternative piercings to search for gender differences and similarities. Better understanding of the significance of this body art will assist in market segmentation and the development of marketing communication tools aimed at college students.

Some of the expected gender differences were supported, in particular that males would connect the experience and spiritual

connections to the tattoo and that females would have some connection between their piercing and fashion.

This study differs from the existing literature in two ways. First, it asked about the current meanings of tattoos and piercings rather than the motivations for obtaining them. Secondly, some of the meanings uncovered were different from many of the reasons cited in the literature.

Marketers must be on the lookout for the decline of the trend for alternative piercings and tattoos among the young adult segment. To miss the end of a trend could result in marketing communications which fail to appear relevant or fashionable.

Depth interviews with consumers about their own body modifications would explore what jewelry means to them since the act of consumer behavior is one of self-definition. By extracting the multi-layered meanings of tattoos and piercings, we learn about consumers and the society and culture that encompasses them.

Understanding the meanings behind college students' tattoos will enable marketers to better reach this population. Current assumptions in the popular press and in society may be outdated or may "miss the mark". Keeping up with actual, current meanings is vital to proper marketing communication. In the meantime, we remain on "pins and needles".

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Summary Brief

Grocery Shopping: It's a Guy Thing

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In this study the authors propose to analyze the grocery shopping habits of single male shoppers with the objective of developing a conceptual framework for studying grocery shopping habits of households. Quantitative analysis will be done to compare the actual grocery shopping patterns of single males and single females using panel data provided by Information Resources Incorporated. For the purposes of this paper the authors define "single" as a head of household who is not sharing the household responsibilities with a spouse or cohabiting significant other. Single, then, may be never married, separated, divorced or widowed.

Introduction

In this study we propose to analyze the grocery shopping habits of single male households, and contrast them with single female and couple households. To further this end, we develop a conceptual framework for studying the grocery shopping habits of households. A 2008 report by the Time Use Institute indicated that 36% of all grocery shoppers in the United States were male (Goodman 2008). According to a Nielsen study the proportion of male shoppers had gone up to 38% by 2011 (Hale 2011). Over the past few decades the American male's sphere of shopping has broken out of the stereotypical automobile parts and mechanical equipment and has entered areas previously identified as women's domain such as clothing, grooming items, and groceries.

The retail industry is responding to the emergence of the male shopper segment quickly with companies like Procter and Gamble introducing "man aisles" in some national retail outlets such as Walmart, Target, and Walgreens (York 2011). Manufacturers are producing male versions of traditionally female oriented products such as magazines and skin care (Bakewell and Mitchell 2006). General Mills and Kraft are increasingly tailoring their offerings to male shoppers as market researchers such as Midas Marketing of Chicago have identified "manfluencers" as males responsible for at least half of the grocery shopping and meal preparation for their households. However, in the area of academic research, men are still under-represented in studies of shopping, particularly grocery shopping.

The increasing number of male grocery shoppers is usually attributed to the fact that more women are entering the paid work force, making it contingent upon men to contribute to typical household tasks, grocery shopping being one of them (Mortimer 2012; Zeithaml 1985). It is no wonder then that research on male grocery shoppers is limited to studying them as parts of two-head households who are sharing the domestic work load with their wives (Akerlof and Kranton 2000; Blaylock and Smallwood 1987; Polegato and Zaichkowsky 1994). However, delayed marriages, rising divorce rates, and unconventional household

structures have given rise to an increasing number of single household heads, both male and female, either living alone or taking care of dependent children. The male shopper seen in a grocery store might be someone fulfilling his responsibilities as the primary, if not the only, grocery shopper for his household.

The female homemaker, who was traditionally the primary grocery shopper, was a well-recognized market segment with clearly defined psychographic profiles but the newer unconventional segments of single shoppers, including single male shoppers, need to be defined in more detail (Zeithaml 1985). Physical channels of the retail industry are constantly in competition with their online counterparts. Although the grocery retail industry has not suffered as much as other areas from the recession of 2008 and the consequent slowdown in economic activity, it is still very competitive. Improvements in logistics, which can make it easier and more efficient to ship perishable products to customers' doors from long distances, pose an ever looming threat to grocery retailers. They have come to realize the importance of every single shopper that walks through their doors, and have started to see profit per household rather than profit per square foot as their new target. Developing an understanding of newer shopper segments and their shopping behavior is crucially important for the grocery retail industry.

Single household heads that are responsible for performing household tasks, including grocery shopping, do so in addition to working outside the home. While role overload in female homemakers who also work outside the home, whether single or married, is an extensively researched subject (Keene and Quadagno 2004), hardly any attention has been paid to the occurrence of role overload in males who may be both the primary bread winners and care givers for their respective households. The role of male as homemaker might actually clash with men's perception of male as bread winner leading to role conflict (Zeithaml 1985). Role overload is easy to understand in case of single household heads that need to take care of dependents.

Most early research on grocery shopping has been done with primarily female samples (Dholakia 1999; Doti and Sharir 1981). The extent of research on male shoppers is limited to studying men's shopping habits and preferences in a shopping mall context (Otnes and McGrath 2001) or building psychographic profiles and typologies of the male shopper, whether in a non-grocery or grocery buying context (Brosdahl and Carpenter 2011; Mortimer 2012). A study by Ezell and Russell (1985) compares single shoppers with married shoppers. Sex of the shopper appears as a significant variable in their analysis but difference in attitudes between the sexes is not discussed in the study in any further detail. Ahuja, Capella, and Taylor (1998) have compared the grocery shopping behavior of households with single mothers and dual parent households. Studies comparing male and female

grocery shoppers have only been done with samples of married couples where shopping habits of wives are compared with those of husbands (Blaylock and Smallwood 1987; Dholakia, Pedersen, and Hikmet 1995; Polegato and Zaichkowsky 1994). Since it is probable that within couple households the genders share and divide tasks in accordance with division of labor principles, there are bound to be differences in grocery shopping behaviors between genders. However, it may be presumptuous to generalize from couple to single households, and extend gender differences in couple households to gender differences across single households. It is quite plausible that single male households and single female households differ from each other but in different ways from genders within couples. So it is fair to say that we know little about how grocery buying habits of single male households compare with those of single female households.

Contributions

The male grocery shopper is a rising and rapidly evolving demographic segment. It is easy to envisage a future where 50% of all grocery shopping trips are made by men. This study explores the grocery buying patterns of single males versus single females, and is the first step in developing a conceptual framework in which empirical generalizations of grocery shopping buying patterns may be expressed. Data provided by Information Resources Incorporated (Bronnenberg, Kruger, and Mela 2008) will be used to conduct quantitative analysis on the purchase history of single male householders and compare it with that of single female householders. We shall use actual purchase data to obtain information on grocery shopping behavior of our subjects. For the purposes of this study, the term "single" refers to never married, separated, divorced, or widowed. A singles versus couple analysis will also be undertaken, mainly to compare and contrast the single male versus single female results.

To the best of our knowledge, no studies of grocery shopping compare single males and single females on both shopping trip characteristics and grocery budget allocations. We address following research questions: 1) how the shopping trip habits of single men and women may differ or be similar, taking into account other demographics, 2) how their grocery budget allocations may differ, and 3) whether shopping trip characteristics mediate the relationship between demographics and allocation of budget. Inter alia, the above points will also be addressed with respect to single and couple households. The insights obtained from such a study will be useful to the grocery retail industry in helping further the understanding of two very important but not well-recognized segments of grocery shoppers, and they will help towards creating a theory based approach to grocery shopping.

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Summary Brief

The Transformation of Fitness Activity Gender Roles and the Marketing of Fitness Centers

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As more women partake in bodybuilding and men participate in Zumba classes, gender roles in fitness activities are changing. The purpose of this research is to understand these changes in fitness activities in terms of gender and how it affects the marketing of fitness centers.

Introduction

Physical activity participation is heavily influenced by cultural fitness trends. With the 1950's electronic vibrating belt and the 1980's aerobic fitness classes, the likelihood of use or participation in these trends has been high with women. Currently with new technology, stair climbing machines, ellipticals and spinning classes have become favorite activities of both men and women. The element of gender and the fitness activities may now be overlooked when choosing a particular form of fitness. Current trends suggest that more men and women are participating in fitness activities not historically typical of their gender membership, but what factors are causing this crossover? The objective of this study is to determine whether this crossover is occurring due to environmental changes occurring in society or whether it's due to more specific factors such as fitness center promotions, etc.

According to social identity theory, membership in groups and activities participated in have a strong influence in how someone constructs their identity. Behaviors and roles shape who we are and the groups we identify with. Such behaviors may include participation in fitness activities, which may become a strong part of one's identity (Laverie, 1998). If more men and women are participating in non-traditional fitness activities that are not specifically associated with their gender, social identity theory would suggest that gender identity is becoming more fluid in society. Instead of strictly assigning oneself to a rigid gender identity with a single set of fitness activities deemed acceptable (based on one's gender), these identities are becoming more flexible and are allowing more leeway for men and women to crossover into non-typical physical activities.

Social role theory examines how social expectations, based on gender, influence the behavior of men and women. Social role theory thus serves to explain the social behavior of men and women as influenced by gender stereotypes, as well as the dynamic nature of this behavior. Stereotypically, men are expected to assume more aggressive or competitive activities, where masculine characteristics are frequently intertwined with sports participation. As a result, certain sports and fitness activities provide males with a medium to achieve a masculine gender identity (Miller and Levy 1996). Bodybuilding competitions, boot

camp, as well as boxing activities are those fitness activities that have usually been considered male sports.

Females are provided with this opportunity as well, just with different physical activities accommodated to their stereotypical feminine characteristics, such as kindness, grace, and community. Aerobic dancing, yoga, and group fitness classes tend toward being more social and less competitive. However, women's choices of fitness activities, such as female bodybuilding, can very well signify a shift in gender expectations (Scott 2011)

We surmise that fitness activity motivation is most likely not affected by gender, i.e., men and women are equally motivated to participate in similar fitness activities. Motivations to choose non-typical fitness activities can be explained more so through intrinsic motivation, and less so through extrinsic motivation. Participants are more likely to want to exercise for the health benefits, more so than how others see them – in terms of the activity. Miller and Levy (1996) found that female athletes and nonathletes were less likely to find themselves as having gender role conflict – i.e., finding themselves less feminine because of their athletic abilities. As there are studies that report motivation varies in terms of weight management and enjoyment of a physical activity (Rintaugu and Ngetich 2012), there is no information concerning the crossover in gender-specific physical activities. Therefore, we suggest the following hypothesis.

H1A: Internal motivation by fitness center members supersedes gender-specific activity participation for men.

H1B: Internal motivation by fitness center members supersedes gender-specific activity participation for women.

Internal motivation may affect the choice of specific fitness center patronized by an individual. For instance, prior research has found that women selected a fitness facility based on service qualities such as cleanliness, convenient schedules and a variety of sports, whereas men typically looked at factors such as the ability to meet people and bring guests (Afthinos et al. 2005). Mullen and Whaley (2010) found there were significant gender differences in fitness center participation, including convenience and extra amenities, which women found more important than men found these items. We posit that fitness centers play a role in the internal motivation factors of fitness activity members. We also posit that these centers can sustain participation when incorporating promotions and activities that enhance internal motivations.

H2A: Internal motivation is a factor in sustaining fitness center membership for men

H2B: Internal motivation is a factor in sustaining fitness center membership for women

H3: Crossover fitness activities will aid in sustaining fitness center membership

The above hypotheses will be evaluated utilizing survey data gathered from a recreation facility at a Midwestern university. All measures utilized in the questionnaire (including those for motivation and service quality) will be those found in the prior literature.

Successful completion of this research will aid in understanding if gender plays a lesser role in selection of fitness activities, what is motivating this change, and how physical activities can be designed to increase fitness center membership. The findings of this research should aid fitness centers in appealing to a wider range of consumers regardless of gender, and in promoting participation and membership in a greater number of physical activities that lie outside of gender expectations.

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Summary Brief

Gender Differences in Liquor Consumption Occasions

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This paper explores the differences in liquor consumption, specifically wine and beer, between genders. We explore the differences attitudes toward wine and beer, as well as the occasions in which men and women drink either wine or beer. Using the Theory of Planned Behavior, we explore gender attitudes and behaviors.

Introduction

Ten years ago there was a large gap between beer and wine consumption in the U.S. where 47% of Americans drank beer, and 27% drank wine. However, currently Americans are just as likely to drink wine (35%) as beer (36%) (Jones 2013). In the U.S. beer is the number one consumed alcoholic beverage for men, and wine for women. Currently 53% of men chose beer as their preferred drink compared to only 20% that chose wine. Women however had numbers that were just the opposite where 52% of them chose wine and only 20% chose beer (Jones 2013). The statistics above are important to marketers in the alcoholic beverage industry because the preference for wine is growing. Wine already holds the majority in choice alcoholic beverage over beer for women. Bruwer et al (2012) found that men are more highly involved with wine than females. There are also numerous studies on wine and the different groups that consume wine, what occasions that they drink on and the purchases of wine that they make (Lockshin and Corsi 2012). We surmise that the changes in what men and women drink occurs because of when they drink.

Several studies explored wine consumption occasions, including those of Gen Y (Thach 2011), all generations (Olsen, Thach and Nowak 2007), other countries (Bruwer and Li 2007, Pettigrew 2003), as well as gender (Thach 2012). However, no study has focused on the differences in consumption in terms of both beer and wine and the occasions in which consumers tend toward one or the other. This study aims to identify the differences between beer and wine drinking occasions. Consuming alcohol isn't just an act that a person takes part in - it is also a lifestyle. The purpose of this research is to identify the preferences of genders for type of alcohol consumption in different lifestyle occasions. Thach (2012) identified common gender motivations for drinking wine, as well as differences. Our research question asks if men and women prefer the same types of alcohol for the same occasions. However, we go beyond to understand the gender differences for both beer and wine consumption occasions. Using the theory of planned behavior, we seek to understand the gender differences that may give rise to understanding the changes in beer and wine consumption in the United States.

Bruwer et al. (2011) suggests that it is possible to target wine consumers based on gender in terms of behavior. The theory of planned behavior (TPB) suggests that a person's intentions are based on their belief system, as well as the approval of others (Ajzen 1991). TPB has been tested to understand alcohol

consumption in terms of risky behaviors (Hassan and Shiu 2007), but not for social occasion, or lifestyle drinking.

Attitudes toward wine and beer drinking have changed over the years. These changes are more prevalent in younger drinkers. During the 1990s, 71% of adults under 30 drank beer and now it is 41% (Jones 2013). Males still prefer beer; however this is down 11% from the 1990s. Women still prefer wine, and their preference for beer is down 9% from the early 1990s (Jones 2013). We posit that women are more likely to drink wine in social settings and men will tend toward beer in social environments based on attitudes.

H1A: Women's positive attitudes toward wine will be positively related to their intention to drink wine in social settings.

H1B: Men's positive attitudes toward beer will be positively related to their intention to drink beer in social settings.

Wine and beer consumption for certain occasions, we posit, is based on a person's belief system, as well as the importance to others. We also argue that gender is a considerable factor in drinking behavior. How someone is perceived whether drinking beer or wine suggests a social pressure felt, as well as the decision as which to drink during a specific social occasion, also determine a person's behavior. Both social norm and perceived behavioral control factor into the decision to drink during certain occasions, but also whether to drink beer or wine for both men and women.

H2A: Social norms will positively affect the intentions of women to drink wine in a social setting

H2B: Social norms will positively affect the intentions of men to drink beer in a social setting

H3A: Perceived behavioral control will positively affect women's intentions to drink wine in a social setting

H3B: Perceived behavioral control will positively affect men's intentions to drink beer in a social setting

H4: Perceived behavioral control will be positively related to drinking in a social setting for both genders

Method

Three types of drinking occasions categories are defined - formal or informal, with or without meals and with others or alone (Thach 2012) and will be tested for each gender. Further analysis of occasions will be used for wine or beer consumption. Results from the survey will be used to analyze the data and compare the results by gender to determine what occasions men and women choose to drink beer or wine. Qualitative questions will also be asked for a more in-depth analysis. After these results are acquired, implications for marketers will be provided as information on wine marketing strategies to target each gender in a unique way is of importance to wine marketers (Thach and Olsen 2004). Results, implications and further research information will be available at the conference.

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SHAME ON YOU! CONSUMER ETHICS AND DECISION MAKING

Summary Brief

Shame, Guilt, Pride: Exploring the Role of Moral Emotions in Transitions to Pro-environmental Behavior

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This study combines the explanatory role of the Stages of Change (SOC) and Decisional Balance Scale (DBS) from the Transtheoretical Model alongside moral emotions in explaining pro-environmental behaviors. Explanatory power of moral emotions varies across behaviors, those with spatial dimensions gaining most. Mapping moral emotions onto stages of behavior change demonstrates shifts at specific transition points, providing diagnostics suggesting themes for communicating sustainability.

Introduction

A stream of literature indicates the role for emotions in pro-environmental behavior (e.g., Carrus, Passafaro, and Bonnes 2008; Kollmuss and Agyemen 2002; Pooley and O'Connor 2000). Guilt and pride are important for pro-environmental behavior (Harth, Leach, and Kessler 2013). Despite the promise of emotional appeals, significant concerns arise, as high levels of evoked guilt can lead to psychological resistance such as reactance (De Young 2000). Also, the evoked emotion is not always the one desired, e.g., stimulating guilt may also produce shame. This is a problem, as shame decreases behavior as well as increasing reactance. This paper aims to understand more about specific cognitions concerning pro-environmental behaviors and their relationship to moral emotions.

The Transtheoretical Model recognizes behavior change as a series of Stages of Change (SoC), accompanied by changes in behavior specific cognitions measured by the Decisional Balance Scale (DBS). McGoldrick, Keeling, and Stanbridge (2009) demonstrate the explanatory power in the environmental context. The SoC allows mapping variations in level of felt moral emotions across transitions in behavior change, while the specificity of the DBS cognitions helps identify links between these and anticipated emotional outcomes.

Method

An elicitation questionnaire (n = 342) resulted in a pool of 33 items representing a minimum of the four most frequently occurring themes for each dimension of the DBS. We chose one behavior from each of five pro-environment behavior groupings: Food and Drink, Green Home; Eco-travel and Transport; Ethical Personal Products and Ethical Money, and a spread across a range of personal impacts, behavior frequency, marketplace penetration and spatiotemporal aspects. Further data collection led to 21

generic pros and cons (779 US respondents). Data collection over the six focal behaviors followed. Other measures included self-report on Stages of Change; Behavioral Expectations; and measures of shame, guilt, pride, and reactance.

Results

In multiple regression analyses, moral emotions add to variance explained by the DBS dimensions in most cases. Moral emotions are especially efficacious for transport and local food, behaviors that share a spatial dimension, along with less air travel for holidays. Mapping reported moral emotions onto the stages of behavior change for individual behaviors demonstrates shifts at specific transition points. Together, these analyses provide valuable diagnostics for researchers, managers, and policy makers, and suggesting themes for communicating sustainability.

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Full Paper

Consumer Misbehavior: A Concurrent Look at the Impact That the Size of the Victim and the Size of the Loss Have on Opinions Regarding the Acceptance or Unacceptance of 12 Questionable Consumer Actions

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This study examines the role that the size of a victimized organization and the size of the victim's loss have on attitudes regarding the acceptance or unacceptance of 12 questionable consumer actions. A sample of 815 American adults rated each scenario on a scale anchored by very acceptable and very unacceptable. It was shown that the size of the victimized organization tends to influence consumers' opinions with more disdain directed towards consumers who take advantage of smaller businesses. Similarly, the respondents tended to be more critical of these actions when the loss incurred by the victimized organization was large. A 2x2 matrix concurrently delineated the nature of the extent to which opinions regarding the 12 actions differed depending upon the mediating variable under scrutiny.

Introduction

According to many, ethical behavior is predicated upon doing the *right thing*. In this regard, it is not necessarily about abiding by the law, rather it is a question of whether or not the action under scrutiny was appropriate. As such, academicians have expended considerable energy over the years in an ongoing effort to identify both the propensity of business entities to engage in questionable actions and to ascertain the public's perception of a myriad of specific questionable actions. As might be expected, the vast majority of the scrutiny on ethics in the business environment has been placed on business organizations. But more recently, we have witnessed a significant growth in the stream of research that addresses questionable actions undertaken by consumers.

Consumer ethics has emerged as a fertile area for those interested in exploring the synergistic relationship that is commonly sought within the buyer/seller dyad. It seems reasonable to presume that much of this scrutiny can be attributed to the reality that marketers have witnessed a shift in the prevailing business paradigm. More specifically, we have seen a transition away from transaction-based marketing to one that emphasizes long term relationships. Whether referred to as relationship marketing or customer relationship management (CRM), the focus is on customer retention rather than customer acquisition. In this regard, one of the basic tenets of the strategies designed to nurture customer retention is that of trust.

Books dating as far back as Upton Sinclair's (1905) *The Jungle* and Stuart Chase and F. J. Schlink's (1927) *Your Money's Worth* have long brought the perceived abuses of consumers to the

forefront of public consciousness. For these consumer advocates, the concept of *caveat emptor* – or let the buyer beware – was simply unacceptable. Consequently, business ethics has long represented an appropriate topic for these advocates as well as the media, the government, and academicians to scrutinize. But trust is not a one-way phenomenon. In an era of CRM, it is not uncommon for a business entity to purge undesirables from its list of customers. For instance, customers who repeatedly return items to a retailer may be removed from the retailer's mailing list. Likewise, those who write bad checks or fail to make scheduled payments on their accounts may be expunged from the marketer's list of customers with whom they would like to do business. But an unfortunate reality is that there is a segment of society that thinks that the concept of *caveat venditor* – or let the seller beware – should prevail. Relationship-based marketing dictates that neither philosophy can be embraced. Otherwise, any relationship is destined for a premature demise. Much like a personal relationship between a husband and wife, if there is reason for distrust, or if one takes advantage of the other, then separation is likely to be forthcoming.

In comparison to the body of literature on the business side of this relationship, there is considerably less research that has examined the consumer side of the buyer-seller dyad (Vitell 2003). This study will address that deficiency by focusing on the consumer side. However, it differs from virtually every other study on consumer ethics in one key respect. Namely, it addresses the issues of *degree of harm* and the *size of the victim*. Thus, it adds two dimensions that have only recently begun to be directly scrutinized in the consumer ethics literature. Does the level of harm inflicted upon the victimized organization or the size of the victim mediate an individual's perception of how acceptable or unacceptable a questionable consumer action is? And what is the nature of the two predictor variables' interaction regarding consumer opinions?

Literature Review

This review comprises three sections. First is a brief look at research regarding the broad realm of consumer ethics. Next is a review of the few studies that have examined the size of the victim's loss. The final component is a review of those studies which purport to examine the role that the size of the victim plays

in the assessment of attitudes regarding ethically questionable behavior (EQB).

Consumer Ethics

It is fair to say that there have been significantly fewer attempts to assess the ethics of a myriad of potentially questionable behaviors undertaken by consumers in comparison to businesses. Consider the following statement which was put forth almost 30 years ago, just as we began to see the body of research on consumer ethics emerge: consumers are “out-doing business and the government at unethical behavior” (Bernstein, 1985, p. 24). It was this reality that led Hirschman (1991) to speak of the *dark side of consumer behavior*. More recently, Mitchell, Balabanis, Schlegelmilch, and Cornwell (2009, p. 395) echoed that same sentiment when offering their assertion that “consumers are not only victimized, but are also victimizers.” With just this cursory look at the two sides of the buyer/seller dyad, it is evident that each group sees the other as capable of – if not prone to – engage in actions that would be characterized as *not doing the right thing*. This uncertainty, as it relates to the actions of consumers in the marketplace, provides the impetus to expand the body of research germane to consumer ethics.

Research on consumer ethics has increased substantially over the past 30 years. Interestingly, many of the earliest efforts focused on illegal actions and an array of fraudulent actions (Wilkes 1978) such as shoplifting (Cox, Cox, and Moschis 1990), counterfeiting (Albers-Müller 1999), insurance fraud (Tennyson 2002), and fraudulent return activity – a practice recently characterized today as *deshopping* or *retail borrowing* (Harris 2008). In regard to retail borrowing, a recent study looked at consumer returns in light of increasingly liberal return policies (Wachter, Vitell, Shelton, and Park 2012). That study identified three segments of returners, namely the planned/unethical returner, the eager returner, and the reluctant/educated returner. Clearly, the planned/unethical and eager returner groups represent a dilemma for today’s marketers as they seek to implement policies that appeal to their entire array of target markets.

In light of the emerging trend towards a less interactive retail environment with fewer customer service representatives and wider adoption of self-service checkouts, it can reasonably be stated that consumers now have more of an opportunity to engage in questionable actions, perhaps even with less fear of getting caught. In her assessment of why consumers engage in *questionable behavior in consumption*, Fukukawa (2002, p. 99) stated that *opportunity* is indeed one of several “antecedents of ethically questionable behavior (EQB).” Fukukawa also spoke of *perceived unfairness* as an antecedent to EQB; in this regard, a consumer might justify actions such as the unauthorized download of music from a renegade Internet site based on the premise that the action simply served to redress a perceived imbalance that tilted the relationship in favor of the marketer. Thus the action is simply one way by which the consumer can level the so-called playing field.

In recent years, the issue of the presence of an identifiable victim has been explored. Previous research has indicated that individuals are less critical of questionable consumer actions when there is no discernible victim. While this is a comparatively new focus within the realm of consumer ethics, it has long been explored within the sociology literature. Addressing the issue of *neutralization*, Sykes and Matza (1957) investigated ways in which individuals can justify *non-normative* behavior. Using this

non-normative construct, Grove, Vitell, and Strutton (1989) developed a model that created a framework by which the underlying rationale for unethical behavior on the part of consumers could be evaluated; in essence, it focused on ways by which consumers could justify their own questionable actions. Among the neutralizing rationales cited was the *denial of the existence of a victim*. Within this context, one study that featured a series of scenarios similar to those used in the current study identified two latent factors or dimensions – those actions that produce *direct economic consequences* (such as keeping excess change) and those that result in *imperceptible economic consequences* (such as returning a product to a store other than the one where it was purchased) (Dodge, Edwards and Fullerton 1996). Similar results were found by Vitell and Muncy (1992) who reported that the level of acceptance of an action was related to the *degree of harm* inflicted upon the victim. In this regard, their research identified four categories of activities that are inextricably tied to the harm criterion. These four were: (1) actively benefiting from illegal activities; (2) passively benefiting; (3) actively benefiting from deceptive (or questionable) practices; and (4) no harm/no foul. From a similar, albeit slightly different perspective, a second article by Muncy and Vitell (1992) addressed the existence of a question of a breach of ethics on the part of the consumer based on three considerations; specifically it addressed the locus of fault, the presence of deception on the part of the consumer, and the degree of harm borne by the victimized organization. The common denominator in these two studies was the degree of harm construct.

Consideration of the *no harm/no foul* criterion put forward by Vitell and Muncy (1992) led Harris (2008) to posit that when one’s perception is that fraudulent returning has no significant impact on a retailer, then the propensity for that individual consumer to engage in such behavior increases accordingly. Similarly, it might be argued that the purchase of a counterfeit item is consistent with the idea that there is no discernible victim (Aroq Limited 2003). But in looking at this behavior, it was found that it is not so much the absence of a victim, rather it is the consumers’ materialistic inclination that influences their overall ethical predisposition thereby producing a greater tendency to engage in the practice of purchasing counterfeit items (Kozar and Marcketti 2011). That study also reported that consumers who were unaware of the illegal standing of the purchase of counterfeits, irrespective of their ethical inclination, were more likely to engage in this questionable behavior. Along these same lines, a recent study explored consumers’ tendencies to make unauthorized copies and translations of anime (Japanese animation) and distributing it via peer-to-peer networks such as YouTube (Lee 2010). The author reported that respect for the proprietary nature of these intellectual properties is on the decline. This eroding ethical inclination regarding intellectual properties again points out the situational nature of consumer ethics while stressing the need for marketers to be concerned regarding the many facets of consumer misbehavior. Findings such as these are consistent with Witkowski and Reddy’s (2010) assertion that such breaches of ethical conduct inhibit both *sustainable consumption* and *consumer responsibility*.

Size of the Victimized Organization’s Loss

The next component of this review addresses the research regarding the role that the size of the loss inflicted upon victimized organization plays in a consumer’s assessment of the

appropriateness of a given action. In other words, is the acceptability of an action such as the consumer's decision to keep too much change that was returned in the transaction process influenced by whether the loss incurred by the organization, thus the gain attained by the perpetrator, is considered to be large or small? While there has been a meaningful growth in the body of research focused on consumer ethics over the past 30 years, research that addresses the size of the loss incurred by the victim is virtually nonexistent. Yet there is enough insight such that some perspective is attainable. But in saying this, it is incumbent to note that little research has explicitly examined the size of the gain, rather it has referred to the aforementioned question surrounding the existence of an identifiable victim. Thus, it is more likely to address the size of the victim rather than the gain. This issue will be more thoroughly addressed in the next section of the literature review.

Noted earlier was the study where Fukukawa (2002) spoke of *perceived unfairness* as an antecedent to EQB; in this regard, a consumer might be able to neutralize the negative perception and justify a non-normative behavior. As stated, the action is simply one way by which the consumer can overcome the organization's unfair advantage. The implication is that the organization is not perceived to be a victim. Fullerton, Kerch and Dodge (1996) developed a typology for consumer transgressions using their *consumer ethics index (CEI)*. They identified four segments of American consumers which were labeled as permissives, situationalists, conformists, and puritans. The authors concluded that while consumers appear to possess relatively high expectations regarding the behavior of their peers in the marketplace, there are a significant number of individuals who are prone to adopt a philosophy of *caveat venditor*. An extension of that study corroborated the higher ethical disposition among American consumers while concurrently noting that the criticism of the action in question was less severe when the economic consequences incurred by the victim were insignificant (Dodge, Edwards, and Fullerton 1996). But the authors made no overt attempt to differentiate between large and small losses, thus the question regarding the role it plays was not directly answered. More recently, authors have addressed the issue of *guilt*. Steenhaut and Van Kenhove (2006) surmised that higher levels of *perceived guilt* were associated with higher ethical intentions. One could assume that higher losses would likely increase the level of guilt felt by some consumers. In fact, the authors concluded that a marketer's ability to make the interpersonal consequences more salient might reduce the propensity of the consumer to behave in a questionable manner.

As seen in the preceding paragraphs, there have been some tangential associations between the likelihood that the victimized organization would or would not suffer based on the loss sustained and the acceptance or rejection of certain questionable consumer actions. However, these associations were more likely to be predicated upon the size of the victim rather than the size of the loss. Thus, even a large loss plausibly would not be viewed as harshly because it might not be perceived to be inflicting harm. In this regard, it has been stated that we might need to define deviant customer behavior from a harm-based perspective (Fisk et al 2010). Indeed, there has been some interest in this phenomenon. Fullerton and Neale (2011) conducted a study of American consumers using the same 12 scenarios used in the current study. They found statistically significant differences on seven of the 12 questionable actions. In each case, the level of disapproval was

more pronounced when a larger loss was imposed upon the victimized organization.

Size of the Victim

The final component of this review addresses the research regarding the role that the size of the victimized organisation plays in a consumer's assessment of the appropriateness of a given action. In other words, is the acceptability of an action such as the consumer's decision to keep too much change that was returned in the transaction process influenced by whether the victim was a large organisation or a small organisation? While there has been a meaningful growth in the body of research focused on consumer ethics over the past 30 years, research that addresses the size of the victim is virtually nonexistent. But some insight can be gleaned from the existing literature.

Perhaps the most pertinent research on this topic was not specifically focused on the size of the victim per se; rather it was predicated upon the consumers' ability to identify a victim. Two earlier mentioned studies apply within this context. Vitell and Muncy (1992) spoke of *no harm – no foul*, and Dodge, Edwards and Fullerton (1996) put forth the concept of *imperceptible economic consequences*. Conceivably, consumers might not experience any angst regarding a particular behavior if there is no perceived victim, and this mindset is more likely to exist when the targeted organisation is more substantial in size. This thinking is consistent with the idea of *neutralization* as put forth by sociologists (Sykes and Matza 1957) and marketers (Grove, Vitell, and Strutton 1989) alike.

Despite the noted paucity of research on this aspect of consumer misbehavior, it has been addressed on a limited basis. The first study of this ilk looked at issues germane to counterfeit items. It was conducted during the timeframe when Napster and other emerging Websites provided a mechanism by which peer-to-peer transfers of copyrighted intellectual properties, namely music, could be completed without compensation to the rightful owners. It found that those who admitted to engaging in this type of transfer had a lower level of ethical concern in general, that they had a greater willingness to embrace ethically questionable behavior, and – as it relates to this component of the literature review – that downloaders were more likely to believe that their act of downloading a file did not adversely impact the copyright owners, specifically the recording company and the artist (Levin, Dato-on, and Rhee 2004). In this regard, the authors noted that downloaders thought these large music distributors were making "excessive profits." A more recent study looked at a different category of counterfeit products, namely fashion merchandise. The authors documented a relationship between one's proclivity to purchase counterfeit items and their attitude towards "big-business." The authors' suggestion was that the decision to engage in this type of purchase, that is to say knowingly purchasing a knockoff, is more acceptable when the victimized organisation is large (Carpenter and Edwards 2013). This finding is consistent with earlier research by Eckhart, Belk, and Devinney (2010).

Within the context of marketing, two other studies are both noteworthy and relevant to the issue of the victim's size. Callen-Marchione and Owen (2008, p. 368) stated that the *denial of injury* premise might be invoked thereby justifying shoplifting on the basis that "this store is so big; no one will ever notice that one blouse is missing." A similar argument was put forth by Harris (2008) who posited that when a consumer believes that the fraudulent returning of goods has no significant impact on the

retailer, then the propensity for that individual consumer to engage in such behavior increases accordingly. This is likely more commonplace when the intended victim is large in size. Both of these scenarios can be viewed as extensions of Vitell and Muncy's (1992) no harm – no foul criterion as a justification of one's questionable action.

The penultimate article addressed here is one that focused specifically on the size of the victimized organization as an influencing phenomenon regarding the consumers' opinions regarding the appropriateness or inappropriateness of the same 12 specific questionable consumer actions utilized in the current study. Some of the actions examined were illegal such as inflating one's losses on an insurance claim, but most were legal. An example of a legal, yet questionable behavior is that of *showrooming* – that is shopping and acquiring information about a product, then purchasing that product from a cheaper source such as a virtual storefront on the Internet. Using alternative versions of the 12 scenarios, the authors were able to document a statistically significant difference among American consumers – based solely on the size of the victimized organization – for eight of the twelve actions (Fullerton and Neale 2012). Their conclusion was that size matters.

In closing this section of the literature review, it is noteworthy to document an earlier study that addressed the size issue. In coining the term *Robin Hood Syndrome*, Nill and Schultz (1996) addressed the issue of the redistribution of wealth from the rich companies to the poor consumers as justification – or neutralization – supporting the belief that it was acceptable to take from big businesses. Thus it appears that there is a modicum of support in the extant literature supporting the premise that the size of the victimized organization does influence the public's opinion regarding the acceptance of a particular questionable consumer action.

Research Objectives

Essentially, there are three objectives for the current study. First is that of determining the nature of any relationship between the prevailing attitudes regarding the acceptance or rejection of an ethically questionable behavior and the size of the loss incurred by the victimized organization. Second is the objective of identifying the nature of the relationship between the prevailing attitudes regarding the acceptance or rejection of an ethically questionable behavior and the size of the victimized organization. The final objective is to determine the extent to which the two predictor variables exhibit a potentially synergistic impact on consumer attitudes regarding each of the 12 behaviors under scrutiny.

Methodology

A survey was designed to collect data from American adults. The initial stage of the research was to develop a questionnaire which included a set of ethically controversial consumer actions. Upon review of the existing literature, the set of scenarios used by Fullerton and Neale (2010) was adopted. The set of 12 items includes scenario-based vignettes featuring behaviors that have been extensively addressed in literature (i.e., exaggerating losses on an insurance claim), as well as some issues that have emerged in relatively recent years (i.e., purchasing a counterfeit item). It also encompasses a wide spectrum of controversial actions, ranging from those classified as illegal (i.e., stealing from one's employer) to those actions that are legal but potentially

controversial (i.e., seeking information from a retailer and purchasing the item elsewhere). In short, the survey incorporates a variety of potentially controversial consumer actions which make it possible to address consumer ethics in the American market from a multitude of perspectives.

In order to examine the influence of the size of the loss incurred by the victimized organization on consumer judgment, a measure of the victim's loss was incorporated within each scenario. The loss suffered by the business was explicitly stated in using monetary terms. A split ballot approach was used in which half of the respondents saw controversial scenarios with a small loss associated with the action while the other half saw the same scenarios with a significant loss to the business. For example, for a consumer's action of keeping extra change mistakenly given at a store, half of the respondents saw the consumer in the scenario taking extra change amounting to \$0.50, while the other half saw it amounting to \$20. The loss suffered by the victimized organization was incorporated in a similar fashion across all twelve scenarios. In summary, there were six high-loss and six low-loss scenarios for each version of the survey. The conditions were reversed on the 12 scenarios on the second version of the questionnaire.

This approach was replicated for the size of the organization. On each version of the survey, six large and six small victims were designated. It is important to note that no organizational brands were used in the vignettes; terms such as the small corner dairy, the family-owned drug store, and a large national chain were used as surrogates for organizational size. The combination of the two size variables resulted in four versions of the survey. Each version had three scenarios with each unique combination of predictor variables: large victim-large loss; large victim-small loss; small victim-large loss; and small victim-large loss. A third-party scenario was employed for each behavior. That is, the 12 vignettes used in this study described actions undertaken by a third party, including a co-worker, a neighbor, an acquaintance, and so on. Thus, respondents were asked to evaluate someone else's behavior, not their own. A balanced, forced six-point rating scale was provided for respondents to rate the behavior. The scale was anchored by the polar adjectives of *very acceptable* and *very unacceptable*. The questionnaire ended with a series of seven typical demographic questions using a multiple choice format.

The target population was American consumers over the age of 18. Using the panel maintained by eRewards, data were collected from 815 adults. Criteria were established in an effort to insure that there was adequate representation by consumers residing in different regions of the United States as well as an adequate representation of the population on the bases of gender, age, income, educational attainment, marital status, ethnicity, and family size. Prospective respondents were sent an email alerting them to the survey and explaining their incentive for providing a complete response. That incentive was a credit (denominated in dollars) that would accrue to the respondents' account attained as a panel participant. These "dollars" can be redeemed by the panel member for select incentives such as Delta Airlines frequent flier miles and discount coupons for purchases from Omaha Steaks.

The Internet-based protocol that was used facilitated the collection of meaningful data. Respondents were required to answer each question before moving on – resulting in negligible missing data. Furthermore, the survey protocol checked for the *veracity* of the responses, that is to say that it dropped any respondent who *straight-lined* the 12 attitudinal scales (i.e.

answered all 12 of the questions with the same number) from the final sample. One additional, and significant, constraint was imposed for a completed questionnaire to be deemed acceptable. A minimum time was established by the authors as the benchmark for ascertaining whether or not the respondent had taken an adequate amount of time to fully consider each question and complete the 19 question survey. Any survey completed in less time than that benchmark was excluded from the database. To control for order effects, the sequence of the 12 behaviors was randomized and presented to the respondents in a myriad of different patterns.

The initial data analysis involved the calculation of the t-tests for independent samples for each of the predictor variables. Did the size of the victim's loss influence attitudes regarding the acceptance of each of the 12 behaviors? Did the size of the victim influence those opinions? Next, based upon the aforementioned results, a 2x2 matrix was used to summarize an assessment of the concurrent roles that the two size variables played in influencing the respondents' prevailing attitudes regarding how acceptable or unacceptable each of the 12 EQBs was in the minds of the general consumer under specific size-based circumstances.

Results

The results will be presented in three sections germane to the three research objectives. It begins with a look at how the size of the victimized organization's loss impacts the public's perception of how unacceptable a particular EQB is. Next, it looks at how the size of the victim influences the opinions regarding each of the EQBs. It concludes with the results of the concurrent look at the two predictor variables in an effort to draw some fundamental conclusions about how potential interaction.

Size of the Victimized Organization's Loss

This takes us to the initial objective, that of determining whether the size of the loss incurred by the victim influences the level of acceptance or rejection associated with each of the 12 consumer actions. As can be seen in Table 1, significant differences were documented for seven of the 12 scenarios. In each of these cases, respondents were more critical when the financial consequences of the action under scrutiny were higher. Alternatively stated, those behaviors where the higher cost was inflicted upon the victim, thereby reflecting a greater gain for the perpetrator, were deemed to be more unacceptable by the respondents.

Of note is the fact that of the six most strongly criticized actions that comprise the initial cluster, fully five exhibited a statistically significant difference. Among those six, only the act of returning worn clothing for a refund was viewed similarly irrespective of the magnitude of the loss incurred. The five scenarios where larger losses produced more disdain were the two illegal acts of stealing from one's employer and inflating losses on an insurance claim. The other three strongly rejected behaviors where significant differences were documented were for legal, but unacceptable, consumer actions. These included keeping extra change, not reporting a shoplifter, and fibbing to receive an undeserved senior citizen discount. Two additional, but less criticized, scenarios also produced statistically significant differences. They are returning to a store multiple times to purchase items for which a limited number of items can be bought in a single transaction and knowingly purchasing a mispriced item.

In addition to the act of returning worn clothing for a refund, four other actions were not viewed any differently. These actions were those of returning an item to a store other than the one where it was originally purchased, borrowing a museum membership card so as to avoid paying an admission fee, knowingly purchasing a counterfeit item, and using information from a full service retailer to make a more informed decision while purchasing the item from a lower-priced source (showrooming). The results of the t-tests are presented in Table 1. It should be noted that the behaviors have been sorted from most unacceptable to most acceptable and placed into four clusters based on their grand means.

Table 1. Mean Level of Acceptance – Low versus High Loss Incurred by Victimized Entity

Questionable Action	Loss Incurred		Diff.	sig.
	Low	High		
Stealing from One's Employer	2.53	1.26	+1.27	.000
Inflating Insurance Claim	2.64	1.36	+1.28	.000
Return Worn Clothing for Refund	2.05	2.07	+0.64	.000
Not Report Shoplifter	2.57	1.75	+0.82	.000
Fibbing to Receive Sr. Discount	2.32	2.06	+0.26	.001
Returning Item to Wrong Store	2.66	2.64	+0.02	.817
Borrow Museum Membership Card	2.61	2.77	- 0.16	.109
Purchase Counterfeit Jewelry	3.09	3.07	+0.02	.840
Multiple Purchase of Limited Q Item	3.61	2.57	+1.04	.000
Purchase Mispriced Item	3.55	2.85	+0.70	.000
Showrooming	4.52	4.56	- 0.04	.657

Size of the Victimized Organization

This leads to the second objective, that of determining whether the size of the victim influences the level of acceptance or rejection associated with each of the 12 consumer actions. For all twelve actions, the observed difference in the two means was positive thereby providing anecdotal evidence that the actions are more likely to be criticized when the victim is small. And as shown in Table 2, statistically significant differences were documented for eight of the 12 scenarios. Based on the direction of the observed differences, it can be concluded that respondents were in fact more critical of these eight actions when the victimized organization was characterized as small. Of note is the fact that of the six most strongly criticized actions that make up the initial cluster in Table 2, only two exhibited statistically significant differences when stratified on the basis of the victim's size as described in the scenario. Only the acts of keeping extra change and not reporting a shoplifter were viewed differently based upon the size of the victimized organization. In each case where statistically significant differences were documented, respondents were more critical of the action when the victimized organization was deemed to be small. Interestingly, these two behaviors could be viewed as *inaction rather than an overt action* that causes the organization to be harmed. This outcome is somewhat consistent with Muncy and Vitell's (1992) delineation of acts that reflect a situation where the consumer exhibits a passive behavior. Also noteworthy is the fact that all four of the non-significant differences involved behaviors falling within this set of the six most criticized behaviors under scrutiny. The overt actions of stealing from one's employer, inflating one's losses in an insurance claim, returning worn clothing for a refund (deshopping), and fibbing in order to receive an undeserved senior

citizen discount were all deemed to be equally unacceptable irrespective of the size of the victimized organization.

All six actions comprising the three remaining clusters exhibited statistically significant differences. These behaviors include returning a product to a store other than where it was purchased, borrowing a friend's museum membership card to avoid an entrance fee, knowingly purchasing a counterfeit item, returning to a store multiple times to purchase a limited quantity sale item, and showrooming. Furthermore, when assessing the three clusters that exclude the six most criticized behaviors, an interesting progression was apparent. As a consequence, grand means for the differences between the two sample means for all four clusters were calculated. For the most criticized set of actions, the grand mean was .15; for the second cluster, it was .30. For the moderately rejected set of actions, the grand mean was .45. The final item was the only one that was deemed to be acceptable. Interestingly, the difference between the two means was .63. Thus, a progression from one cluster to the next appears to be evident with a greater impact of victim size associated with the less onerous behaviors. Table 2 summarizes these results.

Table 2. Mean Level of Acceptance –Large versus Small Victimized Organization

Questionable Action	Victim Size		Diff.	sig.
	Large	Small		
Stealing from One's Employer	1.96	1.84	+0.12	.083
Inflating Loss on Insurance Claim	2.05	1.95	+0.20	.105
Returning Worn Clothing for Refund	2.13	1.99	+0.14	.081
Keeping Extra Change	2.21	2.05	+0.16	.000
Not Report Shoplifter	2.25	2.08	+0.17	.019
Fib to Receive Sr. Discount	2.25	2.14	+0.11	.148
Returning Item to Wrong Store	2.85	2.46	+0.30	.000
Borrow Museum Membership Card	2.79	2.59	+0.20	.023
Purchase Counterfeit Jewelry	3.28	2.88	+0.40	.000
Multiple Purchase of Limited Q Item	3.41	2.77	+0.64	.000
Purchase Mispriced Item	3.36	3.04	+0.32	.002
Showrooming	4.86	4.23	+0.63	.000

A Concurrent Look at the Two Size Variables'

Relationship with Consumer Attitudes

The final research objective addresses that of taking a simultaneous look at the impact of the two size variables so as to determine whether they have a similar or different impact on the attitudes regarding each of the 12 EQBs. Of the 12 consumer actions, four were impacted by both of the size variables in ways that would have been anticipated. That is to say that both a large loss and a small victim resulted in stronger condemnation of the EQB in question. Specifically, keeping extra change, not reporting a shoplifter, returning to store to make multiple purchases of a limited quantity sale, and knowingly purchasing a mispriced item were deemed more unacceptable when there was concern about the degree of harm arising from either situation. At the opposite end of the spectrum, only one behavior was unaffected by either variable. For the act of returning worn clothing for a refund – or deshopping – neither the size of the loss nor the size of the victimized organization influenced the respondents' opinions

regarding that behavior. Interestingly, this was one of the most strongly criticized actions addressed in this study.

Four of the behaviors were found to be associated with the size of the victim, but not the size of the loss. In each situation, more sympathy was directed towards the smaller victims. These actions were those of returning a purchased item to the wrong store, borrowing a friend's museum membership card, knowingly purchasing a counterfeit item, and showrooming. It may be a case of no discernible victim. The final cell of the matrix comprises the three EQBs where the size of the loss impacted attitudes, but the size of the victim did not. They are stealing from one's employer, inflating a loss on an insurance claim, and – somewhat surprisingly – fibbing to secure a senior discount. Table 3 provides an overview of these findings.

Table 3. A Concurrent Look at the Two Size Variables

		Size of the Victimized Organization	
		Yes	No
Yes	Size of Loss	keep extra change	steal from employer
		not report shoplifter	inflate insurance
		multiple visits to store	loss
		purchase mispriced item	fib for senior discount
No	Size of Loss	return item to wrong store	return worn clothing
		borrow membership card	
		purchase counterfeit item	
		showrooming	

Discussion

Consistent with the situational nature of consumer ethics, attitudes are influenced by numerous criteria. This research has shown that both the size of the victimized organization's loss and the size of the organization itself have the potential to influence consumer opinions for most EQBs. Consumers seem to feel a degree of empathy, perhaps sympathy, when the perceived level of harm is high. This perception comes from two criteria: the organization is small and the size of the loss is large. In either case, the degree of harm appears to be significant enough to influence one's opinion. But it is not universal. In the majority of cases, one variable impacts those opinions, but the other does not. In only one case was neither variable found to exhibit a relationship with one's assessment of the behavior's level of acceptance. And that was for one of the overall most disdained of the 12 actions. It was considered to be wrong irrespective of the levels of the two predictor variables.

Interestingly, when the focus was on the size of the loss, there was a pattern of significance for which meaningful differences were most commonly associated with the more criticized behaviors. Conversely, when shifting to look at the size of the victimized organization, it was the behaviors that tended to be less criticized where significant differences were observed. These facts may signify that a look at the main effects and potential interaction between the two predictor variables will yield meaningful results.

The concurrent look at the two size variables provides some anecdotal evidence of the presence of main effects and potential interaction as mediators of attitudes regarding questionable consumer actions in the marketplace. This information could be

important to marketers as it might identify at-risk situations. Knowing you are at risk should allow strategic safeguards to be implemented so as to reduce the potential of consumer misbehavior. Therefore, it has been decided that the next phase of this research will explore the main effects and interaction with more sophisticated analytical techniques.

Conclusions

Size matters. Consumers taking advantage of small organizations are viewed more harshly by the general public. Their actions are also viewed more critically when their questionable action results in a larger loss for the organization. There also appears to be an interaction element germane to the potential influence of the two size-related variables. This issue needs to be further explored so as to provide better insight to organizations so that they might better recognize risky situations and implement strategies designed to reduce that risk accordingly.

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Summary Brief

Internet Panel Response Quality: An Online Replication of a Federal Trade Commission Deceptive Advertising Mall Intercept Study

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This research involves the replication of a deceptive advertising study originally undertaken by the Federal Trade Commission. The purpose of the replication was to examine differences in responses when data are collected online through Amazon's Mechanical Turk workforce (MTurk.com). We compare the results and discuss the benefits and limitations of the use of online survey data.

Paper Summary

This research is based on a survey conducted on behalf of the Federal Trade Commission (FTC) in 2012 examining the consumer perceptions of an advertisement for Bristol Windows that made claims of savings of “up to 47%” on heating and cooling bills. In order to collect information on consumer perception of the “up to” claim, the FTC conducted mall intercept surveys in five different locations: White Plains, NY; Chicago Ridge, IL; Charlotte, NC; Muskogee, OK; and Puyallup, WA. The original mall-intercept data-gathering process involved 360 respondents, each paid \$5 (Hastak and Murphy 2012), collected by a market research firm Synovate. Synovate was paid an undisclosed sum for the data collection in addition to the money paid to the respondents themselves.

We gathered the data for this study from Amazon.com's Mechanical Turk. MTurk is an online labor marketplace that enables “requesters” to hire online laborers (“workers”) for small sums of money. Workers perform human intelligence tasks (HITs) of various types, including responding to surveys (see www.mturk.com/mturk/welcome). In a very short time, the site has become a valuable tool for researchers and has largely replaced college student subjects—traditional experimental fodder in psychology and other social sciences—with online workers (Buhrmester, Kwang and Gosling 2011; Mason and Suri 2011). Requesters seek workers for nearly any task that can be done on a computer (i.e., surveys, experiments, writing, translation, etc.) using simple templates, technical scripts or linking workers to external online survey tools (e.g., Qualtrics).

The replication used the identical questions and stimulus advertisements which were extracted from the original FTC study.

Respondents were recruited through Amazon's Mechanical Turk interface and directed to a Qualtrics website that included all survey materials. The replication employed the same screening questions as the original FTC study. Some minor editing was necessary to adjust for the fact that the survey was not administered in person. The complete questionnaire, with changes noted to the original text, is available upon request.

The results indicate that although MTurk respondents were clearly different from mall intercept survey respondents, the study conclusions would have likely been the same. Significant and substantial portions of both samples interpreted “Up To” claims identically to claims without the “Up To” qualifier, leading to the conclusion that “Up To” claims are inherently deceptive. Additionally, like the FTC data, significant numbers of MTurk respondents believed that Bristol had done tests to substantiate their claims of 47% savings, regardless of which ad they were exposed to. Actual results are available from the authors.

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EMERGING PROMOTIONAL IDEAS

Summary Brief

Face Value Plausibility and Spending Behavior when Redeeming Social Coupons

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Despite the growing phenomenon whereby consumers spend additional money beyond a social coupon (SC) face value, which results in consumers failing to achieve large savings, research investigating why consumers behave in such a way is limited. In this research, it is proposed that this behavior occurs because malleability in mental accounting decreases the effectiveness of mental budgeting as a spending self-control mechanism. Face value plausibility is the key contextual factor that influences such behavior. Findings across two experiments revealed that the amount of money spent beyond a SC face value was greater when redeeming SCs featuring a low-implausible face value. Neglected mental budget depletion was an underlying process. Furthermore, the amount of money spent beyond a SC face value was greater when redeeming SCs featuring a low-implausible face value and the temporal distance between purchasing and redeeming a SC was far (vs. near).

Introduction

Prepayment to receive a substantive discount (e.g., 50% or more) is the unique feature of social coupons (SCs) (e.g., Groupon and LivingSocial) (Kumar and Rajan 2012). That is, consumers incur costs (i.e., prepayment at a lower SC coupon price) first and receive benefits later (e.g., consumption at a greater SC face value). From a traditional economic perspective, one can argue that if the goal of prepaying for a SC is to receive substantive savings, consumers should not spend any additional money beyond the face value when redeeming a SC at a service retailer. However, it is common that consumers end up paying additional money beyond the SC face value when redeeming a SC at a service retailer. Mental accounting research suggests that consumers typically use mental accounts as spending self-control mechanisms by allocating budget limits to certain mental accounts (Heath and Soll 1996). Consumers can also control their spending by setting up a transaction-specific mental account, debit the costs, and credit the benefits generated from the consumption (Prelec and Loewenstein 1998). In a SC redemption context, it is contended that spending additional money beyond a SC face value violates not only the principle of economic maximization (i.e., failing to achieve large savings), but also the use of a mental budget as a spending control mechanism (Heath and Soll 1996).

This issue is vital for not only consumers themselves in terms of failing to achieve large savings, but also for service retailers. This is because the amount of additional money spent beyond a SC face value will compensate for the forgone benefits (i.e., offering a large discount size) and will subsequently lead to greater sales revenues and profitability generated from offering the SC campaign (Kumar and Rajan 2012). This issue raises an important, but heretofore unaddressed research question: Why do consumers spend a great amount of money beyond a SC face

value? In this research, it is contended that consumers' use of a transaction-specific mental budget as a spending self-control mechanism plays a vital role in their spending decision when redeeming a SC at a service retailer. However, under certain contextual conditions (e.g., low-implausible face value and a far distance between purchasing and redeeming a SC), the application of spending self-control by using the mental budget principle is violated (i.e., imperfect); thus, resulting in loss of spending self-control in terms of superfluous spending. Specifically, it is proposed in this research that *neglected mental budget depletion* (i.e., the instance in which consumers neglect the fact that the budget assigned to a transaction-specific mental account as a spending self-control is already depleted) influences the manner in which consumers make spending decisions when redeeming a SC at a service retailer.

Experiment 1

Experiment 1 tests the predictions that the amount of money spent beyond a SC face value will be greater when consumers redeem SCs featuring a low-implausible (vs. plausible) face value and neglected mental budget depletion is an underlying process. This experiment employed a 2 (face value plausibility: low-implausible vs. plausible) + 2 controls between-subject design. Participants were 160 individuals who had heard about SCs, had dinner experiences at Italian sit-down restaurants, were 21 years old or older, and correctly answered attention check questions (Age range: 21-67, $M_{\text{Age}} = 35.39$, 50.60% female) recruited from the MTurk online panel with an exchange for a small incentive. All participants were asked to imagine that they were in a SC redeeming situation at an Italian sit-down restaurant.

The results show that the amount of money spent beyond a SC face value is greater when redeeming SCs featuring a low-implausible (vs. plausible) face value. Furthermore, SC face value plausibility itself positively influences the amount of the total bill before deducting a SC face value. That is, the larger the face value, the greater the amount of the total bill. Finally, neglected mental budget depletion mediates the effect face value plausibility on the amount of money spent beyond a SC face value. That is, the lower the face value plausibility, the greater the neglected mental budget depletion, and the greater the amount of money spent beyond a SC face value. Overall, these results support this paper's contentions about the important roles face value plausibility and the existence of neglected mental budget depletion effect during consumers' SC spending-decisions when redeeming a SC. The next experiment focuses on one factor that is unique for SCs, *temporal distance between purchasing and redeeming a SC*, which would potentially enhance this neglected mental budget depletion effect.

Experiment 2

Experiment 2 tests the predictions that the amount of money spent beyond a SC face value is (is not) greater when consumers redeem SCs featuring a low-implausible (plausible) face value when the temporal distance between purchasing and redeeming a SC is far (vs. near) and neglected mental budget depletion mediates the interaction of face value plausibility and temporal distance between purchasing and redeeming a SC on the amount of money spent beyond a SC face value. This experiment employed a 2 (face value plausibility: low-implausible vs. plausible) x 2 (temporal distance between purchasing and redeeming a SC: near vs. far) between-subject design. Participants were 149 individuals who had heard about SCs, had dinner experiences at Mexican sit-down restaurants, were 21 years old or older, and correctly answered attention check questions (Age range: 21-70, $M_{Age} = 34.39$, 40.90% female) recruited from the MTurk online panel with an exchange for a small incentive. Similar to Experiment 1, all participants were asked to imagine that they were in a SC redeeming situation at a Mexican sit-down restaurant.

The results show that the amount of money spent beyond a SC face value is (is not) greater when consumers redeem SCs featuring a low-implausible (plausible) face value and far (vs. near) distance between purchasing and redeeming a SC. Furthermore, neglected mental budget depletion mediates the interaction effect of face value plausibility and temporal distance between purchasing and redeeming a SC on the amount of money spent beyond a SC face value. Overall, these results support this paper's contention about the important role of temporal distance between purchasing and redeeming a SC in increasing neglected mental budget depletion effect when consumers redeem SCs featuring a low-implausible face value.

Conclusion

This research advances marketing literature in several important ways. For example, this research complements prior research in mental budgeting (Heath and Soll 1996) by showing how malleable mental accounting decreases the effectiveness of mental budgeting as a spending self-control mechanism when redeeming a SC at a service retailer. This research is unique because the objective of spending self-control when redeeming in a SC context is to achieve large savings; whereas the objective of spending self-control in typical spending contexts is due to monetary resource limitation. The results from Experiment 2 also add to the prediction of payment depreciation (Prelec and Loewenstein 1998) by showing that the longer the temporal separation between purchasing and redeeming a SC, the greater the neglected mental budget depletion, and the larger the amount of money spent beyond a SC face value. However, the prediction of payment depreciation holds only when consumers redeem SCs featuring a low-implausible face value but not the ones featuring a plausible face value. This evidence shows the boundary conditions of the prediction of payment depreciation.

Due to the typical revenue sharing scheme of 50-50 split between a service retailer and a SC provider, it is important for service retailers to understand consumers' spending-decisions when redeeming either SCs featuring a low-implausible face value

or the ones featuring a plausible face value. For example, the results from Experiment 1 suggest that the restaurants will get more total net revenues, excluding tip, if they decide to offer SCs featuring a low-implausible face value rather than the ones featuring a plausible face value. These insights are important because service retailers have to make a decision as to whether they want to get more immediate revenues once the SCs are sold or get more total net revenue when consumers redeem the SCs. If service retailers choose the first objective, they should offer SCs featuring a plausible face value. In contrast, if they choose the latter one, they should offer SCs featuring a low-implausible face value. Furthermore, the results from Experiment 2 suggest that this spending decision depends on whether consumers have purchased a SC far in advance or they have recently purchased a SC. It is likely that the amount of money spent beyond a SC face value is greater for those consumers who have purchased a SC much prior to the time they redeem it than that of those who just recently purchased a SC.

This research focuses on only certain contextual factors (i.e., face value plausibility and temporal distance between purchasing and redeeming a SC) influencing the amount of money consumers spent beyond a SC face value that occurs prior to SC redemption. However, previous research suggests that a large portion of spending-decision occurs at a consumption stage (e.g., in-store) (Stilley, Inman, and Wakefield 2010). Hence, it is imperative for future research to focus on in-store factors such as the attractiveness of each menu item. For example, it is likely that consumers might order the food and drink items that are attractive and focus less on their SC mental budget. Also, the enjoyment and satisfaction occurring during the dinner might influence consumers to stay at a service restaurant longer, which in turn, potentially influences them to order more food and drinks items. This research employs scenario-based experiments. Furthermore, this research did not measure participants' actual spending when redeeming a SC. Although this research used only participants who had heard about SC and related sit-down dining restaurant experiences, this does not ensure that these participants have adequate knowledge and redemption experiences. Future research should incorporate this issue by employing non-experimental research with the data collected from real SC consumers who have SC redemption experience at sit-down restaurants.

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Summary Brief

Affective Arousal and Recall of Social Media Call-to-Action in Motion Picture Trailers

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A growing number of movie fans closely follow trailer releases with millions of consumers regularly viewing trailers on mobile devices for entertainment purposes or as a decision-making aid. The traditional strategy is for a studio to market the film heavily and then release it simultaneously on as many screens as possible. Recently, studios have started to augment this strategy through use of social media tools. For instance, many movie advertisements now include a “call-to-action”— active copy within the ad that compels a user to search for a given brand on social media in an effort to encourage consumer engagement. Despite the prevalence of movie trailers and the rise of social media as a form of promotion, limited research on either topic has emerged from the marketing or advertising literatures. This research uses physiological measurement to examine how trailer-induced affect may influence viewer attention, memory for promotional details, or subsequent behaviors.

Introduction

The release of movie trailers represents a significant link in the movie release promotional chain of events. The use of trailers in theatres is a longstanding tradition; film historians commonly cite the epilogue following a 1913 Coney Island screening of the first cliffhanger serial “The Adventures of Kathlyn” as among the first trailers. While studios began airing promotional trailers on broadcast TV as early as the 1950s, it was the movie *Jaws* that made history by blitzing the airwaves for three straight nights prior to the movie’s open on its way to becoming one of the largest grossing films of the decade. Today, a growing number of movie fans closely follow trailer releases with millions of consumers regularly viewing trailers on mobile devices for entertainment purposes or as a decision-making aid.

Like many elements of the creative economy, motion pictures are characterized by rapid product development cycles and high upfront investments (e.g., script acquisition, movie production). In addition, asymmetries relating to revenue generation are weighted heavily toward the beginning of a movie’s run and favor blockbuster hits. Thus, the traditional strategy is for a studio to market the film heavily and then release it simultaneously on as many screens as possible. In recent years, studios have also started to augment this strategy through use of social media tools. For instance, many movie advertisements now include a “call-to-action”— active copy within the ad that compels a user to search for a given brand on social media in an effort to encourage consumer engagement. For instance, a call-to-action may encourage consumers to follow a movie on Facebook or to include an official hashtag (i.e. #TheInternship) when discussing the film on Twitter.

Despite the prevalence of movie trailers and the rise of social media as a form of promotion, limited research on either topic has emerged from the marketing or advertising literatures. Functionally, trailers might be thought of as a combination of advertising and free sampling, designed to increase audience awareness and aid to consumer decision-making. But over and above this depiction, trailers are themselves a form of narrative film exhibition in which promotional discourse and storytelling pleasure are conjoined. As such, scenes depicted within trailers are notable in that they often elicit strong emotional responses, such as joy, surprise and fear.

While there is agreement about the need for an emotional response to advertising in order for it to be effective, there is little agreement among advertising researchers about how exactly emotion works to influence the overall impact of an advertisement (Mehta and Purvis 2006). Moreover, the trailer genre often intensifies the typical movie-going experience by packing emotion-laden action and dialogue into a relatively short span of time. One the one hand, it is possible that movie trailers may deplete cognitive resources (Bower 1992), such that meager attention is left for encoding static, less-interesting details such as movie release dates or social media calls to action into memory. On the other, MacKay et al (2004) found better recall for emotion-eliciting taboo words than neutral words in surprise memory tests. Thus, it remains unclear how trailer-induced affect may influence viewer attention, memory for promotional details, or subsequent behaviors. This discussion begs several important research questions:

RQ1: What is the nature of the relationship between affective arousal and recall of promotional details embedded within a movie trailer?

RQ2: Does the relationship between affect and recall differ for subjects hold for both positively and negatively valenced emotional response?

RQ3: How do discrete emotions, such as joy and fear, influence recall?

RQ4: To what extent is the relationship between affect/discrete emotion and recall mediated by subjects’ visual attention to call-to-action and movie release text within the trailer?

Project Description

Physiological Measurement

The research in progress employed advanced physiological measurement modalities to investigate how elevated affect may influence attentional resources and memory for important promotional details. In an exploratory study, 24 subjects were exposed to movie trailer stimuli, with gaze data recorded on a

Tobii T60XL eye tracking system. Participants had complete freedom of head movement. Usage of eye tracking in this context is justified in part on the basis of Just and Carpenter's (1980) "strong eye-mind hypothesis," which suggests no appreciable lag exists between what is fixated and what is being processed. Thus, longer fixation durations are commonly viewed as proxies for attention and deeper cognitive processing (e.g., Teixeira, Wedel, and Pieters 2012).

In addition, facial expression footage from participants was recorded by the eye tracker and the continuous video images served as input to iMotions' FACET facial expression analysis software. The software detects emotions by fitting a virtual mask to the video image of the subjects face, adjusting to each individual's facial form (eyes, eyebrows, nose, face and mouth delimiters) to capture 64 deviations in the line segments relating to Ekman's FACS. The output of the classifier is interpreted as the probability an expert coder would judge the subject as exhibiting a particular emotion or neutral state.

Research Methods and Project Status

Data for this exploratory study have been collected but not yet analyzed. For the experiment (conducted last summer), we utilized the trailer for the movie *Gravity* as our stimuli. The motion picture features a medical engineer and an astronaut who work together to survive after an accident leaves them adrift in space (IMDB 2013). 24 undergraduate and graduate business student subjects reported to a laboratory at a university in the Southeastern United States in order to participate in the study. Approximately 71% of the participants were male. Subjects ranged from 23 to 41 years of age, with a mean of 27.4 years. In addition, to recording gaze and facial expression data, subjects completed an online survey at the completion of the trailer that After viewing the trailer, subjects completed a brief survey that included several "surprise" recall items relating to movie promotional details depicted within the trailer as well as subject demographics.

Contributions

As companies continue recognize the importance of communicating with consumers via social media (Garretson 2008), an increasing number of calls-to-action appear in advertisements. Despite society's growing interest in social media, empirical research on this topic is still extremely new. This study offers a preliminary examination of the effectiveness of social

media in an advertising context. Moreover, the study adds to the increasing literature on issues related to the motion picture industry. Motion pictures are highly popular among U.S. consumers and are of high importance to the global economy (Eliashberg, Elberse, and Leenders 2006) and therefore, are a critical area of study. This research can help advertisers understand how to best utilize social media when creating movie trailers, which, in turn, can help them effectively reach consumers.

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SOCIAL MEDIA SENTIMENTS

Summary Brief

Like the Brand, Join Its Brand Page

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In this exploratory study, a model was established to investigate the influences of attitudes and social factors on consumers' willingness to join brand pages on social media. In the model, attitudes toward brand pages and social factors, including community participation, self-image congruity and consumer-brand relationship, are hypothesized to influence the intention to join brand pages. Besides, based on 'Web advertising value', information, entertainment and irritation as three antecedents for attitudes toward brand pages are incorporated in the model. The findings show that attitudes toward brand pages are positively influenced by information and negatively affected by irritation, while entertainment exerts no influence. In addition, attitudes toward brand pages, self-image congruity and consumer-brand relationship, but not community participation, influence consumers' intentions to join brand pages.

Introduction

The growing popularity of brand pages on social networking sites (SNS) encourages advertisers to invest more effort and resources in setting up brand pages on different social media platforms to communicate and connect with consumers. Brand pages not only enable a brand to reach fans but also can deliver brand impressions to friends of fans via these fans' personal profile pages. Brand 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 brand information. However, very little research has focused on examining factors that may influence the consumer's intention to join brand pages on SNS.

Ajzen and Fishbein (1980) argue that a person's behavior results from the formation of specific intentions to act. By examining what drives consumers to join brand pages on SNS, this study may provide a better understanding about the effectiveness of brand pages on influencing the consumer's social media behavior. In this study, a model is developed to examine the linkage between the consumer's beliefs about SNS advertising and attitudes toward brand pages. Furthermore, the model investigates the effects of attitudes toward brand pages, socialization and participatory factors, brand page image and consumer-brand relationship on the consumer's intention to join brand pages.

Literature Review

Beliefs about Social Networking Site Advertising

Consumers' beliefs about advertising are important antecedents of attitudes toward advertising. Attitudes guide people's cognitive thinking, influence people's affective feelings, and affect people's behaviors (Hoyer and MacInnis 1997).

Ducoffe (1996) identifies three perceptual antecedents of attitudes toward web advertising values are informativeness, entertainment and irritation. Positive and negative beliefs are perceived values of web advertising which can serve as important antecedents of the consumer's attitudes toward brand pages. The identification of antecedents of the consumer's attitudes toward brand pages provides new knowledge about which perceptions of brand pages may account for the values.

Attitudes toward Brand Pages

Ducoffe (1996) suggests that advertising elicits both positive and negative emotions, which are regarded as antecedents that influence consumers' attitudes toward advertising. Brand pages are considered as a form of SNS advertising. Thus, high brand page values can be derived from the perceived utilities and the pleasurable aspects of accessing advertising on SNS and low brand page values from the irritation that consumers have about the disruption of SNS advertising.

Brand Community

Brand pages are a form of brand communities. An SNS brand page is an interactive marketing communications medium that a company overtly uses to connect, communicate and interact with its customers. Studies of SNS brand communities reveal that connecting and sharing information with other members has strong and positive effect on the relationship between a brand community and its members (Laroche et al. 2012). Hence, the community and participatory factors would be considered here as motives to join brand pages.

Self-and-brand Image Congruity

Self-concept is defined as "the totality of the individual's thought and feelings having reference to himself as an object" (Mowen and Minor 2001, p.108). Self-concept is a cognitive structure that helps people maintain their self-esteem and strive for self-enhancement in interactions with others. As Tsai and Men (2013) suggest, liking or joining a brand page is a form of self-expression, the action of which gives meanings to one's self-identity. Self-image congruity enhances positive attitudes and behaviors toward products and brands. In the SNS context, joining a brand page is an activity that is visible to a user's SNS contacts or friends.

Consumer-brand Relationship

The associations with a brand name can create either positive or negative perceptions of the brand. Brand pages on social media are a relatively new medium; it is reasonable to assume that the

consumer's intention to join brand pages on social media is formed primarily from his or her past online experiences with these brands. In the SNS environment, brand pages may present uncertainty or incomplete information leading to consumers' fear of opportunistic advertisers' exploitation and therefore trust is important for developing successful online interactions. Based on previous research findings, the following hypotheses are developed.

H1 Informational values of SNS advertising are positively related to attitudes toward brand pages.

H2 Entertainment values of SNS advertising are positively related to attitudes toward brand pages.

H3 Irritation values of SNS advertising are negatively related to attitudes toward brand pages.

H4 Attitudes toward brand pages are positively related to intention to join brand pages.

H5 Community participation is positively related to the intention to join brand pages.

H6 Self-image congruity is positively related to intention to join brand pages.

H7: Consumer-brand relationship is positively related to intentions to join brand pages.

Research Method

Data were collected from a Southern university and a Northeastern university in the US using web-based survey. The Sample consisted of 174 college students with 55% females and 45% males. All respondents were between 18 and 26 years old.

Findings

First, an exploratory factor analysis (EFA) was run to assess the measurement properties of the scales; an 8-factor solution of 28 items was identified. The EFA solution accounted for 80.7% of the cumulative variance. Cronbach's Alpha was used to measure internal consistency. All measures demonstrated good reliability with alpha values larger than .87. Next, the measurement model was tested using confirmatory factor analysis (CFA). The CFA results indicated an acceptable fit ($\chi^2 = 521.25$, $df = 322$, p -value = .000, CFI = .95, RMSEA = .06, and TLI = .95). Further, construct validity was evaluated based on the indices suggested by Hair et al. (2006). Factor loadings ranged from .69 to .94 ($p < .001$) and the variance extracted estimates (VEs) are .80, .80, .67, .63, .77, .78, .79 and .86 for entertainment, irritation, information, community, relationship, image, attitude and intention, respectively. In addition, the construct reliability estimates were all adequate ranging from .87 to .97. Also, discriminant validity of the model is supported and good reliability is also established. Structural equation modeling (SEM) was run to examine the path model. The results indicated a satisfactory fit of data ($\chi^2 = 645.95$, $df = 337$, p -value = .000, CFI = .92, RMSEA = .07, and TLI = .92). The hypotheses tests result indicate that H2 and H5 are not supported, while the other hypothesized relationships are statistically significant.

Discussion and Conclusions

The initial evidence reveals that both the informational and irritation values of SNS advertising are significant predictors of attitudes toward brand pages on social media; however, entertainment values do not affect attitudes toward brand pages.

The findings also show that consumers' attitudes toward brand pages are strongly related to intentions to join. The positive attitude-intention relationship suggests that the more consumers like to access social media advertising, the more likely these consumers will join brand pages on social media. The negative irritation-attitude relationship indicates that, if consumers find a brand page less invasive, they are more likely to accept it. Contrary to expectations, entertainment values have no effect on attitudes toward brand pages. A plausible explanation could be ascribed to the presentation or form of brand pages. Consumers might perceive brand pages as a source of brand information rather than a form of entertainment.

The results of this study reveal that both self-image congruity and consumer-brand relationship have positive effects on intentions to join brand pages. The positive relationship between the self-image congruity and intentions supports the notion that consumers might join a brand page that has an image congruent with their self-concept and the symbolic meaning is important for SNS consumers to express themselves. Of all the predictors, consumer-brand relationship has the strongest effects on intentions to join. This finding confirms that a brand's strong and trustworthy relationship with consumers is vital to the brand's success on social media. Therefore, in the social media environment where uncertainty emerges, trustworthiness and reliability of a brand would serve as cues for consumers to follow.

One limitation of this study is generalizability. Random sampling techniques may provide more adequate data and variability to explore how attitudes and social influence affect a consumer's intention to become a fan of a brand page. Future research might look into the influence of cultural values on accepting brand pages on social media and brands expand their online presence into other countries,

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Summary Brief

Differential Effects of Twitter Sentiment on Retail Performance: Market Mavens, College Fashionistas, and the General Public

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This research explores how consumer-generated content online social networking differs among three groups of consumers in the fashion context: market mavens, advanced consumers, and the general public. Archival data from Twitter is married to various financial performance measures to study the differential influence of the groups' word-of-mouth communication. Market Maven Theory provides the theoretical basis for this work.

Introduction

Online social networking is now an omnipresent part of modern society. Examples including Facebook, Pinterest, LinkedIn, Twitter, Instagram, and YouTube are now household names as consumers and businesses alike are joining in droves. Online social networks represent a major revolution in the way that consumers gather information about, interact with, and consume goods and services (Schultz 2007; Kozinets et.al 2008). Well over half of Inc. 500 businesses now engage in online social networks (Ganim Barnes 2010) with social media marketing spending by businesses expected to exceed \$3 billion in 2014 (Forrester Research 2010). Traditional business models that allow firms to control the marketing message are threatened in this new environment (Hennig-Thurau et al. 2010).

The advent of this technology has brought on a paradigm shift in which consumer attitudes, opinions, and ultimate purchasing decisions are increasingly fueled by consumer-generated content that makes up online social networks (Schultz 2007). Many consumers use social media sites as part of the consumer decision-making process. Social media, which allow users to transmit information, engage in discussions, and form communities (Finin et al. 2008), shows significantly increasing reach and impact. Close to 70% of consumers within these sites use social media as a means to gather product information prior to making purchases, with nearly half making a purchase decision based on such information (Fisher 2009). Millennials are of special interest because they constitute the largest generational group of consumers and are far more likely to base purchase decisions on online consumer-generated content than their older counterparts (Emarketer.com 2012).

Problem Statement/Gap

The study of online social networks is an emerging topic area and research stream. As with most emerging streams of literature, there are several limitations that provide opportunities for new

research. First, while it is a wildly popular topic area among the practitioner literature and popular press, there is relatively little academic research dealing with online social networks. The bulk of academic research on online social networks is conceptual, which leads to the need for data collection and empirical testing. The current project will address these issues by empirically exploring online social networks in a novel way that has relevant implications for both consumers and businesses.

In this research, we identify consumer-generated content on a popular online social networking platform (i.e., Twitter) as a valuable source of the most up-to-date and accurate market information that can offer insights on current market trends. Consumers generate content within Twitter that reveals their preference and/or sentiment toward brands and market events. Other consumers, in turn, view this content as market information that may influence their own preference and/or sentiments and subsequent purchase decisions. These purchase decisions ultimately drive retailers' financial performance. From a business perspective, since financial performance is directly affected by the state of the economy, monitoring real-time content generated by consumers may enable firms to predict retail sales and other performance outcomes (Bollen et al. 2011). Furthermore, by monitoring such content, firms will be able to better understand consumers' needs and wants and determine the best marketing mix strategy (e.g., pricing and product assortments) to encourage consumer spending. Further, we propose that the type of consumers generating content will have a moderating effect on its predicting power and examine the differential effects of content created by market mavens, advanced consumers, and the general public

Theoretical Background

This research is rooted in Market Maven Theory (Fieck and Price 1987), which states that market mavens are individuals that "have information about products, places to shop, and other facets of markets, and initiate discussions with consumers and respond to requests from consumers for market information." Market mavens are distinct from opinion leaders in that their knowledge is not product specific. Within their favored contexts, they exhibit earlier awareness of new product developments and demonstrate higher levels of information provision, information seeking, and general market interest. Capon (2007) documents successful creation of competitive advantage associated with incorporating the power of market mavens into marketing strategies.

Targeting market mavens is a prime way for retailers to spread information throughout the marketplace, as this group of consumers actively disseminates news and engages with other consumers (Laughlin and MacDonald 2010). Online social networks allow market mavens to connect and interact with exponentially more consumers with like interests than ever before. The new forms of communication that social media provide market mavens is a natural progression (Lester, et. al 2012). Research shows that between 88% of consumers consult social media before making online purchases and 72% of consumers trust online reviews as much as personal recommendations (DeMers 2013).

Proposed Methods

This is an early work presentation proposal. In this exploratory study, we are building an extensive data set consisting of consumer-generated content (i.e., tweets) from three types of consumers: market mavens, advanced consumers, and general public. We intend to study the relationship between content created by the different types of consumers and various measures of retail financial performance. The chosen context for this study is the fashion industry. This selection is based on Feick and Price's (1987) finding that market mavens are primarily female, the point that fashion is a topic that interests many consumers in the Millennial generation that heavily use Twitter, and brand-associated events occur frequently in the fashion industry, which would produce subject matter for consumer interactions. Data on various retail financial measures are being collected as dependent variables. These data are from the ICSC Chain Store Sales Trend database and other resources tracking period by period retail results by sector.

Twitter data is collected between January – March, 2014. This time frame allows us to capture interesting trends in the industry since many fashion events occur during this period. Selection of the twitter accounts for data collection is based on the following criteria. The market mavens group consists of individuals whom meet the following criteria: a) profile that obviously identifies as an expert/influencer in the fashion industry (e.g., editor, blogger, designer, stylist, etc.), b) have more than 1000 followers, c) have more than 500 tweets, d) were actively tweeting on January 2014, e) tweets in English. The advanced consumers group, also known as college fashionistas, consists of a curated group of college women from across the United States who regularly post photos and information about fashion on the collegefashionista.com Web site. The college fashionistas have more knowledge about women's fashion than the average consumer, but have not yet established themselves as fashion authorities. The college fashionistas group consists of individuals whom meet the following criteria: a) profile indicates some association with the collegefashionista.com Web site (i.e., is a college student), b) have more than 500 followers, c) have more than 500 tweets, d) were actively tweeting on January 2014, e) tweets in English. The general public group is a random selection of U.S. based unsecured accounts that have tweeted using the hashtags #fashion and #style during January – March, 2014.

We plan to conduct content analysis of the tweets based on keywords and sentiment and map these onto the financial performance measures. In doing so, we intend to explore the following questions: 1) What is the relative difference and overlap

in keyword (e.g., fashion terms and/or brands) and sentiment between each of the three groups of consumers? 2) How well do these differences in keyword and sentiment map onto financial measures? 3) Does the keyword and sentiment of one or more of these groups predict financial performance better than others? If this proposal is accepted, these questions, as well as other insights, will be presented at the conference.

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Summary Brief

What Makes A “Like?”: The Impact of Identity Threat on Future Online Behavior

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Social media is a part of every marketer’s arsenal. As use of sponsored listings, posts and tweets expands, it has become increasingly easier to effectively tailor messages for specific audiences. However, at times these messages can appear in places where they are not congruent with the views, attitudes and tastes of the market.

Taking an exploratory approach, we propose three research questions regarding the role of individual characteristics on the development of perceived identity threat when an individual is faced with an identity threatening or non-identity threatening post from a firm as well as the impact of identity threatening firm posts on subsequent user behavior.

Important user behaviors for firms is for readers to repost, like, discuss and/or visit their brand or offering. We suggest that these outcomes potentially are influenced by individual characteristics such as self-construal, uses and gratifications (U&G) obtained from online social interaction as well as the intensity of engagement.

An interesting aspect of this exploratory research is the inclusion of the impact of the signature effect. The signature effect

implies an explicit linkage between a message and the individual. The signature effect occurs in situations such as when an individual reposts a link with a comment. The immediate social network of the individual is then aware of the poster’s position and self-identity.

Therefore, our research focuses on addressing:

RQ1a-c. What role does (a) Self Construal (b) U&G, and (c) user engagement have on developing a perceived identity threat.

RQ2: Does Self-Construal moderate the relationship between identity threat and signature effect.

RQ3a-d: When faced with an identity threat situation (vs. a non- identity threat situation) what is the change in (a) perceived identity threat, (b) signature effect, (c) EWOM and (d) revisit intention.

These questions are assessed using an online experiment. Results suggest that firms need to take care on who receives their messages as they may impact threat perceptions as well as subsequent behavior.

SPECIAL SESSION

Special Session

Techniques in Structural Equation Modeling

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Maxwell K. Hsu, PhD, University of Wisconsin-Whitewater

G. David Shows, D.B.A., Appalachian State University

Introduction

Structural Equations Modeling (SEM) in the last 20 years has become a de facto standard for the testing of latent constructs. This session explores not the theoretical aspects of SEM, but the “howto” practical solutions of research methods solvable with SEM and several statistical tools.

Session One:

How to Conduct SEM analysis Using the Stata SEM Builder

Stata statistical software is “a complete, integrated statistical software package” that provides almost everything for data analysis and data management. In fact, Stata has the capacity to run not only time-series analysis but also panel data analysis. Recently, Stata expands its functions to introduce a SEM (structural equation modeling) feature that can fit both standard linear SEMs and generalized SEMs. In sem, responses are continuous and the relationship among variables are linear in nature. In gsem, “responses are continuous or binary, ordinal, count, or multinomial. Models are linear regression, logit, probit, ordinal logit, ordinal probit, Poisson, negative binomial, multinomial logit, and more.” Users can fit SEM using Stata’s command language or the graphical user interface (similar to AMOS), known as the SEM Builder. We intend to demonstrate how to run SEM using Stata’s SEM Builder, and discuss the strengths and weaknesses of this relatively new Stata function.

Session Two:

A Procedure for Compensating Acquiescence Response Bias Through the Use of LISREL

Acquiescence response bias is the tendency to agree with a statement in a survey regardless of content, and can occur when subjects are unsure of their answers. This bias can carry from one scale to the other and such bias can lead to high correlation between scale items, such as those found in the reliability analysis. Acquiescence response bias can be common in attitude and personality scale items and requires attention if detected. This proposal suggests a compensating method for correcting response bias. Using the variation of a procedure suggested by MacKenzie and Podsakoff (2012), the creation of a correlation matrix for all possible variables is performed. Then, the covariance matrix is loaded into a spreadsheet and adjusted to compensate for the acquiescence bias. The five smallest observed correlations is determined and removed from the correlation matrix using the formula ($R_{adjusted} = (R_{observed} - R_{marker}) / (1 - R_{marker})$). This formula creates an adjusted correlation matrix for the purpose of CFA and SEM modeling. The resultant adjusted covariance matrix is imported in LISREL and the results measured for statistical vigor. The result suggests a compensation method that when properly followed recovers survey data affected by acquiescence response bias.

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CENGAGE PRIDE/FERRELL INNOVATIONS IN TEACHING COMPETITION
I

SMA Innovative Teacher Comment

Bringing the External Environment into the Classroom: Scanning in the Marketing Curriculum

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Organizations operate in a constantly changing environment of interconnected systems, resulting in a maelstrom of opportunities to create value. Engaging students actively in the analysis of up-to-date developments can be challenging, because of the general perception of information overload, which can overwhelm students and practitioners. To actively promote external analysis skills I use a technique called scanning in the marketing curriculum. Scanning is a systematic process that relies on group participation (crowdsourcing) and pattern recognition, and is manageable with a maximum of 45 students. Scanning allows students to make sense of potentially disruptive changes while incorporating many external developments. There are three parts to the process: abstract collection, pattern creation, and a discussion meeting.

To create abstracts, students are sent individually on a mission to look for new or unusual developments in any of the areas typically covered in external analysis: culture and society, technology, politics, regulations, economics/commerce, etc. Developments appropriate for scanning may exist at the research and development stage, as an interesting possibility, or as an early signal of change. Examples such as Amazon's intent to use autonomous drones in the future to deliver packages communicate the nature of useful abstracts well. As a general rule, participants should avoid developments that are older than six months (identified by a source date). Students may notice such developments in a number of ways, for example through exposure to academic journals, science publications, laboratory and research institutes, newspapers, hobby and do-it-yourself publications, conferences, trade journals, entertainment magazines, broadcast media, conversations with experts, and many more. Each student collects information to write two abstracts about different topics by following an online template containing 1) source information (title, author, date, URL, if applicable), 2) a paraphrased summary of the information, and 3) general implications. I ask students to submit their abstracts to a single, dedicated abstract forum I created on our internal learning management system, which contains the template as the first post. The group goal is to accumulate about 70-100 cutting-edge abstracts. Due to the number of abstracts required to capture a broad range of developments, brevity of each abstract is key. Instructors may assign students in courses with fewer than 35 students to submit more than two abstracts to reach the goal. I evaluate abstracts in terms of completeness (following the template), clarity of the writing, and novelty of the development.

Once a database of abstracts has been created, the focus turns to pattern recognition. Pattern recognition is the skill required to

make sense of seemingly disparate data points that may interact in surprising ways and present opportunities and threats to organizations. Useful patterns consist of 3-7 abstracts, with the modal number of abstracts being 5. I instruct students to avoid simply categorizing the abstracts into overly broad themes, like those that structure external analysis (e.g., government, technology, marketing, etc.). The true value of creating a pattern is the ability to uncover how developments across content areas interact to create potential threats and opportunities. For example, an abstract about an increase in the number of house calls made by physicians (a health care development) may be combined with an abstract about an ingestible nano-robot that could perform surgery at home (primarily a technological development), which can combine with a development in food science to make healthy foods (fruits and vegetables) taste like unhealthy foods, to encourage healthier eating among resisting audiences (a food marketing issue). This example pattern captures a potential rise of 'Health Enablers at Home', with various legal and consumer demand implications, economic implications about the cost structure of health care and the delivery of health services, and the well-being of citizens in technologically advanced societies. Pattern recognition is a creative and subjective process and students may include the same abstracts in different patterns. Pattern write-ups should contain a catchy title, a well-developed premise, a list of abstracts used - along with a brief explanation of how each abstract fits the premise - and a brief discussion of implication of the pattern for marketing or business in general.

A crucial capstone to the process is to share the patterns during a class discussion. Students arrive with a printout of their pattern write-up. The instructor is a neutral moderator and encourages broad participation in an egalitarian fashion while recording the patterns on the board, typically by listing the titles, abstracts, and central implications. Pattern meetings include free-wheeling discussions and students are encouraged to apply critical thinking to external developments. For example, students may critically examine how consumers might receive a new product, if commercialized. An effective way to organize the meeting is to ask students to share related patterns first, before moving on to a new pattern topic. Scanning can also see implementation in a fully online course: abstracts and patterns are submitted in dedicated forums, and discussions about the patterns ensue in the pattern forum, instead of a face-to-face meeting.

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Crossing the Atlantic: Integrating Virtual Cross-Cultural Experiences into Undergraduate Marketing Courses

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Introduction

Virtual Cross-Cultural Experiences (VCCE) are virtual meetings facilitated through web-enabled technologies (e.g., WebEx, Skype, WhatsApp) that allow marketing students in one country to hold virtual meetings with marketing students from a different country over the Internet and without travel, enabling students to see and hear each other. In the present comment, we demonstrate how this innovation was used in an undergraduate marketing course to enhance students' ability to effectively communicate and act in culturally diverse environments without traveling abroad.

Integration of VCCE

This particular VCCE required connecting two classrooms, one from the U.S. and one from Ireland. In marketing, there are many types of assignments (e.g., projects, presentations, exercises) that provide opportunities for integration using VCCE ranging from simple, less time intensive to highly complex, more time intensive projects. The present application is a more complex, client-based project that is commonly used to facilitate active learning in marketing classrooms. This project was completed by teams of students from two different marketing courses: 100 students enrolled in International Marketing course at Irish university and 34 students enrolled in Global and Cultural Issues in Marketing at the U.S. university. The VCCE was integrated in two phases.

Phase 1: Preparation

The main objective of this phase was to prepare the instructors and the course assignment with an integrated VCCE prior to the beginning of the semester. This phase was especially important due to the existing constraints as a result of differences in course structures and, importantly, general university policies with regard to acceptable course requirements (e.g., student work load). Thus, we wanted to make sure that VCCE would be integrated without major course changes that would result in excessive workload for students and/or the instructors. During this phase, the instructors met over Skype and agreed on the type of VCCE experience (i.e., client-based project), learning objectives, and number of VCCE meetings, including the rationale provided

to the students for each of the meetings and the deliverables. The instructors decided to engage students in four meetings, spread over a four-week period.

Phase 2: VCCE Realization

In this phase the projects with integrated VCCE were presented to students at both institutions. The instructions focused on achieving the pre-defined learning objectives (i.e., conduct SWOT analysis of a given market). Students were also given project instructions, including VCCE meeting schedule via their course websites. To avoid information overload, instructors only presented the elements students needed to know at that time. Next, the U.S. students formed teams of two and selected one of the members to be team captain who then became the primary point of contact to simplify scheduling and realization of meetings. Following the same procedure, the Irish instructor assisted students forming teams of three to five students, with one captain. This process resulted in 17 cross-cultural teams. Team captains were asked to initiate the first contact to introduce themselves and exchange contact information. The first team meetings were used for introductions and to obtain personal information needed for project deliverables. Also, teams were asked to schedule their own meeting times to make sure their personal schedules and five-hour time differences were considered. The remaining three meetings followed over the next three weeks, each focusing on a specific learning objective.

Conclusion

On the basis of the initial empirical insights gained from qualitative and quantitative data collected with participating students, we believe VCCE provides marketing educators with an innovative tool that can provide students with, as noted by them, "awesome" experiences not often found in their "real life." The results also suggest that VCCE provides a promising venue for enhancing students' overall learning experience and, at the same time, enhances their ability to effectively communicate and act in culturally diverse environments.

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Promote Intrinsic Motivation to Learn through Multi-channel Networking and Communication

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Introduction

“Develop a passion for learn. If you do, you will never cease to grow (Anthony J. D’Angelo).” We are believers of intrinsic motivation. We believe that it is the intrinsic motivation that leads one to achieve long term learning, development and greater success. While the modern communication technology and social media have profound influence on how people acquire information and connect with one another, we see great opportunities to integrate these technologies and communication style into our teaching in order to help students to develop genuine interest in the course subjects and engage in greater autonomous learning. Below are a few examples on how we promote students’ intrinsic motivation to learn through networking and communications via various class activities, social media and other platforms.

Networking through Class Activities

Very often, students will have more passion to learn when they have the chance to learn in a group and have their enthusiasm fueled up by each other. Therefore, we experimented with incorporating more components that allowed active collaborating and networking among students: we let students team up to work on group projects and experience “fun” learning through collaboration; sometimes, we had students engage in role play and make “executive decisions” in a business setting; we also arranged students to participate in an interactive behavioral lab to learn about analytical modeling and get a sense of the consequences of strategic business actions.

Networking on Social Media

To encourage collective wisdom and networking in class, we set up a Facebook close group for the course. This Facebook leaning group provides a platform for the students to extend their learning in the following ways:

This Facebook close group can help students extend their learning beyond the classroom. Given that these students usually check their Facebook account on a regular basis, they can read the postings on this learning group at any time and learn about valuable information and new knowledge about business, naturally and effortlessly.

The students can also contribute to the postings themselves on this online learning group, which gives them a chance for sharing their own learning with the entire group, and by doing so, they are more intrinsically motivated to take charge of their self-directed learning.

This Facebook learning group will be especially valuable for the students after they have graduated. Once they have left school,

it will be increasingly difficult for them to have access to new knowledge and skill sets without committing substantial time, efforts and even financial resources. However, by being a member of the Facebook learning group, our students can get updates on new knowledge developments at their fingertips at any time, for free. Furthermore, they also have a chance to maintain networking with their fellow group members, and such networking has the potential to present opportunities and benefit their career development in the long run.

Networking on Blackboard

We designed various activities on Blackboard to supplement the regular face-to-face lectures. For example, we set up a group project bulletin to facilitate collaborations on the group projects; we created a discussion board to allow students to propose real marketing and business problems/issues and solicit advice and opinions from classmates; we had a communication thread in place for Q & A on problem sets; we also designed a venue for a series of behavioral labs and workshops which focus on giving students hands-on learning of research methods.

Anonymous Communication

In addition to open networking and communications, we also made sure to have a channel for students to provide their feedback anonymously. We conducted an anonymous online survey earlier in the semester to get students’ suggestions on teaching. This helped students to feel more comfortable to tell us whatever was on their mind about our teaching. We debriefed students on the feedback we gathered and implemented reasonable changes accordingly. Throughout the semester, we also implemented an anonymous voting mechanism in order to get collective decisions on various practical issues about the class. Such anonymous communication platforms provide students with a channel to speak up without hesitation, and have confidence that their voice will be heard and respected.

Conclusion

By these innovations, we have seen great results with students’ motivation to learn both inside and outside the classroom. Our students have become more enthusiastic about the course material, and we saw them carrying on with their learning on their own long after the class was over.

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SMA Innovative Teacher Comment

Popsicle Stick Poker

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It seems the new normal in the classroom involves student texting or checking social media during class. The root cause seems to be student apathy and consequent low course involvement. The intent of this innovation is to move students from passive to active learners by encouraging class participation and having students prepare prior to coming to class; including reading textbooks that seem to not be purchased by many students.

The Popsicle Stick Innovation

The Popsicle stick innovation encourages student participation, alleviates apathy in the classroom, fosters student contribution to class discussion and rewards the most attentive students. Students are rewarded for making meaningful contributions to class discussion drawing from the assigned text and readings in addition to outside materials students source and bring to class. These include print and electronic contributions that help bridge the gap between academic texts and examples more salient to students. When such unique and meaningful contributions are made, students earn one of several types of Popsicle sticks.

The author employs sticks that are color coded in red, green and blue with symbols in Chinese (red), Arabic (green) or Russian (blue). In reality it does not matter which symbols are used, simply that they are in some way grouped by color. The student task is to contribute to the class and to earn a popsicle stick in order to build one of three poker hands over the course of the semester. These include a full house, four of a kind (based on symbol) or a flush (based on Popsicle stick color). By semester's end, students that contribute on a regular basis typically earn sufficient Popsicle sticks to form one of the poker hands allowing them to drop one of three quiz scores.

This innovation meets the extant literature's criteria for devising a "game" to foster active learning. The innovation ties together and expands upon key course concepts while limiting the poker hand options simplifies the goal. Rather than subsume learning, this innovation creates lively active participation by students.

Implementing the Innovation

Three key facets of this innovation are important in the setup of Popsicle stick poker. First, defining what constitutes a meaningful contribution needs to be communicated to the class. Students need to be given examples of what will constitute a meaningful contribution to drive inquiry and to reward them for going beyond simply drawing from the textbook leaving little ambiguity.

Second, the three poker hands need to be explained. There are students unfamiliar with poker and the identified poker hands that will earn them Popsicle sticks. This is easily done by showing various hands, that meet the requisite combination of symbols and/or colors. A cheat sheet is placed online in whichever online course platform is used by the school.

The final preparation requirement for the Popsicle stick innovation is to select a combination of color and symbols. For this example, foreign languages were selected as students are interested in learning what the odd symbol on the stick they "win" represents. Further, using a foreign symbol in the instructor's handwriting mitigates fake Popsicle sticks. The Popsicle sticks are mixed prior to each class so students cannot game the system by showing up only one week in order to win "red sticks" that week.

Success Measurement of the Innovation

To test the effectiveness of the innovation, four samples were used; two employing Popsicle stick poker as a classroom tool and two control groups. The same professor taught all four courses; two each in the fall and spring semester. Paired course were used with the fall semester consisting of two sections of advertising and the spring semester consisting of two sections of consumer behavior. The classes were all taught on Tuesday/Thursday and were back to back. Assignment of which class received the treatment was done by coin toss.

Final exam scores were used as the comparison variable. An analysis of variance was run using class subject and control / treatment as independent variables and final exam score (out of 100) as the dependent variable. It is not surprising that class subject was significant ($p=.022$) given that consumer behavior is a required course consisting of mostly marketing majors while advertising is an elective with many non-business students. However, the use of popsicle stick poker versus the control group also was significant ($p=.005$) with no interaction between class subject and the treatment ($p=.08$). Significant differences in the treatment versus control with no significant interaction suggests that using Popsicle stick poker improves test scores.

Attendance and participation were significantly higher for the treatment groups as well. A graduate research assistant attended six classes for each of the four classes. Both attendance and numbers of unsolicited contributions were recorded. For the control groups, attendance averaged 72% of registered students while for the treatment groups attendance averaged 88%. Unsolicited contributions in the control groups averaged 48 during each one hour fifteen minute class. For treatment groups, the average was 148. Students led the discussion and brought new information to the class for the treatment groups while for control groups, contributions consisted mostly of a rehash of text material.

A series of t-tests for paired courses (ADV-ADV and CB-CB) run between the treatment mean test score and the control mean test score revealed significant differences providing strong evidence that using the popsicle stick poker innovation led to superior test scores for the treatment groups.

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**MARKETING STUDENTS: WHO ARE THEY, HOW DO WE RECRUIT THEM,
AND WHAT DO WE TEACH THEM?**

Summary Brief

Social Media Usage by Institutions of Higher Learning: An Examination by Platform, Institution Type, and Size

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There are numerous social media platforms that are being used by companies to gain consumer attention, develop interactions and receive feedback from customers, and sell products. Institutions of higher learning should be leading the charge to utilization of new communication methods as they have the most access to research on the topic. This study examines 490 universities in the U.S. to determine what types of social media are being used and whether the status of public vs. private and/or size of the university make a difference in the types and number of platforms used.

Introduction

Social media refers to “a countless array of internet based tools and platforms that increase and enhance the sharing of information.” (Mahesh and Amulya, 2013, p.162). Social media provide new methods of communication and the cost of social media is relatively inexpensive when compared to other forms of promotion. Small businesses and nonprofits are likely to utilize social media as an important part of their marketing since their budgets are often limited and/or come from outside sources such as state funding. Given the funding for universities, the use of social media as a promotional tool appears to be a good fit. The purpose of this study is to examine universities in the US to determine how social media is being used by assessing the websites for universities to determine the various platforms used as well as the differences in use of social media platforms based on the type (public /private) and size (small/medium,/large) of university.

Literature Review

Social media literature related to universities have examined topics such as the potential in education for teaching and learning (Griffith and Liyanage 2008), the uses and perceptions of sites of college faculty and students (Roblyer, McDaniel, Webb, Herman and Witty 2010), and the various entities within colleges that use social media in a number of ways: libraries (Matthews 2006; Farkas 2007) faculty (Mazer, Murphy, and Simonds 2007), university events and university marketing (Mack, Behler, Roberts, and Rimland 2007), and university attempts to transform from teaching organizations to learning organizations (Manlow, Friedman, and Friedman 2010). These articles discuss how social media is being used, but do not examine what platforms are most prevalent or factors that might influence the use of social media platforms within universities. One study by Fraccastoro and Karani (2011) examined university use of social media with a

small sample in TX and found some difference between small and large universities compared to medium sized universities. Differences were also found in the usage of social media between public and private universities.

Study

The homepages of the websites for 490 universities in the US with AACSB International accreditation were examined to determine what types of social media are being promoted to their website visitors. AACSB International programs were selected because these schools must all meet the same standards which allow a level of comparability among the schools. Use of a type of social media was coded as 1 if used and 0 if not.

The size of the university, based on enrollment, was also determined. Size was broken into three categories: small (under 10,000 students) 131 or 26.7%, medium (10,001-20,000 students) 134 or 27.3%, and large (20,001+ students) 222 or 45.3%. Size may factor into what type of social media is used. Smaller schools may have considerably fewer resources (less funding, less tuition) than larger schools; thus utilizing social media more.

All universities were also categorized based on the type of institution, public (334 or 68.2%) vs. private (156 or 31.8%), coded 1 and 2, respectively. Public universities rely on government funding, tuition revenue, and private donations to conduct business. Private universities utilize greater private donations and higher tuition revenues to provide their educational programs. Thus, it is expected that public universities would be likely to utilize more social media than private universities.

Data Analysis/Results

Since the dependent variable and independent variables are categorical, chi-square tests were run to determine if there were significant differences in social media usage for universities by size (small/ medium/ large) and by type (public/ private). Chi-square tests were conducted separately for each social media platform, first by size and, then, by type. Finally two-way ANOVA tests were run to check for interactions between size and type (see Tables 1 and 2 for results).

Overall Social Media Usage. The total number of social media platforms used by universities were summed and compared by size and type to see if there were differences between them. The total number of platforms used by universities ranged from 0 to 9. An ANOVA showed that the effect of size was not significant, $F(2, 487) = 8.913, p = .245$. The average number of platforms used by universities was: small-4.2579, medium-4.2985, and large- 4.5769. Likewise there was no significant difference between the average number of platforms used by

public and private universities: public- 4.3193, private- 4.3974. ANOVA shows $F(1, 490) = .204, p = .651$.

Table 1: Platform Adoption by Size

Platform	(use)	Small	Medium	Large	X
Facebook	Yes	207 (-.5)	125 (-.3)	125 (.9)	.774
	No	15 (.5)	9 (.3)	6 (-.9)	
Twitter	Yes	202 (-.6)	122 (-.4)	123 (1.0)	1.055
	No	20 (.6)	12 (.4)	8 (-1.0)	
YouTube	Yes	183 (-.7)	112 (-.1)	113 (.9)	.893
	No	39 (.7)	22 (.1)	18 (-.9)	
LinkedIn	Yes	71 (.6)	38 (-.7)	40 (.0)	.517
	No	151 (-.6)	96 (.7)	91 (.0)	
Blogs	Yes	18 (.4)	8 (-.8)	11 (.4)	.707
	No	204 (-.4)	126 (.8)	120 (-.4)	
FourSquare	Yes	12 (-2.6)	13 (.3)	19 (2.6)	8.398
	No	210 (2.6)	121 (-.3)	112 (-2.6)	
Google+	Yes	24 (-3.5)	25 (.5)	35 (3.4)	15.13
	No	198 (3.5)	109 (-.5)	95 (-3.4)	
Pinterest	Yes	28 (-.8)	15 (-1.1)	25 (2.0)	4.052
	No	194 (.8)	119 (1.1)	106 (-2.0)	
Instagram	Yes	53 (-.6)	32 (-.4)	38 (1.2)	1.336
	No	169 (.6)	102 (.4)	93 (-1.2)	
FlickrR	Yes	77 (1.7)	41 (-.1)	32 (-1.9)	4.187
	No	144 (-1.7)	93 (.1)	99 (1.9)	

Note: For both tables adjusted standardized residuals appear in parentheses besides frequencies. * = $p < .05$

Table 2: Platform by Type

Platform	(Use)	Public	Private	X ²
Facebook	Yes	313 (-.2)	147 (.2)	.050
	No	21 (.2)	9 (-.2)	
Twitter	Yes	305 (-.6)	145 (.6)	.377
	No	29 (.6)	11 (-.6)	
YouTube	Yes	275 (-1.0)	134 (1.0)	.978
	No	59 (1.0)	22 (-1.0)	
LinkedIn	Yes	87 (-3.2)	63 (3.2)	10.290
	No	247 (3.2)	93 (-3.2)	
Blogs	Yes	24 (-.4)	13 (.4)	.201
	No	310 (.4)	143 (-.4)	
FourSquare	Yes	34 (1.4)	10 (-1.4)	1.849
	No	300 (-1.4)	146 (1.4)	
Google+	Yes	60 (.7)	24 (-.7)	.518
	No	273 (-.7)	132 (.7)	
Pinterest	Yes	50 (1.0)	18 (-1.0)	1.048
	No	284 (-1.0)	138 (1.0)	
Instagram	Yes	83 (-.2)	40 (.2)	0.35
	No	251 (.2)	116 (-.2)	
FlickrR	Yes	100 (-.5)	50 (.5)	.204
	No	233 (.5)	106 (-.5)	

Conclusions

Overall it appears that most universities have taken to social media very enthusiastically. Less than 5% of the universities were not using any social media. Most of the universities (67.41%)

were on 3-5 different social media platforms. The most popular social media platforms were Facebook, Twitter and YouTube and almost all universities have a presence on these websites. Large universities appeared to have an edge over small and medium universities when it comes to utilizing newer tools such as Google + and Foursquare. Similarly, private universities appeared to be more apt to utilize LinkedIn than public universities.

Since many educational institutions face severe funding shortfalls, social media can replace much of their advertising and promotion efforts. Universities are also uniquely positioned because they have access to faculty who may be experts in social media as well as student employees who are likely to be representatives of their target customer base. Universities have the potential to be leaders in adoption of social media and the findings indicate that they are willing to try the latest “hot” platforms as well. The study indicates that this acceptance of social media is not influenced by size or nature of the university.

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Summary Brief

Gender and Personality Characteristics of Accounting, Marketing, and Psychology Majors

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This research applies Cattell's 16 Personality Factor Questionnaire (PF16) to compare and contrast personality traits among undergraduate men and women enrolled in business and liberal arts courses. Specific attention is given to what personality differences exist between the most popular majors in business (accounting) and liberal arts (psychology) with those of marketing majors. Analysis of variance conducted among the three majors found 10 personality factors (PFs) to be significant, along with gender. While this research provides a detailed personality profile unique for each major, stepwise discriminant analysis isolating two PFs provided a predictive model of 42.8% while gender contributed 5.1% for a predictive psychometric model of 47.9%. This research is unique as it compares personality differences among business majors with a popular nonbusiness major, isolates the impact of gender, and uses discriminant analysis to provide a parsimonious predictive model to identify key factors among students that differentiate the three majors.

Introduction

Previous studies, typically based on demographic survey data, have uncovered various reasons why students select a business major. Relationships with such variables as salaries, prestige of a specific career, and gender have been cited as influencing factors. More recent studies have focused on the role of personality as a possible underlying reason for why students select a business major (Noël et al. 2003). Their research is based on Holland's (1985) theory of vocational choice, which proposes that people choose professions where they believe the work environment will match their personalities.

Literature Review

Personality plays an important role in the selection of a business major compared to other academic majors. Lounsbury, et al. (2009), applying the Big Five personality inventory, revealed that business students were more emotionally stable, extraverted, and conscientious, while less agreeable and less open to sharing experiences than other majors. The Big Five personality test was also applied by Lakhali, et al. (2012). Their study showed that personality played an important role in the selection of a business major. Using multiple hierarchical logistic regression analysis, they found that personality (neuroticism, openness to experience, agreeableness, and conscientiousness) and gender accounted for 42.2% of the variance in the choice of a business major.

Significant gender differences have been found on a number of studies pertaining to business education. These include the

assessment of computer skills, financial literacy, responses to ethical business dilemmas, and application of business statistical software in the classroom.

Moreover, significant personality differences have been found based on gender. Costa, et al. (2001) found women consistently report higher neuroticism, agreeableness, warmth and openness to feelings, while men often report higher assertiveness and openness to ideas. Using Cattell's (2003) 16 PF survey, Del Giudice, et al. (2012) reported differences to be most pronounced on aggressiveness and vocational interests; that is, people traits versus 'thing' traits.

Hypotheses

In light of the general finding on personality and gender, the following hypotheses are proposed:

H1: Accounting, marketing and psychology majors will demonstrate significant personality trait differences using Cattell's 16 personality factor questionnaire.

H2: Gender will have a pronounced effect on personality differences between the three majors.

RQ: Will stepwise discriminant analysis provide a parsimonious predictive model based on personality traits and gender differences between the three majors?

Sample

Student volunteers were recruited from undergraduate business and liberal arts courses at a large urban southeast regional state university serving both commuter and residential students. Respondents were given minimal extra course credit for their participation. All students had declared college majors and were randomly selected from larger enrollment classes with a focus on junior and senior undergraduate students. Of the 717 surveys distributed during the fall semester of 2012, n=683 useable surveys were returned for a response rate of 95%. Nine were discarded for lack of full response and 25 were discarded due to undeclared college or major. Total gender responses of males (n=280; 41%) and females (n=403; 59%) matches the university's existing gender demographics proportion of 41% males and 59% females. This ratio also corresponds to average national statistics.

Specific attention was given to what personality differences exist between the most popular majors in business (accounting) and liberal arts (psychology) with those of marketing majors. A sample of 296 students, comprising the three majors, was drawn from the 683 declared undergraduate majors in both business and liberal arts. The sample provided nearly equal distributions for

each major (accounting; n= 92), marketing; n= 94; and psychology n= 100).

Significant gender differences ($X^2 = 12.78$; sig.= 002) exist between the three majors as can be expected from both national trends and existing university demographic information. The average mean age for all students was 25.24 (SD = 7.60), which is within the 95% confidence interval compared to existing university student data of (26.11). Reported quartile age groups were 25% from 18 to <20 years old; 25% were 20 to <23; 25% 23 to <27 and 25% >27 years of age. The average hours worked per week was 27, although there was considerable variation (SD = 15.11). No significant differences were reported between the three majors on hours worked and age.

Results

Hypothesis 1:

Hypothesis 1 was supported. Individual ANOVAs revealed ten of the 16 scale items as significant, along with gender, among the three majors. Accounting majors were found to be significantly different from either marketing or psychology majors in terms of the following nine PFs: reserved-detached, focused-concrete thinking, submissive, restrained, reserved-timid, tough-minded, practical, conservative and self-controlled.

Marketing majors were found to be significantly different from either accounting or psychology majors in regards to eight PFs: outgoing-easygoing, venturesome-abstract thinking, assertive-competitive, enthusiastic, venturesome-uninhibited, imaginative, self-assured, follows own urges.

Finally, psychology majors were found to differ significantly from either marketing or accounting majors in terms of the following ten PFs: reserved-detached, creative-abstract thinking, submissive, restrained, reserved-timid, sensitive, imaginative, self-controlled and more female dominated.

Accounting majors were significantly different on eight PFs when compared to only marketing majors, while psychology majors were significantly different on 5 PF's when compared to accounting majors. Marketing majors were significantly different on five PFs when compared to psychology majors.

Hypothesis 2

Hypothesis 2 was supported. Accounting majors were found to identify significantly more with male-oriented personality attributes, while marketing and psychology majors identified with more female-oriented attributes. No significant differences were reported between marketing and psychology majors.

Research Question

Data was examined using stepwise discriminant analysis, which involves the analysis of variance (ANOVA) of the linear combination of two or more independent variables that discriminate best between the a priori defined groups. It relies on the statistical decision rule of maximizing the between-group variance relative to the within-group variance (Hair, et al. 1990). This procedure allows for a standardized partial regression analysis, which indicates the maximally discriminating factors. Two PF factors account for 42.1 % of all 16 PF factors. They are 'focused and concrete thinking' mainly for the accounting majors, and 'creative and abstract thinking' for the marketing and

psychology majors. The PF of 'restrained - enthusiastic' is included with accounting and psychology majors as 'restrained' and marketing majors as 'enthusiastic'. Gender provides 5.1% of the variance of the PF model with accounting primarily male oriented and marketing and psychology female oriented. The two PF's and gender account for a predictive psychometric model of 47.9%.the three majors are compared to one other major and found either significant (*) or not significant (n.s.).

Discussion

The development of a clear profile of students by major provides a heightened understanding on how to recruit, select, and develop focused business and nonbusiness programs.

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Summary Brief

Qualitative Research in Marketing for Undergraduate Business Majors

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Using qualitative methods to gain consumer insights has become increasingly popular among practitioners in corporate and agency settings. At the same time, recruiters of recent college graduates have indicated that soft skills such as interpersonal communication, collaboration and critical thinking are highly valued but often lacking in newly graduated job candidates. Including extended time with theory and practice of qualitative research in marketing in the undergraduate business curriculum addresses many of these areas, making data-focused students better equipped to enter the job market for marketing and other business professions. Learning these skills has the potential to reinforce critical and creative thinking and enhance listening and communication skills that are often overlooked in the business curriculum.

Introduction

Qualitative research methods are often used to discover consumer insights by collecting data that are comprised of rich description, visual presentation, and provide greater depth to discoveries about consumer experience. More specifically, observing consumer behavior in the field and engaging in long interviews with consumers makes it possible for marketers and managers to better understand consumer wants, needs and values with information far beyond what can be gathered through more traditional quantitative methods. Such data collection requires investments of time and resources. Job candidates with knowledge of this process and the skills associated with it can be valuable to companies upon graduation from college. However, recent research in the popular press suggests that the most desirable skills undergraduates in the US are lacking are communication and interpersonal skills (Fox Business News, 2014), such as collaboration and adaptability (Chronicle of Higher Education, 2013), and the ability to think creatively and critically (Time 2013). In addition, new college graduates must have the ability to synthesize data into context to help solve problems in business in order to be useful to an organization (NYTimes 2013).

Qualitative Research Course

A pilot course at a medium sized, regional, public university provided instruction and field experience in qualitative methods in marketing research to students through studies in bracketing, interviewing, developing research questions, designing and executing observation, ethnography, and netnography.

The learning objectives for the course included developing an understanding of qualitative research methods, when and why to use them and developing analytic skills to interpret and apply results of qualitative studies.

Early in the course, students engaged in exercises to develop an understanding of their personal biases and cultural orientations for the purpose of facilitating bracketing in the interview and analysis processes. Through these exercises, the students were able to identify and attenuate socio-centric and egocentric thinking, which are barriers to critical thinking (Paul and Elder 2008). Further, by identifying ways in which their own culture influences how they make assumptions and inferences, they are better equipped to draw implications from qualitative data from participants with different backgrounds.

Effective interviews in qualitative methods require careful planning and preparation, which facilitate interpersonal communication and collaboration skills before, during and after the interviews. Developing an interview guide, recruiting and participants and establishing rapport during the interview require these skills. Students collectively developed an interview guide by suggesting and then critiquing each other's proposed questions, yielding a comprehensive interview guide that the entire class would use as they engaged in an outside interview with a participant they recruited. Through role play and discussion, students learned to develop rapport in an interview and utilize listening skills in order to generate more comprehensive responses.

An observation study with a short horizon required students to collect and synthesize data quickly for presentation to a group of administrators. This exercise generated class discussion and collaboration on the research method and data collection, as well as analysis and synthesis of the information to propose solutions to a consumer behavior issue on campus. Students worked in small teams to collect qualitative data in the form of field notes, interviews and photographs. The data were used to support their proposals in formal presentations.

Netnography is a form of qualitative research in which consumer behavior is observed via social media or other internet outlets. Each student, working in pairs, performed a brief netnography of another student to reveal insights about their consumer behavior and values.

Research Contribution

An informal survey of marketing professors in the US revealed that, in most undergraduate marketing curricula, qualitative research methods are viewed as ancillary to quantitative research methods for marketing, and in most cases receive limited attention in the context of a marketing research course. While many graduate courses in qualitative methods exist, they are largely aimed to develop skills for scholarly research. A gap exists in the instruction of qualitative research methods for undergraduate business majors for the purpose of developing research skills that can be applied in the early practitioner careers

of college graduates. Offering a full semester course in qualitative methods not only prepares students to engage in qualitative research in a business setting, but also strengthens skills that are vital to early career success such as critical and creative thinking, communication and collaboration.

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GOING MOBILE

Summary Brief

Mobile Shoppers Engagement Tendencies with Mobile Retailers

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Mobile shoppers who differ in their levels of engagement with mobile shopping can differ in their participation in shopping and purchase behavior. This research seeks to understand mobile (smartphone/tablet) retail shoppers shopping experiences. Additionally the research will analyze and develop mobile shopper segments based on their shopping habits, engagement level, attachment, and commitment to shopping and their trust, loyalty, and satisfaction with mobile shopping. Developing mobile smartphone/tablet shopper segmentation profile(s) can assist retailer mobile marketing efforts to drive further engagement, attachment, and commitment in building customer/user relationships.

Engagement

Technology today, especially mobile smartphones and tablets are seen everywhere. Regardless of activity, it is all one touch or swipe away with your smartphone or tablet. This interaction, and the tasks required to complete the activity, engage users with chosen tasks. According to O'Brien (2010), O'Brien and Toms (2008; 2010) user engagement with their devices enhances affective emotions and senses (design and layout of screen) as well as cognitive states (application activities e.g. shopping). O'Brien and Toms (2010, p. 344) define engagement as "...worthwhile, successful, and ...would seek again in the future." Goodhue and Thompson (1995) model of task to technology fit requires using features on the smartphone/tablet to perform functions (Lin and Huang 2008). Favored sites, shopper preferences, additional rewards, reminders, or program offers are there for the touch. These offers tailored to user's needs can serve to further engage users potentially increasing their time spent, size of purchases and purchase frequency.

Proposition 1: Mobile user engagement is positively related to their shopper experiences.

Attachment

User ability/skill to use smartphone/tablets for a variety of tasks, (e.g. shopping, locating, messaging, listening to music, watching movies, etc.), allows them access to information about goods and services, the ability to compare prices, find a convenient location, or allow delivery direct to home or store. Retailers sites that have the ability to offer enjoyable, entertaining, informative, and interactive responsive sites creates value not only for users but retailers sites as well (Varadarajan et al 2010). Being able to shop (task) and simultaneously share with friends and others using mobile technology creates user attachment matching need and task to technology fit (site) (Goodhue and Thompson 1995; Lin and Huang 2008). Greater attachment should yield

greater engagement, more likelihood of purchase, higher spending, loyalty and trust (Poloncic et al 2010).

Proposition 2: Mobile user engagement is positively related to their attachment.

Commitment, Loyalty, Trust, Satisfaction

Good experiences with mobile retail technology encourages users continued patronage (visits) commitment building trust in the technology (Zhang et al 2011; Gefen 2002). Users who are committed, visit sites more often, share with friends and others, maintain higher levels of engaged commitment to their chosen retailer (Brown et al 2007). Higher levels of engagement engender trust, loyalty, and commitment to using (Davis-Sramek et al 2009; Zhang et al 2011). Morgan and Hunt (1994) highlight the commitment-trust theory in relationship marketing. Mobile shopping retailers that allow user personalization and customization drive user's smartphone/tablet engagement, commitment, trust, and attachment (Allen and Meyer 1990; Bruggen et al 2011; Jin et al 2008). Mobile shoppers who engage with mobile retailers on a frequent and consistent basis are actively committed to respond to offers that fit their lifestyle activities further deepening their relationship bonds. Mobile retailers who build these shopper relationship bonds should see greater loyalty behavior (Davis-Sramek et al 2009; Bruggen et al 2011; Lin et al (2009). Tsotsou (2006) and Chen (2012) have found a direct link between loyalty, trust, and satisfaction with commitment acting as a mediator between loyalty and satisfaction in e-tail contexts.

Mobile shoppers' smartphones/tablets have location based capability. Varadarajan et al (2010, p.97) defined these capabilities as interactive technology allowing mediated communication to facilitate the planning exchanges. Mobile retailers that build trust must demonstrate and communicate their concern using signs, symbols, share policy details/agreements about handling inquiries, orders, etc. (Mende, Bolton, Bitner 2013). Mobile retailers who offer suggestions, ideas, and keep their promises should further build mobile shoppers trust, loyalty, commitment, and attachment levels.

Anderson and Srinivaasan (2003) research on satisfaction with e-commerce define satisfaction as having good purchase experience history with a chosen business. Oliver (1997) cites satisfaction as key to customer loyalty. Mobile shoppers who are committed and continue to shop and purchase from mobile retailers, do so as these activities offer satisfying experiences. Having good experiences that are overall entertaining, enjoyable, and positive encounters promote positive feelings for mobile users (Davis-Sramek et al 2009; Cho and Park 2001). Mobile users who

frequently shop mobile sites do so as they like what the mobile retailer offers them, they often recommend and say positive things about what they see/view and receive feedback from friends and others and become emotionally attached to their favorite mobile retailer (Poloncic et al 2010).

Proposition 3: Mobile user engagement is positively related to their commitment.

Proposition 4: Mobile user loyalty is positively related to their commitment.

Proposition 5: Mobile shopper's trust is positively related to their commitment.

Proposition 6: Mobile shopper's satisfaction is positively related to their commitment.

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Summary Brief

Food Truck Marketing: Factors that Impact Value Creation

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While food trucks have been around for many years recently there has been an increase in the number and variety of foods served. To date, there has been little written about the food truck concept in academic research to help guide vendors on how to effectively maneuver in this new world of extensive competition. The authors conducted in-depth discussions with five food truck owner/operators in Houston, Texas and four in St. Louis, Missouri and conducted a survey of customers in those locations. The results indicate that food truck image appears to be the most important determinant of positive consumer evaluation of the food trucks, since it has a significant impact on customer satisfaction, perceived value, and behavioral intentions.

Introduction

Today's hectic working environment restricts the amount of time workers have for lunch thus they often resort to ordering from the local take-out place or settling for the office cafeteria (if there is one). Time scarcity has created an opportunity for entrepreneurs in the form of the mobile franchise. This concept "is based around a product and/ or service that can be brought directly to consumers, bypassing conventional sales routes and often adding value to an otherwise low-profit margin service" (Preble and Hoffman 1994, p. 6). Food trucks are mobile franchises that come to the customers' location when the customer is unable or unwilling to travel to the food and beverage location. The food truck concept is not a new one, but recently there has been a dramatic increase in the number of food truck operators in many US cities (e.g., Houston, St. Louis, San Francisco, and New York).

While the food truck phenomenon has been written about in the press and covered on news programs, there is limited academic research on the food truck industry. Existing research mainly addresses public policy issues or those relating to health and safety codes/standards in the mobile kitchens. The purpose of this study is to identify factors that have contributed to the growth and popularity of food trucks for customers today. Since there is no existing research on antecedents of food truck customer choice behavior, the authors extensively reviewed the tourism, hospitality and restaurant industry research and adopted several of their established constructs that were appropriate antecedents to consumer choice behavior in the context of food trucks.

Literature Review

The following sections address the study's constructs and the development of the study's hypotheses.

Food-truck image is derived from the store-image construct which is widely used in the retailing literature. The original

concept was introduced by Martineau (1958) and refers to a mental imagery that a customer has about a store based on a combination of its functional and atmosphere of psychological attributes. Employee friendliness was also found to contribute to impulse buying of the customers (Mattila and Wirtz 2008). Research in the U.S.A. fast food sector showed frequent customers would choose a restaurant that provided speedy service, a lot of food variety, and a friendly staff (Kara, Kaynak, and Kucukemiroglu 1995). One of the biggest challenges in food service industry is to manage customer wait time since customers often leave a restaurant if they see a long line (Lee and Lambert 2006). This exit of customers due to excessive perceived crowding and the services providers' inability to manage customer wait time leads to decrease in number of re-visits, visits and negative word of mouth publicity (Choi and Sheel 2012). In the context of food trucks, it is normal to see customers lineup by a food truck (thus forming a crowd) during service hours (i.e. lunch time) to order and pay for their food, and to wait to receive their orders

The nationwide growth of the 'food truck' phenomenon clearly indicates the acceptance of the 'food truck' ritual and that food trucks create multi-dimensional value for customers and not just utility. Hedonic shopping value is the reflection of emotional, multi-sensory and fantasy elements of a shopping experience. This shopping value is exhibited in the behavior of a food truck customer who follows the food truck rituals, tastes and reviews the ever-changing menu items, supports and follows the food trucks in social media, regularly attends food truck events and even promotes their favorite food truck or menu items to others.

Hence Five factors: food-truck image, quality of food, hedonic shopping value, employee friendliness and crowding were targeted during our interviews with the food truck vendors. The impact of the selected five factors on customer satisfaction, perceived value and behavioral intentions were then examined and formed the basis for the hypotheses tested:

H1: Food-truck image has a direct positive impact on: a) customer satisfaction; b) perceived value; and, c) behavioral intentions

H2: Food quality has a direct positive impact on: a) customer satisfaction; b) perceived value; and, c) behavioral intentions

H3: Hedonic shopping value has a direct positive impact on: a) customer satisfaction; b) perceived value; and, c) behavioral intentions

H4: Employee friendliness has a direct positive impact on: a) customer satisfaction; b) perceived value; and, c) behavioral intentions

H5: Crowding has a direct negative impact with: a) customer satisfaction; b) perceived value; and, c) behavioral intentions

Methods

Data was collected in the city of St. Louis, Missouri, with the active support of the St. Louis Food Truck Association (STLFTA). The authors utilized a research assistant who was briefed about the study objectives and the survey instrument. The research team secured permission from several food truck owners to arrive at one of their lunch-service locations and intercept customers who were either waiting to order or waiting for their order. Measures were chosen from existing literature.

The authors used OLS regression analysis to test the study hypotheses over three models each with a different dependent variable. Regression model 1 (DV: customer satisfaction) results indicated that the study variables explained 53% of the variance in the dependent variable. H1a which hypothesized that food truck image had a positive impact on satisfaction was supported ($t=7.02, P<0.05$). H4a which hypothesized that employee friendliness had a positive impact on customer satisfaction was supported ($t=7.68, P<0.05$); however, the other hypotheses were not supported.

Regression model 2 (DV: perceived value) results indicated that the study variables explained 49% of the variance in the dependent variable. H1b which hypothesized that food truck image had a positive impact on perceived value was supported ($t=5.34, P<0.05$). H2b which hypothesized that quality of food had a positive impact on perceived value was supported ($t=5.60, P<0.05$). H3b which hypothesized that hedonic shopping value had a positive impact on perceived value was supported ($t=5.60, P<0.05$); however, H4b was not supported.

Regression model 3 (DV: behavioral intention) results indicated that the study variables explained 40% of the variance in the dependent variable. H1c which hypothesized that food truck image had a positive impact on behavioral intentions (BI) was supported ($t=7.26, P<0.05$). H2c which hypothesized that quality of food had a positive impact on behavioral intentions was supported ($t=3.52, P<0.05$); other hypotheses were not supported.

Findings and Conclusions

Study results indicated that food truck image appears to be the most important determinant of positive consumer evaluation of the food trucks since it has a significant impact on all three dependent variables. Employee friendliness was found to impact customer satisfaction which was expected (e.g., based on similar findings from the other service industries); however, in the context of food trucks, the number of employees working onboard almost always ranges from two-to-three, including the chef; thus, there is a higher degree of familiarity between the regular patrons and the employees. Hedonic value of the store was found to have positive

impact on perceived value of the customers. This confirmed the speculation about why customers are willing to accept the 'food truck rituals' (e.g., longer wait times, dynamic lunch menus, or varying locations due to traffic conditions). Contrary to our expectations crowding did not seem to have a significant negative impact on any of the dependent variables. The mean of 3.41 further reinforces our discussion about the relationship between hedonic shopping value and customer acceptance of 'food truck' related rituals which includes crowding. Most of the regular customers have come to expect a certain degree of crowding and wait time associated with food trucks during lunch service hours; this crowding and wait time increases significantly during food truck events.

This study was conducted in a city in Midwest and Gulf Coast; to improve the generalizability of this study further research needs to be conducted in different geographical and cultural settings. The sample demographic was relatively young and caution must be exercised when generalizing the findings of this study to food trucks or other mobile food vendors (e.g., push carts or mobile kiosks) that cater to a customer base that has a different demographic profile.

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Summary Brief

World Wide Wine: Wine Without Borders

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Few events in economic history have had such far reaching implications for marketing as those created by the advent of the internet. Technological advances of the past decade have given even small producers of a myriad of products the ability to create a global presence. Certainly, the wine industry now has the ability to approach the economic assumption of perfect knowledge wherein competition is king. This conceptual article explores the future of electronic marketing as it will change, enhance, and challenge wine marketing. Data and information from several countries including Portugal, New Zealand, Australia, Italy and, of course, France are analyzed.

Introduction

Shrouded in the mists of the past, the first winemakers plied their trade in the deserts of North Africa, in the hills of Crete, in the lush valleys of northern Roma. From accident, or inspired moment, wine became a path to enlightenment with *En vino es veritas* passing into legend with some basis in fact. Wines of special character were sought by kings and princes, by despots and fools, throughout history. The cellars of Adolf Hitler, a non-drinker, were considered when found by the Allied forces, and subsequently consumed in large quantities, among the finest in Europe.

A mere twenty years ago a search for fine wines was a difficult task requiring considerable expenditures of time and money, no longer. In the course of this research we visited over five hundred WWW sites offering wines that were once available only to the wealthy and well connected wine connoisseur. In the e-commerce marketplace, wine growers, distributors and restaurants compete in an arena where consumers are far better informed. In this electronic marketplace a mediocre French white can no longer compete with a superior Sauvignon Blanc from a small vineyard in New Zealand.

If for instance you Google French Wine you receive an astonishing 45,500,000 results (Google Search 2014) Try then Romanee-Conti, considered by many to be the finest red wine ever produced. You may be surprised since for many years it was almost impossible to acquire this wine, no longer. On June 2, 2014, a simple Google search for Romanee-Conti returns 1,270,000 hits in .44 seconds. This study brings to the scholarly arena the proposal that in order to effectively market wines a producer or distributor must create and maintain a customer oriented internet presence.

Methodology

This study analyzed 327 winery websites based on well established criteria including ease of use, usefulness, and others (Powell and Conca 2001).

With approximately 2,405,518,376 internet users worldwide as of June 30, 2014 and usage growth of 566.4% worldwide since 2000, as reported by the Miniwatts Marketing Group (2014), there is no question as to the importance of the internet to retail business. In addition the world wide penetration of 34.3% is more than considerable. Highest penetration occurred in North America at 78.6%, followed by Oceania/Australia at 67.6% and Europe at 63.2%.

Today, the global online wine market is worth approximately \$5 billion and continues to grow by more than 30 percent each year (Gibb 2013). In France alone, online sales reached 534 million Euros (\$712m) in 2012 and is predicted to rise to 705m Euros (\$940m) in 2013 (Gibb 2013) Despite the fact that global online wine sales topped \$5 billion in 2012, “that represents less than 5 percent of total wine sales worldwide,” said Bressolles (2013), adding that it will continue to expand.

While Europeans purchased around 8 to 10 percent of their wine online, the figure is just 2 percent in the United States.

Specifically, predictions of revenues from online winery orders of five billion dollars in 2013 have been greatly exceeded in an industry where online sales volume is expected to reach \$6 billion in 2015

In this environment few scholars would disagree concerning the critical centrality of companies’ internet presence. Several extant studies exist designed to evaluate internet retailing quality (Francis 2009), however none specifically address the unique characteristics of the internet winery retail environment. One case by Buchanan and Clinton (2010) utilized actual customer service letters concerning online services. In a related study by Manzano and Valpuesta (2010) the value of a well-designed website is readily apparent.

Many research studies including Hackbarth and Kettinger (2004) strongly support the importance of companies’ ability to “alter their activities to adjust to new ways of conducting business. In this study of winery websites the growing importance of online portals and the resulting “ability to alter their activities” is strongly indicated by customer’s perceptions of those sites.

Several studies evaluating internet retailing quality including Francis (2009) exist. Yet, none specifically address the unique characteristics of the internet wine market.

Since many scholars agree with Eckrich, McCall and Wilcox (2005) that long term customer satisfaction is the core of the marketing concept, then the website becomes an excellent nexus for this effort. As the site may be the primary point of contact between a potential customer and the winery, it logically follows that consumers’ perception of that winery and its wine will be influenced by the quality of their site (Richard and Chandra 2005).

However, not all of the factors involved in the formation of consumer perception are controllable by the site owner. As an example, navigation systems guiding consumers through ordering

scenarios can be controlled. But the winery exerts only marginal control over page loading speeds and none on the consumer's computer processor speed, keyboard or mouse skills.

The wine industry might be well served by attempting to provide added satisfaction with their online process. Although sites serve many purposes, this study focuses on those sites that allow customers to actually purchase wine.

Then, those aspects of the site which are controllable, semi-controllable, or uncontrollable must be identified and optimized. In this study, comparisons are made among 52 U.S. and international winery web sites with particular interest in those aspects within the control of the site owner. More importantly, the changes over the past twelve years are tracked and compared. If the voluminous academic research during that period has had an effect, it should be apparent.

To increase the external validity of the study, wineries were chosen to increase sample variance by using wineries from several countries and of various production capacities. Previously research has identified several significant factors influencing customer satisfaction and frequency of repeat purchases. Among these, factors identified as controllable include color schemes, font selection, screen layout, density, navigation and input systems. Higgins' (1998) research strongly supports these attributes as direct influences on user search costs and purchase behavior.

One semi-controllable factor of considerable impact is perceived security. Although network and site security are largely determined by external forces, such as host computers, network design, and hackers, site owners still have some control over this aspect. As retailing winery purchase systems require detailed personal information, enhanced security measures are essential to perceived and actual security.

There is little doubt that attributes used in this study significantly affect site efficiency and effectiveness. Interestingly, controllable attributes used on e-commerce winery sites appear to directly influence consumer choice more strongly than the semi-controllable.

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BRAND STRATEGY ON SOCIAL MEDIA

Summary Brief

A Conceptual Model of Virtual Leadership Capability: Toward Leveraging Embedded Brand Communities

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Firms are turning toward social network sites to enhance consumer/brand relationships and, thereby, acquire competitive advantage. This paper focuses on brand communities embedded in social network sites (i.e., embedded brand communities). The author theorizes that firms may have an organizational capability related to supporting the growth and development of embedded brand communities. This virtual leadership capability is posited to positively influence three embedded brand community resources (shared consciousness, shared rituals and traditions, and moral responsibility), thereby, fostering three brand social currency resources (conversation, advocacy, and identity) and, in turn, brand loyalty.

Introduction

Firms are turning toward social network sites to mine collective intelligence and enhance consumer/brand relationships and, thereby, acquire competitive advantage (e.g., McWilliam 2000). Like *brand communities*, general interest-oriented social network sites, such as Facebook, offer a unique channel for brand-specific marketing communications and brand promotions. Brand communities (Muniz and O’Guinn 2001), exist both offline and online and are embedded in social network sites (i.e., embedded brand communities) (Zaglia 2013). The literature on social media based brand communities suggests that competitive advantage stems from a firm’s ability to motivate people to form extensive networks of voluntary associations that create, co-create, innovate (von Hippel 2005), and share knowledge about a focal company and its brands (Schau, Muniz, and Arnould 2009). For example, Coca Cola regularly communicates with, builds apps for, and runs contests for its 81 million Facebook “fans” (Graham 2011). Thus, Coke has capabilities that enable it to form extensive networks of voluntary associations that create, co-create, innovate, and share knowledge about the firm and its brands (Schau, Muniz, and Arnould 2009).

Conceptual Background

Despite being ubiquitous, not all firms are successful at developing embedded brand communities (hereafter, simply EBC) and the factors associated with EBC performance diversity are not well understood (Zaglia 2013). Nonetheless, little work has been done to identify how firms support and grow EBCs (Laroche et al. 2012), thereby, fostering *brand social currency* and, in turn, brand loyalty—the focus of this paper.

Extending research on brand communities, EBCs have three essential resources: *shared consciousness, shared rituals and traditions, and moral responsibility* (Muniz and O’Guinn 2001). Viewing a capability as a firm’s capacity to purposely create, extend, and/or modify its resources or skills, it is posited that those

firms that achieve EBC success have a *virtual leadership capability* (Avolio, Kahai, and Dodge 2001). It is theorized that virtual leadership capability consists of three facets: *EBC experience, servant leadership, and opinion leader engagement capabilities*.

The purpose of this paper is to develop a conceptual framework of EBC performance. The thesis is that those firms that have a virtual leadership capability have the ability to establish, develop, and grow EBC resources, thereby, enhancing a brand’s social currency, which, in turn enhances brand loyalty.

Five complementary theoretical perspectives are useful for understanding EBC performance diversity including: *resource-based view, resource-advantage theory* (e.g., Hunt, 2000) *dynamic capabilities* (e.g., Eisenhardt and Martin 2000), *brand communities* (Muniz and O’Guinn 2001; Schau, Muniz, and Arnould 2009), and *servant leadership* (e.g., Greenleaf 1977). Based on a selective examination of this background, it can be noted that within R-A theory, capabilities, like competences, are distinct types of resources, that is, they are “higher order” combinations of basic resources. Thus, R-A theory grounds how *virtual leadership capability* is interpreted: it is *formed* by a combination of basic resources (Hunt 2000).

Propositions

I develop 9 propositions about the role virtual leadership capability in EBC performance:

P1: The firm’s virtual leadership capability will be positively related to the feeling of consciousness of kind among members in the embedded brand community.

P2: The firm’s virtual leadership capability will be positively related to the awareness and participation in shared rituals and traditions in the embedded brand community.

P3: The firm’s virtual leadership capability will be positively related to the sense of moral responsibility in the embedded brand community.

P4_{a-c}: Shared consciousness among individuals in an embedded brand community will be positively related to social currency resources of conversation, advocacy, and identity.

P5_{a-c}: Shared rituals and traditions in an embedded brand community will be positively related to social currency resources of conversation, advocacy, and identity.

P6_{a-c}: Moral responsibility in an embedded brand community will be positively related to social currency resources of conversation, advocacy, and identity.

P7: Conversation among members of an embedded brand community will be positively related to brand loyalty.

P8: Advocacy among members of an embedded brand community will be positively related to brand loyalty.

P9: Identity among members of an embedded brand community will be positively related to brand loyalty.

Discussion

As a result of this research, we may have four additional insights. First, virtual leadership capability plays an important, but *indirect*, role in developing brand loyalty. Second, the EBC resources of shared consciousness, shared rituals and traditions, and moral responsibility play an important, *direct* role in promoting social currency resources of conversation, advocacy, and identity. Third, social currency resources play an important, *direct* role in driving brand loyalty, the most important dimension of brand equity (Aaker, 1991). Fourth, virtual leadership capability influences brand loyalty *through* both EBC resources and social currency resources. Thus, the finding that EBC resources mediate a brand's relevance (i.e., social currency) supports the view that firms should "grow not simply exploit, "customer competence" and thereby, to build more cocreative brand partners" (Schau, Muniz, and Arnould, 2009, p. 41). Indeed, "[d]epending on the intensity and form of interaction and brand affection of the members, brand community characteristics (e.g., community markers and social identity) abound to different extents" (Zaglia, 2013, p. 219). The finding that social currency mediates the affect of EBC resources of shared consciousness, shared rituals and traditions, and moral responsibility on brand loyalty supports the view that firms "can actively enhance social currency by creating or reinforcing a unique identity among users by, for example, hosting brand-related events" (Lobschat et al. 2013, p. 141).

The proposed conceptual framework and propositions can serve as a useful guide for firms that seek to create ongoing interactions with customers and thereby, enhance brand loyalty (Lobschat et al. 2013). The proposed framework suggests that firms should seek to develop a virtual leadership capability. Developing a virtual leadership capability may take time, but the time spent will be rewarded with EBC member's who create, co-create, innovate and share knowledge about a brand (Schau, Muniz, and Arnould 2009). As social network sites continue to expand globally and EBCs proliferate, the author's conceptual model becomes suitable for empirical testing in an expanding number of contexts.

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Summary Brief

Social Media and Brand Equity: Leveraging the Power of Consumers

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With diverse opportunities accessible through social media, marketers find it challenging to determine the best way of channeling social media to successfully meet social media goals. This research draws upon two diverse theoretical perspectives—social network theory from the field of sociology and commitment trust theory from the field of relationship marketing, in order to develop a conceptual model for optimizing social media characteristics with a goal to improve brand equity. This study provides valuable insights by examining the effectiveness of social media characteristics, such as social media engagement, perceived trust in social media content, and perceived review helpfulness through the development of brand advocacy. Further, the study demonstrates that high reciprocity of customers in a network enhances the value of brand advocacy for increasing brand equity. Finally, important managerial implications that should be considered when using social media in the communication mix are also identified.

Introduction

Drawing from the social network theory from the field of modern sociology and commitment-trust theory from the field of relationship marketing, this research aims to address how firms can achieve improvement in brand equity through social media engagement, trustworthiness, and its helpfulness. Social media is characterized by connections, associations, and relationships (Paine 2011). In this study, we present a conceptual framework of improving brand equity through brand advocacy by delineating the key determinants of brand advocacy and by demonstrating the strengthening effect of reciprocity in social networks.

Overall, this research makes the following contributions. First, we propose and illustrate that strength of social media content and customers' brand engagement are the key aspects of social media that account for brand advocacy in social networks, which in turn explains the increase in brand equity. By demonstrating the improvement in brand equity, this study determines an important mechanism of improving intangible assets of a firm to improve firm performance. Second, we demonstrate the important role of reciprocity in social networks in differentially impacting brand equity and establish how firms can achieve a greater level of brand equity when there is greater level of mutuality within social networks. We show that the greater the extent of reciprocity, the greater is the influence of brand advocacy on brand equity. Thus, this research is critical for understanding how social media is useful in achieving a favorable outcome of brand equity.

Theoretical Background and Conceptual Framework

Social Network Theory

Social network theory considers social relationships in terms of “nodes” and “ties”, where nodes are the individuals in the network, and ties are the relationships between the individuals (Lusher, Robins, and Kremer 2010). The study of social media necessitates the investigation of both social structures and individual characteristics simultaneously, which can be accomplished through social network theory. Social network theory provides valuable insights that can be used to improve brand advocacy and brand equity within the context of social networks, particularly on social media websites.

Commitment-Trust Theory

The commitment-trust theoretical perspective from the field of relationship marketing (Morgan and Hunt 1994) predicts that firms can be successful in establishing sustainable relationships with customers when there is commitment and trust in relationships. When customers consider the information to be trustworthy and reliable they are more inclined towards advocating the brand on social network.

Social Media Determinants of Brand Advocacy

Brand advocacy represents positive recommendations from those customers who are strongly connected with brands (Fullerton 2005). When firms are better able to identify customers who are willing to give favorable reviews and opinions and are eager to express positive sentiments about brands, they are better positioned to gain significantly from brand advocacy. When customers are actively engaged with a brand on social media, they obtain accurate information about a brand's features, benefits, usage, and value. Thus, they are able to gauge the brand and also build greater brand knowledge and emotional attachment (Keller 1993) with that brand. This leads to a greater level of inclination to satisfaction and loyalty with the brand (Fullerton 2005), and ultimately encourages customers to advocate the brand on social media. Hence we propose that:

P1: Social media engagement is positively related to brand advocacy on social media.

Individuals in a social network are reckoned as honest, fair, responsible, helpful, and benevolent (Leskovec et al. 2010) and favorable opinions about a product or a brand lead to greater confidence in the product or a brand. Greater trust in brand leads to greater level of recommendation of the brand (Fullerton 2005). Greater trust is manifested in content on social media content, which leads to greater influence by the recommender's opinions

about a product or a brand. Favorable recommendations exhibit greater level of developing advocates of a product or a brand (Fullerton 2005). Prior research has shown that trust is central to develop customer commitment and loyalty (Morgan and Hunt 1994) and loyalty is a soft form of advocacy (Fullerton 2005). Hence we propose that:

P2: Perceived trust in social media content is positively related to brand advocacy on social media.

Social media websites are now increasingly being used by consumers to share their product experiences online. These consumers' product opinions influence consumer product choice purchase intention, product sales and a firm's profitability (Gupta and Harris 2009). The extent to which a review is perceived as informative enough for consumers to include it in their purchase decisions, a product review improves consumers' repertoire of information about that product. Consequently, information dissemination more likely in the form of brand advocacy is attributed to those consumers whose experiences with that product or the brand have been highly satisfying. Thus:

P3: Perceived review helpfulness is positively related to brand advocacy on social media.

Brand advocacy represents soft form of positive word of mouth and manifests customer commitment and loyalty (Fullerton 2005). Strong brand advocacy by customers leads to a significant growth in brand performance (Marsden et al. 2005), and the notion of brand advocacy is preeminent within the context of social media usage by customers. The profitability outcomes of marketing efforts are reflected in the extent of advocacy garnered by firms (Keller 2007). An increase in customer predisposition towards the product or the brand increases customer base of the brand. The major sources of brand equity are brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets (Aaker 1991). These sources can be easily influenced by customer views on social media. Thus:

P4: Brand advocacy on social media is positively related to brand equity.

Moderating Role of Reciprocity in Social Networks

The reciprocity in social network relations display trust, thus, when consumers share experience, advice, information or ads, the other users tend to trust the source sharing it. Consequently, receptivity for information on brand increases. Therefore, the characteristics of social network that describe the relations among the users of social media enable the firms to increase positive perception of the brand. Those consumer segments that are socially connected through social media can be receptive to advocacy messages. When reciprocity among social networks increases, the WOM among the participants also increases, which result in greater awareness and positive perceptions about the brand. Consequently, brand loyalty and brand associations in the minds of consumers enhance substantially. Since an increase in brand awareness, brand associations, and perceptions about a brand also increase a firm's brand equity (Aaker 1991), increasing reciprocity also increases the effectiveness of brand advocacy on brand equity. Hence:

P5: The greater the reciprocity in social network, the greater the influence of brand advocacy on brand equity.

Implications and Future Research Directions

Using social network theory, the present research endeavors to determine the activities that increase a firm's brand equity and makes a theoretical contribution to the field of brand management having important managerial implications. Improving brand equity through social media engagement enables firms to not only boost brand knowledge, but also increases the sales of the products or services. Firms, however, need to ensure that their information is unique, authentic, and accurate for it to go "viral". Brand advocacy enables the firms to increase new buyers and repeat buyers of the firm's offerings, which is critical for improving the firm's social media return on investment.

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Summary Brief

Positive WOM and Negative Avoidance on Social Media: The Role of Actual and Ideal Self-Brand Congruence

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In response to the growing importance of brand marketing on social media), this study identifies actual and ideal self-brand congruence as a critical but overlooked motive to drive consumers to spread positive word of mouth (PWOM) of the brand and to avoid negative brand information on social media. Based on cost-benefit analysis, this study proposes that actual and ideal self-brand congruence is the driving force of consumers' behavior on social media because the perceived benefits of self-expression through the meanings embedded in a brand outweigh the costs of effort and potential identity threats. Empirical results reveal that actual self-brand congruence is positively related to both PWOM and negative avoidance while the effect of actual self-brand congruence on PWOM is strengthened when the matched brand is perceived as utilitarian in nature. This study offers managerial implications to help companies effectively operate brand marketing on social media.

Introduction

Social media has greatly impacted brand marketing through creating a platform for users to exchange information regarding product/service brands. The IDG Research Services reported that 95% of consumers use at least one type of social media (Dohnert, 2012). As social positioning, information sharing (Hennig-Thurau and Walsh, 2003) and the identity of virtual groups (Brown, Broderick and Lee, 2007) often motivate consumers to engage in brand marketing activities on social media, the symbolic meaning of a brand may further drive consumers to engage in these activities to express their self-concepts. The purpose of this study is to provide insights into branding behavior on social media. Drawing on cost-benefit analysis (Payne, 1982), we propose that actual and ideal self-brand congruence exerts positive effects on PWOM and negative avoidance defiantly while the positive effects on PWOM may be strengthened when a brand is perceived as utilitarian.

Theoretical Framework and Hypothesis Development

There are two general forms of self-brand congruence: actual self-brand congruence (the fit between consumers' perceptions of the real self and brand personalities) and ideal self-brand congruence (the match between consumers' perceptions of the desired self-image and brand personalities) (Malär et al., 2011). When consumers perceive a fit between their actual/ideal selves and brand personalities, they are likely to perceive greater benefits in spreading PWOM by defining themselves through the meanings

of the brand. Actual self-brand congruence motivates them to do so by expressing the self-concepts while ideal self-brand congruence motivates them to do so by providing a sense of self-enhancement by connecting to the dream self. Although PWOM behavior is often associated with the cost of effort and the risk of referral failure that threatens a sender's identity, the benefits are likely to outweigh the costs with the presence of self-brand congruence. In turn, we propose that both actual and ideal self-brand congruence has a positive effect on PWOM.

In a similar vein, we further propose that actual and ideal self-brand congruence has a positive effect on negative avoidance. Building on the notion of advertisement avoidance (Speck and Elliott, 1997), we define negative avoidance as a consumer's actions to reduce his or her exposure to the content with negative information of a brand on social media. In order to avoid negative brand information, consumers need to spend extra effort to purposely ignore undesirable information. The cost of this extra effort is likely to be justified by the benefits from self-brand congruence. More specifically, actual self-brand congruence facilitates negative avoidance by helping consumers protect their self-concepts and maintain consistency while ideal self-brand congruence encourages negative avoidance by helping consumers protect their aspirations to maintain self-esteem and the feelings of personal growth.

In addition, actual self-brand congruence has greater effects than ideal self-brand congruence on PWOM and negative avoidance. The rationale is that the actual self is generally perceived as less psychologically distant and more certain than ideal self while higher degree of uncertainty is often associated with higher potential costs (Anderson and Gatignon, 1986). In turn, consumers are likely to consider the actual self-brand congruence as more certain with lower potential costs as compared to ideal self-brand congruence.

Moreover, the positive effect of actual self-brand congruence on PWOM and negative avoidance is proposed to be stronger when the matched brand is perceived as utilitarian. Following Voss, Spangenberg, and Grohmann (2003), utilitarian brand refers to the brand perception characterized by instrumental attributes of the brand. Utilitarian brand perception is usually formed based on more concrete and less biased attributes regarding a brand (Batra and Ahtola, 1991). In turn, this solid reasoning provides a foundation for not only consumers who experience actual self-brand congruence to express their self-concepts through PWOM, but also those who experience ideal self-brand congruence to project their desired selves through PWOM.

Method

We examined our model based on customers' perception toward restaurant brands. Questionnaires were delivered through M-turk system. Participants answered the survey via Qualtrix. A total of 350 surveys were collected with 308 completed. Among the usable responses, 53.8% are female and 42.2% are male; 2.6% are between 18 to 20 years old, 51.9% are between 21 to 30 years old, 26.3% are between 31 to 40 years old, 11.4% are between 41 to 50 years old. All of the measurement items anchored on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). The independent variables of actual and ideal self-brand congruence were each measured by 2 items developed by Malär et al. (2011). Participants were first asked to write down their favorite restaurant brand, think about the personality of the brand and the personality of self, and then answer the items. In terms of dependent variables, PWOM was measured by six items developed by Brown et al. (2005), while negative avoidance was measured with six items by modifying the scale of advertisement avoidance developed by Speck and Elliott (1997). Utilitarian perceptions were measured by five items developed by Voss, Spangenberg, and Grohmann (2003), and were anchored on a 7-point semantic scale ranging from 1 to 7.

Results

Prior to testing the hypotheses, reliability test was done such that Cronbach's alphas for all constructs range from 0.792 to 0.964, suggesting acceptable reliability (Nunnally, 2010). A confirmatory factor analysis (CFA) using the maximum likelihood estimation in JMP Pro version 10 was performed in order to determine if the measurement model had an adequate fit. The measurement model was an acceptable fit to the data ($\chi^2 = 1085.6$, $df = 491$, $p \leq .0001$; $RMSEA = .06$; $CFI = .92$) (Bollen and Long, 1993), and all of the indicators had statistically significant loadings ($p \leq .05$) on their appropriate constructs. To test our hypotheses, we used composite scores in a path analysis in JMP Pro version 10. Path analysis of the hypothesized relationships demonstrates a close fit to the data because the model was saturated ($\chi^2 = 17.8010$, $p = .023$; $RMSEA = 0.06$; $CFI = 0.9943$). The model accounted for 10% of the variance in negative avoidance behavior and 39% of the variance in PWOM on social media. Only the actual self-brand congruence was found to influence consumers' behavior on social media while utilitarian brand perception strengthened such effect.

Discussion

This study further identifies behavior outcomes of PWOM and negative avoidance as a result of self-brand congruence as well as investigates the moderating effect of utilitarian brand perception. The study extends the consumer avoidance literature by proposing negative avoidance as an important brand behavior that occurs when consumers avoid negative information regarding a brand that is perceived as matching their personalities. In addition, relatively little attention has been paid to the exploration of brand-related motives in driving PWOM on social media.

While research has found that the need of social positioning and information sharing (Hennig-Thurau and Walsh, 2003) as well as identity with a virtual group (Brown, Broderick and Lee, 2007) often motivate consumers to create the buzz on social media, this study reveals that the actual self-brand congruence is another driving factor for consumers. Lastly, marketing managers are recommended to focus on targeting customers' actual self-image rather than their ideal self-image in brand communications.

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Summary Brief

An Exploration of Brand Loyalty within a Social Media Context

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Social media is an important communication channel for company and product brand information. Relatively little attention, however, has been given to the behavioral outcomes associated with individual's brand-related social media activity. This exploratory study was conducted at a large university located in the southeastern region of the U.S. to examine those outcomes and activity. A brand loyalty segmentation methodology, applicable to the world's most popular social media platform (i.e., Facebook), was developed. Analyses of 141 responses to an online questionnaire yielded three loyalty segments (i.e., least, average, and very). The segments exhibit significantly different brand-related activity and behavior on Facebook. Managerial implications of the findings and directions for future research are discussed.

Introduction

Social media has shaped a new communication landscape and accounts for nearly one-quarter of the total time Americans spend online (Kietzmann et al. 2011). By the year 2013, 70% of Fortune 500 companies had an active Facebook account (Barnes, Lescault, and Wright 2013). Facebook, by far, is the most popular social media platform with over one billion users (Grossman 2010). User-generated content transmitted via social media has impacted various aspects of consumer behavior including brand awareness, information acquisition, opinions, attitudes, purchase behavior, and post-purchase information (Mangold and Faulds 2009).

Traditional marketing communication metrics, however, are primarily reach and frequency driven and are not well-suited to the interactive nature of social media. Marketers still largely rely on those traditional metrics to assess efforts made to establish and maintain meaningful customer relationships via social media (Fisher 2009; Hoffman and Fodor 2010).

Along these lines, the success of many organizations relies on the management of relationships (Crosby, Evans, and Cowles, 1990; DeWulf, Odekerken-Schroder and Iacobucci 2001). Loyalty and long-term commitment have a well-established impact on profitability (Oliver 1999). Thus, examination of customer loyalty in a social media context is a desirable approach.

Brand Communities

Company owned and product Facebook pages and groups can be considered forms of brand community. These communities exist in both face-to-face and computer-mediated environments (Muniz Jr. and O'Guinn 2001). Facebook users make a conscious decision to join such communities by subscribing to pages (i.e., by clicking a "like" icon).

Motivation for joining a brand community includes inserting the brand as part of self-identification and to express and satisfy psychological and social needs (Elliott and Wattanasuwan 1998). In turn, the social desire and intention strongly affect customer behavior and the brand community influences loyalty (Bagozzi and Dholakia 2002; Muniz Jr. and O'Guinn 2001). Extant studies in this area, however, haven't addressed loyalty segments within a brand community. Thus, our first research question was as follows:

RQ1: Can brand followers on Facebook be segmented into distinct groups based upon their degree of loyalty toward a brand?

Accordingly, we propose that customers in various loyalty segments tend to behave differently when they interact with brands on Facebook. We examined easily recognizable behavioral indicators in order to help managers distinguish the various loyalty segments. For example, the most loyal customers are likely to exhibit more activity or engage more frequently with a given brand. We examined the following research question:

RQ2: How do the activities and behaviors of various Facebook brand loyalty segments differ?

Methodology

An exploratory study was conducted. The online survey questionnaire was distributed via email invitation to students of a large public university located in the southeastern region of the U.S. Respondents were asked to think about a brand or company they currently followed on Facebook and to rate the level of loyalty they hold toward the brand. To help managers differentiate loyalty segments, the final section of the survey included items that assessed Facebook behaviors that can serve as loyalty indicators. Most items concerned the frequency or likelihood of respondents engaging in various activities and behaviors unique to Facebook (i.e., Attending events promoted on Facebook, Facebook group memberships, Facebook postings, Friends' influence, Searches initiated, and Brands' aesthetics). In the end, we received 141 complete and useful responses with 62.9 percent of those completed by female participants, Caucasians comprised 62.1 percent of the sample and 71.6 percent were current students. The mean age of the sample was 24 years. We used hierarchical cluster analysis and Ward's algorithm to determine the number of clusters. Factor analysis was conducted on the items that were developed to assess Facebook users' behaviors and activities proposed as loyalty indicators.

Results

The results displayed an obvious three-cluster appearance. Afterwards, we used K-Means cluster analysis to assign subjects to loyalty segments. Based on the level of loyalty that respondents assigned to the brand whose Facebook page they have “liked,” we divided the sample into three clusters, very loyal, average loyalty, and least loyal. The subsequent univariate analysis of variance (ANOVA) indicated the clusters were significantly different from each other. All factors were reliable with coefficient alpha greater than .70 and the scales for behaviors and activities were deemed appropriate for further analyses.

Some activity and behavior items turned out to differ significantly across the three clusters and can be used to as indicators for loyalty segments. The number of events that very loyal brand followers attended is significantly different from that of the average and the least loyal followers. The number of Facebook groups that very loyal followers have joined is significantly greater than the number joined by the average and the least loyal followers. The amount of time since followers used Facebook features such as “Like,” “Share,” or “Comment” on a brand page differs significantly across the three loyalty segments. After observing people on their own friends list respond to comments or other material posted on a brand Facebook page, the very loyal and the average loyal customers visit that same brand page more often than the least loyal segment. It is more likely for the very loyal and the average loyalty followers than for the least loyal to search after personal experience with the brand. Very loyal customers are significantly more likely to “Like” a brand’s Facebook page because of aesthetics than for the least loyal customers to do so.

Managerial Implications and Limitations

The results of this study indicate that loyalty segments identified on Facebook exhibit different activities and behaviors with regard to brand pages. Very loyal followers search for the brand on Facebook after having personal experience with it offline and seek to extend the relationship to an online environment. These very loyal followers are interested in brand information they think is spreading within their own social networks. They may click “Like,” “Share,” or “Comment.” In addition, they are more likely to join or subscribe to multiple Facebook groups and pages centered on the brand of interest.

The study provides marketers with insight regarding social media marketing from a customer loyalty perspective. Managers should attempt to segment large numbers of social media followers using customers’ own stated level of loyalty. They should also tailor unique and effective communication strategies and tactics for the various loyalty segments.

However, there are some limitations. First, we focused exclusively on Facebook. Second, the majority of respondents were young college students from the same campus. Finally, our study asked respondents to pick a company or brand that they engage

with via social media. That process alone insures an inherent level of loyalty although it varied widely among participants.

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THE PARADOX: EXAMINING THE SERVICE RECOVERY

Summary Brief

Recoveries Involving Bundled Products and Services

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Previous research on service recoveries has demonstrated how consumers perceive firms' recovery efforts. However, research has yet to address how recovery efforts involving multi-product or multi-service bundles may differ from single product or service scenarios. This research investigates how consumers' perceptions of recovery efforts are differentially impacted by which product receives the recovery placement.

Introduction

Service shortcomings are common in the marketplace and retailers constantly strive to find effective methods to recover from service failures (Smith and Bolton 2002). There are numerous recovery strategies used by firms following service failures, and the choice between different strategies is critical to the resulting consumer response (Kelley, Hoffman and Davis 1993). Research on service recoveries has shown a variety of tactics used by firms which impact customer satisfaction, including apologies, correction or replacement, discounts, and refunds (Kelley, Hoffman, and Davis 1993). Although much research has investigated service recoveries, no research has examined how recoveries involving multi-product (or multi-service) bundles differ from single product or service scenarios.

A common strategy for firms is to integrate two or more products into a single transaction, a tactic referred to as bundling (Harris and Blair 2006). Drawing on the bundling literature, we identify how various elements of a bundle may contribute differently to an overall bundle evaluation, thus suggesting that recovery efforts attributed to specific products within a bundle may yield different results from customers. For example, research conducted by Gaeth et al. (1990), and Yadav (1994) found that consumers evaluate bundles with an anchoring and adjustment process, and factors including product importance and order of presentation impact the contribution of each product on the overall bundle evaluation. Janiszewski and Cunha, Jr. (2004) built upon these findings and demonstrated that bundle evaluation differences depend upon which product received a discount. Yadav's (1994) findings, based upon a weighted-additive model, suggest that the different evaluations were due to the amount of weight each product was given in the evaluation. However, Janiszewski and Cunha, Jr. (2004) referenced prospect theory to demonstrate that weight changes alone could not explain certain changes found in bundle evaluations and provided evidence that the position of an item on a value curve could also affect bundle perceptions. Prospect theory (Kahnemann and Tversky 1979; Tversky and Kahnemann 1991) proposes that, in addition to product importance, a value function may be steeper or shallower depending upon the location relative to a reference point, and its gain or loss framing. Janiszewski and Cunha, Jr. (2004) suggested that applying the same monetary discount to different products in a bundle might be differentially valued due to product specific

reference prices, and thus differential value curve impact. The authors demonstrated that the impact of a discount is not entirely dependent upon whether the discounted product is more or less important, as demonstrated in Yadav (1994), but also depends upon the steepness of the value curve for the product to which the discount is applied.

Since each individual product in a bundle likely has a different level of importance to the consumer, the product receiving the recovery will likely impact recovery satisfaction. Thus, the weighted additive model predicts:

H1a: A recovery allocate to a more important product in a bundle should result in higher levels of recovery attractiveness.

In addition to product importance, each product in a bundle may have a unique position on the value curve leading to differential perceptions of recovery attractiveness. In this view, the less important product may fall on the steeper portion of the value curve. Thus, prospect theory offers the following prediction:

H1b: A recovery allocate to a less important product in a bundle should result in higher levels of recovery attractiveness.

Methodology

To test our hypotheses, a two-level (recovery product: pizza, wings) design was employed to test the predictions of recovery attempts on bundled products and services. Sixty-three undergraduate students participated in the computer-based study. Participants were given a scenario where they placed a special order with a fictitious pizza company consisting of a large pizza and ten wings for \$20. A pretest ($N = 38$) confirmed that a large pizza and ten wings differed in their perceived importance, with pizza being the more important item ($M_{\text{pizza}} = 5.82$, $t(37) = 25.40$, $p < .001$; $M_{\text{wings}} = 3.89$, $t(37) = 10.72$, $p < .001$). After reading the scenario, participants indicated their preference for pizza toppings and wing sauces. Participants were informed that their order arrived 30 minutes later than their quoted delivery time of a half-hour. The failure scenario was held consistent through both conditions; only the product to which the recovery was attributed differed.

Participants were then informed that, after complaining to the company about the late delivery, the company decided to offer them a partial refund. The recovery amount was \$10 in each condition, and recovery product was manipulated by specifying the product to which the recovery was allocated. In the pizza recovery condition, the amount of \$10 was refunded for the purchase of the pizza. In the wings recovery condition, \$10 was refunded for the wings.

Participants responded to measures of recovery attractiveness through three 7-point questions anchored at "Terrible" (1) and "Delighted" (7) which were adapted from Harris, Grewal and Bernhardt (2006) and included: "How do you feel about the way the company resolved the problem," "How do you feel about how

you were treated” and “How do you feel about the outcome of the situation” ($\alpha = .89$).

Findings

Assessing the failure manipulation check revealed that 95% (60 out of 63) of participants correctly identified the correct failure scenario, a percentage that was significantly higher than chance ($p < .05$). Assessing the recovery product manipulation check revealed that 94% (59 out of 63) of participants correctly identified the product that received the \$10 refund, a percentage that was significantly higher than chance ($p < .05$).

To test the hypotheses, an independent samples t-test was conducted with the dependent variable recovery attractiveness across levels of the independent variable, recovery product. Consistent with H1b, the results indicated a significant difference in the mean value of recovery attractiveness across product recovery conditions. In support of H1b, participants in the wings recovery conditions rated their recovery satisfaction more favorably than did participants in the pizza recovery condition. ($M_{wings} = 5.32$, $M_{pizza} = 4.54$, $t(61) = 2.036$, $p < .05$).

Conclusion

Despite the widespread use of bundling tactics in the marketplace, the recovery literature has not investigated recoveries involving multiple products. This paper’s aim was to gain insight on service recoveries involving multiple products in a single transaction. This study investigated the initial research question of whether consumers’ perceptions of a recovery may be differentially impacted when a refund is applied to one of the products in a bundle as opposed to another. In answering this question, we found evidence that the product to which a recovery is allocated matters. Specifically, our study provided evidence that when a bundled product fails to meet consumers’ expectations, recoveries attributed to less important product should lead to higher levels of recovery satisfaction than a recovery attributed to the more important product. This effect can be explained by prospect theory, where the wings portion of the bundle could be located on a steeper portion of the value curve.

This study contributes to the literature body by demonstrating that recovery efforts of the same amount are not always equivalent. Specifically, our findings suggest that consumers are more satisfied with a recovery that is attributed to the less important product in a bundle. Financial recoveries following product or service failures can be excellent tactics and managers should be cognizant of the recovery options they present their customers in order to wisely allocate recovery funds to maximize consumers’ perceptions of the recovery effort.

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The Impact of Incidental Similarity on Service Expectations and Recovery

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This article investigates the role of incidental similarities – points of comparison shared between two entities which can influence their subsequent behaviors and attitudes – in the evaluation of service expectations, service failures, and recovery efforts. Results of an experiment suggest that under conditions of high incidental similarity (a shared first name and having attended the same high-school) in customer service encounters, that there may be increased expectations of service quality, as well as higher levels of both post-service failure recovery satisfaction and overall satisfaction. Furthermore, recommendation and repatronage intentions will likely be higher when incidental similarity is high (vs. not present). This study concludes with a discussion of the managerial and theoretical implications and areas for future research are identified.

Introduction

In a services arena increasingly characterized by diversity, individuality, and a demand for customization, research continues to show that it is the relationship between the employee and the customer at the “moment of truth” which drives the evaluation of customer satisfaction after a service encounter. However, in many cases this relationship can best be described as a “pseudo-relationship” (Colgate and Danaher 2000).

One form of a pseudo-relationship is what can be referred to as incidental similarity (IS), or a ‘trivial point of comparison’ shared between two entities which can influence their behaviors and attitudes (Jiang, Hoegg, Dahl, and Chattopadhyay 2010). Miller, Downs, and Prentice (1998) indicate that IS refers to the recognition of a similar trait which is inconsequential enough that individuals do not infer that they have additional behavioral or attitudinal similarities (i.e., similarities in personality or ideological beliefs), but is important enough so that individuals perceive a ‘unit relationship,’ or connection which exists between individuals and suggests that they ‘belong’ or fit together in some specific way (Miller et al. 1998). For example, something as seemingly trivial as sharing a first name or birthday has been shown to impact attitudes and behaviors (Jiang et al 2010).

While research into the effects of IS can be found in the psychology literature (e.g., Amesa, Weberb, and Zouc 2012; Wan, Chan, and Su 2011), there has been limited research of IS within marketing. The purpose of our study is to provide an initial investigation into the possibility that IS between a service provider and customer can impact evaluations of a service encounter. Specifically, through an experimental design methodology, we are interested in the extent to which IS effects a consumer’s expectations of service delivery, as well as their evaluation of a service encounter, and service recovery effort. We expect that IS

will have a positive impact on evaluations of service encounters and recovery efforts. The remainder of this paper will be structured as follows. First, a conceptual background of the setting and evolution of IS will be presented. Next, the theoretical underpinnings of this research and the research hypotheses are introduced. Then, an overview of the research methodology and a discussion of the related empirical findings will be presented. Finally, we conclude by discussing the implications and limitations of the study.

Conceptual Background

The importance of relationship development and maintenance cannot be overstated and has become one of the fundamental elements of marketing thought for both B2B and B2C relationships over the past couple of decades. However, many B2C relationships, unlike B2B relationships, occur fleetingly. Thus, there is a need, particularly in a services context, to gain some understanding of how these pseudo-relationships can best be managed. One area of research which provides some insights is that pertaining to rapport which Gremler and Gwinner (2000) define as “a customer’s perception of having an enjoyable interaction with a service employee, characterized by a personal connection between the two interactants” (p. 92). Rapport has been positively linked to satisfaction, positive WOM, and loyalty intentions (Gremler and Gwinner 2000) as well as to post-recovery satisfaction, repatronage intentions, and reduced negative WOM in a service recovery context (DeWitt and Brady 2003).

The aforementioned studies provide useful insights into how developing relationships during the customer-employee interaction can positively impact outcomes. However, it might be that an impact can occur in even a shorter time frame. As noted above, IS is the term used to describe ‘trivial points of comparison’ shared between two entities which can influence their behaviors and attitudes (Jiang, et al 2010). These similarities can include a number of things such as sharing a first name or even sharing the first letter of someone’s first name. It should be noted that one differentiating element between IS and rapport has to do with the temporal implications of each (Spiro et al. 1977; Gueguen 2012), specifically the fact that rapport would normally occur over a period of time (e.g., during the service encounter) whereas IS can have an impact without there even being an interpersonal interaction. For example, Guéguen, Pichot and Le Dreff (2005) conducted a study in which students were emailed a request to complete a 15-20 minute survey. For half the students the last name of the student who “sent” the email was the same as theirs while for the other half it was not. Those who shared their last name with the “sender” were significantly more likely to complete

the survey and did it more quickly. While we recognize the significance of rapport in managing customer relationships, we propose that IS can also impact consumers' perceptions of service encounters.

Research regarding IS has not been grounded in a single theoretical framework with social identity theory (*in-group versus out-group behaviors*), similarity-attraction theory (*perceived similarity increases attraction*) (Selfhout, Denissen, Branje, and Meeus 2009) and belongingness theory all being used as the underlying explanation. Boshoff (2010) uses social identity theory (SIT; Tajfel 1972) and similarity attraction theory (Byrne 1971) to study the more positive relationship between members of the 'in-group' versus those in the 'out-group' members. These two theories intersect in a sense that the relationships among in-group members are significantly stronger than those for out-group members, which often results from social categorization and stereotypes (Gaertner et al. 1993). Under the rubric of Belongingness theory (Baumeister and Leary 1995), IS is explored in the context of social connectedness which is defined as a "fundamental human motivation involving the need to form and maintain strong, stable interpersonal relationships" (Jiang et al. 2010, p. 779). Belongingness is a foundational component of one's self-identity and belongingness theory explains how social relationships, even those developed via something as seemingly trivial as sharing a first name, might have the ability to affect another's interests and motivations. It is suggested that people exhibit increased pro-social behaviors towards other individuals with similar attributes (Baumeister and Leary 1995). Furthermore, 'mere belonging' fits well with the explaining the concept of IS as it is "a minimal, even chance, trivial, or potential, social connection with unfamiliar others" (Baumeister and Leary 1995, p. 514). Finally, in congruence with other related studies, belongingness theory is used to suggest that social connectedness plays a critical role in producing persuasive effects by IS (Jiang et al. 2010).

Hypothesis Development

Service Expectations

Consistent with prior research by Boulding, Kalra, Staelin, and Zeitham (1993) and Oliver (1997), Maxham and Netemeyer (2002) we define *service recovery expectations* as "customers' predictions regarding the extent to which a firm will handle their complaint" (p. 59).

Any number of factors may impact a consumer's service expectations including things such as personal needs, implicit and/or explicit service promises, past experiences, and situational factors (Zeithaml, Berry, and Parasuraman 1993). We believe that IS will also impact service expectations. IS, unlike rapport, represents something that can occur in a much shorter time span, often at the very beginning of the service encounter. Following from SIT, we argue that the existence of an IS will act to create an "in-group" situation between the server and the customer. Specifically, the self-enhancement aspect of SIT motivates individuals to identify with others as a way to, in part, reduce uncertainty. In our context, we propose that the presence of an IS between a server and customer will provide a way for the customer to feel more confident that the service provided will meet or exceed their prior expectations. Thus,

H1: Service expectations will be higher under conditions of high IS.

Service Failure Attributions

Regardless of service firm attempts to fail-safe service delivery, it is almost inevitable that failures will occur. A service failure can be said to occur when a customer evaluates that what he or she receives does not match what was paid for the service resulting in the customer associating the service experience with a perceived loss (Sivakumar et al. 2014). McColl-Kennedy and Sparks (2003) suggest that a service failure incident triggers an emotional response from which the consumer creates an assessment of the situation, with special emphasis on the elements of justice (distributive, procedural and interactional). The customers will also apportion accountability for the failure, so-called causal attributions, which influence reactions by customers to the failure (Choi and Matilla 2004). However, when no clear cause can be found, consumers will face what has been labeled attributional ambiguity, or an inability to make a clear attribution as to the failure. In this event they may look to a factor that is easiest to interpret or which provides the most logical explanation for the event. In the case of a service failure, this may be the frontline service provider. In other words, when service failures occur, due to a lack of complete understanding concerning why the failure occurred, consumers may first look to the frontline service provider.

In the current context we expect that the presence of an IS between service provider and the customer may act to "buffer" any attribution of blame directed towards the service employee. Based on SIT, we believe that when a consumer identifies with a frontline service provider via an IS, the consumer will be less likely to attribute the failure to the server as, once created, in-groups can significantly impact the attitudes and behaviors of individuals. In particular Cast et al. (1999) and Stets (1997), report that individuals are more likely to identify with groups that exhibit higher levels of efficacy. In our context, this implies that when an IS is present consumers will identify with the service employee in part due to perceptions of efficacy. Efficacy, in turn, will likely lead consumers to evaluate service providers as more competent, thus reducing the likelihood they will attribute blame for a service failure to the service provider. Therefore,

H2: The magnitude of the blame attributions will be greater in situation of no IS than in conditions of high IS.

Recovery Satisfaction

Given that service failures are likely to occur during service delivery, a critical success factor for any service firm is how the firm is able to recover from that failure. A significant number of studies have investigated the various elements of service recovery tactics and strategies with several factors contributing to a successful recovery. For example, Davidow (2003) reviewed a number of studies which focus on service recovery and identified six broad categories: timeliness, facilitation, redress, apology, credibility, and attentiveness. In another oft-cited study, Tax, Brown, and Chandrashekar (1998) highlighted the importance of justice (distributive, procedural, interactional) in successful recovery efforts. It is the last of the three types of justice, interactional, we believe to be most relevant to our study.

Interactional justice occurs when service employees treat customers politely and with care and honesty; in other words, when service employees act in accordance with a relational perspective. We believe that IS also works to enhance the relationship between the service employee and the customer and

as such should work to enhance satisfaction with the service recovery effort.

H3: Satisfaction with the recovery will be higher under the high vs the no IS condition.

Overall Satisfaction, WOM, and Repatronage Intentions

Satisfaction, repatronage intentions, and WOM are oft-studied outcome variables in services research. The latter has become even more important with the increased use of social media in the past few years. One could argue that a large percentage of the research conducted within the services area has been to, in one way or another, better understand how to enhance these outcomes. In the current context, we believe that if the consumer perceives some degree of similarity with the frontline employee they are more likely to report higher levels of these outcomes. Support for this comes once again from SIT. As customers come to identify more with the service provider, via IS, it is likely that they will be more likely to report higher levels of overall satisfaction, positive WOM, and repatronage intentions.

H4: Overall satisfaction will be higher when IS is present compared to when it is not.

H5: Positive WOM recommendation will be higher when IS is present compared to when it is not.

H6: Repatronage intentions will be higher when IS is present compared to when it is not.

Methods

Data Collection and Experimental Procedures

Data for the study was collected from students at a large southeastern university. Students were solicited from one large section and offered extra credit for completing the survey. The data was collected via an online survey with a link being emailed to the students. A total of 174 usable surveys were completed.

A between 2 (no and high IS) X 2 (bad and good recovery) experimental design was used (Contact the first author for full scenarios). The scenarios asked respondents to imagine they were away from campus on spring break and decided to go to a popular, reasonably-priced restaurant. Students were asked to imagine they were on a spring break trip away from campus to reduce any issues associated with IS that may have arisen had they assumed the scenario was describing a situation in the city where they attend school. The IS manipulation took the form of the server sharing (not sharing) the same first name and high school of the respondent which is similar to previous IS research (Jiang et al 2010). The service failure manipulation took the form of the food being brought out 40 minutes late, a time that was shown in a pre-test to be indicative of a “moderate” service failure.

Respondents were then asked to respond to three items, one which acted as a manipulation check for the IS manipulation, one which assessed expectations regarding service recovery, and one which assessed the extent to which the server was blamed for the failure. Following this, respondents were directed to the next page where the scenario was repeated and the service recovery was presented. The service recovery was manipulated as low (no apology, no compensation) or high (apology, 20% discount). Next, respondents were asked to complete three items designed to assess satisfaction with the recovery. Finally, on the next page respondents were asked to complete items which measured overall satisfaction, positive WOM, and repatronage intentions, as well as

items designed to assess how realistic and believable the scenario was.

Results

Significant differences were found between the no and high IS conditions indicating the manipulation worked as expected ($M_{No\ IS} = 4.81$ vs. $M_{High\ IS} = 5.41$, $t_{(172)} = -3.34$, $p < .001$). The scenarios were considered to be realistic ($M = 5.66$) and believable ($M = 5.69$).

Support was found for H1 ($M_{High\ IS} = 5.54$ vs $M_{No\ IS} = 4.83$, $t_{(172)} = -3.59$, $p < .001$) and for H2 ($M_{High\ IS} = 3.30$ vs $M_{No\ IS} = 4.32$, $t_{(172)} = 4.48$, $p < .001$). Thus, it appears that when IS exists between the server and the customer, service expectations are higher (H1) and the server is less likely to be blamed for the failure (H2).

Hypotheses 3-6 were tested using a univariate ANOVA with IS (absence, presence) and recovery (good, bad) as the grouping variables. Hypotheses 3 proposed that recovery satisfaction would be higher when IS was present. Results provide support for this ($M_{High\ IS} = 5.31$ vs $M_{No\ IS} = 4.22$, $F_{(1, 170)} = 35.42$, $p < .001$). Hypotheses 4-6 propose that IS will lead to higher levels of overall satisfaction, positive WOM, and repatronage intentions, respectively. Overall satisfaction was found to be higher in the IS condition than the no IS condition ($M_{High\ IS} = 4.04$ vs $M_{No\ IS} = 2.99$, $F_{(1, 170)} = 54.93$, $p < .001$). As expected, positive WOM was higher when there was evidence of IS ($M_{High\ IS} = 3.77$ vs $M_{No\ IS} = 2.99$ vs, $F_{(1, 170)} = 21.88$, $p < .001$). Finally, repatronage intentions were higher when the respondent shared IS with the server ($M_{High\ IS} = 4.05$ vs $M_{No\ IS} = 3.38$, $F_{(1, 170)} = 18.88$, $p < .001$).

Discussion

To our knowledge, this study is the first to demonstrate the effects of IS in a services context. Using an experimental design methodology, we demonstrate that there is an important association between customers and frontline service employees when IS are identified. The effects of IS should be interesting for both marketing researchers and practitioners as it has been shown that a ‘trivial point of comparison’ may be enough to influence customers’ attitudes and behaviors in a service setting.

Overall, the results of this study are in accordance with the underlying principles of SIT. As previously shown, positive associations with an ‘in-group’ are likely to impact attitudes and behaviors of members. Consequently, there is likely uncertainty reduction, increased confidence and efficacy, and a more positive evaluation of service outcomes (overall satisfaction, positive WOM, and repatronage intentions) when IS are present (vs. not).

Being aware of how IS can influence consumers’ choices is important for managers. Along with the positive consequences of IS (i.e., decreased service failure attributions) comes the responsibility of fulfilling increased service expectations from customers with which the IS is shared. Furthermore, it is important to note that while IS may enhance the expectations and evaluations of a service experience, they are likely not sufficient for ensuring overall customer satisfaction. The service provider should still aim to provide high quality service, including a successful recovery in the event of a service failure, in order for consumers to have positive evaluations of the experience, to increase repatronage intentions, and to engage in positive WOM about the provider.

For example, in the case of restaurants which take or require reservations, it is possible that the provided information (such as their name) might be used to conduct research online in the hopes of collecting more information about the customer prior to their service encounter. Consequently, the information could be used to ensure that the frontline service providers with the greatest likelihood of having some IS would be assigned to that specific customer.

Although this research has successfully demonstrated that IS have a positive effect on consumer's expectations of service delivery, as well as on their evaluations of a service encounter and recovery efforts following a service failure, there are certain limitations which should be addressed. First, the generalizability of the results from this study may be subject to certain limitations. This research is framed within a service context, but limited to evaluations of a single service encounter in a restaurant setting. Therefore, there is room for further progress in evaluating IS in different service settings.

Another important issue for future research might be evaluating the rarity or commonality of an IS and its effects on the pseudo-relationship between service providers and customers. Furthermore, research might be conducted which assesses the long-term effects of IS on rapport. Lastly, it might be that IS works differently under conditions of IS between a service provider and (1) the self or (2) a friend or associate.

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ADVERTISING AND GLOBAL CONSUMER CULTURE

Summary Brief

Using Perceived Cultural Competence as an Effective Measure of Culturally Congruent Care

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Cultural competence (CC) suggests that if health care providers interact with patients in a culturally relevant manner, then the patient will be more receptive to care, enjoy a higher level of satisfaction, a better relationship with the health care provider, and improved health outcomes. Unfortunately, much of the research has focused on provider specified attributes to measure the effectiveness of the construct to affect desired outcomes. The current research proposes that it is perceived cultural competence (PCC)—from the patient’s perspective; and not actual cultural competence (CC)—from the health care provider’s perspective that matters in health care services. A definition of PCC is presented along an overview of the relevant literature and several research propositions.

Introduction

Cultural competence has been championed as one of the single most important keys to improving health disparities in the United States (Barksdale et al. 2012). The theory suggests that when health care professionals provide services in a manner that is in line with the patient’s cultural beliefs—often referred to as culturally congruent care, there are improvements in health care quality, provider attitudes, and patient satisfaction and health (Brusin 2012); as well as improved health outcomes and lower costs through improved communication, better compliance with medical regimens, and less use of high-cost services such as emergency room visits (Schim et al. 2007).

While the essence of cultural competence is for the health care provider (or organization) to gain favor with, and understanding of, the patient in order to provide better care, little consideration has been given to the patient’s perspective. Much of the research has focused on self-assessment measures where the health care provider evaluates his or her own level of CC, or some objective measure of the provider’s level of CC knowledge is utilized to validate the theory. Extant literature fails to take into account the perspective of the patient. The current research suggest that in order to achieve the benefits of CC, patients must perceive the provider as providing culturally congruent care regardless of the health care professional’s actual level of CC or use of cultural competency techniques. Thus, it is proposed that *perceived cultural competency (PCC)* rather than objective *cultural competence (CC)* is the true construct of interest and is vital to understanding the relationship between cultural competence and desired health care outcomes.

Literature Review

Racial and ethnic disparities in health care have been well documented over the years. Overwhelming evidence shows that minorities suffer disproportionately from cancer, heart disease,

diabetes, and many other medical and mental health conditions (Betancourt et al. 2003). A 2001 report from the Institute of Medicine suggests that much of the disparity stems from the failure of health care providers and organizations to identify cultural factors which may prohibit patients from interacting with, utilizing, or fully participating in the health care system (Lie et al. 2011).

In an attempt to address these issues, the U.S. Department of Health and Human Services (HHS) has developed extensive guidelines and policies emphasizing the implementation and use of CC, which it officially defines as “a set of congruent behaviors, attitudes, and policies that come together in a system, agency, or among professionals that enables effective work in cross-cultural situations.” (“What Is Cultural Competency?” 2013). While a number of definitions have been offered, they all suggest that CC allows patients and doctors to come together and talk about health concerns without cultural differences hindering the conversation; and that providers who are respectful of and responsive to the health beliefs, practices and cultural needs of patients can help bring about positive health outcomes.

The primary point of contention among researchers is the conceptualization of the model for CC. Researchers such as Suarez-Balcazar et al. (2011) suggest that CC is an attribute of the health care provider or organization—something to be achieved in order to affect the patient and health outcomes. Cultural competence has been conceptualized almost exclusively as something to be possessed or exhibited by the provider/organization. Research in the field has been conducted under the assumption that a provider’s level of CC directly affects desired outcomes. Consequently, much of the research in this area has focused on how best to measure a provider’s level of CC rather than testing the relationship between CC and desired outcomes such as perceived service quality, satisfaction, and improved health outcomes.

Extant research, however, has focused on the relationship between the health care provider’s CC and outcomes rather than the relationship between patients’ response and outcomes. The difference between CC and PCC is similar to that of quality and perceived service quality in the services literature. Quality can be defined as meeting or exceeding management specifications—as previously discussed, CC has been treated much like a management specification. But in services, “it is the customer specifications; it is the customer’s definition of quality, not management’s, that counts” (Berry, Parasuraman, and Zeithaml 1988 p. 35). Similarly, it is the patient’s specification and evaluation of CC that matters. Building on the definition of CC provided by the HHS and Parasuraman, Zeithaml, and Berry’s (1988) definition of perceived service quality, perceived cultural competence is defined here as *a global judgment, or attitude,*

relating to the culturally congruent care provided by a system, agency, or professional.

Research Propositions

The ultimate goal of cultural competence is to effect positive outcomes—mainly positive service quality and satisfaction evaluations, as well as improved health outcomes (Betancourt et al. 2003). As such, it is proposed here that it is more important to measure the patient’s perception of the health care provider’s cultural competence than the health care provider’s cultural competence efforts or abilities. The following propositions therefore proposed:

Proposition 1: Perceived cultural competence (PCC) is a more accurate measure of the effectiveness of cultural competence efforts than actual cultural competence (CC).

Proposition 2: Perceived cultural competence is positively related to perceived service quality.

Proposition 3: Perceived cultural competence is positively related to satisfaction.

Proposition 4: Perceived cultural competence is positively related to health outcomes.

Conclusion

Cultural competence is an important theoretical construct with the potential to have a significant positive impact on the manner in which health care is distributed. The growing diversity of health care consumers and practitioners in the U.S. and in developed countries around the world make the issue of culturally congruent care important for researchers and managers. Unfortunately, evidence supporting the validity of the theory has been lacking—the focus on CC as the primary construct of interest has yielded mixed results. Perceived cultural competence (PCC) is put forth here as the construct to provide the best indicator of culturally congruent care. This construct is still in the early stages of development and much work remains to be done. However, the current research provides the first step toward a better understanding of the potential benefits of culturally congruent care.

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Full Paper

A Cross Cultural Analysis of Advertisements: Content Analysis of Print Advertisements of Local and Global Companies in B2B and B2C Contexts across USA and India

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This study focuses on the differences in advertisements between Business to Business (B2B) and Business to consumer (B2C) categories through examining print advertisements in a developing economy (India) and a developed economy (USA). The study delves deeper in these two contexts by understanding the differences in advertising between ads of high and low involvement product categories. The findings pose several questions about the importance of cultural congruency and standardization in the context of global marketing. The author believes that this research can be applied in the context of various emerging economies, would enable managers to take better decisions relating to advertising.

Introduction

Homogeneity in needs and desires of consumers around the world in recent years has caused advertisers of global companies to look for ways in which they can send their advertising messages in different countries more efficiently and in a cost effective manner. Advertisers and marketing scholars have long supported the notion of advertising standardization (Katsikeas 2006; Krolkowska and Kuenzel 2008). However, another group of advertisers and marketing scholars believe different nations have their own customs, lifestyle, and buying habits which should be taken into consideration when forming an advertising message for them. In other words, this group believes that advertising adaptation is the correct form of strategy when advertising in global markets (Lages, Abrantes and Lages 2008).

Several factors influence the decision of advertisers regarding the correct form of strategy when going beyond the country borders. One of these factors is the context in which the organizations are operating. If an organization is operating in a business to business (B2B) market, the characteristics of its products or services are different from the characteristics of the products and services in business to consumer (B2C) markets (Cova and Salle 2008). Obviously, there are differences between B2B and B2C advertising. The various differences include contextual conditions, psychological conditions, product variables, and marketing communication (Brown, Bellenger and Johnston 2007). Advertisers, then, need to consider these factors before finalizing on the strategy.

Based on whether global companies use standardization or adaptation advertising strategies there may or may not be differences in the advertising style (number of information cues used, message congruency etc.) between global and local companies. The level of consumer involvement in the buying

process which is usually called product involvement is another important factor too. Traditionally, advertisements for higher involvement products have always used more appeals compared to low involvement products like personal care. Given the high cost of advertisements, companies need to ensure that every penny spent on advertising counts. Therefore, there is a need to understand the differences between the print advertisements for high and low involvement products in the both countries.

While several researchers have tried to compare ads across India and other countries (Nelson and Paek 2007) few have focused on the differences in advertising between the B2B and B2C contexts across both countries. Additionally, this paper looks at the differences in advertisements for high and low involvement products. The main research questions for the study are:

- 1) What are the major differences between B2B and B2C advertisements across India and USA?
- 2) What are the major variances in advertisements used by companies (both local and global) in different levels of product involvement in print advertising across both countries (India and USA)?

Conceptual Framework

There are various factors that differentiate B2B and B2C, some among them being contextual conditions, psychological conditions, product variables, and marketing communication (Brown et al. 2007). In contextual factors we look at the risk levels of products; B2B products have higher risk levels compared to B2C products. The primary objective of companies is to alleviate the risks involved with the purchase in B2B. Intangibles may be used to offset the social risks in B2B context. In product issues, B2B purchasers tend to focus more on tangible aspects whereas, in B2C consumers give equal importance to both tangibles and intangibles.

In marketing communications or promotions there are some distinctions between B2B and B2C marketing. The major difference between B2B and B2C markets is that B2B consumers are seen as more rational purchasers compared to B2C. The organizational buying decision process is more complex at times due to the number of persons involved in the process compared to the purchase process of a B2C product. In B2B, most of the revenue comes from large customers. This was shown in the case of Sun Microsystems, where a majority of revenue was obtained from few large customers (Cova and Salle 2008).

Culture plays a major role in determining the type of advertisements. Culture affects the types of appeals, semiotics, and

message tones etc. that are used in advertising (Mueller 1987, 1991). Hong, Ou, and Mandel (1987) support the importance of culture in advertising as communication patterns are closely linked to cultural norms. Therefore, marketers should try to adopt culturally congruent messages when they want to promote their products in global markets.

Message congruency in advertisements has been well researched in literature. Message congruency can be defined as the level to which a message, content, and appeals used in an advertisement are in line with the cultural expectations of the target market – in this case of a different country (Cui et al. 2012). Extant research has shown that advertisements that are congruent with the culture are more effective than the ones that are not.

Companies adapt advertising appeals and cues to be congruent to the host country culture. In USA, hard-sell approach is very common and soft sell approach with humor is dominant in UK (Javalgi et al. 1995; Mueller 1987). Countries are also seen as having high and low cultural contexts (Würtz 2005). In low cultural contexts, there tends to be more focus on information based communication. A direct, textual, factual and analytical message is used to communicate in a low cultural context country such as USA. Contrastingly, in high cultural contextual countries such as India additional information beyond a written format is preferred. Companies can use standardization or adaptation as their strategy in foreign countries. Several articles in literature have spoken about the standardization and localization of advertisements for various B2B and B2C markets (Lages et al. 2008; Papavassiliou and Stathakopoulos 1997). Companies tend to follow standardization or adaptation methods for advertising in different countries.

Product involvement is associated with customers' cognitive and behavioral responses which include memory, attention, processing, search, brand commitment, satisfaction, early adoption, and opinion leadership. Persuasion plays an important role in advertising. According to Elaboration Likelihood Model (ELM) (Petty and Cacioppo 1984), if a potentially persuasive message can motivate an individual to elaborate on or think about the message, it can result in an enduring persuasion; if an individual does not feel any connection to a message, then he is not motivated to consider the message or pay attention to it (Petty and Cacioppo 1984).

Hypotheses Development

There have been few content analyses of advertisements studies in the extant literature (Mueller 1987; Rajaratnam et al. 1995). There is a need to re-evaluate the differences/similarities in B2B and B2C advertisements across countries given the current economic boom in developing countries and a corresponding change in cultural norms (for example, the younger Chinese population is tending more towards individualism than collectivism). This study aims to understand the differences in types of advertising used by multinational and local companies in both B2B and B2C contexts.

As mentioned earlier, B2B advertisements are different from B2C advertisements due to the various contextual, psychological and product variables (Brown et al. 2007). B2B products tend to be more direct and would try to sell products that have a higher risk. Since they need to sell products that are more expensive and have higher risks, it is imperative that they try to address these risks to the maximum extent possible. In this context, companies would normally focus on offsetting as many risks as possible in

the advertisements. Conversely, B2C products are generally more frequently purchased as compared to B2B products. Also, the companies' motives for advertisements might be to inform, to remind, to persuade etc. as compared to a more persuasive type of advertisement in B2B. The main objectives of companies would be to capture the attention of the customers and ensure that they have a favorable opinion of the message. Since most B2C products are less complex, their costs are generally lower and their risks minor as compared to B2B products. Companies generally would not try to bombard customers with too many information cues. The authors believe that this would be true across both countries

H₁: Across countries, advertisements for B2B products will have more information cues compared to advertisements for B2C products.

B2B companies focus more on the rational and benefits as part of the product and will tend to focus less on culture congruency in appeals. There have been contrasting thoughts on standardization of B2B advertising. Standardization provides the benefits of lower costs, uniform brand image etc. across countries (Brown et al. 2007). Moreover, the majority of revenue comes from few large customers. Importantly, B2B purchasing decisions are believed to be dominated by rationality and functional benefits rather than on emotional or impulsive decisions. One of the reasons for this could be the fact that in B2B several people are involved in the decision process and purchases are normally large and more expensive in comparison to B2C products. Also, B2B advertising across countries would try to offset risks and focus on benefits. Since B2B products are not culture bound products/services, culture does not play an important role. The authors argue that B2B advertising across both countries would be similar. Based on the above discussion, our second hypothesis is:

H_{2null}: In B2B context, the number of cues used by companies in both countries will be the same.

The decision for adaptation or standardization in B2C context is much more complex. In some contexts like food, both companies need to advertise in a manner that is congruent with the culture. There has been a lot of research elaborating on the differing impact of cultural congruency (Cui et al. 2012). If the message is close to one's current beliefs, it is more probably to be accepted. But if the message is far from the existing values and beliefs, it will be harder to accept the message. In next step, people try to form their attitudes toward or away from the message received. If the message is extremely incongruent with one's current beliefs, it will be rejected because of the high ego-involvement of consumers in B2C context. USA is considered to be a low-context culture (Würtz 2005) and therefore a hard-sell, more direct approach in advertising is preferred (Javalgi et al. 1995). It implies that the number of cues used in advertisements would be less compared to countries that have a high cultural context such as India. Therefore, our final hypothesis is:

H₃: In B2C context, advertisements in India will use more information cues as compared to their contemporaries in USA.

High involvement products are expensive and less frequently purchased. Companies need to convince customers thoroughly and alleviate as many risks as possible. As a result, advertisements of high involvement products attract potential consumers' attention by providing cogent arguments and a lot of information, consequently influencing their decision making behavior. However, purchasing low involvement products does not need a long information collection process, does not play a critical role in the life of the customer, and they are not quite as expensive as

high involvement products. The influence of advertising appeals for low involvement products is much lower compared to the influence for the high involvement products. Therefore, for low involvement products the number of information cues would be less compared to the number of cues used for high involvement products. The final hypothesis is:

H₄: In both countries, advertisements for high involvement product categories will have more information cues compared to advertisements for low involvement product categories.

Methodology

Content analysis was used for analyzing the advertisements in both B2B and B2C contexts. This method has been used in the literature (Javalgi et al. 1995; Kassarian 1977; Mueller 1987, 1991). "Content analysis is a useful alternative for investigators who are attempting to identify patterns, frequencies, or potential categories with respect to advertising phenomena" (Carlson 2008, p. 105).

The authors collected the print advertisements from six B2B magazines (3 Indian and 3 USA versions) and six B2C magazines (3 Indian and 3 USA versions) for a period of two months (February and March 2013). Only full page or double paged ads were considered, similar to the study conducted by Mueller (1986).

The study used 14 information cues (Resnik and Stern 1977) akin to previous studies (Rajaratnam et al. 1995). Two independent judges were trained by the authors to look for targeted codes in selected advertisements. In addition to these 14 information cues, judges were asked to identify the product category of each advertisement. Products were categorized into high and low involvement products on the basis of their frequency of purchase, complexity, and costs. The product categories are similar to the ones that were used by Rajaratnam et al. (1995) for the purpose of comparison. The judges were asked to code advertisements of all other categories as miscellaneous. For the last hypothesis, advertisements that were coded as miscellaneous were not considered while calculating the t-statistic. Post the independent evaluation, judges were asked to go through the entire database of advertisements together. Ads that the judges disagreed upon and could not reconcile were removed. Advertisements were considered only once. The ones that were repeated were discarded.

A number of procedures were followed in order to improve the reliability and validity of the data collection process. First of all, as mentioned earlier, two independent judges analyzed the data. They were carefully trained regarding the coding process by using a sample of ads. Meanwhile, they were provided with a coding sheet which contained the information cues, their definitions and instructions on what judges should look for while reviewing the ads. Then both judges were asked to independently analyze the ads. As a second step, judges had to check for the ads which they had coded differently, and reach a conclusion. The advertisements which the judges were still undecided about were discarded. After finishing the analyzing, reliabilities were calculated using Perrault and Leigh (1989) index. A total of 603 ads were analyzed. The inter-judge reliability was 87%, higher than the minimum requirement (Perreault and Leigh 1989).

There is a significant difference in the amount of cues used in B2B and B2C context. B2B magazines consisted of an average of 1.60 information cues per ad, while B2C advertisements consisted of 1.38 ads per advertisements supporting the first hypothesis. This shows that B2B advertisements use more cues than B2C

advertisements to provide as much information as possible. It is interesting to see that the number of cues for both B2B and B2C is below one, which shows that a lot of companies try and focus on one information cues in print ads. The second hypothesis was stated in the *null* form – that the number of information cues used by global companies and local companies would be similar in B2B advertisements. The high p-value (.195) supports our hypothesis. The number of information cues used by both global and local companies is similar. According to H3, the number of cues used for B2C advertising in India should be higher than number of cues in B2C advertising in USA. However, the results are contrary to our hypothesis; the number of cues in B2C advertisements in USA is more than their contemporaries in India.

The final hypothesis stated that high involvement products will have more information cues than low involvement products. This hypothesis was rejected due to the high p-value (.667), signifying that the average number of cues used by both product categories are similar.

Discussion and Implications

Findings for the first hypothesis corroborates with our rationale of B2B advertisements being more or less homogeneous across both countries. The similarity in the number of cues for global and local companies suggests that there is cross-cultural application as suggested by Cui et al. (2012). Since industrial products are more complex compared to consumer products, and since the buying process of such products requires collecting a considerable amount of information, more information cues are required in such ads. Also, by providing the potential industrial buyers with more information, companies can convince them that their potential requirements are taken into consideration and by purchasing the product mentioned in the ad, it is more probable to reduce the potential risks embedded in an industrial buying situation. In second hypothesis it has been found that in B2B context there is no significant difference between the numbers of information cues used by B2B advertisers in both countries. There is a degree of standardization in B2B advertising across high and low cultural context countries.

In the B2C context, the number of cues used in B2C advertisements in the USA is more than the number of cues used in B2C advertisements in India. A possible argument for this finding can be that there is a westernization of Indian culture in the recent times. Also, especially in major cities, culture of younger generations tends towards being more individualistic akin to China. Therefore, advertisements in Indian magazines might be in a low cultural context opposite to our assumption of a high cultural context.

The last finding was very interesting. Both high and low involvement categories used similar number of cues in their advertisements. This is in contradiction with our hypothesis that states high involvement products will have generally more cues to attract the customers and will try to convey more information. Low involvement products are more commonly purchased, have lower costs and are relatively less complex, and need not have many information cues in the advertisements. However, it seems that advertisers are focusing more on cost-benefits and are trying to ensure that they reduce risks by providing more information. Managers want to make best use of the print advertisement space irrespective of whether the product is high or low involvement.

Limitations and Future Research

There are several limitations to the study. The authors used information cues (Resnik and Stern 1977) which examine only the type of information provided, not the structure of advertisements which play an important role in adaptation. Several other techniques can be used to identify the structure like symbols, layout, etc. (Javalgi et al. 1995; Mueller 1987) which would help identify the degree of standardization/adaptation and cultural congruency in a more comprehensive manner.

The sample size for the study was low once the repeated advertisements were removed. A larger sample size would help validate the study further. Also, the author did not identify the differences in types of cues used by B2B and B2C ads, and high and low involvement product ads across countries which would provide deeper insights.

Content analysis does provide several insights about the advertising in a country/cultural context; further research should be done by linking the financial outcomes or queries to advertisements to identify the effectiveness of advertisements. Also, an experiment could be done to identify the effect of standardization and adaptation in the above mentioned criteria.

Conclusion

The study provides several insights to marketers about advertising in a global context with relation to B2B/ B2C products, and high/involvement product categories. It also finds that, despite the rapid growth in GDP and globalization, advertising has remained similar in terms of the number of information cues that have been used in the past (Rajaratnam et al. 1995). From the theoretical perspective, the paper contributes to the growing literature of global advertising standardization and adaptation. From the managerial perspective, it provides insights on the kind of advertisements that are prevalent in the contemporary age.

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Summary Brief

The Dark Side of Independence and the Bright Side of Interdependence: Effects of Vertical Individualism-Collectivism on Consumer Ethics

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Two main hypotheses were tested: vertical individualism has a negative effect on the importance of a producer being free from corruption, in purchase decisions by consumers. Vertical collectivism has a positive effect on unwillingness to purchase products/services from corrupt companies. Contrary to some extant research, the hypotheses are supported.

Introduction

In the light of the growing urgency to curb corruption extant research has examined factors driving unethical intentions and choices of consumers in this domain (Mazar and Aggarwal 2011). Recent research has found individualism (vs. collectivism) to negatively impact on willingness to give bribes (Mazar and Aggarwal 2011). However, according to some individualism (vs. collectivism) may be associated with deviance from established norms which could promote corruption (Durkheim 1893/1964). Thus, the views of individualism curbing corruption and collectivism promoting it are not universally endorsed in the literature (Rosenfeld and Messner 1968). Further, the effects of the vertical individualism-collectivism – a typology of the construct concerned with status and hierarchies, on attitudes towards corrupt producers of consumer products/services have not been investigated. We show that vertical individualism (VI) has a negative effect on importance of companies being free from corruption, in purchase decisions by consumers, while vertical collectivism (VC) has a positive effect on unwillingness to purchase products/services from corrupt companies. Mediating effects of materialism and trust are examined.

Vertical Individualism-Collectivism

Singelis et al. (1995) show that both individualism and collectivism can be either horizontal (emphasizing equality) or vertical (emphasizing hierarchy). The vertical orientation focuses on societal hierarchies and status. Vertical individualists were shown to be concerned with achievement of personal status through competition. Vertical collectivists have a strong focus on hierarchies, status connected to the positions in hierarchies, in-group loyalty and family (Singelis et al. 1995). As corruption often implies usage of illegitimate means for the achievement of status (Cullen et al. 2004), the vertical dimension is relevant as a potential explanatory variable of attitudes toward corruption.

The Self and Attitudes toward Corruption

Anomie theory posits that individualism is associated with weakening of social rules and norms, deviance, and tendency to choose any means for achieving personal goals, i.e. “it’s not how you play the game: it’s whether you win or lose” mentality (Rosenfeld and Messner 1997). Such tendencies may be particularly strengthened when the pursuit of status-related, competitive goals is activated. Such deviance may imply that consumers would be indifferent toward companies engaged in corruption (e.g. bribery) as long as their status goals are satisfied by consuming the products/services of such companies. As VI is a value orientation highly focused on attainment of status-related competitive goals, we expect it to be conducive to indifference of corrupt corporate activities. Thus:

H1: VI will have a negative effect on the importance of producers being free from corruption, in the decisions to purchase products/services from these producers.

Collectivism is associated with the preservation of traditional social controls, e.g. by emphasis on family (Durkheim 1893/1964). Thus the deviant mentality is less likely for collectivists. Corruption is widely viewed as an ethically suspect activity indicating a prevalent social norm (Cullen et al. 2004). The adherence to the social norms is even more likely for vertical collectivists due to their focus on family. Norms are strong drivers of behavioral intent (Jackson 1965). Therefore vertical collectivists are likely to be less willing to purchase products/services of corrupt companies. Therefore:

H2: VC will have a positive effect on unwillingness to purchase products/services from corrupt companies.

Mediating Effects of Materialism and Interpersonal Trust

Vertical individualists are focused on achievement of status goals by accumulating personal possessions and therefore likely to score high on materialist values (Singelis et al. 1995). Research has found positive effects of individualism on materialism (Richins and Dawson 1992). Other research has found negative effects of materialism on consumer ethics since the desire for possessions takes primacy over ethical values (Muncy and Eastman 1998). Thus:

H3: The negative effects of VI on the importance of producers being free from corruption will be mediated by materialism.

Vertical collectivists due to the adherence to the social norms will expect other in-group members to obey the norms. Thus, they are likely to score high on interpersonal trust, particularly in small (vs. large) cities that are easier to construe as in-groups (Singelis et al. 1995). Trust implies an expectation that the company management will not take advantage of the consumer/public for own gain (the essence of corruption) (Cook 2005). Therefore, we expect interpersonal trust to have a negative effect on purchase intent from corrupt companies.

H4: The positive effect of VC on unwillingness to purchase products/services from corrupt companies will be mediated by interpersonal trust in small (but not in large) cities.

Methodology

A survey was conducted in Moscow (N=720, age: 18-45, female: 50%, per capita monthly income = 34207 RUB, population = 11.5M) and Ivanovo (N=720, age: 18-45, female: 50%, per capita monthly income = 8354 RUB, population = 0.4M) both in Russia. Russia has a corruption score of 28 (100-very clean, 0-highly corrupt) making it highly relevant for such research. Vertical-horizontal INDCOL construct was measured by a 16-item scale (Singelis et al. 1995). Materialism was measured by the short 6-item version of the materialism scale (Richins and Dawson 1992). Interpersonal trust was measured by the item: "Most people can be trusted". Consumer ethics was measured by the items: "In my decision to purchase consumer products/services it's important that the company that produces them is free from corruption, e.g. initiating bribes", "I would not buy products/services from a company where management is implicated in corruption, e.g. initiating bribes". All items were measured by 7-point Likert scales.

Results

Regressions have shown the effect of VI on importance of being free from corruption in product/service purchase decisions, to be negative (Moscow: $\beta = -.173, p < .01$, Ivanovo: $\beta = -.081, p < .05$), effect of VI on materialism (one factor solution) was positive (Moscow: $\beta = .458, p < .01$, Ivanovo: $\beta = .199, p < .01$). When both VI and materialism were included in the regression on importance, both were significant in Moscow ($\beta = -.110, p < .01$; $\beta = -.139, p < .01$). The effect of VI was significantly reduced ($Z = -3.27, p < .01$), which implies partially mediating effect of materialism. In Ivanovo the effect of materialism was n.s. H1 is supported in both locations, while H3 – only for Moscow. The effect of VC on unwillingness to purchase products/services from corrupt companies was positive (Moscow: $\beta = .117, p < .01$, Ivanovo: $\beta = .076, p < .05$), effect of VC on interpersonal trust was positive in Ivanovo ($\beta = .158, p < .01$), n.s. for Moscow. When both VC and trust were included in the regression on purchase intent, both were marginally significant in Ivanovo ($\beta = .065, p < .1$; $\beta = .068, p < .1$). The effect of VC was marginally reduced ($Z = 1.65, p < .1$), which implies partially mediating effect of trust. Thus, H2 is supported both in Moscow and Ivanovo, H4 is supported.

Conclusions

Our results caution against generalizing the conclusions that individualism is conducive to more civil and ethical attitudes and choices (Allik and Realo 2004). We find that particularly VI can encourage potentially unethical consumption decisions by

supporting companies involved in shady practices. Such detrimental effects, partially driven by materialism, are more likely in the wealthier, e.g. Moscow (than the poorer, e.g. Ivanovo) location in a country. In our research we measured abstract product attitudes. The effects of VI may be strengthened for luxury (vs. necessity) goods and for global (vs. local) brands as these may be conducive to status pursuit. Managers should develop strategies to promote social responsibility, targeting consumers high on VI with particular emphasis on wealthy, large cities. Similarly collectivism should not always be viewed as a force promoting corruption, such as bribery. This research suggests that VC can be a favorable factor reducing purchase intent of products/services from ethically suspect companies. The benign effects of VC are partially driven by interpersonal trust in the smaller community (i.e. Ivanovo) (vs. a large city). Future research will experimentally test underlying mechanisms of the observed effects of cultural dimensions.

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LET'S TALK SUPPY CHAIN

Summary Brief

A Diagnostic Model of Perceived Return Customer Orientation and Its impact on Subsequent Consumer Behavior

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A significant issue in the formation of relationships with organizations lies with how firms behave when handling customer returns. During reverse logistics, when products move the “wrong way” in the distribution channel, customers get a chance to see how the firm interacts in a situation when product moves back to the retailer. Similar to service recovery, during which firms can redress a wrong in the consumption of the product (i.e., a meal, carpet cleaning, etc.), product returns offer the customer to see if the customer orientation professed during the sale matches the orientation at the time of the return.

In this paper we develop a diagnostic framework of the interpersonal influences in the development of a Perceived Return Customer Orientation (PRCO) during the return process.

Specifically, we model the impact of perceived justice on expectancy disconfirmation and the subsequent creation of a customer’s PRCO of the firm. The PRCO is then used to determine its relationship with the customer’s desire for avoidance of the firm and negative word of mouth.

Using self-reported return behavior, the model is tested using SEM. Results indicate perceived justice and expectancy disconfirmation during the return experience are important antecedents to the development of an individual’s PRCO. The PRCO of the firm is also shown to be significantly related to the subsequent decision to avoid the retailer and to spread negative word of mouth.

Summary Brief

Trouble in the Supply Chain: Examining the Effects of Coping Strategies on Emotional Health and Customer Relationship Quality for Small Business Owners

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Small business owners are vital members in the supply chain. Yet, they often find themselves in situations where they are compelled to shoulder many of their company's burdens. As a result, they may encounter excessive stressors. In order to reduce such stress, business owners may enlist coping strategies. This research examines the impact that problem- and emotion-focused coping strategies have on the emotional well-being of small business owners as well as their relationship with customers. Findings from 200 surveys completed by small business owners indicate that the use of problem-focused coping strategies can mitigate overall emotional exhaustion in business owners as well as enhance the quality of their customer relationships.

Introduction

Small business owners often find themselves in situations where they are compelled to shoulder many of their company's burdens. As a result, they are at risk of experiencing excessive stress. When a small business owner's emotional health suffers, the performance of his/her business may be at risk. Although it is well established that small business owners regularly undergo various demand stressors, limited academic research has addressed how entrepreneurs might improve their emotional well-being (Ahmad et al. 2010).

Emotional Well-being

Small business owners often experience demand stressors related to maintaining and growing their customer base, managing employees and even managing the day-to-day operations of their business. As these stressors manifest, it may be human nature to engage in some degree of repetitive thought, or rumination. *Rumination* is defined as having recurrent thoughts that manifest as a result of the discrepancy between one's current position and a desired goal (Martin and Tesser 1996). Rumination can lead to negative psychological and relational outcomes. Research has found links between rumination and cognitive and emotional disturbance, including pessimistic thinking, depression, anxiety and decreased feelings of control over one's life (Lyubomirsky and Nolen-Hoeksema 1995). For the small business owner, consistent and active rumination may contribute to eventual burnout and emotional exhaustion.

Burnout is caused by chronic stress, often experienced by people in boundary spanning positions or individuals in direct

contact with the public-at-large (Lewin and Sager 2008). Burnout is comprised of three components—emotional exhaustion, depersonalization, and diminished personal accomplishments (Maslach and Jackson 1981). The *emotional exhaustion* component of burnout is an affective response to job-related demand stressors. It refers to feelings of being overextended and depleted of one's emotional resources. The emotional exhaustion component represents the basic strain and stress dimension of burnout (Maslach and Jackson 1981).

Thus, emotional exhaustion may arise as a result of the cumulative impact of multiple demand stressors. Such multiple demands are ever-present for the small business owner. Additionally, prolonged states of emotional arousal that manifest in rumination, a maladaptive repetitive thought pattern about these demand stressors, can lead to emotional exhaustion. As a result, the following hypothesis is predicted:

H1: Rumination is positively related to emotional exhaustion.

Coping Strategies

In order to reduce negative emotional responses to stress, individuals adopt coping strategies. Coping strategies are cognitive and behavioral efforts to manage specific stressors. Lazarus and Folkman (1984) proposed two dominant forms of coping—emotion-focused coping and problem-focused coping. Emotion-focused coping is a strategy enlisted by individuals when they perceive they have limited control over a situation (Lazarus and Folkman 1984). **Emotion-focused coping** involves trying to reduce negative emotional responses experienced as a result of a stressful event.

However, researchers have found that emotion-focused coping may lead to *unintended* negative outcomes. For example, emotion-focused coping can be positively related to emotional exhaustion Nonis and Sager (2003). Additionally, although an individual may make attempts to minimize the negative effects of stress through emotion-focused coping, it may not be successful in completely eliminating possible repetitive thought patterns about a negative situation.

Conversely, problem-focused coping involves initiating cognitions and behaviors to manage stressors which ultimately lead to problem resolution (Lazarus and Folkman 1984; Lewin and Sager 2008). Unlike emotion-focused coping, problem-focused coping uses "active" attempts to alter a negative situation.

Because problem-focused coping is a proactive strategy aimed at resolving a problem, small business owners enlisting this type of coping may be less likely to ruminate about a negative occurrence as well as experience emotional exhaustion. Consequently, the following hypotheses are predicted:

H2: *There is a positive relationship between emotion-focused coping and rumination.*

H3: *This is a positive relationship between emotion-focused coping and emotional exhaustion.*

H4: *There is a negative relationship between problem-focused coping and rumination.*

H5: *There is a negative relationship between problem-focused coping and emotional exhaustion.*

Relationship Quality

Relationship quality refers to the overall assessment of the strength and health of a relationship (Palmatier et al. 2006). Relationship quality has been viewed as the ultimate measure of whether a relationship will be enduring and profitable. Key in developing valued customer relationships is inducing feelings and emotional states through customer-employee interactions. Subsequently, the attitudes and behaviors of employees can influence customers' perceptions of relationship quality. Therefore, because many small business owners may have direct contact with their customers, maintaining favorable attitudes and behaviors in the presence of customers is paramount. Additionally, when challenging and stress-inducing situations arise where the customer is involved, employing a coping strategy which proactively addresses the problem or situation is important. Thus, since the literature suggests that problem-focused coping strategies involve active attempts to resolve a problem or improve a situation, and emotion focused coping strategies include withdrawal from the stress-inducing situation (Lazarus and Folkman 1984), the following hypotheses are put forth:

H6: *There is a negative relationship between emotion-focused coping and customer relationship quality.*

H7: *There is a positive relationship between problem-focused coping and customer relationship quality.*

Study

In order to test the proposed hypotheses, a web-based survey was completed by 200 small business owners in the United States. Small business owners from various industries (e.g. professional services, food and restaurant, real estate, finance and insurance, entertainment, retail trade, agriculture and forestry, health care and manufacturing) were included. Scales used to measure constructs were adapted from existing scales as well as created specifically for this research.

The data were subjected to structural equation analysis in AMOS 21 using the maximum likelihood estimation method. The final measurement model exhibited adequate fit χ^2 (1004.3); df (367); p-value (.01); CFI (.93); IFI (.93); TLI (.92); and RMSEA (.06). Convergent and discriminate validity and reliabilities of constructs were acceptable. The structural model also exhibited good fit: χ^2 (1004.7); df (369); p-value (.01); CFI (.93); IFI (.93); TLI (.92); and RMSEA (.07).

H1-H3 were confirmed. Results did not support the negative relationship between problem-focused coping and rumination in H4. However, H5 was supported. Further, H6 was not supported, but H7 was confirmed.

Discussion

Results from this demonstrate that repetitive thought patterns, or rumination by small business owners, are positively related to emotional exhaustion. Likewise, emotion-focused coping is positively related to rumination and emotional exhaustion. However, problem-focused coping has no significant association with rumination and is negatively related to emotional exhaustion. Finally, results suggest that employing emotion-focused coping has no appreciable link to customer relationship quality; however, problem-focused coping can positively impact customer relationship quality.

An important implication of this research for small business owners, as well as those that work with them, is that it is important to identify when emotion-focused versus problem-focused coping is being used. By identifying how one responds to these situations, adjustments can be made to ensure that reactions result in productive, corrective initiatives aimed at problem resolution.

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Summary Brief

Organizational Culture: Examining Chinese and American Supply Chain Relationships

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An in-depth study of organizational culture effects on supply chain relationships is the purpose of this research. Specifically, when an American company sets up in another country, what effects does this have on the organizational culture of the company? Also, what affect do these have on both American and foreign supply chain partners.

Introduction

As business with China surges, many U.S. companies are developing regional offices in China. Though joint ventures have been the primary form of foreign investment in China (Osland and Cavusgil 1996), many American companies are developing regional offices within China. Not only are American companies developing manufacturing plants in China, but are also developing these extensive offices in order to maintain relationships with suppliers and partners within China. Sometimes these offices employ both Americans and Chinese office workers. However, their plant employees, suppliers, partners and customers are most likely Chinese. These U.S. companies staff with employees from the U.S. who are familiar with the company, bring their knowledge and expertise of the firm, and hire Chinese employees who have knowledge of their country. The American employees also bring a sense of organizational culture to the foreign office. The purpose of this research is to understand the impact this may have on the supply chain within China.

Background

Institutional theory asserts that organizations have certain rules, norms and routines that have become established over time and are used as guidelines for behavior within the organization (Selznick 1957). According to DiMaggio and Powell (1983), the pressure to imitate other firms within an industry, the pressure from stakeholders of the firm, as well as pressure from suppliers and customers gives rise to the way firms develop their organizational cultures. American firms that locate in China face changes and challenges to their culture in terms of institutional theoretical bases. According to Lau et al (2002), employees in joint ventures were amenable to change, with senior managers less skeptical about change. However, how these pressures affect direct entry into China has not been examined. Supplier and customer pressures may be different for a direct entry organization. Ties to a strategic partner are not existent. Knowledge and information exchanges come directly from the suppliers and customers; there is no middleman as with a joint venture partner.

Denison and Mishra (1995) argue that organizational culture is characterized by the involvement of employees, consistency in

behavior, adaptability to change and the mission of the organization. Studies have used this argument to develop culture types for those within the organization (Tsui et al 2006). However, we surmise that these characterizations of organizational culture do change, not only because of those within the organization, but because of the culture of the customer. These changes, in turn, affect relationships within the supply chain.

Organizational culture is the shared assumptions, values and norms that allow sustained competitive advantage and effectiveness of the firm (Barney 1991; Denison and Mishra 1995; Schein 1985). Culture is the brain of the organization – its technology, product, marketing and service. As culture is a collective phenomenon (Hofstede 1993), organizational culture differs also from national culture. Organizational culture is the means to which firms integrate their internal processes in order to adapt to external environmental conditions (Tsui et al 2006), and has a profound influence on the effectiveness of an organization (Denison and Mishra 1995).

Organizational culture is respondent to its environments – internal and external. The internal environment consists of interpersonal relationships between employees. These relationships can involve the office with manufacturing plant, as well as different departments with either the office or plant. The rapport between employees can affect response to the external environment – the customer. Though organizational and national cultures are different, there is an effect of national culture on the organization. We surmise that American companies doing business in China must adapt their organizational cultures in order to effectively respond to their industrial customer.

Several studies have shown the impact of organization culture on joint ventures and state-owned enterprises within China (Barkema and Vermeulen 1997). However, what conditions must an American company change its organizational culture to effectively do business within China when the American company decides on direct foreign investment as entry? Hence, our research question is as follows: What affect does the national culture of a customer have on the relationships within an organizational culture?

Chinese industrial customers differ from their American counterparts. Though Hofstede's (1993) collectivism mentality is strong in China, it is not so for all. Also, not all American firms are individualistic. Chinese business customers have different notions on the value of a product. China has what is known as a "dining table" culture – where negotiations take place at the dining table, in due time. Also, these foreign business customers are thrifty, and very concerned about price. Yes, so are American business customers, but the traditional concept is not as pronounced. Because of these differences, American companies

doing business in China must adapt their customs to effectively do business with foreign customers.

Propositions

Using institutional theory and the theory of organizational culture and effectiveness, we examine the relationships within an organization and the impact on the foreign customer, in this case the Chinese industrial customer. To this end, we propose to examine the following:

P1: Organizational culture evolves through interaction with national culture

P2: The change in organizational culture affects the relationships in the supply chain

Method

Our intent is to understand the changes in corporate culture of American companies when entrenched in another country and the effects on supply chain relationships. We will examine through an exploratory study. We will conduct dyadic interviews with employees at all levels – both in America and in China with one selected company. We will also interview supply chain partners and customers in each country in order to investigate the institutional changes that occur, or must occur in order to understand the Chinese industrial customer.

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CENGAGE PRIDE/FERRELL INNOVATIONS IN TEACHING COMPETITION
II

Export Odyssey – Student Teams Generating Real World Export Sales

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Description of the Innovation

The Export Odyssey (EO) undergraduate student team-based project that is taught as an integral part of my course in international/export marketing has been under development for approximately 26 years. The structuring of the project has evolved over this time period not only in response to developments in a variety of “macro-environments” but also as a consequence of articles that I have had published in refereed journals such as *Journal of International Marketing* and *International Trade Journal*. A key requirement of the project is that students must apply what they learn in the classroom in actively marketing products produced in North Carolina to real foreign buyers. The development and use of skills concerning key word and code number searches of electronic databases are central to the project and to the students’ understanding of export marketing strategy at a depth and breadth that cannot be achieved through pure classroom work. *Export Odyssey* © - 8th Edition, (2014) (loose-leaf), co-authored by Steven Cramer and myself, provides a very highly structured text for students to follow.

Three Fundamentally Important Tenets of the Project

Tenet #1: In the process of researching specific foreign markets for differentiated (non-commodity) products, students use and hone skills concerning the key word and code number searching of electronic databases, skills that generalize in their use to a wide variety of academic and real world application environments that go well beyond the export marketing domain. In performing the requirements of the EO project, students are compelled to get—and stay—on a very steep learning curve in developing their electronic database search skills where tasks that would take untrained students weeks or even months to perform would take them only a few hours after they completed their EO project requirements.

Tenet #2: Students’ inductive learning of the many sublime features of export marketing strategy as devised and implemented in the “real world” by skilled and sophisticated managers are much better understood by students when these features are inferred by poring over the content of relevant foreign magazines, newspapers, corporate newsletters and websites (translated into English by way of Google Translate) than they are when students deductively learn by passively consuming and digesting export marketing information made available to them either by way of the standard textbook in international marketing or the standard lecture on international marketing. Student benefits in this domain are most evident when they learn from—and respond to—very detailed instructor feedback on each “deliverable”, (e.g., a document providing a recommended export marketing strategy for a real firm, one with 7 pages of text and 50-100 attached exhibits)

and apply that knowledge in performing the requirements of one or more subsequent and downstream “nested” deliverables.

Tenet #3: Material student learning benefits that stem from the use of teams typically accrue only when student team members have followed and survived a tortuous path of team development, a path fraught with problems that typically result from attempts of one or more team members to “free ride” on their team mates. The process of student team members’ experientially arriving at a modus operandi for viable team mate functioning does not come to a conclusion overnight. Rather, the process is often fraught with conflict, tears, and the dissolution of pre-existing friendships when the friends are later seen as having very different work ethics. Interestingly, teams with the most workable modus operandi are frequently not top heavy with “A” students. Rather, they are staffed with “B” and “C” students who have learned to adjust their activities and efforts to a purely democratic team decision mechanism.

Basic Project Structure

Approximately five “nested” project “deliverables” are completed by student team members over the course of an academic semester. The students are responsible for locating their host concerns who would “adopt” the student teams. Each of the five “core” deliverables is a very tightly researched and written document that typically draws on 50 to 100 attached exhibits. The “Final Written Report” (FWR) is a comprehensive document that draws upon virtually every required deliverable in the academic semester.

The relevance of the FWR to a given student’s marketable skill set regarding employment in the global economy is not lost on recruiters for virtually any entry level job in the marketing area. When the student comes to such an interview, at the appropriate time, the student will place on the table the approximately 500 page FWR (including exhibits) and ask the recruiter to turn to any of the exhibits, and the student will tell the recruiter the relevance of that exhibit to the conclusions presented in the 7 page narrative.

Products that EO Student Teams have sold on their own Initiative

1. Industrial rollers used to impart ink onto beverage cans sold to Malaysian buyer, Finzer Roller Co., vendor
2. Parachute cloth sold through Polish agent to an unknown foreign buyer (likely military), Performance Textiles Co. as vendor
3. Musical components sold to Norwegian buyer, Mojo Musical Supply as vendor
4. \$15,000 yarn analysis equipment sold sight unseen to Mumbai trading company, J. A. King & Co. as vendor

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SMA Innovative Teaching Comment

The Marketing and Entrepreneurship Challenge

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Overview

As marketing educators, our business model is essentially a multi-sided platform. First we must serve our students. Second, we must serve the job market with well-prepared job candidates. This dual role requires the balancing of conceptual marketing knowledge with marketing-related skill development (Finch, Nadeau, O'Reilly 2012) that comes from including experiential learning as a key component of course instruction (Billimoria 1998).

This dual role inherent in teaching marketing is further complicated by the nature of marketing itself. In order to prepare students who are proficient in marketing, they must possess broad conceptual knowledge and a wide variety of competencies.

Part of these competencies include what Finch, Nadeau, O'Reilly (2012) refer to as *meta-skills*. These meta-skills include creative problem-solving, writing proficiency, communication skills, critical thinking, and teamwork skills. The need for hands-on marketing skills paired with higher levels skills is becoming a common theme in marketing education literature (e.g., Kelley and Bridges 2005). These factors create the need to reassess the traditional chalk-and-talk learning environments and implement new ways to build on textbook learning to include critical thinking, exposure to real-world challenges, and the development of teamwork and communication skills.

Teaching Innovation

To respond to these challenges, the marketing faculty developed a dynamic course in which student teams are required to start and run new business enterprises for a short period of time. This effort incorporates all aspects of the marketing discipline—identifying marketplace needs, segmenting the market, creating a product/service to meet those needs, setting prices, naming and branding development, creating marketing materials and setting promotional schedules, personal selling and even supply chain and distribution decisions. It also develops meta-skills—the need to balance theory and reality, the ability to adapt and respond to changes in the business environment, teamwork and communication skills, and creativity and critical thinking.

After working together to select a business concept, teams “pitch” their business idea to the faculty. Each group was required to discuss the results of their market and industry analysis, customer demographics, possible competition, industry information, possible promotional campaign and public relations platforms, and company logo. Based on the successful outcome of the presentation, each group received \$500 in start-up funds. These funds could come from a variety of sources, including a student fee for the course, corporate or foundation support, or a local venture club sponsorship (our funds come from a student fee

for the course). Over two years, we have seen nineteen businesses created. All of these teams were able to pay back their \$500 in start-up funds at the end of the course.

Teams were then given a finite period of time to actually run their business. At the end of this period, teams present the results of the project to a panel of marketing faculty and area business executives. Example student-run businesses include a high-end dessert delivery company, a guitar accessory manufacturer, and an event-planning company.

Learning Outcomes

Students gain experience in many different areas of marketing during the Marketing and Entrepreneurship Challenge. Students create their own marketing plans, including their own social media, public relations, and advertising campaigns. Students develop their own personal selling strategies, supply chain choices, and delivery decisions. They source and purchase all of their supplies. Students face real-world business problems that they may have only read about previously: delivery delays, inaccurate forecasting, inconsistent demand, inventory control problems, and payment method issues. The hands-on nature of the course allows students to develop their problem solving skills, critical thinking skills, and interpersonal communication skills.

Recommendations

One of the strengths of this tool is that it utilizes a different set of skills than traditional classroom settings. However, this requires that the expectations are clearly defined. It is important to set guidelines for how the start-up money can be spent as well as strict requirements for reporting the expenditures. For the experience to be successful, this project needs to be paired with classroom learning both in marketing and in entrepreneurship. Finally, securing quality evaluators is important. Students have stronger motivation when they know they must present their ideas to business leaders.

The innovation presented in this paper is adaptable to other business classes. It would also be useful in programs that integrate students from various disciplines, as the successful teams usually have diverse backgrounds and experiences.

The Marketing and Entrepreneurship Challenge is an innovative example of a new teaching method that helps to combine hands-on marketing experience while developing life-long meta-skills. By creating the environment in which students can develop both, we are able to meet the needs of both our students and the job market.

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SMA Innovative Teacher Comment

Losing Control of the Classroom... in a Good Way

Rex McClure, Marshall University

Too often instructors are faced with a classroom filled with students who, for all intents and purposes, may as well be zombies. The students sit attentively, seem to be listening, but barely respond to any sort of question or offer input. In short, the classroom is silent except for the instructor's voice.

If the instructor's only goal is to present the material and stay on schedule, then this scenario is great. However, the schedule, and especially the PowerPoint slides, may have to take a subordinate position to assure engaged and active students. To maintain an atmosphere of openness, students' ideas should have higher esteem than the authors' and instructor's ideas. Once the students realize that their input is valued, shared, and made the foundation of a discussion, then they will be more willing to share and contribute. The aim is to create a self-reinforcing feedback loop where students' input drives more students to offer input.

This paper offers some insights and guidelines for creating a classroom atmosphere of collaborative learning, building a sense of valued ideas, and getting the feedback loop started. The execution of the "out-of-control" classroom begins in the first minutes of the first day of class, and continues throughout the semester. But, if done right, setting the right tone on the first day may be all that is required to set the feedback loop into motion.

Day One, Baby Steps

Typically, the focus of the first class session of the semester is the "syllabus talk." Granted, a syllabus is packed with information that will help the students to be successful in the course, but the syllabus lecture is rarely a discussion. The students view the syllabus a rulebook, a set of boundaries, far away goals, and nerve-racking exams. Lecturing the students on the rulebook can only serve to set a tone of order and discipline in the classroom. Instead of starting the first class meeting with the syllabus, start it with structured question and answer session.

As an instructor, if your goal is get the students to share their ideas and opinions, then make a sharing session the goal of the first day. Start the session with some easy yes/no questions and have the students raise their hands in response. Count the raised hands and share the results with class and write it on the board. Keep track of a couple of students' pattern of responses, then ask them follow-up questions. Write as much information on the board as needed. The purpose of this not to share brilliant insights with class, purpose is to demonstrate that students' input is so valued that it becomes part of the class.

The syllabus itself can be an intimidating and impersonal document. The syllabus sets the rules, outlines penalties for rule infractions, and has a daunting list of upcoming working for the students. Every bit of the "syllabus talk" will be either ignored, forgotten, or confused with every other syllabus. A better use of this time is to highlight the course and the draw the students into the fundamental questions that the course answers. Once an atmosphere of mutual respect and engagement is established, then

the syllabus talk can take place in a more relaxed setting. Bear in mind that your students will remember only the things that are important to them. Focus on the things that make the students successful in the course, rather than rehashing university policies.

Keeping the Ideas Flowing

One way to assure that the students' participation is valued is to ask for their input at the beginning of class. Open with a questioning along the lines of, "Has anyone upgraded their phone lately? Really? What kind did you get? Why that one?" This can segue into the day's subject matter, serve as a point of discussion among the students, and be a cornerstone of the day's lesson.

If the students are reluctant to contribute, offer a news story that they find relevant to their lives or piques their interest. From there, launch into questions about it and have the students fill in any gaps story. Think of this as a way to "flip the classroom" where the students become the teachers, and the teacher asks to be taught.

Still another technique to spur participation is to ask the student to help develop the next generation of a familiar device (cellphone, video game platform, etc.). Start with a list of weaknesses or glitches that could be fixed, then move to a wish list of features that could be added. Then use the list as a focal point in explaining new product development, the relationship of features and benefits, or the consumer decision-making process.

The Edge of Control

As your class become more accustomed to the freedoms they are being offered and encouraged to explore, the more they will offer. Hopefully, there comes a point when the classroom starts to regularly erupts into spontaneous discussion. At this point the task shifts from encouraging input toward directing discussion. A sign that the class has achieved "loss of control" is having to shout "whoa" above the clamor.

Of course, there will be students who are too willing participate, students who need some encouragement, and some who resist all attempts to share. Once an atmosphere of trust has been established, then those reluctant to participate may become more willing. Try calling on the students who are making good eye-contact but are not sharing, and let them know they have made good contributions.

Every class has a unique chemistry. The unique combination of students, instructor, subject matter, and outside events makes every day a different challenge. Not every student will be an engaged participant, and not every instructor will be comfortable in classroom bordering on chaos. The real test is being able to walk out the classroom and not saying, "I think I got to them today." Rather, being able to say, "I *know* I got to them today."

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SMA Innovative Teacher Comment

Developing the Perfect Pitch

Dawn Edmiston, The College of William and Mary

Rationale for the Innovation

In 2009, the job placement rate for graduating students at our college had decreased dramatically from the previous year. And we were not alone. *The Wall Street Journal* declared it the toughest labor market in 25 years for graduating college seniors. The situation was still difficult three years later, when the Associated Press announced that more than half of graduating seniors were either unemployed or underemployed. In response to these conditions, I was motivated to develop tools in my marketing courses that would not only empower my students to effectively market conventional products and services, but to also market themselves to achieve a competitive advantage in their career search.

Description of the Innovation

The perfect pitch assignment requires students to create a compelling 60-second video that highlights their individuality and the value they could contribute to potential employers. Prior to producing the video, students are challenged to develop a personal brand promise and complementary brand points that serve as the foundation for the message of the video. The brand promise needs to reflect what prospective employers should expect from the student's services. The brand points need to be specific characteristics and experiences that define the student's personal brand. By identifying and articulating brand points that have value to prospective employers, students are able to tell a powerful brand story that is more engaging than a traditional resume.

Students are given the flexibility to select their own video format (such as VideofyMe) but the final video is expected to be published on YouTube. Students are encouraged to use "best practices" of social media marketing and include descriptive text and keyword tags for the YouTube video and embed the video on their professional LinkedIn profile. Since YouTube is considered the world's second largest search engine, the perfect pitch video also becomes a positive contribution to the student's professional online presence.

Implementation of the Innovation

I typically introduce this innovation with a class discussion on two concepts related to the perfect pitch: music and baseball. Then I tell the students, "Today, I want to inspire each of you to develop your own perfect pitch."

Our discussion continues with insights from Daniel Pink's, *To Sell is Human* (2012). Pink shares the research of Kimberly Elsbach of University of California - Davis and Roderick Kramer of Stanford University, who spent several years studying the art and science of the Hollywood pitch process, where screenwriters pitch film concepts to producers. The central finding of their award-winning research in the *Academy of Management Journal*

revealed that the success of a pitch depends as much on the catcher as on the pitcher. "If the catcher (producer) categorized the pitcher (screenwriter) as "uncreative" in the first few minutes, the meeting was essentially over even if it had not actually ended" (Pink, 2012, p. 157). I caution my students that, "The interview process is not about you; it is about the employer finding the right person for the job. And the pitch process is really not about you either; the focus of the pitch should always be upon the "catcher" who is the prospective employer."

The perfect pitch assignment is introduced during the first week of class. The personal brand promise, brand points and proposed script are reviewed during the second week of class. The final videos are shared during the third week of class. For assessment purposes, students are evaluated on content (brand promise), structure (how content is organized to reinforce brand promise), and delivery. Students also vote on the video they feel is "best in class" and that video is given a small token of recognition.

Following are creative examples of student pitches:

Maria Graziano - <http://y2u.be/eG98XMOFsiU>

Austin Summers - <http://y2u.be/L5mwWCME6vE>

Impact of the Innovation

I first introduced this innovation to my Internet Marketing class in September 2013 and subsequently to my Essentials of Selling class in January 2014. Several students have told me that they have shared these pitch videos with potential employers, who were very impressed with their efforts. In addition to this tangible feedback, students also gained intangible rewards to include a greater understanding of their professional value and an increased level of confidence.

In October 2013, I decided to share the perfect pitch concept with international students when I traveled to China. During my visit there, I delivered guest lectures to audiences composed of undergraduate and graduate students as well as other faculty and marketing practitioners. Although we were not able to actually produce the videos during these guest lectures, the feedback on developing "the perfect pitch" to communicate one's personal brand was overwhelmingly positive. Following is a blog post on these lectures: <http://www.themarketingprof.com/%20personal-branding-marketing/china/>.

I believe the primary reason this novel approach has been successful is that it demands higher-level thinking and student engagement in the learning process. The process of marketing a product (in this case, one's self) can often be perceived as a complex and intimidating endeavor. However, "Developing the Perfect Pitch" encourages students to think creatively about the value of their own brand promise and provides them with an opportunity to share that value with others through social media.

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STRATEGIC TRENDS IN CUSTOMERS' DECISIONS AND RESPONSES

Summary Brief

Customer Response to the Risks of Moral Hazard and Adverse Selection: Integrating Informal Leadership and Power Theory

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This paper suggests a conceptual model to understand customers' perceptions and needs in the presence of customer evaluation problems (moral hazard, adverse selection) under information uncertainty. Given customers' difficulty to assess the veracity of the firm-provided information, they have the needs for objective information that are independent from the firms' self-interest. Product information provided by other customers can satisfy such needs. We hypothesize that customers under moral hazard risks will look for opinions from referent advisors in search for social trust. On the other hand, customers suffering from adverse selection risks will rely on expert advisors based on their needs for cognitive knowledge.

Introduction

Customers often have uncertainty about the quality of the product or service, and they seek out others' advice so as to minimize potential purchase risks. Asymmetric distribution of information, in which firms hold more information about the product than customers between firms and customers, is the main cause of the two types of problems: moral hazard and adverse selection (Mishra, Heide, and Cort 1998). The previous consensus is that the problems can be solved by monitoring or providing incentives to the service providers, or sending signals to customers (Kirmani and Rao 2000; Bergen, Dutta, and Walker 1992).

Although extensive research has shed light on the solutions to moral hazard and adverse selection, not much has viewed the problem from the customers' perspectives. The present study aims to fill such gap in the literature. Despite firms' strategies to reduce customers' uncertainty, uninformed customers may rather depend on their fellow customers' opinions to make purchase decision.

We suggest a testable model to study how customers seek opinion leaders under situations when they are lack of product information. Specifically, we integrate informal leadership theory and the notion of leaders' power.

Customer Evaluation Problems

Since firms possess more information about the object of exchange than customers, the customers face inability to assess quality accurately (Mishra, Heide, and Cort 1998). Thus, customers may face two types of problems when evaluating a product or service. 1) Moral hazard problem exists because the firms can easily influence the level of product quality after the contract is made. 2) Customers face adverse selection problem when firms lack the skills necessary to provide high quality yet claim to possess those skills, thus keeping customers from ascertaining their inherent characteristics (Kirmani and Rao 2000).

Customer's Response to the Problem

Under moral hazard risk, customers feel helpless since firms' opportunistic action happens after the purchase is made. Adverse selection risk, on the other hand, is relatively more controllable by searching product information. Different levels of customers' *lack of control* in each problem will lead to different customer response to each problem. As customers feel more helpless from the risk, they rely on someone whom they can *trust*. Trust in people leaves us free to act without trying to process more information (Tomkins 2001). (H1: When customers are under risk of sellers' moral hazard, they will develop need for social trust.) However, when customers can avoid the problem by gathering accurate information, they have the needs for *cognitive knowledge*. (H2: When customers are under the risk of adverse selection, they will develop need for cognitive product knowledge.)

Informal Leaders and Opinion Leaders

Depending on the certain types of need customers develop, they will search for different type of opinion leaders. We aim to draw hypotheses by adopting leadership theories.

Opinion leaders, individuals who exert a considerable amount of influence on the opinions of others, are an important element in the diffusion of information (Lu, Jerath, and Singh 2013). The way that customers within the network share information to reduce product uncertainty resembles how workers in an organizational group interact to increase productivity. Similarly, a powerful customer opinion leader emerges in the way that an *informal leader* emerges among the organization members.

Informal leader is a person who exerts influence over other group members, especially the one who comes from the team and is chosen by the team (Hollander 1961). To find the link between informal leaders and customer opinion leaders, we focus on two characteristics of informal leaders: 1) Internal origination and 2) Emergence under group uncertainty.

Firstly, in the organizational network, informal leaders spring up among the network and exert influence to the members (Pescosolido 2002). Informal leaders who originated within the group members usually have more control and knowledge over the group members compared to external influencers (Balkundi and Kilduff 2005). Similarly, internal customer opinion leaders who share the common goals with other customers may be more influential and trustworthy than the signals externally provided by the firms. Secondly, informal leaders emerge in teams in which formal leaders play little role thus team members are uncertain over the central task (Balkundi and Kilduff 2005). Similarly, when customers cannot access information or feel firm-provided information is not trustworthy, they follow customer opinion leaders who have more experience or knowledge.

Two Roles of informal leaders

Informal leader requires two sets of behavior. Firstly, one must understand and be competent at the *central task* a team is confronting. Such capability of leaders enables them to provide *cognitive knowledge or direction* to the members who are in need, thus raising team efficacy (Wolff, Pescosolido, and Druskat 2002). Secondly, the leader should alleviate the team's social concerns by building *trust*. Informal leaders play a role in regulating team members' emotions (Pescosolido 2002; Hollander 1961). Such dichotomization of leadership roles applies to the customer opinion leadership context: Opinion leaders may serve *emotional* role by building *trust* with other customers, and serve *cognitive* role and providing accurate product *knowledge*.

Table 1. Dichotomous Analysis of Leadership Roles

Emotional (Pescosolido 2002; Wolff, Pescosolido, and Druskat 2002)	Cognitive (Wolff, Pescosolido, and Druskat 2002)
Trust-building	Task-related (Hollander 1961)
Ensure credibility and trust	Provide accurate information
Social ability	Knowledge

Customers Seek Leaders' Power

A customer emerges as an opinion leader only when one is capable of exerting considerable amount of influence (i.e. power) on the opinions of others (Lu, Jerath, and Singh 2013). Referent power is based on the perceived attraction of members in the dyad to one another, and expert power is based on the influencee's perception that one has valuable information or skills in a relevant area (Busch and Wilson 1976). When customers need trust under the risk of moral hazard, they will seek advice from a referent influencer (H3), but will follow an expert when one needs cognitive knowledge to avoid adverse selection problem (H4).

Figure 1. Suggested Conceptual Model



Conclusion

The present work aims to understand the process of how uncertain customers seek "powerful" individuals (i.e. opinion leaders) in the customer network when making purchase decisions.

This paper is worthwhile that it takes the first step to study how customers perceive agency problems and behave under the situation of purchase risk. The previous studies in agency theory comprehensively suggested various marketing strategies that firms can conduct (e.g. signaling) to alleviate customers' anxiety towards moral hazard and adverse selection. However, given the difficulty for the customers to assess the veracity of firm-provided information, customers will still suffer from uncertainty and distrust, despite such firms' efforts. In other words, due to

asymmetric and unequal nature of agency relationship, firm-provided product information may be ineffective in solving the customers' uncertainty. Therefore, customers may rather choose to spontaneously seek for objective advice rather than to depend on the information provided by the self-interested firms. This supports the significance of examining the effect of customer-provided product information and opinions under information uncertainty.

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Full Paper

Impact of Trust on Decisions Regarding Convenience and Shopping Products

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Interactions between loyalty, trust, and perceived value have been reviewed in previous research works in which convenience products were used for illustration purposes (Abraheem 2012). The purpose of this research study is to present a discussion of the interaction among the following constructs: brand trust, brand loyalty, and perceived value in making decisions regarding the purchase of convenience products (shampoo) and shopping products (lap top computers). The constructs in review in this study were evaluated using rating scales developed in previous research studies. This study reveals that these factors work the same way when it comes to convenience and shopping products. The findings show that there is a strong relationship between variables and explain how brand trust and value have a positive influence on consumers' purchase loyalty when making a decision about convenience and shopping products.

Introduction

Organizations are currently looking for new ways to improve brand trust, purchase intention, and brand loyalty in such a way that their customers' purchase frequency is recurrent and that they are able to create profitable long-term relations with their customers (Bloemer and Kasper 1995).

Generating loyalty between customers and a brand is essential to ensure survival of an organization (Oliver 1999), because a brand is one of the major assets that generates revenue only from having an impact on a specific segment or group of people (Ranaweera, and Prabhu 2003). It is worth noting that brands must meet consumers' needs and demands in order to create an emotional link with them (Ballester-Delgado and Aleman-Munuera 2001). Nevertheless, links created between consumers and a given brand can be either positive, when consumers purchase again and select the brand over others, or negative when their needs are unmet, thus making them choose other brands (Cunningham 1956). Brand loyalty must also be taken into consideration as it is one of the most important factors in our competitive global business world (Sirdeshmukh, Singh, and Sabol 2002) where companies want their brands to be at the consumers' "top of mind" and "top of heart." Hence, they devise various strategies to capture customer loyalty and get customers to choose their brand as their number one brand (Chaudhuri, and Holbrook 2001).

This research study was carried out for the purpose of learning about the interrelation of customer's trust development, customer's brand loyalty towards a product, and customer's perceived value with regards to convenience products (shampoo) and shopping products (computers).

Definitions

To unify the concepts developed during the course of this research, we provide a definition of the key terms used here:

What is a Brand?

Chaudhuri, and Holbrook (2001) believe that "be it a name, a commercial brand, a logo or a symbol, a **brand** is essentially a promise on the part of a seller to supply buyers, in a consistent manner, with a specific set of characteristics, benefits, and services"; companies are now constantly seeking and developing brands with the aim to meet their customers' needs, thus ensuring that customers create positive relations and associations with their brands.

A brand is one of the most important factors in the competitive business world because it helps consumers to select a product at the time of purchase, but there are other characteristics that should also be taken into account such as price, packaging, and product availability, among others (Cronin, Brady, and Hult 2000).

Lastly, it can be stated that a brand is relevant for an organization because it is an instrument that encourages consumers to acquire a product and to continue buying it over time ((Lam, Shankar, Erramilli, and Murthy 2004).

What is Perceived Value?

Perceived value can be defined as the outcome of a consumer's comparison of the benefits perceived and sacrifices made (Zeithaml 1998; McDougall and Levesque 2000). It can be affirmed that perceived value is a subjective process that changes from one customer to another, because each customer reviews and weighs the benefits that can be received from purchasing a certain brand, and of the options available to them thanks to the of the breadth of the market (Kim et al, 2008). Meanwhile, it is also well known that consumers' perceived value directly reflects on customers' attitude towards a brand/product because they are the ones responsible for making an assessment and a decision as to whether or not they will purchase a product, taking perceived value into consideration (Cronin et al 2000).

What is Brand Loyalty?

It can be defined as "The behavior that leads some individuals to tend to purchase always the same brand when they go shopping. This habit responds to a conscientious act in choosing a product to purchase it (Solomon, Bamossy, Askegaard, and Hogg 2006). Brand loyalty is one of the most relevant factors that have an influence on consumers' intention to purchase, because getting customers of a given brand to make an emotional and rational connection causes a reduction in the vulnerability of

the customer database to actions taken by competitors (Gounaris, Dimitriadis, and Stathakopoulos 2005). Consequently, if the competitors made a new product launch, then customers who are faithful or loyal to the product brand would allow as much as time as needed for the company to equal or exceed the competitors' product.

The cost of attracting new consumers has been found to be six times greater than the cost of retaining current consumers (Rosengberg, and Czepiel 1983). The purpose of coming up with value propositions that are attractive to customers is to create long-term relationship with the customers so that a solid consumer base is built. It is also a well-known fact that building new relationships generates increased costs. This is the reason that companies conduct large campaigns on the media aiming at being attentive to their existing customers' needs and generate value with their brands/products that can be easily perceived by consumers in order to create a feeling of loyalty, thus creating profitable relations with them. It can also be said that success in getting consumers to be loyal to a specific brand creates an important barrier against competitors, thus leading to gain a large market share.

“Brand loyalty leads to satisfied customers, which is a very important aspect because, on average, unsatisfied customers will tell at least eighteen people of their bad experience (Bigne, and Blesa 2003).” Companies are aware that customer's loyalty towards a brand or a product does not only come from creating good products. It is about getting consumers to feel and to be aware that their needs are being more than satisfied. This leads companies to gain a significant place on consumers' minds, getting consumers to let others know of their experience unconsciously and to get them to try out and connect to a brand or a product (Bansal, Irving, and Taylor 2004).

What is Purchase Intention?

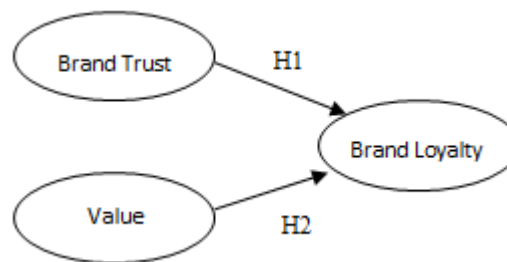
“When we speak of customer's purchase intention, we are specifically referring to a statement regarding a customer's preference for a brand or a product over all other options supplied by the competition. Since this is considered declarative data on the part of the target group, it is not always consistent with actual sales which are a reflection of behavior, not intention (Olsen, 2002). It can be stated that purchase intention is only a mental attitude that may or may not occur. It may be understood as a situation that is likely to occur, so companies should not completely rely on their customers' loyalty. To get purchase intention to materialize, companies should make use of all their knowledge of potential markets, value creation, new product innovation, competitive, yet profitable, prices, customer's needs, etc. in such a way that it ensures them that their company brand or product will be among the options available to their customers. If they are successful at placing their brands/products among the possible options available to consumers, they will have a much greater probability of getting selected by consumers (Cadogan, and Foster 2000)

Research Model

The author of this paper proposes a research model that interrelates brand trust, perceived value, and brand loyalty. Although this model has already been previously studied by several other authors, what is new about this study is that it is aimed at determining whether the model can be applied to both

convenience and shopping products. To this end, two different research studies were carried out; one for the shampoo category in the convenience product line, and the other for the computer category in the shopping product line.

Figure 1 Research Model



Source: Abraheem, A. 2010

This model assumes the two following basic hypotheses:

H1: Brand trust has a positive effect on brand loyalty

H2: Consumer's perceived value has a positive effect on loyalty towards the brand of a product purchased.

Methodology

Measurements

All constructs were measured using scales taken from previous studies:

The evaluation of trust involved the use of scales tested by Morgan and Hunt (1994), Ballester et al. (2001), Chandhuri et al. (2001), using a 1-to-5 Likert scale, where one (1) stands for totally disagree and five (5) stands for totally agree. The perceived value construct was also evaluated using scales from previous studies (Mathwick, Malhotra and Rigdon 2001, Petrick 2002, Sweenwy and Soutar 2001). Lastly, brand loyalty was evaluated based on an analysis of scales previously used in other studies (Chaudhuri et al 2001; Fullerton 2005; Hess and Story 2005).

Sample

The sample for this research consisted of randomly selected men and women in the ages of 17 to 45 years, living in Cali, Colombia, users of various kinds of shampoo and computer brands. The following shampoo brands were reviewed: Sedal, Pantene, Head and Shoulders, Herbal Essences, Konzil, and Kerastase. And the computer brands in review were the following: Hacer, Compaq, Dell, HP, Asus, Apple, Lenovo, Toshiba, Sony, and Samsung. The purpose of conducting this research in these two product categories, namely, shampoo and computers, stemmed from the fact that, at the level of convenience products, shampoo is an easy-to-buy and/or affordable item that generates a high level of loyalty towards the use or trust in the use among both men and women. Meanwhile, the decision to select the computer category for research was made because, when it comes to purchasing a computer, consumers have a tendency to weigh the attributes or benefits offered by different brands, taking into account that the purchase is a major expense, so they look for a series of important characteristics such as capacity, velocity, durability, performance, etc.

The sample consisted of four hundred (400) individuals; 33.5% men and 66.5% women. The characteristics of the sample are shown in the table below:

Table 1. Sample Profile

		Frequency	%
Age	Below 20 years	114	28.5
	From 20 to 25 years	230	27.5
	From 25 to 30 years	12	3.0
	Above 30 years	44	11.0
	Total	400	100.0
Gender	Female	266	66.5
	Male	134	33.5
	Total	400	100.0

Data Collection

The instrument used for collecting data was a self-administered survey in which two product categories were rated (i.e. shampoo and computers). It started with control questions such as questions regarding the respondents' age and sex, followed

by a brief introduction with regards to confidentiality of information. It also provided a list of different shampoo and computer brands in order to determine the respondents' level of brand awareness.

Results and Analysis

There were eleven (11) items in the shampoo category that were used for measuring the loyalty construct; six (6) for brand trust, and four (4) for perceived value. This is shown in Table 2 below. The three factors mentioned above had variances of 50.025%, 6.646%, and 5.870%, respectively. Based on the results of previous research works, a Cronbach's alpha above 0.70 is, in general, considered reliable (Nunnally, 1994). The Cronbach's alpha statistics calculated for this study were 0.930, 0.851, and 0.595, respectively. Factor loading ranged from 0.231 to 0.843. This is shown in the table 2:

Table 2. Factor analysis of the study of variables for Shampoo

	Factor loading	Eigen value	% Variance	Reliability	Construct
I'll think of buying this product brand as my first option.	0.843				
The brand of the product I use is convenient.	0.818				
I believe in this brand	0.800				
I trust this brand	0.799				
I'll try and recommend this brand to other people.	0.767				
I receive a fair added value	0.758	10.505	50.025	0.930	Loyalty
I'll try and buy this product brand in the near future.	0.754				
Next time I need this product, I'll buy the same brand.	0.751				
I'll continue to be a loyal user of this product brand.	0.748				
I could say positive things about this brand	0.496				
I'll try to pay a premium price	0.327				
I'll think of buying this product brand as my first option next year	0.711				
This is an honest brand	0.709				
This brand provides a value that is consistent with the price I pay	0.330	1.396	6.646	0.851	Brand Trust
This is a safe brand	0.312				
This brand meets my expectations	0.307				
I could recommend this brand	0.291				
I'll only buy this product brand again if it continues to be inexpensive.	0.707				
This brand has a reasonable price	0.683	1.233	5.870	0.595	Perceived Value
This brand provides a good product considering price.	0.268				
I'll try to buy other products of the same brand.	0.231				

In the case of the computer category, on the other hand, there are eleven (11) items that measure the loyalty construct; six (6) for trust, and four (4) for price. This is shown in Table 3 below. The three factors mentioned above had variances of 57.323%, 9.438%, and 5.196%, respectively. Based on the results of previous

research works, a Cronbach's alpha above 0.70 is, in general, considered reliable (Nunnally, 1994). The Cronbach's alpha statistics for this study were 0.960, 0.859, and 0.648, respectively. Factor loading ranged from 0.187 to 0.878. These results are shown in the Table 3:

Table 3. Factor analysis in the study of variables for Computers

	Factor loading	Eigen value	% Variance	Reliability	Construct
I believe in this brand	0.878				
I'll think of buying this product brand as my first option.	0.863				
I could say positive things about this brand	0.850				
I'll try to buy this product brand in the near future	0.846				
I'll continue to be a loyal user of this brand	0.845				
Next time I need this kind of product, I'll buy the same brand.	0.838	12.038	57.323	0.960	Loyalty
I'll try and recommend this brand to others.	0.834				
The brand of the product I use is convenient.	0.832				
I trust this brand.	0.830				
I'll try to pay a premium price.	0.592				
I'm getting a fair added value	0.539				
I could recommend this brand to others.	0.885				
This brand offers a good product considering the price.	0.819				
This is a safe brand.	0.810	1.982	9.438	0.859	Trust
This brand meets my expectations.	0.613				
I'll think of buying this product brand as my first option next year.	0.607				
This is an honest brand	0.550				
I'll only buy this brand again if it continues to be inexpensive.	0.570				
This brand has a reasonable price.	0.330	1.091	5.196	0.648	Perceived Value
This brand offers a value that is consistent with the price I pay.	0.281				
I'll try to buy other products of the same brand.	0.187				

Correlation Analysis: Intervariable Relations

Based on the mean and standard deviation values calculated for each construct and each category, a correlation matrix was prepared. The mean and standard deviation values, as well as correlation among all scales used for the analysis are listed in Tables 4 and 5 below. There were positive correlations at the P level below 0.01. The correlation matrix was prepared using variables from the survey for the purpose of showing that there was a strong intervariable relation. According to Kline (1998), a correlation matrix is defined as "a set of correlation coefficients among a number of variables

Table 4. Mean, standard deviation, and correlations among loyalty, trust, and perceived value in the computers

Variable	Mean	Standard Deviation	Loyalty	Trust	Perceived Value
Loyalty	4.054	0.81973	1	0.669**	0.791**
Trust	4.056	0.73455		1	0.624**
Perceived value	3.875	0.65384			1

Table 5. Mean, standard deviation, and correlations among loyalty, trust, and perceived value in Shampoo

Variable	Mean	Standard Deviation	Loyalty	Trust	Perceived value
Loyalty	3.847	0.72760	1	0.847**	0.709**
Trust	3.986	0.69040		1	0.683**
Perceived value	3.793	0.65039			1

As shown in Table 4 above, the correlation matrix shows that trust and price were positively and moderately correlated with loyalty. The highest correlation coefficient in this study was 0.791, which is below 0.90, thus ruling out a collinearity problem. Therefore, a multicollinearity problem did not occur with this study (Hair, Anderson, Tatham, and Black, 1998). These correlations also provide proof of the validity and reliability of the measurement scales used in this study.

In addition to the above, as shown in Table 5, the correlation matrix shows that brand trust and price were positively and moderately correlated with purchase intention. The highest correlation coefficient in this study was 0.847, which is below 0.90, thus ruling out a collinearity problem. Therefore, there was no multicollinearity problem with this study (Hair et al.1998). These correlations also provide proof of the validity and reliability of the measurement scales used in this study.

Regression Analysis

A regression analysis was carried out using the SPSS software. In the case of the computer category, the trust and perceived value constructs represent the independent variables, and the brand loyalty construct represents the dependent variable. The regression model was statistically significant ($F= 205.106$ $R^2= 0.822$ $P= 0.000$). The regression analysis demonstrated that the trust and price variables have a positive, significant effect on the loyalty variable; ($p<0.05$; $\beta=0.288$) and ($p<0.05$; $\beta=0.611$), respectively.

Thus, H1 suggests that brand trust has a positive effect on brand loyalty.

At the same time, H2 contends that consumer's perceived value has a positive effect on the loyalty towards a purchased product. Both hypotheses are accepted and supported by this study. This information is shown in the Table 6:

Table 6. Regression analysis to measure the impact of trust and perceived value on loyalty in the computer category

Model	Non-standardized coefficients		Standardized coefficients	t	Sig	Collinearity Statistics	
	B	Error	Beta			Tolerance	VIF
1	Constant	-0.21	0.21	-1.01	0.31		
	Trust	0.32	0.05	0.28	5.54	0.611	1.64
	Perceived value	0.76	0.06	0.61	11.77	0.611	1.64

In the case of the shampoo category, on the other hand, the brand trust and perceived value constructs represent the independent variables, and the purchase intention construct represents the dependent variable. The regression model was statistically significant ($F=207.103$ $R^2= .0723$ $P=0.000$). The regression analysis showed that the brand trust and customer's perceived value variables have a positive effect on the purchase intention variable ($p<0.05$; $\beta=0.288$) and ($p<0.05$; $\beta=0.611$),

respectively. Consequently, H1 suggests that brand trust has a positive effect on brand loyalty.

At the same time, H2 states that consumer's perceived value has a positive effect on loyalty towards the brand of a purchased product. Both these hypotheses are accepted and supported by this study. This information is shown in the Table 7:

Table 7. Summary of the regression analysis conducted to measure the impact of trust and perceived value on loyalty in the shampoo category

Model	Non-standardized coefficients		Standardize d coefficients	t	Sig	Collinearity Statistics	
	B	Error	Beta			Tolerance	VIF
1	Constant	-0.05	0.17				
	Trust	0.72	0.05	0.68	13.94	0.53	1.87
	Perceived value	0.27	0.06	0.24	5.00	0.53	1.87

Conclusions

The purpose of this study was to discuss the role of brand trust and perceived value as marketing instruments that can be use for securing customer's brand loyalty towards convenience and shopping products. Measurement scales developed in previous studies provided the basis for preparing a questionnaire consisting of 21 items: the first eleven items measure consumer's loyalty at the time of purchase. The following six items measure trust, and the four remaining items refer to perceived value.

This instrument was used for evaluating the reliability and validity of the aforementioned constructs. The findings of this study showed that there is a valid and safe relationship among these variables, both for convenience products and shopping products. Information collected through the questionnaire was analyzed using the SPSS (statistical package for social sciences) software.

The above findings show that, from a management standpoint, companies should design marketing strategies taking into account the perceived value and brand trust factors to build consumers' loyalty towards their products or services, thus enabling them to increase their sales.

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Summary Brief

Religion and Green Consumption – More Than What Meets the Eye

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Religion is omnipresent. It affects almost every aspect of consumers' lives and often considered to be one of the most powerful cultural forces that influence consumer behavior. The notion that one's religiosity would affect an individual's green consumer behavior appears intuitive. Green products often portray a greater good to the society. This is in line with several of the values and norms propagated by religions. Religiosity is often viewed as exercising control over behaviors and beliefs. Thus, it is appropriate to examine the relationship between religiosity and green consumer behavior.

This study seeks to provide a deeper insight into marketing of green products, which are not performing as expected in the market place. Currently, green products often come across as having lower quality and higher price (Ottman, Stafford and Hartman 2006). The challenge seems to be uphill for green products to win the “value” proposition against non-green alternatives. One of the primary reasons for this challenge is that the “value” embedded in green products does not solely benefit the individual but also the environment.

The values and norms emphasized by religions usually benefit the society as a whole, and therefore religions can be expected to influence individual's demand for green products (or individual's green consumption). Religiosity can be intrinsic (internal motivation) or extrinsic (socially driven). The motives to engage in green purchase behavior will be different for both intrinsically and extrinsically religious consumers. Individuals seem to have other price-driven, pragmatic, or social considerations when it comes to green purchases. To be more specific, interaction of price/social motives and religious motives determine an individual's green consumption. Further, certain actions such as charity support behavior are deemed to be more appropriate given their altruistic outlook, thereby directing religious individuals' focus towards charitable donations rather than green consumption.

This study investigates the roles of price/social motives of individuals versus their religious motives in influencing green purchase behavior. Specifically, the authors explore the interplay of religious motives (intrinsic and extrinsic religiosity), social motives (charity support behavior, price consciousness and prestige sensitivity) and the manner in which they affect green consumption. The theory of planned behavior (Ajzen 1991) is employed for the purpose of this study.

Green products can be defined as products that protect or enhance the natural environment by conserving energy and/or resources by reducing or eliminating use of toxic agents, pollution, and waste (Ottman et al. 2006). Since the benefits of green products are hard to discern, it is complicated for consumers to

gauge plainly on value and price basis, especially on a short term basis. An individual's personal beliefs, values and attitudes towards environment will determine green consumption (Stern 1999). This is consistent with norm-activation theory of altruism which has been used to explain environmental conscious behavior of consumers. Based on this theory behavior is determined by norms set by an individual based on beliefs that environment can affect individuals acutely, and individuals' actions can eschew this effect. This line of thinking is further extended by theory of planned behavior (Ajzen 1991).

McDaniel and Burnett (1990) define religiosity as a belief in God, which leads to a commitment to follow principles that are believed to be set by God. Religion provides the basis for morality in individuals. Individuals' behaviors are influenced by religious self-identity which is formed as a result of internalization of role expectation by religion. Also, religious affinity provides individuals with community belonging, moral standards and self-esteem.

Extrinsic dimension deals with the utilitarian perspective that determines religious affiliation and actions. Individuals pursue religious activities for the purpose of achieving social goals such as making friends, community gathering and so forth (Allport and Ross 1967). Individuals could also take part in religious activities to fulfill their business motives i.e., how religion would serve oneself. Extrinsically motivated individuals often have less religious commitment (Vitell et al. 2005). Individuals who are extrinsically religious often participate in behaviors that portray them in good standing with religious social group. Consuming green products or recycling behavior might be construed as being altruistic. The subjective norms that other people in the social group expect highly religious people to behave in congruence to their portrayed values will influence attitude towards green consumption. The intrinsic dimension spiritual in nature - individuals pursue religion with a higher sense of morality.

Intrinsically religious individuals are not highly affected by subjective norms, but rather by their own sense of spirituality and conscience. Individuals who are intrinsically religious will engage in behaviors that provide maximum benefit to the society. In such a scenario, green products which benefit self or society may be seen as an extension of altruism. For this purpose, intrinsic religious individuals may be interested in consuming green products based on their motivation to do good for the society.

Most major religions elucidate the responsibilities of individuals towards the poor or needy. Religious organizations often beseech their followers to provide for charity. Generally, individuals who are intrinsically religious will tend to engage more in charity support behavior due to their motives to engage in activities that provide maximum benefit to the society. The

subjective norms of the religion may also direct extrinsically religious individuals to provide for charity. Thus, both intrinsic and extrinsic religiosity should have positive influence on charity support behavior.

Extrinsically motivated individuals will seek to engage in green consumption or charity support by based on which one is more congruent and visible with their respective religion's preaching. The overt behavior of engaging in charitable activities would be considered to be more gratifying and might provide higher prestige than engaging in green consumption. Given the constraints on resources, extrinsic religious consumers who are participating in charity support behavior will be less inclined to purchase green products.

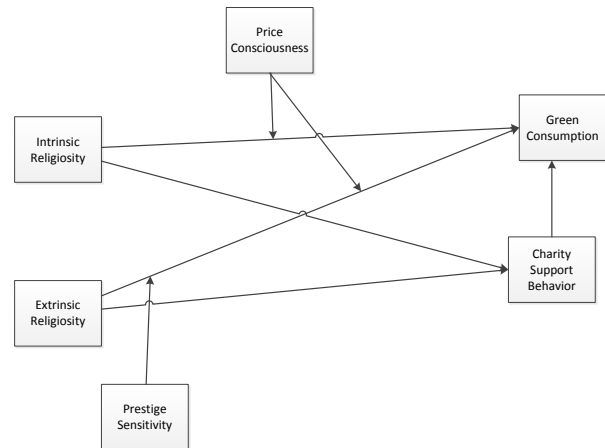
Similarly, attitude towards charitable institutions would suppress the relationship between intrinsically religious consumers and green consumption. Green products are mired with controversies about green-washing. Moreover, the benefits for the environment through green consumption are often quite abstract. The confusion of the benefits realized from green products may actually go against. Most consumers need to operate within the price constraints. This controls behavior and therefore, consumers will try to maximize value they can receive from their activities. Since charity support behavior is seen as much more congruent with religion's prescriptions and higher self-satisfaction for individuals, charitable support might be preferred over green consumption.

Price consciousness is one of the constructs consistent with the notion of negative effect of price. Price consciousness is the degree to which the consumer focuses exclusively on paying low prices (Lichtenstein, Ridgway and Netemeyer 1993). Price can be seen as the rational or pragmatic driver for green purchases. In the case of a price conscious consumer, lower prices will take precedence over religious beliefs. The interplay between price consciousness and religious beliefs will determine the final choice. In presence of high price consciousness, the relationship between religious individuals and attitude towards green products will weaken.

Finally, prestige sensitivity can be defined as the extent to which individuals are concerned about what other people think about them (Lichtenstein. et al. 1993). A high degree of prestige sensitivity for religious consumers should increase the propensity to purchase green products or engage in attitude towards charitable institutions. The same would not be true for consumers who are intrinsically religious as their motives for engaging in green purchase behavior are more internal.

This research also contributes to the call for furthering the understanding of religiosity in marketing literature and provides a new perspective on consumption of green products, which is critical given the current predicament that green products are in. The study aims at providing insights on green marketing, especially with the balancing of "value to self" and "value to society" strategies. Also, for green consumption to be seen at parallel with charitable institutions there is a need for companies to make their claims decipherable and concrete.

Figure 1. Proposed Model



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CONSUMER PERCEPTIONS TOWARD LUXURY BRANDS

Summary Brief

Exploring the Role of Relationship Context in Consumer Brand Preference of Luxury Consumption

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Consumption of luxury goods is a growing global trend. Previous studies have considered the importance of conspicuous brands in high-end products. Some factors, such as consumer wealth and need for status, have been identified to affect consumer's preference on different levels of brand logo conspicuousness. Very little has been done to examine the role of relational context, which is an important aspect in this process given the social nature of luxury consumption. The current research explores how relationship closeness influences consumer's preference of higher- vs. lower- end brands and quiet vs. loud logos when choosing a luxury product. Specifically, the focus of interest is on premium handbags, one of the fastest growing segments in the luxury market. In-depth interviews were conducted in a local mall, and qualitative data was analyzed through content analysis. Findings, implications, and future research plans are discussed.

Introduction

The growth in global income, middle class consumption, and continuous urbanization has led to the increase in international luxury consumption (Albany 2014). Moreover, today's luxury consumers are more sophisticated and require higher skilled services and unique product designs. It is very important to understand luxury consumption and the factors involved in the process.

Previous studies have indicated a variety of factors that affect consumer behavior in the domain of high-end brand products. For example, Han, Nunes, and Dreze (2010) examined the role of brand prominence in luxury consumption and identified the difference between quiet and loud brand logos. They found that wealthy consumers prefer loud and prominent brand if they need the association with their peers and want to differentiate with other social groups. Some ultra-wealthy people prefer to use quiet logo for luxury products if they want to associate with their friends but do not intent to distinguish with other social group levels. Apparently, social influence is a critical aspect in luxury consumption. However, very little has been done to investigate the role of relational context involved in the process. This research examines how people consume high-end products in different relational contexts.

Specifically, this research explores how consumers choose luxury products and brand logos when meeting with people with whom they have different relationships (e.g., close friends and casual acquaintances) with. Our research questions include: Does one tend to choose high-end brand vs. low-end brand depending on the relationships they have with the people they are meeting with? Does relationship context matter when it comes to choosing

loud vs. quiet brand logo? At this exploratory stage, we conducted literature review and in-depth interviews in a local mall, and found some preliminary evidence of the role of relationship contexts in consumer brand preference of luxury consumption.

Literature Review

Ghosh and Varshney (2013) found that luxury products are featured by excellent quality, high price, aesthetics, history, perceived functionality, and perceived exclusiveness. Luxury consumption could be affected by income, culture, cohort perception, and self-consciousness. Berger and Ward (2010) cited that many studies have showed that the visual brand logos effectively communicate consumers' social status and desire characteristics. They also found that individuals of high financial means prefer subtle logos because they want to differentiate from out-groups of similar status but essentially coordinate others "in the know." Further, Han et al. (2010) suggested that customers' need of status affects their consumption of conspicuous luxury brand products. They introduced the term "brand prominence" to indicate how quiet or loud the brand logo appears on the product. They then proposed a taxonomy that assigns consumers to one of four groups according to their wealth and need for status. These studies reveal the same core conclusion that both loud and quiet brand logos facilitate consumers to communicate for creation and maintaining of relationships. The current research takes one step further to explore how these motives affect consumers brand preference in creating and maintaining their relationships at different levels of closeness.

Studies have demonstrated that reference groups influence conspicuous brand preference. O'Cass and McEwen (2004) stated that the conspicuous consumption is influenced by status consumption, which is generated by consumer reference groups and self-motivators who try to used brands to fit various situations and display their success and wealth. In addition, Wong and Ahuvia (1998) described that consuming luxury products reflects publicly the reputation of in-group members as a result of conformity pressure. However, most of these studies focused on group dynamics and not interpersonal relationships. In fact, O'Cass and McEwen (2004) also cited that the conspicuousness could not be existed without the surrounding observers, because it signals consumers' wealthy and demonstrates their social class to other people. Similarly, Childers and Rao (1992) found that luxury consumption is affected by different kinds of relationships. For luxury and public consumption, peers influence plays an important role in choosing a brand and preferring conspicuous logos because others observe these products. In contrast, for luxury products used privately, family relationships have a strong influence on the

brand choice. Basing on these conclusions, the current research proposes that it is critical to consider the influence from people with different level of relationship closeness (close friends vs. casual acquaintances) when it comes to choose luxury brands and decide on logo preferences.

Method and Results

Due to the exploratory nature of the study, we conducted semi-structured in-depth interviews in a local mall. The focus of interest is on female consumers and premium handbags, which takes account the largest percentage of luxury consumption. The interviewees who wore luxury handbags were chosen randomly in the mall and their age range is from 20s to 40s. The participants' occupations included executive administrator, small restaurant owner, student, and nurse. The individual interview took about 15-30 minutes and participants were rewarded with a \$5 Starbucks gift card.

Generally, participants like popular high-end handbag brands, such as Louis Vuitton, Prada, Dior, Michael Kors, Marc Jacobs, and Ivanka Trump. The majority of participants prefer medium to small, and even inside, logos on their premium handbags. We identified some important factors that influence consumer handbag selections from these interviews, including their styles, outfits, the purpose of events, and time of going out. For example, participants usually choose cross-body bag if they go to a bar at night. This is because they want to be convenient and enjoy the events, rather than holding a tote, which offers more space for carrying working stuff at daytime.

People select quiet logo handbags mostly because of their physical functions, outfit match and styles, being humble, and the value of their cost. Luxury handbag consumers need to show up with sophisticated patterns of "less flashy and tacky." For instance, trendy luxury consumers concentrate more on the styles than on the visible handbag logos. Relationships are reported to contribute a minor role in handbag choices for most participants, who do not usually differentiate handbag logos when they meet with close friends or strangers.

A small number of participants reported their conscious effort of trying to distinguish their handbag choices when they meet with different people. These participants tend to choose a loud logo on their totes when they go with strangers and casual acquaintances, because they want to show the best of the premium products, to establish a social status, and to define their characteristics in meetings with new people. For close friends, these participants prefer quiet handbag logos and focus on their styles and outfits. According to these participants, close friends understand each other and they always want to be themselves on fashion styles with close friends, rather than showing off with loud logos.

Conclusion

Luxury brand consumption is a social behavior that is embedded in the consumer's network of friends and acquaintances, even when one may not be fully aware of it. This research helps to understand how consumers choose conspicuous products and the level of logo prominence, specifically luxury handbags, when they meet their close friends vs. casual acquaintances. We have found some preliminary evidence that people tend to use loud logo when they meet with acquaintances in

order to make an impression for high status and tend to use quiet logo when they meet with close friends. However, to understand how people choose handbags among many brand names, other factors should also be considered, such as price range, product design and color, personal styles, and so on. Further investigation is needed in order to make any generalization and to test the additional factors. We plan to conduct experiments and present stimuli in order to establish the causal effects between relationship closeness and luxury brand preference. It would also be interesting to conduct a cross-culture study and compare the pattern in collective vs. individualist cultures, as people from different cultures tend to have different relational orientation.

Relationship context is especially important at today's social media marketing platform since consumers are connected more than ever before. This research has essential implications for marketing managers and advertisers. For example, marketing manager may develop deferent campaigns for different consumer networks based on their relationship closeness. Advertisers will also need to keep into consideration when it comes to print ads and TV commercials the relationship context the focal brands are being consumed.

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Full Paper

Purchase Intention of Genuine Luxury Brands: The Role of Brand Experience and Counterfeiting Insensitivity

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What will be the factors that lead consumers of genuine luxury products to continue in their normal behavior trend even in the case of counterfeited product? We have conducted a study in Morocco with a sample of 643 luxury consumer products aiming to provide answers by developing a model around brand experience and counterfeiting insensitivity. First, we have developed a new concept called counterfeiting insensitivity, which reflects consumer's reaction to counterfeiting when its luxury brand is concerned by this phenomenon. Second, the study has demonstrated clear positive effects of brand experience and counterfeiting insensitivity on purchase intention of luxury brand. Perceived risk and positive attitude toward counterfeiting have negative effects, whereas positive attitude toward counterfeiting buying behavior has no impact on luxury purchase intention. These results should gain ground with luxury brand managers, who in fact need to increase luxury brand experience and counterfeiting insensitivity.

Introduction

Luxury brands do not only sell luxurious products, but also dream and the world that they represent. For this matter, brand experience is an important component in the existence and maintaining of the luxury brands equity. However, luxury brands are facing a new phenomenon whose scale is becoming greater overtime: counterfeiting. Considering this evolution, it is necessary to evaluate counterfeit impact on luxury brands, and more precisely on brand experience. Therefore, it is important to study consumers' reaction when their luxury brands are counterfeited: we'll develop a new concept, named counterfeiting insensitivity, which represents the tendency to keep and defend the luxury brand even when counterfeiting exists. The effects of perceived risk, positive attitude toward counterfeiting and positive attitude toward counterfeiting buying behavior will also be considered.

From a business management perspective, our objective is about predicting consumers behaviors of luxury brands and ensure that the symbolic impact of the brand and its unique experience provided to the client, do not fade away in a context where counterfeit gain ground.

Theoretical Development

According to Hagtvedt and Patrick (2009), luxury brands are different from the others: the hedonism and the emotional aspects are relevant which leads the study to focus on the experiential effects of luxury brands. First, it will be important to define counterfeiting and to point out risks related to its purchase. Second, it will be interesting to develop the concept of

counterfeiting insensitivity especially when luxury brands are subject to counterfeiting. Finally, we will underline the effects of brand experience and the effects of positive attitude toward counterfeiting buying behavior.

Counterfeit of Luxury Brand

Over the past twenty years, counterfeiting – reproduction of a trademark, generally a luxury brand (Cordell et al., 1996) – has gained interest among researchers. Early studies focused on describing counterfeiting and its legal aspects, strategies developed to counter hacking or counterfeiting, or studies related to the demand for counterfeit products. These studies are driven by a desire to understand consumer demand for counterfeited products and concern generally attitude toward counterfeiting.

Attitude towards counterfeit is a key factor of buying intention of non-legitimate products. Consumers of counterfeited products adopt a less favorable attitude for counterfeit compared to those who do not declare their counterfeit products consumption. Viot et al. (2014) have tested models that use numerous attitude parameters towards counterfeit including general attitude towards this phenomenon. It is then elementary to study attitude toward counterfeiting to better understand the behavior of luxury brands consumption while counterfeit products are accessible:

H1: Positive attitude toward counterfeiting negatively affects purchase intention of genuine luxury brand

Perceived risk is a central factor that concerns consumers' evaluations and purchasing behaviors. Then, it will be interesting to study its effects on counterfeited or legitimated purchase intention. There are two distinct components of this concept: (1) uncertainty, which refers to the likelihood of unfavorable outcomes and (2) consequences that are the importance of the loss.

According to perceived risk theory, consumers will prefer genuine goods to avoid perceived risks related to counterfeit. Different kinds of risks are generated by counterfeit products, among which financial, performance, and social risks are salient. In our research, we will consider both social and psychological risks to explain negative effect of perceived risk on purchase intention of luxury brands. Social risk is the potential loss of esteem, respect, and/or friendship offered to the consumer by other individuals, whereas psychological risk is the potential loss of self-image or self-concept as the result of the item purchase. Then, we can assume that:

H2: Perceived risk negatively affects purchase intention of counterfeited luxury brand

Consumer's Insensitivity to Counterfeiting

What will be the consumer motivations of genuine products to continue in the normal trend of behavior or to search for an alternative? Attempting to eliminate counterfeiting appears useless, particularly in the luxury market, where the consumer is aware that the product being bought is an imitation. The consumption of counterfeit goods has developed throughout the years becoming an important part of consumers purchase options.

In this context, we have studied consumer's reaction to counterfeiting and have developed the concept of counterfeiting insensitivity, which can be defined as the importance of a counterfeiting when choosing a brand. Counterfeiting insensitivity has two facets: (1) luxury brand confirmation where the presence of counterfeiting has no impact on consumer's choice for his luxury brand, and (2) counterfeiting rejection where consumer is sensitive to the presence of counterfeiting and rejects all counterfeited brands including his luxury brand.

Inspired by Laurent and Kapferer's research on sensitivity to brand (1992), we can consider counterfeiting insensitivity as a psychological variable which affects attitude and then, the purchase intention. This leads to the following hypothesis:

H3: Counterfeiting insensitivity negatively affects positive attitude toward counterfeiting;

H4: Counterfeiting insensitivity positively influences luxury purchase intention of genuine luxury brand.

Brand Experience

The brand experience represents "subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioral responses evoked by brand-related stimuli that are part of brand's design and identity, packaging, communication, and environments" (Brakus et al., 2009).

To the best of our knowledge, studies that deal will brand experience within the context of counterfeiting are limited. In our research, we suppose that luxury brand experience is so important that it cannot be affected by counterfeiting. As in a normal trend where brand experience has a positive impact on luxury purchase intention, we can assume that counterfeit has no impact on brand experience and consequently that this one has a positive impact on luxury purchase intention:

H6: Counterfeiting insensitivity positively affects brand experience.

In the other side, we suggest that perceived risk affects negatively brand experience because risks generally don't allow to fully enjoying using the product:

H7: Perceived risk negatively affects brand experience.

In order to study the consumer preferences between genuine luxury product and counterfeited one, Yoo and Lee (2009) have raised experience impact – in its large sense – of legitimate products on the consumer's choice. According to their findings, experience brought by legitimate products does not affect the consumer preference toward counterfeit products. Consumers of genuine products are rigorous prospectors (Mason, 1998) that deliberately exclude counterfeit in their product selection due to a possible negative social impact. Unlike counterfeit buyers, this category of consumers has sufficient financial wealth to buy expensive products. The prestige and quality offered by genuine products are highly important criteria's than pricing in the purchasing behavior of this category of consumers. For their future purchases, these consumers stick to genuine products as

they seek a social self-accomplishment through an ostentatious consumption.

Besides, genuine products consumers regard self-image and want to be considered as exclusive genuine products consumers. In fact, one of the main buying drivers for luxury articles is a desire of superiority against other people (Mason 1998). Branded products allow consumers to create their self-image through which they communicate their experience with their social environment. This is a good mean to express one's position in a society. Therefore, original products consumption is considered as such and demonstrates a belonging to an elite group.

In order to confirm Yoo and Lee findings (2009), we'll study the relationship between attitude toward counterfeiting buying behavior and the other concepts detailed above :

H8: Positive attitude toward counterfeiting buying behavior negatively affects purchase intention of genuine luxury brand;

H9: Counterfeiting insensitivity negatively influences positive attitude toward counterfeiting buying behavior;

H10: Positive attitude toward counterfeiting positively affects positive attitude toward counterfeiting buying behavior;

H11: Brand experience positively influences positive attitude toward counterfeiting buying behavior.

To sum up, we first suppose that consumers, who have bought counterfeited products in the past, will be more likely not to buy genuine brands (H8). Second, consumers with a strong insensitivity toward counterfeiting will be less influenced by counterfeited product purchase (H9). Third, positive attitude toward counterfeiting will influence positively counterfeiting buying (H10). Last, a great experience related to an inaccessible brand can lead consumer to buy the counterfeited version (H11).

Method

Sample and Data Collection Process

To our knowledge, no studies have been undertaken in the Maghreb, despite the progression of counterfeiting goods in this region. We choose to conduct an empirical study in Morocco because of the availability of luxury products (Cartier, Dior, Louis Vuitton, Lancel, Gucci...) and the presence of counterfeited products in many Moroccan shops. Indeed, according to the National Committee for the industrial property and against counterfeiting (CONPIAC), the Moroccan counterfeiting market has been estimated between 8 and 16 Million dollars in 2012.

The study was organized as one on one meeting survey interviews between February 7th and 22th, 2014 by several Moroccan students holding a Bachelor's degree. A filter was used to select only Moroccan residents who have consumed at least one luxury brand during the last twelve months (only fashion wear and accessories: perfume, bag, jewel, watch, etc.). The final convenience sample comprised 643 consumers which 60.8% are women and 79% are less than 34 years old.

Measures

This research used five-point Likert scales. Purchase intention was measured with the three items scale of Cronin et al. (2000), whereas perceived risk was measured with the two-dimensional scale of Stone and Gronhung (1993). For brand experience, we used the four dimensional scale of Brakus et al. (2009). To measure the positive attitude toward counterfeiting, we used the two-dimensional scale of Phau and Teah (2009) related to attitude in general. For the concept of positive attitude toward

counterfeiting buying behaviour, we have used the scale of Le Roux et al. (2006).

Concerning the concept of counterfeiting insensitivity, no measurement scale is available. Therefore, we used Churchill's paradigm (1979) to create a coherent and an applicable construct. First a qualitative study was conducted (20 interviewees) to generate a large number of items. Then, exploratory factor analysis (convenience sample of 158 responses) and confirmatory factor analysis (convenience sample of 643 responses) were applied to assess the reliability and validity of the research constructs. Our results led to a two-dimensional valid scale (reliability of 0.805 and convergent validity of 0.677) for the concept of counterfeiting insensitivity:

(1) Counterfeiting rejection (four items) that refers to a negative reaction toward consumed counterfeited brand: regret, reclamation and abandon. This is especially due to a negative opinion toward counterfeiting;

(2) Luxury brand differentiation (four items) that concerns consumers who continue believing in the relevance of the purchase of genuine luxury products. For them, counterfeiting can never equal luxury brands.

Data Analysis

Validity, Reliability and Adjustment Quality

A PLS approach has been selected because its suitability to handle higher order latent constructs and violation of multivariate normality. Furthermore, we used non-parametric bootstrapping (Tenenhaus et al., 2005) with 350 replications to obtain the standard errors of the estimates. First, the reliability and validity of each concept has to be first estimated. Once the adequacy of the measurements is verified, we can assess the structural relationships among the model (figure 1), and then verify the quality of the overall model. As shown on table 1, all indicators of convergent validity and reliability are satisfied (reliability equal to or greater than 0.7 and convergent validity greater than 0.5).

Figure 1: PLS Structural Model

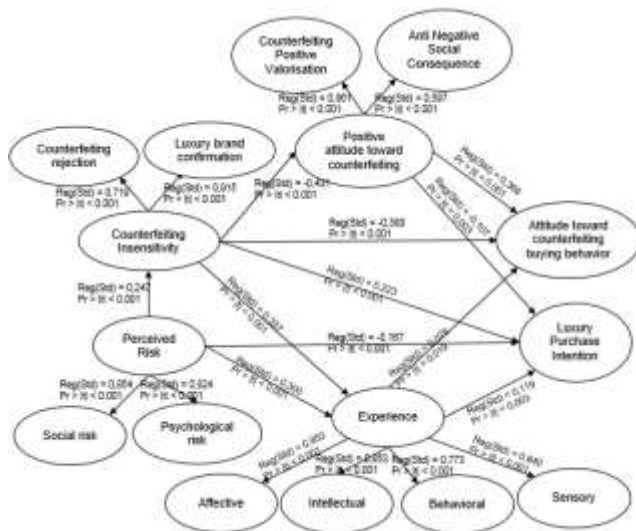


Table 1: Convergent Validity and Reliability Indices

Latent variable	Convergent validity (AVE*)	Reliability (DG Rho)
Positive attitude toward counterfeiting	0.549	0.702
- Counterfeiting positive valorisation	0.610	0.823
- Anti-negative social consequences	0.479	0.780
Counterfeiting insensitivity	0.677	0.805
- Counterfeiting rejection	0.575	0.797
- Luxury brand confirmation	0.576	0.844
Brand Experience	0.780	0.934
- Affective	0.667	0.857
- Intellectual	0.667	0.857
- Behavioral	0.526	0.768
- Sensory	0.628	0.835
Perceived risk	0.704	0.826
- Social risk	0.780	0.876
- Psychological risk	0.591	0.812
Positive attitude toward counterfeiting buying behavior	0.804	0.891
Luxury purchase intention	0.638	0.840

Note: *Average Variance Extracted

Then, we can assess the quality of the model. Unlike SEM models, PLS does not provide any global goodness-of-fit indices. So, we can consider Tenenhaus et al. (2005) study, which propose the geometric mean of average communality (measurement model) as well as the average R² (structural model), as an overall Goodness-of-fit (GoF) measure for PLS. In our research, the absolute GoF value is 0.528 which corresponds to an excellent adjustment according to Wetzels et al., (2009). In addition, the coefficient of determination (R²) of the endogenous latent variables is 53.2% (average for the full estimated model), indicating a rather high explanatory power of our proposed model.

Hypothesis Testing

Our research aimed at studying the effects of different concepts on luxury purchase intention. Based on the tested model (figure 1), we have studied the effect of each latent variable by exploring the paths coefficients which describe direct dependencies among the set of latent variables.

First, the coefficient of -0.107 shows a negative effect of positive attitude toward counterfeiting on luxury purchase intention. This comforts the hypothesis H1: positive attitude toward counterfeiting involves negative purchase intention of counterfeited luxury brand. The components of the attitude toward counterfeiting (Phau and Teah, 2009) reinforce this statement: both counterfeiting positive valorization and anti-negative social consequences lead to the positive attitude toward counterfeiting. This affects negatively the purchase of luxury brand when it is available in counterfeiting market.

Second, the study demonstrates a positive influence of positive attitude toward counterfeiting on positive counterfeiting buying behavior (path coefficient: +0.368). This leads to accept the hypothesis H10: positive attitude toward counterfeiting positively affects positive attitude toward counterfeiting buying behavior.

The hypothesis H2 concerns the effect of perceived risk on luxury purchase intention. This relation can be corroborated

because the results show negative effect (negative path coefficient of -0.167). On the other hand, we can notice a positive effect of perceived risk on brand experience (positive path coefficient of 0.3), hypothesis 7 can then be rejected: contrary to what we supposed, there is a positive influence of perceived risk. This can be explained by the fact that experience is principally generated when the activity is viewed as high risk. Hence, brand experience is more important when the perceived risk linked to the consumption and/or the purchase is considered as relevant.

Concerning counterfeiting insensitivity, the study reveals positive influence on luxury purchase intention of genuine luxury brand (positive path coefficient of +0.223). Hypothesis H4 is then confirmed. Also we notice that counterfeiting insensitivity negatively influences positive attitude toward counterfeiting (negative path coefficient of -0.431) and positive attitude toward counterfeiting buying behavior (negative path coefficient of -0.380). Hypothesis H3 and H9 are then confirmed. Besides, counterfeiting insensitivity positively affects brand experience (positive path coefficient of 0.337), which comfort hypothesis H6.

Our model demonstrates that positive attitude toward counterfeiting buying behavior has no impact on luxury purchase intention (H8 rejected). This result supports the fact that an anterior consumption of counterfeiting has not impact on purchase intention of counterfeited luxury brand. This result is in accordance with Yoo and Lee finding (2009), which demonstrates that genuine products consumers are not influenced by an anterior experience with counterfeit consumption.

With regard to the concept of brand experience, we studied both effects on luxury purchase intention and positive attitude toward counterfeiting buying behavior. Our research reveals positive effects of brand experience: brand experience positively influences purchase intention of genuine luxury brand (positive path coefficient +0.119 so H5 is confirmed) and positively affects positive attitude toward counterfeiting buying behavior (positive path coefficient +0.076 so H11 is confirmed).

Discussion and Implications

In the present study, several theoretical hypotheses have been made in order to explain the consumers' choice of luxury brands instead of counterfeited products. First, counterfeiting insensitivity, a new concept developed in this research, appears as a key factor which influences positively and directly the purchase of genuine luxury brands (path coefficient of +0.223). Furthermore, there is a mediating effect of the positive attitude toward counterfeiting in a negative way. Second, brand experience plays a major role in explaining the purchase intention of genuine luxury brands (path coefficient of +0.119). It plays also the role of mediating variable between counterfeiting insensitivity and luxury purchase intention. Third, luxury purchase intention is also negatively affected by the perceived risk (path coefficient of -0.167).

Finally, our research studied different concepts that affect directly purchase intention of luxury genuine products: (1) counterfeiting insensitivity, (2) positive attitude toward counterfeiting (3) brand experience and (4) perceived risk. Concerning positive attitude toward counterfeiting buying behavior, it never affects consumer's behavior during the purchasing process of luxury goods.

Concerning the limitations of this research, we can state that we have studied some explaining variables and have overlooked other factors such as personal variables (personality, need for uniqueness, etc.) or factors related to the product or the brand. Moreover, we have limited the investigation to fashion wear and accessories while consumer's insensitivity toward counterfeiting and brand experience can fluctuate depending on the category of the product or even the nature of the product (different experiences while consuming a perfume or a bag). Another research direction will be to study the consumer of counterfeited products instead of legitimate luxury brands. In fact, it can be interesting to examine the effects of different concepts discussed above in the context of counterfeiting consumption.

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Summary Brief

Does Peacock Presentations-of-Self Increase Charitable Gift-Giving?

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This research predicts that luxury versus non-luxury self-display enhances status and produces advantages in human social interactions. A field experiment tests whether luxury brand displays results in increases in philanthropic donations and how gender moderates the impact of logo conditions on consumer behavior. The findings support the following conclusions: (1) A person wearing a luxury brand logo while soliciting charitable donations receives larger contributions than a person not wearing a luxury brand logo. (2) Cross-gender contexts are more effective than same-gender contexts for requester and target in influencing consumer donation behavior. Luxury self-display may increase deference and compliance in presentations-of-self because conspicuous displays of luxury qualify as a costly signaling trait that elicits status-dependent favorable treatment in human social interactions.

Introduction

People are willing to pay a premium to own and display luxury brand logos possibly in order to achieve social status—a superior position or position or rank in a society in comparison with others on any dimension important in that society (cf. Hyman 1942). People want to be seen by others as valuable and worthy so they often manipulate their symbolic image. By manipulating what is visible to others, people attempt to make other people evaluate their social status or wealth more favorably (Shin 2002). Research on charitable giving indicates that social comparison and compliance can increase donations. In natural field experiments involving fundraising for public radio, Shang and Croson (2006) find that potential donors compare themselves with other donors, and given an ambitious social comparison (i.e., mentioning a donor that gave a large amount) can induce lower-level donors to be slightly more generous.

Theory & Hypotheses

The preference for purchasing, using, and displaying expensive things—despite the ability to buy cheaper items that fulfill the same function—is known as conspicuous consumption. According to Veblen (1899/1994), the purpose of conspicuous consumption is public display of economic power and prestige in order to evoke envy in others. Veblen stresses that enormous costs are required beyond immediate usefulness or practical interest in order to flaunt one's wealth, even to the point of profligate squandering that may otherwise seem unreasonable. Conspicuous consumption may be an adaptive status-signaling strategy (Nelissen and Meijers 2011). The field experiment conducted here

tested the contention that people recognize luxury brands and preferentially treat people who display a luxury brand logo.

Costly signaling theory (CST) explains why individuals will expend time, money, and other resources to indicate to others that they can afford to do so, and thus elevate their status in the eyes of others (Grafen 1990; Zahavi and Zahavi 1997). CST—also called the “handicap principle”—serves to support the proposal that the display of luxury goods infers status onto the displayer (Miller 2009; Saad 2007). CST states that individual's extravagant behavior acts as a reliable signal of the displayer's exalted status (Zahavi and Zahavi 1997). For example, the cost related to signaling in terms of energy, danger, time, and money guarantees the related trustworthiness of the signal conveying the underlying attribute or disposition. The handicap principle means that if a signal is to be reliable, the high cost of the property of the signal must accompany it. Displaying that the signaler has the ability to possess and show off such a property makes the entity that does not have such a property handicapped. The peacock's tail is a typical example of the handicap principle. By making its large colorful tail, the peacock shows its ability to overcome parasites and predators but the high cost in resources to produce this brilliant tail constitutes a significant handicap. Such a display is seen as a sort of signal that trustworthiness (i.e., the biggest brightest tails belong to the best mates) derives from the cost spent. This handicap principle says that only highly qualified animals are able to waste huge amounts of time, energy, and resources to produce expensive signals.

O'Donohoe (1994, p. 65) refers to the “peacock effect” to explain differences between how individual consumers respond to judgments about the use of male and female models in advertising. “This difference between male and female respondents in the use of role models may be attributed to the ‘peacock effect’ of having male respondents talk in the presence of a female researcher. They may have been less willing to admit such behavior to a woman. Alternatively, given that they are relatively recent targets for the personal grooming and fashion industries, men may be simply less open in discussing such issues even among one another, or less conscious of their own behavior in this respect.” Consequently, the study of gender influence on behavior may require behavior rather than self-report dependent measures. Field experiments offer researchers the opportunity to observe actual behavior in natural settings and avoid the problems in self-generated validity (Feldman and Lynch 1988) often experienced when respondents are asked to tell what they think about something on five- or seven-point scales (Bargh and Chartrand 1999; Nisbett and Wilson 1977).

Conspicuous consumption must meet four standards to qualify as costly signaling (cf., Bliege Bird and Smith 2005): (1) the signal must be easily observable, (2) the signal must be difficult to be forged or imitated with a lower cost alternative, (3) the signal should relate to a true underlying characteristic, such as good genes, that is difficult to identify but is associated with a valuable quality (e.g., good physical health), and (4) the signal should ultimately produce rational benefits. The study here examines whether an observer preferentially treats a person who a luxury (expensive) brand versus the one who wears an ordinary brand or no brand—regardless of the wearer’s other characteristics.

H1: The signal of a luxury brand induces a greater willingness of others to pay (financial benefits for those who display their luxury brand) in social interactions. H2: Total donations are highest in cross-gender contexts of female requester and male target and male requester and female target and lowest in the same-gender contexts of male requester and male target and female requester and female target.

Method & Results

A field experiment conducted at a large urban university in Korea examined whether or not exposure to a fundraiser’s clothing with a luxury logo versus a non-luxury logo or no logo increases donations to a charity. Male and female fundraisers dressed in one of the three brand logo shirts (luxury/Louis-Vuitton/LV, non-luxury/H&M/HM, or no logo/NO) approached students and requested a donation for UNICEF. Each fundraiser approached 60 students—30 males and 30 females—for a donation, for a total sample size of 360 (30 students per treatment x 2 genders of fundraisers x 2 genders of responders x 3 logo conditions). The two fundraisers conducted the campaign for six consecutive afternoons creating a completely counterbalanced between-subjects design among the randomly assigned participants. Among the 360 students approached for donations, 100 made a donation broken out as follows (capitalized = fundraiser, lower-case = donor): Male_male_NO (8 donors), Male_male_HM (7), Male_male_LV (9), Male_female_NO (2), Male_female_HM (5), Male_female_LV (7), Female_male_NO (14), Female_male_HM (10), Female_male_LV (11), Female_female_NO (12), Female_female_HM (8), and Female_female_LV (7). The male and female fundraisers approached the students randomly, asked for a donation, and give as a gift to each student who donated. Each fundraiser carried a collection box provided by UNICEF to collect donations. The process of counting money on the scene allowed for calculating total donations, average donation, and number of donations under each of the logo and gender conditions.

Donations were categorized into three groups, less than 500 won, 500 - 999 won, and 1000 won or more. A chi-square analysis indicated a significant main effect of logo type on size of the donation received ($X^2=11.956$, $p=.063$), supporting H1. Donors gave smaller donations to fundraisers wearing shirts with the less expensive brand logo or no logo and donated more to fundraisers wearing shirts with the luxury brand logo. Fundraisers wearing the LV logo received the highest average donation among the three logo conditions under three of the four fundraiser-donor gender combinations. In partial support of H2, these combinations are Male_male_LV = 8901 won total (297 won average),

Male_female_LV = 6202 total (207 average), and Female_male_LV = 10560 total (352 average). When the male fundraiser wore the luxury brand logo, he collected more donations from both males and females. Females soliciting males achieved the most dramatic financial benefit (largest donations) while wearing the luxury brand but the luxury brand had a dampening effect on donations when females solicited females.

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**THE ONLINE CONSUMER: TECHNOLOGY ACCEPTANCE AND ONLINE
INFLUENCE**

Summary Brief

The Impact of Buzz on Internet IPO Valuation: Is It All Hype?

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This study examines the impact of media buzz prior to internet firms' Initial Public Offerings (IPOs) on the market value of the common stock through the first year. Because the relationship between buzz and value persists for the year following the IPO, we conclude buzz is reflecting positive qualitative information, possibly relating to innovation, rather than being simply hype. While the type of revenue stream does not affect IPO valuation, financial measures, governance structure and characteristics of the IPO affect shareholder value.

Introduction

In May 2012, Facebook went public with an impressive \$104 billion valuation even though profits and revenue were decreasing in the months leading up to the IPO. The enthusiasm for this IPO was short-lived: Facebook's stock value declined by 50 percent in the months following the IPO (Kiernan and Cheng 2012). In the months leading up to its IPO, Facebook captured significant buzz, ranging from established, traditional finance newspapers and magazines, to non-traditional sources, such as bloggers and tweeters. A number of financial media outlets and bankers have claimed that the media hype surrounding internet IPOs has magnified the first day "pop" in their shares (Shefrin 2013). This paper seeks to empirically investigate how buzz and revenue source impact internet firm valuation.

Background

Lack of quantitative information often leads investors and buyers to rely on weak signals of quality. A number of theories support this notion. First, signaling theory suggests that investors use implicit certification by external parties to estimate the intrinsic quality of the firm (Sanders and Boivie 2004; Spence 1974). Second, screening theory suggests that buyers assume that certain attributes are correlated with unambiguous, often quantitative information. In the absence of unambiguous information, investors rely on signals of qualitative attributes as a substitute for better or less noisy measures of intrinsic firm quality (Weiss 1995). Third, certain corporate governance mechanisms are believed to be associated with greater efficiency, and thus may be used by investors to estimate the quality of a firm when other information is lacking (Sanders and Boivie 2004).

Many internet companies adopt novel business models that rely on unproven and new sources of revenue, making valuation challenging, because data are short-term, and analysis of competitors, information about customers and definition of the industry may be limited. As such, standard valuation techniques do not apply well (DiMaggio and Powell 1983), and neither investors nor analysts can depend on industry experience or established knowledge to properly evaluate internet firms'

financial value. Unsophisticated investors are perhaps at an even greater disadvantage, as they may exclusively rely on media coverage surrounding an IPO rather than indicators of the company's financial health.

Hypotheses

Online buzz may reflect excitement about internet firms' innovative capabilities. We expect that higher buzz captures potential value-creation at the IPO that is not reflected in traditional financial measures. Uninformed investors may be drawn to IPOs with high levels of buzz as they do not want to miss an investment opportunity, which is consistent with the premise that buzz generates hype. In this setting, uninformed investors will drive up prices and higher levels of buzz will be positively associated with underpricing. Whether or not it reflects qualitative factors or simply hype, we expect high levels of buzz to be associated with higher valuations at the IPO and on the first day of trading, leading to increased underpricing:

H1: Firms with high buzz have greater short-term valuations and underpricing than firms with low buzz.

If buzz is mostly hype, primarily generating interest in the IPO so that investors feel they must take part in the IPO, we anticipate that its relation with firm valuation will be short-lived. Alternatively, if buzz is informative about qualitative attributes of the firm, including the level of innovation, then buzz will have a long-term value impact, lasting at least through the first anniversary of the IPO.

H2: Firms with high buzz have similar long-term valuations as firms with low buzz.

We expect that due to cost and competitive structure, non-traditional revenue internet firms (advertising-based) may be more appealing to investors than traditional revenue firms (service and retail)

H3: Advertising-based revenue business models firms have higher valuations than service or retail business models firms.

Method

Data

The IPOs in our sample are limited to those issued in the United States. We used Jay Ritter's list of internet IPOs and our own search of SDC Global Issues database by SIC code for the sample of Internet IPOs. The sample begins after the early Internet boom and bust of 2000 and ends in April 2012 (before the Facebook IPO) to allow price information for a full year following the IPO. Data are compiled from the prospectus, SDC Global Issues, COMPUSTAT, Yahoo Finance, and Factset. For each firm in our sample, we use Google's search engine to determine buzz

by inputting the company's name and the terms IPO or "Initial Public Offering" and restricting the time period to the year prior to the IPO. The count of the results represents an estimate of the number of web pages (e.g., news items, blogs, posts, etc.) discussing the firm's IPO in the year leading up to its offering. The count is not an exact reflection of the amount of buzz prior to the IPO, as webpages may be taken down. This measure is similar to that used by Aggarwal et al. (2012) for total word of mouth.

Variables

Our dependent variable is shareholder value, which is the common stock price multiplied by the number of shares outstanding. We calculate this number for several time periods from the IPO through the first public year of the corporation. Similar to Aggarwal, Bhagat, and Rangan (2009), we use the log of market value at these dates of interest as our dependent variable. We also consider underpricing (closing – offer price)/offer price, which is the return from the first day of trading.

Our independent variables of interest are buzz, which we operationalize in a variety of ways, and revenue source (traditional vs. non-traditional). We also take into account financial information (revenue, revenue growth, and profitability), IPO and firm characteristics (concentration of management control, dual class shares, underwriter rank, venture capital backing, insider retention, and firm age), and market conditions (IPO market volume and NASDAQ Composite Index).

We regress underpricing and the log of common stock value at various points in time on the independent variables.

Findings

We find support for H1. Firm valuations are higher when there is a high level of media buzz preceding the IPO. This higher valuation is sustained through the first anniversary of the offering, contrary to H2. Our results suggest that the information generated by buzz signals positive qualitative information which is not captured by other variables. This qualitative information could proxy for excitement related to the level of innovation being offered by the firm. Buzz appears to reflect valuable information that leads to sustained investor interest, rather than being simply hype.

We find no evidence that the source of revenue is a determinate of initial or subsequent shareholder value (H3). This does not diminish the effect of actual revenues and revenue growth as an important indicators of firm value. Higher insider retention and the presence of a dual-class structure lead to higher initial valuations, but investors should be aware that this premium may be diminished in the post-lockup period. Although it may be suggestive of weaker corporate governance, the dual role of CEO and Chairman of the Board leads to higher valuations in the post-lockup period. This is consistent with a setting where the founder/entrepreneur maintains an active role at the helm of the firm.

We run a number of robustness checks. Our results are consistent across various operationalizations of buzz. For the underpricing regression, we ensure the results are not driven by underpricing outliers by winsorizing underpricing at five percent and 95 percent levels and rerun the regression. While coefficients in the regression change slightly, the significance and directionality of the results are unchanged.

Conclusion

On average, high levels of media buzz appear to proxy for qualitative information about the IPO for internet firms. However, the lack of buzz does not affect value any more negatively than a moderate level of buzz. For investors considering buying into an IPO firm, our study indicates that long term valuation is sustained through the first year when there are high levels of media excitement.

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Summary Brief

It's Not You, It's Me: A Motivated Behavior Model of Technology Acceptance and Use

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Much of the literature concerning consumer acceptance and use of technology focuses on technology characteristics that influence consumer decisions. The widespread acceptance and use of mobile internet has resulted in its emergence as a key facilitator of consumer social interaction. Thus, behavioral intention to use mobile internet is likely driven by socially motivated behaviors in addition to perceptions of technology characteristics. To examine the role of motivated behaviors in technology acceptance and use decisions, a pilot study of 224 consumers was conducted. Results suggest the proposed model is robust in predicting behavioral intentions and use of mobile internet.

Introduction

The need for social contact has been described as a central driver of human behavior (Hill 1987). Research has shown that desire for social contact is motivated by the attainment of social rewards (Hill 1987) and subjective norms (Fishbein and Ajzen 1975).

The rapid rise and use of social media websites provides evidence of this need for social connection being manifested in the digital world. Recent statistics show that approximately 60 percent of time spent on social media is done through smartphones or tablets (Adler 2014). Given the growing consumer reliance on mobile internet to facilitate social interaction, it is important to understand how the need for social contact influences technology acceptance and use.

Technology Acceptance Models

Many research models that examine consumer acceptance and use of technology focus on perceptions of the effectiveness, efficiency and basic utility of the technology being adopted. For example, the TAM model focuses on consumer perceptions of technology complexity and usefulness (Davis 1989), while UTAUT examines technology performance and effort expectations (Venkatesh et al. 2003). To study how individual consumers accept and use technology to fulfill personal and social needs, this study explores this issue in the context of self-determination theory and the intrinsic and extrinsic motivations that drive technology acceptance and use.

Self-Determination Theory

Self-determination theory states that choices are influenced by a consumer's intrinsic needs or by external pressure or sense of obligation (Deci & Ryan 1985). Intrinsically motivated consumers use mobile internet because they find it interesting or engaging for its own sake, while extrinsically motivated consumers use mobile internet in response to some expectation of reward or recognition (Amabile et al. 1994). Both intrinsic and extrinsic rewards are

shown to be influential in driving consumer technology acceptance and use (Meuter et al. 2005).

Social Influence

Social influence is the "degree to which an individual perceives that important others believe he or she should use" a particular technology (Venkatesh et al. 2003; p. 451), which can influence the behavior of the individual in technology acceptance decisions (Venkatesh and Davis 2000). Consumers may change their behaviors in response to social pressure to conform or for potential gains in social status, (Venkatesh et al. 2003). Social influence that encourages certain behaviors should contribute to repetition of those behaviors and the formation of habits. Likewise, the compulsion mechanism of social influence suggests that the pressure to conform to certain behaviors will influence their behavioral intentions to engage in that behavior. Thus:

H1: *Social influence to use mobile internet will have a positive relationship with (a) habitual use of mobile internet; and (b) behavioral intentions to continue use of mobile internet.*

Hedonic Motivation

Hedonic motivation is the fun or pleasure derived from using a technology (Brown and Venkatesh 2005). Intrinsic hedonic motivation has been shown to have a direct affect on technology acceptance and use (van der Heijden 2004). Intrinsically motivated behavior provides psychological benefits resulting in repetition of the behavior (Laran and Janiszewski 2011). Repeated use and pleasure derived from the use of a technology is expected to influence the behavioral intentions to use the technology. Thus:

H2: *Hedonic motivations to use mobile internet will have a positive relationship with (a) habitual use of mobile internet; and (b) behavioral intentions to continue use of mobile internet.*

Need for Affiliation

The need for affiliation is motivated by the attainment of social rewards that include positive affect, recognition or praise, reduction of negative affect, and social comparison (Hill 1987). These social rewards are obtained through the presence, attention, interaction or contact with others (Buss 1983). In a virtual environment, these behaviors are exhibited through the acquisition and engagement of friends and peers in online social networks.

As users seek to fulfill their need for affiliation for the purpose of attaining social benefits and rewards via online social networks, their decision to repeatedly use technology for this purpose based on expectations and outcomes will increase. Thus, it is hypothesized that:

H3: *Need for affiliation will have a positive relationship with the habitual use of mobile internet.*

Habit

As consumers gain experience with a given technology through repeated use, they form expectations about continued use, and if favorable outcomes are achieved, they will limit their consideration set of alternative technologies (Verplanken and Wood 2006). This type of learning leads to the automation of behaviors known as “habits.” Feedback obtained from prior experience will influence future behavior (Fishbein and Ajzen 2005). As consumers gain experience with mobile internet their motivation to continue to use mobile internet is driven by habit. Thus, the following hypotheses are posed:

H4: *Habitual use of mobile internet will have a positive relationship with (a) behavioral intentions to continue use of mobile internet; and (b) observed use of mobile internet.*

Behavioral Intent

The direct, positive relationship of behavioral intentions and use behavior has been widely supported in the technology acceptance and use literature. Capturing the variance between behavioral intentions and use behavior is vital to understanding the mechanics by which motivated behaviors influence the acceptance and use of technology.

H5 (replication): *Behavioral intentions to use mobile internet will have a positive relationship with observed use of mobile internet.*

Methods

In order to examine the hypothesized relationships, data were collected using an online consumer panel of 224 respondents. Results of structural equation modeling show acceptable model fit ($\chi^2_{(df=124)}=310.70$, $\chi^2/df=2.51$, CFI = .95, RMSEA = .08, SRMR = .06). Results were found to explain a significant amount of variance in habit ($r^2=.40$), behavioral intention to continue use of mobile internet ($r^2=.63$) and use of mobile internet ($r^2=.20$).

Discussion

As shown in this study, intention to continue use of mobile internet is in part driven by intrinsic and extrinsic motivations including habit, social pressure, hedonics and need for affiliation.

The proposed motivated behavior model parsimoniously captures a majority of the variance observed in behavioral intentions to use mobile internet. This suggests that marketers of mobile internet devices should promote their technologies in the context of those aspects of the technology that address the consumer’s intrinsic and extrinsic motivations to use mobile internet, which in turn influence consumer habit.

Further research is necessary to fully assess the value of the proposed model. By examining the motivations that drive technology use, it is expected that the parsimonious motivated behavior model will provide a richer understanding of consumer technology acceptance and use decisions than prevailing models. Future research will compare the proposed model of technology acceptance and use with prevailing technology acceptance models to further assess its value to practice and theory.

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Summary Brief

SOSI: Measuring Consumers' Susceptibility to Online Social Influence

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Today consumers' are increasingly consulting online resources (e.g., blogs, reviews, and brand pages) before forming their opinions about products. Consumers' see online reviews as valuable sources of information and can be influenced by those reviews. Hence, those reviews have the ability to affect consumers' perceptions, choices, and decisions. In this paper we propose and test a susceptibility to online social influence trait construct that differs from general interpersonal influence as in an online environment, rather than face-to-face communication, consumers read, hear, and see the reviews from other individuals they may not know or have any knowledge of the credibility of the reviewer. A series of studies provides evidence supporting the convergent and discriminant validity of this susceptibility to online social influence scale.

Introduction

Technology and, specifically, social media involves a diverse style of online information-sharing formats including social networking sites (e.g. Facebook, Twitter, Instagram), creativity works-sharing sites (e.g. YouTube, Flickr), collaborative websites (e.g. Wikipedia) and various blogging sites (Mangold and Faulds 2009). Many consumers consult online resources for product reviews that form their product perceptions and, ultimately, purchase decisions regardless of whether the purchase is made online or in brick and mortar stores (Li and Hitt 2008). In this regard, for example, it has been reported that 16% of consumers consult online reviews before buying baby products, and 48% consult online reviews before buying electronics products (Ernst and Young 2012).

Consumers generally perceive online reviews as being impartial and, thus, may be influenced by those reviews (Cheong and Morrison 2008). Different consumers are more or less susceptible to social influence by others and/or may be more concerned about how others might perceive them (Bearden, Netemeyer, and Teel 1989). Bearden, Netemeyer, and Teel (1989) developed a scale to measure consumer susceptibility to interpersonal influence. Starting with their scale as a starting point, a scale was developed to measure consumers' susceptibility to online social influence (SOSI).

Scale Development Procedure

The procedure employed was based on accepted methods of scale development and incorporated recent advancements in the evaluation of multi-item measures. In the initial phase of scale development a pool of items designed to measure the dimensions of interpersonal influence were adopted from Bearden, Netemeyer, and Tell (1989). Subsequently, experts (i.e., marketing professors

and doctoral students) were utilized in selecting and adapting the scale items. Following expert opinions, the items and scale were subjected to validity and reliability testing online environments. The final, 9-item scale was administered across four studies over two years to a total of 942 participants.

EFA and Initial Study

From the existing 12-item susceptibility to interpersonal influence scale (SIIS), 9-items were adapted such that they were more appropriate for the online environment. The 9-item SOSI scale, along with the 12-item SIIS scale, were administered to a convenience sample of 281 undergraduate business students enrolled at a major southern university. An exploratory factor analysis using principle component analysis with oblimin rotation revealed a two factor solution (68% of the variance). As expected, the 9 SOSI items loaded highly on one factor and the 12 SIIS items loaded onto the second factor.

A LISREL 8.80 confirmatory factor analysis further validated that SOSI was empirically distinct from SIIS. Confirmatory factor analysis fit statistics consisted of $\chi^2 = 305.7$ ($df = 188$, $p < 0.01$), CFI = .96, RMSEA = .05, SRMR = .065, GFI = .91. All statistics met the standard criteria (RMSEA < .06, CFI > .95, SRMR < .08). These statistics indicate a reasonable fit to the data considering a sample size of over 250 respondents (Carmines and McIver 1981). In order to satisfy the requirements for discriminant validity, variance extracted estimates should be greater than the square of the correlation between constructs. This condition was satisfied for the SOSI and the SSCI relationships, which had a correlation of 0.46.

Reliability

For the estimates of internal consistency reliability, adjusted for dimensionality, Cronbach's alpha was .91 in the student sample of the initial study and .90 in a national survey sample conducted on Amazon MTurk (see study 2 in Table 1). With respect to scale norms, the mean score for SOSI in the national survey sample ($n = 329$) was 4.84 (range = 2.6–5.9), with a standard deviation of 1.16. Mean scores on individual items ranged from 2.21 to 5.9, with standard deviations ranging from 1.1 to 1.5. (See Table 1).

Construct Validation Studies

SOSI and Valence of Blog Site

Susceptibility to online social influence can influence the attitude of the reader towards the blogger/reviewer as well as toward the product. Readers should perceive an online writer to be

more credible if the readers are high in susceptibility to social influence. Also, readers high in susceptibility to social influence should have a more positive attitude toward an online product reviewer/blogger. In the initial study (see study 1 in Table 1) we manipulated the content (valence) of a blog review for a product. In one condition the product review was very negative and in other it was very positive. Participants (age M = 21, SD = 2.6, range = 18-40; 56% male) were randomly assigned to one of the two valence conditions. Participants' attitudes toward the blogger, SOSI, and SIIS were gathered.

As expected, there was a strong moderating effect of SOSI on the attitude toward the blogger ($\beta = -0.49$; $t = -2.07$, $p < .05$). Further follow up revealed that for the negative valence review, participants with low (1SD below mean) SOSI (M = 3.34) had significantly lower attitudes toward the blogger relative to those high on SOSI (1SD above mean: M = 4.4; $t = 4.2$, $p < .01$). Interestingly, and consistent with predictions, there was not a significant interaction of SIIS with valence on attitudes toward the blogger ($p > 0.05$). High susceptibility to online social influence positively impacted participants' attitudes toward the blogger/reviewer and, also, their perceptions of the content.

Table 1. Means, Variance, Range, Reliability and Sample Size

	Study 1	Study 2	Study 3	Study 4
Sample Size	281	329	173	159
Cronbach's α	0.91	0.90	0.91	0.91
Mean	3.64	4.84	3.45	4.96
Range	1.68	3.27	1.42	1.72
Variance	0.32	1.35	0.213	0.41

SOSI and Skepticism

In a third study it was postulated that individuals high in SOSI should not be as skeptical as those low in SOSI. In that study, participants' (age M = 21, SD = 4.1, range = 18 - 32; 55% male) skepticism (Obermiller and Spangenberg 1998), SOSI, and attitudes toward product were gathered. As expected, there was a strong negative correlation between SOSI and skepticism ($r = -.51$, $p < 0.01$) but there was no main effect of skepticism or the interaction of skepticism and SOSI on attitudes toward the product ($p > .05$).

SOSI and Product Knowledge

In a fourth study (n 159), the relationship between participants' (age M = 22, SD = 2.9, range = 22 - 44; 60% male) product knowledge (4 items, Cronbach's $\alpha = .85$) and SOSI was examined. Although it could be postulated that SOSI should have less, or possibly no impact on product perceptions when product knowledge is high, those results were not revealed (i.e., no significant interaction of product knowledge and SOSI on perceptions of the product or blogger/reviewer; the main, however, effects were significant). As expected, there was no correlation between SOSI and product knowledge, ($r = .11$, $p > .05$).

Discussion

A one-dimensional measure of susceptibility to online social influence (SOSI) was developed and its reliability and validity examined over four studies. A 9-item, reliable single factor scale emerged from the scale development and validation efforts. This finding is consistent with other studies of consumer interpersonal influence that have shown that items tapping normative and informational dimensions of susceptibility to interpersonal influence can be combined into an overall susceptibility scale (Bearden, Netemeyer, and Teel 1989).

Consumers' susceptibility to online social influence may vary based upon certain demographics (e.g., age, education) and/or other dimensions (e.g., time constraints, online experience). Regardless, there appears to be some consumers who are more influenced by what they read, hear, and see, intentionally or incidentally, on the Internet.

Additional studies are needed to further refine SOSI and to identify the various parameters that may be involved. In addition, it may be possible for marketers to utilize various frames (e.g., disclosures, endorsements) that may make their online messages more persuasive, especially to those high in susceptibility to online social influence.

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Summary Brief

Trial and Acceptance of Alternative Payment Infrastructures: Insights into Consumer Adoption

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The technology of paying at the point-of-sale with a smartphone is available, but has not yet been accepted by consumers or retailers in North America. Through consumer use of this technology, retailers could potentially capture granular data to further enhance consumer relationships. However, they are reluctant to invest in the technology to upgrade their store equipment until there is a wider acceptance by the consumer. Based on the Technology Acceptance Model (TAM), consumers will accept mobile payments when they perceive usefulness. Adopters are also influenced by the privacy calculus encompassing risk and benefits. The purpose of this study includes the aforementioned constructs and empirically tests the relationships, theorizing that intention to use the digital wallet is influenced by informal learning through perceived usefulness, as well as, the consumers' decision to balance the overall perceived benefits with perceived risk.

Introduction

Popularity of some technologies designed for consumers have realized mainstream use. For example, ecommerce, mobile banking and acceptance of mobile marketing have been increasing in popularity among consumers. However, the digital wallet has not been embraced by the consumer or retailer. The digital wallet provides the capability to function as a versatile application and includes direct payment to a retailer through mobile transactions using saved bank accounts or credit cards, membership cards, loyalty cards, gift cards, electronic coupons and travel cards (Shin, 2009). The digital wallet simultaneously offers benefits to consumers, as well as, retailers through impenetrable frameworks which safeguard credit information while allowing retailers to analyze comprehensive profiles of consumer behavior.

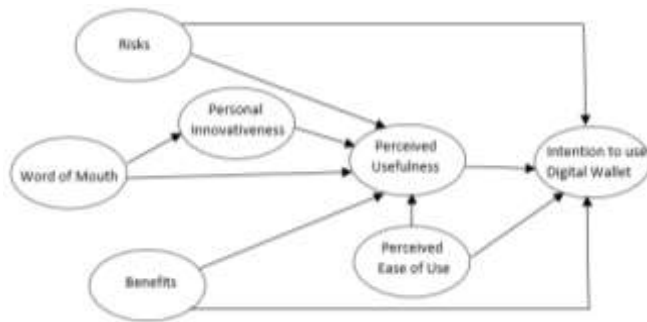
Numerous efforts have been made by major credit card companies (e.g. American Express, Visa), Google, Inc. and Isis among others, to secure a foothold in this technology offering. In addition to independent efforts by other organizations, retailers are in the infant stages of investing in an alternative mobile payment technology. Through a partnership known as Merchant Customer Exchange (MCX), retailers are establishing the opportunity to leverage technology capabilities offering benefits to the consumer and the organization. The digital wallet can provide convenience to the consumer while strategically gathering personal shopping data to meet the changing, personalized needs of consumers through targeted offers in real-time.

Background

Due to the recent introduction of the digital wallet, few studies have considered the relationships involved specifically to consumer mobile payment adoption or accompanying platforms by retailers. Technology innovation adoption has garnered significant attention in academic literature. Previous research focuses mainly upon mobile banking (Luarn and Lin 2005), mobile internet (Venkatesh, Thong and Xu 2012), e-commerce (Bhatnagar and Ghose 2004; Childers, Carr, Peck and Carson 2001; Dinev and Hart 2006; Kim, Ferrin and Rao 2008; Koufaris 2002), m-commerce (Chou, Lee and Chung 2004), location based services (Xu and Gupta 2009; Xu, Teo, Tan and Agarwal 2009), loyalty cards (Demoulin and Zidda 2009) and mobile coupons (Chiou-Wei and Inman 2008; Dickinger and Kleijnen 2008). Although findings from these articles are critical in the development of a theoretical framework, previous literature values the necessity of studies surrounding various technologies and boundary conditions (Lee, Kozar, and Larsen 2003). Elements involved with previous technology adoption studies are applicable to the current study and will serve as a foundation for the conceptual model. Due to the unique characteristics pertaining to the digital wallet, however, several facets need to be explored to capture a thorough understanding of a consumer's intention to use the technology.

To address the gap in literature, this research will seek to understand and empirically undertake a cross cultural study that explores the antecedents causing the delayed adoption of digital wallet technology. First, this study evaluates the factors that influence the consumer's perceived usefulness of the digital wallet. Second, in addition to payments, the digital wallet can function for several purposes which require the additional exchange of personal information. It is anticipated that there is the potential for consumers to react negatively to adoption based upon the amount of perceived security risk (Smith, Dinev and Xu 2011). The research will explore the privacy calculus and what, if any, additional services are likely to be perceived as beneficial by the consumer. The findings will have important implications for organizations, such as retailers, payment network providers and financial institutions, because they must make investments in the infrastructure and therefore need to understand the barriers to consumer acceptance. This study concurrently builds upon and extends literature within the consumer technology acceptance domain (Davis 1989), merging constructs with the consideration of privacy calculus (Culnan and Armstrong 1999; Dinev and Hart 2006). The basic theoretical model is depicted in Figure 1.

Figure 1



Conclusion

In conclusion, organizations are understandably cautious in accepting the financial risk of payment infrastructure overhaul that would be required prior to widespread adoption by consumers. The technology upgrade required to accept mobile payment will cost organizations billions of dollars. Thus, it is important to understand the mindset surrounding consumer adoption. Gaining insight on this behavior will equip firms with knowledge to encourage the adoption process by establishing the necessary foundation to reach consumers.

Organizations continue to face the burden of managing the data deluge to develop sustainable relationships with customers (Day, 2011). Through adoption of the digital wallet, retailers will be equipped with a substantive option to acquire and maintain extensive consumer purchase knowledge. Merchants that utilize the technology to hone in on consumers personalized needs through data mining will dually enhance overall customer value while establishing additional retailer capabilities.

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WHAT'S IN YOUR GROCERY BASKET? FOOD MARKETING AND POLICY

Summary Brief:

Health-Related Product Fluency and the Role of Deprivation

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When consumers' healthfulness-related product fluency is complicated by a product's ambiguous health profile, nutrition information will be utilized to attenuate these effects. However, food deprivation presents a critical boundary condition that reduces the motivation to process calorie and nutrient information. Results of an experimental study suggest that as the amount of nutrition information increases (e.g., calories only vs. full nutrition profile) and when consumers experience the physiological need for food, the effects on evaluations and behavioral intentions will become less favorable for both ambiguous foods. Because of recent legislative changes in menu labeling (FDA 2014), this research is directly related to changes in the restaurant service industry. Lastly, we offer potential implications that could be important for service providers, public policy makers, and consumers.

Introduction

Consumers use existing representations of healthfulness for understanding where food falls on the health continuum (e.g. "This salad contains vegetables, so it must be a healthy choice"). As a result, responses to information about the calorie and nutrient content of food are a function of consumers' health-related product fluency. If one's existing representations are an accurate reflection of the product's nutrition profile, then product fluency is high and the provision of nutrient-related information simply confirms expectations. Greater product fluency or accuracy in food health valuations will lead to an increase in positive perceptions (Lee and Labroo 2004). This finding dovetails with expectancy disconfirmation theory where more favorable evaluations result if objective nutrition information meets or exceeds expectations (Van Raaij 1991). However, if a person's fluency is complicated by the ambiguity of a product's healthfulness, he or she will be more likely to utilize relevant nutrition information to the extent that ambiguity is extenuated.

In this research, we highlight the specific conditions necessary to improve health-related product fluency, especially for food where multiple interpretations of the nutrition profile of a food item exist. We show that calorie information does *not* sufficiently inform consumers of the health and nutrition profile differences of ambiguous foods (e.g., chef salads loaded with meat, cheese, and dressing) and unambiguous foods (e.g., chocolate cake, salmon). Disclosing all relevant information, then, has a much greater positive impact on consumers' attitudes, evaluations, and purchase intentions. This information is especially critical given Section 4205 of the Affordable Care Act (FDA 2014; Burton and Kees 2012) and since only 34% of the top 300 chain restaurants provide any form of nutrition information (Wootan and Osborn 2006). Finally, we show that these effects are moderated by food deprivation-related motivation. People motivated by primary drives (i.e. a state of food deprivation also

known as hunger) are less likely to engage in the effortful processing needed to understand nutrient-relevant information.

Hypotheses

Consumers' health-related product fluency for food depends on knowing the food item's nutrition profile. The accuracy in health and nutrition estimations, then, is a good indicator of high fluency. In contrast, a food product where multiple interpretations or inaccurate estimations of a nutrition profile exist is ambiguous in nature and indicates low fluency. If consumers encounter a health-ambiguous food product the resulting low product fluency may negatively affect nutrition-related perceptions. Negative inferences will occur for ambiguous food product with either positive or negative nutrition profiles, suggesting our first prediction.

H1: The subjective ambiguity of a food product (versus no ambiguity) will result in reduced perceptions of nutritiousness regardless of its objective nutrition profile.

H2: The ambiguity of the menu item moderates the effect of a full nutrition disclosure. The effect of providing full nutrition information on (a) attitudes and (b) purchase intentions will be positive (negative) for unambiguous (ambiguous) food items.

Within the context of nutrition information, non-deprived individuals maintain greater motivation to engage in central route processing and, as such, are more likely to be influenced by the full disclosure of nutrition facts. For deprived consumers, low motivation to engage in effortful thinking is the result of the lack of significant personal relevance for nutrition information. Put differently, deprived individuals are most motivated by fulfilling their need or desire for food products. This motivation, then, hinders effortful processing of additional information such as nutrition facts. Formally, we expect the following:

H3: When food is unambiguous (nutrition fluency is high) and short-term food deprivation is not present (a) product attitude, (b) purchase intention, and (c) perceptions of healthiness are more favorable for menu items with full nutrition disclosure than menu items with partial nutrition disclosure (i.e. calories only). When food is unambiguous evaluations of weight gain likelihood will also be more favorable (i.e., lower) for menu items with full nutrition disclosure.

Method

A pretest was executed prior to our main study. Participants were asked to assess a wide variety of products. One hundred forty six respondents were presented with each of the food items and asked to estimate the caloric value for all 30 items. A significant difference between calorie information and calorie evaluations existed for the chef salad, $t(79) = 5.708, p < .001$. In addition, a non-significant difference between calorie information and calorie

evaluations for grilled salmon, $p > .73$. These findings suggest that chef salad is ambiguous (i.e., incongruent perceptions between *objective* nutritional values and *perceived* values) and the grilled salmon is *unambiguous*. Additionally, there was no difference in perceptions of nutritiousness between the chef salad ($M = 5.9$) versus salmon ($M = 5.8$), $t = .91$, $p > .05$, confirming the subjective ambiguity for both food products (H1).

The main study was a 2 (**deprivation**: present or absent) x 2 (**nutrition information provision**: calories only or full nutrition disclosure) x 2 (**ambiguity**: present or absent) between-subjects experiment. Calorie and nutrient levels on the menu board stimuli reflected actual values obtained from the USDA Nutrient database (USDA 2012). Participants were 231 adult consumers that are part of a web-based consumer panel. Participants were first required to answer a qualifier question in order to participate. The sample had a median income of \$40,000-49,999, and 89.6% had at least some college. Slightly more than one-half of the sample (55%) had a college degree. The majority of the sample was female (61%) and the mean age of the respondents was 34 years.

Results

As expected and shown in Table 1, the ambiguity of the food product moderated the effects of nutrition info disclosure for product attitude, perceived healthiness, and purchase intentions (p 's $< .001$) in addition to perceptions of weight gain likelihood ($p = .02$). The three-way interaction is significant for product attitude and purchase intentions (p 's $< .007$) and marginally significant for perceived healthiness ($p = .06$). Food ambiguity has no effect when only caloric information is provided, but including all relevant nutrient information (i.e., a full nutrition disclosure) significantly reduces product attitude and purchase intentions for the ambiguous menu item (chef salad and meat and cheese). Contrasts for the differences are significant (p 's $< .001$) when full nutrition information is provided for both product attitude ($F(1, 223) = 56.0$), and saturated fat ($F(1, 223) = 28.6$), but not when only calories are provided (p 's $> .1$), fully supporting H2.

Table 1. Effects on Consumers' Evaluations and Intentions

	Product Attitude	Perceived Healthiness	Weight Gain	Purchase Intentions
Main Effects				
Deprivation (D)	2.08	.207	.510	1.26
Nutrition Info (ND)	7.12****	2.19	1.28	7.01****
Ambiguity (AMB)	35.4****	176.3****	116.4****	13.8****
Interactions				
AMB x ND	21.6****	24.2****	5.5**	14.9****
D x AMB x ND	7.5****	3.43*	1.28	8.74****

Univariate F-values; **** $p \leq .001$; *** $p \leq .01$; ** $p \leq .05$; * $p \leq .1$

When non-deprived consumers evaluate ambiguous food products, low nutrition information disclosure is more favorable than low nutrition disclosure for purchase intention and health perception. These results show support for H3 for all evaluations except the likelihood of weight gain. We also anticipated that non-deprived individuals would display less pronounced differences for product attitude, purchase intention, and health perceptions for evaluations of ambiguous foods displaying low or full nutrition disclosure. As expected, contrast tests confirm this expectation for

purchase intention, with deprived individuals showing insignificant differences in evaluations between low and full nutrition disclosure ($F = 3.28$, $p > .05$). Contrasts also show support for product attitude such that deprived individuals show a difference between evaluations of low and full nutrition disclosure ($F(1,223) = 3.97$, $p < .05$) but this difference is less prominent than that of non-deprived individuals.

Summary

Our findings extend prior research on nutrition disclosure in several ways. First, the results provide evidence of the interactive effects of nutrition disclosure and the disconfirmation of nutrition expectations- at least when objective nutrition information is not available or accessed. This result suggests that partial nutrition disclosure; particularly calories only, may be misleading and cause consumers to positively evaluate unhealthy low calorie foods. Second, results show that short-term food deprivation moderates the interactive effects of nutrition disclosure and the disconfirmation of nutrition expectations. This suggests that full nutrition disclosure will be less impactful for persons experiencing short-term food deprivation. Third, our research extends findings from prior research on the motivational effects of short-term food deprivation. Namely, persons that experience short-term food deprivation are less motivated to consider full nutrition disclosure than non-deprived persons. Lastly, our results suggest that perceptions regarding the likelihood of weight gain do not differ for individuals faced with ambiguous food choices, regardless of partial or full nutrition disclosure.

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Summary Brief

COOL Effects: How Does Country-of-Origin Labeling on Meat Products Affect Purchase Intentions?

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The United States Department of Agriculture's Agricultural Marketing Service (AMS) mandates specific country-of-origin labeling be included on all muscle cut meat products and other covered commodities. These labels must specify the country in which each animal was born, raised, and slaughtered. Using the heuristic-systematic information processing model, this study focuses on how country-of-origin labeling (COOL) is used as a cue that, when processed heuristically, activates inferences of food safety, taste, and food freshness and how these inferences affect purchase intentions. An experimental study, conducted with a national sample, revealed that potential consumers are more likely to purchase meat labeled as born, raised, and slaughtered in the United States compared to Mexico. This effect is mediated by perceptions of safety, taste, and freshness.

Introduction

Retailers are now required to notify their customers of the country-of-origin of meat products and covered commodities. Specifically, all muscle cut covered commodities slaughtered in the United States (U.S.) must include more specific information regarding its origin, which includes the country in which the animal was born, raised, slaughtered. The specific purpose of this ruling is to provide customers with specific information for their use when making purchasing decisions of covered commodities (*Federal Register* 2013).

Despite the purpose being to assist consumers in purchasing decisions (*Federal Register* 2013), the COOL requirements have received many criticisms, including those addressed in the final ruling by the AMS. One such criticism is that there is little evidence supporting the notion that consumers benefit from COOL (*Federal Register* 2013; Tonsor, Lusk, Schroeder, and Taylor 2013). For example, commenters reference a study which finds that typical U.S. residents ignore origin information and do not value products of the U.S. more than products of North America (Tonsor, Lusk, Schroeder, and Taylor 2013). Yet, other studies have found that the COOL of meat products influences consumers' attitudes (Mennecke, Townsend, Hayes, and Lonergan 2007) and willingness-to-pay (Umberger, Feuz, Calkins, and Sitz 2003). The inconsistencies surrounding the effects of COOL, the lack of research on effects of COOL on purchase intentions of meat products, and the possible mechanisms through which COOL affects purchase intentions warrants further investigation.

Given the current concern with COOL on meat products and other agricultural commodities, the purpose of this research is examine the extent to which the country-of-origin (COO) of a meat product impacts Americans' purchase intentions through three mechanisms (food safety, taste, and freshness) by

manipulating the COO on the labels for two types of meat products (beef and chicken). The U.S. and Mexico were specifically examined to address the claim by commenters on the AMS ruling (*Federal Register* 2013) and the findings by Tonsor et al. (2013) that consumers do not value U.S. meat over North American meat. Using the heuristic-systematic model of processing (Chaiken 1980) framework, we propose that COO is used by consumers as a heuristic when evaluating the food safety, taste, and freshness of meat products.

Hypotheses

The heuristic-systematic processing model (HSPM) offers a framework for how COOL influences purchase intentions. Burton, Cook, Howlett, and Newman (In Press) have used this framework when examining the positive and negative health perceptions of beef versus chicken. The researchers find that when the healthfulness of food products is evaluated heuristically, "preexisting biases" can impact health evaluations. We suggest that the same phenomena exists for COOL, such that when consumers heuristically evaluate meat products, the COO is used as a cue that activates inferences about the meats attributes such as the safeness, taste, and freshness. These inferences may then influence overall purchase intentions. Formally, we predict:

H1: The country-of-origin labeling of a) beef and b) chicken products affects purchase intentions, such that purchase intentions will be higher for beef and chicken labeled as born, raised, and slaughtered in the United States compared to Mexico.

H2: The country-of-origin labeling of beef and chicken products affects perceptions of a) safety, b) taste, and c) freshness, with beef and chicken labeled as born, raised, and slaughtered in the United States being perceived as safer, tastier, and fresher than beef labeled as born, raised, and slaughtered in Mexico.

Perceived safety, taste, and freshness should positively influence purchase intentions. That is, perceived safety, taste, and freshness will mediate the relationship between COOL and purchase intentions. Formally, we predict:

H3: The perceived a) safety, b) taste, and c) freshness of beef and chicken products will mediate the effect of country-of-origin labeling on purchase intentions.

Methods

A 2 (COOL: U.S./Mexico) x 2 (Meat type: beef/chicken) mixed-factorial design was conducted online. COOL was a between-subjects factor and meat type was a within-subjects factor. Participants were randomly assigned to one of the COOL experimental conditions and presented with both types of meat packages. After viewing the stimuli, participants responded to four

sets of multi-item measures: perceived food safety, perceived taste, perceived food freshness, and purchase intentions. All measures had acceptable reliability.

Results

To test H1 and H2, the data were analyzed using a mixed-factorial ANOVA in which COOL (U.S./Mexico) served as a between-subject factor and meat type (beef/chicken) was a within-subjects factor. Supporting H1, the results show a main effect for COOL on purchase intentions, such that respondents were more likely to purchase meat labeled as born, raised, and slaughtered in the U.S. compared to Mexico ($M_{US} = 5.19$ versus $M_{MX} = 3.07$, $p < .001$). Specifically, purchase intentions for beef ($M = 5.23$) and chicken ($M = 5.09$) from the U.S. were significantly higher than purchase intentions for beef ($M = 2.99$) and chicken ($M = 3.17$) from Mexico (p 's $< .001$). There was not a significant difference in purchase intentions of beef in comparison to chicken ($p = .98$). Supporting H2, meat from the U.S. was perceived to be significantly safer ($M_{US} = 5.06$ versus $M_{MX} = 3.67$), tastier ($M_{US} = 5.61$ versus $M_{MX} = 4.64$), and fresher ($M_{US} = 4.83$ versus $M_{MX} = 3.88$) than meat from Mexico (p 's $< .001$). This pattern of results was significant for both beef and chicken, such that the interaction of COOL and meat type is not significant on purchase intentions, safety, taste, or safety.

To test H3, we used model 4 of PROCESS with 10,000 bootstrap samples (Hayes 2013). We ran two separate blocks: one for beef and the other for chicken. For beef, the results indicate positive indirect effects of COOL on purchase intentions through safety (Indirect effect (IE) = .84), taste (IE = .33), and freshness (IE = .88), such that the bias-corrected 95% bootstrap confidence intervals (CIs) for all of the indirect effects were entirely above 'zero.' For chicken, the results show a positive indirect effect through taste (IE = .54), such that the bias-corrected 95% bootstrap CI was above 'zero.' However, the indirect effects through safety (IE = .46) and freshness (IE = .13) did not reach significance. Results reveal the total indirect effect of COOL on purchase intentions was significant for both beef (IE = 1.32) and chicken (IE = 1.13), such that the CIs did not contain zeroes. Thus, H3 is fully supported for beef and partially supported for chicken.

Discussion

Given the final ruling by the USDA's AMS that now requires labels of meat and poultry products to specify where the animals were born, raised, and slaughtered (Federal Register 2013), it is important to understand the effects of COOL on consumers' purchase intentions. Extant literature (Tonsor, Lusk, Schroeder, and Taylor 2013) and comments on the final ruling (Federal Register 2013) suggest that consumers do not utilize COOL when purchasing meat and covered commodities. Considering the stated objective of this ruling is to provide potential consumers with specific information to use when making purchasing decisions of meat products and other covered commodities (Federal Register 2013), it is critical to understand the effects of COOL on perceptions and purchase intentions.

The findings of our experimental study show that COOL has an impact on purchase intentions by influencing perceived safety,

taste, and freshness. If a meat product is labeled as having been born, raised, and slaughtered in the U.S. compared to Mexico it is perceived to be safer, tastier, and fresher. For beef, these characteristics positively affect the purchase intentions of potential consumers. The findings are similar for chicken; however, for chicken, safety and freshness are not supported as mediators in the parallel model. These findings suggest that safety, taste, and freshness are important to consumers when evaluating meat products and that these characteristics are influenced by COOL and have an effect on purchase intentions.

The recent COOL requirements appear to be effective in providing consumers with additional information that influences their purchasing decisions. The requirements influence perceptions of safety, taste, freshness, and affect purchase intentions, such that meat products from the U.S. are perceived to be safer, tastier, and fresher than meat products from Mexico. These perceptions are positively related to purchase intentions, such that the safer, tastier, and fresher the meat is perceived to be, the more likely potential consumers are to purchase the product.

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Full Paper

California Proposition 37: Did Political Orientation and Economic Self-Interest Affect the Outcome?

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While the countries of the European Union have adopted a policy of mandatory labeling of GM content the United States has followed a policy of voluntary disclosure. California Proposition 37 called for the implementation of mandatory labeling of GM foods within the state and has major implications regarding policy in the rest of the United States. This paper examines the literature regarding national policies toward GM food labeling. The results of the recent election in California are presented and two hypotheses are posed. First, is political orientation in the form of support for environmentalism and consumer rights issues linked to support for Proposition 37. Secondly, is economic self-interest associated with rejection of Proposition 37. A correlation and multiple regression analysis strongly suggest the impact of these independent variables on the election outcome. The implications for policy changes regarding mandatory GM food labeling in the United States are explored.

Introduction

The process of genetic modification, defined as "any change to the heritable traits of an organism achieved by intentional manipulation" (Health Canada 2003), has been encircled by heated debate since genetically modified organisms were first introduced in the manufacture of medicinal products in the 1980s. Genetic modification of food and food products further intensified the debate surrounding genetic modification. The far-reaching impact of food and the broad need to fulfill human and livestock nutritional requirements ensure the debate will continue to attract critical interest. In turn, the controversy about the genetic modification of food has created differing views regarding labeling policies for genetically modified (GM) foods. This debate regarding GM food labeling policy together with low public understanding and consumer awareness has brought about a divide over GM food labeling policies between proponents and opponents of GM foods, including governments, individual companies and activist groups (Azadi and Ho 2009).

Underlying the divide in the GM food labeling debate is the fact that the primary objective of GM labeling is to provide consumer information, not food safety (Gruere and Rao 2007). The rationales supporting the provision of consumer information differ depending on the type of regulation adopted. Significant debate has addressed whether GM food labeling supports the principle of consumer autonomy (White and Veeman 2007), which is usually associated with product labeling (Siip and Uusitalo 2011). Labeling policies focused on the production process are supported by the belief that purchase decisions are based, not only on product related issues, but on environmental, religious or ethical concerns (Gruere and Rao 2007).

National policies regarding GM food labeling fall largely into one of two camps: mandatory labeling of GM products or

voluntary labeling of non-GM products. The most common illustration of labeling of non-GM products is the use of designations such as "natural" or "organic". The United States and Canada have adopted a policy of voluntary labeling of non-GM products while the European Union, Japan, Russia, and Australia have endorsed the mandatory labeling of GM products (Gruere, Carter, and Farzin 2009).

California Proposition 37 represented one of the first and certainly one of the most substantial challenges to current United States policy regarding GM food labeling. It does represent one of the first popular elections on GM food labeling policy. This paper analyses the results of the election at the county level and attempts to determine if political orientation and economic self-interest played a role in the outcome of the election.

This paper consists of four major components. The first part of the literature review examines the scope of global trends in government-mandated GM food labeling policies. The second section of this paper specifically examines the content of California Proposition 37. After examining the research setting, this study seeks to determine if political orientation and economic self-interest affected voting. Finally, the paper discusses the implications of Proposition 37 on United States policies on the labeling of GM foods.

Literature Review

The prevailing divide regarding GM food labeling policy between those countries which require mandatory labeling and those which have adopted a voluntary labeling policy can be traced back to the initial commercialization of GM food technology in the early and mid-1990s. Over the intervening years, more than 40 countries have adopted labeling requirements for GM food. These policies largely reflect the opening positions of the two contrasting parties – the United States and the European Union (Gruere, Carter, and Farzin 2009).

In the United States, the Food and Drug Administration ruled in 1992 that the emerging GM foods were "substantially equivalent" to their non-GM predecessors and thus not subject to labeling requirements or regulation (Pollan 2012). However, the underlying technology behind GM food technology was deemed to be unique and subject to patent protection. Thus, in the United States a policy developed which separated the process of GM technology from the actual product itself (Siipi and Uusitalo 2011). By way of contrast, in a 2001 ruling the Food and Drug Administration allowed for the voluntary labeling of organic and natural foods – in effect, logically combining the process and the product but only for non-GM products. Canadian policy regarding GM food labeling has evolved along similar lines, offering a marketplace where there are no mandatory requirements for the labeling of foods containing GM ingredients but where the

voluntary labeling of non-GM foods is allowed (Gruere, Carter, and Farzin 2008). The net effect of this policy has resulted in a marketplace in which GM foods are widely available yet awareness on the part of the consumer that the foods that they are purchasing have been genetically modified is relatively low (Premanandh 2011).

On the other hand, the European marketplace for GM food evolved in a completely different manner. Unlike the United States, the European Union (EU) adopted a relatively cautious stance regarding the emerging GM food technology and implemented a moratorium on the production and distribution of new GM products coupled with a mandatory requirement that existing GM food products be labeled (Carlsson, Frykblom, and Lagerkvist 2007). The imposition of this EU ban on the distribution of new GM foods applied, of course, to imported products as well and served as the impetus for a challenge to the policy by the major exporters of GM based grains and crops. The United States, together with Canada and Argentina, filed a complaining action with the World Trade Organization in 2003 holding that the EU moratorium on newly developed GM products was a violation of previous free trade agreements and amounted to an illegal restraint of trade. In response, the EU then adopted a mandatory labeling policy requiring that any food product containing in excess of 0.9% GM contents be labeled as such (Carlsson, Frykblom, and Lagerkvist 2007). In addition, the EU also adopted a process governing the introduction of new GM food products in which approval must be obtained from the European Commission in consultation with the European Food Safety Authority. If approval is given, the new GM food product is then subject to confirmation by a committee of national experts and their respective environmental ministers. If this confirmation is not obtained, the matter of approval then returns to the European Commission for a decision. However, this is not an ultimate decision as each of the individual countries can then overrule the decision of the European Commission and institute a ban on a national basis (Carlsson, Frykblom, and Lagerkvist 2007). The net effect of this set of regulatory procedures combined with the mandatory labeling policy in the European Union has resulted in the near absence of GM food products in the retail marketplace (Siipi and Uusitalo 2011).

Many researchers have noted the relationship between GM food labeling policies and international trade patterns. Gruere, Carter, and Farzin (2009) reported that major producers of GM crops tend to have less stringent labeling policies more closely resembling the policies of the United States and Canada while major importers of agricultural products tend to have more stringent labeling policies. Consequently, major exporters of agricultural products to the EU have a higher probability of adopting mandatory GM food labeling practices. This can be seen in the relatively more stringent policies in countries such as South Africa, Turkey, Brazil, Australia, and New Zealand.

Countries in Asia appear to be following a similar pattern. Japan was an early adopter of mandatory GM labeling policies, largely as a result of political activism from consumer and farming groups. As of 2001, all products are required to be assessed for GM content before entering the Japanese marketplace and GM labeling is mandatory (Kim and Boyd 2006). Japan is a major food importer and its consequent trade patterns in agricultural products have resulted in GM labeling throughout much of Asia. China, Japan, Hong Kong, Indonesia, Philippines, South Korea, Taiwan, Thailand, and Vietnam have all adopted GM labeling policies

whether mandatory or voluntary (Gruere, Carter, and Farzin 2009).

Proposition 37 and the November 2012 Election

According to the official website of the California Secretary of State, Proposition 37 would explicitly require the regulation of genetically modified foods sold at retail locations such as grocery stores but not at restaurants. The measure would require that processed foods produced entirely or in part with genetically engineered technology be labeled with the words “Partially Produced with Genetic Engineering” or “May be Partially Produced with Genetic Engineering”. Proposition 37 also required that raw foods such as fruits and vegetables with GM origins contain the label “Genetically Engineered” on the packaging or if there is no packaging the mandatory label must appear on the shelf where the item is displayed. Furthermore, for each product that is not labeled as GM, a retailer generally must be able to document why that product is exempt from labeling. Other entities throughout the food supply chain (such as farmers and food manufacturers) would also be responsible for maintaining these records (California Secretary of State 2012).

Proposition 37 did include several prominent exemptions. For example, alcoholic beverages such as wine and beer, restaurant food and other prepared foods which are intended to be eaten immediately would not have to be labeled. Animal products that were not directly produced through genetic engineering, such as beef, dairy products, and poultry, would also be exempted, regardless of whether the animal had been fed GM crops (California Secretary of State 2012).

The election was characterized by heavy expenditures from the major food and agriculture firms. Monsanto, Kraft, Coca-Cola, Kellogg and others invested approximately \$41 million in the effort to defeat Proposition 37. Opponents of the mandatory labeling provision argued that passage of the measure would result in higher economic costs which would be passed on to consumers. The results of a study commissioned by opponents estimated that passage would result in a \$400 increase in food cost for the average household (Wall Street Journal 2012). Both the San Francisco Chronicle and the Los Angeles Times editorialized against passage of Proposition 37. In their pre-election edition the San Francisco Chronicle (2012) noted that “the main problem with Proposition 37 is that it invites citizen lawsuits as a primary means of enforcing the labeling law”. In addition, the editorial also argued that voter-passed initiatives have a significant disadvantage in that they can only be modified through the proposition process. The Los Angeles Times (2012) also found fault in the enforcement of the measure: “Most of the burden for ensuring that foods are properly labeled would fall not on the producers but on the retailers – a mandate that could make it hard for Mom-and-pop groceries to stay in business”.

Proposition 37 was defeated by a state-wide margin of 51.4% against and 48.6% for. Overall, 6,088,714 California voters supported the measure while 6,442,371 were opposed to Proposition 37. Inland and traditionally more conservative counties such as Napa, Solano, Sacramento, San Joaquin, Merced, Fresno, Kern, San Bernadino, and Riverside are far more reliant on agriculture and were strongly opposed to Proposition 37 (California Secretary of State 2012). Given this reliance on agriculture, the following hypothesis is presented.

H1: Economic self-interest is positively associated with negative attitudes toward Proposition 37.

The results of the November 6, 2012 election suggest that traditionally liberal and coastal counties such as Humboldt, Marin, San Francisco, Alameda, Santa Cruz, Monterey, and Los Angeles strongly supported the measure. Conceptualized as a formal hypothesis, this study seeks to determine if a political orientation centered on health-related concerns, environmental concerns, and the rights of consumers to product information led to positive attitudes toward Proposition 37.

H2: Political orientation centered on health-related concerns, environmental concerns, and the rights of consumers to product information is associated with favorable attitudes toward the measure.

Research Methodology and Analysis

Our first hypothesis poses the question: Did economic self-interest in the form of reliance upon agriculture affect Proposition 37 election results? To answer this question, the latest available results for agricultural production on a county-by-county basis were compiled utilizing the data from the California Agricultural Statistics Review (2013). Per capita agricultural production was calculated utilizing statistics from the latest census (US Census). Per capita agricultural production was chosen as a surrogate for the economic self-interest at the county level. An analysis of correlation was then conducted between the measure of economic self-interest and county-by-county voting results on Proposition 37. The correlation coefficient is an index number constrained to fall between -1.0 and +1.0 and the strength of the association is communicated by the absolute size of the measure. In this case the correlation coefficient was found to be 0.414 indicating a substantial association. The statistical significance of the correlation coefficient was found to be highly significant at the 0.001 level. Given the results, the first hypothesis – that economic self-interest was associated with negative attitude toward Proposition 37 – is accepted.

The second hypothesis asks whether political orientation centered on health-related concerns, environmental concerns, and the rights of consumers to product information was associated with election results. To test the hypothesis, the results of the 2012 Presidential elections were used as a surrogate for political orientation. In a similar fashion to the preceding analysis, a correlation analysis was then conducted. The results of this analysis indicated a correlation coefficient of 0.786 with a significance at the 0.001 level. Consequently, the political orientation variable was found to have a very high correlation with voting behavior on the GM labeling measure.

A regression analysis was then conducted utilizing the two independent variables of economic self-interest and political orientation. The dependent variable was, of course, the voting outcome of the Proposition 37 election. The adjusted R Square indicates that the strength of the relationship between the independent variables and the dependent variable is 0.643, indicating that a linear relationship is present. The ANOVA F is 52.266 with a highly significant 0.001, indicating that it is justifiable to utilize a straight-line relationship to model the variables. A test of the statistical significance of the betas for the variables was then conducted. The beta for the economic self-interest variable was found to be 0.204 with a significance of 0.017 and the beta for the political orientation variable was found to be 0.727 with a significance of 0.001.

Conclusion

California Proposition 37 was the first general election on the future of GM food labeling in the United States. An analysis of the November 2012 election results strongly suggests that political orientation and economic self-interest played a major role in the outcome of the election. While an analysis of political orientation by itself would have suggested that California Proposition 37 would have been passed, the additional effect of economic self-interest seems to have been critical in determining the defeat of the mandatory GM food labeling measure in California. Although this was the first popular election on the future of GM labeling in the United States it is doubtful that it will be the last.

The recent defeat of California Proposition 37 at the ballot box leaves a situation where three potential outcomes are possible. The first of these is the continuation of the status quo. In this scenario, there would be no mandatory GM food labeling though the voluntary labeling of non-GM food would be allowed. The second possibility encompasses additional legislative or electoral challenges at the state level to the existing paradigm of voluntary labeling. Legislatures in approximately 20 other states have proposed GM food labeling regulations though none has become law. One of the major concerns of the biotechnology industry was that passage of California Proposition 37 would result in a patchwork of regulations at the state level across the United States. Such an outcome would necessitate different labeling requirements for individual states (Wall Street Journal 2012). Since differing state labeling regulations would invariably place a burden on interstate commerce, Congress would eventually invoke its powers under Article IV of the U.S. Constitution and enact uniform labeling regulations. As ruled by the Supreme Court in the 1942 *Gibbons vs. Ogden* decision, the Commerce Clause regulates activities that “substantially affect interstate commerce”, and when there is a state law that impedes interstate commerce, Congress has the power to preempt state law and enact a law that is uniform across the nation (Miller and Jentz 2008). But this process can take years to flesh out placing significant burdens on state legislatures and the state and federal court system as well as the agricultural industry. Accordingly, the third possibility is for Congress to enact labeling legislation in a proactive manner.

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SMA DISTINGUISHED TEACHING COMPETITION

SMA Distinguished Teacher Comment

Sometimes It Takes a Moment...

Ronald Kuntze, University of Tampa

Revisiting My Teaching Philosophy

Sometimes it takes a moment to understand the importance of what we do in the classroom. After 15 years of teaching full time, I decided this competition would be a good excuse for me to revisit my 'teaching philosophy.' I'm also going up for 'full' this year, and thought that this might be a good exercise for a now aging marketing professor.

I earned my doctorate fairly 'long of tooth,' having been in industry for over a decade. My part-time teaching relied on a heavy dose of "this is reality kids....ignore those other folks in their Ivory Tower." My earliest written teaching philosophy dutifully claimed that my pedagogy revolved around four precepts: energy, reality, respect, and assessment. Although today I think this reads like a bumper sticker for the president of the AACSB—I do like the idea I stated in this first iteration that "years after the classroom experience, few students can remember much content; but we all remember the energy the instructor brought to that class." I'm pretty sure I got that one right.

In the early 2000's I fell in love with what is now known as 'experiential learning' (still a fan), and peppered my classes with lots of creative writing and thinking exercises, visits to the mall for intensive store analyses, and real-world clients with real-world problems that my students could dig into. As I grew older, I morphed from local small businesses for these projects to non-profits. I felt the students could offer non-profits more real value; and hoped I was doing something to help the community. A University press release proclaimed: "*Kuntze likes to integrate local firm projects into the classroom experience. His students have successfully researched problems for numerous Tampa Bay and Boston firms and developed and implemented practical solutions.*" Sounds impressive to me, buy that man a beer!

But while looking through these numerous teaching documents; I found an article I wrote in 2002 for the SMA's 'Innovative Teaching Comment' (I was a finalist!). In it, I talked about teaching to a broader demographic—the challenges of reaching many students who are first generation college kids, and to be honest, first generation critical thinkers. I wrote about 'teaching to the middle,' rather than the 'grooming of future superstars.' I discussed how important it was to have a sense of humor and search for examples in their everyday lives that might better resonate with them than textbook examples.

Maybe it is my blue-collar roots, or the fact that I was the first (and still only) kid in my family to complete a degree-- that

drives me to reach out more to those that struggle a bit academically. Maybe it's because I almost flunked out of graduate school at the University of Michigan, until I discovered Marketing was something I liked and was pretty damn good at. Maybe it's because I was voted class clown in High School and still use humor to connect with students in the classroom—but now from the front, rather than sniping from the back. A recent outside review of my classroom performance sort of captures this: "*The whole time he walked around the students were laughing and going back and forth with him- his style is very animated. He enjoyed the witty banter as the students joked with him, which clearly they felt comfortable doing because of the environment he created for them.*"

It Takes a Moment...

This year, my students and I unfortunately had to take pause and I began to understand how a teaching style can resonate beyond the classroom. Paul Badro, one of those 'everyman' kind of students in my class, was killed tragically in a motorcycle accident mid-semester. Paul was not an academically gifted student—had a middling GPA—but he was quite a cut-up and had a penchant for making clever comments and witty retorts (to me, particularly). He reminded me of myself. The class after he passed, some of his buddies approached me and told me that he had finally, in his senior year, found his 'calling.' He had come to the conclusion that he wanted to be a marketer- mainly because he thought I was a 'pretty funny guy.' I was really touched of course, but not nearly as much as when his dad came to campus for a memorial and sent me a card that said "*he talked about one professor in particular, whom he took multiple classes from, Dr K, —he gave him much praise*"—it brought more than a single tear to my eye, as you can imagine. His best friend confided in me later that his parents were so proud that their son had finally begun to 'excel' at college and had found his niche. So it's not the pedagogical precepts that we so labor to develop that drive our contribution—it's just something as simple as having a sense of humor and being able to 'work the room' a teaching philosophy isn't such a tricky thing after all—maybe we just need to be ourselves.

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SMA Distinguished Teacher Comment

Using Science to Build Student's Communication Skills

D. Joel Whalen, DePaul University

Teaching Philosophy

When we are at our best, Marketing faculty teach more than ideas and theories. We lead our students through active learning experiences to give them the skills and attitudes they need to be successful. While we do inculcate knowledge: terms, models, and concepts—we teach Marketing's basics as tools to achieve higher learning goals: Building students' skills and attitudes.

Setting Learning Objectives Of course, it's our responsibility to decide what our students will learn. We do this by actively engaging with marketing and sales practitioners. Certainly, we must teach the classic fundamentals; And, we must innovate to keep our teaching *marketplace fresh*. The competitive landscape is constant evolving; so must we.

Our teaching must last Ideas with a short shelf life do not serve our students well. We must anchor our innovations in theory to extend their utility. We should not devote our efforts to teaching fads—what is only *Wow and Now*. Today, our students are inundated with marketing and sales ideas via blogs, articles, and books written by untutored bloviators. They are swimming in a sea of misinformation. We must be aware of the half-baked, or worse, incorrect information they have received and correct it.

Favorite teaching metaphor

Envision a wide river with the learner on one shore and knowledge/skills across the river on the far shore. We are the engineers who design a bridge of learning experiences that takes the learner to the other shore.

The difficult part is not building that bridge—We're great bridge builders. The hard, critical task is to know exactly where the learner is standing on his/her shore, so our bridge can meet them: What they currently know, believe, and are able to do.

The skilled teacher understands what students *know, believe*, and are capable of *doing* the first day of class. Thus, we can design learning interventions to teach them the knowledge, skills, and attitudes they need to be successful.

I use the Confucian Teaching model to design learning interventions, and classroom experiences. "Tell me and I'll forget; Show me and I'll remember; Have me do and I'll understand."

Teaching Innovations: Communication

I've taught a range of marketing classes including principles, research, advertising, and sales. For the past two-decades I've devoted my efforts to teaching effective business communication.

The problem Extant communication training is based upon Aristotelian methods that emphasize *the words one says*: Rhetoric, argument, and logic. Students are prepared for a college debate or a courtroom presentation, *not business communication*.

The old school methods teach what to say, how to gesture, how to stand, how to move. The result is a shambles. The learner becomes a marionette. When speaking using those methods, students look artificial and feels uncomfortable. **Worse:** learners are encouraged to argue their points—not an effective strategy for business wherein the goals are problem solving and building long-term trust relationships. Shortly after the training ends, the learners abandon the methods (s)he was taught because they were useless. We need a better way.

Creating solutions from science Abandoning the Aristotelian approach, I began to explore communication science, psychology, theatre, and neurobiology for ideas. From that basic science, I've created a system of learning that builds students' speaking and e-communication skills. Following my methods, students learn to package messages, and manage their anxiety and attitude when communicating.

Testing and development Starting in 1994, I enlisted 65 DePaul's Kellstadt Graduate School alumni to help me develop exercises. We tested these learning interventions with 2,700 MBA candidates over three years. We followed Thomas Edison's approach: We'd try a method in Monday's class, revise it that night, then try another idea in Tuesday's class. Eventually we found the secrets: Learning experiences that actually make people better business communicators. Students were able to think and speak well, under pressure. Later, as eCommunication and networking emerged, we added techniques for eMail and social media, and navigating networking events.

Today, *Effective Business Communication* is a set of lectures, books, classroom videos, in-class demonstrations, alumni demonstrators, exercises, assignments, networking events, learning collateral, classroom management techniques, and grading methods. Students enjoy Distance Learning on the Internet through Hit-Play.net offering eBooks and over 50 videos.

Teaching the teacher I've codified our teaching method to insure high uniform learning across all faculty/sections: 95-percent of students meet class learning objectives. Before leading a class each professor completes 100-hours of training to be certified to teach *Effective Business Communication*.

At DePaul I supervise a team of 15 Faculty. Our class is required for all 4,600 business undergraduate students and several graduate business concentrations including DePaul's full-time MBA program.

Today, over 100 University Faculty have been certified to teach the *Effective Business Communication* method. My techniques are taught at universities around the world.

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**ADOPTING EXPERIENTIAL LEARNING INTO THE MARKETING
CURRICULUM**

Summary Brief

Active Experiential Learning through the use of Internal Clients

Pushkala Raman, Texas Woman's University

Students gain substantial real world experience through the use of research projects. This article describes the use of real projects in a marketing research undergraduate class. The innovative aspect of this research project is the use of internal clients drawn from the academic and non-academic units of the University. The projects take the students through all the steps of the research process. Students are also evaluated on how they handle themselves, their interactions with the clients and each other, and their problem solving skills. This innovation provides an opportunity for active co-operative learning in the classroom.

Introduction

This paper presents an experiential learning project in an undergraduate class in Marketing Research. It is a twist on the time honored tradition of using a project based approach to learning. The distinctive features of the projects that I use are: (1) the clients are drawn from the administration, staff and faculty of the university; (2) project success is evaluated by the clients and the professor; and (3) students evaluate their own performance. The tenets of this course are in line with experiential learning theory which emphasizes the need to engage students in the process of learning and adaptation to the world (Kolb and Kolb 2012.)

Description of the Experiential Learning Project

Membership based organizations are typically not-for-profit entities that are also continuous service providers. Examples of these include Chambers of Commerce, professional organizations and societies like the Society for Marketing Advances (SMA), neighborhood associations and clubs such as the Rotary or Kiwanis. These organizations face the constant struggle of retaining members. Unlike for profit continuous service providers, membership organizations have a membership fee which is part of the formal contract. The membership fee could be tiered depending on the benefit levels chosen. The challenge confronting such organizations is to recruit and retain members and increase member involvement in the organization's activities.

The core of the undergraduate Marketing Research course is a research project that walks the student through the entire research process. In this, it is similar to other project based courses. The innovative aspect of this project based course is that the clients are part of the university. Using internal clients is innovative because of the following reasons:

- The students have a vested interest in working for a University department/facility. This increases their level of motivation.

- Students get to learn about aspects of their University which they may not have known about before.
- The University benefits from free marketing research.
- Students have unlimited access to their clients.

In all cases, the populations under study are the faculty, staff and students of the University. Because we are part of the University, we have access to the required sampling frames and to the respondents. This increases the response rates to surveys, participation, and therefore, the value of the study. Client feedback is requested and provided and becomes part of the evaluation process. In cases where recommendations are implemented, students are able to see the implementation in action even after they are done with the Marketing Research course.

Motivations and Learning Outcomes

The primary motivations were: (1) to provide students with firsthand experience of a real marketing research project and (2) to find a project where students were motivated to do their best and where they could make a meaningful difference. The project also contributes to certain key learning outcomes that have been identified in the literature as important objectives for business courses.

The Project and Integration with the Course

The format of the class is part lecture and part group work. A key component of the success of this innovation is making all students in the class aware of the different projects and getting them to participate in the development of each of these research projects. This is accomplished by gearing every lecture to address the issues being faced by each student group during that week and getting each group to share their current status with the rest of the class. The former personalizes the lecture content. The latter provides students with an opportunity to bounce ideas off a peer group. Seeing how different projects are shaping gives students a perspective on research in use and furthers understanding of how theoretical concepts and tools are applied in practice. For instance, students are asked to present their proposed research design. The other students are invited to provide constructive criticism. This enhances the learning process. Very often, experiences of one group are transferable, and this raises the quality of all projects. This approach cultivates cooperative learning with all class members contributing to each other's learning experience (Laverie 2006; Millis and Cottell 1986). Consistent with Berger (2002), active in-class learning promotes a deeper understanding of the subject.

Measuring Learning Outcomes

The overall assessment for the entire course is based on the group project, four homework assignments designed to assess learning of tools, and two exams intended to assess learning of theoretical concepts. The exams are non-cumulative. The first exam is administered one month after the semester begins. The second exam is administered at the end of the second month. There is no final exam.

Group projects are often plagued by non-participation from some members. This problem is practically non-existent in this teaching innovation because almost all the group work is done in class. This enables me to keep a close watch on each individual's performance. Also, I have found that this innovation works best with two or three members to a group. Attendance is taken at every class meeting and a sliding scale is used for grading attendance. Students appreciate the attendance check because they realize that group members who are not present, and therefore do not contribute, are penalized. During the semester, two class periods are set aside for group meetings with the professor. During that time, the groups have to come to my office. I use these meetings to evaluate progress and take necessary corrective action. The success of this innovation depends on getting started on the project very early in the semester. A well-organized plan including setting of deadlines, arranging for the projects and meeting with the clients before the start of the semester can ensure greater success with this innovation. Student feedback has been extremely positive. They agree that they have to put in a lot of work. However, they value the real-life experience.

Conclusion

The teaching innovation presented in this article describes the use of internal clients for marketing research projects. The use of

internal clients breaks down the barriers of lack of subject area knowledge and student reservations in approaching unfamiliar respondents. It also improves the quality of the research projects because of greater cooperation from the participating populations, namely, students, staff and faculty of the university. Finally, it encourages students to take greater ownership of the project resulting in the development of a team based active cooperative learning approach. Research suggests that such an approach facilitates active learning and enhances the development of necessary skills that can be used in the marketplace (Laverie 2006). The measurement of the learning outcomes for this innovation uses a combination of client, professor and student evaluations.

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Summary Brief

Implementing Experiential Learning Theory in a Social Marketing Course

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This study focuses on the impact of applying experiential learning theory in an undergraduate social marketing course. Student teams worked with nonprofit client organizations to plan and improve a social marketing strategy to achieve specific client objectives. Study results suggest the experiential project incorporated in the course is a valuable learning activity. Although most students sampled would not pursue a career in social marketing, students enjoyed the project and sensed that it contributed to their learning and awareness of the field.

Introduction

Since its introduction in 1971, social marketing has progressively gained recognition in academic, practitioner, and policy circles as a potent tool used for changing people's behavior and improving social and individual well-being (Grier and Bryant 2005; Dibb and Carrigan 2013). As a result, social marketing courses and programs are popping up around the world, most of which are in business and public health programs (Kelly 2009). To an increasing extent, business graduates will find themselves working for firms where social and environmental responsibility is a priority or for non-profit organizations that embrace marketing for social change. Thus, graduates will need to be equipped with an arsenal of principles and techniques that support social marketing efforts. However, there is a lack of research on the training and education available for these future professionals. Methods used to teach the complexities of social marketing are rarely discussed in the literature and many marketing educators struggle with identifying best practices for teaching and engaging their students. To address this need, this study explored using experiential learning theory to engage students in a social marketing course. Marketing educators have long recognized the value of active learning for teaching theories and techniques, and experiential learning has been found to be effective in a variety of marketing courses (Morgan and McCabe 2012). However, it has yet to be studied in a social marketing course context. The purpose of this paper is to describe and assess student engagement with social marketing course material via concrete, hands-on, real-world experience.

Literature Review

Kolb (1984) defines experiential learning as a four-stage cyclical process of learning: concrete learning, reflective observation, abstract conceptualization, and active experimentation. Duley and Permaul (1984) point out that students whose education includes all stages of the learning cycle are more likely to recognize the practical value of their studies, to ask questions, and to participate in classroom discussions. Studies

have shown that the inclusion of concrete experience in the learning process improves the comprehension and retention of what is studied (Specht 1985). As such, many marketing programs have ongoing course projects that are based on experiential learning activities, such as the development and implementation of marketing plans and marketing research plans. These assignments are a popular and important part of marketing courses.

Research suggests that experiential learning theory has significant value to teaching and learning. However, less is understood about how it impacts students in a social marketing course. This paper enhances our understanding of social marketing pedagogy by evaluating student attitudes about the effectiveness and value of an experiential social marketing project.

Method

To address the research questions, perceptions data were collected from 53 undergraduates at the completion of an experiential social marketing project at one public university in the southwestern United States. Three areas were measured: (1) level of importance of social marketing skills to various career fields (adapted from Hagenbuch 2006), (2) perceived value of the course (adapted from Hagenbuch 2006), and (3) benefits of the experiential learning project (adapted from Klink and Athaide 2004). To analyze the data, single mean t-tests assessing whether sample means differed significantly from scale medians (i.e., neutral responses) were performed. Sample means that were significantly above scale medians provided evidence that social marketing skills are useful in career fields, the social marketing course provides value to students, and students benefit from the project.

Results

Social marketing was perceived as useful in multiple career fields: service positions of director of a community service organization ($\mu = 4.38$), director of a nonprofit organization ($\mu = 4.33$), and pastor ($\mu = 3.98$); top business positions of chief marketing officer ($\mu = 4.06$) and chief executive officer ($\mu = 3.68$); and other positions of job candidate ($\mu = 3.79$), insurance representative ($\mu = 3.35$), and teacher ($\mu = 3.34$). The career fields perceived as not needing social marketing skills were partner in a CPA firm, retail store manager or associate, and car dealer. Students also perceived the social marketing course to be valuable. Mean rating of the value of the course scale was significantly above the scale median of 3 ($\mu = 4.01$, $t = 9.056$, $p < .001$) as was the mean rating on the benefits scale ($\mu = 3.90$, $t = 7.219$, $p < .001$). Additional insights were gained from the other variables as

well. In addition, student responses to the open-ended question were generally positive.

Discussion and Conclusion

Results of the present study suggest that experiential course features make a positive impression on students. Although the majority of the students sampled would not pursue a career in social marketing, they saw value in the course. Students perceived the social marketing skills they learned to be important in a variety of career fields and they appreciated the opportunity to actually implement their teams' ideas and present their results to real clients. The course also enhanced their attitudes about community service and social responsibility. While incorporating authentic projects and clients into the classroom experience is more time-consuming for the instructor, it is well worth it in terms of student learning outcomes.

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Summary Brief

Experiential Learning to Enhance Marketing Education

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Experiential learning has long been practiced in higher education, but there has often been a lack of formal process and assessment of student learning outcomes. Despite the potential value of experiential learning in marketing coursework, there has been limited development of this topic in the literature. This paper (presentation) builds on the theoretical underpinnings of experiential education and uses a case study approach to demonstrate how experiential learning can be more beneficially applied and assessed in marketing curriculum.

Special emphasis is given to the National Society for Experiential Education's eight principles of experiential education and how they can guide more productive use of applied learning experiences. A case example focuses on a study tour to Belize and service learning through a new course based on Enactus principles. Student reflections and project outcomes indicate greater learning and a major personal impact from the experiential learning.

Introduction

Experiential learning has a long history in marketing education (Frontczak 1998), and business recruiters are calling for more of this type of experience for college graduates (Hart and Mrad 2013). Benefits of more applied learning are well documented (e.g., Galdis and Andrews 1990), but experiential education in marketing may fall short of the optimal learning that is possible. Simply participating in an experience can be beneficial, but deeper learning requires reflection (Ash and Clayton 2009; Kolb 1984). Faculty guiding experiential education can enhance and assess learning more effectively with application of the NSEE eight principles.

This paper (presentation) will review the practice and benefits of experiential learning in marketing programs. A case approach, which is intended to test processes and set exemplars (Flyvbjerg 2006), will focus on study tours and service learning. The National Society for Experiential Education's (NSEE) eight principles of experiential education is used as a basis for effectively implementing and assessing experiential learning.

A study tour to Belize will serve as an example of experiential learning through student travel. Service learning will be examined through extracurricular projects done in the Enactus program in conjunction with the Belize trip. In addition, the Enactus concepts will be incorporated in a business course this fall, and this will serve as a model for how to incorporate the eight principles in a traditional course setting. Helpful tools will be shared, including assessment rubrics, reflection guidelines, and planning tips.

Many of the experiential learning examples are being done within the realm of a Quality Enhancement Plan (QEP), but the ideas and approaches can be applied in any marketing education. There are also examples of including non-business disciplines in the experiential process. The purpose of the presentation is to

demonstrate some best practices and encourage discussion on how to improve the application of experiential education in marketing programs.

Background

Experiential learning as a formalized process is often traced to Kolb (1984). His Experiential Learning Model has served to guide experiential learning applications in marketing (e.g., Frontczak 1998; Munoz et al. 2008; Roy 2006) and other disciplines. Studies have shown that experiential learning can enhance learning and other positive outcomes (Hart and Mrad 2013; Hunt and Laverie 2004; Sims 2002). Experiential learning also helps prepare students in ways desired by potential employers (Clark and White 2010; Craciun and Corrigan 2009; Sims 2002). Despite many applications of experiential learning in marketing, there have been calls for more active learning pedagogies (Charlebois and Giberson 2010), and many experiential learning applications do not include a thorough process and assessment of learning outcomes.

Case Study

A study tour course to Belize was planned as a pilot for a new Quality Enhancement Plan (QEP) on Experiential Learning. The course would tie in with ongoing projects being done by the university's Enactus team in a small village in Belize. Enactus students had been trying multiple ways of helping the struggling village, but they were finding many difficulties without being able to be there. The trip portion enabled students to go to the village and apply business and sustainability concepts in a hands-on way and with a better understanding of the people and situation. Students lived among the people during spring break, discussing their situation and learning more about the attitudes and politics involved. In addition to studying economic and business dynamics in the village, students also experienced hands-on learning in all aspects of sustainability, including sustainable gardening and building design.

The study tour was based on the three-phase model proposed by Porth (1997), including pre-trip, travel and post-trip reflection, and incorporated the NSEE eight principles of experiential education to maximize the benefit for the students and more intentionally assess learning outcomes. The NSEE principles are (1) intention, (2) preparedness and planning, (3) authenticity, (4) reflection, (5) orientation and training, (6) monitoring and continuous improvement, (7) assessment and evaluation, and (8) acknowledgment. Students went through a pre-trip preparation and planning process, engaged in active experiential exercises on the trip, developed plans based on the experience, and engaged in both pre-trip and post-trip reflection.

Results, which are detailed further in the presentation, showed an improved understanding of how to solve real-world

problems and better actual outcomes from subsequent attempts to help people in the village. Students from the trip developed sustainability plans and applied what they learned through Enactus. Student initiatives resulted in a first-ever library for the village, scholarships for over 30 teenagers to help them finish school, and equipment and marketing support for village women who were starting a craft business. As one student said, "I learned it can take years to effect change in another culture." Another added, "It was just mind boggling thinking of the needs, wants, politics, attitudes, and customs of these people. It is not as easy as it sounds." Students learned that you cannot solve problems by just writing a nice plan on paper from a distance. By applying what they learned through experience, students made a greater impact in the village and on their own learning and development.

As a further extension of Enactus-based experiential learning, an experiential course is now being taught with an emphasis on doing projects locally to apply business and marketing principles to help people. Students in the course are applying what they have learned to help local businesses and organizations become more successful. The same basic approach is used to apply the eight principles and assess learning for the QEP. Preliminary results will be presented.

Discussion

Implementing experiential learning opportunities can be difficult and demanding for both faculty and students. However, the rewards are also great for both. As a faculty member, I learn just as much as students through the applied learning activities. Students come away with more developed skills, improved understanding of real-life challenges, and potentially a life changing experience. Although some of the learning that took place was that there are limitations to what the students could effectively do, that is still learning and still a valuable aspect of their development.

There is little question of the potential value of experiential education in marketing, and many marketing instructors have incorporated this inside or outside the classroom. However, experiential learning is too often left short of its true potential. Simply *doing* the exercise is not enough. Learning is maximized when a careful process is followed, including pre-experience preparation, journaling and other applications during the experience, and opportunities to reflect before and afterward. For assessment, these reflections can be graded according to a rubric. If students apply what they are learning to a project with measurable outcomes, that gives additional assessment opportunity.

The challenges of implementing this type of experiential education are still great. Experiences typically require willing and appropriate partners and additional funding. They also typically require extra work on the part of the faculty leader. Ideal experiential learning is interdisciplinary in nature, so the "silo" mentality of many colleges can be an impediment to maximizing learning. Finally, this is a single case study that had positive results. These outcomes are not guaranteed for every situation. Yet sometimes the greatest learning comes through failure, so at least give it a try!

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Summary Brief

Flipped Classrooms: Equipping Students to Overcome Real-World Challenges

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To help both marketing and merchandising students prepare and be able to thrive in today's dynamic marketplace, a combination flipped classroom and client-based product (CBP) pedagogies were integrated in redesigned curricula. Results show that in the beginning stages of the CBP, students in both classes expressed frustration with the challenge as well as low-expectations for the collaboration. However, as the semester progressed, it was also noted that many students displayed a shift in their perception of the experience. Students from both classes reported positive feedback at the end of the semester. Also, results suggest that the collaborative cross-disciplinary CBP provided students with an opportunity to gain more awareness of common workplace challenges while they faced the additional challenge of meeting the needs of real clients.

Introduction

The ongoing process of globalization has led to shifting demographics worldwide. Along with transforming global economies and rapidly developing technology, this has had a profound impact on both the business world and the field of business education. Business leaders are expected to be able to adapt and thrive in today's dynamic marketplace. The current business environment involves workplaces that are increasingly multidisciplinary and multicultural; this creates a need for business graduates to be adept at working effectively with diverse team members with widely different backgrounds, areas of expertise, and expectations for collaborative work. While many business students will have completed several group projects during their education, there is a need for projects that better reflect the world students will be entering after graduation.

To address these needs, the authors redesigned curricula for two of their respective classes, Creative Marketing (for Marketing majors) and Apparel Product Development (for Fashion Merchandising majors), and employed a hands-on 'flipped classroom' coaching process to better ensure positive outcomes. The redesigned classes focused on a cross-disciplinary collaborative Client-Based Project (CBP) in which students from both classes worked together in teams on a semester-long project, developing solutions for real-world clients. Utilizing flipped classroom theory, both faculty reversed their classes from a focus on lecture to a focus on projects, exercises, and discussion. Materials previously delivered via lecture were instead delivered outside class through assigned reading, videos, homework, or other modes. At least one half of class time was allocated for students to collaborate with their peers and engage in hands-on projects while faculty provided guidance, inspiration, and one-on-one assistance.

Flipped Classroom

According to Educause (2012), the flipped classroom is "a pedagogical model in which the typical lecture and homework elements of a course are reversed" (p. 1). There is no single model for flipped classroom theory; however, commonly some or most lecture, or direct instruction, is delivered outside class through the use of technologies, while classes are instead used for in-class exercises, discussion, and hands-on activities (Educause, 2012; Hamdan, Mcknight, Mcknight, & Arfstrom, 2013). Currently, research on flipped classrooms is limited (Hamdan et al., 2013). However, faculty have reported that flipped classrooms have a positive impact, offer a better learning environment, and improve students' performance, understanding of class content, and development of specific skills (Papadopoulos & Roman, 2010; Warter-Perez & Dong, 2012).

Client Based Projects (CBPs)

Client Based Projects (CBPs) provide students with rich hands-on learning experiences and opportunities to apply their knowledge to the needs of real clients before graduation (Lopez & Lee, 2005). Several studies report benefits of CBPs for students, including: allowing students to take ownership of their learning (Lopez & Lee, 2005), fostering needed workplace skills (Cooke & Williams, 2004), improving students' motivation (Fox 2002), facilitating active and experiential learning and adding realism to the classroom (Razzouk, Seitz, & Rizkallah, 2003), and bringing class concepts to life (Lopez & Lee, 2005).

Combining Flipped Classrooms and Client Based Projects (CBPs)

Since both Marketing and Fashion Merchandising are applied disciplines, students must have practical experience in order to gain proficiency actually applying concepts (West, 2011). However, business students can face multiple problems such as lack of innovativeness, lack of interdisciplinary experience, and inability to effectively communicate their growing knowledge. Students tend to pigeonhole their knowledge and can fail to see connections between their classes, much less between different business disciplines. In addition, students rarely get to practice using learned terminology. Furthermore, without exposure to multiple perspectives, innovation is much less likely. These problems can make it difficult for students to convert academic knowledge into workplace success.

Focusing on these problems, the authors combined cross-disciplinary CBPs with flipped classroom instruction. As a first

step, the authors developed course resources that provided students with information to be reviewed outside of class, thus freeing class time to allow hands-on learning to take place. As a second step, class-specific adaptive coaching techniques had to be outlined so each group could be “coached” through the unique challenges they would face. Ultimately, specific CBP requirements were communicated to students both via the project introduction and documentation, and *ad hoc* through in-class coaching.

Outcomes

In the beginning stages of the CBP, students in both classes expressed frustration with the challenge as well as low-expectations for the collaboration. Many students resented working with another class and were resistant to seeing potential benefits. As the semester progressed, each group experienced roadblocks in terms of communication problems, conflicting ideas and interests, and goal competition. It was also noted that many students displayed a shift in their perception of the experience. More students expressed being motivated by the challenge and acknowledged that the collaboration was actually benefiting the quality of their projects. Student feedback from the end of the semester was used to assess how problems were overcome and how goals were reached. Each student was asked to provide reflection on their experience; selected representative quotes are included in Tables 1.

Table 1. Students’ Reflection and Feedback on Three Key Problems

Problem Overcome	Illustrative Quotes
Lack of Innovativeness	<p>“...helped me learn how to think outside of the box.”</p> <p>“So in working with the marketing group it made me realize that all ideas are acceptable, and that no idea is too much.”</p>
Lack of Interdisciplinary Experience	<p>“We needed the marketing team and the marketing team needed us.”</p> <p>“It was a bumpy road in the beginning, because I wasn’t sure if I would like working with another group from another class. The peers’ feedback from the marketing class was great. I’m pleased with the outcome of working with the marketing team.”</p>
Failure to Communicate Knowledge	<p>“They all had great communication skills. They would text us to let know what they were doing. They would also text their ideas.”</p> <p>“The ideas from the bigger group did help us in the final solution.”</p>

Discussion and Recommendations

While the pilot experience of running a collaborative cross-disciplinary CBP with flipped classroom instruction was somewhat overwhelming for students and demanding for faculty, both instructors and clients were very satisfied with the outcomes. The collaborative cross-disciplinary CBP provided students with an opportunity to gain more awareness of common workplace challenges while they faced the additional challenge of meeting the needs of real clients. Further research should consider: (a) including journal and reflection papers across the semester; (b) coaching students in identifying and marketing their discipline-specific contributions and individual abilities; and (c) soliciting clients to be more involved in the educational process.

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CAN YOU RELATE? ORGANIZATIONAL IMPACT

Summary Brief

Keep it in the Family: A Look at Spillover Effects of Cause-Related Marketing Campaigns for Non-focal Nonprofits

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Cause Related Marketing (CRM) campaigns can create important benefits for the nonprofit organization (NPO) sponsored and the social issues those organizations address. While NPOs benefit directly from their alignment with for-profit firms in CRM campaigns, those non-profits should trigger a ripple effect of support for the overarching social issue. This research explores the spillover of benefits CRM campaigns provide “non-focal” organizations that are similar to the focal nonprofit represented by the campaign. Using the top CRM campaigns from 2003 to 2012 as a platform, this study will measure how related, “non-focal” nonprofits are affected longitudinally in terms of contributions, number of volunteers, and grants.

Introduction

Corporate philanthropy has a history of triggering additional activities from consumers. CRM, a specific form of corporate philanthropy, can function as a signal to consumers, and indicate which causes represent a genuine need and are deserving of support (Porter and Kramer 2002). Moreover, Polonsky and Wood (2001) point out CRM’s potential to create awareness for the general issue involved, and that spreading the message is often a higher priority for the NPO than solely seeking donor support.

We have evidence of this ripple effect from Fleet Boston Financial’s support of community development (Porter and Kramer 2002). In 2000, Fleet Boston Financial sponsored developments across six cities with \$4.5 million dollars. After the projects began, private and municipal sources contributed an additional \$6 million dollars. Fleet Boston Financial was able to raise awareness and generate outside support that actually exceeded their investment in the project. This example reflects the potential power CRM has to successfully stimulate outside support for social issues. A hypothetical example may best illustrate the current research question being examined. If the Boys and Girls club is sponsored in a CRM campaign will other youth focused organizations, like Big Brothers and Big Sisters, receive indirect, spillover benefits?

Within a specific NPO sector countless related organizations exist. As of 2012 there were 9,398 organizations that supported youth development, as classified by the National Taxonomy of Exempt Entities. These organizations are dedicated to alleviating similar social issues and some may be closely tied in consumers’ minds.

Conceptual Framework CRM Popularity and Growth

It is increasingly important to develop a holistic understanding of CRM and its benefits as its immense popularity continues to develop in the market place. Currently, two-thirds of all brands reportedly engage CRM (Cause Marketing Forum 2010). According to IEG (2013), CRM pervasiveness will continue to grow in North America, as corporate support for cause sponsorship reached \$1.78 billion in 2013 and is expected to increase by 3.4% in 2014. Be that as it may, it is vital to understand the impact CRM has on NPOs as many have suggested that dependence on government funding may have a negative effect on NPOs (Golensky and DeRuiter 1999). The grant system makes NPOs incredibly vulnerable to changes in governmental policies and budget cuts, and therefore any possibilities to lessen this dependence would hold valuable implications for NPO management.

Benefits

CRM is defined as the “profit motivated giving” that links product sales to charitable donations (Varadarajan and Menon 1988). The extent CRM literature has mainly observed the long and short-term effects CRM has on the for-profit entity (e.g., customer loyalty, purchase intention, positive attitudes, etc.), although recently the nonprofit sector has received some modest scholarly attention. Increased funds, volunteers, grants, and awareness are only some of the direct benefits CRM generates for the focal non-profit entity with indirect benefits coming from increased donations from the sponsoring company’s customers.

Attribution Theory

In the past, attribution theory has been used to explain CRM phenomenon (Dean 2004). This theory assumes that individuals observe the behavior of other people or firms and make causal inferences about why the behavior occurred. In the present case, individuals may attribute a firm’s public and monetary support of an NPO as caused by the firm’s belief that the social issue is worthy of investment. This attribution would reinforce the idea that firms have the power and influence to generate additional funders (Porter and Kramer 2002). Individuals perceive firm’s possess superior capabilities in selecting worthy nonprofits. This advantage comes from vast corporate resources and sophisticated research abilities, as compared to an individual or household, which ultimately allows them to identify organizations that can most effectively use donations (Porter and Kramer 2002).

Clark, Cornwell and Pruitt (2005) examined sports stadium sponsorship and found that financial market participants interpret these expensive sponsorships as effective signals of expected future profitability, indicating that consumers make inferences based on corporate sponsorship activities. Although the focus of the present research is on nonprofit stakeholders (e.g., government, volunteers, and donors), as opposed to for-profit, we anticipate nonprofit stakeholders make similar inferences about the focal cause, as well as others like it, in terms of credibility and need of support. However we expect this spillover effect to be contingent upon the for-profit firm possessing a credible and socially responsible reputation. A CRM campaign implemented by a socially *irresponsible* firm would send mixed signals to consumers, something balance and cue-consistency theories says would be poorly received.

For-profit Spillover

Although past research has not addressed the spillover potential between nonprofits with similar causes that result from CRM campaigns, the benefits of CRM campaigns have been shown to spread on the for profit side. For example, when one product is featured in a CRM campaign, consumers are more likely to also choose other products in the firm's portfolio (Krishna and Rajan 2009). This spillover example indicates that the effects of a CRM campaign are not confined within the one company and one product involved.

Awareness and Donation Proximity

An additional factor supporting the idea that CRM benefits can have a ripple effect to related organizations, is the ability of these campaigns to generate awareness and learning among consumers. Companies are urged to engage in general and widespread issues like HIV and illiteracy, using advertising and CRM campaigns to increase consumer awareness about not only the nonprofit, but also general awareness about the social cause. If a company sponsors the Boys and Girls Club consumers become more aware and knowledgeable regarding the social need within America's youth.

In addition, donation proximity is another reason this spillover is expected. Donors are much more apt to give to a cause that is geographically closer to them, especially the less involved or informed they are with the cause (Grau & Folse 2007). Moreover, social impact theory and signaling theory offer explanations as to the instrumental power local NPOs have on consumer choice relative to national NPOs.

Methodology

Note that the primary research question will be addressed by a content analysis of NPO performance. This study will investigate specific CRM campaigns recognized by the Cause Marketing Forum, an independent organization that annually awards the strongest CRM campaigns around the world. The top campaign for each year, between 2003 and 2012, are the focus of our study. The forum thoroughly evaluates both the sponsoring for-profit organization as well as the NPO, making these campaigns exemplary conditions to investigate spillover effects. Ten "non-focal" NPOs will be chosen from the same sector, as classified by the National Taxonomy for Exempt entities. Additionally, the firms will be chosen based off of size and also their relatedness to the focal NPO. Relatedness will be evaluated

by multiple judges and will be based on the NPO's mission statements. Data will be gathered to assess the performance of the NPO on the metrics of: individual/household contributions, number of volunteers, and grants. This data will come from public 990 tax forms. These performance measures will be taken for the 2 years preceding the CRM campaign, the year of the campaign, and the two years after. This procedure will be done for nine different CRM campaigns that vary in their focal social issue. These nine NPOs were selected because they were winners of *The Golden Halo Award*, which is the most prestigious award given at the Cause Marketing Forum each year. An analysis will be conducted to compare the performance of the focal NPO, "non-focal" NPOs, and overall NPOs. Potential moderators to be examined in the model are the budget of the campaign, the number of media impressions during the campaign, size of the firm, size of the focal NPO, and NPO age.

Implications

CRM campaigns are becoming increasingly popular. If CRM campaigns can create benefits for a general sector of organizations there may be ways to help strengthen this effect. For example, non-focal NPO's might find increasing their advertising during adjacent campaigns can intensify spillover benefits. Additionally, they may leverage the existing CRM campaign to obtain their own corporate sponsor.

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Full Paper

Understanding the Battle to Win the War: Explorations into the Relationships between NGOs and the Communities They Serve

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Relationships between non-government organizations (NGOs) and the communities served has been an overlooked factor in explaining and predicting the success of an organization. Often NGOs are not only providing services but are trying to change the social or cultural practices of a community in order to improve the quality of life in those communities. This paper begins a discussion on how relationships between NGOs and their downstream target audiences form and the potential factors that may interfere.

Introduction

India's neonatal and maternal death rates are the highest in the world (43 per 1000 live births) and despite improvement in access to healthcare and nutrition, these rates remain unchanged (UNICEF 2008a, b). Several cultural and social factors, such as taboo foods during pregnancy, methods of cleaning and washing the newborn, and preferences for home remedies or local herbal doctors, have been identified as causes of neonatal and maternal deaths (Ghosh 2012). Additionally, the poor status of women, reflected in low literacy rates, lack of autonomy, and early marriage and childbirth contribute to poor maternal health and birth outcomes (Claeson et al. 2000). Research has identified that improving female education, nutrition, increasing use of health services during pregnancy and delivery are all ways to reduce infant and maternal mortality (Claeson et al. 2000). With over 1700 heterogeneous cultures in India, it is difficult to implement functioning health care programs and increasing education about child mortality is likely to not have much influence on the mortality rates (Ghosh 2012).

Andreasen (2012) argues that nonprofit and social marketing is one of the most difficult contexts in which marketing activities are carried out. Some of the differences Andreasen identifies is that nonprofit marketing's primary target audience is people with problems who are often indifferent or opposed when benefits may not be obvious or far in the future.

While creating and maintaining relationships with donors and volunteers are critical to the survival of NGOs, the relationships with the community an organization serves is equally important and often overlooked. NGOs often go into communities, and even though they are trying to improve the quality of life, they often push for changes that alter norms or processes that are well established. Being able to establish strong relationships is important to being able to induce behavioral change. This research identifies a gap in the nonprofit marketing literature and examines how NGOs are able to change the habits, norms, and activities of

an underserved population by establishing relationships with the population it serves.

The purpose of this paper is to examine the relationships between NGOs and the communities these organizations serve using relationship marketing as a framework. This research specifically asks the question, what factors play a role in establishing relationships between NGOs and under-served populations? Using Morgan and Hunt's (1994) commitment-trust theory, this paper proposes that within a community, cultural uncertainty avoidance and vulnerability moderate the relationships between shared values and the key-mediating variables, negatively affecting a community's cooperation with NGOs. This paper contributes to the relationship marketing and nonprofit literature by examining the relationships between NGOs and downstream stakeholders. Potential factors that may interfere with the formation and strength of relationships between NGOs and the populations they serve are proposed, along with propositions for future testing.

Proposed Framework

To reduce these mortality rates, the task for the Indian government and non-government organizations (NGOs) working in India is more complex than increasing access to health care facilities or educating communities about pre- and post-natal care. NGOs have to change the way communities as a whole approach pregnancy. In 2005, the *Lancet* Neonatal Survival Series identified three service delivery models that comprised of 16 interventions that have shown to be effective in increasing neonatal and maternal survival (Darmstadt et al. 2005). The three service delivery models are facility-based clinical care, outreach, and family-community and services are targeted at different points along the continuum of care (from preconception to postnatal care) (Darmstadt et al. 2005). Family-community services include interventions like education and counseling, but also identify the importance of changing home deliveries and home care practices to ensure clean deliveries and proper nutrition (Darmstadt et al. 2005).

In order to be able to implement these service delivery models, not only do NGOs have to procure the resources to provide the services necessary, but they have to change the norms of the community. Norms have been defined as expectations about behavior that are shared by a group of decision makers (Gibbs 1981; Moch and Seashore 1981; Thibaut and Kelley 1959). Social norms are "rules and standards that are understood by members of a group, and that guide and/or constrain social behavior without the force of laws" (Cialdini and Trost 1998, p. 152). Norms

emerge from interaction with others and guide daily activities within a society (Ciladini and Trost 1998). Research has shown that social norms guide action in direct and meaningful ways (Schultz et al. 2007).

Relationship Marketing

Relationship marketing emphasizes the importance of developing long-term supportive relationships (Gronroos 1997). Customers are more willing to cultivate relational bonds, when they perceive value in the benefits gained from an exchange partner (Palmatier et al. 2006). Morgan and Hunt (1994) posits that commitment and trust are key mediating variables between five important antecedents (relationship termination costs, relationship benefits, shared values, communication, and opportunistic behavior) and five outcomes (acquiescence, propensity to leave, cooperation, functional conflict, and decision-making uncertainty).

Because this paper is focused on how NGOs are able to engender cultural and social change in communities, only the relationships between shared values, commitment, trust, and cooperation are discussed. Shared values is “the extent to which partners have beliefs in common about what behaviors, goals, and policies are important or unimportant, appropriate or inappropriate, and right or wrong” (Morgan and Hunt 1994). When a community perceives an organization to have similar values as its own, it gives the relationship common ground to build from and NGOs can use these similarities to integrate into the community and affect norms.

Relationship commitment captures the strength of a relationship and the subsequent commitment to proceed forward (Gustafsson, Johnson, and Roos 2005). In order for NGOs to gain cooperation from communities, the communities have to commit to a relationship with the NGO. There are many situational and environmental factors that an NGO is contending with when trying to improve the quality of life for the community that not have commitment from the community adds an obstacle to getting behavior change from the community.

Proposition 1: The perception of shared values between a population and a NGO has a positive effect on a population's relationship commitment to a NGO.

Trust is “confidence in an exchange partner's reliability and integrity” (Palmatier et al. 2006, p. 138). Trust may be based on the process of exchange, characteristics of the exchange partners, or societal institutions (Zucker 1986). Trust is a key factor in the formation and strength of many different types of relationships.

Proposition 2: The perception of shared values between a population and a NGO has a positive effect on a population's trust with a NGO.

Cooperation refers to situations in which parties work together to achieve mutual goals (Morgan and Hunt 1994; Anderson and Narus 1990). Committed partners in a relationship will cooperate with another partner to make the relationship work. Once trust is established, both parties learn that coordinated efforts will lead to more positive outcomes than one could obtain on their own (Morgan and Hunt 1994; Anderson and Narus 1990). Cooperation is a necessary outcome to ensure long-term behavior change. When a relationship achieves high levels of cooperation, both parties are working together toward common goals. When NGOs have strong relationships with high levels of cooperation then structural changes can happen and endure.

Proposition 3: Cooperation between a NGO and the population it serves increases the likelihood the NGO will achieve behavioral changes in a community.

Consumer Vulnerability

Consumer vulnerability has been defined in various ways in the consumer research and human sciences disciplines. The generally accepted definition in the marketing literature defines consumer vulnerability as “a state of powerlessness that arises from an imbalance in marketplace interactions or from the consumption of marketing messages and products” (Baker, Gentry, and Rittenburg 2005, p. 134). Baker and colleagues (2005) show that vulnerability is multidimensional, context specific, and does not have to be enduring; a majority of consumers will develop coping mechanisms to deal with circumstances.

Multiple stakeholders regard consumer vulnerability as an important social issue to understand. Vulnerability has been observed in relation to characteristics of marketplace structures (Hill 2005), as a shared experience among a community (Baker, Hunt, and Rittenberg 2007), and within different cultures and subcultures (Schultz and Holbrook 2009).

Vulnerability among the population or community that a NGO is aiming to serve should influence the willingness to commitment to a relationship with an organization. Past research has shown that dependence on a seller reflects the customer's perception of the value of the resources provided by the seller when few alternatives are available (Hibbard, Kumar, and Stern 2001). Depending on the context, dependence can have either positive or negative influences on commitment and trust (Palmatier et al. 2006).

When perceived vulnerability is high, individuals are looking for ways to cope with their circumstances and may not have the resources to consider long-term relationships; the individuals are just focusing on meeting their most important needs at that moment. In these situations, communities are going to be more likely to want to stick with the norms they know and are comfortable. Learning new practices about nutrition or infant care will be perceived as less important than perhaps finding a way to eat at all. Vulnerable populations are going to be less concerned with engaging in long-term valued relationships when important needs are not being met.

Proposition 4: A population's perceived vulnerability will moderate the relationship between shared values and relationship commitment. When members of a population perceive a higher level of vulnerability, they will be less willing to commitment to a relationship with a NGO.

Uncertainty Avoidance

Cultural differences have been explained using a cultural dimensions approach (Soares, Farhangmehr, and Shoham 2007). Hofstede's framework of cultural dimensions is the most widely used cultural framework in psychology, sociology, marketing, or management studies (Soares, Farhangmehr, and Shoham 2007; Steenkamp 2001; Sondergaard 1994).

Uncertainty avoidance (UA) is the degree to which members of a society feel vulnerable by unknown situations and is measured by the amount of insecurity and change that can be endured (Hofstede 1991). Past research has shown that UA impacts information exchange behavior (Dawar, Parker, and Price 1996), innovativeness (Yeniyurt and Townsend 2003; van Everdingen and Waarts 2003; Yaveroglu and Donthu 2002;

Steenkemp, Hofstede, and Wedel 1999; Lynn and Gelb 1996), and advertising appeals (Albers-Miller and Gelb 1996).

Consumers use technology, law and general rituals to reduce inherent uncertainty (Hofstede 2001). In high UA societies, relationships are built slowly and there is a strong need for rules and regulations to make behavior predictable since there is a concern with security in life (Hofstede 2001; Adler 1997; Lynn, Zinkhan, and Harris 1993). Deviation from the normal is not accepted readily in cultures with high UA and when challenged there is a propensity toward aggressive behavior (Reimann, Lünemann, and Chase 2008; Hofstede 2001).

While all of the cultural dimensions may play a role in how relationships between NGOs and the populations they serve, UA may affect a population's willingness to trust a NGO. UA is an important dimension to focus on because it affects a community's willingness to create relationships. High UA communities are resistant to change and are going to be more distrusting of NGOs and outside influences and so getting relationships established will be more difficult.

Proposition 5: A population's level of UA will moderate the relationship between shared values and trust. When communities have high UA, they will be less willing to trust a NGO.

Discussion

Understanding how relationships between NGOs and communities are formed and strengthened is important because these relationships have an impact on the success of the NGO. In the context of infant and maternal mortality in India, getting women and children access to skilled health care across the continuum of care (pre-pregnancy to post-natal care) is only half the battle. There are structural and cultural obstacles that NGOs must overcome to make long lasting change in the infant and maternal mortality rate.

When the problem is more than just access to care, NGOs have to find ways to integrate themselves into communities so they can have an impact on cultural change. Identifying and emphasizing shared values and similarities between organizations and communities should impact both relationship commitment and perceived trust for the community. By hiring or working with locals in the community, NGOs become part of the fabric of the community and all parties begin to work towards the same goal.

While shared values can have a positive influence on relationship commitment and trust, there are factors that may interfere. Vulnerability and culture, specifically the dimension of UA, may provide resistance or resource constraints that reduce or prevent commitment and trust from forming. When people are vulnerable, their resources are focused on coping and tend to take a short-term view, making relationship commitment difficult.

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HOW ABOUT THEM SERVICE WORKERS!

Summary Brief

The No Lose Proposition of Unsolicited Server Recommendations

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This research investigates how a specific service script impacts the customer. We utilize hindsight bias and self-fulfilling theory to explain how an unsolicited (vs. solicited) recommendation has the greatest impact on the dependent variables of customer delight, willingness to pay, word of mouth and tipping behavior.

Introduction

One commonly identified difficulty in the provision of high quality service is consistency in the delivery of the service experience, which is heavily dependent on the attitudes and behaviors of the front line employee (Zeithaml, Bitner, and Gremler 2006). In fact, employee interactions with customers can, if performed well, be a key element of value creation (Gronroos 2006).

Customer - employee interactions also play a role in the generation of customer delight (e.g., Arnold, Reynolds, Ponder, and Lueg 2005; Barnes, Ponder, and Dugar 2011; Kumar, Olshavsky, and King 2001). For instance, Barnes, Ponder, and Dugar (2011) reveal that employee affect, effort, and skill account for nearly 70 percent of delight producing factors. Thus, it is important for customer service managers to train front line employees to adopt, as well as consistently engage, in practices that enhance the perception of the service experience.

One method service firms have adopted as a means of providing a consistent customer experience relative to interactions with employees involves the service script. The service script is defined as "a predetermined, stereotyped sequence of actions that defines a well-known situation" (Schank and Abelson 1977, p. 41). The service script describes verbal (e.g., appropriate phrases to greet customers), non-verbal (e.g., smile), and behavioral (e.g., give the customers a couple of minutes to look over the menu before approaching the table) guidelines employees are expected to follow when interfacing with customers.

In the current research we are interested in investigating the impact of a solicited vs. unsolicited recommendation on customer delight, willingness to pay, word of mouth and tipping behavior. We also evaluate expectations as a key mediator.

Hypotheses and Method

Utilizing multiple experiments and multiple types of data the following hypotheses were tested:

H1: Customer delight, WOM, and WTP are higher (lower) when the quality of food served is judged positively (negatively).

H2: When the quality of food served is judged positively (i.e., entrée tastes delicious), customer delight, WOM, and WTP are higher (lower) when unsolicited (solicited) entrée.

H3: When the quality food served is judged negatively (i.e., entrée does not taste good), customer delight, WOM, and WTP are similar regardless of the form of recommendation (solicited vs. unsolicited) provided.

H4: Expectations mediate the relationship between recommendations and customer delight, WOM, WTP, and tipping behavior.

Results and Discussion

When the service outcome is positive we provide evidence that levels of customer delight, WTP, WOM and tipping behavior are significantly higher when an unsolicited recommendation is utilized. Essentially, the customer takes an unsolicited recommendation as a positive display by the front line employee.

To develop a more complete understanding of the mechanism whereby the unsolicited suggestion is leading to customer delight as well as the other variables, expectations were included in H4. Based on the advice literature and the disconfirmation paradigm, it was assumed that a recommendation would increase expectations and diminish uncertainty, thereby hindering the possibility of positive outcomes, such as customer delight. As expected, when the customer receives a recommendation their expectations increase. Yet, increases in customer delight, WTP, WOM and tipping behavior still occur. We suggest a self-fulfilling prophecy is at work, whereby a customer can still experience delight even in the face of heightened expectations.

When the service outcome is perceived negatively, there are also interesting implications for the service firm regarding unsolicited vs. solicited recommendations. The results suggest that when the outcome was negative, the advice provided by the server had little to no impact on any of the dependent variables. We suggest this may occur as a result of hindsight bias, whereby the customer takes blame for the decision to accept the unsolicited recommendation. This finding has direct implications for the food service industry, suggesting that the provision of an entrée recommendation be added to the service script, as it appears to be a no lose proposition.

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Summary Brief

Service Encounters via Social Media: The Presence of Positive and Negative Signals

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Traditional customer service encounters usually consist of a dyad: a customer seeking assistance and a firm's service representative. Even though service settings are often public, which allows a few fellow consumers to view a service encounter, a mass group of consumers cannot easily view the provision of customer service. Social media service encounters are different: a large group of consumers can view the details of customer service exchanges and recovery attempts. The present study compares these social media service exchanges to signals consumers use to assess a firm. The authors use a netnography to explore social media service encounters and posit that, while integrated marketing communication (IMC) channels are designed to send positive signals, service requests to resolve issues and complaints send positive and negative signals via a brand's social media IMC channel. The authors put forth five research propositions and offer related implications.

Introduction

Integrated marketing communications (IMC) with traditional mass media and retail promotions enable marketers to control what information consumers use to assess the firm or its products. The evolution of mobile and social media now enables consumers to have a voice in some communication channels. These evolving technologies are empowering some consumers to initiate service encounters by requesting assistance or sharing complaints via firms' social media pages. All of a sudden, consumers have some control over the type of information appearing on a firm's social media IMC channels; and some of this information includes negative material associated with service requests and complaints.

The emergence of consumers creating informational content, especially negative information, on a firm's IMC channels illustrates some unexamined aspects of signaling theory. Marketers communicate informational cues, also referred to as signals, to consumers in an effort to inform, persuade, and affect attitudes (Boulding and Kirmani 1993). A signal is defined as "a marketer-controlled, easy-to-acquire informational cue, extrinsic to the product itself, that consumers use to form inferences," (Bloom and Reve 1990, p. 59). Advertising and marketing communications are examples of sending signals to consumers (Laband 1989). In the present paper's context, negative consumer-created informational signals that appear during social media service encounters on a brand's IMC channel presents a unique challenge not yet examined in research. The authors investigate social media service encounters and recognize how these publicly viewable encounters send signals to the marketplace.

Research Methodology

A netnography was initiated due to the lack of research regarding service encounters on branded social media pages. A netnography is an online ethnography (Kozinets 2002). This method allows researchers to explore, categorize, and clarify the concepts associated with an emergent online phenomenon.

A Facebook page maintained by one large U.S. grocery and department store retailer provided the data. A continuous 30-day block of social media posts (i.e., message threads on the Facebook page) created by consumers and responded to by fellow consumers and/or the brand was collected. A total of 481 unique message threads were captured in the data. Two researchers reviewed and coded various elements, and identified common themes. The inter-rater reliability was 98%.

Results and Propositions

The analysis illustrated the massive volume of consumer-created content. There were 47 brand-created message threads over the 30-day period compared to 481 consumer-created message threads. Consumers created more than 90% of the content on the brand's Facebook page. Out of these 481 message threads created by consumers, 234 (49%) were categorized by the researchers as "customer service encounters" during which some form of assistance was sought. It is clear that consumers view a branded social media page as an opportunity for the provision of service. This leads to the first research proposition, P1: branded social media pages are viewed by consumers as service environments.

Within these customer service encounter threads, 60% of the posts were categorized as "non-complaint service requests" and 40% were categorized as "complaint service requests". On the surface, a consumer's description of a problem or detailed complaint is a form of a negative signal that consumers may use to assess a firm, similar to online reviews. These types of signals serve as informational cues and may be highly influential. However, the analysis shows that when the firm responds favorably to service requests and complaints the responsiveness or recovery effort may be noticed by the original author of the thread, thereby causing some complainants to respond favorably to the firm's response. Based on the conversations after the firm responded to the complaints or questions, several positive signals were also created from consumers who elected to "Like" the firm's recovery response. The firm's actions produced positive signals, which lead to our second proposition, P2: a firm

effectively managing social media service encounters increases the amount of positive signals sent to other consumers.

The social aspect of social media also introduced how fellow consumers would freely join into the conversations. Out of the 234 service encounter message threads, 49 contained at least one post from participants labeled as “Helpful Others”. These fellow consumers responded with helpful comments to the consumer seeking assistance and posted supportive comments toward the brand. For the complaints, the Helpful Others politely defended the firm without being confrontational to the complainant. Helpful Others were trying to assist the firm by helping the complainant with answers to questions or providing useful information. Helpful Others performed a beneficial service to the firm: the negative signals created by complaints were being politely refuted in a manner that reduced the negativity to a degree, leading to our third proposition, P3: fellow consumers who politely try to provide assistance can create positive signals sent to other consumers during social media service encounters.

P2 and P3 highlight positive signals associated with social media service encounters. However, negative signals were also present due to some fellow consumers who acted inappropriately. Out of the 234 service encounter message threads, 30 contained at least one comment from what we labeled as “Rude Others”. This type of consumer mocked those seeking assistance with humor and sarcasm, downplayed the importance of an issue, posted insults to those seeking help, or published rudely worded opinions as to why a thread’s author may have incorrectly blamed the firm. In some cases Rude Others began and fueled exchanges with a consumer seeking assistance and with others, an occurrence we labeled as “consumer bickering”. Rude Others created negative signals primarily in two ways on the firm’s Facebook page. First, a complainant who had a problem and approached the firm for assistance received a contrasted type of treatment sought out, in the form of inappropriate or rude behavior from others. Second, fellow consumers exposed to the rude comments and the unfair treatment of a complainant voiced displeasure in the dysfunctional behavior. In some cases, dozens of comments back and forth between fellow consumers argued with Rude Others. It created lots on inappropriate informational cues, which leads us to our fourth proposition, P4: consumers who post inappropriate or rude comments during social media service encounters can produce negative signals to other consumers.

One surprising finding in the analysis is that the firm chose to not interject in any of the conversations that included Rude Others. Out of the 30 message threads containing at least one comment from a Rude Other, not a single time did the firm post a response to apologize to the thread’s author for the poor treatment or ask the rude language to cease. This was an odd finding due to the firm responding in most threads to the original issue. We posit that a firm’s inaction to not attempt to address Rude Others causes other fellow consumers to view the inaction as a negative signal and cast blame to the firm to a degree. This leads to our last proposition, P5: a firm failing to manage negative signals resulting from consumers who post rude or inappropriate comments sends additional negative signals to all consumers.

Implications

One theoretical implication is that customer service support and complaint handling that conventionally is recognized as an underlying secondary offering, which supplements core product

offerings, can now be front and center on a firm’s IMC channel. These service encounters create positive and negative signals to offer a unique viewpoint into a firm and how it manages service requests and complaints. The line of visibility that enables firms to shield a customer’s view of service processes is disappearing with these service signals.

Another theoretical implication resides within the emergence of publicly viewable online service encounters. This challenges the long standing view that service encounters are dyadic (Solomon et al. 1985). Similar to how service quality research needed alternative perspectives for online e-service quality (e.g., Collier and Bienstock 2006), service recovery research may also require new perspectives for online service encounters.

Finally, the traditional push-versus-pull methods of media dissemination are now adjoined with a greater degree of consumer control and participation. Signaling theory traditionally has been recognized as a brand in control of sending signals to the market, which is a push-style of media dissemination popularized via mass media promotions. In social and mobile media consumers are acting as co-producers of marketing communication (Bacile, Ye, and Swilley 2014), which is more pull-like in nature, yet it introduces even more participation possibilities aside from merely choosing to receive communications. Our propositions should stimulate continued meaningful discussion regarding signaling theory in the context IMC online, such that signals are no longer solely controlled by a marketer on their own communication channels.

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Summary Brief

Understanding Public Sector Services Quality

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Public sector services are services offered by a local, state, or federal government entity either directly through public sector provision or indirectly through public financing of private service provision. There are some slight, but important, features in the process of providing and consuming public sector services that differentiate them from the provision and consumption of private sector services. Based on prior theory, the authors delineate and discuss seven distinguishing features of public sector services and propose that while SERVQUAL, a popular marketing instrument for measuring service quality, may appropriately evaluate public sector services quality across its five dimensions, consumers may also evaluate public sector service quality on additional dimensions. A general conceptual framework for research concerning public sector services quality evaluation is developed.

Introduction

Services marketing research has identified, defined, classified, and measured many aspects of consumer services (e.g. Cronin and Taylor 1992; Lovelock 1983; Parasuraman, Zeithaml, and Berry 1988; Parasuraman, Zeithaml, and Berry 2005). However, a great deal of the services marketing studies applied these conceptual models, methodology frameworks, and instruments to study private provision of consumer services. Based on prior theory, this brief summarizes exploratory research that proposes that consumers may evaluate public sector service quality on certain dimensions that are unique to the public sector services context, and as such, the current popular marketing instruments for measuring service quality, such as SERVQUAL, may be insufficient in a public sector services context.

Research Framework

Public sector services are services offered by a local, state, or federal government entity either directly through public sector provision or indirectly through public financing of private service provision. Existing literature in marketing that has focused on public sector services is sparse and has resulted primarily in conceptual developments in which geographical contexts mainly outside of the United States where governments offer a greater array of services than in the United States have been used (e.g. Butler and Collins 1995; Cousins 1990; Day, Reynolds, and Lancaster 1998; Graham 1994; Laing 2003; O’Faircheallaigh 1991; van der Hart 1990). A review of the multi-disciplinary prior literature has revealed a few slight, but important, features in the process of consuming public sector services that differentiate them from the consumption of private sector services. These are summarized in Table 1.

Table 1: Seven Distinguishing Features of Public Sector Services

Feature	Elaboration
indirect payment for and subsidized costs to consumer	Consumer does not pay the full cost for public sector services consumption at the point of service delivery. Costs are subsidized to the individual consumer through the collective payments of other taxpayers.
noncompetitive	Consumers do not have a choice, generally, of different outlets for obtaining public sector services.
necessary consumption	Consumption of a relatively high proportion of public sector services is often necessary for survival or mandated by law.
moral universal provision	Major function of government is to provide universal provision of necessities in the face of private sector underprovision or private sector inaccessibility to all citizens.
duality of consumer roles	Consumption of public sector services involves consuming them in dual roles as consumers and as citizens.
production determined by democratic processes	Production of public sector services mainly determined by the citizen role of the consumer through voting and other democratic processes.
primary customer is difficult to identify	Users may not pay for service directly and/or may not need to interact with a government organization directly in order to use them.

Seminal research by Parasuraman, Zeithaml, and Berry (1988) resulted in SERVQUAL, a widely-used instrument in academic research for measuring consumer perceptions of service quality across its five dimensions of the tangible elements of provision, reliability, responsiveness, assurance, and empathy. SERVQUAL has been useful in measuring service quality across a diverse range of service industries. The authors intended for the instrument to be usable across many types of service businesses as well as being suitable in segmenting a business’s clients according to quality perceptions and segmenting different stores according to their customers’ quality evaluations. This certainly could apply to a public sector services context, where consumers of a particular public sector service could assess its quality according to the five

dimensions of SERVQUAL. Moreover, customer and store segmentation may also be desirable market data for public sector service managers. It follows logically, thus, that the following proposition can be integrated into the conceptual framework guiding public sector services quality research.

Proposition 1: Public sector services can be evaluated appropriately according to the five dimensions of tangibles, reliability, responsiveness, assurance, and empathy as proposed in Parasuraman, Zeithaml, and Berry (1988).

Public sector services, however, have certain distinguishing characteristics as identified in Table 1 that may contribute to other dimensions of evaluation in customers' overall evaluations of public sector service quality. Many of these distinguishing characteristics are derived from the overarching point that public sector services are offered by a central authority that is funded through collective taxation and accountable indirectly to citizen oversight, composed of consumers who gain private and public value through their consumption of public sector services. It follows, then, that public sector service quality may also be evaluated on dimensions that embody the unique characteristics of public sector service provision and consumption.

Proposition 2: Public sector services can be evaluated appropriately according to supplemental dimensions that take into account the characteristics of public sector service provision and consumption which are largely distinct from private sector service provision and consumption.

Discussion

In the continued evolution of services marketing research, it is necessary to explore further public sector services as both a unique dimension of overall human service provision as well as a general subject area with its own unique contexts and untapped areas of research within it. As such, this conceptual inquiry has taken a step down this path by suggesting an area of examination for public sector services, service quality assessment, as well as a framework that can be integrated in the established paradigm of qualitative and quantitative inquiry for services marketing research.

The potential implications for managerial practice, particularly public administration, include the possibility that the existing popular instruments for evaluating service quality (SERVQUAL as the current example), which are largely adapted from private sector conceptualizations, may be insufficient for evaluating all of its dimensions in the public sector context. While there are anecdotal accounts from consumers regarding public sector service managers having low incentives to provide high quality service, possibly due to public sector services' specific traits of providing necessary and non-competitive products, this is likely not the case. For instance, quality service provision is necessary for effectiveness and operating efficiency in the private sector (e.g. Athanassopoulos 1997). It is possible that further research regarding this link is needed for public sector services contexts but, if corroborated, would have the implication that public sector managers also require quality service provision for effective and efficient service provision. As such, future research

toward creating a valid and reliable instrument to accomplish this is necessary to sufficiently evaluate quality in a public sector service context.

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Summary Brief

The Effects of Service Worker Job Resourcefulness on Burnout, Intentions to Leave and Job Satisfaction: A Preliminary Analysis

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Service managers continue to feel the pressure to do more with less, and the job resourcefulness construct continues to grow in importance. This preliminary study examines the influence of JR on service worker burnout towards management and customers. Results reveal that JR negatively influences burnout towards customers. The study also corroborates previous findings regarding intentions to leave and job satisfaction.

Introduction

“Do more with less!” As businesses weathered the storm of the great recession they quickly learned that the cutbacks that resulted from the pressures to increase efficiencies only added to the expectation that businesses must do more with less. In fact, a new phrase is now appearing: “doing *STILL* more with less”. Academe remains slow to address the issue, although a growing stream of work has focused on the “job resourcefulness” construct. Job resourcefulness (JR) has been conceptualized as an employee-level, individual-difference variable and defined as “an enduring disposition to garner scarce resources and overcome obstacles in the pursuit of job-related goals” (Licata et al. 2003, p. 257).” JR describes the predisposition to do more with less. The construct has added much to the literature, and has been shown to influence a number of outcomes. Many of these variables have been subjective but recent work includes objective measures (Harris et al. 2013).

One relationship that has yet to be examined is the influence of JR on two types of employee burnout: burnout towards management and customers. Given the role that burnout has in employee performance (Singh, Goolsby, and Rhoads 1994), this deserves attention. In an environment that is marked by pressures to do more with less, it stands to reason that employee burnout may be increasing. Role stressors play an important role in front-line service employee performance (Babin and Boles 1996).

Job Resourcefulness and Burnout

Licata et al (2003) conceptualized JR as an individual-difference variable that influences employee behavior across settings, jobs, and industries. Their work emerged from the banking industry: an industry which, at the time, had faced severe cutbacks. Cutbacks occur while employees must satisfy many different work groups. As Singh (2000) noted, the pressures of meeting the expectations of both managers and customers are very much a reality in service settings and can lead to burnout. Burnout has been purported to be comprised of *emotional exhaustion, depersonalization, and perceived reduced personal accomplishment* facets, but a tradition has developed that focuses

on assessing burnout towards specific groups. Singh et al. (1994) recognized the pressures from various work-related groups, including customers and management. Singh (2000) examined the influence of role stressors and burnout towards management (BOM) and customers (BOC) on performance quality and quantity and revealed that higher levels of BOM leads to higher levels of quality and higher levels of BOC leads to lower levels.

The current work draws from self-regulation and person-fit theories. These theories are utilized in burnout studies. Harris and colleagues (2013) used person-job fit theory to explore the effects of JR on sales. Self-regulation theory has also been utilized in previous burnout studies (e.g., Babakus, Yavas, and Ashill 2009). These researchers drew from both theories to examine the effects of job demands on employee burnout, performance, and turnover intentions. Drawing from works in emotional labor theory (Muraven, Shmueli, and Burkley 2006; Grandey et al. 2005), they reasoned that employees who have a strong degree of customer orientation do not consume emotional or cognitive resources, which enables them to avoid burnout. Employees have predispositions that generate emotional resources that are drawn upon to create responses. When employees have limited dispositions towards caring for customers, they pull from these resources by engaging in either surface or deep-level “acting”. They either put on a smile regardless of felt emotions (surface-level) or they regulate emotions and produce authentic displays (deep-level). Such acting leads to increased levels of stress. Research has shown that employees who must follow display rules feel more emotional exhaustion than employees who are encouraged to display autonomy (Goldberg and Grandey 2007). Automatic responses reduce burnout tendencies because they do not deplete emotional resources, insulating one from exhaustion. Babakus and colleagues (2009) found that highly customer-oriented employees are less likely to experience the negative effects of job demands and burnout due to their ability to display customer-oriented behaviors.

It is hypothesized that service workers with a strong degree of JR, given their natural dispositions to work within pressures to do more with less, do not consume emotional or cognitive resources when dealing with environmental pressures, leaving them less susceptible to either BOM or BOC. Since the fit of the employee (highly JR) and the environment (pressure to do more with less) is strong, burnout should decrease. Similarly, Rod and Ashill (2009) found that JR leads to lower levels of exhaustion.

H1: JR negatively influences BOC.

H2: JR negatively influences BOM.

The work also seeks to corroborate previous findings regarding the influence of JR on intentions to leave (ITL) and job

satisfaction (JSAT). Harris and colleagues (2006) found that JR positively influences JSAT and negatively influences ITL. When the fit between the employee and the environment is strong, JSAT should increase and ITL decrease. The work also seeks to corroborate and extend the findings of Singh et al. (1994) who found that burnout negatively influences JSAT and ITL. It is also hypothesized that JSAT negatively influences ITL and that the personality traits of conscientiousness and openness influence JR, also found in previous studies.

- H3: JR positively influences JSAT.
- H4: JR negatively influences ITL.
- H5: BOM negatively influences JSAT.
- H6: BOM positively influences ITL.
- H7: BOC negatively influences JSAT.
- H8: BOC positively influences ITL.
- H9: JSAT negatively influences ITL.
- H10: Conscientiousness and openness positively influence JR.

Methodology

The banking industry was selected as the research setting. 220 surveys were distributed to bank employees at a U.S. bank. 124 were returned (84% female). JR was assessed on the scale developed by Licata et al. (2003). Burnout facets were adapted from Singh (2000). JSAT was adapted from Hartline and Ferrell (1996). ITL was adapted from Mitchel (1981). This scale was reversed scored. Personality measures were adapted from Harris et al. (2013). All $\alpha > .80$.

Results

The model fit was acceptable given sample size ($\chi^2 = 19.34$, d.f. = 8, CFI = .96, SRMR = .07). JR negatively influenced BOC (Standardized Path Coefficient [SPC] = -.47, $t = -5.83$). H2 was not supported ($p > .10$). JR positively influenced JSAT (SPC = .35, $t = 4.66$) and negatively influenced ITL (SPC = -.12, $t = -1.74$). BOM negatively influenced JSAT (SPC = -.41, $t = -6.06$) and positively influenced ITL (SPC = .17, $t = 2.61$). BOC negatively influenced JSAT (SPC = -.25, $t = -3.24$) and positively influenced ITL (SPC = .16, $t = 2.39$). JSAT negatively influenced ITL (SPC = -.55, $t = -7.29$). Conscientiousness positively influenced JR (SPC = .22, $t = 2.42$). Openness had a non-significant effect on JR ($p > .10$).

Discussion

This preliminary work supports the assertion that JR plays a crucial role in burnout. JR negatively impacts BOC, but not BOM, a finding that is not surprising given Singh's (2000) work. The role of employees is more closely directed at serving customers than serving managers. Corroborating evidence regarding JR influences on ITL and JSAT and trait influences on JR have also been found.

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SPECIAL SESSIONS

Special Session

Teaching Consumer Behavior in Today's Changing University Environment

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Today's focus in higher education has changed from learning objectives to learning outcomes as a measure for student success. Although this change can be easily made in some classes, for Consumer Behavior (CB), creating measurable outcomes presents unique challenges. The goal of this paper is to delineate the differences between objectives and outcomes in order to encourage conversation on how outcomes can be applied to CB.

Introduction

The increased focus on learning outcomes in lieu of or in addition to learning objectives is becoming progressively more common in classrooms in higher education (HE) today. As this trend becomes more established in HE, classes in business colleges around the country will be asked to comply with this movement as HE focuses on curriculum design and assessment of student learning as tools to support student success and retention. Student success and retention have become driving forces in goals and mission statements for many universities today. With CB frequently being required for Marketing majors, those faculty who teach CB are likely to find themselves asked to create learning outcomes for their course. As such, this presentation reviews learning objectives versus outcomes, focusing on strengths and weaknesses, and the unique issues associated with generating learning outcomes for a heavily psychology-based class.

Learning Objectives vs. Outcomes

The movement towards learning outcomes contrasts with the traditional mode of classroom delivery. Research from the United Kingdom found that HE focused on the content and process of learning more than its outcomes (UDACE 1989). As a result, focus in the classroom has been on syllabi and classroom structure, requiring students to follow the prescribed method of lecture and content delivery. However, recent efforts in HE have moved towards more of a student-based approach (Robertson 2001). Barr and Tagg (1995) called for a move away from the traditional 'instructional paradigm' to a 'learning paradigm' where students take responsibility for what they learn (where outcomes are linked to assessment).

However, faculty frequently do not distinguish between learning outcomes and objectives. *Learning objectives* are brief statements that clearly describe the desired content that students should know by the end of the class at an acceptable level of performance ("Assessment Primer" 2002). *Learning outcomes* describe the knowledge or skills that learners should have acquired by the end of a particular course of study ("Developing Learning Outcomes" 2014). Essentially, learning outcomes recognize what can be achieved and assessed at the end of a course, not just the aspirations or what is intended to be achieved (Harden 2002).

Thus, objectives are *intended* results of instruction; whereas outcomes are *achieved* results. Watson (2002) summarized a learning outcome as "something that students can *do* now that they could not do previously...a change in people as a result of a learning experience (p. 208)."

Creating Learning Outcomes

Perhaps the most well-known approach to outcomes-based curricula was introduced by Bloom (1956) with the publication of "A Taxonomy of Cognitive Objectives". Commonly referred to as Bloom's Taxonomy and recently updated by Anderson and Krathwohl (2001), the Taxonomy provides a means of classifying student learning using higher order cognitive terms. Bloom's Taxonomy ranges from lower level objectives such as Knowledge and Comprehension (including verbs such as describe, explain, discuss, define, list, recall) to higher level objectives (Analyze, Synthesize, and Evaluate). Higher order verbs include calculate, test, inspect, formulate, design, evaluate, compare and assess. Higher order verbs indicate a more thorough understanding of subject matter and require greater cognitive organization on the part of the individual. As such, higher order verbs are more desirable as learning outcomes than are lower order verbs.

Outcome statements are typically broken down into three components: (1) an action word that describes the performance to be demonstrated, (2) a learning statement that specifies what learning will be demonstrated in the performance, and (3) a broad statement of the criterion or standard for acceptable performance ("Assessment Primer" 2014). Learning outcomes frequently refer to Bloom's higher order action verbs to generate the first requirement of the outcome. An example of a learning outcome could be: Students will be able to analyze (action verb) income statements (learning statement) using appropriate software (criterion). The phrase "Students will be able to" is commonly used to introduce learning outcomes instead of the "The objectives of this course are..." which is widely used in syllabi for many courses across disciplines today.

Maher said "Learning outcomes offer a means by which attention can be focused on the actual achievements of students and this represents a more realistic and genuine measure of the value of education than measures of teaching input" (2004, p. 48). "Value of education" is one of the key phrases in Maher's comment. Universities today are facing greater pressure to justify the value of education they provide to students. The development of assessment tools and programs in HE has become commonplace across the country. As focus continues to grow on student success and retention, research that indicates positive measures of assessment will continue to encourage focus on such measures as learning outcomes.

Learning outcomes allow universities to illustrate student achievement. The traditional curriculum of years past has evolved today to incorporate professional skills and personal qualities as part of degree requirements. For many years, employers have indicated that they are more interested in what a student can *do* than in what they *know* (Jackson 2000). Outcomes allow students to have skills that they may communicate to prospective employers. There is some evidence that this may make students more attractive to potential employers and help them to transition more easily to the workplace (Knight and Yorke 2004).

However, there is some concern that learning outcomes may work to limit open-ended student learning. Students may have no interest in engaging in discussion that does not pertain directly to the set outcomes of the course. Rather than encouraging deeper understanding of the material, learning outcomes may actually result in students performing only to the level required by the stated outcome(s) (Rust et al. 2003). Hussey and Smith (2002) maintain that learning outcomes may only be clear to those who already have adequate knowledge and understanding of the subject matter. Students are very unlikely to fall into this category as the purpose of them being in the class is to gain that exact subject matter to which we refer. Thus, the concern arises that teachers begin participating in what has been termed a ‘learning outcomes game’ whereby outcomes become a chore rather than a meaningful way to improve student learning (Carey and Gregory 2003). The end result is similar to “teaching to the test.”

Learning Outcomes in CB

As learning outcomes become more commonly used as tools to assist in assessment, colleges and universities are encouraging faculty to implement them into their course requirements. For some disciplines, learning outcomes require little change or restructuring to existing class structure. However, the construction of dynamic, measurable outcomes in other disciplines is more challenging. CB as a class has roots in many different disciplines (i.e., anthropology, sociology, marketing, economics, and social psychology). Subject matter in CB typically includes a broad array of topics, including areas as diverse as perception, behavioral learning theories, complaint behavior, social class systems, economic and social trends in a population, and many others. A primary goal of this class is to help students recognize how important it is for a business’s success to understand both the internal and external influences which may affect a consumer’s choice in a decision making context. However, understanding of those concepts alone does not meet the definition of a learning outcome. It is important to specify what a student can DO after completing a CB course that s/he could not do before.

Based upon the criteria presented in the literature relative to learning outcomes, what are measurable components for a CB class? Going back to Bloom’s Taxonomy, lower level verbs do not make for the most desirable basis for learning outcomes in that they lack action whereas higher order verbs are strongly encouraged. What are effective CB learning outcomes? What do CB students analyze, calculate or evaluate in class? How can faculty who teach CB create successful, dynamic measures of student performance and assessment?

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Summary Brief

Using PSPP Statistical Software in Marketing Research Classes

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One of the major advantages of PSPP statistical software over SPSS is that it is free unlike SPSS, which is very expensive for students and must be renewed every six to nine months. Students can also download PSPP software on their laptop or other selective tablets. Additionally, PSPP reduces lab times at school and allows the student to be able to work at home on their own, as statistical procedures are reinforced in a more intimate and private setting. PSPP allows students to run high-level statistical procedures just like SPSS. Furthermore, the interface is identical to SPSS and therefore the experience and learning curve is the same between both statistical software packages. This presentation

will address the pedagogical and experiential advantages of using PSPP statistical software over SPSS in classroom settings on undergraduate and graduate levels. This session will include PowerPoint presentations on how to design and implement an entire marketing research class and other marketing classes that utilize statistical analysis. Finally, the session will provide the audience with instructions on how to create a syllabus, develop PSPP tutorial booklet, create class work assignments, group and individual projects, homework assignments, presentations and grading for an entire semester of work.

PROMOTION AND COMMUNICATION

Summary Brief

How Do You Know Me? Determinants of Consumer Avoidance of Personalized Advertising on the Web

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In this study, we attempt to explain why consumers avoid personalized ads on the Web. To do so, we propose a model describing four determinants of consumer avoidance of personalized ads on a Website: privacy concerns, boredom, irritation, and perceived usefulness. The results of structural equation modeling show that (1) privacy concerns have an indirect positive effect on ad avoidance, mediated by irritation; (2) perceived usefulness has direct and indirect negative effects via irritation on ad avoidance; and (3) boredom has direct and indirect positive effects via irritation on ad avoidance.

Introduction

Personalization is one of the characteristics of Internet ads. Internet advertisers can personalize their ads match individual consumers' needs by analyzing consumers' information on the Internet. However, consumer reactions to such ads may not always be positive. Then what determines consumer avoidance of personalized online advertising? In this study, we develop and test a new model to describe the determinants of consumer avoidance of personalized Internet advertising.

Literature Review

Consumers choose to avoid being exposed to some ads. Such consumer behavior is called advertising avoidance, defined as "media users' behavior to decrease chances to be exposed to an advertisement" (Speck and Elliot, 1997, p. 61).

As potential determinants of ad avoidance, irritation due to the ad and boredom due to repeated exposure to same ads have been the focus in some studies (cf., Aaker and Bruzzone 1985).

Taking a general view of the field of personalized ads, it is difficult to be separated from privacy issues because the ads are based on consumers' personal information. White, Zarhay, Thorbjornsen, and Shavitt (2008) invoked psychological reactance theory in suggesting that perceived diminution in freedom induces an emotional state, called psychological reactance, elicits behaviors intended to restore autonomy (Brehm 1966). They found that a consumer experienced psychological reactance in response to personalized e-mail advertising and that reactance was mitigated by the perceived usefulness of the advertising messages.

Following White et al. (2008), Baek and Morimoto (2012) proposed a structural model to suggest that two constructs,

irritation and privacy concerns, positively affect ad avoidance, both directly and, via skepticism, indirectly. They also identified an additional determinant, perceived personalization, which decreased skepticism and ad avoidance.

Proposed Model

The proposed model in this study is a modified model based on Baek and Morimoto's model (2012) as follows.

First, while Baek and Morimoto modeled skepticism as a mediator because consumer privacy is violated by advertiser, we should not do so because consumers are not skeptical about the information of personalized online ads for the reason they are threatened their privacy by advertisers, but by advertising media. Instead, as a mediator, we model irritation which has been regarded as a key determinant of ad avoidance. In connect with irritation, turning now to privacy concerns. Baek and Morimoto's findings suggest that privacy concerns effect on ad avoidance, and they also claim "if consumers feel they lack of control over their personal information posed by personalized advertising, they are likely to have irritating experiences" (pp. 63f). Therefore;

H1 Irritation has a positive impact on ad avoidance.

H2a Privacy concerns have a positive impact on irritation.

H2b Privacy concerns have a positive impact on ad avoidance.

Second, perceived personalization should be replaced by perceived usefulness because Baek and Morimoto (2012) assumed that, like perceived usefulness in White et al. (2008), the construct mitigates the level of psychological reactance. Note that Baek and Morimoto assumed consumers who perceive that the personalized ads are useful, when they claimed that perceived personalization negatively affects ad avoidance. Thus, we model the concept of perceived usefulness. Therefore;

H3a Perceived usefulness has a negative impact on irritation.

H3b Perceived usefulness has a negative impact on ad avoidance.

Finally, we introduce boredom as a new determinant to our model. In the case of personalized ads, ads that do not satisfy the consumer's needs are replaced with ads that satisfy his/her needs. As a result, consumers are exposed to limited kinds of ads. Then, they would perceive boredom due to repeated exposure of a particular advertisement (Berlyne 1970). Therefore;

H4a Boredom has a positive impact on irritation.

H4b Boredom has a positive impact on ad avoidance.

Methodology

To test the model proposed in the previous section, we used structural equation modeling with a consumer data set. We used multiple scales developed based on previous studies. Some indices like SCR and AVE suggest good reliability and validity. We administered a consumer survey in undergraduate classes at the business school of a university. They were asked to recall an experience in which they shopped for an item online one day and were then exposed to personalized Internet ads for that item on another day. To examine whether alternative models fit the data better than the proposed model, based on Baek and Morimoto, we estimated a comparison with three competing models: (a) a model with only an indirect relationship between ad avoidance and its three determinants via irritation; (b) a model with alternative paths from perceived benefit (i.e., perceived usefulness) to ad avoidance via perceived cost (i.e., privacy concerns, boredom, and irritation); and (c) a model with alternative paths from perceived cost to ad avoidance via perceived benefit.

Result

The structural model shows good fit to the data [$\chi^2=33.64$, $\chi^2/df=1.35$, GFI=0.98, AGFI=0.95, RMSEA=0.03, SRMR=0.02]. All parameter estimates have adequate signs as previously hypothesized and are significant at the 1% or 5% level, except H3. Results of Sobel's test indicate that the relationships between ad avoidance and three determinants are mediated by irritation [Z-values=3.94, -5.02, and 3.94 ($p < 0.01$)]. The result of examination is that the proposed model has the more favorable Akaike information criterion than all competing models. Also, for the proposed model, GFI and CFI are highest, whereas χ^2/df , SRMR, and RMSEA are lowest, suggesting a closer fit of the data to the model than to the competing models.

Discussion

We developed a first model to explain why consumers might want to avoid personalized Internet ads. Our empirical research indicated that irritation had a strong effect on consumers' avoidance of personalized ads ($\beta = 0.45$, $t = 6.40$, $p < 0.01$). If a consumer is irritated with the personalized online ads, he/she is more likely to avoid the ads. Privacy concerns had an indirect impact on ads avoidance via irritation ($\beta = 0.29$, $t = 5.01$, $p < 0.01$)

However, privacy concerns had not a direct impact on ad avoidance ($\beta = 0.01$, $t = 0.09$, $p > 0.15$). This result might be because tracking of personal information is already common practice. Boredom also had positive effects on irritation ($\beta = 0.31$, $t = 5.08$, $p < 0.01$) and ad avoidance ($\beta = 0.15$, $t = 2.16$, $p < 0.01$). If a consumer finds all advertising spaces on the Website filled with the same kind of ads by making ads personalized, he/she is more likely to be bored due to ad repetition. Instead, usefulness had negative impacts on irritation ($\beta = -0.38$, $t = -8.10$, $p < 0.01$) and ad avoidance ($\beta = -0.14$, $t = -2.33$, $p < 0.05$). If a consumer perceives that the personalized Internet ad is useful, he/she is less likely to be irritated and therefore less likely to avoid the ads.

This study has some limitations. First, the results showed that although most fit indices were within the recommended range, some were not. Second, because we conceptualized only four determinants in our model, future research should investigate other possible determinants of ad avoidance in addition to the four factors. Despite these limitations, this study contributes to our knowledge of consumer avoidance of personalized ads on the Web.

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Summary Brief

Can Threshold-based Promotions Influence Product Evaluation? The Effect of Non-Monetary and Monetary Threshold-based Promotions on Product Perceived Quality

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Product quality is generally thought of as being comprised of price, brand, and store name (Rao and Monroe 1989). Rationally, threshold-based promotion such as shipping fee structure should be an irrelevant element to product quality. However, in our study, the evidence suggests that the threshold-based free shipping policy could moderate the effect of price on the product perceived quality. Moreover, the moderation effect of a threshold-based promotion on the relationship between price and product perceived quality dilutes when the promotion is monetary. The results extend the knowledge about how a context variable, individuals' motivational states caused by different threshold-based promotions, influences product quality perceptions.

Introduction

Based on the research of E-Tailing group in 2012, 89% of ecommerce merchants use conditional free shipping as one of their top three sales boosting strategies. Even though the effectiveness of the threshold-based free shipping in generating additional sales has been found, the reasons behind it remain unclear. Greater understanding of the antecedents and consequences of the effect of threshold-based free shipping as well as its differences from monetary threshold-based promotions (e.g. 10 dollars off your purchase of 50 dollars) are needed.

This study makes three main contributions for both marketing practitioners and academics. First, it demonstrates the consequences of threshold free shipping in the product evaluation process, providing a new perspective to the reasons behind the effectiveness of shipping fee promotion. Second, it contributes to the price-quality inference literature by extending knowledge about how a context variable, individuals' motivational states caused by non-monetary (e.g. free shipping) or monetary (price discount) threshold-based promotions, influences product quality perceptions. Third, the research demonstrates the processes that individuals use to justify a future decision or even a potential decision, confirming the application of motivated reasoning theory in the context of the product perceived quality and purchase behaviors.

Literature Review

Price Quality Inference

Product quality is a core component in consumers' product evaluation processes which could influence consumers' decision making. Consumers evaluate the product quality based on the intrinsic information and extrinsic cues. Intrinsic attribute

information generally dominates extrinsic cues. However, when intrinsic information is scarce, extrinsic cues are more likely to be used to assess the product quality (Monroe 2003; Suri and Monroe 2003). There are three main extrinsic cues for consumers to infer the product quality: price, brand, and the store name (Rao and Monroe 1989). In our research, we focus on the effect of price on the product quality. In order to rule out the effect of the brand and the store name, in the experiments, we made up a new brand name and told the participants that the website is a very popular online retailer.

Using price to judge product quality (the price-quality inference) is one of the core findings in the marketing literature. Price information is often used to judge product quality (Rao and Monroe 1989). When the only difference between two products is the price, individuals have higher product evaluations for the product with a higher price than that with a lower price. However, the perception is a cognitive construct, which means it is selective, biased, bottom-up and sometimes even malleable (Balcetis and Dunning 2006). Therefore, even when consumers use the same extrinsic cue, the price information, to infer the product quality, their evaluation could be different during their information processes because under different circumstances (e.g. motivational states), the information process strategies vary.

Motivational Reasoning

Motivational states refer to people's wishes and preferences. Different motivational states might shape the specific hypothesis that individuals test when given ambiguous information. Balcetis and Dunning (2006) found that people's motivational states could influence their processing of visual stimuli.

Motivational reasoning theory indicates that given a chance, individuals selectively interpret and manipulate evidence to justify a preferred future choice or judgment. The biasing role of goals is thus constrained by one's ability to construct a justification for the desired conclusion: people will come to believe what they want to believe when the reason permits. Dissonance reduction refers to people who rationalize a decision after it has been made (Cooper and Fazio 1984). The salient difference between these two theories is the time when people make their justifications. For dissonance reduction, individuals' justifications happen after they make the decisions. However, for the motivational reasoning, individuals selectively interpreted information to reach a conclusion before they make their future decisions.

For the threshold-based free shipping, Koukova et al. (2012) find that when the order value is above the threshold, the lack of a

shipping fee is likely to be coded as a gain or a bonus and offer evaluations are likely to be more favorable relative to an offer with flat rate shipping. However, when the order value is below the threshold, the shipping fee is coded as a loss or penalty relative to the possibility of the free shipping. Based on the loss aversion theory, Hardie et al. (1993) argued that consumers weigh losses from a reference point more than equivalent sized gains. Therefore, in the case of a shipping fee, consumers have strong motivation to pass the threshold to avoid the loss reference to the possibility of the free shipping.

In our studies, we used the threshold-based shipping fee schedule and price discount to manipulate consumer's motivational states and aims to find how these non-monetary and monetary threshold-based promotions influence product perceived quality. Based on the prior literature, we propose that

H1: When the product can help consumers to pass the threshold for free shipping, the product perceived quality increases (Study1).

H2: The threshold-based free shipping policy moderates the effect of price on the product perceived quality (Study1).

H3: The moderation effect of a threshold-based promotion on the relationship between price and product perceived quality dilutes when the promotion is monetary (Study2).

Methodology

For Study 1, a total of 115 participants were enrolled on the Amazon Mturk. After we ruled out the participants without any purchase experience on the product, a total of 105 responses (49.6% female; $Mage=31.05$) were collected in our study. Participants in this study imagined a situation in which they had already chosen a certain product which costs around \$45 on a popular online retailer and were presented with a new product which was recommended by this retailer. In order to rule out the impact of brand and store name on product quality perception, we made up a brand "En" and told the participants that it was a new brand of liquid detergent just introduced into the market and told them it was a popular online retailer without mention of the store name. The price (low- high) and the shipping fee schedule (with or without threshold free shipping) were manipulated in the experiment. The participants were randomly assigned to each cell of a 2 (price: \$ 6.99 vs. \$ 17.99) X 2 (shipping fee schedule: with or without threshold free shipping on orders of \$50 and more) design. We expected that participants would attempt to evaluate product quality higher when the purchase of the product can help them to waive the shipping cost than in the situation without mention of shipping fee schedules.

Under the low price condition (\$6.99), the quality perceptions of subjects who were provided the threshold free shipping information ($M=5.3$) are significantly higher than that of those who were not provided the shipping fee schedule ($M=4.3$) ($F_{1, 52}=5.99, p<.05$). Under the high price condition (\$17.99), the effect of threshold free shipping did not prove significant ($F_{1, 49}=0.229, p>.25$). That means for the high price product, the perceived quality remains the same across different shipping policies, including no information provided shipping policy ($M=4.85$) and threshold-based free shipping ($M=4.63$). Thus, H_1 was partially supported.

Product perceived quality was measured via a four-item, nine-point scale ($\alpha=0.88$) developed by Miyazaki et al.(2005). Subjects' evaluations of the product quality were analyzed in a 2 (High or Low Price) X 2 (With or Without Threshold Free Shipping) analysis of variance (ANOVA). This analysis revealed a significant Price X Threshold Free Shipping two-way interaction ($F_{1,101}=3.994, p<.05$). This provides support for H_2 .

For Study 2, the procedure of the experiment is similar to study 1. A total of 100 participants were enrolled on the Amazon Mturk. The same stimuli "En" liquid detergent was presented to the participants. The only difference was that we used threshold-based monetary promotion (10 dollars off your purchase of 50 dollars vs. No promotion) instead of shipping schedule, to manipulate participants' motivation states. The two-way interaction of Price and Threshold-based Monetary Promotion is not significant in this case ($F_{1, 96}=0.7034, p>.01$), providing support for H_3 .

Summary

For the low price product, individuals are likely to unconsciously manipulate their evaluations of the product quality to justify their future purchase decisions with the motivations to pass the threshold for free shipping (Study 1). In this situation, the perceived quality of the low price product becomes as high as that of a high price product. However, when the promotion is monetary, it no longer motivates consumers to evaluate the product more positively but has certain negative impact on consumers' evaluations of product quality (Study 2).

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Summary Brief

Cultivating Influential Consumers through Marketing Information and Communications

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Influential consumers exert substantial influence in the marketplace. While some research investigates ways to locate influential consumers, the present research is concerned with creating these individuals. The findings from an empirical study suggest that marketing practitioners can impact influential behavior by providing different combinations of feedback for consumers and marketing information.

Introduction

Some consumers exert substantial influence on the marketplace. These “influentials” are known by such names as “opinion leaders”, “market mavens”, and “brand advocates”. By forming and maintaining social networks (Totterdell, Holman, and Hukin 2008), influential consumers (hereafter, “influentials”) impact the diffusion of both information and innovation (Burt 2000; Goldenberg, Han, Lehmann, and Hong 2009). Because their impact on product awareness and acceptance is substantial, marketing researchers and practitioners are interested in identifying the tactics and contexts that provide the catalysts for influential consumer behavior.

Much prior research asserts that influential consumers are born rather than made. Many arguments have been cogently made that dispositional factors such as extraversion predetermine the consumers who are destined to lead (Brancaleone and Gountas 2007; Goldsmith, Clark, and Goldsmith 2006; Marshall and Gitosudarmo 1995; Mooradian 1996). The idea that consumers are predestined to lead or to follow presents certain challenges for marketers because it intimates the need to find and track the influentials in order to benefit from their social impact. Identifying such individuals is both challenging and expensive (Peralta 2006). These problems are exacerbated by the fluidity of social influence that is afforded by social networking tools which allow any user to build (or lose) social influence with rapidity. This warrants exploration of better ways to access and motivate influential consumer behaviors.

The objective of the current research is to investigate the efficacy of marketer-controlled information in stimulating consumers to engage in influential behaviors. The results of the first empirical study are presented. Findings from suggest that marketing information and feedback may be potent tools that marketers can use to cultivators of intentions to influence social others.

Hypotheses

This research draws on the work of Weinmann (1994) wherein influential consumers are defined as those who have a desire to share information with others, perceive their ability to influence others, and have an intention to connect with others. These three characteristics of influentials formed the focus for the four hypotheses that were evaluated in the first study.

H1: As feedback valence increases, word-of-mouth intention increases.

H2: As feedback valence increases, perceived power to influence others increases.

H3: As feedback valence increases, intention to connect with others increases.

H4: Information form will moderate the influence of feedback valence such that the influence of feedback valence will be stronger when information is specific, as opposed to generic.

Empirical Results

Two hundred fifty-three students at a major university in the Southeast United States participated in the study. Participants were invited to take part in the study after viewing a presentation on promotion in their marketing class. This made the topic of “promotion” highly relevant and accessible for them. It also provided a realistic context for the study. Participants ranged in age from 18-35 years. Fifty-three percent of the participants were female. No significant differences were observed as a function of gender.

The experiment employed a 2 (information form: specific vs. generic) x 3 (feedback valence: positive vs. negative vs. none), 6-cell design. Participants were randomly assigned to a condition. The study focused on the promotional strategy of a little known athletic shoe company – Athletic Propulsion Labs (APL). Participants were informed that APL was interested in developing a promotional strategy for its fledgling company and was seeking feedback from potential customers. Participants viewed marketing information according to condition.

To manipulate information form, half of the participants were provided with specific information about APL. The specific information included detailed descriptions of the company founders, the organization, and the technology used to produce the APL athletic shoes. In the specific information condition, the references to APL were detailed such as, “Released in limited quantities, APL’s Concept 1 basketball line features the company’s breakthrough Load ‘N Launch™ patent-pending

technology...” The remaining participants received generic marketing information comprised of definitions and descriptions of “branding”, “promotion”, and “advertising”. In the generic condition, the references to APL were slight, such as “Orientation of the whole organization toward its brand is called brand orientation. APL has a great brand designed to catch customers attention.”. Images and information quantity were held constant across conditions.

To manipulate feedback valence, participants were asked to answer a series of questions regarding potential promotion strategies for APL. Approximately 1/3 of participants received positive feedback after answering the questions (“Great! We think you have an excellent idea of what APL is all about.”), 1/3 received negative feedback (“We’re sorry. That is not correct.”), and 1/3 received no feedback (control condition).

The dependent variables were measured using existing measures of the three dimensions of influential consumers - word-of-mouth intention, perceived ability to influence others, and intention to connect with others. Cronbach’s alpha scores were .930, .855, and .905, respectively.

Discussion of Empirical Results

MANOVA (controlling for influence of extraversion) revealed a significant main effects of information form ($\Lambda = .861$, $F = 13.175$, $df = 3$, $p = .000$), feedback valence ($\Lambda = .89$, $F = 4.878$, $df = 6$, $p < .005$), and the interaction of the two variables ($\Lambda = .925$, $F = 3.238$, $df = 6$, $p = .004$). Follow-up analysis revealed support for hypotheses 1 and 2. Positive feedback produced higher word-of-mouth intention and higher perceived ability to influence others than either the negative or the no feedback conditions. No evidence of an influence of feedback valence on intention to connect with others was observed (H3).

While an interaction effect was observed, its nature was both surprising and interesting. In contrast with hypothesis 4, the influence of positive feedback on the dependent variables did not vary as a function of information form. Rather, specific (vs. generic) marketing information produced enhanced the effect of negative feedback and no feedback. This suggests that having specific information to share about a company or product may offset the action-depressing effects of being told that your understanding is insufficient or of not receiving any feedback.

The effects of this first study provide evidence that different (and surprising) combinations of feedback for consumers and marketing information may increase the consumer intentions to engage attempts to behave as influential others, regardless of their personality traits.

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NEW PERSPECTIVES IN SALES

Summary Brief

You Can't Always Get What You Want: Drivers and Outcomes of Retailer Control Desires in Sales Channels

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We develop a social capital framework to examine the drivers of customers' desire for control, and consequences of fit between perceived and desired control. Data collected in a lagged field study of 144 retailer manager-salesperson dyads were modeled using hierarchical linear modeling and response surface modeling techniques. Results from our analysis reveal that salesperson expertise, goal congruence, and salesperson integration all impact retailers' desire for control in these relationships. In addition, while incongruence in perceived-desired control was negatively associated with both decreased satisfaction and sales, retailer satisfaction was higher when both desired and perceived control are high. Further, as desire for control and perceived control both increased, product sales initially decreased, then increased exhibiting a 'U-shaped' effect. The findings from our research provide several implications for sales leaders to manage retailer control desires and outcomes.

Introduction

Retailers must coordinate with supplier salespeople on a wide range of product-related activities to remain competitive, such as developing and maintaining a compelling within-store product mix, replenishing stocks, making catalogue decisions, and organizing signage. This process can be very cooperative when supplier salespeople and retailers understand each other's relationship responsibilities. Yet, success for both customers and salespeople ultimately depends on how closely customers' desire for control coincides with how much control they perceive they have in their relationship with sales representatives. Despite acknowledging this dynamic, insight into drivers of customers' desire for control within a sales relationship has remained elusive. Although control - defined as demonstrated competence, superiority, and mastery within the sales relationship (White, 1959) - is a core element of channel relationships, little research addresses customers' desire for control or the relationship between customers' perceived and desired control.

In turn, this gap has implications for understanding the potential benefits associated with customers' involvement in the sales process. As Wallston, Wallston, Smith, and Dobbins (1987) presciently noted, "Too often in the literature, beliefs about control are equated with desire or preference for control, as if people who felt that they had control always unquestionably want it" (p. 7). Their insight highlights the distinctiveness between an individual's desire for control and perceived control. With this in

mind, we propose that understanding what drives retailer control desires, and the interaction between customers' desire for and perceived control, drives impactful outcomes.

Hypotheses

We develop a social capital theory based framework that includes both drivers of customers' desire for control, and consequences of fit between perceived and desired control. Building from the three-part social capital framework described by Nahapiet & Ghoshal (1998), we theorize that relational, structural, and cognitive social capital diminish customers' desire for control because they increase interpersonal goodwill, social trust, and norms of cooperation. We operationalize these drivers using three key antecedents of customers' desire for control over the sales relationship: salesperson expertise, goal congruence, and salespersons' integration within retailer interactions.

We also expand research on desire for control by studying how the fit between desire for- and perceived control can predict customer satisfaction and sales outcomes. Unlike the widely recognized impact of general control, the role of desire for control in understanding such consequences has been relatively neglected. The current study contributes by examining the impact of a conceptually contiguous boundary condition (i.e., desire for control) on the consequences of perceived control.

Methodology

Sample Context

We gathered multisource, multi-level data from a leading sporting goods supplier and its retail channel customers. The three data sources were supplier salespeople, retail store managers, and archived store performance. The sample was drawn from a retail structure in which the brand uses business-to-business salespeople to visit retail outlets and market products. Retailers offer competitors' and focal firm products, and store performance is a function of all industry product sales. All scales were Likert-type, multi-item scales adapted from previous research and anchored at '1' strongly disagree to '7' strongly agree.

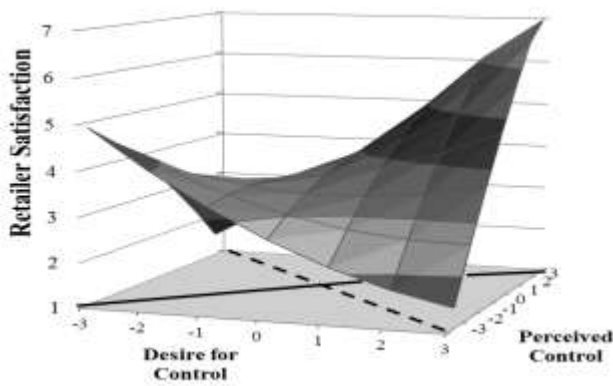
Analytical Strategy and Results

We modeled the drivers of retailer desire for control using hierarchical linear modeling. As expected, salesperson expertise was negatively associated with desire for control. However, there was no direct effect of salesperson integration on desire for

control. Although we uncovered an effect of goal congruence, the effect was opposite our prediction. We found a significantly negative moderating effect of integration on the relationship between goal congruence and desire for control, though not on the relationship between expertise and retailers' desire for control.

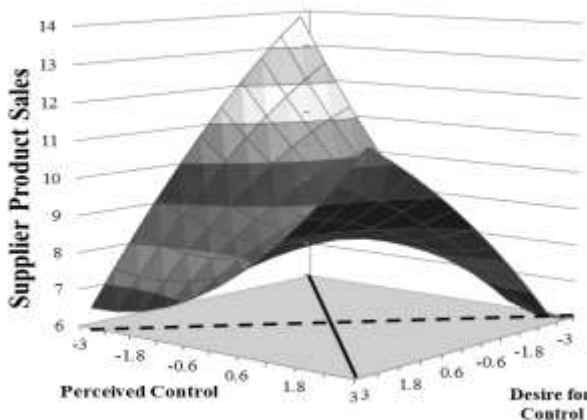
Finally, we examined the outcomes of the interaction between perceived and desired control. Instead of using difference scores, which suffer several limitations, we used response surface analysis (Edwards and Parry 1993). The surface for perceived and desired control predicting satisfaction (Figure 1) indicates that satisfaction is highest when perceived and desired control are equal, and decreases as perceived-desired control diverge. Further, results show that as perceived and desired control increase, retailers' satisfaction increases at an increasing rate.

Figure 1. Response Surface Results for Retailer Satisfaction



Surface-level tests for supplier product sales (Figure 2) indicate that supplier product sales are highest when perceived and desired control are equal, and decrease when they diverge. Further, results along the congruency line indicate that supplier product sales are highest when retailers' desire for and perceived control are both low, then dip and recover as both desire and perceived control increase from low to high levels.

Figure 2. Response Surface Results for Supplier Product Sales



Discussion and Implications

The prevalence of misalignment between customers' desire for and perceived control ($r = .20$ in the current study) suggests that neglect of these issues may be costly. For example, awareness customers' perceived vs. desired control should impact how service providers optimize co-creation strategies. While co-creation invites customers to take more control in product and service experiences, meeting increased customer control desires may increase customer satisfaction but not necessarily benefit suppliers. Results demonstrate the importance of suppliers prioritizing their outcomes when developing a co-creation strategy. On the one hand, increased satisfaction and product sales requires some abdication of control to customers who want it, while on the other hand, maximizing sales (and disregarding satisfaction) requires retention of control from customers who wish to relinquish it.

In order to help align control perceptions, firms must recognize drivers of retailer control. Our results show that salesperson expertise is negatively associated with desire for control, but in contrast, goal congruence related positively to desire for control. This pattern might reflect diminished perceptions of dependence on salespeople, which provides customers the opportunity to control decisions for both parties. Our findings also reveal that the positive relationship between goal congruence and desire for control is attenuated at higher levels of integration. We argue that this reinforces the importance of salespeople working directly with customers when their goals are congruent. In contrast, when goals are less congruent customers desire more control at higher levels of integration. Increased integration affords greater social transparency, which can increase the salience of goal incongruence and desire for control.

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Summary Brief

Serendipity and Personal Selling: Exploring and Leveraging the Effect of Luck on Young Sales Professionals' Self-Efficacy and Performance

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This research explores the relationship between believing in luck, luck emanated sales outcomes, and young sales professionals' self-efficacy and performance. Building on the theory of attribution, and the concepts of luck and serendipity, we offer new determinants accounting for sales performance. Qualitative interviews conducted with experienced salespeople and sales students, complemented by multiple sources data collected at two time points from the latter involved in a field sales assignment, reveal that inexperienced salespeople feel more self-assured and perform better if they attribute sales success to effort conjointly with accidental luck and provoked luck. Specifically, salespeople's belief in luck increases sales performance through sales activities, sales opportunities, and provoked luck. Belief in luck also increases accidental luck which impacts self-efficacy and performance, after controlling for regular sales process. Contributions reveal that luck, contrary to the attribution theory principles, operate complementarily to effort, and thus is instrumental to sales success.

Introduction

Facing uncertainty and likely failure is part of young sales professionals' daily routine, especially in the exploration stage of their career. Therefore, proper training and the feeling of personal accomplishment are critical to their motivation, job satisfaction, and also reduce turnover.

Leveraging the attribution theory, sales scholars have stressed the importance of ability and effort, as stable, internal, and controllable causes of success to explain salespeople's motivation, learning orientation, and performance (e.g., Dixon and Schertzer 2005). Luck, which is considered as an unstable, external, and uncontrollable attributional cause has mainly been studied through the lens of chance (i.e., randomness or blind luck) or bad luck (e.g., Dixon, Spiro, and Forbes 2003). Moreover, research show that luck deflates salespeople's expectancies and confuses them on the instrumental reasons of their success (e.g., Dixon, Forbes, and Schertzer 2005). Interestingly, correlation matrixes reported in the literature reveal intriguing intercorrelations surrounding luck. In fact, luck seems to correlate positively to salespeople's effort, ability, task perceived easiness, or sales performance (e.g., DeCarlo, Teas, and McElroy 1997). However, no clear explanations are sought after and offered. Yet, understanding the role of luck in sales performance should help uncover how inexperienced salespeople can better handle uncertainty through what may have been mistakenly considered as an instable, external or uncontrollable factor of success or failure.

Theoretical Background

The attribution theory is concerned with individuals' search for causes of their failures and successes; a natural tendency to redirect effort on appropriate behavior to improve performance. Three central causal dimensions have been discerned, namely stability, locus, and controllability (Weiner 1979). However, the attribution theory considers luck as an unstable, external, and uncontrollable cause of individuals' achievement.

The concept of luck is complex and embraces the notion of chance, unpredictability, uncontrollability, rarity, significance, and opportunities. Most important, while luck is attached to an individual affected by an event (i.e., being lucky or unlucky), chance refers to the event at stake (i.e., its probability of occurrence). Although, there is no agreed upon definition of luck in the literature, it should be differentiated from the notion of chance, or randomness, which refers to an unexpected event, over which no one has control, that does not happen to any one person with any consistency or frequency (Rescher 1995). In contrast, some authors view luck as an unexpected event over which people may have some control and that consistently and frequently accrues to those who pursue it (Wiseman 2003). Consequently, chance or randomness, also called "blind luck", differs from accidental luck, which exists when an unexpected event over which the person has some influence actually takes place, and from provoked luck, in which case the person's own strategic behavior sets the stage for the unexpected event to occur through foreseen opportunities.

Findings and Contributions

This research explores the relationship between believing in luck, luck emanated sales outcomes, and young sales professionals' self-efficacy and performance. Rooted in qualitative interviews conducted with experienced salespeople and sales students, along with multiple sources data collected at two time points from the latter who completed a real field sales assignment, findings suggest that inexperienced salespeople feel more self-assured and perform better if they believe in luck and attribute sales success to effort conjointly with *accidental luck* and *provoked luck*.

This research provides three interesting contributions. First, we introduce the concepts of accidental luck and provoked luck and show that luck, although considered as an unstable, external, and uncontrollable cause in the attribution theory, should be viewed as a manageable determinant of personal achievement. Findings also show that luck and effort operate complementarily and should not be regarded as mutually exclusive attributional

causes of success. Second, we uncover that sales success also relies on good luck, a factor which has yet to be integrated into sales performance theories. Last, since luck emanated outcomes positively impact one's self-efficacy, this research suggests that inexperienced salespeople should cope with uncertainty and likely failure better if they remain positive and believe they can always build their own luck.

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Full Paper

The Choice: Lasting Effects of Reasons for Salesperson's Job Selection

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In a study of nearly 400 salespeople, we explore the effects of reasons for job choice. Findings suggest reasons for job choice have effects on performance and job satisfaction that last, unattenuated by tenure. Further, motivation and self-efficacy perceptions moderate the effects of choice, mediated by ethical climate.

Introduction

Are salespeople born or made? Can ethics be taught? No matter where one lands on these questions, few deny the importance of selecting the right salespeople, then making sure they are well trained and given compensation plans that motivate under leadership that creates the proper ethical climate (e.g. Tanner, Honeycutt, and Erffmeyer 2014). Yet, sales candidates are also selecting the company they hope is right for them, one they may hope provides training, good earning potential, in an environment that respects their contributions (e.g. Tyagi 1982).

Research, though, has almost ignored salespersons' selection decisions and the long-term implications of those decisions, taking instead a company-orientation. This perspective is limited, ignoring an important decision that could have long term consequences. The one exception is a study that examined pre-entry organizational commitment (Werbel, Landau, and DeCarlo 1996), which did find that pre-employment expectations did influence later outcomes. This exploratory study is the first, though, to have considered reasons why salespeople select a company and the impact of those reasons on later developments, such as performance. We begin with a brief overview of the salesperson's choice of company and follow with the model used to explore the consequences of that decision.

Job Choice

The term *job choice* is used to denote the salesperson's decision to work for a specific company, the converse of salesperson selection by the company. This construct is likely to be related to two areas of study: person-job fit (e.g. Caldwell and O'Reilly 1990) and motivation, including Vroomian approaches (e.g. Churchill, Ford, and Walker 1985), needs-theories (e.g. McClelland 1953), and other approaches. The construct also differs in that the construct is post-hoc in the sense that the

salesperson's fit with the job is a function of what is encountered when actually in the job, rather than expectations or motivations for joining the organization.

Most of the research regarding motivation has been from the company-oriented perspective, typically considering only the

marginal effect of changes such as in compensation (e.g. Darmon 1987; Lee 1998), the influence of recognition (e.g. Brashear et al. 1997), the input of leadership behavior (e.g. Amyx and Alford 2005), and other motivational components with an eye to pressing the right levers to achieve the desired outcomes.

Motivation to join an organization may be a combination of any number of factors: location, company reputation, manager reputation, pay, and other factors (e.g. Tanner et al. 2014). While prior research has neglected the decision to join a specific company, some attention has been paid to reasons for joining the sales profession. In a multi-country study of salespeople, reasons for joining sales varied greatly but total compensation was the most often cited reason among US salespeople, followed by "use special abilities" and "to be of service to others," (Tanner and Dudley 2003). The choice to join a specific organization is likely to be a function of sorting along dimensions related to motivation to be in this profession.

While there are many likely constructs to consider for a study of the effects of job choice, we focus on a few that provide interesting questions concerning the alignment, or fit, at the time of selection and subsequent outcomes. Since this is an exploratory study, one goal is to determine whether this selection decision is even worthy of study. To make that determination, the construct should influence an important outcome, such as performance, satisfaction or turnover. In addition, the construct should be distinct from other possible influences.

Therefore, from the myriad constructs that could be examined, we selected several, the first being sales performance and the remainder being of the type that can aid in distinguishing the effects of job choice. Given the exploratory nature of this research, we simply pose research questions regarding whether job choice influences performance and whether that influence is mediated or moderated by other variables. In the following section, we examine the prior research regarding salesperson orientation, ethical climate, and sales performance in order to develop the research questions guiding this study.

Salesperson Orientation and Performance

As Saxe and Weitz (1982) so famously described, salespeople orient their selling behaviors within the salesperson/customer dyad to maximize their own benefit and/or that of their customer. These two dimensions, selling orientation and customer orientation, are often treated as two ends of the same continuum, at least implicitly (cf. Lopez, Brown, and Dwyer

2005). Further, in some instances, customer orientation has been treated as a surface level trait variable (e.g. Brown et al. 2002) rather than as a conative/behavioral variable. Yet, as originally conceived and measured via SOCO (Saxe and Weitz 1982), the construct is clearly behavioral or at least conative in the sense that if given the opportunity, these behaviors will be activated; therefore, we expect that SOCO would be influenced by ethical climate (cf. Schwepker and Hartline 2011). However, prior research has also reported the converse (Schwepker and Good, 2004; Lopez et al. 2005).

Ethical Climate

Ethical climate (EC) is an important characteristic of selling firms. Babin, Boles and Robin (2000) reported that EC was related to role stress, job satisfaction, and organizational commitment, all variables that have been shown to influence performance. A stronger EC yields less role stress, greater job satisfaction and greater organizational commitment. Schwepker (2001) reported similar results among salespeople with regard to the relationships between EC and job satisfaction and organizational commitment. Further, an organization's EC drives its values and energizes expected behaviors and has been demonstrated to influence employee ethics (Winbush and Shepherd 1994; Verbeke et al. 1996).

EC is just one of several forms of organizational climate (e.g. Tyagi 1982) that have been studied. In one study of insurance salespeople, Lopez et al. (2005) found that psychological climate moderated the effects of customer orientation, such that stronger balanced climates (that is, aligned across the dimensions of organizational climate) enhance the effect of customer orientation on performance. Psychological climate, like EC, is constructed from one's experience and, thus, two individuals in the same organization may report different climates. In the context of EC, this view suggests that how one salesperson experiences EC may vary from another in the same organization, consistent with the findings of Fournier et al. (2010).

Self-Efficacy

Recently, sales researchers returned their focus to the important role of self-efficacy in understanding salesperson behavior (Fournier et al. 2010). Sager, Strutton, and Johnson (2006) found that high self-efficacy perceptions were the common element in core self-beliefs that predicted performance, shown earlier to be related to adaptive selling, goal setting, and performance (e.g. Brown, Cron, and Slocum 1998). Further, self-efficacy perceptions should be aligned with motivation to join the profession described as "use special abilities" (Tanner and Dudley 2003), suggesting that self-efficacy perceptions may be considered as part of the sorting process. However, self-efficacy is also influenced by training (e.g. Onyemah 2009) as well as experience (Shoemaker 1999) so observations of self-efficacy perceptions post-selection should not alter a selection choice but may moderate the effects of that choice on other important variables such as SOCO and performance.

Further, we expect that experience will attenuate the effects of one's job choice, due to recency effects for in-job experiences. One mechanism should be through self-efficacy but other mechanisms should also possibly play into the attenuation of time.

Job Satisfaction

In addition to performance, we also expect choice to influence job satisfaction. The nature of the relationship may change given the reason for choice, such that when choice is more intentional, reflecting a desire to work for a particular organization rather than receive a particular set of benefits such as high compensation, job satisfaction should be greater.

To summarize, we expect the effect of choice on performance to be mediated by the EC/SOCO path, moderated by self-efficacy and tenure. However, given the split in prior research concerning the EC/SOCO relationship, we examine whether SOCO is mediated by or mediates the relationship of EC on performance.

The Study

The study was conducted with salespeople employed in professional sports organizations in the United States and Canada. The subjects were recruited via email through their sales management, with 399 responding, with 390 usable responses.

Measures

SOCO was measured using a shortened form (Periatt, LeMay, and Chakrabarty 2004), while EC was measured via Schwepker, Ferrell, and Ingram (1997). Motivation was taken from Chonko, Tanner, and Weeks (1992), while similar to Nagy (2002); we measured job satisfaction, career satisfaction and willingness to relocate each with single-items employing nine-point scales. All extant scales have been shown to exhibit appropriate levels of reliability and validity; in this study, all Cronbach alphas were sufficient (greater than .70).

For job choice, we created a series of items based on executive feedback. Four choices were offered: to work for the particular manager, that particular team, for compensation, and due to location (availability of a job). While there may be other primary reasons, this set was determined a priori to be fairly complete. Subjects were asked to rate on a scale of 0 to 100 the importance of each reason in their choice. Each item was subsequently treated separately for analysis.

A five-item adapted scale based on Paulhus was used to indicate that no social desirability bias affected the models (Paulhus 2002).

Results

The correlations revealed that choice or selling orientation is not significantly correlated with the job satisfaction, while EC and performance do significantly correlate with the outcome variable. The covariate, years employed was significantly correlated with all of the variables except EC and selling orientation suggesting if not controlled which may affect the influence choice has on job satisfaction.

The mediation hypotheses were tested using Hayes (2013) PROCESS Model 4. The formal two-tailed significance test (assuming a normal distribution) did not produce a significant indirect effect (Sobel $z = 1.5529, -.65331, 1.7563, p = .1204, .5137, .0790$). Bootstrap results confirmed the Sobel test (see Table 2), with a bootstrapped 99% CI around the indirect effect containing zero for EC and selling orientation ($[-.0005, .0040], [-.0017, .0000]$). Based on the bootstrap results, performance may mediate the relationship between choice and job satisfaction ($\beta = .1882, t = 3.05, p = .0025$).

Moderated mediation of Efficacy and Motivation was tested using Hayes (2013) PROCESS Model 10. When motivation and efficacy are introduced as moderators, we found some significant mediation results. When efficacy is low and motivation is low or medium, EC mediates the relationship between choice and job satisfaction ($B = .0051, .0035$; $Boot SE = .0025, .0020$; $Boot CI [.0009, .0109] [.0000, .0079]$). Additionally there are conditional indirect effects for performance when efficacy is low and in all levels for motivation ($B = .0019, .0021, .0024$; $Boot SE = .0014, .0012, .0013$; $Boot CI [.0000, .0058] [.0004, .0053] [.0004, .0060]$) and when efficacy and motivation are at the mean ($B = .0011$; $Boot SE = .0008$; $Boot CI [.0000, .0032]$).

Discussion

The findings of this study indicate that job choice is worthy of study; however, there are many questions raised. One of the more interesting findings is that tenure was not related; suggesting that consequences of job choice endure long into the position. The sample, though, is biased in the sense that those who left because choice was not confirmed in subsequent experience were not included in the sample. Werbel, Landau, and DeCarlo (1996) studied pre-entry person/job fit and determined that confirmation of fit did strengthen organizational commitment, supporting the possibility of a mortality bias. Besides that one study, little work has been done on pre-job expectations and job choice with salespeople. Future research should consider cognitive dissonance for the choice and explore the effects of confirmation or disconfirmation.

The research question considered the EC (EC)/SOCO path to performance and job satisfaction as a likely mediating path for the effect of choice. However, the results we observed tend to highlight, rather than solve, the conundrum in the literature, scant though the literature is. In this study, the EC/SOCO path was not significant no matter which came first; therefore, we examine SOCO separately from EC. Prior work has only focused on CO but clearly more work needs to be done to understand the EC/SOCO relationship.

Choice to work for a particular manager was mediated by EC and SO, and the relationship was moderated negatively by self-efficacy. In the presence of lower self-efficacy, the effects of choice are heightened through EC to Satisfaction and to Performance, particularly when motivation (pay) is low to average. Future research should consider identification of cues that indicate a good fit between a potential follower and a leader, perhaps using a dyadic approach based on leader-member exchange (e.g. Onyemah 1996). Further, there seems to be some indication that different factors affecting job satisfaction such that perhaps working for a particular manager may offset poor performance when efficacy is poor.

The manager influence was also significantly mediated by the EC path in a positive fashion when moderated by motivation (pay). Further, motivation to work for more pay positively moderated CO, which suggests motivation for compensation works against a customer orientation, an intuitively sound finding given the high commission structure often in place in the sports industry.

The effects on performance or satisfaction for choice to work for this particular organization are completely mediated by the EC link with no moderation. There is no effect for organization choice through EC path. The lack of findings in for this choice may be why no studies have been published on pre-entry expectations since Werbel, Landau, and DeCarlo (1996).

The effects of choice as a function of compensation are positive through the SO path, negative through the CO path and moderated, at least for the SO path, by motivation by pay. Oddly, though, that moderating effect is negative, suggesting a dampening effect of motivation for pay on choice through the SO path. Choice based on location was found to be negatively related to the CO/EC path but positive to the EC/SO path. These findings do support a uni-dimensional approach to SOCO except for the nature of the EC relationship. This work raises many questions about the nature of SOCO and relationships with EC.

Summary

Job choice presents an interesting perspective for the hiring process. While many studies look at why some potential candidates select or don't select sales, little work has considered the effects of their choice. This study explores the effects of the choice, finding many questions worth further study.

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Summary Brief

Teaching ‘Strategic Selling’: Challenges and Remedy

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Responding to the call of sales educators and practitioners for sales students to excel in critical thinking, this paper presents a framework for strategy-enriched sales learning. The paper combines into a unified framework, established goals of participant-centered learning method in strategy formation (marketing) and the key processes associated with experiential learning in strategy execution (sales).

Introduction

While sales scholars continue to call for teaching sales classes that provide both practical and higher level critical thinking (Cummins et al. 2013), Peltier, Hay and Drago (2005) lament the paucity of focus in this area due to challenges inherent in pursuing this goal. Sull (2007) argues for teaching strategy in a way that takes into account new information that may become available from customers and other stakeholders during implementation. Clearly, there appears to be a gap in pedagogy that effectively combines teaching strategy and implementation under a unified rubric. Addressing the challenge, this paper seeks to integrate appreciation of high level strategy making and practice of real life role plays into one seamless pedagogical element. Specifically, we present a framework that helps sales faculty to incorporate higher-level thinking skills in sales classes by integrating ‘strategy learning’ and ‘experiential learning’ concepts.

Teaching Tactics in the Backdrop of Strategy

Sales people in B2B domain are not far from having to explain the logic behind their company’s action to their customers. This may present an uncomfortable situation to the salesperson who often acts as an information courier in the absence of substantive information surrounding the formulation of a company’s marketing strategy. Furthermore, incomplete information may make the salesperson become cynical about the company’s motives and commitment to various aspects of customer engagement. What is true of real life is amplified in a classroom situation while teaching sales. Given highly practical nature of the sales curriculum, approaches like sales role plays that are more realistic and challenging have been employed to impart important skills such as interpersonal, communication and problem solving skills. However, in order to focus on relatively newer goals of imparting strategic problem solving skills to sales students, we build on the Experiential Learning Theory (ELT)-based approach to integrate its learning elements with elements of a strategy loop (Sull 2007) to present an integrated approach to teaching tactics in the backdrop of strategy.

Strategy Loop

Recognition that strategy is not linear gave rise to a phenomenon of strategy-implementation-feedback continuum that Sull (2007) called as the *strategy loop*. It consists of four elements: Make sense, make choices, make things happen, make revisions. From a ‘strategy loop’ perspective, sales teachers, however, have focused more on ‘*making things happen*’ using realistic and appealing role plays that provided students with brief description of company scenario that contain little or no information on how the strategy got formulated in the first place.

Teaching Strategy through Participant-Centered Learning (PCL)

PCL has been recognized as a key aspect of business education (www.Harvardbusiness.org). In this method, students or participants live through a decision making situation in a context rich environment presented by real world cases scripted by teacher-scholars to highlight various learning elements of a topic. As decision makers, PCL students are made aware of the various constraints that surround the decision through the case narrative. In the class room, they debate extensively the options that they and their peers come up with. The alternatives are matched up against a set of carefully selected criteria and each support a recommendation that they are comfortable with. In the classroom some may follow this discussion with a purposeful discussion on how the chosen strategy may be implemented. Often, this is held as an afterthought as if that is to be dealt with separately.

Teaching Tactics through Role Plays

Contrast the above with a sales class using experiential learning method. A student is provided a brief narrative about the company for which they were about to sell. Some role plays provide the narrative as part of the one page role play while others (Mantel et. al. 2002) provide a more vivid description of the company and the customer. The goal of providing this narrative appears to be to help the student doing the role play with more company information so that the role play can be realistic. However, role plays in sales classes often fall short in answering the following questions the students may have: What external environment that my company operates in? What are the corporate goals of my company? What are my business unit goals? What are the strengths and weaknesses of my company? What product/market opportunities are they trying to pursue? What are the key elements of my company’s marketing strategy? What are the economic benefits and risks associated with the strategy we are pursuing? How do I incorporate flexibility in executing my company’s marketing strategy in the field? What are the ethical

aspects of the marketing strategy that I am implementing in the field?

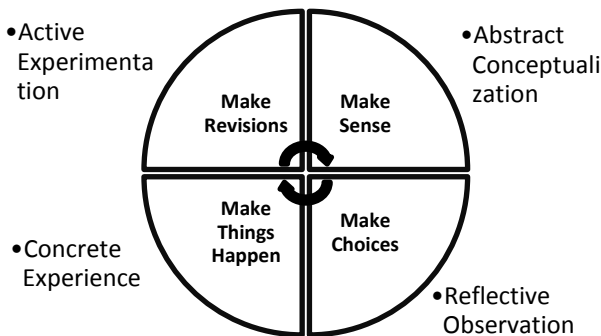
Experiential Learning in Sales

Experiential Learning Theory (ELT) (Kolb 1984) highlights how students learn through an experiential cycle that incorporates different facets of students' ability to learn. There are four elements of ELT. When applied to sales class role play, the first element deals with *concrete experience* where the student in a sales role play situation meets with a buyer and tries to make a case for her product. In the process, the student faces objection or push back from the buyer who tries to make the situation as realistic as possible thereby bringing it close to a real world interaction. *Reflective observation* in the context of a role play pertains to student thinking back on the role play and identifying areas of improvement that she could work on before the next encounter (either real or simulated). In identifying areas of improvement, the student may also indulge in *abstract conceptualization* that will enable her to transfer the feedback and learning from the just finished role play to another situation that may involve a different context, different product or different buyer. Finally, based on feedback and reflection the student may decide to try out a few different approaches during subsequent selling situations. This is the *active experimentation* stage of the ELT. The cycle repeats and helps the students move along in a path to excel in their sales craft.

Strategy-Enriched Sales Learning

Our model of strategy-enriched learning in sales classes is presented in Fig. 1.

Figure 1. Strategy Enriched Sales Learning



In arriving at this model we have taken the components of ELT and integrated the learning elements of the different stages of strategy loop. We feel that an integrated model is superior to compartmentalizing strategy learning through cases in marketing strategy class that covers strategy loop other than 'making things

happen' and experiential learning that covers 'making things happen' in a traditional sales class thereby giving adequate coverage to the 'making things happen' component of the strategy loop. Further, from a pedagogical perspective, our new model clearly enriches sales learning by explicitly incorporating strategy elements associated with the experiential component of a given sales situation. In order for strategy enrichment to occur in sales learning, we believe that elements of experiential learning and strategy loop need to be integrated to form a learning model in which the two intertwine and can be implemented as a whole within a single class.

Conclusion

There has been interest among scholars and practitioners to improve critical thinking skills of our sales students (Mantel etc. 2002). We incorporated this in the context of reducing marketing-sales tension to achieve a twin objective (Kotler et. al. 2006). In achieving this goal, we integrated two well-known pedagogical techniques, PCL and Role-play that balanced both experiential learning elements and elements of strategy loop in a flexible and enriching strategy enriched sales learning. Additionally, we also believe that this tool will be useful to teachers of strategy who want to incorporate strategy implementation as part of students' class room learning. We hope many faculty colleagues find it useful and consider adopting it in their respective class rooms.

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INFLUENCING CONSUMER BEHAVIOR FOR BETTER HEALTH

Summary Brief

Impacting the Future Smoking Behavior of Young Smokers and Nonsmokers: Identifying Effective Visual Tobacco Warnings for Packaging and Advertising

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The inclusion of graphic visual warnings on cigarette packaging is used in more than 45 countries and has been mandated for U.S. tobacco packaging and advertising by Public Law 111-31. This study develops and tests a simple, parsimonious methodology to evaluate visual stimuli appropriate for use with text-based package and advertisement warnings. Some 2000 ratings of 27 graphic visual warnings are collected from adolescent smokers and nonsmokers. Cluster analysis and follow-up analysis of variance results show that a high performing visual stimuli group is perceived as effective in preventing adolescent smoking initiation and in helping current adolescent smokers quit. More than 60% of the variance in outcome variables can be explained by these results. These findings addressing characteristics of the visual warnings perceived as effective have implications for the ongoing litigation and anticipated battles between tobacco companies and the U.S. government regarding use of highly graphic pictorial warnings.

Introduction

Approximately 46 million U.S. consumers smoke cigarettes, resulting in death or disability for almost half of regular users (Centers for Disease Control (CDC) 2014). In the U.S., more deaths each year are due to tobacco use than from illegal drug use, alcohol use, motor vehicle injuries, HIV, suicides, and murders combined (CDC 2014). Because 88% of current adult smokers start before age 18, adolescent smoking behavior is of substantial concern to the public health community (Andrews et al. 2014; Fiore and Baker 2009). It is estimated that for every three young smokers, only one will quit, while one will die from tobacco-related causes. To help combat this major public health problem, the Family Smoking Prevention and Tobacco Control Act (Tobacco Control Act (TCA); Public Law 111-31, hereafter referred to as the “Act”) was signed into law in June 2009. The Act requires that packages and advertising include “color graphics depicting the negative health consequences of smoking to accompany the nine label statements” (TCA 2009). Currently, outside of the U.S., more than 50 countries use various graphic visual images to enhance the effectiveness of warnings on packaging and in advertising.

Because hundreds of visual images could serve as possible candidates for tobacco warnings on packages or in advertising, developing a concise, efficient methodology for selection in

reducing adolescent intentions to smoke (and/or quit if they are smokers) is an important goal for public health officials worldwide. Thus, one objective of this research is to propose a methodology for selecting specific pictorial warnings and provide tests of its relative effectiveness. In addition, the tobacco industry sued over the specific set of pictorial warnings that were initially considered by the FDA based on violations of their 1st Amendment commercial speech rights. Appellate courts supported the industry and the Courts expressed concern about the relative efficacy and benefit to consumers of more graphic warnings. This research offers findings relevant to questions raised by the Courts regarding the characteristics and effectiveness of certain pictorial warnings. Our proposed methodology offers a number of steps that culminates with the use of a clustering approach for a relatively large set of pictures to identify groups (or clusters) of visual images that are likely to be optimal performers. Drawing from the literature, pictorial stimuli are evaluated on attributes of graphicness, evoked fear, believability, and fit between the warning message and picture (Andrews et al. 2014; Kees et al. 2010). These four measures are used as clustering variables to determine clusters of pictorial stimuli that are then subsequently used to predict effectiveness.

Method

Adolescents ranging in age from 13 to 18 served as participants in this study. Participation was obtained through a professional online market research firm specializing in adolescent samples. Stimuli are drawn from the domain of visuals tested by the FDA for inclusion on U.S. cigarette packages, as well as visuals used throughout the world, and exposure order to these visual stimuli is rotated. The visuals represented three diverse warning statement themes that will be required in the U.S. based on the Act (TCA 2009; *Federal Register* 2011): 1) “Cigarettes are addictive,” 2) “Tobacco smoke can harm your children,” and (3) “Cigarettes cause fatal lung disease.” A total of 229 adolescents participated in the study and there were some 2000 pictorial evaluations made.

Multi-item measures were used to assess each of the four clustering variables, and all had high reliabilities ($\alpha > .90$). Three measures were used as outcome variables to assess how well the clusters of pictorial stimuli predicted these evaluative measures. (These evaluative measures were not included as part of

the initial pictorial clustering analyses.) Two items measured whether the stimuli would “help teenage smokers quit smoking” and “be effective in helping teenagers from starting to smoke” (seven-point scales with endpoints of “strongly disagree” (1) to “strongly agree” (7)). The final measure was specific to adolescents who currently smoked and measured whether the visual stimuli would “help me quit smoking” (seven-point scale; strongly disagree to strongly agree).

Results

A hierarchical clustering procedure was first performed to identify initial seed values for the four clustering variables (Hair et al. 2010). We then conducted a K-means nonhierarchical cluster algorithm (SPSS 20.0) using those seed values determined by the hierarchical cluster procedure (Hair et al. 2010). We examined results for two through five cluster solutions. The mean scores for the visuals in the high performing clusters were significantly greater than the means of the other clusters (e.g., low performing and moderate performing clusters) for graphic level, integration with the warning message, and fear-evoking potential in the three, four, and five cluster solution. Examples of the lowest and highest performing pictorial visuals are presented in the SMA conference session and are available upon request.

Because clustering algorithms maximize differences based on the levels of the clustering variables, is it important to demonstrate the usefulness of the clustering solution on measures that are not part of the original cluster analysis (Hair et al. 2010). Thus, we used the clusters of visual warning as independent variables and assessed differences in three dependent measures: (1) perceived effectiveness in helping teens quit, (2) perceived effectiveness in helping teens to not start smoking, and (3) perceived usefulness in helping current teen smokers to quit. Analysis of variance results show that all F-values are significant ($p < .001$) indicating differences in the dependent variables across the clusters. In each of the cluster solutions, the stimuli classified as high performing visuals were viewed as more effective in helping teens quit and helping teens not start versus other clusters. Based on Bonferroni contrasts, the means for these high performing visuals were significantly greater ($p < .001$) than the means for the other cluster of visuals. In contrast, the low performing visuals clearly had lower means ($p < .001$) than the picture stimuli in the other cluster groupings. For example, adolescent smokers reported that the high performing visuals would be very effective in helping them quit smoking relative to the other cluster categories of tested visuals (Bonferroni contrasts are all significant ($p < .01$)). In addition, the use of the single visual cluster independent variable explained more than 60% of the variance in the “helping adolescent smokers quit” dependent variable across each of the three alternative cluster solutions.

Conclusions and Implications

For current daily adult smokers, 88% were adolescents who began smoking prior to the age of 18. To help address the issue of adolescent smoking the TCA requires that packages and advertising include color pictorials depicting the negative health

consequences of smoking. However, Appellate courts rejected the initial FDA proposed pictorial warnings and expressed concern over questions related to the relative efficacy and benefit to consumers of more graphic images. The FDA now is developing new pictorial warnings they believe will pass the scrutiny of the U.S. Courts and perceptions of the benefits to consumers. Thus, findings of characteristics that are related to effectiveness of graphic warnings are relevant to these issues and any future litigation.

Using measures of perceived graphic level, fit with the warning message statement, believability, and evoked fear yielded clusters of visuals that were strong predictors of warning effectiveness for (1) general effectiveness in helping teens quit, (2) preventing teen smoking initiation, and (3) helping current teen smokers to quit. The methodology and results allow a specific rank ordering based on these predicted values to help identify the most effective visuals that are grouped in the highest performing cluster of pictorial stimuli. The cluster and validation results suggest that the initial FDA selection for the warning of smoking harming children did not always perform well for this sample of adolescents. The findings of this research contributes to important policy and consumer welfare questions (Andrews et al. 2014) and offers a methodology that is of potential use in selecting effective pictorial warnings for use on packaging and in advertising.

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Summary Brief

Assessing the Effectiveness of the ‘Bite Counter’ for Enhancing Self-Control While Eating

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A number of devices have recently been developed to improve one’s ability to self-monitor energy intake. Among these devices is the “Bite Counter,” which is worn on the wrist like a watch and records when the wearer has taken a bite of food. The Bite Counter may accurately monitor, in real time, an individual’s energy intake, since the passive nature of the device should conserve cognitive resources as compared to one’s mentally tracking one’s own eating. This study assessed the validity of this measurement tool.

Paper Summary

Self-control is a key to weight-loss, yet many people struggle to control their eating. Baumeister (2002) proposed that three factors directly contribute to self-control failure: (1) conflicting goals and standards, (2) insufficient strength or resources to engage in self-control, and (3) a failure to monitor one’s behavior. While Baumeister (2002) applied this model of self-control failure in the context of impulse purchasing, research also indicates that an individual’s ability to self-monitor may have an impact on weight control. While body weight and energy expenditure are fairly easily monitored, continuous and accurate long-term monitoring of energy *intake* remains challenging for the free-living individual. Tools designed for this purpose (e.g., food diaries and food scales) are cumbersome and not amenable to “real-time” monitoring in normal daily living.

This paper describes a study that assesses the validity of a self-monitoring instrument, the “Bite Counter,” which was developed by researchers in engineering and psychology at Clemson University (Hoover, Muth, and Dong 2010). The device is worn on the wrist like a watch, detects a wrist-rolling motion in order to observe that the wearer has taken a bite of food, and records time-stamped bite count data in real time. The Bite Counter has been shown to accurately count bites under a number of controlled and uncontrolled meal settings (Dong, Hoover, Scisco, and Muth 2012). The Bite Counter can thus accurately monitor energy intake, while the passive nature of the device should conserve cognitive resources as compared to one’s mentally tracking one’s own eating. However, a viable alternative hypothesis is that using the device, particularly when one is unfamiliar with it, will drain cognitive resources. Cognitive resources have been associated with one’s capacity to monitor and alter behavior, both of which are key components of self-control. If using a device like the Bite Counter can preserve such resources, a person may be better able to control their eating. This

study tests these predictions and offers an assessment of the validity of this measurement tool.

Participants in an experiment were instructed to eat 35 “bite-sized” cookies from a container that contained 50 cookies. They were randomly assigned to one of two conditions. In one condition participants were instructed not to use any devices or other help in monitoring the number of cookies they had eaten and instead mentally kept track of the number of cookies they ate. In the other condition, participants used a Bite Counter device to monitor the number of cookies they had eaten. Upon reaching 35 cookies, participants turned in their remaining cookies so that the actual number of cookies eaten could be determined. In this way, we were able to calculate the accuracy of each individual’s monitoring.

We then measured the cognitive resources of each participant, using a word scramble task. Participants attempted either to solve the scrambled word or to give up and proceed to the next word. Each participant’s answers and the time spent on each word were recorded. Potential covariates were also measured.

Participants who used the Bite Counter to monitor their eating were able to solve significantly more word scrambles in less time than participants who tracked their eating mentally, suggesting that the Bite Counter allowed them to conserve cognitive resources. This is an important finding because self-control theory has found that sufficient resources enhance the likelihood of self-control success (Baumeister 2002). The Bite Counter or other passive monitoring devices may thus enhance self-control by improving monitoring and/or conserving resources to improve the likelihood that the user can stop the behavior at the appropriate time. Detailed results are available from the authors.

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Summary Brief

Can Information Base Rates Influence Healthy Behavioral Intentions?

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The authors examine the impact of health information base rates on consumers' intentions to engage in healthy behaviors. In Study 1, they show that higher information base rates lead to higher health risk estimates, and that higher risk estimates, in turn, result in higher intentions to engage in healthy behaviors. In Study 2, the authors consider the moderating role of demographic congruency between those processing health information and those referred to in the health information, itself. Results indicate that the indirect effect of base rates on behavioral intentions documented in Study 1 is only observed under conditions of high demographic congruency (i.e., when the age and ethnicity of those processing the health information both match the age and ethnicity of the population described in the advertisement). These results have important implications for health advertising, social marketing, and public policy.

Introduction

Social marketers often use strategic advertising campaigns to increase consumers' awareness about important issues related to consumer health and welfare. Such campaigns frequently involve the use of health statistics. But does the presentation of health statistics influence consumers' information processing? We try to answer this relatively unexplored question, paying particular attention to the effects of higher vs. lower information base rates. Base rates reflect the incidence of a certain event (e.g., number of people who have throat cancer) as a function of a specific referent population (e.g., smokers over the age of 50). More specifically, we develop and test a conceptual framework that highlights the influence of base rate information on health risk estimates and health-related behavioral intentions.

Study 1 Design, Methodology, & Results

Our sample consisted of 137 undergraduate students aged 18-24. Following the procedures used by Raghurir (2008), we provided each respondent with a table of annual statistics on the six leading causes of death in the U.S. for all age groups, as well as for 15-24 year olds specifically. In the text below the table, we manipulated the size of the health information base rate by expressing a constant numerator (the total number of deaths among 15-24 year olds by motor vehicle accidents [MVAs]) as a function of either: 1) the total number of deaths among all ages by

MVAs (i.e., a larger referent base resulting in a lower base rate), or 2) the total number of deaths among 15-24 year olds (i.e., a smaller referent base resulting in a higher base rate). Study 1 was therefore a between subjects design in which we assigned respondents randomly to either a higher or lower health information base rate condition.

We assessed respondents' risk estimates of each cause of death provided in the table on a 100 point scale (0=not at all likely to happen to me/100=definitely likely to happen to me). These MVA risk estimates served as our focal dependent measure, while we used the other five risk estimates as covariates to control for individual differences in risk propensity. We also measured respondents' behavioral intentions regarding 1) drinking and driving and 2) texting while driving on a 100 point scale (0=not at all likely/100=definitely likely) and ultimately combined and reverse-coded these measures to form a behavioral intention index such that higher values indicated healthier intentions.

One-way ANOVA results revealed a significant main effect of information base rates on risk estimates ($F(1,129) = 4.60, p < .04$). More specifically, respondents presented with higher base rates reported higher risk estimates ($M=58.04\%$) than those presented with lower base rates ($M=49.09\%$). Next, we used Hayes' (2013) PROCESS Model 4 with 5,000 bootstrap samples and 95% confidence intervals to formally test the significance of the indirect effect of base rates on healthy behavioral intentions through these risk estimates. Information base rates were coded as 0=lower, 1=higher. Analyses revealed that the indirect effect was positive and the confidence interval surrounding this indirect effect did not contain zero ($IE= 1.59; CI [.16, 4.26]$), suggesting that risk estimates served as a mediator (Hayes 2013).

Study 2 Design, Methodology, & Results

We conducted Study 2 to determine whether the importance of the base rate information, and the importance of the health behaviors recommended in an advertisement, also mediated the effects we had observed in Study 1. Further, we aimed to investigate whether the indirect effects of base rates on behavioral intentions varied according to the level of demographic congruency between the respondents and the individuals described in the advertisement.

Study 2 was a 2 (Information Base Rate: Higher vs. Lower) x 2 (Demographic Congruency: Higher vs. Lower) between-subjects design. Our sample consisted of 249 adult participants from Amazon Turk. We presented respondents with a social marketing advertisement that offered base rate information about obesity-related deaths in the U.S. Consistent with Study 1, we manipulated the information base rate by expressing a constant numerator (the total number of deaths among white and black 40-85 year olds by obesity-related causes) as a function of either: 1) the total number of deaths among white and black 40-85 year olds, or 2) the total number of deaths among all ages by obesity-related causes.

We manipulated the demographic congruency between the focal group referred to in the ad and the individual actually

processing the ad, by purposefully recruiting respondents such that one half of the sample ultimately consisted *only* of white and black U.S. respondents aged 40 to 85, while the other half of the sample consisted only of U.S. respondents that did *not* meet *both* of these race and age requirements (i.e., respondents could not be a 40-85 year old white or black U.S. citizen). We randomly assigned all participants to one of the two information base rate conditions (higher vs. lower).

Consistent with Study 1, we again measured respondents' health risk estimates (0=not at all likely to happen to me/100=definitely likely to happen to me), and respondents' intentions to undertake each health behavior recommended in the ad (0=not at all likely/100=definitely likely) on a 100 point scale. These measures were all positively correlated (r 's ranging from .51 to .85, all p 's $<.001$) and were subsequently averaged to form an overall index of behavioral intentions where higher values indicated healthier intentions. We also assessed the perceived importance of the base rate information and the health behaviors recommended in the ad by three items on 7 point scales (1=not very relevant/7=very relevant, 1=not very useful/7=very useful, 1=not at all important/7=very important) (both α 's $>.85$) (Miyazaki, Grewal, and Goodstein 2005). Lastly, we measured respondents' propensity for risk by two items on 7 point scales and used this measure as a covariate (1=totally disagree and 7=totally agree) ($r=.68$, $p <.001$) (adapted from Meertens and Lion 2008).

To formally test the "information base rate \rightarrow information base rate importance \rightarrow health risk estimates \rightarrow recommended health behavior importance \rightarrow healthy behavioral intentions" mediational path, we ran PROCESS Model 6 with 5,000 bootstrap samples and 95% confidence intervals separately for each group of respondents (higher vs. lower congruency groups) (Hayes 2013). As expected, the indirect effect for the "information base rate \rightarrow information base rate importance \rightarrow health risk estimates \rightarrow recommended health behavior importance \rightarrow healthy behavioral intentions" mediational path for the higher congruency group was significant (IE=.06; CI [.0007, .4247]). By contrast, the indirect effect for the same mediational path for the lower congruency group was not significant (i.e., the confidence interval contained zero) (IE=.00; CI [-.0107, .0584]).

Discussion

In this research, we offer a conceptual framework which integrates health information base rates, health risk estimates, and health-related behavioral intentions and tested our framework across two different health contexts (motor vehicle accidents and obesity). In doing so, we highlight the important direct and

indirect effects of information base rates in the processing of health information and health advertisements.

Study 1 successfully validated and extended prior research by demonstrating that health risk estimates mediate the effect of information base rates on behavioral intentions. In Study 2, we built upon the findings of Study 1 by identifying two advertisement-specific factors that additionally influence the indirect effect of information base rates on behavioral intentions: the perceived importance of both the base rate information and health behaviors provided in the ad. Lastly, we identified a key moderator of these serial mediation effects: the (in)congruency between the demographics of the individuals described in the ad and those actually processing the ad.

Our work also has practical implications for health and consumer welfare related social marketing and advertising campaigns. Our findings suggest that the efficacy of such marketing efforts may be improved by strategically choosing to refer to base populations in advertisements that lead to higher, rather than lower, health information base rates. Doing so may lead consumers to indirectly increase their intentions to comply with the desired behaviors. However, our findings also suggest that this approach may only be effective in instances where demographic congruence is high. Thus, advertisers, social marketers, public health professionals, and consumer welfare advocates should strongly consider this congruence when presenting health statistics in health-related social marketing and advertising campaigns.

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CONSUMER DECISION-MAKING

Summary Brief

How Psychological Processes Influence Consumers' Response to Food Stimuli: The Role of Individual Differences in Human Temperament

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This paper tested the extent to which three internal psychological responses indirectly link affect intensity to food cravings and behavioral intentions. Study 1 demonstrated how emotional memories and weak impulse control mediated the influence of affect intensity on food cravings and behavioral intentions. Similarly, Study 2 tested the mediating role of pleasure anticipation. This is one of the first studies to demonstrate that affect intensity is also associated with food cravings, especially in the presence of internal cues like emotional memories, weak impulse control, and pleasure anticipation.

Introduction

Food cravings are cue-elicited expectations that are stimulated by the anticipation of the oro-sensory pleasures (e.g. sweetness) to be enjoyed from food consumption. The desire to consume a particular food is characterized as an intense and irresistible urge that must be satisfied. It is often a strong motivational state similar to visceral drives such as thirst, hunger, or sexual desire (Bagozzi 1992).

Dual processing models of human communication have made distinctions between a vivid system that is fast, emotionally evocative, and impulsive, versus a more cognitive system that is slower, and more self-controlled, thereby encouraging more reflection and careful thought (Metcalf and Mischel 1999). Vivid advertisements are more likely to stimulate stronger emotional reactions and sensory imaginations than pallid approaches that focus on factual information (Moore et al. 1995). Vivid formats are more likely to activate the affective system, thereby evoking emotions and visceral impulses like craving.

Affect Intensity and Food Craving

When people are exposed to an emotionally charged stimulus, those with high affect intensity are likely to engage in cognitive elaborations that intensify their emotional reactions to that stimulus (Larsen et al. 1987). High affect intensity people focus not only on their feelings, but also on the emotionally evocative details of the stimulus. They also engage in fantasy elaborations as they imagine the enjoyment of sensory arousal experiences (Moore and Homer 2000). Since sensory arousability is such an important dimension of affect intensity, one might expect that when individuals are presented with product descriptions designed to stimulate vivid imageries of the pleasures of food consumption, high affect intensity people will experience stronger levels of food craving by focusing on specific emotional details associated with vivid memories (Larsen et al. 1987). They

may therefore be equipped with emotional memories that can be activated and enhanced by evocative memory cues.

Hypothesis 1 predicts that affect intensity will be associated with stronger emotional memories which will stimulate food cravings; and this in turn will be associated with increased food-related behavioral intentions [Affect Intensity → Emotional Memory → Craving → Behavioral Intentions].

In the tug-of-war between hedonic impulses versus self-control, people with strong impulse control can inhibit desires and cravings for short-term rewards in order to pursue more long-term goals (Hofmann et al. 2009). However, the excitation of emotions by high affect intensity people is likely to undermine impulse control, thus stimulating the desire for immediate gratification (Hofmann et al. 2009). Impulses spring into action when an actual or imagined stimulus activates an emotional memory associated with the target product (Hamann 2001). These memories, in turn, should promote affective reactions like craving, and purchase impulses (Hofmann et al. 2009).

Thus, Hypothesis 2 predicts that low affect intensity individuals will have weaker levels of impulse control which will weaken impulse control, intensify appetitive craving, and behavioral intentions [Affect Intensity → Impulse control → Craving → Behavioral Intentions].

Food can be a very powerful motivator of sensory pleasure (Elder and Krishna 2010), yet little is known about how anticipating such pleasure can influence appetitive craving. Neuroscientists have shown that the anticipation of a pleasant taste activates more regions of the brain than the actual tasting of the substance itself (O'Doherty et al. 2002). This paper moves this literature forward by demonstrating that since high affect intensity individuals have a greater capacity for sensory and emotional arousal (Larsen et al. 1987), it is reasonable to predict that they will experience more pleasure anticipation than their low affect intensity counterparts.

Study 1 and Study 2

Study 1 participants (N=197 undergraduates) were exposed to a vivid description of Cinnabon™ rolls. The 40-item AIM scale (Larsen and Diener 1987). (b) *Craving*: "I have a strong desire to eat a Cinnabon™ roll"; "The description made me have strong cravings for a Cinnabon™ roll"; *Emotional memory*: (1) "Merely reading the description makes me think of the aroma of a Cinnabon™ roll"; (2) "The memory of the aroma itself stimulates my cravings. *Poor impulse control*: (1) the description of the Cinnabon™ roll stimulated: your thoughts versus your feelings;

your will power versus your desire; your prudent self vs. your impulsive self.

Study 1 examined whether emotional memory and impulse control mediated the relationship between AI and cravings. In the overall structural equation model, affect intensity does not have a direct effect on craving or behavioral intention. However, affect intensity is related to increased emotional memory and poorer impulse control, which are related to stronger cravings (Sobel tests: Emotional memory=2.05, $p=.04$; Impulse control=2.74, $p=.006$). In turn, more intense cravings are associated with increased behavioral intentions to eat or buy the food item. All hypothesized paths were significant, and the overall model had a good fit ($N=197$; $\chi^2=66.7$, $p=.002$, NFI=.950, CFI=.977, RMSEA=0.064).

Study 2 confirmed that people who experience intense emotions, especially positive ones, also experience more intense levels of pleasure anticipation, which is subsequently associated with cravings and behavioral intentions. Marketing strategists should therefore note the limitations in the assumption that consumers are homogeneous in their reactions to marketing stimuli designed to stimulate purchase impulses. Ads that feature the anticipation of the pleasure of consumption experiences will have a stronger hedonic impact on high affect intensity consumers.

General Discussion

The results identified three psychological processes that helped to explain the influence of affect intensity on food cravings, and ultimately, intentions to buy and consume the food: (a) the role of emotional memories (Hamann 2001); (b) the weakening of impulse control, which thus awakens stronger food cravings and higher behavioral intentions (Hofmann et al. 2009); and (c) the higher anticipation of pleasure that is more characteristic of high AI individuals compared to their low AI counterparts.

This is one of the first studies to demonstrate that affect intensity is also associated with food cravings, especially in the presence of certain external or internal cues. Affect intensity can also predict differences in visceral motivational drive states like food cravings, which in turn activate behavioral intentions. These results also confirm a direct link between affect intensity and three psychological processes.

Emotional memories of palatable food cues may play a key role in activating hedonic hotspots in the brain, which in turn may accelerate cravings (Berridge et al. 2010). Research in marketing and neuroscience is needed to explain why AI is associated with food cravings. This paper advances previous research on impulse control and impulse buying by showing that high AI individuals relied more on their emotions than their self-regulatory resources, and this impulse control failure, in turn, promoted stronger craving intensity and behavioral intentions.

Although sensory cues in advertising appeals can enhance pleasure and taste perception (Elder and Krishna 2010), there is a possibility that it may not be food cues themselves that unleash the

appetitive motivation. Rather, it may be the unique manner in which the perceiver's brain amplifies hedonic hotspots to transform stimuli into desired objects of pleasure (Berridge et al. 2010). These findings provide enlightening possibilities that high AI individuals may respond to hedonic stimuli in a way that activates more hedonic hotspots in key brain regions. This, in turn may amplify the anticipation of pleasure and craving impulses (Berridge et al. 2010).

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Summary Brief

The Intimate Marketplace: Towards an Understanding of Consumer Intimacy Projects

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We investigate service encounters by defining and exploring Marketplace Intimacy and identifying its two categories: commercial and commercialized intimacy. We explore both within the interactions that occur in the strip club and boudoir photography environment, identifying the various components—including cognitive, affective, and physical intimacy—that combine to create commercial and commercialized intimacy. All of this leads to a basic theoretical understanding of consumer intimacy projects.

Introduction

Marketing researchers have begun the process of investigating intimacy in service encounters. Stern (1997) used intimacy theory to present an analysis of how certain intimate components apply to marketing and, in particular, advertising communications. Price, Arnould, and Tierney (1995) also presented dimensions of service encounters—duration, affect, and proxemics—two of which are common components of intimacy. Price and Arnould (1999) further moved the conversation towards intimacy contained in service encounters in their study of commercial friendships, specifically analyzing the friendly relationships that exist between hairstylists and their clients over an extended period of time. Belk and Coon (1993) touch on the subject of intimacy in the dating relationships, some of which take place within service settings.

The purpose of this paper is to extend the conversation concerning service encounters by exploring the nature of the intimate experience within the marketplace. It is also intended to extend the conversation into consumer culture theory by providing insight into Consumer Intimacy Projects. To that end, we draw upon work from both psychology and sociology literature to develop a working definition of what we term Marketplace Intimacy. Nowinski (1988) equates intimacy with closeness and vulnerability in that one partner opens up to another, and Hinde (1978) finds that intimacy involves the disclosure of different aspects of an individual's personality to a chosen partner and the depths of that disclosure. Eshleman and Clarke (1978) add a slightly different dimension to the notion of intimacy by defining it in terms of a friendship, claiming that intimacy "refers to any close association or friendship that involves informal warmth, openness, and sharing" (127).

Intimacy

Moss and Schwebel (1993) recognize the malleable nature of intimacy and found that the varying definitions of intimacy contained three common attributes: positive affective, cognitive, and physical closeness. Affective closeness is the emotional

closeness that individuals share with other individuals; in short, it is that component of intimacy that is made up of the emotional arousal associated with a particular interaction (Price et al. 1995). Cognitive closeness involves the shared values, goals, beliefs, and other such cognitions (Moss and Schwebel 1993) between individuals in an intimate interaction, allowing for a shared understanding of the other. Physical closeness consists of the shared physical encounters experienced between parties in the interaction (Moss and Schwebel 1993), ranging from the sharing of personal space (Felmlee and Sprecher 2000) to sexual interaction (Ramey 1975).

In each of these elements, there is an inherent assumption of reciprocation, what Moss and Schwebel (1993) refer to as mutuality, in that both parties give something to the other, be it information, affection, or touching. The mutual nature of this interaction, according to Baumeister and Bratlavsky (1999), allows one party to "come to believe that the partner cares about him or her in a positive way" (51). It must be noted that it is not necessary for this reciprocation to be symmetrical or even equitable (Michaels, Edwards, and Adcock 1984). It is from this set of components that we draw our definition of marketplace intimacy: a process developed within certain service encounters through a positive exchange of physical, affective, and cognitive closeness that is reciprocal—though not necessarily symmetrical nor genuine—between a service provider and a consumer or between two or more consumers within a service encounter.

Method and Findings

In our initial approach to an investigation of marketplace intimacy, we engaged in unobtrusive participant observation within a strip club setting. We chose this setting for two specific reasons. First of all, as Frank (2002) and others note, the strip club is an arena where men seek out intimacy for a variety of reasons; and secondly, the arena afforded the opportunity to observe the interactions between both a service provider and a consumer as well as between consumers in an unobtrusive manner. The findings indicate that the interactions that occur within the strip club setting are characterized by two types of intimacy: commercial and commercialized. We followed up our initial approach by investigating the interactions that occur between the consumer and the service provider in a "boudoir" photography studio, engaging in unobtrusive observation and depth interviews. Like the strip club setting, the environment provided an opportunity to observe intimate interactions; however, unlike the original setting, it provided us insight into a more feminine dominated set of interactions.

Commercial Intimacy develops within intimate experiences or one time interactions between a consumer and a service provider. In this case, the service provider is a dancer or photographer who shares an intimate experience with a patron. The two parties traded both affective and cognitive components during their conversations and other exchanges, and they exchanged physical components such as touch and shared personal space. These exchanges, however, were fleeting in that they lasted only a few minutes to several hours. If the commercial intimacy continues in subsequent interactions, promoting a level of commitment to the continued interactions by one or all of the participants, commercial friendship, as defined by Price and Arnould (1999), can develop.

Commercialized Intimacy also occurred within these service encounters. In the case of the strip club, a bachelor party exhibited the components of intimacy as described. The men touched each other affectionately and engaged in an exchange of cognitive and affective closeness. In other words, they appeared to engage in a level of intimacy that they may not have been able to engage in in other environments, and they did so within the “protective” environment of the marketplace. Unlike commercial intimacy, commercialized intimacy appears to occur between individuals who are at least familiar with one another if not already intimate with one another. In the case of the boudoir photography studio, the pictures themselves were intended to help develop intimacy not only with the spouse or loved one of the consumer, but also used to help develop intimacy with the current self as well as a future potential self. The consumers wanted to be able to see how sexy they were as they got older or their bodies changed. Doing so would allow them to be in touch with their former self in a way that “regular” photographs just wouldn’t be able to capture. Commercialized intimacy, in other words, is potentially part of the ongoing intimacy occurring between individuals or leads to greater level of intimacy between consumers and the self.

Conclusion

All of this leads us to believe that consumer culture theory is missing one considerably important domain, and we call this domain Consumer Intimacy Projects. Unlike identity projects, such projects are not solely about the self as they involve building a relationship with some other “self” in order to form a potential dual “self” if even for a short time. Also, unlike marketplace communities which involve a host of individuals coming together to form new-tribes, brand-communities, and sub-cultures of consumption surrounding one central product, good, or service, these are again much smaller units that attempt to find much more commonalities than seen in communities. Ultimately, intimacy projects involve people developing an intimate relationship with friends, family, romantic partners, and even the self.

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Summary Brief

Assimilation, Contrast, and Maximization

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Assimilation and contrast effects occur when an individual is exposed to contextual information. People attempt to categorize new information into familiar objects or categories. This paper tests maximization as a moderator to assimilation and contrast effects. A single experiment finds that high-maximizers are more likely to assimilate new information.

Introduction

When an individual is exposed to new information, contextual information either creates an assimilation or contrast effect during encoding (Martin and Achee 1992; Martin 1986; Martin et al. 1990). Assimilation and contrast together are called contextual effects. Individuals attempt to categorize unfamiliar information into more familiar target objects or categories. If the new object and the target share similar features, the new object will be grouped as a member of the target category (Herr 1989; Herr, Sherman, and Fazio 1983). This assimilation effect will influence later evaluation of the target object (Cohen and Basu 1987; Schwarz and Bless 1992; Schwarz, Münkler, and Hippler 1990).

A more recent example of assimilation and contrast effects was carried out by Shen et al. (2009). The authors found that fluency, or processing difficulty, could also lead to assimilation and contrast effects. In general, when participants were exposed to difficult to read (or process) stimuli, the following stimuli were more highly favored. However, when the following stimuli were more categorically similar to the preceding item, processing difficulty of the first stimuli was associated with lower ratings of the second object. In this example, the first pairs of objects (categorically dissimilar) led to a contrast effect while the second pair (categorically similar) led to an assimilation effect.

Conceptual Framework

Schwartz (2000) originally hypothesized that in some instances more options might lead to negative results. First, he argued, there is the problem of gaining enough information about the options. Secondly, problems arise about what is deemed to be an acceptable outcome given the choices. Finally, people might be more likely to place blame on themselves when things go wrong. With so many options, after all, there must be a best option. With this in mind, Schwartz et al. (2002) proposed that, when given more options, different kinds of people would respond differently. Maximizers, the authors argue, seek out as much information as possible when making judgments. They have a desire to examine every option and alternative. However, when there are too many options, the maximizers have a hard time evaluating too many alternatives. Satisficers, on the other hand, look for a “threshold” of acceptability (Schwartz et al. 2002) or look for information good enough to make a judgment. Any new information might be ignored. Schwartz et al. developed a thirteen item scale to measure

where a particular individual fell on the maximization-satisficing continuum.

Since maximizers have a greater desire to seek more information and satisficers are more likely to judge what information is “good,” I predict that maximizers will be more influenced by contextual information than satisficers.

H1: Assimilation will occur more frequently with maximizers, even when the contextual information is inappropriate

Methodology and Results

179 participants (87 men and 92 women, mean age of 35) were recruited using Amazon Mechanical Turk. The participants were first randomly assigned to one of four stimuli conditions similar to Shen’s et al. (2009) fluency experiment. The participants were also asked to answer Schwartz’s et al. (2002) thirteen maximization items. Factor analysis was performed on the maximization responses. Six items were retained for later analysis. The Cronbach’s alpha for those six items was .611. Based on these items, participants were divided into high and low maximization groups using a median split.

The interaction between difficulty and maximization was significant ($F=4.81$, $p\text{-value}=0.03$). The differences between means for the easy to read stimuli and the difficult to read stimuli was dependent on the level of maximization of the participants. These results support H1. Shen et al. (2009) predicted that difficult to read stimuli would lead to higher preferences and ratings for the second stimuli. In our results we can see that those results are stronger for the satisficers than the maximizers. The satisficers were more likely to reject the first stimuli when making preferences (contrast effect). Maximizers were more influenced by the contextual information (assimilation effect).

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Summary Brief

Regret and Opportunity Cost: The Agony of Choice

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Opportunity cost consideration is the process whereby consumers make decisions about how to spend their resources, which most prominently include their limited amounts of money, time, and energy. When a decision is made, an opportunity cost, equal to the value of a foregone decision, is created. Anticipated regret is the phenomenon of a consumer envisioning regret resulting from the consumption of a product which has not yet been consumed. This differs from post-purchase regret, which is realized once the consumption decision has occurred. The present exploratory study investigates the links between these concepts.

Introduction

Although marketing theory and economic theory diverge on some issues, both fields agree that consumers generally desire to consume more than they are able to satisfy with their personal means. It follows that consumers must continually make choices about how to spend their resources, which most prominently include their limited money, time, and energy. When a consumer decides to consume one product over another, she pays not only the price of the chosen consumption, but also the value of the foregone benefits from her next best alternative to the current consumption. This latter cost is known as an opportunity cost. Any particular choice will generate some combination of benefits and costs to the consumer which, when aggregated, will result in the ultimate utility/disutility of the outcomes of that choice. Regret, thus, is “the disutility that arises from the perception that one should have chosen otherwise” (Krahmer and Stone 2013, p. 710).

Issues surrounding consumption regret, anticipated and post-purchase, are interesting and significant to researchers, business practitioners, and consumers. Zeelenberg (1999, p. 94) wrote that: “Regret is a negative, cognitively based emotion that we experience when realizing or imagining that our present situation would have been better, had we decided differently.” Anticipated regret involves the consumer anticipating, before a purchase, possible feelings of regret resulting from the purchase (Bell 1982), whereas post-purchase regret is regret felt after the consumption of a product. Regret over consumption may involve anticipated or actually experienced feelings of guilt or remorse over real or perceived sub-optimal decision making, dissatisfaction with the actual product consumed, or as a result of the knowledge of the outcomes of rejected alternatives (Das and Kerr 2010; Zeelenberg and Pieters 2007). The following investigates the roles of opportunity cost consideration and anticipated regret in affecting post-purchase regret and consumption satisfaction.

Conceptual Background

Research on choice shows that consumers may delay making purchase decisions in order to seek out additional alternatives or

consider trade-offs (Corbin 1980; Tversky and Shafir 1992). Marketing research has accepted the notion that, rationally, consumers should be expected to consider the alternatives available to them before making a decision. However, there is evidence that consumers will most likely consider those opportunity costs made explicit to them during the decision making process (Kahneman and Frederick 2002).

It has been proposed that consumers are unable to generate the full set of alternatives for consideration of their opportunity costs (Frederick et al. 2009). In practice, consumers often neglect to consider the opportunity costs of each decision they make, and they are more likely to consider them when they perceive resource constraints or are chronic planners (Spiller 2011). Therefore:

H1: Perceived budgetary constraint will be positively related to opportunity cost consideration.

H2: Planning tendency will be positively related to opportunity cost consideration.

While consumers may not consider every opportunity cost of each consumption event, they do often consider potential scenarios and outcomes resulting from making or not making the purchase, including costs and benefits (Kahneman and Tversky 1982). In general, a consumer’s satisfaction with a decision decreases with the number of alternatives from which she had to choose (Schwartz 2004). Furthermore, as the number of choices increases, consumers seem unable to process the consequences of a great deal of them (Hauser and Wernerfelt 1990), supporting the notion that consumers do not consider their full set of opportunity costs. Pre-purchase information search is an antecedent of pre-purchase evaluation of alternatives, and both concepts are linked to buyer regret (Keaveny, Huber, and Herrman 2007). Indeed, if engaging in opportunity cost consideration inherently generates a greater set of alternatives from which a consumer can select a decision, and if the increase in this choice set has been shown to lead to feelings of conflict and regret regarding the realized selection (Tversky and Shafir 1992), then by simple transitivity, greater consideration of opportunity costs should lead to higher levels of regret proceeding a consumption decision. Therefore:

H3: Opportunity cost consideration will be positively related to post-purchase regret.

H4: Satisfaction will be negatively related to post-purchase regret.

Anticipated regret, stemming from regret theory (Bell 1982; Loomes and Sugden 1982), is the idea that consumers’ actions may be affected by their aversion to possibly experiencing regret from a particular decision. Expectation of foregone alternatives affects satisfaction only when a particular choice does not meet the consumer’s anticipation of it (Taylor 1997). Moreover, individuals tend to make choices which minimize anticipated regret, rather than minimizing risk (Zeelenberg 1999). The

existence of studies demonstrating the negative effect of anticipated regret on a consumer's satisfaction with her consumption choice supports the final link being examined in the current study. Specifically:

H5: Anticipated regret will be negatively related to satisfaction.

Discussion

A potential contribution of this research is the examination of opportunity cost consideration with anticipated and post-purchase regret together. While there exists research on choice and regret in the multi-disciplinary literature, to the authors' knowledge, this is the first attempt to link these three concepts together.

Prior literature has illuminated important considerations for the further conceptual and methodological development of this research. Namely, the dimensionality of opportunity cost consideration should be closely examined in any forthcoming empirical examination. Furthermore, the direct link (or lack thereof) between opportunity cost consideration and anticipated regret in the existing literature warrants further examination. Bell (1982) argues that regret may be anticipated in decision making and, thus, reflected in choices. Since opportunity cost consideration is part of the decision making process, whether the construct is actually unique from that of anticipated regret merits further investigation. Prior research does not provide support to hypothesize a link between opportunity cost consideration and anticipated regret, as they are currently conceptualized, but we may reason logically that anticipating regret is a dimension of the process of opportunity cost consideration. In other words, one aspect of alternatives evaluation may be to anticipate regret from an evoked set of choices.

Anticipating some implications of the current research, the finding that higher levels of anticipated regret are related to lowered consumption satisfaction and, accordingly, increased feelings of post-purchase regret would be of no surprise to basic intuition. However, the finding that increased opportunity cost consideration is related directly to higher levels of post-purchase regret may have the potential to raise more concern. Indeed, consideration of one's opportunity costs should, in theory, result in more informed decisions, allowing for maximization of the benefits of making a particular decision. Consumers behave such that their choices minimize regret, and not risk (Zeelenberg 1999). Accordingly, a potential implication of the corroboration of the derived hypotheses is that consumers should decrease their choice considerations in order to minimize regret from their consumption decisions. This seems, on immediate inspection, harmful to consumers' maximizing total individual and, ultimately, social benefits of consumption decisions. However, this conclusion may not be the appropriate lesson from the present study, considering that the model in this study examines the immediate regret of discrete consumption decisions. That is, the scope of this study is not to draw conclusions concerning a long-term trend of consumption behaviors or consequences resulting from the aggregated effects of continuous decision making. Immediate regret from individual considerations of opportunity cost should not be confused with long-term regret, or its absence, due to an aggregated tendency to consider opportunity costs. However, it would be interesting for future studies to delineate these concepts further by studying the existence and direction of such a link.

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CONSUMERS' INSIGHTS CONCERNING BRANDING

Summary Brief

Branding a Brand: The Impact of Novel Technology on Brand Perceptions

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Research in the area of radio frequency identification (RFID) technology has concentrated on the overall efficiencies expected from the use of RFID in the supply chain, with less concentration on consumers' perspectives regarding RFID, including how they will react to this type of technology in the retail sector. Therefore, the goal of this paper is to explore and measure the influence of this technology on consumer perceptions of brand value. First, the paper briefly covers RFID technology and the conceptual framework that leads to the development of the hypotheses. Next, the method and procedures used for the study are described. Then, a discussion of the results and managerial implications for retailers considering the use of item-level RFID is offered.

Introduction

Consumers have a tendency to associate their shopping experience with brand value and brand image (Brakus, Schmitt, and Zarantonello 2009). For example, consumer perceptions of technological advances used in a retail setting have the ability to spillover to consumer's perceptions of the brand (Verhoef et al. 2009). Additionally, today's consumers want personalized experience while shopping and retailers are seeking ways to create a great shopping experience by integrating technology in a retail environment (Pralhad and Ramaswamy 2004).

Retailers are attempting to create additional brand value by implementing RFID technology at consumer-facing points of contact. RFID technology is now becoming more prevalent in the area of retailing and logistics (Landt 2005). Many proponents of RFID technology seem to overlook the importance of consumer perceptions. It seems to be the consensus that if RFID tags lead to an improvement in the efficiency of shopping, which leads to a better experience, the consumers will automatically perceive the brand to be better (Resatsch et al. 2008).

Conceptual Framework and Hypotheses

When a positive attribute is added, even indirectly, to an existing product it can create certain consumer perceptions which can impact consumers' overall impressions about the product. This process is known as the halo effect (Wells 1907). In marketing literature, studies have looked at and established the presence of the halo effect in many contexts (e.g., Min Han 1989; Brown and Dacin 1997).

The halo effect research in marketing illuminates one important principle: exposure to one attribute can in essence affect subsequent consumer perceptions of the person or object containing that attribute. Therefore, it makes sense that the

addition of a new attribute, such as a new technology in a retail environment, has the potential to create a halo effect influencing consumer perceptions of other attributes in that same environment. This leads to the predictions for H1 and H2:

H1: Exposure to item-level RFID technology will favorably affect consumer's attitude towards the brand (ATB).

H2: Consumers' Perception of Brand Quality (BQ) will moderate the effect of item-level RFID technology. The positive halo effect of RFID technology will be stronger for higher quality brands compared to lower quality brands.

Acceptance of new technology is an individual difference which can influence a consumer's favorable views toward RFID technology and brand value. Therefore, we hypothesize:

H3: Acceptance of RFID technology will further moderate the moderating effect of Brand Quality and RFID on attitude toward brand (ATB).

Method

A 2 (RFID vs. no RFID) X 2 (high vs. low quality brands) between-subjects design experiment was used to examine consumer attitudes toward brand and perceptions of RFID technology acceptance. A pretest was used to determine the high and low quality brands. A "smart" dressing room was constructed in a behavioral lab at a southern university. The dressing room was used as a way to operationalize the two RFID conditions, in one condition RFID tags were attached to products and in the other condition the products did not have any RFID tags attached to them. All conditions had a basic clothing tag that included the brand, color, and size of the jeans. The two quality conditions were manipulated by using a cover story and by giving different branded products to the research participants for examination while in the dressing room. One hundred and four undergraduate business students at a southern university took part in this research; 76% of respondents were male. Attitude toward brand (ATB) was measured using a five-item perception of brands measure ($\alpha = .83$). All items were measured using seven-point Likert-type items. Additionally, participants were given a three-item measure examining RFID acceptance ($\alpha = .79$, $M = 5.18$).

Results

To test these three hypotheses we regressed ATB on brand quality (BQ), RFID and acceptance of RFID technology (TCHACPT) and the adjusted ($R^2 = .33$). As predicted in H1, there is a main effect of RFID technology on ATB, ($\beta = -1.19$; $t = -1.97$, $p < .05$). H2 predicted a moderating effect of BQ, and BQ

does moderate the effect of RFID ($\beta = 1.67$; $t = 2.05$, $p < .05$) on ATB. A planned contrast reveals that high quality brands were perceived better ($M = 5.5$) in the presence of RFID technology compared to absence of RFID technology ($M = 4.8$, $t = 1.6$, $p < 0.1$). Lower quality brands had almost identical attitudes across the RFID conditions ($M_s = 4.0$ and 3.7 ; $p = .19$). This pattern of findings offers support for the moderating effect of BQ postulated in H2.

As predicted there is a three-way interaction for ATB ($\beta = -1.75$; $t = -2.06$, $p < .05$). A follow-up test reveals that at high levels of RFID technology acceptance, lower quality brands with RFID ($M = 4.4$) were perceived more favorably than lower quality brands without RFID ($M = 3.4$, $t = 2.3$, $p < 0.05$). There was no significant difference in ATB for higher quality brands with and without RFID at high levels of RFID technology acceptance ($p = 0.6$). Similarly, at low levels of RFID technology acceptance there was no significant difference in ATB for higher quality brands ($p = 0.18$) or lower quality brands ($p = 0.4$) with or without RFID. These findings provide support for H3.

Discussion

The investment for item-level RFID and other RFID enabled technology is quite substantial and the absence of empirical data demonstrating the benefits of item-level RFID implementation from the consumer perspective is lacking. Therefore, the purpose of this study is to provide a better understanding of the impact of RFID implementation on consumer perceptions. Findings in this research provide some evidence that when RFID is implemented at the item-level in retail stores, the store gets a boost in its overall brand image due to the positive halo from the technology.

The halo effect from RFID technology is such that consumers will have more favorable perceptions of retailers and brands implementing RFID technology. This could lead to other halo effects where the favorable consumer perceptions attributed to the technology could spill over onto other consumer perceptions of the retailer and other products or brands sold. This has important brand management implications for retailers. It also has consumer commitment implications as it could lead to an increase in consumers' expected purchase and shopping intent. Given the high

costs associated with item-level RFID implementation, this finding suggests that high (versus low) quality retail brands stand to gain the most from RFID implementation.

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Summary Brief

The Susceptibility of Innovative Brands to Inferior Innovations: Perspectives of Consumer Innovativeness, Perceived Innovability, and Levels of Innovation

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This article advances innovation research by investigating perceiver effects on innovative brand evaluations. We specifically examine how consumer innovativeness moderates the effect of inferior high-level innovations on the perceived innovability and quality of high innovative brands. The results indicate that high- (vs. low-) innovativeness consumers' perception about the quality of innovative brands is less susceptible to inferior new innovations. It is likely that high- (vs. low-) innovativeness consumers more appreciate and, thus, more tolerate the negative performance of new innovations.

Introduction

Profiting firms are typically innovative companies with high innovability (or innovation ability/innovativeness capability; Jonash and Sommerlatte 1999). Thus, the ability to invent new innovations has become a requirement for business growth and sustainability (e.g., Luo and Bhattacharya 2006). Specifically, new innovations increase long-term bottom-line (i.e., firm income), top-line (i.e., firm revenue), and stock market (i.e., firm value) performance (Pauwels et al. 2004). However, as the failure rate of new innovations is higher than 80%, the launch of new innovations is riskier than the leveraging of regular new brand extensions (Castellion and Markham 2013). As a result, the management of failure innovations has become a common and critical issue for innovative companies. As new innovations normally carry existing brand names to warrant success, the failure of innovations can be detrimental to the perception of the brand titles.

Theoretical Background

New innovations vary in innovation levels ranging from incremental to radical offerings (Crawford 2014), which instigate various customer preferences (e.g., Szymanski et al. 2007). Therefore, the perception about innovations involves the two dimensions of quality and innovation level, which suggests that inferior innovations may affect innovative brands in the two correspondent perspectives of brand quality and brand innovability. In other words, the influence of inferior innovations on innovative brands can be more radical than regular brand extensions as it evokes the extra impact on brand innovability, a critical factor directly relevant to business profits and sustainability.

Extant research discusses innovations mainly from corporate perspectives based on the responses of innovation managers (e.g., Srinivasan et al. 2009). Specifically, the effect of innovations is defined by correlating innovations with visible marketing results

(e.g., growth of profits). Less is known about the causal relationship between innovations and the psychological mechanism of consumers for predicting market results.

Moreover, research on innovation documents that the personality trait of consumer innovativeness moderates the adoption of high-tech innovations (e.g., Tellis, Yin, and Bell 2009). Consumers with higher innovativeness have higher adoption rates of high-tech innovations. As mental processes are the antecedent of behaviors, factors affect innovation adoption behaviors (i.e., consumer innovativeness) are likely to also affect brand perception (i.e., perceived brand innovability and quality).

Therefore, this article advances innovation research by investigating perceiver effects on innovative brand evaluations. We specifically examine how consumer innovativeness moderates the effect of inferior high-level innovations on the perceived innovability and quality of high innovative brands. As being more in favor of high-level innovations, high-innovativeness consumers more tolerate negative information about high-level innovations. We propose that inferior innovations instigate stronger negative impacts on low- (vs. high-) innovativeness consumers (hypothesis 1).

Methodology

Forty-one American smartphone users ($M_{age} = 33.61$, 20 females, 21 males) participated in the experiment. The participants were informed that the purpose of study was to investigate consumer opinions about smartphones. The participants started with reading the PC Home assessment about the Appsung brand and rating the quality and innovability of Appsung, followed by a series of rating tasks including the quality and innovation level of the pre-launch Appsung V6 based on the Appsung Public Relations news release, the quality of Appsung V6 based on the PC Home assessment, and the quality and innovability of Appsung after the launch of Appsung V6, and the personality trait of innovativeness. Prior and posterior brand quality was captured with the three-item brand attitude measure of quality, favorability, and desirability. The perceived brand innovability was captured with a seven-item innovation ability measures (Luo and Bhattacharya 2006; Rindfleisch and Moorman 2001; Schreier, Fuchs, and Dahl 2012). The perceived innovation level was identified with the 9-item product innovativeness measure (Lee and O'Connor 2003). The consumer innovativeness was measured with the 10-item innovativeness scale developed by Tellis et al. (2009) consisting of the ten dimensions of stimulus variation, habituation, variety seeking, novelty seeking, effort, risk taking, nostalgia, opinion leadership, suspicion, and frugality.

Results and Discussion

We performed principal component analysis (PCA) to make a shorter and more robust innovativeness scale based on the component scores of the 10 items (Hepler and Albarracín 2013). Theoretically, if perceivers have a tendency to like (vs. dislike) marketing stimuli, then the PCA of responses to the 10-item scale should produce a factor on which almost all items load positively. Perceivers with higher (vs. lower) scores on this factor would tend to rate all items more positively. The PCA revealed that the component score of the item of suspicion was relatively low (Component scores < .40). As a result, this item was removed from the 10-item list and a shorter nine-item consumer innovativeness scale was made. The nine-item scale was proven a robust scale ($M = 4.50$, $M_{dn} = 4.44$, $SD = .83$, Cronbach's alpha = .76, split-half coefficient = .68) and was utilized for the hypothesis testing. Moreover, a median split was used to classify participants as being low innovativeness (those whose scores were 4.44 or less, $n = 20$) or high innovativeness (those whose scores were greater than 4.44, $n = 21$). Median splits were also utilized to classify age and household incomes to examine the impacts of personal characteristics on innovative brand evaluations.

We performed ANOVAs on the indices of brand quality and brand innovability change to test the hypothesis. The results revealed that low-innovativeness respondents' attitudes toward the innovative brand quality was more saliently influenced by the inferior innovation information ($M_{low} = -3.53$, $M_{high} = -2.62$, $F(1, 39) = 2.97$, $p = .09$). However, the inferior innovation has identical impacts on high- and low-innovativeness respondents' attitudes toward the perceived innovability of the innovative brand ($M_{low} = -2.37$, $M_{high} = -2.03$, $F(1, 39) = .62$, $p > .10$). In conclusion, the findings indicate that high- (vs. low-) innovativeness consumers' perception about the quality of innovative brands is less susceptible to inferior new innovations. It is likely that high- (vs. low-) innovativeness consumers more appreciate and, thus, more tolerate the negative performance of new innovations.

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Summary Brief

Overall Restaurant Brand Image's Relational Role with Perceived Restaurant Loyalty and Influences on Customers' Overall Satisfaction and Intention Behaviors

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Given the growing complexity and competitiveness of today's restaurant environment, many managers continue to face challenges in developing the right marketing strategies that result in successful sustainable growth and profitability outcomes. Using a casual dining restaurant context, the current study explores how an attitudinal-based restaurant brand image (ORI) serves as a special positive relational reinforcement enabler in the minds of experienced restaurant customers. The findings empirically support that experienced customers utilize ORI as a positive enabler of feelings of restaurant loyalty, overall restaurant satisfaction, intentions to recommend and revisit the restaurant. Also, restaurant loyalty partial mediates the relationships between ORI and overall restaurant satisfaction, recommending, and revisiting intentions.

Introduction

Today's retailing world continues to be very competitive and complex, and consequently, retailers are increasing their desires to better understand the development of *retail brand image* (Grewal, Levy, and Lehmann (2004) and its relationship with customer loyalty metrics and financial performance metrics (e.g., Pan and Zinkhan 2006). As a result, there has been a growing interest in empirical research focusing on how consumers develop a retail brand image and customer loyalty toward retail objects, as well as the positive causal relationship linkage between retail brand image and customer loyalty (Chebat, Sirgy and St. James 2006).

While research interest has centered on retail brand image and loyalty, the literature provides conflicting descriptions of the nature of the relationship between these constructs. The relationship has been portrayed as symmetric and positive in nature (Hartman and Spiro 2005) and asymmetric and nonlinear (Anderson and Mittal 2000). Some of the elusiveness and confusion surrounding the true role of retail brand image in creating customer loyalty lies in the different approaches in conceptualizing brand image (Patterson 1999), which have ranged from retail brand image being a higher-order construct influenced by lower-order determinants (Chebat et al. 2006), to the way consumers perceive a retail store based on a set of selected attributes (Grewal, Baker; Levy, and Voss 2003) to an collective overall attitude of a retailer (Finn and Louviere 1996). One conceptualization that has gone unnoticed to date is the relational role between retail brand image and customer loyalty and financial outcomes. The current study focuses on how experienced

customers use their overall restaurant brand image (ORI) to influence restaurant loyalty, satisfaction and behavioral intentions.

Hypotheses

We develop our hypotheses based upon the key underpinnings of Ajzen and Fishbein's (1980) multiplicative-additive attitude theory and the confirmation and disconfirmation elements of Disconfirmation Expectancy Theory (Anderson 1973; Oliver 1997).

Restaurants represent a complex retail object having numerous features that describe a restaurant, some tangible (e.g., location, parking availability, breadth of menu, lighting, music, etc.) and others intangible (e.g., perceptions of service/product quality, personnel knowledge, social interaction, friendly employees, etc.) in nature. Understanding how customers use and manage both the ORI and customer loyalty can have significant impact on the restaurant's financial performance metrics. Experienced restaurant customers rely on their overall attitude towards the restaurant, perceived restaurant value, and the overall disconfirmation of previous performance expectations attached to a set of important choice features. Once customers create their ORI, it serves as a positive reinforcement enabler that influences the customers' evaluative judgments toward their perceived feelings of restaurant loyalty as well as overall restaurant satisfaction, likelihood of offering positive word of mouth comments and revisiting behaviors.

H1: The antecedents of overall attitude towards restaurant, perceived restaurant value, and disconfirmation of past performance expectation indicators directly influence experienced customers' overall positive (or negative) brand image impression of a restaurant.

H2: Experienced customers' ORI directly influences their restaurant (customer) loyalty feelings.

H3: Experienced customers' ORI will directly influence their overall aggregate assessment of their satisfaction (dissatisfaction) with the restaurant.

H3a: Experienced customers' perceived restaurant loyalty feelings will influence their evaluation of overall restaurant satisfaction.

H4: Experienced customers' likelihood of undertaking some type recommending behavior of the restaurant is positively influenced by the combination of ORI, perceived feelings of restaurant loyalty, and overall restaurant satisfaction.

H5: Experienced customers' likelihood of undertaking revisiting behavior of the restaurant is positively influenced by the combination of ORI, perceived feelings of restaurant loyalty, and overall restaurant satisfaction.

H5a: Experienced customers' perceived feelings of restaurant loyalty will mediate the relational linkages between ORI and recommending intentions, revisiting intentions, and evaluative judgments of overall restaurant satisfaction.

Method & Results

The data for testing the hypothesized relationships come from a comprehensive restaurant brand image study that combines qualitative (focus group and in-depth interviews) and quantitative data (restaurant survey) collection procedures. A unique aspect of the restaurant survey was that each respondent was pre-screened for their *familiarity of and actual patronage experience* with both selected casual dining restaurants within a 30-day time frame.

The 609 respondents in the current study can be characterized as adult females (46%) and males (54%) who have extensive patronage experience and familiarity with the two casual dining restaurants. Approximately 70% of respondents rated themselves as very to extremely familiar with the casual dining restaurants.

Path analysis procedures were used to estimate the hypothesized relationships, and the results are displayed in Table 1. Overall, we found empirical support for H1-H4, and H5a. We found partial support for H5, with ORI and overall restaurant loyalty having a moderately strong positive influence on intentions to recommend ($\beta_{ORI} = .21$, $\beta_{Loy} = .66$, all $p < .01$), but not revisit the restaurant.

Table 1. Hypotheses Results of Path Analysis

Hypothesis	β	T-value	Adj-R ²
H1:			.984
Value → ORI	.45	71.83	
Attitude → ORI	.47	64.94	
Con/Disc → ORI	.28	42.73	
H2: ORI → Loyalty	.61	19.05	.373
H3: ORI → Satisfaction	.79	31.61	.621
H3a: Loyalty → Satisfaction	.64	20.59	.410
H4:			.570
ORI → Ints. Recommend	.33	7.38	
Loyalty → Ints. Recommend	.29	8.18	
Satisfaction → Ints. Recommend	.23	5.12	
H5:			.578
ORI → Ints. Revisit	.21	4.69	
Loyalty → Ints. Revisit	.66	17.22	
Satisfaction → Ints. Revisit	.01	.313(ns)	
H5a:			
ORI → Loyalty → Ints. Rec	.34	8.42	.530
ORI → Loyalty → Satisfaction	.19	5.37	.638
ORI → Loyalty → Ints. Revisit	.62	15.20	.621

Discussion & Conclusions

Like many retailers, restaurant managers continue to struggle with creating sustainable levels of customer flows and other critical financial performance metrics. The current study provides empirical evidence that once established, experienced customers' ORI serve as a special relational reinforcement enabler.

The current study's results provide empirical evidence that experienced restaurant customers' ORI becomes a "triggering mechanism" serving as a positive relational reinforcement enabler that is positively linked to not only their feelings of restaurant loyalty, but also their evaluative judgments of overall satisfaction with the restaurant, intentions to recommend and revisit the restaurant. These positive linkages suggest experienced customers use ORI differently than what past retail researchers suggest.

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Summary Brief

Brand Cohesiveness and Similarity as Moderators on Feedback Extension Effects

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This study advances the discussion of feedback extension effects to the perspective of brand constructs, specifically in brand similarity and cohesiveness. The results indicate that brands with dissimilar brand extensions can be entitative if the dissimilar extensions are perceived as cohesive. The perception of brand entitativity determines specific routes of information processing, which concludes different results of brand evaluations. As a result, consumers evaluate similar-cohesive and dissimilar-incohesive brands more favorably and unfavorably, yielding positive and negative polarization effects, respectively. For dissimilar-cohesive brands, the negative effect of brand dissimilarity counterbalances the positive effect of brand cohesiveness. As a result, the polarization effect of perceived entitativity does not occur to the dissimilar-cohesive brands. Moreover, negative dissimilar extension information instigates more negative impacts on entitative brands with cohesive and similar brand extensions.

Introduction

Prior research has discussed the feedback effects of brand extensions (feedback extension effects) from three major perspectives: (a) the characteristics of extensions, (b) the characteristics of brands, and (c) the characteristics of perceivers. The first stream specifically discusses extension characteristics in accessibility-diagnostics, similarity, valence, and leveraging strategies (e.g., Sood and Keller 2012). The second stream examines the brand characteristic of quality variability (Gurhan-Canli 2003). The third stream examines perceivers' characteristics in regard to cultural orientation, implicit personality theory, motivation level, need of cognition, processing style, self-construal, and self-regulatory focus (e.g., Puzakova et al. 2013). The first and third streams had been thoroughly documented, while the second stream about the influences of brand characteristics (e.g., the construct of brands) are important, but not well discussed yet. Therefore, this research investigates the impact of brand constructs, specifically in brand similarity and cohesiveness, on feedback extension effects.

Theoretical Background

In recent years, social cognition research has paid considerable attention to the influence of group entitativity on how social groups are perceived (e.g., Lewis and Sherman 2010). Entitativity refers to the wholeness of a group, or the degree to which a social aggregate is perceived as "having the nature of an entity," and is characterized by proximity, similarity, and common fate (Campbell 1958, p. 17). A high-entitative group is a collection of people bonded together in a coherent unit, such as task (e.g., airline flight crew) or intimacy (e.g., members of a family) groups (Lickel et al. 2000). Group entitativity is determined by eight

components, including permeability, duration, common goals, common outcomes, importance, interaction, size, and similarity (Lickel et al. 2000). Specifically, the transference of group members' behavioral traits is more salient in high-entitative groups with similar and cohesive group members (Crawford et al. 2002). As a result, the trait transference polarizes the perception of the similar and cohesive social groups. The results reveal that group members are more influential, and induce more extreme perception, on high-entitative (similar and cohesive) groups.

As with social groups, we argue that the perceived entitativity, specifically similarity and cohesiveness, also mediates the feedback effect of brand extensions. As brand managers concern more about the negative effects induced by product failure, we specifically examined the negative effect of dissimilar brand extensions on entitative brands. We propose that good quality high-entitative brands are more favorably evaluated (hypothesis 1). Moreover, the negative feedback extension effects on high- (vs. low) entitative brand with cohesive and similar brand extensions are more pronounced (hypothesis 2).

Research Methods

In line with previous research (Loken and John 1993), we crafted three fictitious X, Y and Z brands with Consumer Reports' format to represent similar-cohesive, dissimilar-cohesive, and dissimilar-incohesive brands, respectively. The brand statements of these three brands consist of two parts. The first part described the overall brand quality, which was the same for these three brands. The second part is a list of seven brand extensions, which were different across these brands. We crafted the X, Y and Z brands all as moderately leveraged brands with seven brand extensions. Specifically, the seven extensions of the X brand were in similar product categories (i.e. toothpastes) providing the common product function of oral care. The seven extensions of the Y brand were in different product categories, but provided the common product function of grooming. The seven extensions of the Z brand were in different categories providing unrelated product functions. These brands all originated from the same first brand of classic toothpastes, but were leveraged in different directions. The X brand remained in the toothpastes category, whereas the Y and Z brands were extended to other various categories.

Moreover, pain relievers were selected as the newly launched dissimilar brand extension with a negative product statement in Consumer Reports' format. The ABC brand, only containing the first part of product quality statement, was also developed in order to verify the polarization effect of perceived entitativity, which was operationally manipulated with the three brand extension lists of the X, Y and Z brands.

One hundred and eight residents of USA ($M_{\text{age}} = 38.67$, 54 females, 54 males) participated in the three-group between-subjects experimental design consisting of similar-cohesive, dissimilar-cohesive, and dissimilar-incohesive conditions. The participants were informed that the study's purpose was to investigate consumers' opinions about brands. They started with reading and rating the ABC brand, followed by rating the similarity, cohesiveness, and quality of the X, Y or Z brand information. Then, they rated the quality of the newly launched negative extension information. Immediately following this process, they re-evaluated the quality of the X, Y or Z brands.

Results and Discussion

Paired-samples t-tests and ANOVAs were performed to test the hypotheses. The analysis revealed that showing the list of seven similar and cohesive extensions enhanced consumers' attitudes toward the ABC brand ($M_{\text{pre}} = 5.69$, $M_{\text{post}} = 6.05$, $t(35) = 2.77$, $p < .01$). In contrast, showing the list of seven dissimilar and incohesive extensions weakened consumers' attitudes toward the ABC brand ($M_{\text{pre}} = 5.65$, $M_{\text{post}} = 5.33$, $t(33) = -2.11$, $p < .05$). However, showing the list of seven dissimilar, but cohesive, extensions didn't affect consumers' attitudes toward the ABC brand ($M_{\text{pre}} = 5.54$, $M_{\text{post}} = 5.57$, $t(37) = .37$, $p > .05$). The results suggested that the positive and negative polarization effects of perceived entitativity occurred to similar-cohesive (high-entitative) and dissimilar-incohesive (low-entitative) brands, respectively. Therefore, hypothesis 1 was supported.

Further, analysis results revealed that the unfavorable extension very saliently weakened the attitudes toward these three brands, regardless of brand similarity and cohesiveness ($M_{\text{difference-x}} = -2.56$, $t(35) = -11.98$, $p < .001$; $M_{\text{difference-y}} = -2.06$, $t(37) = -9.32$, $p < .001$; $M_{\text{difference-z}} = -1.88$, $t(33) = -11.65$, $p < .001$). However, the extents of attitude change were different across these three brands. We performed one-way ANOVA on attitude change to compare the weakening effects of the unfavorable extension on these three brands. The analysis revealed that Y and Z brand yielded identical negative attitude changes ($M_{\text{difference-yz}} = -.18$, $t(70) = -.64$, $p > .10$), which were less salient than that of the X brand ($M_{\text{difference-xy}} = -.50$, $t(72) = -1.63$, $p = .10$; $M_{\text{difference-xz}} = -.68$, $t(68) = -2.52$, $p < .01$). The results suggested that unfavorable dissimilar extensions were more detrimental to entitative brands with cohesive-similar extensions. Therefore, hypothesis 2 was supported.

In conclusion, this study advances the discussion of feedback extension effects to the perspective of brand constructs, specifically in brand similarity and cohesiveness. The results indicate that brands with dissimilar brand extensions can be entitative if the dissimilar extensions are cohesive. The perception of brand entitativity determines specific routes of information processing, which concludes different results of brand evaluations. As a result, consumers evaluate similar-cohesive and dissimilar-incohesive brands more favorably and unfavorably, yielding positive and negative polarization effects, respectively. For

dissimilar-cohesive brands, the negative effect of brand dissimilarity counterbalances the positive effect of brand cohesiveness. As a result, the polarization effect of perceived entitativity does not occur to the dissimilar-cohesive brands. Moreover, negative dissimilar extension information instigates more negative impacts on entitative brands with cohesive and similar brand extensions. The results reinforce the theory of entitative group perception, which depicts that group members of high-entitative groups are more influential as the transference of behavioral traits of group members is more pronounced in entitative group (Crawford et al. 2002).

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THE GOOD LIFE: SPORTS, DOGS, AND WINE

Summary Brief

Consumer Resources and Brand Attitudes in Sports Subculture

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Service dominant logic is used to investigate the role of brands in sports subculture engagement. Key stages of sports subculture socialization are identified in terms of their ability to endow consumers with brand knowledge. Long interviews were conducted with consumers involved in boarding sports – snowboarding, skateboarding, and longboarding. Findings indicate that consumers’ brand attitudes are dynamic and depend, in part, on the specific socialization stage in which the consumer finds himself.

Introduction

Sports provides a prominent, highly visible setting that lends easily to the formation of subculture and all its concomitant values (Green, 2001). Individuals relate to sports subcultures directly through physical participation in the activity and indirectly through watching, reading, discussing with others, and purchasing sports related products. Interactions between members of a sport subculture provide expression of shared values or beliefs. Through these interactions with the sports community, subcultural learning occurs. Meanwhile, these interactions help members construct and then later confirm their identities (Donnelly & Young, 1988; Haggard & Williams, 1992; Holt, 1995).

In each of the distinct stages of sports subculture membership, individuals possess resources that can be categorized into two distinct groups: operand and operant resources (Vargo & Lusch, 2004). Consumers’ operand resources are culturally recognized economic resources such as income, inherited wealth, food stamps, tangible goods, raw materials, etc. (Price et al., 2006) which facilitate the consumer’s initiation and negotiation of social roles and life projects. Utilization of the operand resources assists consumers with their goal achievement (Price, et al., 2006). In contrast, there are three types of consumer operant resources (i.e. physical, social, and cultural) (Price, et al., 2006).

Consumers’ physical operant resources are their abilities or skills which are usually embedded in culturally recognizable contexts (i.e. being a skilled surfer). Relationship networks that are embedded within the subculture comprise social operant resources. Given these relationships and shared affiliations, members of a sports subculture communicate and share meanings with other members of the community by purchasing and consuming specific brands and branded products that are well-known within that subculture. These branded products are key operant resources as well. Last, consumers’ cultural operant resources are various types of knowledge regarding cultural schemas, including specialized cultural capital, skills, and goals (Price, et al., 2006).

Members’ attitudes and loyalty toward subcultural is members’ length of membership in that subculture. As such, the level of mastery that a member exhibits predicts brand loyalty and brand attitude. Given these insights, the purpose of this study is to

investigate these types of attitudes and behaviors regarding specific brands among members within a sports subculture. The role of different consumer resources is discussed and the relationships between membership in a sports subculture and consumer brand loyalty towards subculture specific brands are investigated. Boarding (surfing, long-barding, skateboarding, snow-boarding) subculture was selected as the context for this study and consumers’ insight were captured through in-depth interviews. We include a discussion of theoretical and practical contribution of this study and provide suggestions for future research.

Conceptualization

In a seminal piece that introduced the perspective of consumers as co-producer of value within the marketplace, Vargo and Lusch (2004) argued for a new service centered dominant logic of marketing. Central to this Service Dominant Logic (SDL) perspective is the emphasis that resources should be “developed and coordinated to provide desired benefits to customers” (p.13). Vargo and Lusch (2004) draw on previous work that identifies two types of resources. When a resource is invisible and intangible and can be used to produce effects, it is classified as an operant resources (Constantin & Lusch, 1994). Firm resource endowments such as routines or transactive memory systems fall into this category. In contrast, when a resource is primarily acted upon by another resource so as to produce an outcome it is considered an operand resource. These resources are physical and include ‘goods or raw materials’ which a firm or consumer can use for its ability to execute a specific task or behavior (Constantin & Lusch, 1994).

Operand and operant resources are complementary and consumers utilize both operand and operand resources as they negotiate various roles of through their life cycle. Furthermore, “both types of resources are instrumental in the enactment of and pursuit of life projects or complex life narratives” (Arnould, Price, & Moisio, 2006, p. 3). Consequently, resources can be considered attributes of the consumer as well as existing at the consumer’s disposal. Notably, Arnould and colleagues (2006) examined consumers’ resources as stocks but they avoided examining these resources as they relate to consumers’ endowments of social or cultural capital.

Methods

Given the explanatory and qualitative nature of the study, authors adopted an interpretive approach. In-depth interviews are considered to be the best method to gain insights about consumers’ personal values, the role of these values within the subcultural context, and the reactions of consumers to brand-marketing communications (Kates, 2004; Strauss & Corbin, 1998). So, primary data were collected from semi-structured in-

depth interviews with 5 informants. A snowball sampling technique was used to recruit informants who were involved in boarding sports such as surfing and skate boarding.

Informants participated in long interviews in which they discussed their experiences with surfing/skate boarding, how they began to surf/skate for the first time and how growing up influenced their relationship with the sport. In order to facilitate the interview process and to motivate informants to share their experiences and feelings regarding the sport, we asked the informants to bring their surfing/skating boards, clothes that they usually wear when they go surfing/skating, and pictures or any other possessions that they wanted to show us. Meanwhile, during the interviews, we showed the informants images of different surfing/skating brand logos to help them remember the name of the brands, their experiences with them, and/or their feelings toward them.

Findings

We found linkages between informants' personal experiences with the sport and their level of brand involvement. A key driver for this linkage was each informant's overall level of experience with the sport. Three distinct stages of socialization were identified. Each of these stages clearly matched the level of experience in the sport. These three levels include:

1. Feeling of connection through collecting information about known brands of the sport, and then purchasing and consuming easily recognizable brands of the subculture.
2. Feeling of uniqueness through purchasing less-known brands or unbranded products.
3. Feeling of mastery through purchasing and consuming specific well-known brands that are famous for their reputation as a surfing/skate boarding sponsored brands.

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Summary Brief

A Comparison of Human and Dog Food Purchases across Three Segments of Dog Owners

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Using cluster analysis on a sample of 503 dog owners, we identify three distinct segments based upon how respondents see themselves relative to their dogs and upon their reported relationships with their dogs. Comparisons were made between respondents' choice criteria for people food and dog food purchases. Results suggest that the nature of the relationship with one's dog influences the relative importance of a majority of the choice criteria. Respondents attributed higher importance to most food choice criteria with human food purchases with three exceptions: health/nutrition, brand name and the recommendations of health care professionals. Implications for management are discussed.

Introduction

Recently, American dog owners have become more involved than ever with their dogs (Dotson and Hyatt 2008). In particular the humanization of dogs by their owners is an increasing trend (Boya, Dotson, and Hyatt 2012), and is driving dog owners to spend more on dog food (Landes 2010). In particular, dog owners' consumer behavior with regard to many pet products can be largely attributed to their relationships with their dogs, since dogs are not able to explicitly express their desires to their owners (Hill, Gaines, and Wilson 2008). The dog food shopping process has shifted from dog owners' simple consideration of price and convenience to a more educated focus on quality and other criteria (Pask and Scott 2013), especially for certain segments of dog owners.

Past research has found that in general US dog owners are more likely to buy healthy food for their dogs than for themselves, are more likely to be brand loyal in dog food purchases, and are less price sensitive to dog food than to people food (Tesfom and Birch 2010). In particular, the comparison of dog owners' food purchasing patterns for themselves with their food choices for their dogs, especially across different segments of dog owners, is an interesting issue that has not been addressed in the literature. This research examines the degree of congruence between people's food purchasing criteria for their own personal consumption versus the criteria used for dog food purchases across different types of dog owners.

Segmenting Dog Owners

Previous research has identified several key dimensions of the dog-human bond (Dotson and Hyatt 2008), two of which are most closely related and seem to have the biggest impact on the current trends in dog food-related consumer behavior. These are

Anthropomorphism and Dog-Oriented Self Concept. Anthropomorphism refers to the tendency to see and treat your dog as a person. Dog-Oriented Self Concept refers to the tendency to see your dog as an extension of yourself. Previous research has shown that those who see their dogs as extensions of themselves display different dog food purchasing patterns than those who do not (Jyrinki and Leipamaa-Leskinen 2006).

Using cluster analysis on a sample of 503 non-student dog owners, we identify three distinct segments of dog owners. Cluster 1, called "Dog People" (n = 198) consists of dog owners who most strongly identify with their dogs, define themselves more in terms of their relationship with their dogs, and treat their dogs most like people. Cluster 2 (n= 234), called "Dog Parents," consists of dog owners who apparently are less likely to define themselves in terms of their dogs but still see them as an integral part of the family. Cluster 3 (n= 94), called "Pet Owners," see their dogs as part of the family, but seem to see their dogs primarily as pets. This suggests that Cluster 3 members are most socially distant from their dogs and least likely to humanize them. See Table 1 for Cluster Analysis results.

Table 1. Three Cluster Solution Using Items from the Dog-Oriented Self Concept Scale and the Anthropomorphism Scale

Segmentation Item	Cluster 1 Dog People n=198	Cluster 2 Dog Parents n=234	Cluster 3 Pet Owners n=94	F value	Significance
Dog-Oriented Self Concept Items					
My dog is like a family member	4.42	3.33	3.76	198.189	.000
Considered how I feel about my pet when I buy something for my pet	4.32	2.88	3.88	84.334	.000
My dog is like a person to me	3.23	4.10	3.45	149.873	.000
My dog is like a family member	3.81	4.03	3.73	174.214	.000
Anthropomorphism Items					
My dog is like a family member	4.29	3.27	3.27	285.297	.000
My dog is like a family member	4.29	3.20	3.30	174.303	.000
My dog is like a family member	4.50	3.10	3.40	101.431	.000
My dog is like a family member	4.27	3.33	3.34	283.278	.000
My dog is like a family member	4.40	4.00	3.17	183.689	.000
My dog is like a family member	4.28	3.23	3.30	192.901	.000

ANOVA results are a 3 (segmentation) x 1 (through age and 1 through 10 items)
 Cluster 1 mean: Anthropomorphism: 3.23, Dog-Oriented Self Concept: 3.81
 Cluster 2 mean: Anthropomorphism: 3.33, Dog-Oriented Self Concept: 4.10
 Cluster 3 mean: Anthropomorphism: 3.45, Dog-Oriented Self Concept: 3.73

Comparing Segments on Congruence of Choice Criteria

To examine the nature of the differences between the three segments of dog owners, the differences in congruence between choice criteria for people food versus dog food are examined among the three segments. See Table 2 for congruence scores across all choice criteria.

Table 2. Congruence of Choice Criteria for People Food vs. Dog Food across Segments

Anthropomorphic and Dog-Oriented Self-Concept -- Congruence in the Importance ratings of Choice Criteria for People vs. Dog Food	Cluster 1	Cluster 2	Cluster 3	F	Sig.
	Dog People	Dog Parents	Pet Owners		
Price	3.08	3.08	3.12	0.47	.624
Taste	4.03 ^a	4.17 ^a	3.94 ^a	21.17	.000
Health/nutrition	3.21	3.13	3.16	.053	.938
Freshness	3.26 ^a	4.80 ^b	4.54 ^b	12.31	.000
Ease of preparation	3.03 ^a	4.71 ^b	4.67 ^b	4.23	.015
Variety in diet	4.08 ^a	4.43 ^a	4.48 ^a	10.64	.000
Quality	3.39 ^a	3.24 ^a	4.84 ^b	10.23	.000
Historically natural/organic	4.06	4.90	4.91	0.40	.529
Brand name	4.73	4.82	4.88	0.45	.633
Being an aisle promo/discount	4.87	4.88	4.84	1.50	.231
Type of store where food is purchased	4.07	4.74	4.83	1.69	.188
Product selection in store where food is purchased	4.08	4.82	4.84	2.00	.121
Convenience of location of store where food is purchased	3.18	3.01	4.83	2.01	.164
Recommendation from health care professionals	4.82	4.48	4.59	0.94	.383
Recommendation from friends	3.13 ^a	4.83 ^b	4.60 ^b	7.14	.001
Recommendation from food preparation experts	4.07	4.77	3.83	2.20	.132
Advertising	3.20	3.03	4.94	2.76	.063
Social needs	3.37	3.23	3.52	2.87	.057

^{a, b} significantly different pairs in alpha .05 (Duncan)
Congruence ratings (reverse) and absolute value of differences: 0 = incongruent, 4 = congruent
Importance ratings: 1 = not important at all; 7 = extremely important

Dog People are more likely than the other segments to more similarly value friends' recommendations, taste, ease of preparation, and variety as choice criteria for both people food and dog food purchases. Dog People also exhibit the highest congruence across people food and dog food on the choice criterion of freshness, followed by Dog Parents, who in turn have significantly higher congruence on freshness than Pet Owners. On the food choice criterion of quality, Pet Owners exhibit significantly less congruence between people and dog food choice than both Dog Parents and Dog People. On taste, ease of preparation and variety in diet the differences in congruence

scores of Dog Parents and Pet Owners are not significant. These findings present interesting implications for dog food marketing.

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**DIFFERENT METHODS OF COLLECTING AND ANALYZING DATA
STRUCTURES**

Summary Brief

A Rasch Approach to Comparative Evaluations

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Despite their frequent use in the area, this research suggests that the classic 7-point agree/disagree scale may not be theoretically or methodologically suited for use in the context of memory based comparative evaluations of product favorability. This research proposes and empirically demonstrates preliminary results for a new data collection and scoring methodology, based on the generalized partial credit model, designed to approximate the competitive, relative, and resource limited nature of memory based comparative evaluations of lower involvement products.

Introduction

In this research, we propose and empirically demonstrate a new data collection and scoring methodology, designed to approximate the competitive, relative, and processing resource limited nature of memory based comparative evaluations. Specifically, we employ the generalized partial credit model (GPCM), a polytomous Rasch approach to psychometric measurement (Masters 1982; Muraki 1992), adapted to the context of comparative evaluations. Unlike 7-point agree/disagree scales, our proposed methodology allows researchers to directly model consumers' relative and comparative assessments of product benefits, is explicitly based on consumers' individual product performance requirements and is congruent with heuristic thinking (Oppenheimer 2008) and the known limits of information processing (Alba, Hutchinson, and Lynch 1991).

Rasch Measurement Instruments

The GPCM is a member of the Rasch family of psychometric measurement instruments, where the response patterns of many individuals, on a particular set of questions, is used to score each respondent in regards to a latent construct of interest (Masters 1982). Rasch models offer several theoretical and methodological advantages in terms of assessing lower involvement product favorability in the context of memory based comparative evaluations, compared to 7-point agree/disagree scales.

First, Rasch models are specifically designed to collect and assess dichotomous yes/no data. As such, when comparative evaluations are constrained by memory recall, motivation, and information, the simple yes/no data collection methodology appears to provide a better approximation of consumers' tendencies to make fast and frugal judgments of acceptability (Alba, Hutchinson, and Lynch 1991; Bettman, Luce, and Payne 2008; Shah and Oppenheimer 2008; Tversky 1972). For instance, rather than asking respondents to evaluate a restaurant's healthiness on 7-points of difference, researchers can simply ask respondents if a restaurant is healthy. While this approach provides a lower level of measurement than 7-point ordinal or interval scales, we suggest that it allows respondents to more

accurately express their opinions to researchers in a more natural way, rather than having to translate their beliefs into a multipoint scale, which in turn leads to greater predictive power.

Second, we contend that 7-point agree/disagree ratings correlate with, but do not explicitly model, consumers' individual threshold of product benefit acceptability. The yes/no phrasing of product benefit questions, made possible by the GPCM, speaks directly to the issue of whether a product has met a respondent's personal threshold of acceptability.

Third, yes/no data collection methodologies make it easier to prompt respondents to consider a product's relative competitive position during the evaluation process, providing a better approximation of decision environments (Olsen 2002). Finally, the GPCM allows for the direct inclusion of relative consumer product evaluations to model product favorability, without having to rely on questionable difference scores (Peter, Churchill, and Brown 1993). The scoring system for our proposed GPCM methodology is as follows. Products receive zero points for lacking a product benefit, partial credit for sharing a product benefit with competitors, and full credit for being the best (as measure by a follow-up tie breaker questions) or only product to provide a benefit.

Study 1

The primary objectives of this study are twofold. First, to compare the predictive power and model fit of dichotomous and 7-point agree/disagree data collection methods in the context of memory based comparative evaluations. Second, to demonstrate the additional improvement in model fit and predictive power possible via our proposed adaptation of the GPCM, which directly models respondents' comparative product evaluations to assess product favorability.

Method

Five hundred thirty-seven undergraduate students completed an online survey to satisfy a research requirement. Study respondents evaluated four of 11 nearby restaurants, selected based on respondent familiarity. In a between subjects design, respondents completed either a 7-point agree/disagree scale rating (The [brand] has many healthy menu options; 1-strongly disagree to 7-strongly agree) or a dichotomous rating (The [brand] has many healthy menu options; 1-yes, 0-no, followed by a tiebreaker question, of these restaurants, which one of them is best at [attribute], if any; 1-yes, 0-no) of product benefits associations across 10 common industry attributes (Kim and Kim 2004). In both rating systems, respondents were also given a "don't know" choice option. All question items and product presentation order were randomized. Future purchase intentions were measured with

a 10-point constant sum question, where respondent were asked "thinking of the next 10 times you will eat at a restaurant within walking distance of [University], how many times do you anticipate eating at each of the restaurant listed below?" Due to sample size considerations, the three restaurants with the most completed surveys were selected for analysis.

Results

Reliability measures for the 7-point scale ($\alpha = .91$), dichotomous rating (KR20 = .93), and GPCM (RMSEA = .08) indicated high internal consistency among the items (Browne and Cudeck 1992). To examine the predictive ability of each measure, we conducted a regression analysis with 7-point scale index, dichotomous scale index, and the GPCM score (calculated by IRTPRO software) predicting the respondents' future restaurant patronage. Results revealed that the dichotomous rating index provided improvements in explained variance and model fit ($M_R^2 = .02$; $M_{RMSE} = 1.50$) relative to the 7-point rating scale index ($M_R^2 = .01$; $M_{RMSE} = 1.53$). However, our adapted GPCM methodology, built from the dichotomous rating measures, provided marked improvements in explained variance and model fit ($M_R^2 = .08$; $M_{RMSE} = 1.46$).

Study 2

To extend generalizability and validity, a field study was conducted to predict future purchase intentions among a random sample of current customers of a large media (music/movies/tv) purchase/rental company (e.g. Vudu, Redbox, Amazon, etc.). In the media rental/purchase industry, the primary point of differentiation among brands is distribution and interface features, not product offerings or content. Further, we also investigated whether respondents felt the dichotomous or 7-point agree/disagree scale data collection process captured the way they naturally compare and evaluate products in a competitive context.

Method

Four hundred ninety-eight respondents completed an online survey for a chance to win a cash prize. Study respondents evaluated four media purchase/rental brands across five key industry attributes, as identified by expert judges. Respondents evaluated their top two most frequently used brands, plus two brands (randomly assigned) that they were familiar with, even if they did not report using them. Study 2 replicated the design of study 1.

Results

Reliability measures for the 7-point scale ($\alpha = .88$), dichotomous ratings (KR20 = .95), and GPCM (RMSEA = .03) indicated high internal consistency among the items (Browne and Cudeck 1992). Again, we conducted a regression analysis with 7-point scale index, dichotomous scale index, and the GPCM score to predict future purchase/rental intentions. Again, the dichotomous rating index provided improvements in explained variance and model fit ($M_R^2 = .30$; $M_{RMSE} = 2.45$) relative to the 7-point rating scale index ($M_R^2 = .26$; $M_{RMSE} = 2.90$). Further, our adapted GPCM methodology provided additional improvements in explained variance and model fit ($M_R^2 = .32$; $M_{RMSE} = 2.43$) relative to both index score measures.

Supporting our claims that the dichotomous data collection method provided an improved approximation their memory based

comparative evaluation process, respondents indicated that the dichotomous data collection process better "...reflects the way I usually think of these issues," ($M_{0/1} = 5.10$ vs. $M_{7\text{-point scale}} = 4.99$; $t(1, 496) = 2.05, p < .05$), "...does an excellent job of showing how I really feel," ($M_{0/1} = 4.94$ vs. $M_{7\text{-point scale}} = 4.81$; $t(1, 496) = 2.28, p < .05$), and "...kept me interested and involved in the survey" ($M_{0/1} = 4.81$ vs. $M_{7\text{-point scale}} = 4.43$; $t(1, 496) = 4.29, p < .01$), than the 7-point agree/disagree scale data collection process. Additionally, respondents required significantly less time to complete the dichotomous data collection method than the 7-point agree/disagree scales data collection method ($M_{0/1} = 4.7$ minutes vs. $M_{7\text{-point scale}} = 8.6$ minutes; $t(1, 496) = 2.45, p < .05$).

Limitations

These results represent an initial demonstration of study claims. Further tests of the underlying theoretical processes as well as additional empirical demonstrations are warranted.

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Summary Brief

Using Coefficient of Variation to Examine the Distribution of Online Consumer Reviews

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While online consumer reviews have gained significant interest in recent years, it is important for companies to understand dispersion measures of the distributions, thus be more apt to understand consumer behavior and competitors. The current study builds on renewal theory to investigate a dispersion measure called coefficient of variation. Theoretically this study proposes a log-multiplier indicator for coefficient of variation. Empirically it finds that the percentage of one-star reviews has a statistical significantly negative effect on coefficient of variation of ratings. Managerial implications and limitations are discussed.

Introduction

In today's Internet age, online consumer reviews have become an important source of influence (Moe and Schweidel 2012) or product quality signal (Chevalier and Mayzlin 2006; Senecal and Nantel 2004; Sun 2012) to many consumers when they evaluate products, compare alternatives and make purchase decisions. Given this important impact, a company should seek to understand and utilize tools examining distribution information provided in consumer reviews, thus be more apt to understand consumer behavior and competitors.

For example, a customer wants to decide whether to purchase an Xbox video game called Madden NFL 25 at Amazon and noticed a distribution of online consumer reviews with 289 reviews of 5 stars, 79 reviews of 4 stars, 39 reviews of 3 stars, 30 reviews of 2 stars and 96 reviews of 1 star. Although Amazon gives an average of 3.8 out of 5 stars from 533 reviews, how should a company interpret such result and better understand customers' processing of such complex information? Literature review reveals that the research on online consumer reviews' distribution is still limited.

The Study

This study focuses on two dispersion measures of consumer rating distribution, i.e. coefficient of variation (CV) and variance (or standard deviation). In statistics, the variance, as the square of the standard deviation (SD), is the second central moment of a distribution to measure how far the numbers lie from the mean. Variance can capture the heterogeneity of consumer reviews and is relatively easy for marketing managers to calculate. However, the challenge lies in how consumers interpret the result. For example, a customer rating with a (289, 79, 39, 30, 96) star distribution for Madden NFL 25 at Amazon can be transformed to a variance value of 2.43. On the other hand, a (10, 19, 34, 21, 21, 11, 7, 2, 5, 17) score distribution at GameSpot for the same game has a variance value of 11.71. Clearly, the two review sites with different review formats have different variance values on the

same product. A marketing manager may wonder what those two variances imply when consumers see them.

Another dispersion measure is CV, defined as the ratio of the standard deviation to the mean. It is a normalized measure of a probability distribution, also known as unitized risk.

There are two general advantages of using CV as a distribution measure. First, CV is independent of the unit in which the measurement has been taken. Second, by comparing CV to 1, distributions are considered to be low-variance with $CV < 1$ or high-variance with $CV > 1$. For example, a customer rating with a (289, 79, 39, 30, 96) star distribution for Madden NFL 25 at Amazon can be transformed to a CV of 0.41. On the other hand, a (10, 19, 34, 21, 21, 11, 7, 2, 5, 17) score distribution at GameSpot for the same game has a CV of 0.54.

Despite the importance of user-generated contents such as online consumer reviews, much is unknown about these two different measures of the rating distribution. The marketing literature on consumer reviews or online word of mouth abounds with studies of its impact on product sales or revenue (Chevalier and Mayzlin 2006; Moe and Schweidel 2012; Senecal and Nantel 2004). Sun (2012) shows that a high variance of ratings is associated with a niche product that some consumers love and others hate. An underlying belief of this finding is that some consumers love the product and give high positive reviews whereas some hate it and give low negative reviews, resulting in a spread-out distribution.

With these finite research findings on variance (or SD equivalently) in mind, this exploratory study contrasts CV to SD with respect to both theoretical and empirical evidence. Specifically, the following are the research questions for this study:

Research question 1: what is the theoretical foundation and modern transformation for CV and SD?

Research question 2: what is the impact of percentages of reviews in each level of positive and negative ratings on distribution measures such as CV versus SD?

Method and Results

Consider the occasions when reviewers provide online reviews at a review site as an arrival process. Based on renewal theory, this paper proposes using CV to examine the distribution of online consumer reviews. A log-multiplier of relative CV values is proposed to check whether a website delivers consistent results.

To examine the impact of a change in positive and negative reviews on two different measures of distribution dispersion, i.e. variance and CV, a difference-in-difference analysis is performed to track two game platforms over time. Chevalier and Mayzlin

(2006) provided details of this approach to identify the causal effect of online consumer reviews on relative sales.

Using empirical data from Amazon, this study shows that the percentage of five-star (one-star) reviews does not have a significantly positive (negative) effect on standard deviation of ratings. Similarly, the percentage of five-star reviews does not have a significantly positive effect on CV of ratings. However, the percentage of one-star reviews has a significantly negative effect on CV of ratings.

Summary and Discussion

This research makes a critical contribution in better understanding of two dispersion measures on consumer review distribution: variance and CV. We find that the percentage of one-star reviews has a significantly negative effect on CV of ratings. Our study provides a measure in the form of a log-multiplier of relative CV values to the view that the dispersion of consumer reviews is vitally important to firms (Sun 2012) and should be monitored continuously.

This study also has important managerial implications to marketing managers in suggesting the use of CV. Building

engagement with consumer reviews may be a double-edged sword: more positive five-star reviews result in higher average rating indicating better product quality and more negative one-star reviews result in negative effect on CV of ratings. It is important to leverage consumer reviews – positive and negative, but not hoping to influence thousands of consumer reviews instantly.

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Full Paper

Co-creating Value Proposition through Target Stakeholder's Involvement

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The purpose of this paper is to explore multiple value propositions within the target stakeholder domains and linking locals as a value innovation process occurring through resource integration. The multiple value propositions in stakeholders can provide an important mechanism for aligning value with a network. The paper utilizes service dominant logic to present case study research of a value innovative Taiwan firms. The study investigates product development, brand growth, service innovation and the process of interaction and integration that assessment of the value innovation generated for the stakeholders. Innovator is the supplier, the customer and the supporter is recipient of innovation. They become real co-innovators who exchange and integrate resources and knowledge to co-create value.

Introduction

Service dominant (S-D) logic is essentially a value co-creation model that viewpoint all actors as resource integrators, tie together in service shared systems of exchange (Vargo 2011). Webster (2002) indicated that value proposition should be most important organizing principle for firm. The participants in the market are seen as value system. It promotes and integrators who are connected to each other through value propositions and value-creating processes (Maglio and Spohrer 2008).

The service systems are not produced to provide a service as an output, but also understood as creative arrangements for “doing something for another” (Vargo and Akaka 2009). The firm must be interpreted as a complicated mechanism that links customer value and the value of the firm for all of its stakeholders (Lusch and Webster 2011). It is fundamental premise of the value proposition of marketing strategy of the firm that stakeholder's definition of value changes continuously. Marketing must be a studying process for both the supplier network organization and the customer (Lusch, Vargo and Tanniru 2010).

The purpose of the study is to explore how the firm and stakeholder cooperation as well as it confirms target stakeholder facilitate the accelerated value innovation and shared value.

Conceptual Framework

Brand mind displays inside of soul and characteristic, it provides the motive power that turns the value wheel. Firm convey brand core value though brand mind.

This is continuous aspect that firm and stakeholder highly dynamic and interactive process (Merz, He, and Vargo 2009). In the service-dominant (S-D) logic, value creation occurs “when a potential resource is turned into a specific benefit” (Lusch et al. 2008). Applied in this way, firm require integration and alignment

resource to become valuable. Firm manage in an integrated manner and it performances through value creation as the ability. In order to fulfill the need of its stakeholder through the formation, execution and control of effective value propositions (Lerro 2011).

Stakeholders become the co-partner in a process. Firm continues interactions among stakeholders, exchange, and integration of resources, and the co-creation of value (Mele et al. 2010). Therefore, firm considers the satisfaction of its related key-stakeholders' wants and needs in order to understand the value created (Lerro 2011). Resource integration is a multidirectional process from stakeholder to firm (Gummesson 2008; Vargo 2008).

All firms should fight to be an efficient and effective service support system for helping key-stakeholders, become efficient and effective in value co-creation (Lusch and Webster 2011). The long term relationship involves creating exchanges and interactions of mutually beneficial value (Christopher et al. 2002).

Methodology

The purpose of the study is to explore how the firm and stakeholder co-creation as well as it confirms target stakeholder facilitate the accelerated value innovation and shared value. The study adopted a qualitative case study approach because the event under investigation is context-dependent and complex (Halinen and Toimroos 2005). The analysis case study of process repeated with context to produce high close connection, and therefore the resultant result is often novel, empirically valid, and testable (Eisenhardt 1989). We adopted multiple case research. The research is often persuasiveness, steady the whole of research. It retain whole event and meaningful characteristic (Yin 2003; Herriot and Firestine 1983).

Case Selection

Purposive sampling is used in the selection of the qualitative study. We selected the cases that meet the reason of an extreme or unique case. The study interviews two companies Yuan Soap and Lavender Cottage.

Yuan Soap was established by Jiang Rong-Yuan and three employees which now expanded to a company with more than 100 employees. Yuan Soap was formally incorporated in Wanli in 2005; ingredient of the soap is made by vegetable oils and herbs. There are two workshops in Jinshan and a research center called Yuan International Herb Research and Development. The soap is sold in 400 stores around Taiwan, with many others exported to China, Singapore, South Korea, Malaysia and Japan.

Yuan Soap uses local herbs and assures safe and clean materials. Major materials are like Wild Mugwort and *Alpinia Speciosa* from Yuan Farm. They think authentic and depth product

story which promote the technique ability unceasingly and develop wash product. Yuan Soap devotes their strength to look for special and meaningful small farmer in Taiwan local industry. It integrates to Yuan Soap's brand concept.

Lavender Cottage was established by two girls with tons of courage: Grace Zhan and Tiffany Lin, they have quit own stable jobs to peruse their dreams which was to build a coffee shop brick by brick in one of the mountains in Xinshe. It was formally incorporated in 2001, Lavender Cottage has six brands (Lavender Cottage, Gogostore, Hakka Lifestyle, Adagio, Moncoeur and Good Days) for various fields. These fields consist of leisure, catering, guesthouse and fragrance product.

When Lavender Cottage's team make a decision, they think about three questions "Do you like it? Are you happy? Have any meaning?". The team always has passion in their job as well as brings customers joy. Every brand are concerned for the local matter, they also make sure Lavender Cottage's product materials are made by the local famers. Every store shows their brand image and local characteristic, furthermore they look after local people's need.

Data Collection

Before the official data collection, first interview was conducted with the founder of Yuan Soap and the president of Lavender Cotta to gaining their permission to research these two firms. There were two stages of data collection. The first stage, we conducted manager interview with preliminary analysis, the result of the preliminary analysis guided second stage of data collection by identifying further interviewees and interview questions. We improve and shrink the range of data collection to processes and identified key interviewees based on the preliminary data analysis.

All the interviews were face-to-face interviews, a total of 16 in-depth interviews were conducted and the length of the interviews ranged from 1 hour to 2 hours. Lavender Cottage's interviews comprised one of Founder, Chief Executive Officer, Chief Strategy Officer, Adagio President, Human Resource Manager, Marketing Manager, Operations Managers. Yuan Soap interviews comprised Promoter, General President, Marketing Assistant Manager, Production Management, Factory Manager and Special Assistant. In the first stage interviews, we asked general questions about brand mind and product strategy. Second stage interview was focused on subject that emerged in the first stage interviews, and that were selected for more detailed study. The data were all recorded for later coding and analysis after the interview.

Data Analysis Method

Researchers utilize an iterative reading strategy following the procedures by Strauss and Corbin (1990). The first stage, open coding, researchers read data line-by-line analysis and then sought to identify, categorize and describe discrete ideas into categories and subcategories. The second stage, axial coding, researchers identify relationships among the open codes through inductive and educative thinking. When researchers code the data, they move back and between open and axial coding to refine the categories. The final type of coding: selective coding, the essential idea is to create a storyline that includes all of core concept.

Results

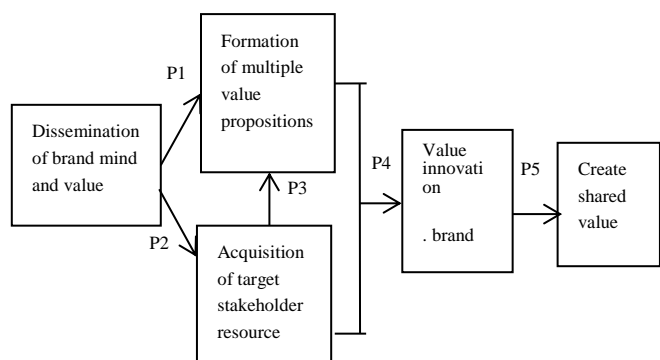
The brand mind reflected that the firm personal characteristic and clear value chain. Yuan Soap's brand mind "Cherish life, put yourself in my shoes". Yuan Soap recovers, protects, cleaning your skin and spirit. They produce handmade soap with the cold process, the material include fresh creek water from the mountains in Yangmingshan National Park, vegetable oils and various herbs including many used by the generations before us in Taiwan as traditional healing and foreign species that have been popular in the Western world. For the first time, the market appears positive energy of soap in Taiwan. ; Lavender Cottage's brand mind "We are happy, the same to you". Lavender Cottage aspired to simple and pure happiness. The brands shown that carefully planned perfect personal service, atmosphere and suit platform, the idea from special experience in travels.

The two firms are loyal to faith around their service. They believe that attract right customer from niche market by brand value. They understand their customers and know what they really needs. The cohesion developed between brand and customers of the niche market. We can represent the research framework with the chart shown as figure 1.

Proposition 1 : Brand mind and value thrust accelerates multiple value proposition dissemination in the firm. The thrust enables firm to take advantage of focused original intention and explore opportunities.

Firm brand minds, they think not only their firm, but also with stakeholder. The local stakeholder explicitly recognizes that individual entities can be in more than one stakeholder group. The stakeholder group includes employees, suppliers, local people. How we can choose and confirm stakeholder accurately? The answer is firm follows what brand mind wants to do and brand value show your advantage devotedly. Firm and stakeholder are kindred spirits that usually occurs through similarity of pursuits. As the saying goes, "Birds of a feather flock together."

Figure 1 Research Framework



The two firms' contact stakeholder, they observe work life keenly, listen to stakeholder voice interestedly, and talk with stakeholder. They concern nature character of resource, It has been attracted each other.

Proposition 2 : Brand mind and value thrust accelerates local stakeholder dissemination in the firm. The thrust enables firm to take advantage of focused original intention and explore opportunities.

The development of value proposition in multiple stakeholders can provide enhanced opportunities for value creation

and assist managers stabilizing relationships within an organization's value network. Firm stands in the other side's position more, putting yourself in their shoes, potentially facilitates greater value alignment.

How do we find and judge the right stakeholder? The goal is not just business transaction with stakeholder who need an order or a job; Firm wants to build a sturdy and mutual network. Let's all cooperate with stakeholder who believe what you believe. They communicate easily when firm and stakeholder have common view. We advocate an approach aimed at increasing firm and stakeholder value.

Leader and manager must be developed new skills and knowledge, such as understand stakeholder's need and integrate resources. Clearly defined multiple value propositions may contribute to a successful relationship.

Proposition 3 : Target stakeholder value proposition thrust accelerate multiple value proposition. The thrust enables firm to take advantage of common view, cooperated in applicable coordination.

Firm use key factors of value innovation, they have perfect idea without restriction. Key factors that the local stakeholder resource is encase in multiple value proposition. Just like you putting water into a vessel. The different vessel will decide the form of the water shape.

The choice of the key factors is consequential. Firms focus on the differences among the related local stakeholder resource and the need to build powerful key factors that features value innovation. Firms must not be constrained by past thinking methods

The findings of these three cases concern the outcomes of value innovation in these case companies.

Innovation project A. This was essentially a local value proposal that focused on the Taiwan local craft associated with handwork. Yuan Soap respect ancient craftsmen that have exquisite craftsmanship and tradition culture. The products include wood plate and soap box; cup, plate and teapot of pottery; socks and bags. The handwork can lead customer to feel warm and familiar to the local technology.

Innovation project B. This was essentially an emotion value proposal that focused on the nature of grasses and wilding associated with product. Yuan Soap use local grasses to make different product. The soap can lead customer to feel wisdom of generous land for centuries. The Adagio of Lavender Cottage prepare meal that use vicinity wilding. The meal can lead customer to feel rich area flavor.

Innovation project C. This was essentially a business value proposal that focused on the scope of atmosphere associated with space. It was an innovative form of place that provided a multifunction platform for applications in a wide variety of product and customers. The Good Days of Lavender Cottage convey to share happiness of thing with visitors and exhibit little artist's works.

Proposition 4 : Multiple value proposition thrust contributes to flexibility while target stakeholder resource thrust contributes to variety and the two thrust complement each other to accelerate the value innovation.

The value innovator thinks in terms of the total solution, they not just consider self-interest. "Reciprocal" is the way the value innovator's thinking pattern. Firm raise everyone's value through new cooperate with stakeholder.

When Firm and stakeholder establish healthy relationship, they will care for each other and help each other. This will make close cooperation to create shared value.

Proposition 5 : Cooperation with target stakeholder thrust contributes to value innovation accelerates the created shared value.

Conclusion

The purpose of the study is to explore how the firm and stakeholder cooperation as well as it confirms target stakeholder facilitate the accelerated value innovation and shared value. The notion of multiple value propositions are transformed from interactive processes that integrate resources. The study has adopted this wider perspective of innovation in terms of stakeholder and value proposition to emphasize the role of the value innovation to increase stakeholder's value. The capability apply value proposition with stakeholder is crucial to a value innovation firm. The three value innovation activities (brand, platform and product) that augment the S-D logic as enablers of the service experience. We see value as a preferential judgment of the meaning of service experience, whether from the perspective of firm or stakeholders.

The conclusion of the study is that value innovation should be understand as a dynamic and interactive process in which all of network actors can use resources and thus become cooperation in co-creating value for themselves and for others. Firm determines shared value of result upon only one thing, your personal alignment with people around.

Managerial Implications

Managers of firms are seeking control methods to influence their multiple value proposition, within the stakeholders domains that form part of a marketing (Frow and Payne 2011; Mele et al. 2010), and this study provides them with practical value innovation strategy. The strategy could widen understanding of different value (local value, emotion value and business value) by particular attention to the antecedents and implications of the interaction and integration processes.

Therefore, this study suggests that a firm can rethink its cooperation with stakeholders from the perspective of value innovation process, which could enable it to respond to emerging opportunities better by accelerating the translation of its accumulated resources into actionable strategies and activities.

Limitations and Directions for Future Research

These comprehension and orientations represent the basis for defining a feasible and coherent set of issues and related indicators to develop quantitatively in the future development of the research. There is a need to develop further studies in which innovation is understood as a stakeholder resource integrating process. We can widen understanding of this process by particular attention to the interaction and integration processes. Marketing's role as a relationship facilitator and cooperater of the service experience becomes clear but challenging.

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**HOW ARE WE DOING AS MARKETING TEACHERS? THE INFLUENCE OF
EVALUATIONS AND SELF-REFLECTION**

Summary Brief

That Class was Delightful! Student Perceptions of Satisfaction and Delight

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This research utilizes the critical incident technique to explore student perceptions of satisfaction and delight. Results indicate the importance of course content and faculty skill to both conditions. Major differences emerge as faculty attitude and the learning experience are key drivers in delight, and humor arises for delight alone. The usefulness of course content is more important to satisfaction (versus delight), and the grade received in the course is a driver of satisfaction alone.

Introduction

It is becoming more common for institutions of higher learning to view and operate their organizations as traditional service firms (i.e., DeShields et al. 2005; Voss et al. 2010). As a result, universities are beginning to view students as customers (Bowden 2011). In traditional customer-firm relationships, debate exists on the most appropriate strategy for a firm to pursue—a customer satisfaction strategy or a customer delight strategy. The satisfaction/delight debate is important to colleges and universities beginning to view and operate their institutions like traditional service firms.

The purpose of this research is threefold: (1) To evaluate the key drivers of student satisfaction; (2) To evaluate the key drivers of student delight; and (3) To evaluate the differences across both constructs. Answering these questions will expand student delight literature and provide guidance on whether creating student delight is an appropriate goal.

Literature Review

Student Satisfaction and Student Delight

Student satisfaction is defined as “a short term attitude resulting from an evaluation of a student’s educational experience” (Elliott and Healy 2001, p. 2). This attitude is largely the result of the expectancy-disconfirmation judgment (Oliver 1980). When performance fails to meet student expectations, the student is dissatisfied. When performance meets or exceeds student expectations, the student is satisfied.

Customer delight is the product of positive disconfirmation in which customer expectations are exceeded. This often results in a positive affective state for the customer (Oliver et al. 1997). When *student* expectations are exceeded to a surprising degree, the result is *student delight*.

Method

Data were collected using the Critical Incident Technique (CIT) (Flanagan 1954). The sample consisted of senior business administration students at a public, comprehensive university in

upstate New York with a student population just over 5000. Respondents were provided with a structured questionnaire that provided the definition of customer delight and customer satisfaction. Respondents were asked to provide a detailed answer to two questions (Q1: “What makes a class delightful?” and Q2: “What makes a class satisfying?”). A total of 197 surveys were completed, with four deletions. The average age of the sample was 21, and 58% were male.

Classification Schema Development

Category development and data analysis were conducted using four coders (i.e., Coders A, B, C and D) trained in CIT. The steps taken during category development and analysis are presented in Figure 1.

Figure 1. Category Development and Data Analysis

1. Coders A, B, and C independently read all responses for both questions (i.e., Q1 and Q2).
2. Using the three-stage constant comparison method, Coders A, B, and C read, sorted, and re-read critical incidents, grouping similar factors into categories reflective of the major themes in the data.
3. Coders A, B, and C met to compare independent results.
4. Category names and comprehensive definitions were developed using axial coding.
5. Coder C re-examined the data to gauge the validity of categories and definitions.
6. Categories and definitions were provided *a priori* to Coder D.
7. Coder D read the entire data set, using the *a priori* categories to classify the data.
8. Results of Coder C and Coder D were compared.
9. Three measures of interjudge validity were calculated.

Interjudge agreement was .90 for the delight question and .86 for the satisfaction question. Cohen’s K was .90 for the delight question and .83 for the satisfaction question. Finally, the Perreault and Leigh’s index was .89 for the delight question and .85 for the satisfaction question. As all of these metrics exceeded the .80 level, they are considered reliable. Coding disagreements (although few) were resolved by discussion.

Q1: What Makes a Class Delightful?

Students’ delightful incidents were grouped into five major categories: (1) faculty skill, (2) course content, (3) interaction quality, (4) faculty attitude, and (5) faculty effort. Categories are presented in Table 1. Each category includes sub-categories to provide a better picture of the factors leading to delight.

Table 1. Critical Factors in Delightful Classes

Critical Factor	# (%)	% Category
Faculty Skill		
Presentation Ability	72 (15%)	51%
Multiple Teaching Methods	36 (7%)	25%
Knowledge	17 (3.5%)	12%
Organization	17 (3.5%)	12%
<i>Total</i>	142 (29%)	100%
Course Content		
Subject (Actual Material)	44 (9%)	40%
Examples	26 (5%)	24%
Future Usefulness of Material	24 (5%)	22%
Relevant Homework	15 (3%)	14%
<i>Total</i>	109 (22%)	100%
Interaction Quality		
Group Dynamics	55 (11%)	52%
Comfort Level and Enjoyment	33 (7%)	31%
Humor	18 (4%)	17%
<i>Total</i>	106 (22%)	100%
Faculty Attitude		
Caring/Nice	61 (13%)	60%
Enthusiasm	41 (8%)	40%
<i>Total</i>	102 (21%)	100%
Faculty Effort (Above & Beyond)		
	28 (6%)	
<i>Total</i>	487 (100%)	

Q2: What Makes a Class Satisfactory?

Student-generated examples of satisfactory incidents were grouped into six major categories: (1) course content, (2) faculty skill, (3) grade, (4) interaction quality, (5) faculty attitude, and (6) faculty effort. These categories appear in Table 2.

Table 2. Critical Factors in Satisfactory Cases

Critical Factor	# (%)	% Category
Course Content		
Future Usefulness of Material	70 (21%)	51%
Subject (Actual Material)	42 (13%)	30%
Relevant Homework	20 (6%)	15%
Examples	6 (2%)	4%
<i>Total</i>	138 (42%)	100%
Faculty Skill		
Presentation Ability	45 (14%)	52%
Organization	16 (5%)	18%
Knowledge	15 (5%)	17%
Multiple Teaching Methods	11 (3%)	13%
<i>Total</i>	87 (27%)	100%
Grade		
	53 (16%)	
Interaction Quality		
Group Dynamics	11 (3.5%)	50%
Comfort Level and Enjoyment	11 (3.5%)	50%
<i>Total</i>	22 (7%)	100%
Faculty Attitude		
Caring/Nice	11 (3%)	69%
Enthusiasm	5 (2%)	31%
<i>Total</i>	16 (5%)	100%
Faculty Effort		
	11 (3%)	
<i>Total</i>	327 (100%)	

Comparing Satisfaction and Delight

Course content and faculty skill are important in the creation of both student satisfaction and student delight. Course content is more important to student satisfaction. The usefulness of the content is most important in satisfaction and less important for delight. The enjoyment of the subject matter is the most important course content factor for student delight.

Faculty skill is also important to both satisfaction and delight, emerging as the most important factor in delight. Presentation ability is most important for both satisfaction and delight. Organization and knowledge followed as important factors for satisfaction, while actual content delivery is more important in the creation of delight.

Course grade is important to the creation of student satisfaction, but not delight. Humor emerged for delight alone.

Faculty aiming to delight students should focus more on interaction quality and their own attitude. With delight, students place a greater emphasis on the learning experience. Faculty members aiming to satisfy students should focus on student outcomes of completing the course.

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Summary Brief

Excellent Ratings in Marketing Instruction: Understanding End-of-Semester Evaluations

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This presentation provides an overview of one department's attempt to grapple with understanding what influences student ratings of marketing instruction. After describing the department's analytic approach, results will be presented. Instructional factors, such as instructor organization and instructor rapport, accounted for most of the variance in student ratings, not background factors like gender or major. In other words, students ratings were influenced predominantly by factors within the control of marketing instructors. The presentation concludes by advocating a multivariate approach to understanding how an institution's students rate marketing instruction, rather than simply relying on mean ratings of instructors or correlational analyses of course ratings.

Introduction

Student ratings of instruction (SRIs) are ubiquitous in higher education and are used for summative measures of faculty performance in performance reviews, salary recommendations, tenure decisions, and teaching awards. As a result, the use of SRIs can be a contentious issue on university campuses (Gravestock, Greenleaf and Boggs 2009; Surgenor 2013). The debate about the use (and misuse) of SRIs also has entered the scholarly literature in areas such in psychometrics (e.g., Greenwald 1997), law (e.g., Wines and Lau 2006), higher education administration (e.g., Centra 1994), and marketing (e.g., Clayson 2004; Webster 1990).

No other method of evaluating college teaching has been researched as extensively as student evaluations (Centra 2003). Yet, there is evidence is that faculty know little about this body of research (Feldman 2007). Moreover, the content and quality of instructional rating forms vary from institution to institution, making it difficult to apply the peer-reviewed literature to an institution-specific context. Finally, results of the SRIs themselves often are reported by rote as descriptive statistics (e.g., mean ratings), which fail to quantify and assess the relative contribution of factors to overall teaching excellence.

Background

A group of marketing faculty decided to analyze their institution's own rating forms, driven in part to improve their own instruction and in part as a matter of sheer curiosity. The key questions:

1. *What factors influence students' ratings of excellent marketing instruction?*
2. *Are excellent ratings influenced or biased by factors outside of instructors' control?*

The faculty first reviewed and discussed the institution's SRI forms. Because instruction is multi-dimensional, specific instructional factors were identified from prior factor analyses

conducted internally. These instructional factors were used to assess the items within an instructor's control. Background factors, such as whether a student was female and whether a course was elective, were identified from the SRI forms. These background factors were used to assess if items outside of an instructor's control impacted student ratings of excellent marketing instruction. The single, overall student rating of the instructor (i.e., "Overall I would rate this instructor.") was used as the dependent variable. This dependent variable was chosen because it was the institution's primary measure of faculty teaching performance.

Method

Data from student rating forms (N=1539) administered to 60 marketing classes were anonymized and pooled. Due to confidentiality concerns, neither individual faculty nor individual classes were identified in the dataset.

Background factors and the dependent variable were dummy coded (0,1) for analysis. The background factors identified whether:

- Course is elective for student (1)
- Course is in major for student (1)
- Student is male (1)
- Student's GPA is > 3.0 (1), and
- Student's expected grade is A (1).

For instructional factors, a principal component analysis was performed on nine items, and the items loaded as expected with minimal cross-loadings. Regression-based factor scores, with mean 0 and standard deviation 1, were created to maximize the validity of the factors. The four instructional factors and associated items are:

- Organization (instructor was well-prepared; instructor is organized & logical),
- Stimulation (instructor encourages students' interest; instructor encourages doing one's best),
- Rapport (instructor treats students with respect; instructor is fair & impartial), and
- Accessibility (instructor is available outside class).

Results

A hierarchical logistic regression was performed with the student rating of marketing instruction as the dependent variable. The first logistic regression model included only the five background factors. All of the background items were statistically significant except course elective. The equation explained 8.5% of the variance in student ratings of marketing instruction, and it correctly classified 30.9% of student's ratings of marketing instruction. (See *Table 1.*)

Table 1. Measures and Results of Hierarchical Logistic Regression

	Measure	Block 1	Block 2	Block 2 Odds Ratio
Background Factors:				
Course Elective	Elective = 1, else 0	n.s.	n.s.	0.93
Course Major	Required = 1, else 0	p<0.001	n.s.	1.25
Student Gender	Male = 1, else 0	p<0.05	p<0.01	1.78
Student GPA	GPA < 3.0 = 1, else 0	p<0.001	n.s.	0.96
Expected Grade	A = 1, else 0	p<0.001	p<0.01	1.69
Instructional Factors:				
Organization	Factor score (0,1)	---	p<0.001	13.57
Stimulation	Factor score (0,1)	---	p<0.001	12.73
Rapport	Factor score (0,1)	---	p<0.001	8.30
Accessibility	Factor score (0,1)	---	p<0.001	4.87
Model Tests:				
Chi-Square test	---	$\chi(5) = 99.0$	$\chi(9) = 1280.3$	---
Nagelkerke R-Sq	---	0.085	0.767	---
Correctly Classifies	---	30.9%	86.3%	---

Dependent Variable: Student Overall Rating of Instruction (Excellent = 1, else 0)
N = 1,539

The second logistic regression model added the four instructional factors, and the equation explained 76.7% of the variance. In addition, the second logistic regression correctly classified 86.3% of student's ratings of marketing instruction, a sizable improvement over the previous equation containing only background factors. (See **Table 1**.)

When instructional factors are considered, two of the individual background factors became non-significant. Moreover, the odds ratios associated with the instructor factors are considerably larger than the odds ratios associated with the background factors. Finally, students' own perceptions of instructor organization and stimulation are more important for excellent ratings in marketing instruction than students' own perceptions of instructor rapport and accessibility.

Conclusion

The results indicate that background factors, such as student and course characteristics, explain little variance in excellent ratings of marketing instruction (< 9%). Rather, student ratings are the result of students' perceptions of teaching instruction and instructor behavior, not factors outside the control of instructors. Multivariate techniques such as hierarchical regression provide insights into SRIs that are not possible with more commonly used techniques, such as univariate descriptive statistics or bivariate correlations.

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Summary Brief

Developing Pedagogical Intelligence as a Marketing Educator: The Role of Self-Reflection

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The purpose of this paper is to introduce formal self-reflective practices that marketing educators can implement in order to improve the effectiveness of their teaching approaches. Self-reflection may be an easy and yet useful tool for junior faculty or those that are new to teaching; it can complement formal professional development initiatives in higher education institutions. The paper provides a conceptual background on self-reflection in the context of marketing education. Based on previous research (Mezirow 1991), three areas of reflection (content reflection, process reflection, and premise reflection) are examined in the current context. Specific suggestions for self-reflection are presented to help marketing educators develop (or improve) instructional knowledge, pedagogical knowledge, and curricular knowledge.

Introduction

Research has shown that a small number of higher education faculty members have taken education coursework for credit (Fernandez-Balboa and Stiehl 1995). Knowledge in a particular area of expertise may be extensive (Fernandez-Balboa and Stiehl 1989), but faculty members may have room for improvements in their pedagogical knowledge (or what Rubin [1989] calls “pedagogical intelligence”). Given the increased focus on teaching effectiveness in higher education, in part due to accreditation requirements, the topic of furthering pedagogical intelligence in faculty is relevant for many higher education institutions. The issue is particularly relevant for junior faculty or adjunct instructors who are new to teaching. In addition, pedagogical intelligence is particularly relevant for an area such as marketing education because marketing educators need to continuously incorporate new content, technologies, etc. into their curriculum and demonstrate their relevance to marketing education.

Motivation

There has been growing interest in understanding the role of self-reflection within the teaching profession, particularly with the objective of strengthening educators’ effective teaching practice (Bengtsson 2003). Formal self-reflection practices are commonly integrated in the professional training and development process of K – 12 teachers (e.g., Loughran 2002). Research suggests that the act of engaging in self-reflection (as part of a teaching portfolio) can significantly improve pre-service teacher performance and professionalism (Robichaux and Guarino 2012). Self-reflective practices in higher education are not extensively researched thus far.

Conceptual Background Self-Reflection

The ability to reflect on personal strengths, weaknesses, and approaches to one’s teaching is an important quality of effective educators (Stronge 2007). Similarly, the willingness for self-improvement is a critical personality trait of educators (Fry 2009). For the purpose of the current discussion, previous work by Kreber and Cranton (1997; 2000) will be considered. Kreber and Cranton (1997; 2000) developed a useful framework to outline a knowledge system for teaching, based on Mezirow’s (1991) theory of transformative learning. Mezirow (1991, p. 104-105) suggests that learning takes place through three levels of reflection: Content reflection, process reflection, and premise reflection. *Content* reflection focuses on the problem itself; e.g., the accurate description of the problem. *Process* reflection focuses on the procedures and processes of problem-solving, including connections to prior learning. Lastly, in *premise* reflection, the relevance of the question is analyzed (e.g., why is this question important in the first place?) Using Mezirow’s (1991) three levels of reflection, the knowledge system for teaching developed by Kreber and Cranton (1997; 2000) can be described as (1) instructional knowledge (based on content reflection), (2), pedagogical knowledge (based on process reflection), and (3) curricular knowledge (based on premise reflection). The current paper will examine self-reflection in the context of this knowledge system.

Self-Reflection in Action

Specific questions for the three areas for self-reflection related to teaching marketing are suggested. Self-reflection on the topical content, the process, and the premise will be highlighted. Instructors’ prior education, level of experience, personal preferences etc. differ widely; therefore the “things that matter” in teaching will certainly differ as well. For example, a seasoned college professor may not give much thought to some of these questions, whereas a junior faculty member may spend considerable time and effort on many of the questions. It is important to note that institutional and department guidelines will need to be taken into consideration as well.

The paper offers practical suggestions for on-going reflective practices as well as practices that can be revisited on an annual or semi-annual basis.

Beyond Self-Reflection: Collaborative Approaches

There are several approaches that formally involve peers in one’s efforts to improve teaching content and processes. For

example, Japan educators routinely participate in so-called lesson studies. A lesson study refers to the “process in which teachers jointly plan, observe, analyze, and refine actual classroom lessons called research lessons (Institute of Education Sciences 2012). Using lesson studies, teachers carefully consider the goals of a particular subject area, plan classroom lessons that bring to life the specific subject matter goals as well as long-term goals for the students, and carefully consider how students respond to the lessons, including their engagement and learning outcomes (Institute of Education Sciences 2012). U.S. educational institutions have begun to incorporate lesson study approaches as well (e.g., Fernandez and Chokshi 2002). In higher education settings, the lesson study approach may be useful as well, in particular since it represents a notable departure from the more traditional individualistic approach to teaching in higher education institutions.

Conclusions

Teaching is an on-going process that is ever-changing. Recent initiatives in higher education are encouraging in that they recognize not only the need for training in new technologies, but also the need for understanding basic theories and practices of pedagogy (e.g., Athey and Hoffman 2007; Cariaga-Lo et al. 2010; Hoffman 2009). Instructors that engage in an on-going self-reflection on what “works” and what does not work will likely see to more positive learning experiences among students as well as more effective learning outcomes. This paper discussed the growing need for higher education faculty to understand how their teaching practices affect their students’ learning and suggested ways to incorporate a reflective practice on instructional knowledge, pedagogical knowledge, and curricular knowledge. In a subject area like marketing in particular, it is important to not only update the topical content of the lessons, but to also to incorporate new and innovative approaches to the *process* of teaching. A number of reflective questions that may be helpful as a starting point for reflection were outlined. Practical suggestions on how to start with a practice of self-reflection were offered.

Developing an on-going practice of self-reflection on one’s teaching effectiveness may be a first step towards more effective teaching practices. Changes can be incorporated on a small scale and can eventually grow to include collaborative approaches.

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IN PURSUIT OF SALES PERFORMANCE

Summary Brief

Drivers of Student Performance in Sales Role-play Competitions

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Sales education literature to a large extent focuses on experiential learning. Experiential learning, such as sales role-plays have been identified as effective techniques that improve student critical thinking. Despite a long tradition of scholarship on experiential learning, the answer to what drives student performance and enhances learning in an experiential setting remains elusive. In this research we examine how ability and motivation affect students' performance in sales role-plays. And, how success in sales role-plays translate into job attainment for the students. Using data from a sales competition held at a large US public University, we provide empirical evidence that both motivation and ability affect sales role-play performance. But, contrary to expectation they have a substitution effect and not a complementary effect. We also find evidence that success with sales role-play translates into improved success in job interviews.

Introduction

Companies have begun a renewed focus on hiring entry level sales talent directly from universities. Managers find that hiring the top academic achievers out of college, which has generally worked for technical disciplines such as accounting and engineering, may not always work for sales. While not surprising to sales academics, this has forced recruiters to look for signs of career preparedness in sales students in addition to academic performance.

In an effort to build student skills for a competitive environment beyond academic preparedness, sales educators have increased focused on experiential learning efforts. Not surprisingly, about 30% of sales education literature focuses on experiential learning (Cummins, Peltier, Erffmeyer, & Whalen, 2013). The extant literature largely focuses on the use of experiential learning approaches to help enhance student performance in the real world. Despite a long tradition of scholarship on experiential learning, the drivers of students' performance in role-play competitions and their enhanced learning outcomes in an experiential setting are not fully understood. We believe that this is an important gap that needs to be filled as first, new sales curricula are more strongly focused upon experiential learning, as students respond favorably to such efforts (Sojka and Fish 2008). It is important to understand drivers of learning in the context of learning outcomes to advance sales pedagogy. Second, since most sales majors take up sales jobs upon graduation, understanding performance drivers in an experiential sales setting is critical for preparing them for a career in sales. Third, from a sales program assessment perspective, it is imperative to examine

and better understand the framework of learning→performance→job attainment.

In this study, we combine the needs of academics and sales practitioners to develop a model of sales performance drivers in experiential sales settings. We aim to alert sales recruiters to look beyond academic performance and urge them to recognize signals to identify next generation sales talent in their university recruiting programs. In doing so, we examine how sales role-play performance affects students' performance in mock interviews.

Drivers of Sales Performance

In the last several years there have been two important meta-analyses of sales research (Churchill et. al. 1985; Verbeke et. al 2011) that covered studies published between 1918 and 2008. The key drivers of sales performance have been classified into the following broad categories: role perceptions, aptitude, skill level, motivation, personal, organizational, and environmental factors (Verbeke et. al 2011, p. 409). In particular, to assess selling skills or learned proficiencies of the student we tap sales-specific educational factors and ignore factors that are unlikely to produce variance in a homogenous body of student learners in a sales competition setting. Specifically, we do not examine organizational and environmental factors in this study as they do not vary across students. We also exclude role perceptions since all students were enrolled in sales classes and understood the expectations of the sales role through instruction by the same set of faculty members. In reporting the results of their meta-analysis, Verbeke et. al. (2011) drill deeper to several elements of their classification and identify five sub-factors that are significantly related to sales performance. Of the five, three are considered in this study. These include cognitive aptitude (aptitude), selling-related knowledge (skill level), and work engagement (motivation).

A closer examination of these different categories reveals sub-categories that are substantively aligned with the pedagogical needs of sales academics who strongly believe that sales knowledge and skills can be imparted to students. Further, many sales programs around the country are supported by selling centers (see www.USCA.org) that host a variety of skill development programs outside of classrooms. This mirrors professional development opportunities for salespeople who exhibit better job engagement in the field (Sonntag 2003). Based on the extant literature we developed a set of hypotheses, which are listed below:

H1: The higher a student's cognitive aptitude, the greater his/her sales role-play performance.

H2: The higher the student's selling-related knowledge, the greater the sales role-play performance.

H3: The higher the student's work engagement, the greater the sales role-play performance.

H4: Work engagement strengthens the positive relationship between cognitive aptitude and sales role-play performance.

H5: Work engagement strengthens the positive relationship between selling-related knowledge and sales role-play performance.

H6: The higher the student's sales role-play performance, the greater the interview performance.

Method

Context and Data

We test our hypotheses using data collected in a sales competition event in a major USA public university. The sales competition included three events – sales role-play competition, speed-sell competition, and mock interview. 120 students voluntarily participated in one or more events over three days and 42 corporate judges from 16 different companies evaluated student performance for each of the events. The role-play was a preliminary meeting between the prospect and the student, acting as a sales representative, with the objective of needs identification and to secure a follow-up appointment to present solutions. A company executive acted as both the judge and a buyer while another company executive judged the role-play from a single-sided glass window. Using a similar format, students also had an opportunity to participate in mock interviews for a 'generic' sales job. The census of all students that participated in the role-play competition was used to assess sales role-play performance. Accounting for missing data, we use data on 87 students to assess the effectiveness in a sales role-play competition. 85 out of the 87 students participated in the mock interview and were used to assess student interview performance.

Measures

For the sales role-play each student was evaluated on approach, needs identification, objection handling, communication and presentation, and close. We measured *student sales performance* in role-play competition as the total score obtained by student *i* as evaluated by judge *k*. Similar to the sales role-play performance, the mock interviews were evaluated on introduction, appearance, job skills, verbal and nonverbal communication, and close. We measured the student's performance in the mock interview as the average score obtained by student *i* as evaluated by *K* judges. *Independent variables*: We measured the *cognitive aptitude* of the student using the GPA up to the semester prior to the sales competition. We measured the *selling-related knowledge* using the count of all completed prior role-plays. We measured *work engagement* as the number of events each student voluntarily participated at the sales competition. We also controlled for the *gender of the student*, 1 = male and 0 otherwise; *judge gender* as a dummy variable that takes a value of 1 for Male and 0 otherwise; *judge experience* as a dummy variable that take a value 1 for judges with prior experience in judging such competitions and 0 otherwise. We also considered any potential bias that may arise due to the gender matching-mismatching scenarios. We estimate a random effects model to account for the intra-student correlation for the sales role-play competition performance model. We estimate the mock interview performance model using ordinary least squares (OLS). We present the results in Table 1.

Table 1: Results

Independent variables	Sales role-play competition Performance (n=169)	Mock Interview Performance (n=85)
Average Sales Performance		0.24 (0.08)***
Cognitive Aptitude	3.51 (2.09)**	-0.94 (1.63)
Selling-related Knowledge	0.45 (0.20)**	-0.05 (0.15)
Work Engagement	3.61 (1.72)**	2.72 (4.45)**
Cognitive aptitude x work engagement	-10.16 (3.96)***	
Selling-related Knowledge x work engagement	0.33 (0.42)	
Student Gender	0.12 (2.94)	0.82 (1.53)
Judge Gender	-1.04 (2.40)	
Judge Experience	0.82 (1.24)	
Student gender x Judge gender	0.93 (2.91)	
Constant	31.59 (2.43)***	-0.13 (.016)***

Discussion and Implications

In this study we empirically test the drivers of student performance in a sales role-play competition. Our study makes the following contributions. First, the results of our study will help faculty develop pedagogical tools that will improve salesperson effectiveness in the business world. Second, our findings will facilitate corporate recruitment of sales students. Third, the university-corporate partnership as evidenced in both the development and execution of the sales role-play competition will further improve opportunities for student experiential learning. We observe that such experiential learning initiatives provide opportunities to increase stakeholder *engagement* by co-opting the sales community into the design, implementation, and evaluation of experiential programs. Finally, they provide robust metrics to assess the *impact* of sales role-plays and ensure accountability of sales programs internal and external stakeholders.

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Summary Brief

Sales Performance: Role of Effort, Optimism, and Manager Support

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Based on organizational support theory and social exchange theory, overarching research propositions of this study are following: manager's support positively moderates the link between sales effort and performance and negatively moderates the link between optimism and performance. Relying on survey data collected from 81 automobile salespeople in a developing country, provide support for both the conjectures.

Introduction

Successful sales performance is engineered on the basis of optimum balance between external and internal resources they can access (e.g., Stan et al. 2012). This research investigates to what extent an external resource (i.e., manager support) and internal resource (i.e., sales effort and optimism) interact and influence salesperson job performance. We propose that manager support will have a positive impact on the relationship between sales effort and performance. Conversely, it will negatively moderate the link between optimism and sales performance. We test the proposed model using data collected from field salespeople operating in an emerging economy.

Three aspects of this research enhance its contribution. First, based on organizational support theory (e.g., Eisenberg et al. 1986) and social exchange theory (Blau 1964), this research offers new insights into interpersonal identification processes between sales manager and salesperson (e.g., Fock, Yim, and Rodriguez 2010). Second, this research uncovers a condition under which the positive effect of optimism might be dampened. This broadens previous research on the influence of optimism in the sales management domain. Third, this study provides an opportunity to explore how core theories of sales developed primarily in the context of industrial markets can explain sales performance in a developing country (Sheth 2011).

Theory and Hypotheses

Sales managers play an important role in defining the work environment of their workforce, thereby impacting on organizational effectiveness (Jaramillo, Mulki, and Marshall 2005). We define manager support as “the degree to which the salesperson’s immediate sales manager assists them with selling-related tasks and challenges and provides them with guidance, mentoring, and reassurance” (Plouffe, Sridharan, and Barclay 2010, p. 541).

Effort and Manager Support

Effort is conceptualized as the amount of energy expended by salespeople on both the physical and cognitive demands of

performing the sales task (e.g., Brown and Peterson 1994). Prior research indicates that superior sales performance is associated with salespeople’s willingness to put forth effort into their jobs (e.g., Brown and Peterson 1994; Jaramillo and Mulki 2008). We suggest that manager support, by the way of clarifying various ambiguities surrounding sales jobs, will positively influence in impact of effort on sales performance. Acknowledging the reciprocity in supervisor-subordinate relationships (Eisenberg et al. 1986), we argue that higher manager support is likely to elicit positive reciprocal actions from high effort salespeople, thereby influencing performance in a positive way. Further, drawing from the norm of reciprocity (Falk and Fischbacher 2006), social exchange theory research suggests that salespeople will feel obligated to reciprocate the genuine support from supervisors. Thus, salespeople will be more motivated to meet the supervisors’ expectations, and that in turn, will enrich their performance. Thus,

H1. Manager support will positively moderate the relationship between sales effort and job performance: under conditions of high manager support, effort will have a stronger positive effect on job performance than under conditions of low manager support.

Optimism and Manager Support

Optimism is generally viewed as a tendency to expect positive outcomes regardless of circumstances (e.g., Dixon and Schertzer 2005) Given the complexity and uncertainty associated with them, sales jobs are perceived as challenging and prone to failure. We propose that manager support may create an environment where the usually positive effects of optimism will be diminished. Optimistic salespeople are self-motivated and may not actively seek out the managers’ input to perform their tasks. In this context, the increased sense of obligation to meet the organizational demand in the form of reciprocity (Falk and Fischbacher 2006) will not be facilitated. The inputs of sales managers may be misconstrued as attempts to undermine their confidence, thus perceived as not adding value to salesperson. This would suggest that there will be potential incongruity between manager support and optimism and, as such, managerial support offered to an optimistic salesperson is not going to stimulate any internal drive and is rather likely to elicit a negative response. Thus,

H2. Manager support will negatively moderate the relationship between optimism and job performance: under conditions of low manager support, optimism will have a stronger positive effect on job performance than under conditions of high manager support.

Method

Sample, Data Collection, and Measures

The sample was drawn from 3 different automobile dealerships located in Mumbai, India within 50 miles of each other. Our data collection efforts yielded a total of 81 questionnaires (Response rate of 67.5%). Pre-existing measures were used for all four constructs. Effort used

Hypotheses Testing

The model was estimated using ordinary least squares (OLS) regression (Table 1). The constituent variables were mean-centered before creating the interaction terms (Cohen et al. 2003). The model displayed a good fit with $R^2_{Adj} = .47$, ($F[7,79] = 10.83$; $p < 0.01$) Consistent with H1, manager support has a positive moderating effect on the relationship between effort and sales performance ($b_4 = .18$, $p < 0.01$). As predicted in H2, results bring support to the notion that optimism-salesperson performance is weakened by high manager support ($b_5 = -.10$, $p < 0.05$). Thus, we find support for H2.

Table 1: Regression Results

	H	Estimate (t -value)	Sig.
A. Effort		.08 (1.42)	ns
B. Optimism		.47 (5.68)	0.00
C. Manager support		.02 (.32)	ns
A x C	H1	.18 (4.36)	0.01
B x C	H2	-.11 (-2.09)	0.05
Model R^2 .51			
Model Adj. R^2 .47			
Model F 10.83 (Sig. 001)			

Discussions and Conclusions

The results of the research presented here documents the moderating role of manager support. This interesting interactive effect of manager support contributes to extant knowledge about how to balance external and internal resources and adds to recent scholarly attention on the relational aspect between the salespeople and sales managers in influencing performance (Fock et al. 2010). This is a cross sectional research design based on perceptual measures. Therefore, caution is warranted to interpret the external validity of our results.

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Summary Brief

Interpersonal Conflict with Co-Workers and Customers: Impact of Sales Performance

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This study explores the consequences of salesperson's interpersonal conflict with customers and co-workers. Responses from 174 salespeople in financial, software and insurance industries from India were used to test the relations among emotional regulation customer orientation, conflict with co-workers and customers, and job performance. Results show that salesperson's ability to regulate emotions reduces conflict with co-workers and customers and embraces customer orientation. Job performance was impacted positively by customer orientation and negatively by conflicts and customers.

Introduction

Disagreements and arguments are an integral part of workplace behavior and if mismanaged, can negatively impact the quality of interpersonal relationships. It is known that interpersonal problems are primary sources of unhappiness in people's lives. Research suggests that interpersonal conflicts often occur when employees have different and conflicting views about job issues. For instance, it has been shown that salespeople attribute their interpersonal conflict to a divergence of interests with role partners and an intense competition for organizational resources. Disagreements and conflicts with coworkers as well as customers often arise and in part, to the nature of the boundary spanning position. That is, salespeople are expected to 'walk a thin line' between the changing demands from customers and the more stringent policies of the organization. Furthermore, a salesperson's ability to meet the evolving demands of customers requires a degree of coordination and collaboration between departments within the organization. Interpersonal conflicts range from minor disagreements with coworkers to heated arguments and physical violence lead to psychological strain and lower productivity. Findings from previous studies have demonstrated that negative personal interactions with coworkers are the leading cause of stressful situations at workplace.

Theory and Hypotheses

Successful sales people understand the importance of managing emotions in the marketplace as well as within the organization. When individuals are able to regulate their emotions they are able to manage their interactions and behaviors with others. Emotion regulation refers to the "processes by which individuals influence which emotions they have, when they have them, and how they experience and express these emotions" (Gross 1998, p. 275). Researchers argue that emotion regulation is particularly pertinent in customer service roles since there is a high level of personal interaction; and the inability to regulate emotions in such roles has been associated with increased work

exhaustion and a loss of competitive edge. Moreover, emotion regulation has been shown to promote a more cooperative work environment by cultivating smoother working relationships between coworkers. Thus, emotional regulation plays a significant role in reducing conflicts with customers and coworkers by preventing emotions from negatively impacting interactions. A positive work environment helps salespeople to focus their energy to meet customer needs and satisfying customers. Interpersonal conflict covers a broad range of behaviors including yelling, negative interactions, rudeness and deviant acts. Research has shown that interpersonal conflict leads to salespersons emotional exhaustion and eventually turnover. (Jaramillo, Mulki, and Boles 2011).

Customer Orientation is the degree to which salespeople engage in business activities that enhance customer value. They focus on customer needs, help their customers make purchase decisions that are beneficial to the customers and focus on development of long term relationships. A negative environment at work is likely to impact salesperson's customer orientation.. We argue that salespeople who are unable to manage their emotions are more likely to suffer from interpersonal conflict both internally (with fellow salespeople) and externally (customers). This state of internal and external disharmony in turn, negatively impacts salesperson performance and customer orientation. Hence:

H1: Regulation of emotions is negatively related to interpersonal conflict with coworkers.

H2: Regulation of emotions is negatively related to interpersonal conflict with customers.

H3: Regulation of emotions is positively related to customer orientation.

H4: Interpersonal conflict with coworkers is positively related to interpersonal conflict with customers.

H5: Interpersonal conflict with customers is negatively related customer orientation.

H6: Interpersonal conflict with customers is negatively related job performance.

H7: Customer orientation is positively related to job performance.

Method

Responses from 174 sales and service people from software, banking and insurance sectors in India were used to test the model. Respondents' experience with the company ranged from less than a year to over 30 years with a mean of 5.41 ($\sigma = 7.05$) years. The majority of the respondents were males (83.7%). The constructs were measured with scales used in previous research. Job performance was measured with an eight item scale. Interpersonal

conflict was measured with Spector and Jex (1998) scale. Regulation of emotions was measured with Law, Wong, and Song (2004)'s scale. Customer oriented selling was measured with 4 items scale. Gender and years of selling experience were used as control variables.

Measurement Model

An exploratory factor analysis was conducted on the scales using SPSS 21 to check for uni-dimensionality and to identify low loading and cross loading items. One item each were removed from job performance, interpersonal conflict with the customers, interpersonal conflict with co-workers while making sure that each of the constructs had at least three items for each of the scales. A confirmatory factor analysis was conducted using AMOS 21 to assess the properties of the latent variables. The measurement model fit indices were satisfactory: $\chi^2 = 305.720$, $df = 179$, $p < .01$; Root Mean Square Error of Approximation (RMSEA) = 0.062, $CI_{90\%} = 0.050$ to 0.074 ; Comparative Fit Index (CFI) = 0.94; TLI = 0.93. The reliability of all of the scales, assessed with Cronbach's alpha, were found to be in the acceptable range (Anderson and Gerbing 1988). Discriminant validity was also tested using the procedure suggested by Fornell and Larcker (1981). A test of the confidence intervals of the factor correlations determined that none of the 95% confidence intervals of the factor correlations included one. All AVE were in the acceptable range (Fornell and Larcker 1981). Table 1 shows relationships among the constructs.

Table 1. Correlation Matrix

	REG	IPW	IPC	COS
Regulation of Emotions	<i>1</i>			
Interpersonal Conflict with Coworkers	-0.34	<i>1</i>		
Interpersonal Conflict with Customers	-0.47	0.83	<i>1</i>	
Customer Oriented Selling	0.56	-0.31	-0.43	<i>1</i>
Job Performance	0.34	-0.36	-0.42	0.55

Structural Model

We tested the model by conducting a confirmatory factor analysis using AMOS 21. The analysis was conducted using constructs in the model: regulation of emotions, interpersonal conflict with co-workers and customers, customer orientation and job performance. Gender, tenure, and total experience were used as control variables. The results of the structural model illustrated in Figure 1 indicate an acceptable fit with the data: $\chi^2 = 335.486$, $df = 214$ ($\chi^2/df = 1.57$); RMSEA = 0.055 with the 90% confidence interval of the RMSEA ranging from 0.044 to 0.067; CFI = 0.94; TLI = 0.92.

Results and Discussion

Results of the analysis showed that salesperson's regulation of emotions was negatively related to interpersonal conflict with

co-workers as well as with customers and positively impacted salesperson's customer orientated selling behaviors. Interpersonal conflict was significantly and positively related to conflict with customers and showed both a direct and indirect negative impact on job performance. As expected, customer oriented selling was positively related to job performance. Further, the impact of co-worker conflict on job performance was mediated by conflict with customers.

Findings suggest that salespeople who are effective at regulating their emotions are less likely to succumb to interpersonal conflict with co-workers and customers. This ability to control emotions also orients salespeople toward satisfying customer needs and subsequently, increases salesperson performance. Based on our findings, we suggest that salespeople should be trained on ways to deal with negative emotion during customer interactions without compromising the relationship. Deep acting has been shown to significantly reduce counterproductive emotions and behaviors (Grandey 2000). Taken together, this research provides further support for the notion that the impact of emotion regulation is amplified in a sales context.

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SALES EXCELLENCE: COGNITIVEV AND EMOTIVE ASPECTS

Summary Brief

Diligence, When Actions Speak Louder than Words

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Diligence is an important element in sales professionalism; furthermore it has shown to impact customer satisfaction. In this study we concentrate on diligence and its relationship with customer value as a consequence and empathy as an antecedent. We further investigate the moderating effect of adaptive selling on the relationship between diligence and customer value. Using a two level dataset that includes data from customers and salespeople of a financial institution in Chile, we find that diligence has a positive relationship with both empathy and customer value. The results also suggest that a diligent salesperson with high adaptive selling significantly creates more customer value than one with low adaptive selling.

Introduction

Professionalism is not only a major concern for employers, but has also been a concern for customers for a long time (Anderson 1996). An important element of professionalism in sales is diligence (Keillor, Parker, and Pettijohn 1999), a construct that has only received a limited amount of research attention. According to Ahearne, Jelinek, and Jones (2007) diligence, a combination of responsiveness and reliability, positively impacts customer satisfaction. Given the above, we believe diligence is an important construct that needs to be investigated further.

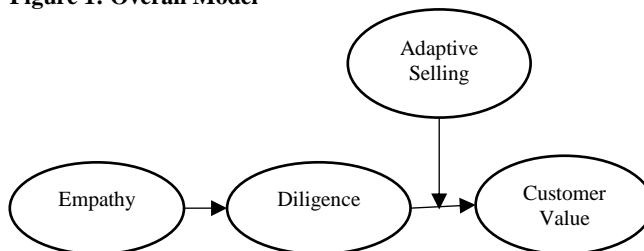
In a highly competitive market, marketing scholars and practitioners are searching for ways to create more value for their customers in order to maintain growth and success (Woodruff 1997). Customer value is particularly important because it is linked to loyalty (Palmatier, Scheer, and Steenkamp 2007), satisfaction (Mulki and Jaramillo 2011) and purchase intention (Patterson and Spreng 1997), all of which would reflect success for an organization. Therefore, we would like to examine diligence in its relation with customer value and what would possibly act as a moderator in strengthening this relationship. Moreover, we would also like to investigate a possible antecedent to diligence.

Conceptual Model

We are focusing on diligence as a characteristic of a successful seller (Keillor et al. 1999) and how it influences customer value. Furthermore, we look into a construct that moderates the relationship between diligence and customer value. Research has shown that customers are more satisfied when their needs are met in a customized manner, which is an aspect of adaptive selling (Rackham and DeVincintis 1999); therefore the effect of diligent behavior on customer value will increase in situations where adaptive selling is highly applied. In an attempt to understand what may lead to diligent behavior, we consider

empathy a potential motivator to act diligently. The proposed relations are depicted in Figure 1.

Figure 1: Overall Model



Hypotheses Development

Empathy to Diligence

Empathy is defined as “the ability to relate to people- to feel as the other guy feels, to put yourself in the other fellow’s shoes” (Chonko and Jones 2012). Empathy initiates an emotional response based on an inclination to feel sympathy for others (Davis 1983; Weitz, Sujun, and Sujun 1986).

Research suggests that emotions can act as a driver for behavior (Frijda, Kuipers, and Ter Schure 1989; Panksepp 2003). It also has been shown that the emotional dimension of empathy significantly influences helping behaviors (Cialdini et al. 1987). Helping behaviors comes in different forms, one of which is responsiveness (George 1998) – an aspect of diligence – therefore we propose:

H1: Empathy has a positive effect on customer’s perception of salesperson’s diligence

Diligence to Customer Value

Diligence is defined by (Ahearne, Jelinek, and Jones 2007) as a combination of responsiveness and reliability. Diligence is needed in order to provide accurate and dependable service and can be practiced by “promptly returning phone calls, following up on commitments, fulfilling customer requests, and remaining available when needed” (Ahearne et al. 2007, p. 605). In this study we are interested in investigating how diligence influences consumer perception of received value. Value is defined as “the ratio between perceived benefits received and the costs associated with receiving these benefits.” (Mulki and Jaramillo 2011, p. 360). Since reliability and responsiveness act as value-based drivers and create “benefit” for customers (Lapierre 2000), we believe that diligence influences perceived customer value, so we propose that:

H2: Diligence has a positive effect on customer's perception of received value.

Adaptive Selling as a Moderator

Adaptive selling is defined as "the altering of sales behaviors during a customer interaction or across interactions based on perceived information about the nature of the selling situation" (Weitz, Sujan, and Sujan 1986). This definition simply suggests that there is not a single correct method to sell. Successful salespeople often need to apply different approaches depending on the situation. This concept is becoming increasingly important as customers demand grow in a highly competitive segmented market. A salesperson that understands the situation and is motivated to help the customer with diligence, may indeed create value for the customer, however this value can be enhanced by recognizing the specific needs of this particular customer and adapting the sales approach accordingly. Hence we hypothesize that:

H3: The positive relationship between diligence and customer's perception of received value is stronger when adaptive selling is high and weaker when adaptive selling is low.

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Summary Brief

Emotional Responses of Key and Strategic Decision Makers in Determining Sales Outcomes

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For a number of reasons sales efforts focused on strategic accounts have taken on increased importance. This research examines emotional responses of key/strategic decision-makers to sales proposals presented by account management teams. Emotion in purchasing has been widely studied in business-to-consumer settings. Our findings, however, indicate that emotions also can play a substantial role in business-to-business decision making at the level of major account selling.

Role of Key and Strategic Accounts in Today's Business Environment

Much attention has been focused on sales performance over the last three decades. This is very true concerning the importance of salespeople in contributing to a firm's sales volume and profit levels. The sales performance research area has identified a number of factors associated with superior salesperson performance including: adaptive selling, cognitive aptitude, role stress, knowledge levels, and the work environment to mention a few (Verbeke, Dietz and Verwaal 2011). However, much of this data was based on salesperson self-reported behavior and little of the information came from the perspective of a firm's customers.

This one-sided perspective indicates that only one side of the buyer-seller dyad has been fully explored and what salespeople indicates makes them successful, may not exactly match up with what buyers say makes for a successful sales encounter. This is an important distinction since no sale is made unless the buyer says "yes". The same is true for strategic selling. Much of what we "know" about sales comes from the analysis of small to mid-size sales while much less research examines sales encounters at the key or strategic account level. Key/strategic level customers are defined as those that are designated by the selling firm as being of particular importance to the selling firm (McDonald et al. 2000). Since these customers are different, it is quite possible, indeed even likely, that what makes for successful sales at these very high levels that often involve C-level participants is very different from those factors that make for success in less risky, lower level types of selling.

Emotions and Consumption

Emotions have long been recognized as an important aspect of consumption in business-to-consumer settings (Cohen and Areni 1991). However, there is much less data to determine if this is true in business-to-business settings. If so, are the emotions elicited the same in both settings or do they differ. In consumer settings, research indicates that the emotions generated by a sales encounter are context specific. For example, the scales used to

measure emotional responses to advertising are very different than those used to assess consumer responses to in-store stimuli such as a salesperson (Richins 1997). These findings suggest that the use of emotional measures to assess customer emotional responses to sales encounters may be of limited use since the buyer's responses may be specific to that sales encounter. Thus, extant theory provides little in the way of a priori information about the types of emotional states that a customer may experience – particularly during a major purchase such as those made in strategic account settings. For this research, we use open-ended questions to elicit the responses of decision makers to proposals made by strategic account sales teams.

Methods

Purchasing professionals and decision-makers in major business-to-business sales encounters are typically viewed as being very professional, rational, and methodical in their decision making. This would tend to indicate that emotions play little or only a very limited role in their decisions. But, is this really an accurate picture of individuals in this situation. Are they dispassionate, cognitive creatures? Or, does the major risk associated with these decisions lead to some degree of emotional response in their decisions? Our exploratory research examines the emotional described by purchasing professionals in Fortune 500 Firms as they discuss multi-million dollar purchases. These buyers evaluated both successful and unsuccessful sales proposals in setting that ranged from approximately \$8 million dollars to contracts totaling over \$50 million dollars. We deem this research exploratory because we have not seen such an approach taken to analyze strategic-level sales in the existing literature. Our findings are based on rich qualitative interviews with decision-makers from 20 key and/or strategic accounts. These interviews were conducted to determine the reasons for success or failure on the part of the selling firm. To analyze the data we used the interpretive procedure described by Fournier (1998) in which the transcripts were first read to develop an impressionistic understanding of each situation. Then the transcripts were re-examined to develop and understanding of the patterns and themes that emerged across firms and across transcripts.

Findings

Negative emotions seem to dominate our data, with 4 negative emotions (worry, discontent, anger, and shame) and two positive emotions (contentment and confidence) closely follow in terms of number of mentions. We also found that the emotions of surprise and expectations – were frequently mentioned. These two can be either positive or negative depending on the situation. The

predominance of negative emotions is not surprising since the majority of the sales encounters examined resulted in failed sales efforts with the customer buying from another firm or postponing the purchase to a later date. The number of positive mentions – in many of these failed sales is interesting. Such a finding suggests that even though the firm did not win the account that their sales team was doing a lot of things right – just not as well as the competition. In hindsight that is not completely surprising since all of the firms selected to do proposals were high quality and, in the customer’s mind, had the capability to fulfill the requirements laid out in the request for proposal sent out by the purchasing firm. Several of the firms discussed being impressed with a supplier to which they still did not award the business. One reason identified for this negative decision when the firm was viewed positively was that the proposal included too many “bells and whistles” as cost too much as a result. Winning firms were at times “game changers”. For example, “Moderna seemed very engaged with our customers and got very creative in their proposal, literally inside-out. The focused the proposal on our customers and that’s what really impressed us the most (Business Manager of purchasing firm). Other winning organizations also elicited very positive responses such as being viewed a “highly professional” and “extremely knowledgeable”.

Even firms that did not win the business being researched were, at times, viewed very favorably. For instance, one firm noted that “...my organization perceived ABC firm to have a great operation and product and ranked them second to the firm selected. We would be eager to work with ABC if things don’t work out with the firm we selected”. Thus, some firms that lost out in the vetting of proposals still managed to generate very

positive images and were certainly seen in a favorable light by the prospective customer. The predominance of negative emotions may be expected since the data set was collected from buying center participants who viewed multiple proposals and could only select one to award the business. Future research focusing exclusively on winning proposals may lend further insight into the role of emotions in key and strategic account sales settings.

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Summary Brief

Problem vs. Emotional-Focused Coping with Customer Defections: How Positive Sense and Respond Strategies Support Win-Back

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The paper seeks to study different coping mechanisms sales executives employ during a customer win-back situation. Using critical incident technique the study identified that problem-focused coping contributed positively to customer win-back and emotional-focused coping is negatively associated with customer win back. In addition, effective implementation of justice strategy aids the win back efforts. Managerial implications are also discussed.

Introduction

Salespeople in Business-to-Business (B2B) markets regularly face chronic stress as they are constantly challenged by customer demands and other disruptive events. Even with the most effective sales and customer relationship management system, firms will have customers that will defect and switch to alternative suppliers (Leach and Liu 2014). Losing a customer can be categorised as one of events that is acutely stressful for a salesperson. It may require tremendous behavioural efforts on the part of salesperson to reacquire the lost account. In this study, we explore how salespeople cope with a lost customer and what strategies they employ to win them back.

Cognitive Appraisal and Coping

Lazarus and Folkman (1984) theorize that cognitive appraisal and coping are the two critical processes which define how a person responds to a stressful situation. The cognitive appraisal process is where a person does a cost-benefit analysis of what s/he holds dear. During the coping process the person strategizes how to minimize costs and secure rewards. Folkman et al. (1986) further provide two dominant strategies of coping: Problem focused coping (PFC) and emotion focused coping (EFC). PFC is purposeful problem solving through rational efforts to confront and remedy the situation (Lewin and Sager 2008; Strutton and Lumpkin 1993). On the other hand, EFC involves efforts to distant oneself from sources of stress and avoid the situation (Folkman et al. 1986). Previous research suggests that PFC strategies positively influence work outcomes and EFC strategies negatively influence work outcomes (Lewin and Sager 2007; 2008). Accordingly, we suggest that PFC is positively related to customer reacquisition and EFC is negatively related to customer reacquisition.

Justice Theory

The cornerstones of Justice Theory are equity, equality and need for consistency in responding to a conflict situation (Tax, Brown and Chandrashekar 1998). It is as relevant to win back as it is to customer complaint handling process. In particular, justice theory can help in evaluating fairness in the reacquisition process, personal interaction and win back offers to ensure successful reacquisition (Liu, Leach and Chugh 2014). The three key justice issues are a) equity: whether the firm's effort were same or greater in reviewing the reasons for defection b) equality: whether the customer received as good as or better offers than previous dealings with the firm c) consistency: whether the firm provided processes and offers meeting the customers restated needs. The delivery of procedural, interactive and distributive justice is crucial in the bidirectional 'sense and respond' process where customers' perceptions are determinant (Homburg and Fürst 2005). Accordingly, we suggest implementation of procedural, interactive and distributive justice is positively related to customer reacquisition.

Method

The study aims at gaining in depth knowledge on cognitive and behavioural efforts undertaken by salespeople during a customer reacquisition process. We conducted critical incident interviews with 56 B2B salespeople to identify categories and typologies (Bitner, Booms and Tetreault 1990). Sales executives from various industries were included. Each interviewee was asked to describe in detail two incidents a) where they successful won back a lost customer b) where they were unsuccessful in winning back a lost customer. Data was analysed using NVivo 9. From the content analysis, we confirmed the use of PFC and EFC and the three justice mechanisms. This helped in using logistic regression to test the hypothesis.

Discussion and Implications

The results of the study add to the sales literature by showing the influence of coping strategies and justice mechanisms on successful customer win back. We found that PFC positively and EFC negatively influences successful win back. In addition, we found that salespeople who pursue procedural and interactive justice strategies in form of active waiting and better communication respectively improve their likelihood of customer

reacquisition. This is consistent with related research in complaint handling processes and customer oriented sales (Homburg and Fürst 2005; Sujan, Weitz and Kumar 1994). However, we did not find support for implementation of distributive justice in form of concessions on customer win back. This may be because discounts often activate price wars, and thus have limited influence on customer win back. In sum, our research on coping strategies and customer reacquisition can serve as important resource for a firm's learning system.

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**MARKETING STRATEGY AND ITS IMPACT ON CORPORATE
STAKEHOLDERS**

Summary Brief

Doing the Right Thing at the Wrong Time: An Evaluation of Corporate Sustainability, Marketing Strategy, and Stakeholder (Dis)Satisfaction

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This working paper addresses marketing strategies firms use to promote corporate responsibility and sustainability (or lack thereof), in light of stakeholder concerns. We propose that firms which attempt to behave in a sustainable manner, and market this behavior to create stakeholder satisfaction, may find that sustainable behavior can also create stakeholder. We define this as the 'catch-22 of sustainable behavior; one set of stakeholders approves, one set does not. We propose in that this phenomenon impacts firms in two ways. First, it can create significant confusion for firms when attempting to satisfy all stakeholders. Second, firms preoccupied with stakeholder satisfaction, in this case, may be distracted from their core operations and business, allowing competitors to gain an advantage. The long-term effects of both stakeholder dissatisfaction and continued distraction may negatively impact firm performance. To test these impacts, we envision an event study as part of future research endeavors.

Introduction

Organizations often adhere to sustainable norms in order to meet the demands and expectations of stakeholders (Cronin et al. 2011). The effectiveness of these efforts is often dependent on a number of factors including the content of marketing strategies and messages (Kronrod et al. 2012), reputation of the firm (Shrum et al. 1995), and the target stakeholder group (Ginsberg and Bloom 2004). However, sustainable strategies can become complicated when firms attempting to satisfy the demands of a one stakeholder group in order to “do the right thing” simultaneously alienate other stakeholder groups. Industry is replete with examples of companies who modify or change behavior in good faith, only to suffer backlash from stakeholders who disagree with or who are negatively impacted by such behavior. For example, under pressure from environmental groups, Chiquita Brands made an unprecedented announcement, within its industry, stating it would avoid fuel sourced from Canadian tar sands. As a result, Canadian industry groups called for a boycott of all Chiquita products, negatively impacting the company’s bottom line (The Economist 2012).

This research seeks to further investigate the consequences resulting from a firm’s sustainable behavior, given the potential of conflicting stakeholder priorities as to date, little, if any, scholarly work has focused on this issue. Our study proposes to consider this problem from two perspectives: 1) the outcomes and impacts of potentially controversial and polarizing organizational decisions

and 2) from the competitive landscape to see how being the first mover, as Chiquita Brands could be considered in the previous example, impacts the firm’s competitors. To that end, banana suppliers like Dole and Del Monte would presumably stand to benefit in the presence of such a boycott. This offers passive competitors, those who adopt a ‘wait and see’ approach, the possibility of profiting when the first mover is met with stakeholder backlash.

Theoretical Review

Catch-22 of Sustainable Behavior

Firms spend significant time and resources developing and implementing environmentally and socially responsible strategies and activities. These actions often lead to the creation of marketing strategies deemed credible by stakeholders, resulting in a positive influence on attitudes and buying habits (Lai et al. 2010). Firms are increasingly careful to cater to the expectations of different stakeholder groups; inconsistencies between marketing messages and actual firm behavior have led to skepticism among consumers who question the sincerity of firms, accusing them of greenwashing (Chun and Giebelhausen 2012). The backlash against greenwashing has been shown to adversely impact company reputation, product sales, and brand associations, and spurred additional regulations (Perez-Batres et al. 2012). Because of the potential negative issues firms may face when confronted with stakeholder backlash, firms often seek to avoid misleading or insincere behavior and messages by proactively engaging stakeholders before implementing any changes.

In these cases, organizations have been shown to proactively satisfy stakeholder’s demands before any accusations are leveled, as in the Chiquita Brands example. These organizations may not face the accusations of greenwashing, but instead voluntarily become more transparent in their marketing strategies and operations and bow to pressure to avoid such accusations. In both situations, firms seek to balance stakeholder demands in a hierarchical manner; putting the demands of their most valuable stakeholders first (Post et al. 2002). Yet even when firms find themselves attempting to satisfy multiple levels of stakeholders, backlash may still occur. Firms faced with pressure from stakeholders on opposing sides of an issue may find themselves in a perceived no-win position, which may also allow their competitors to gain advantages in two ways. First, firms

preoccupied with damage control marketing messages and attempts to reconcile opposing opinions can be distracted from their core operations and strategies. Second, potential long-term effects of stakeholder opinion and actions could damage the firm's reputations, negatively impact demand, and ultimately hurt performance.

First Mover Disadvantage

First mover advantage is often assumed where leaders gain a competitive advantage due to their aggressiveness and aversion to risk of failure. However, first movers can also be at a disadvantage (Boulding and Christen 2001). Evidence shows a first mover *disadvantage* may actually be quite common in areas such as product innovation, negotiation, ROI of new processes, and resource management (Dobrev and Gotsopoulos 2010). In particular, first mover disadvantage of sustainability initiatives have not been explored. The aforementioned Chiquita Brands example exemplifies this issue from a stakeholder satisfaction standpoint: by being an industry leader in social and environmental sustainability, Chiquita Brands may be at a disadvantage, while their competitors realize a competitive advantage by observing mistakes and avoiding a potentially engulfing controversy (The Economist 2012).

Research Directions

There is a seemingly straight forward relationship between the possible risks incurred by firms attempting to satisfy all stakeholders and a first-mover strategy, especially in the areas of corporate sustainability. While this is a reasonable assumption, no research exists to reach a conclusion either way. In order to investigate the research questions proposed in this research, we envision an event study methodology. Shareholder returns, in response to sustainability-oriented actions, are of primary concern of to both scholars and firms (Rust et al. 2004). The present research question will be analyzed with an event study allowing us to identify the firm's sustainability-oriented actions and the subsequent impact on the firm's stock price.

The potential advantages and disadvantages that organizations may realize through strategies focused on corporate responsibility and sustainability are high profile issues. A greater understanding of how firms are affected by strategic choices to embrace or reject stakeholder pressure to behave in a certain way could help managers make more educated and deliberate decisions.

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Summary Brief

Marketing and the Auditor: Direct and Indirect Implications

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This project adds to the domain of research focused on understanding the link between marketing and firm value (stock market value). Recent work has identified the level of audit fees paid by a publicly traded firm to be informative about future firm performance. This study explores the effects of a firm's marketing spending and product mix strategy on its audit fees paid. It is hypothesized that firms which spend more on marketing and have a service intensive (compare to capital intensive) product strategy generate higher audit fees due to added complexity for the auditor. Preliminary results support these positions.

Introduction

"Sometimes it's easy to tell if a company is in trouble. Earnings plunges. The stock falls. A SWAT team takes out the CEO. But most people would like to be out of a stock before the company's lobby is filled with angry villagers, barking dogs, and flaming torches. A recent study found that tracking a firm's auditing fees can give you an early warning" (Waggoner 2011).

A firm's marketing decisions directly impact its relationships with its consumers. Recent empirical work (e.g., Luo, Homburg, and Wieseke 2010; Luo and de Jong 2012; Ngobo, Casta, and Ramond 2012) has examined the indirect impact of marketing decisions on financial analysts who incorporate information about these decisions in their (stock market) valuations of the firm. These works have highlighted the importance of understanding the implications of marketing on different constituencies. With the first study of its kind in marketing, this study explores the effects of a firm's marketing decisions on its external auditors.

Background and Motivation

Firms publicly traded on a U.S. stock exchange must undergo an annual audit by an independent accounting firm. The accounting firm or auditor reviews a client firm's financial statements to check the accuracy of these statements and their compliance with accounting standards. There is a positive correlation between the auditor's assessment of the client's business risk and the audit fees charged (e.g., Pratt and Stice 1994). A client's business risk is the risk that the client's economic condition will worsen in the future (Johnstone 2000). Higher client business risk increases the chance that an auditor may unwittingly issue an opinion that the client firm's financial statements fairly reflect their financial position, when in fact they do not. Thus, audit fees tend to be higher for clients assessed to have greater business risk. Audit fees have a substantial impact on a firm's bottom line, and these fees have been steadily increasing. A survey of 220 business leaders conducted by Finance Executives International found that "audit fees paid by public companies in 2012 averaged \$4.5 million, a 4 percent increase over their prior fiscal audit" (Bramwell 2013). In addition, public firms' audit fees are disclosed and may be used by investors and

analysts in assessing firms' future performance. High audit fees are significantly predictive of stock price declines (Stanley 2011). Thus, understanding whether and how marketing impacts audit fees warrants attention as it has both direct and indirect financial implications for a firm.

Theoretical Framework

This study explores the effects of marketing spending and product mix strategy, as reflected by the proportion of sales revenue generated from services compared to products, on audit fees charged by the audit firm. Construal level theory is relied upon in understanding how these marketing decisions impact audit fees. As previously mentioned, audit fees increase with a client's business risk. It is posited that clients whose assets and spending can be more concretely quantified are assessed by auditors to be lower risk. For example, a capital intensive firm which produces tangible products is likely to be assessed lower risk than a firm which engages in a more service related domain. The intangibility of services is proposed to increase (the auditor's) perceived hypothetical distance between services and revenue generation compared to the sale of a tangible product. Thus, a firm with a greater service component in its product mix is likely to be viewed more abstractly by the auditor, thereby increasing risk assessment. It is not suggested that service focused firms have more detrimental audit outcomes, but that such businesses may provide more challenging or complex evaluations for the auditor trying to assess client business risk.

A similar argument is proposed for firms which engage in greater sales and marketing spending. Compare a firm's purchase of a machine, which produces a quantifiable number of products, to marketing spending which generates intangible market-based assets, such as brand equity. Due to the intangibility of market-based assets, the hypothetical distance between marketing spending and the creation of these assets is again predicted to be greater than the price of the machine and the products generated from the machine. Prior work (Amir, Lev, and Sougiannis 2003) find that financial market participants, specifically investors and analysts, often have difficulty accounting for the intangible value created from marketing spending. This view is extended to auditors who evaluate the marketing spending captured on financial statements.

Proposed Methodology

A single industry was selected to analyze because of the different complexities which arise in audits across industries. The data sample consists of firms in the software sector (Standard Industry Classification Code 7372) as this industry segment discloses the proportion of sales attributed to services versus products, allowing for separation of the firm's product mix. In addition, firms in the software industry typically provide a

separate line item for “sales and marketing” which captures sales and advertising efforts undertaken by the firm, thus, fully reflecting marketing spending. A survey is also being prepared to further tap into auditors’ insights related to marketing which cannot be gauged through secondary data alone.

Implications

Prior work (Lovett and MacDonald 2005) suggests that a firm markets not only to the consumption market, but also to the financial market. This work identifies a new consumer of the firm’s marketing decisions. The audit fees paid by the firm have signaling implications which may affect a firm’s access to capital and also provide insights on stock market performance. Thus, this work also adds to growing literature of work (e.g., Srinivasan and Hanssens 2009) focused on understanding processes through which marketing affects shareholder or firm value.

This paper has implications for MASB (Marketing Accountability Standards Board) as it identifies yet another reason for providing transparency and effective measurability for marketing metrics. A consistent system of reporting sales and marketing spending in organizations would make evaluation of marketing more accessible for auditors and stock market participants alike.

Finally, this project reinforces the interconnectedness of different departments within a firm. A firm’s audit fees affect its bottom line and indirectly impact stock market value. Marketing managers who understand the implications of marketing on audit fees can engage with other departments within the firm and with external auditors to help explain marketing decisions. Verhoef and Leeflang (2009) state that in order to increase marketing’s influence within the firm “marketing departments should become more accountable for the link between marketing actions and policies and financial results.” This work provides such an opportunity.

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Summary Brief

Corporate Cultural Integration- The Spillover Effect of Rebranding in Merger and Acquisitions

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While Merger and Acquisitions (M&A) have been on the rise in the last two decades, marketing scholarship has not kept pace. This paper explores some of the criteria for success and failures of M&A, emphasizing the importance of corporate culture integration. The research suggests that rebranding, while under-researched from the academic side and seen as expensive and avoided process from the practical side, could have positive outcomes on corporate culture integration and success of M&A. The paper introduces a conceptual framework and propositions supporting the above claims.

Introduction

The Institute of Mergers, Acquisitions and Alliances (MANDA) indicates that through the period from 1990 till date M&A value has ranged from 42000 to 186000 million dollars. Surprisingly, numerous M&A experience decline in profitability after the merger takes place (Datta, 1991; Kummer & Steger, 2008; Tetenbaum, 1999). Larsson and Finkelstein (1999) explain the reason why literature from different disciplines like economics, finance and strategy gain mixed and sometimes conflicting results is the neglect of the organizational and human factor issues in M&As. When CEOs negotiate a potential deal they study numbers like return on investment, market share and associated cost. They rarely consider a merger as a marriage (Davis 1968) that requires compatibility as a key success factors (Cartwright and Cooper 1995) and a necessary condition to achieve sought goals. In other words, merging companies should be compatible in terms of management's position on risk taking, time, leadership styles, decision making, communication styles and finally the magnitude of different areas of the organization. It is expected that through M&A there would be potential reciprocal spillovers that result in growth as well as a competitive edge (Gaughan 2005). Therefore, such benefits are seen to be very lucrative to the extent that some of the challenges of M&A are disregard, underestimated and ignored sometimes.

P1: M&A decision makers put more emphasis on technical/operational synergies than human and marketing synergies as opportunity evaluative criteria.

As such incompatibilities may offset the potential fruits expected from the M&A (Gaughan 2005). Mergers involve turbulence, transformations and turnaround in a short time, which magnifies complexity and uncertainty. Complexity lies in having differences in innovation orientation, risk-taking, top management communication styles, performance orientation and reward orientation (Chaterjee et al., 1992; Datta 1991). All these orientations can be described as corporate culture, the system of shared values and norms that define appropriate attitudes and

behaviors for organizational members (O'Reilly and Chatman 1996, p.166). Thus, the more similar the corporate cultures of the merging companies, the better the expected results from the merger.

P2: Corporate culture integration/fit moderates the relationship between M&A decision and performance of the merging companies, such that the stronger the corporate culture integration achieved in M&A, the better the organization post merger performance.

Corporate rebranding is the process of making significant changes in the brand that could include a complete makeover, revitalization, repositions, renaming and giving new meaning to the brand (Merrilees and Miller 2008). Muzellec and Lambkin (2006 p.804-805) adopt the AMA definition of branding and formulate a definition of rebranding as the creation of a new name, term, symbol, design or a combination of them for an established brand with the intention of developing a differentiated (new) position in the mind of stakeholders and competitors.

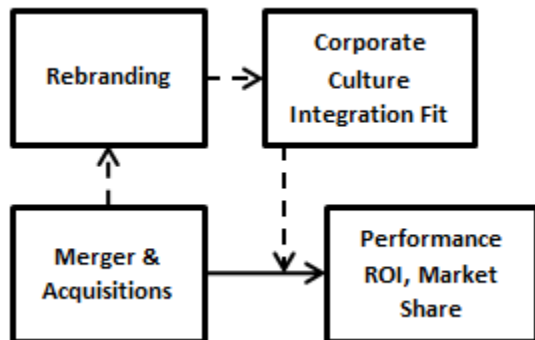
Branding is not restricted to external customers (Balmer and Gray 2003). Boundaries between internal and external parties are no longer apparent nowadays and thus organizations have to manage their identities internally to build their image using employees through culture. In other words, corporate culture is a symbolic context where organization identities are formed and transmitted and reflected through employees to different outside stakeholders: customers, suppliers and competitors (Hatch and Schultz 1997). That is why, employees are considered the interface between brand's internal and external environment (Harris and deChernatony 2001). Emotional values are also communicated through employees, which necessitates that employees first adopt such values before they can transmit it. Therefore, employees are considered the brand's internal customers (Morsing 2006). They develop a sense of belonging to the brand and act as promoters to the company. "It makes more sense to strive to create ownership of the new rebranding across the organization before launching the rebranded identify, rather than attempting to convince staff about it once it is already out there" (Gotsi and Andriopoulos 2007, p. 351) Managers need to explain the core values to their employees because they provide the guidelines of their roles towards it (Causon 2004). A cohesive internal branding program can direct employees to reflect the brand values at every organizational level which helps align the merging corporate cultures. Therefore, the process of rebranding after M&A would involve intensive communication and interaction between the two merging companies. In addition, involving employees at different levels in the rebranding process would create a sense of ownership to the new company and prevent a sense of "whose culture is going to dominate" attitude.

Consequently, the process of rebranding by itself would help achieve a more integrated corporate culture between merging companies, because employees would create a new brand (a baby) that unites them.

P3: Companies involved in post-M&A rebranding achieve higher cultural integration than companies of post M&A without rebranding, other factors being equal.

P4: Post-merger corporate rebranding leads to higher organizational culture integration.

Figure 1. The Influence of Rebranding on Post-Merger Performance Indicator



Discussion

From the managerial point of view, this research can help managers: plan merger and acquisitions steps thoroughly focusing more on other factors than numbers and technical synergies, namely the human and value side of the new company. Thus, a thorough assessment should be done before getting reaching a point where it is too late. Furthermore in evaluating different companies, the culture values should be considered not only a success factor or condition but also as a potential opportunity for a successful merger. Thus priority should be assigned to culture fit as well as strategic fit (Chatterjee et al. 1992). Moreover, proper planning time should be devoted especially in evaluating the culture, strategic and technical compatibility of the merging organizations. Using the marriage analogy, organizations should spend some time in the “dating and engagement” phase before they jump into the marriage with overly optimistic expectations. Moreover, managers should not necessarily view rebranding as an expenditure factor or necessary outlay, but rather could consider the potential integration advantages that could result, if that rebranding process was planned and implemented effectively. It is important to note that we are not suggesting that every M&A should change their brands radically, however what we are demonstrating in this paper is that rebranding could have an overlooked positive effect inside the organization by acting as a mechanism for cultural integration rather than focusing solely on what message to convey in the brand after the merger.

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MOBILE MARKETING: APPS AND AUGMENTED REALITY

Summary Brief

The Motives of Adopting Mobile Apps among College Students: A Cross-Cultural Examination

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The objective of this paper is a closer examination of how and why college students in different cultures utilize mobile applications (apps) on their mobile devices. This is accomplished through an exploratory analysis of what type of mobile apps college students in the USA and China use and the motivations that lead to their use. It was found that although college students in the USA and China may use similar categories of mobile apps, their motivations for using those apps are influenced by culture. This exploratory study contributes to a more detailed understanding of how and why college students use mobile apps across the world, which will provide marketers more insight into how to reach such segments in order to determine needs and promote brand loyalty.

Introduction

Mobile devices have become a promising avenue for advertisers (Atkinson 2013). According to Nielsen (2011), 44 percent of U.S. mobile subscribers own a smartphone and 63 percent of those smartphone owners have downloaded apps on their mobile devices. Consumers use the mobile apps for various purposes, including playing games, social networking, navigating, and mobile learning (Neilson 2011; Purcell 2011). According to Chiem et al. (2010), these mobile devices offer an alternative way to reach potential customers with interactive messages and, as a result, offer innovative means to create loyalty and brand engagement. Recent studies have been conducted to understand the motivations behind consumers' adoption of mobile services (Yang 2013). Among the psychological factors that influence consumers' acceptance of mobile devices are perceived usefulness, ease of use, technology, self-efficacy, innovativeness, user's experiences, and content relevancy (e.g., Hse, Wang, and Lin 2011). In addition, trust, involvement, and market mavenism are additional motives that are positively related to consumers' willingness to use mobile devices (Atkinson 2013).

The use of mobile devices has become a truly global phenomenon. Chinese youth have demonstrated a high level of acceptance of mobile devices (Du 2012). Research has shown that Malaysian college students sent about 20.9 million messages daily (Mothar et al. 2013). The mobile phone has become the most influential medium among young consumers in Asia (Wei et al. 2006). Ishii and Wu (2006) argued, however, that although the youth in different cultures may use the same communication technology, they may differ culturally in terms of usage trends. Political and economic factors are also considered as determinants of different mobile phone use in various cultural contexts (Wei and Kolko 2005).

Yet, not enough is known about how consumers approach mobile apps, nor is there sufficient knowledge of how consumers from different cultures adopt such devices (Atkinson 2013; Peng and Spencer 2006). For instance, in China, adopting a new mobile app might not be only motivated by the psychological factors, but also by social factors such as peer pressure and cultural norms. Therefore, the primary purpose of this study is to investigate various motives/antecedents of adopting mobile apps and to analyze those motives/antecedents from a cross-cultural perspective. Specifically, the study compares the different types of apps that college students are most likely to adopt and the motives of adopting each mobile app category. The study focused on college students, as research shows that young adults tend to be smartphone users and are more likely to download apps than any other social groups (Yang 2013).

Methodology

In order to explore how college students experience/use mobile apps, this research undertook a qualitative approach, in which exploratory online interviews were conducted in both China and the U.S. It was centered on a phenomenology method to learn how individuals experienced mobile apps in their daily life. All survey questions were tailored to investigate the individuals' experiences. For the initial study, 34 American students and 26 Chinese students were interviewed. Among all the participants, 51 percent were males and 49 percent were females. The age range of the respondents was limited to between 21 and 24 years old.

The data analysis process included categorization, abstraction, comparison, integration etc. (Spiggle 1994). Categorization was used to classifying the units of the qualitative data. This process has been discussed by Glaser and Strauss (1967) and Miles and Huberman (1984). Strauss and Corbin (1998) have provided a more detailed manuscript of coding process.

Results

According to the results, there are five mobile app categories that U.S. participants were most likely to use. These major app categories include social networks (e.g., Facebook, Twitter, Pinterest, Instagram), shopping sites (e.g., Zappos, Amazon), informative apps (e.g., Yahoo weather, ESPN, PGA tour), entertainment/gaming apps (e.g., Flappy bird, Clash of Clans, Candy Crush, Angry Birds, Netflix, Pandora, Spotify), and tool apps (e.g., mobile banking, Kindle, Chrome). Chinese participants used the same range of apps, which can be categorized into the same five categories: social network (e.g., WeChat, QQ), shopping sites (e.g., Taobao), informative (e.g., BBC news, British Menu),

entertainment/gaming apps (e.g., QQ music, Kugou, Baidu Visual), tool apps (e.g., Youdao Translation, Google translation).

Although students in both countries used a similar range of app categories, the specific apps and motives of using those apps seemed to differ. American participants emphasized the social connection, fun, and convenience aspects of using the apps. Such use possibly reveals not only American individualism, but also the Generation Y's predilection toward technical dependence, multi-tasking, and saving time. On the other hand, Chinese participants were likely to use the apps to connect with family and friends in order to reduce the cost of using their mobile phone. Additionally, some Chinese participants stressed the need to use apps to help with academic work (e.g., learning English) as the competition at Chinese universities is intense. Possible cultural influences that are reflected in the data include the traditional Chinese values of saving and dedication to family.

These results reveal a commonality between Generation Y members in both the USA and China, i.e. the use of mobile phone apps. However, it also indicates a difference in motives that drive app use among the two segments. As such, the study contributes to the consumer cultural theory through the lens of mobile apps use. Such insight provides marketers with a greater ability to customize marketing messages via mobile applications in order to more accurately serve the needs of those segments. Future research may further study the mobile apps using focus groups or quantitative surveys. In addition, researchers may further study mobile apps as the non-traditional media. As a result, it may be insightful to examine the advertisements embedded in mobiles apps and the effectiveness of such advertisements.

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Summary Brief

Augmented Reality Marketing: The 'Wow' Factor

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The use of Augmented Reality (AR) technology has potential to create an excited way for consumer to interact and experience products, brand, and service resulting in positive customer-brand relationship. With the rapid advancement of smart device, possible use of AR in marketing is endless (Hidden Creative 2011). Even though number of academic research focused on AR is rising, these studies concentrate on the technical on AR development and explore the possibility of the use of AR in education and training. For marketing, in contrast to the rapid adoption in business, there are limited understanding and academic studies on the effect of AR Marketing (ARM) (Bulearca and Tamarjan 2010). Therefore, the purpose of this study is to investigate consumer perception of ARM using in small business setting.

Introduction

With constantly evolving technology, marketers have to stay abreast of new ways to communicate with consumers. However, marketers are often enticed by the new technology and forget that the message, not the medium, is key. Recently, marketers have been using QR codes, RFID tags, and geo-locator in an effort to create more interactive advertisements. This new technology allows marketers to combine traditional media and digital media (Al-Modwahi, Parhizkar, and Lashkari 2012) to create an exciting way for customers to interact with brands (Owyang 2010), which is necessary in creating positive Customer-Brand Relationships (CBR) (Fournier 1998). Building relationships has become a significant marketing tool for small business owners since they cannot complete in the low price battle with big corporation.

Recently, Augment Reality (AR) technology has progressed at a rapid rate as a result of advancement in smart devices. While there are many definitions of AR technology, AR is defined here as “the use of technology to superimpose virtual content into users’ perceptions of the real world, in real-time” (Yuen, Yaoyuneyong, and Johnson 2013, p. 386). Augmented Reality Marketing (ARM) is gaining in popularity (Eicher 2013) and describes a marketing strategy that uses AR technology to provide promotional, experiential, relational, and entertainment value (Bulearca and Tamarjan 2010; Chou 2009; Yuan and Wu 2008).

Even though the number of academic research focused on AR is rising, these studies concentrate on technical AR development and primarily explore the use of AR in education and training. In contrast to the rapid adoption in business, there are limited academic studies on the effect of ARM (Bulearca and Tamarjan 2010), especially in small business arena. Therefore, the purpose of this study is to investigate consumer perception of the use of ARM in small business setting.

Literature Review

While AR systems are currently used in other areas, the general public may be more aware of AR applications in fields such as marketing and entertainment (Hamilton 2011). Major international brands ranging from automotive to consumer goods have adopted AR in their marketing campaigns (Manjoo 2009). A recent study reported that brochures, pitches and tenders, events, conferences, and online campaigns were the most popular ways marketers adopt AR as a marketing tool to transform the way their customers engage information (Hidden Creative 2011). In the academic arena, Bulearca and Daniel (2010) reported that convenience, enjoyment, and brand attitude are impacted positively by the use of AR technology. Similarly, Eyüboğlu (2011) found that focus group participants were excited, enjoyed, and had positive impressions of ARM. In addition, Sung and Cho (2012) found that informativeness and interactivity are more important elements than entertainment in AR advertising.

Research Design

Augmented Reality technology is still developing, and use of ARM is mostly limited to large businesses. Because AR is so flexible and has great potential to influence consumers, this research considers new ways to add value with AR, especially for small business. Therefore this exploratory study compared consumer responses to two different ARM hypermedia print advertisements. The image (brand logo for a small local book store) was held constant, while the links used were different. One ad included more conventional links that are typically used in the marketplace: the business (1) website, (2) phone number, (3) email, and (4) Google location map. The second ad included non-conventional links: (1) a 360° rotatable view of the store interior, (2) the city bus schedules and personalized map, (3) a link to a neighboring coffee shop Facebook page, and (4) a link to the public library website. The goal was to learn more about how the use of different types of links might impact the consumers’ perception of the use of ARM.

A convenience sample of faculty, staff, and students was used because they are likely to have experience with new technology. Respondents ranged in age from 18 to 72, and were comprised of undergraduate students (89.4%), graduate students (5.3%), university staff (3.2%), and faculty (2.1%). The sample was split almost evenly among female (47.9 %) and male (52.1%). A Kiosk was set up for one week on a University campus with tablet computers pre-loaded with the appropriate AR application (Layar). Each respondent was randomly exposed to one ARM condition and then asked to complete a short questionnaire.

Results and Discussion

Two coders were used to independently code the open-ended questions. The coders then met to discuss discrepancies, and developed a final table of emerging themes for the two conditions. For the respondents exposed to the ad with the conventional links, the responses were dominated by comments that communicated that they found the experience *Fun and Interesting* (79.8%). Although the themes of *Novelty* (19%), *Usefulness* (14.3%), and *Innovative* (14.3%) appeared in many responses, no other theme appeared in more than 10% of the responses. The results for the ad with non-conventional links were similar, with *Fun and Interesting* theme appearing in 82.1% of the responses, and *Novelty* (16.7%), *Usefulness* (13.1%), and *Innovative* (10.7%) coming in above the 10% mark.

These results show how the “Wow” factor dominates those exposed to ARM. A possible explanation is that a majority of the participants had their first experience with AR technology during the experiment. The lack of AR technology exposure may contribute to the “Wow” factor. The results suggest that AR technology is powerful and can draw consumer attention. Hence, small businesses should consider use the “Wow” factor to draw consumer to their brand. While the “Wow” factor may not last long, small businesses should contemplate crafting ARM messages that can be ultimately used to build lasting consumer-brand relationships. Similar to other research, this study has its own limitations. Because of convenience sample, generalizability should be caution.

Future Research

Based on findings, several possible research questions emerge. First, what value does ARM provide over traditional advertising? Although the technology is becoming cheaper and more accessible, it is important for small businesses (who have limited monetary and time resources) to understand the advantages that ARM has over traditional advertising. Second, once the novelty of the technology has worn off, how can small businesses use AR to add value and keep customers engaged? Understanding what type of information should be communicated via AR is important. Small businesses generally have the advantage of being closer to their customers and should find it easier to develop appropriate ARM campaigns.

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Summary Brief

Understanding Mobile Apps Discontinuance Behavior

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The purpose of this research is to investigate the intentions of consumers to use then discontinue use of mobile applications. This research will allow marketers to understand this behavior in the development and marketing of mobile apps.

Introduction

With the rapid development of mobile technology and the expanding wireless network coverage area, mobile devices have been growing rapidly and have been turning into important tool for consumers. Mobile services and mobile apps have played an important role in people's daily lives. Evidence of the mobile apps and service continuance usage behavior can be found in the multitude of studies based on Technology Acceptance Model (TAM) by examining consumers' satisfaction and enjoyment. However, studies have rarely focused on mobile apps discontinuance usage. It is important for companies which are using mobile marketing campaigns to understand why consumers discontinue using their mobile apps. The objective of this study is to use TAM as a base model to explore how perceived usefulness and perceived ease of use influences consumers' behavioral intention to use mobile apps and as well as how mobile ad intrusiveness, privacy and app update causes consumers terminating mobile apps. The proposed model will be tested using a surveying method, collecting data from mobile device users and Analysis of variance (ANOVA). This study is expected to aid mobile marketers in understanding how factors influence individuals to discontinue using mobile apps; and allowing marketers to take action to eliminate the negative factors in their mobile apps development process.

Conceptual Background

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) (Davis 1989) is an extension of the Theory of Reasoned Action (TRA); and it has gained widespread acceptance in the research of understanding and predicting users' IT actual usage behavior by determining two major perceptual factors: perceived usefulness which is defined as "the degree to which a person believes that using a particular system would enhance his or her job performance", and perceived ease of use which is defined as "the degree to which a person believes that using a particular system would be free of effort" (Davis 1989).

TAM has been continuously studied and upgraded. One of the major upgrade was TAM2 (Venkatesh and Davis 2000). TAM2 studied both social influence process (subjective norm, voluntariness, and image) and cognitive instrumental processes (job relevance, output quality, result demonstrability and perceived ease of use) toward perceived usefulness. In result, TAM2 found the effect of both social

influences and cognitive instrumental processes were supported and were important drivers for usage intentions.

However, studies have rarely focused on discontinuance behavior after users' actual usage behavior has occurred. In TAM2 study, it was also stated:

"Low usage of installed systems has been identified as a major factor underlying the 'productivity paradox' surrounding lackluster returns from organizational investments in information technology (Sichel 1997)."

Discontinuance behavior after actual system use is an important matter for companies as it gives marketers an indication if the customer wants communication with the firm. However, we surmise there are reasons why a customer would discontinue use of a mobile application, and focus on these reasons in this study.

Ad Intrusiveness

Since mobile devices take advantage of its mobility, consumers can be reached anytime and anywhere by marketers. Nowadays, mobile advertising has been heavily used. However, evidence of consumers' negative attitude toward advertising can be found in multitude studies. For example, a consumers' attitude-based study has found people generally have held negative attitudes about receiving mobile ads (Tsang, Ho and Liang 2004). Negative outcomes of intrusiveness of online advertising have been found as well (Li, Edwards and Lee 2002). It is believed ad intrusiveness is a major cause for ad avoidance and irritation. Intrusiveness defined as "the degree to which advertisements in a media vehicle interrupt the flow of an editorial unit" (Ha 1996); and ad irritation refers to the negative, impatient, and displeasing feeling of individual consumers caused by various forms of advertising stimuli (Aaker and Bruzzone 1985). Nevertheless, it is unclear how consumers behave their intention to continue using mobile services when ad intrusiveness occurs on their mobile devices. Therefore, we surmise the following

H1: The effect of actual use of a mobile application and its continuance is mediated by the intrusiveness of advertisements.

Privacy

Consumer privacy has always been considered a critical issue in marketing. In an Internet-based marketing environment, companies are able to obtain consumers' personal information easily. Mobile devices are considered as very "personal and private" devices, (Green, Harper, Murtagh, and Cooper 2001). As a result, people are very sensitive to share their personal information via mobile devices. A recent TRUSTe Privacy Index reported 85 percent of mobile users concerning their privacy when they use a mobile app, 80 percent are less likely to

use apps they do not trust, and 74 percent are less likely to enable location tracking (TRUSTe 2014).

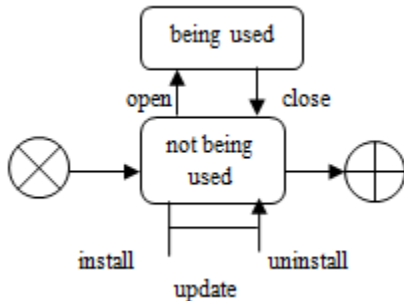
A study found mobile users feel more comfortable and confident when they are informed of the purpose for why their personal information was needed; and it is believed when the notification matches users' expectation, people will be willing to share their information (Lin, Amini, Hong, Sadeh, Lindqvist, and Zhang 2012). Privacy played an important role on usage of mobile apps. Understanding whether privacy concerns are making users discontinue using their mobile app is a big deal to a company. Therefore we propose that

H2: The effect of actual use of a mobile application and its continuance is mediated by the lack of privacy.

App Update

Studies have found modified existing product can extend the product life cycle (The time 100). Evidence that the mobile app has its own life cycle can be found in some studies as well. The following is a lifecycle model (Böhmer, Hecht, Schöning, Krüger, Bauer 2011) of an app that established by a mobile app usage study:

Figure 1: Lifecycle Model



It is believed that user behavior can be gained from mobile app update event (Böhmer et al. 2011). However, this matter has not been verified in this study. Understanding the relationship between mobile apps updates and users' continuous usage behavior is a critical issue for companies to know whether a routine app update is needed.

H3: The effect of actual use of a mobile application and its continuance is mediated by the update of the application.

Method

Data collection will commence at a large Midwestern university. The sample, college students, will be used as this is the average age of mobile application users. Measurements will be derived from current scales based on theory presented. Structural equation modeling will be used to assess the relationships.

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Summary Brief

#IHateYourBrand: Effects of Direct and Indirect Service Recovery Communication Strategies on Twitter

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Social networks offer consumers the ability to voice their opinions, both positive and negative, about brands. This represents a new challenge for firms as brand managers must develop strategies for how best to communicate with consumers within the social media environment. The purpose of this research is to explore company/consumer communications via social media, specifically Twitter. The authors propose that a firm's direct, indirect and non-response to consumers' negative brand-related tweets will impact consumers' attitudinal evaluations. A review of the relevant literature is provided, and hypotheses are presented. Potential insights that may emerge when the hypotheses are empirically tested are also discussed.

Introduction

On any given day, scrolling through one's Twitter feed will likely reveal at least one tweet about someone's favorite new product or a complaint about a disappointing product/service experience. It is commonplace to see brand-related messages like: "@TacoBell can't wait to try that new breakfast menu! #nomnom" or "I don't know why I keep shopping at @Walmart. Terrible customer service! #annoyed." The integration of social media into the everyday lives of individuals has transformed not only the way in which consumers communicate with each other, but also the way in which consumers engage in discourse with companies. Thus, the pervasiveness of social media and its importance as a channel of communication is something that marketers must be aware of and for which they should develop focused strategies.

The purpose of this research is to increase understanding of company/consumer relationship within the social media context. It is the authors' objective to explore this relationship by examining the impact of a firm's decision to respond directly, indirectly or ignore a consumer's negative brand-related tweet. Within the scope of this study, the researchers focus specifically on the impact of differential company responses to negative direct and indirect brand-related messages from consumers on Twitter. By choosing whether or not to respond, and in which way they should respond, firms can choose to influence service recovery perceptions with their consumers via Twitter.

This study attempts to expand upon the service recovery literature by exploring whether a firm's direct response, indirect response or non-response to a consumer's negative direct or indirect brand-related post on Twitter can lead the consumer to experience delight, dissatisfaction or rage. We plan to empirically test the relationship between a firm's responses to direct and indirect negative brand-specific tweets from consumers and these

outcomes. Additional significance of this study lies in its potential implications for firms. This research will allow for an increased understanding of how firms should effectively manage their brands and navigate the social media landscape.

Conceptual Development

With the popularity of social media networks, consumers have gravitated towards using this outlet to communicate with service providers and report service failures and criticisms (Xia 2013; Pinto and Mansfield 2011). Previous research involving online consumer complaint behavior examined service recovery through email communication channels (Strauss and Hill 2001; Blodgett et al. 1995; Moore and Moore 2004). Strauss and Hill (2001) find that replying to an email complaint results in higher likelihood of repurchase, higher perceived credibility of the company, and higher perceived concern of the company for the consumer. In the current study, the authors posit that there may be parallels between email and social media channels, particularly Twitter, for service recovery purposes.

The methods through which a consumer communicates with the firm on Twitter can be direct or indirect. Direct messages or tweets are purposely used to contact the firm, and typically use the "@" symbol preceding the firm's Twitter handle or username. Using this sign, the tweet becomes linked to the firm's Twitter profile and the firm will receive a notification that the communication has occurred. These types of posts are considered "mentions," as the Twitter user directly mentions the company/brand name in a tweet. Indirect messages, however, are not as easy to trace, but are still communicated to the user's followers as well as able to be searched by the general public. Typically hashtags (#) or key phrases are used. While these tweets still include brand-related information, posting them does not send a notification to the firm. Such tweets must be sought out by the firm through keyword Twitter searches, search engine optimization, and analytical software tools.

The current research focuses on justice theory, specifically interactional justice, which evaluates the level of fairness attributed to the firm's service recovery response. Interactional justice explicitly relates to the respectful manner in which a consumer is treated during the complaint resolution (Bies and Shapiro 1987). Perceptions of interactional justice consider whether or not a reasonable and respectful explanation of the service failure was made (Bies and Moag 1986), whether or not the firm showed sincerity or empathy (Parasurman et al. 1985; Xia 2013), and the level of directedness and concern shown by the

firm (Ulrich 1984). Consumers concerned with a greater need for interactional justice desire the connectedness of both parties in the service relationship. This connectedness may be achieved through the use of social media interactions. We hypothesize the following:

H1: *Customers that send direct social media complaints to the service provider and receive a direct response will have higher attitudinal evaluations than customers that send indirect social media complaints to the service provider and receive an indirect response.*

H2: *Customers that send indirect social media complaints to the service provider and receive a direct response will have higher attitudinal evaluations than customers that send indirect social media complaints to the service provider and receive an indirect response.*

H3: *Customers that send indirect social media complaints to the service provider and are ignored will have higher attitudinal evaluations than customers that send direct social media complaints to the service provider and are ignored.*

Method

A scenario and survey will be developed and made available to consumers via Amazon.com's Mechanical Turk (MTurk). The scenarios will be divided into two conditions of consumer complaint communication (direct and indirect), and three conditions of firm response communication (direct, indirect and ignore). In the direct complaint scenario, the respondent is shown a consumer complaint tweet that they sent directly to a service firm following a failure. In the indirect complaint scenario, the respondent is shown a consumer complaint tweet they sent after a failure, that is not directly sent to the firm, but instead, is sent to the consumer's Twitter followers and Twitter users at-large. This indirect communication is available to be seen by anyone on Twitter, but must be actively searched for, by the firm or another user, using keywords or hashtags. Respondents will then be shown the firm's response to "their" tweet. In the direct response condition, the company's service recovery tweet will be presented as being sent directly to the respondent's Twitter account using the "@" symbol. In the indirect response condition, the company's service recovery tweet will be presented as being sent only to the firm's own Twitter followers, and anyone who searches for it, again required a keyword or hashtag search to view to communication. An example of an indirect is one that may apologize for any delays/failures to the customer base as a whole, but does not purposely respond to individual complaints or users.

In the ignore condition, the respondent will be told that the company issued no service recovery to their complaint communication in any form. After the scenario is completed, a survey will be administered. The data collected from the survey will then be analyzed and reported.

Implications and Future Research

Overall, it is our hope that this research will identify new areas for research regarding consumer/firm interaction in social media, as well as new strategies for firms to use when confronted with negative tweets from their customers.

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SPECIAL SESSIONS

Special Session Abstract

The Extended Enterprise: Is the Juice Worth the Squeeze?

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This paper describes the Extended Enterprise and highlights that little empirical evidence has been gathered to support its superiority over traditional supply chain arrangements. It presents an outline for research to test whether the average performance of recognized exemplar supply chains is significantly better than that of close competitors.

Introduction

The term Extended Enterprise originated at Chrysler Corporation where it was utilized to shape information exchange and cost reduction practices throughout the supply chain (Post, Preston, and Sachs 2002). Davis and Spekman (2004, p.20) define the EE as "the entire set of collaborating companies, both upstream and downstream, from raw material to end-use consumption, that work together to bring value to the marketplace." Supply chains that embrace the EE network concept are more dynamic, receptive to change, driven by value creation (as opposed to cost containment), focused on increasing system wide profits and building knowledge through supply chain learning than traditional supply chains (Davis and Spekman 2004). EEs are characterized by business environments where SC partners work together for long-term business purposes (Braziotis and Tannock 2011) based on "a shared culture of unity" (Kanter 1999, p.17), typified by "Three Cs" (Davis and Spekman 2004). Connectivity involves the extent and nature of linkages between EE participants: to be effective these linkages should span each member's corporate hierarchy, and each member must be involved in joint planning using system-wide metrics. Community involves the culture of shared norms, expectations, and understandings of permissible behaviors that develop over time in an EE. Collaboration encompasses the mutually beneficial, collaborative focus EE members have towards each other that results from sharing risks and rewards over the long term. Thus, Mengoni, Graziosi, Mandolini, and Peruzzini (2011, p.5) contend "the most important B2B process is the supply chain integration that provides visibility and access to selected partners or suppliers."

Multiple performance-related benefits associated with EE networks are noted in the extant literature. Successful EE systems increase supply chain information velocity and increase product customization (Loh, Koh, and Simpson 2006). Moreover, EE relational networks yield major benefits like increased market share, reduced inventories, better customer service, improved product quality and shorter product development lifecycles (Corbett, Blackburn, and Van Wassenhove 2012) as well as lower costs, higher returns on investment (ROI) and returns to stockholders (Spekman, Spear, and Kamauff 2002). However,

despite the increasing attention and apparent performance-related benefits associated with supply chain versus supply chain competition, empirical validations that test the efficacy of the EE concept are rare.

Gap in the Extant Literature

A review of the EE literature reveals that EE research has focused primarily on the extent that firms have adopted EE strategy (Davis and Spekman 2004), the implementation of EE concepts (Antai and Olson 2013), managing EEs (Kanter 1999; Post et al. 2002) and reasons for establishing an EE (Loh et al. 2006). However, there is a dearth of empirical evidence that shows EE networks perform better than more traditional supply chain networks. In short, is the sum of the whole greater than the sum of the individual parts as suggested by the theoretical underpinnings of contemporary SCM literature?

Proposed Empirical Validation Study

RBV (Barney 1991; Wernerfelt 1984) is recognized as an appropriate theoretical base of conducting strategic SCM research (Olavarrieta and Ellinger 1997; Wernerfelt 2014). Recent RBV theorizing also proposes that distinctive organizational resources must be managed in a way that permits their exploitation (Barney and Hesterley 2012) because ineffective managerial and organizational processes may hamper the realization of a resource's potential for generating competitive advantage (Barney and Clark 2007). The proposed research study assesses the veracity of EE networks as rare, valuable and inimitable resources that yield sustainable competitive advantage by drawing on secondary firm financial performance data to compare the performance of exemplar SCM firms' EEs with those of close industry competitor firms (not recognized as exemplar SCM firms). The proposed research addresses the following research question: *RQ: Do exemplary SCM firms' extended enterprises perform better than close industry competitor firms' extended enterprises?*

Recent empirical research studies indicate that exemplary SCM firms (drawn from the Gartner Supply Chain Group's annual rankings of firms that most closely adhere to the demand-driven supply chain ideal) consistently perform better than close competitor firms (not recognized as exemplar SCM firms and industry averages (Ellinger, Adams, Gray, Natarajarathinam, Hofman, and O'Marah 2011; Ellinger, Shin, Northington, Adams, Hofman, and O'Marah 2012). The proposed research study extends these studies by utilizing the supply chain feature (SPLC

Function) of Bloomberg to identify exemplar SCM firms' (from the Gartner Group 2007-2013 supply chain rankings) and close industry competitor firms' upstream (supplier) and downstream (customer) supply chain partners. At time of writing, approximately 80 matched pairs of exemplar SCM firms and their close industry competitors are identified and the collection of secondary firm financial performance data for a five-year period is underway. The intent is to test RQ1 by determining whether the average performance of exemplar firms, their suppliers and customers exceeds that of close competitor firms and their suppliers and customers (i.e., Exemplar SCM firm+Exemplar SCM firm supplier+Exemplar SCM firm customer performance/3 versus Competitor firm+Competitor firm supplier+Competitor firm customer performance/3). In other words, do EE SCM networks outperform traditional SCM networks as consistently suggested in the extant literature? Full results of the empirical analysis and their implications for theory and practice will be reported at the forthcoming conference.

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Special Session

Difficulties and Issues Doctorate Students Face in the Process of Transitioning into a Researcher and Scholar: Ph.D. Students' Perspective

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Lisa Monahan, University of South Florida, USA

Nina Krey, Louisiana Tech University, USA

Joanne Tran, Louisiana Tech University, USA

David J. Ortinau, University of South Florida, USA

Few would argue that today's, as well as future young assistant marketing professors face growing pressures to publish their research in top tier marketing journals quickly upon graduating from their doctorate program. A fundamental question that needs to be explored is "how well do doctorate programs train students to write and publish journal quality manuscripts during the second and third years of their program?"

Introduction

In an effort to address the above question, the primary objective underlying this special session is one of exploring the difficulties and specific issues doctorate students face in their process of transforming themselves into scholarly researchers and journal article authors. Using a Ph.D. student's perspective, this panel session should generate meaningful discussions between second and third-year doctorate students and the audience, which will be basically doctorate students on critical questions and elements about the development of research skills and manuscript writing skills.

Methodology

One of the unique elements of the session is the interactive framework of using a combination of second- and third-year doctorate students as panel members and keeping the audience as doctorate students still within their program. The objective of this framework style is to create a meaningful dialogue and opportunities of exchanging invaluable insights toward the difficulties and issues of learning to research and write journal

article manuscripts while still in program. In addition, this type of session provides doctorate students with a forum that will encourage the identifying and sharing of general and specific issues as well as possible "good" and "bad" experiences in their process of becoming a scholarly researcher and author.

To highlight the operationalization of this session, the four student panelists will develop a list of difficulties and issues that they have experienced within the program progression. This list and brief item discussions should help generate an interactive dialogue with members of the audience. It is important to note that the audience needs to be other students and not faculty members. Therefore, the audience should be built through an "invite only" approach prior to the SMA Conference.

Outcomes

One hopeful outcome from the discussions of the above topics/issues, from a student's perspective, will be to provide clearer insights and understanding of how to correctly deal with the natural difficulties of becoming a scholarly researcher and journal article author. Leaving this session, students will have a better understanding of how to select research topics that might result in important scientific articles for prestigious and high-quality marketing journals. Understand the variety of complex and interrelated quality image issues as well as judgments of the article's importance and value to the literature.

Do to the exploratory nature of this session; David Ortinau (USF) [dortinau@usf.edu] will serve as the moderator for this special panel session.

Special Session

Marketing Metrics Workshop 2014 – Part 1 – Introduction to Marketing Metrics and an Overview of a Marketing Metrics Course

Kimball P. Marshall, Alcorn State University

This workshop, organized into two parts, is designed to familiarize marketing educators with marketing metrics as a field, and to offer recommendations for the content of a marketing metrics course. Part 1 of the workshop, offered by Dr. Kimball P. Marshall of Alcorn State University, addresses: 1) An introduction to the field of marketing metrics; 2) Recommended content for a marketing metrics course including objectives, sample handout materials, required textbooks and suggested readings, and student assignments; and 3) guidance for developing real world marketing dashboards to monitor marketing metrics for strategic and tactical decision-making. Part 2 of the workshop, offered by Dr. Pj Forrest, addresses development and organization of marketing dashboards to guide metrics comprehension and marketing management decision making.

Part 1, provided by Dr. Marshall, reviews marketing metrics course concepts, topics, and objectives. Audience suggestions are sought for integrating metrics with standard topics in marketing principles and strategy. Specific marketing metrics texts and supplemental readings are suggested as course required and supplemental reading including those by Farris et al. (2010), and Hughes (2005), among others (Davis 2006, Handley 2011, Jeffery 2010, LaPointe, 2006, Marshall 1996, McDonald and Mouncey 2011, Patterson 2008).

The workshop then suggests experiential learning assignments based on instructor-developed micro-cases. Sample assignments are reviewed in which students are asked “role-play” the role of a marketing analyst or manager and in that context to do the following: 1) develop spreadsheets to compute assigned metrics given data derived from micro-cases; and 2) report findings in brief business-memos that interpret computed metrics and offer tactical recommendations. Topics addressed by these assignments include market share, new product introductions, distribution effectiveness, pricing management, temporary price reduction promotion assessment, advertising and special project assessment, and return on marketing investment.

Part 2 of the workshop, provided by Dr. Pj Forrest and described in a separate Summary Brief, addresses marketing dashboards.

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Special Session

Marketing Metrics Workshop 2014 – Part 2 – Marketing Dashboards

Pj Forrest, Alcorn State University

This workshop, organized into two parts, is designed to familiarize marketing educators with marketing metrics as a field, and to offer recommendations for the content of a marketing metrics course. Part 1 of the workshop, offered by Dr. Kimball P. Marshall of Alcorn State University, addresses: 1) An introduction to the field of marketing metrics; 2) Recommended content for a marketing metrics course including objectives, sample handout materials, required textbooks and suggested readings, and student assignments; and 3) guidance for developing real world marketing dashboards to monitor marketing metrics for strategic and tactical decision-making. Part 2 of the workshop, offered by Dr. Pj Forrest, addresses to development and organization of marketing dashboards to guide metrics comprehension and marketing management decision making.

Marketing dashboards are highly vivid visual representations of a select few, but crucial, marketing metrics. Their purpose is to display marketing metrics in a highly informative way that allows marketing managers to get instantly an accurate picture of business operations, and to quickly absorb information needed to make better and more timely marketing decisions. It is necessary to measure the right things and to display them in an efficient and effective way. Marketing dashboards have the ability to allow marketing managers to see patterns which otherwise would be missed.

Marketing dashboards should display only a few critical metrics. Marketing dashboards make good use of not only charts and graphs but also colors and shapes. The overall effect of the marketing Dashboard is to give instantly the marketing manager a clear and intuitive picture, of the current state of the business. Marketing dashboards are also useful for providing information to board members, CEO's, suppliers and distributors, or anyone

associated with the organization that cannot or will not take the time to wade through pages of complicated metrics. Marketing dashboards protect the marketing manager from information overload.

As too many metrics on a marketing dashboard complicate the picture and obscure information, tabbed marketing dashboards are suggested when many aspects of a problem need to be presented. Overly complicated marketing dashboards or one's that contain unnecessary decorative embellishments tend to obscure information.

Future marketing dashboards are predicted to be interactive, with the marketing manager being able to drop and drag to create the exact dashboard needed at the moment. To be successful in the business world students not only need to understand how to calculate marketing metrics, but also how to create and use a marketing dashboard so that the use of marketing metrics results in better strategic and tactical marketing decisions.

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Teaching Moments

D. Joel Whalen, DePaul University

John “Jeff” Tanner, Baylor University

Introduction

Teaching Moments is an innovative conference session that opens the pipeline to more teaching innovations. In a very fast-paced format each of nine speakers presents their *teaching Moment*.

Teachers share specific instructional techniques that they have found most effective with their students. For example, in past SMA *Teaching Moment* sessions faculty have presented new assignments; others offer classroom exercises or unique lecture techniques. Attendees can also take away assignments that they can employ to improve their own teaching.

The Session Chairs act as high energy MCs that get the presenters on and off rapidly and lead “thunderous applause” for each presenter. Presenters have 3-4 minutes to give an abstract of their *Teaching Moment*. If they run over time a bell is rung signaling the next Presenter is up. There are no discussants; rather, after the presentations, the speakers and audience mingle, learning more from each other, asking questions, and exchanging ideas.

Presenters include past winners of SMA’s prestigious teaching awards: *Cengage Pride/Ferrell Innovations in Teaching Award* and the *Sherwin-Williams Teaching Award*. Also, the session features talented new teachers.

The 2014 Teaching Moments

Lifetime Achievements – From Goal Setting to Action Items – Two Years Later: The Road to Your Future Begins Now

Danny Butler, Auburn University

Setting realistic goals with measureable action items to achieve those goals is sometimes difficult to convey to students. Using Stephen Covey’s “begin with the end in mind” students are provided a scenario, questions and a template. Ten years from now, we will meet in this very classroom. Write down what you have done with your life since we last met? These are your goal outcomes. Write down in time periods how you will have achieved those goals. These are the action items. If have become an attorney, when did you apply for law school? When did you take the LSAT course? If you have two children, when did you meet their mother or father?

Students place these documents in a self-addressed envelope. These envelopes are mailed two years after students graduate. Students who have received their lifetime achievement letter two years later have commented on how much the process helped them personally and professionally.

You Will Change My Grade!

Stephen B. Castleberry, University of Minnesota Duluth

We’ve all had students who stop by our office to complain about their grade, with common themes expressed: you were

unfair when you graded mine; I did more than my share of the team work on this group project; I worked so very hard on this and you should give me more credit just for my effort; this is going to destroy my GPA and I need a high GPA to get a job; I didn’t pay this outlandish tuition to get a lousy grade like this, if you don’t change it I’m going to file a complaint with your boss, I won’t graduate, etc. As a caring, dedicated professor what should my response be? What if the student gets belligerent and even starts to demonstrate violent behaviors? My story recounts one such situation and the consequences of giving a student the grade he earned.

Teaching to Suit: Techniques to Facilitate an Adaptive Marketing Classroom

Kesha K. Coker, Eastern Illinois University

Every class has a personality centered on unique learning styles. Skilled teachers use an adaptive approach that moves beyond script-like delivery to a more observe-and-modify approach to teaching. To create the adaptive classroom, marketing instructors learn to decipher class personality early in the semester and then teach to suit. The resulting adaptive technique may entail shifts in pedagogical emphasis; e.g., when students quickly grasp concepts, the instructor may shift to a deeper discussion of concepts and/or practical applications in marketing.

Another adaptive approach entails facilitating discussion with student-sourced content as the impetus for discussion; e.g., students are allowed class time to share and discuss content they have voluntarily found (such as articles and short videos) that are pertinent to class concepts. The adaptive classroom is viewed as a way to maximize classroom experiences for enhanced student engagement and learning in dynamic academic environments.

Is Anybody There? Does Anybody Care? Creating a Successful Online Learning Environment

Catharine Curran, University of Massachusetts Dartmouth

Online programs statistically have higher attrition; some as high as 65%. Various theories are discussed in the pedagogy literature about why students choose to leave online programs and classes. Studies cite the lack of student preparedness, technology issues, misalignment in expectations between the student and the program, etc. Yet, what is lacking in this research is an understanding of the fundamental human activity that creates a classroom learning environment.

A classroom is so much more than a collection of individuals sitting in desks for 3 hours a week for fifteen weeks. A classroom becomes its own world, it takes on a personality and has an energy all its own. The classroom environment is a mixing of the personalities of the students with the instructor. Translating the

zeitgeist that makes a classroom successful is a challenge in the online environment but with time and creativity it can be done.

The Use of Student Sales Team Managers: Insights on Improving Team Performance—Being the Segment

Charles S. Madden, Baylor University

When students are first taking a marketing class, they understand the idea of market segments but they have trouble with understanding how and why it works. Intuitively, it seems that telling everyone about a product or a service would yield more buyers than a target segment. The following exercise shows most students why segmenting works.

Walk around the classroom not making eye contact with anyone and say “When is your birthday?” If you continue asking and do not look at anyone in particular, nobody usually answers. Then walk up to a single student and repeat the question. They will always answer with their birthday. Then say to the rest of the class, “Don’t the rest of you have a birthday?” Then explain the key to getting a response is to make a segment of the population know you are talking to them.

Student Sales Team Managers (STMs)

Richard A. Rocco and Clancy E. Ryan, DePaul University

A prominent challenge for many sales professionals is managing people, especially sales teams. To better prepare students for their professional sales as well as business careers, active learning is employed through the use of team sales projects across a number of our sales courses. While the use of student teams and group projects is a common pedagogical tool utilized across undergraduate and graduate level business courses, researchers have noted many challenges with the use of student project teams.

One particular sales course that utilizes student sales team managers (STM’s) as a means to improve team performance is presented. Insights and outcomes from the use of STM’s are discussed as well as directions for future research.

When Random Is Not Random: Sampling with M&Ms

Tracy A. Suter, Oklahoma State University

A key element of a quality survey-based research project is a quality sample of potential respondents. To demonstrate this point, it is important for perspective marketing researchers to know the difference between probability and non-probability sampling techniques with specific emphasis on simple random and convenience sampling. The tool of choice to drive this point home is M&M candies. Once upon a time M&M/Mars published the proportions of each of the six colors – brown, yellow, red, blue,

orange, and green – that should be found in any bag. It stands to reason that any randomly selected bag of should have the same proportion. Students are asked to select and bring M&Ms to class where we compare their color proportions to the M&M/Mars standard. They never match each other or the standard. This helps us to see that random selection has its limitations, and more than one meaning.

First Day of Class Learning Environment S.O.L.A.R. System

Brian A. Vander Schee, Aurora University

The first day of class sets the tone for the entire semester. It is a time to be relaxed and engaging but also a time to establish reasonable boundaries and expectations for student behavior and performance. The S.O.L.A.R system includes 1. Seating – no empty spaces at the front or sides of the classroom, 2. On-time Policy – start several classes with a quiz that ends 5 minutes into the class such that those who are late miss the points, 3. Learn Everyone’s Name – depending on the class size, this is not an unreasonable expectation, 4. Attendance Required – set a policy where absences after two are penalized with a mechanism to gain the points back with additional assignments, 5. Respect the Class – no personal media devices used in class. Students respect class policies that are perceived as fair and consistent. The S.O.L.A.R. system establishes such policies in a clear and concise manner.

Five Minutes to Perfection

Barbara Ross Woolridge, University of Texas at Tyler

MBAs need not only “hard” skills; they must gain “soft” skills too. One important soft skill is the ability to present well. For maximum skill development, research recommends that each student make at least two presentations. However, large classes reduce the amount of class time available to allow students to develop these skills.

One solution is the five-minute presentation on how to give a stellar presentation. This assignment is done in a team, and the time limit is strictly enforced. After the first few presentations teams have the same “must dos” and “must do not’s.” Students begin to notice that their presentations are not as stellar as they could be. The class reviews the good, the bad, and the ugly. Students take these lessons learned and apply them to their client presentations, which have shown marked improvement.

The 2014 Teaching Moments Session

SMA 2014 attendees are invited to join the *Teaching Moments* session to see how nine highly effective teachers create teaching moments. You’ll take away ideas, exercises, and assignments that you can use in your own classes.

Advancing Critical Thinking in Marketing Education

Giles Jackson, Shenandoah University

Introduction

Formal education largely entails knowledge building through subject matter content coverage, which often comes at the expense of skills building. According to Tsui (2002): “Rather than devote so much effort to teaching students what to think, perhaps we need to do more to teach them how to think.” Over the past decade, critical thinking has received increasing recognition in the marketing literature (Celuch et al. 2009). The purpose of this special session is to share one pedagogical solution to the challenge of developing higher order critical thinking skills among marketing students, which may help them tackle the multitude of challenges they are likely to face as marketing managers.

Clockwise Pedagogy

(1) Analyze

A student, Sally, is required to analyze three artifacts (a newspaper article, a journal article, and a documentary video) on a given marketing issue. In each case, her first task is to separate the wheat from the chaff, identifying the most salient points. She accomplishes this in three steps: (1) she reads, watches, and/or listens to the material from start to finish, pinpointing the central question, problem or issue; (2) she repeats the process, this time summarizing (in concise bullet point format) the relevant data and discarding superfluous or redundant data; and, (3) she reorganizes the obtained information into the most logical flow.

(2) Critique

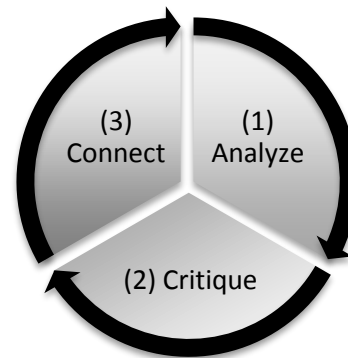
“Critical thinking, which has its roots in ancient Greece, proceeds from the recognition that all reasoning occurs within frames of reference and therefore cannot be taken for granted” (Jackson 2012). Following guidelines put forth by the Foundation for Critical Thinking, and other sources, Sally probes deeper into the source material, questioning (1) the nature of the question, problem or issue identified during the analysis phase, (2) the assumptions of the author(s), (3) the persuasiveness of their argument and its empirical basis, (4) alternative interpretations of the data and information, (5) the implications and consequences of the authors’ argument(s), (6) their contribution to our understanding of the question, problem or issue, and other factors. This exercise develops not only cognitive outcomes such as reasoning and critical thinking, but also intrapersonal ones, such as metacognition (understanding one’s own thinking processes), empathy (the ability to understand and share the feelings of others) and discernment (the ability to understand subject matter intelligently, rather than accept things at face value).

(3) Connect

“More than anything else, being an educated person means being able to see connections that allow one to make sense of the

world and act within it in creative ways” (Cronon 1998). A recurring theme in education reform is that more deliberate approaches are required to develop the capacity to make meaningful connections. In this step, Sally is encouraged to make lateral connections between the artifacts in question and all that she has been exposed to in her course of study, as well as through secondary research. “In practice this means seeking out related articles, academic theories, and organizations working in the field” (Jackson 2012). The goal is to broaden Sally’s horizons by revealing the spectrum of stakeholders in any given issue, along with their perspectives, agendas and contributions.

Figure 1. Clockwise Pedagogy



Sally and her peers come to class, each armed with three Clockwise charts. The instructor moderates a discussion of each chart in turn, revealing important differences of interpretation among those present. These ideas are captured in a new set of composite charts, drawn by the instructor on one or more whiteboards, or presented in a digital format.

The discussion then becomes more exploratory and creative in nature, as the three composite charts are compared and contrasted to identify common problems, questions and issues.

The understandings gained through one Clockwise performance feed forward to the next performance. Students acquire tacit knowledge over time, which hopefully finds expression in their term papers, presentations and examinations.

Clockwise is one of many approaches to building critical thinking skills. Others include structured case analysis (Klebba and Hamilton 2007), debates (Roy and Macchiette 2005), and team learning (Hernandez 2002). Given the importance attached to critical thinking in AACSB standards, it may be useful to compare and contrast the various approaches.

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GLOBAL MARKETPLACE I: INTERNATIONAL STRATEGIES

Summary Brief

The Effects of Fit, Culture, and Trust on Brand Extension Evaluation

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Jennifer N. Henson, Appalachian State University
Gaëlle Pantin-Sohier, Université d'Angers

The current research examines the impact of brand extension fit and parent brand trust along with country's culture. Data collected in the United States and France revealed a three-way interaction of perceived fit, parent brand trust, and culture on attitude and purchase intentions regarding brand extensions. Specifically, French respondents indicated that for high parent brand trust, a high fit extension results in more favorable attitudes and greater purchase intentions. For low brand trust, attitude and purchase intention are similar for a high/fit extension. For the U.S., respondents primarily preferred a high fit extension, regardless of the parent brand trust.

Introduction

Brand extensions are a commonly used method of new product introduction to mitigate the high cost and risk associated with new product launches. One important finding is that the perceived fit (of the extension with the parent brand) is a key factor determining extension success (Völckner and Sattler 2006). Other factors include parent brand associations, specifically trust (e.g. Reast 2005), and culture (Buil, et al. 2009). However, there are two qualifiers to this finding. First, a majority of the research conducted has been with American consumers. This results in an obvious problem of universality (Monga and John 2007). Second, the different linkages affecting the success of brand extensions have been examined on a piecemeal basis (Reast 2005). This current research attempts to address (albeit incrementally) the above issues identified.

Perceived Fit

'Fit' is the degree of similarity between parent brand and extension (Park et al. 1991). High (versus low) perceived fit with the parent brand results in greater acceptance of the brand extension (Keller and Aaker 1992). Assessments of fit may occur at two levels: product feature similarity and brand concept congruity between the parent and the extension (Park et al. 1991). Hence, perceived fit will be positively related to consumer evaluations of brand extension quality levels and purchase intentions.

H1: Brand extensions having a high (versus a low) fit will result in (a) more favorable attitudes and (b) greater purchase intentions.

Parent Brand Trust

An evaluation of extension fit usually requires a level of cognitive effort that consumers may not spontaneously engage in (Yeung and Wyer 2005). Rather, evaluation may be based on consumers' perception of parent brand trust. Prior studies have demonstrated a direct effect of trust on extension evaluations (Reast 2005). The trust elicited by the parent brand is transferred to extensions and ultimately influences consumer evaluations. Hence,

H2: High (versus low) levels of consumer trust in the parent brand will be associated with (a) more favorable attitudes and (b) greater purchase intentions.

Culture

Monga and John (2007) demonstrated that differences in information processing between holistic thinking Eastern cultures (India) and analytic thinking Western ones (USA) affected consumer perceptions of fit and extension evaluation. To our knowledge, no study has simultaneously examined culture, trust and fit effects on brand extensions. Hence,

H3: Consumer attitudes and purchase intentions regarding brand extensions will differ based on the culture of the country where the extension is launched.

Fit X Parent Brand Trust X Culture

Fukuyama (1995) classifies cultures as either "high trust" (e.g., USA) or low trust (e.g., France). Similarly, Eastern cultures (characterized by holistic thinking) were shown to perceive extensions as having a higher fit (resulting in subsequent greater positive evaluation) compared to those in the Western cultures (characterized by analytical thinking), (Monga and John 2007). To our knowledge, no study has simultaneously examined culture, trust and fit effects on brand extensions. Hence,

H4: Consumer attitudes and purchase intentions regarding brand extension will depend on the interactive effects of fit, trust, and culture.

Methodology and Results

We drew our sample from two countries with divergent cultural profiles: France and the United States. 2 studies were conducted with LG and Nokia as the parent brands, and, camera and coffee maker as the high and low fit extensions respectively. The first study (with LG) tested our hypotheses and the second

study (with Nokia) generalized the findings of study 1. Studies employed a 2 (Culture: U.S. versus France) X 2 (perceived extension fit: high versus low) X 2 (parent brand trust: high versus low) between subjects design wherein participants were randomly assigned to the experimental conditions.

Results: Study 1

297 American and French university students found that a camera was a better fit than the coffee. Hence, our perceived extension fit manipulation worked as expected.

Attitude towards the brand extension: Results show a main effect of extension fit ($F_{(1, 289)} = 10.08, p < .001; M_{\text{CAMERA}} = 5.02, M_{\text{COFFEE MAKER}} = 4.68$); of parent brand trust ($F_{(1, 289)} = 69.75, p < .001; M_{\text{HIGH TRUST}} = 5.34, M_{\text{LOW TRUST}} = 4.31$); and of culture ($F_{(1, 289)} = 31.40, p < .001; M_{\text{U.S.}} = 5.18, M_{\text{FRANCE}} = 4.52$). There was also a significant three-way interaction ($F_{(1, 289)} = 18.93, p < .001$). For low brand trust in the U.S. there is a significant difference ($t(66) = 2.43, p < .05$). On the other hand for high brand trust in France, there is a significant difference ($t(75) = 4.68, p < .001$). Hence, H1 through H4 are supported for attitude.

Purchase intention regarding the brand extension: Results show a main effect of extension fit ($F_{(1, 289)} = 26.09, p < .001; M_{\text{CAMERA}} = 4.30, M_{\text{COFFEE MAKER}} = 3.46$); culture ($F_{(1, 289)} = 22.80, p < .001; M_{\text{U.S.}} = 4.28, M_{\text{FRANCE}} = 3.50$). There was also a significant three-way interaction ($F_{(1, 289)} = 7.64, p < .01$). For high brand trust in France, there is a significant difference ($t(75) = 4.68, p < .001$), whereas for low brand trust in France there is no significant difference. On the other hand, for the U.S., purchase intention is higher regardless of trust for the high fit extension. Hence, H1 through H4 are supported for purchase intention also.

Results: Study 2

268 American and French university students found that a camera was a better fit. Thus, our perceived extension fit manipulation worked as expected.

Attitude towards the brand extension: Results show a main effect of extension fit ($F_{(1, 260)} = 56.98, p < .001; M_{\text{CAMERA}} = 4.84, M_{\text{COFFEE MAKER}} = 3.74$); of parent brand trust ($F_{(1, 260)} = 47.24, p < .001; M_{\text{HIGH TRUST}} = 4.75, M_{\text{LOW TRUST}} = 3.83$); and of culture ($F_{(1, 260)} = 5.51, p < .05; M_{\text{U.S.}} = 4.43, M_{\text{FRANCE}} = 4.17$). There was also a significant three-way interaction ($F_{(1, 260)} = 4.85, p < .05$). For the U.S., regardless of trust, a high fit extension exudes greater positive attitude. For France, there is a significant difference regarding attitude perceptions for a high versus a low fit extension during high brand trust ($t(74) = 7.23, p < .001$). This difference, however, is not significant when the brand trust is low. Hence, H1 through H4 are supported for attitude.

Purchase intention regarding the brand extension: Results show a main effect of extension fit ($F_{(1, 260)} = 57.06, p < .001; M_{\text{CAMERA}} = 4.17, M_{\text{COFFEE MAKER}} = 2.71$); and of parent brand trust ($F_{(1, 260)} = 34.83, p < .001; M_{\text{HIGH TRUST}} = 4.00, M_{\text{LOW TRUST}} = 2.88$). However, we did not obtain a main effect of culture ($F_{(1, 260)} = .30, p > .05; M_{\text{U.S.}} = 3.47, M_{\text{FRANCE}} = 3.42$). There was a significant three-way interaction ($F_{(1, 260)} = 5.19, p < .05$). For the U.S., purchase intention is greater for high fit brand extension vis-à-vis low fit brand extension, regardless of the amount of brand trust.

For France, when brand trust is high, purchase intention is significantly greater for the high fit extension than the low fit extension ($t(74) = 7.75, p < .001$). There is no difference in purchase intentions for the extensions when the trust is low. Hence, H1, H2 and H4 are supported for purchase intention also. We did not find a main effect support for H3.

Discussion

The two studies provide strong evidence that culture, fit, and parent brand trust work together to influence assessment of brand extensions. We replicate the combined effects of the factors across two companies for the U.S. and France. We also obtain some interesting results when examining the effects within the two countries separately. For instance, within France we notice that when brand trust is low, attitudes and purchase intentions are similar for high and low fit for both LG and Nokia. On the other hand, when brand trust is high, attitudes and purchase intentions are significantly greater for the high (versus low) fit extension for both LG and Nokia. This pattern seems to be different for the U.S. wherein a high fit was primarily preferred as exhibited in prior literature.

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SPECIAL SESSION

Special Session Proposal

Waking the Social Animal inside the Selling Team: The Effect of Social Media Usage on Team Selling

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Introduction

As professional sales organizations increasingly rely on teams rather than individuals to accomplish sales goals (Cummings 2007), managers and team leaders face the vexing question: What are the secrets to a winning team? The importance of selling team composition and the implications of the necessary team competencies is growing in importance across industries (Jones et al. 2005).

One important variable in formulating successful sales teams is the coordination and use of technology. While salespeople are often the most reluctant of a firm's employees to adopt technology (Sharma and Sheth 2010), considerable research has indicated that technology usage can have a significant, positive impact on sales performance (Ahearne, Srinivasan, and Weinstein 2004; Hunter and Perreault 2006). However, little research has examined the intersection of technology usage and sales team composition and performance. Further, to our knowledge, no existing empirical research has examined the effect of *social media* usage on team composition and performance.

Discussion Questions

The following special session proposal intends to engage conference participants in a lively discussion revolving around the following 3, broad questions related to social media usage and team selling:

1. Recent qualitative research by one of the authors uncovered that salespeople are using social media to "push" information to customers rather than to glean information that is "pulled" via a conversation. However, since social media is designed for individuals to have "conversations," this finding raises the following questions; if used appropriately, could social media usage make communication between a selling team and a buying team both more efficient and effective? Due to its ability to serve as a communication platform for large groups of people, might social media usage be more applicable for selling team-buying team relationships rather than the individual salesperson-buyer dyad?
2. Recent survey research by one of the authors uncovered that older and younger salespeople use social media in fundamentally different ways. While younger salespeople may be more likely to use social media as a

research tool, older salespeople may use social media to read career focused articles. Might these differences in usage underscore a larger issue in how technology is perceived by younger and older salespeople (Morris & Venkatesh 2000)? How might these differences manifest themselves in a team selling setting?

3. Research has indicated that salespeople are often the most reluctant of a firm's employees in adopting technology, as they feel that the technology may alter their compensation or even replace them (Sharma & Sheth 2010). However, does this fear extend to social media usage? If so, how might this affect the composition of a sales team that may include individuals from different functional areas within a firm, such as engineering, accounting, and marketing?

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**IS THAT ON THE UP AND UP? CONSUMER PERCEPTIONS OF MARKETING
PRACTICES**

Summary Brief

Consumer Perceptions of Marketing: Past and Present

Gary L. Hunter, Illinois State University

Have consumer perceptions of marketing changed over time? If not, then marketing must possess some consistent element that drives consumer perceptions. This study compares consumer perceptions of marketing from the past to those of current consumers. Specifically, perceptions of marketing from the mid nineteenth century are compared to more recent findings. Literary criticism is the method used to obtain marketing perceptions from the nineteenth century. A popular series of fairy tales is examined to determine consumer thoughts regarding marketing during this period.

Introduction

At least some of today's consumers view marketing as harmful to society. A study on the image of marketing suggests that slightly over sixty percent of consumers have a negative attitude toward marketing, nearly thirty percent are neutral, and only ten percent have a positive attitude (Sheth and Sisodia 2005). Even those studies that suggest consumer sentiment toward marketing is trending upward (Gaski and Etzel 2005), show that overall consumer sentiment is still negative (Sheth and Sisodia 2007).

These studies imply that attitudes toward marketing have changed over time. By focusing on how marketing is perceived by consumers today, the works by Sheth and Sisodia (2005, 2007) imply a time existed when marketing was seen in a more positive light. In these studies the authors suggest that inadequate attention to the social impact of marketing has led to a lessening of marketing in the eyes of consumers. The study by Gaski and Etzel (2005), as a longitudinal study, offers evidence that attitudes toward marketing have changed over time, but they suggest in the opposite direction to that reported by Sheth and Sisodia (2005, 2007). The earliest empirical studies of consumer perceptions of marketing (e.g., Barksdale and Darden 1972), suggest that consumers have perceived marketing in a somewhat negative light (Gaski and Etzel 2005). These findings suggest that consumer perceptions of marketing have always been somewhat negative, but the studies begin in the early seventies. Less information is available regarding earlier consumer perceptions of marketing.

The objective of this manuscript is to compare consumer perceptions of marketing from an earlier time to perceptions of marketing today. Specifically, the study investigates consumers' perceptions of marketing from the mid-nineteenth century. Since marketing as an academic discipline did not exist until the early twentieth century (Wilkie and Moore 1999), a source for consumer perceptions outside of traditional survey data is necessary. This manuscript compares some current consumer perceptions to those embedded in some of the fairy tales of the Grimm brothers (Grimm and Grimm 1857). A critical reading of some of the fairy tales is used as a means of identifying consumer perceptions of marketing in the mid-nineteenth century.

Consumer Perceptions of Marketing

Some writers suggest that consumers have long had a negative image of marketing. Farmer (1967, p. 1) writes "for the past 6,000 years the field of marketing has been thought of as made up of fast-buck artists, con-men, wheeler-dealers, and shoddy-goods distributors." Holbrook and Hulbert (2002) suggest that Satan, in the guise of a snake, marketed a forbidden apple to Eve in the Garden of Eden. Such comments suggest that marketing practice is both very old and often perceived in a negative light.

Empirical investigations often support continuing negative consumer perceptions of marketing. Barksdale and Darden (1972), in a nationwide survey of the United States, offer evidence that consumers are apprehensive about some specific marketing activities (e.g., advertising), but also are aware of some benefits of marketing (e.g., making products conveniently available).

Negative consumer perceptions of marketing are often consistent across research paradigms. Heath and Heath (2008) build on earlier research by using qualitative interviews instead of surveys. In their study, consumers describe marketing as misleading, deceiving, dishonest, aggressive, excessive, manipulative, and abusive. As in prior studies, consumers also describe marketing with positive adjectives suggesting consumers recognize some benefits of marketing. In summary this research suggests that consumers have long perceived marketing in a primarily negative light, although with some necessary and redeeming qualities.

Literary Criticism

Literary criticism has often been used to determine consumer perceptions in marketing. Stern (2006) investigates the meaning of brand by examining the usage of the word in literature. Brown (1995) suggests the use of popular novels to identify cultural values, arguing that creative authors and artists are adept observers of human behavior.

In a critical reading of comic books, Belk (1987) investigates perceptions of materialism and wealth. Comic books are chosen as a source because children have historically been one of the genre's largest audiences. Children may be especially susceptible to forming values and attitudes from the comic books. The comic books are argued to be both a contributing cause to value development and a reflection of values. One could argue that fairy tales were the comic books of the nineteenth century. Similar to modern comic books, fairy tales can be seen as contributing to value development and reflecting the values of the society creating those tales (Tatar 2003). It can be assumed, that the adults reading the stories to children are attempting to instill values in the children through the tales.

One of the most popular collections of fairy tales in the world is that produced by Jacob and Wilhelm Grimm (Tatar 2003). The collection was first published in 1812 and the final edition

produced by the brothers Grimm was published in 1857 (Grimm and Grimm 1857). The seventh edition is used in this analysis.

Results

Modern consumers share many of the same beliefs about marketing evidenced by nineteenth century consumers. Modern consumers see marketing in a primarily negative light, but also see some benefits of marketing (Barksdale and Darden 1972). The fairy tale, “die Drei Glückinder” offers evidence that nineteenth century consumers perceive benefits and negative consequences from marketing. Two of the brothers sell their products to willing consumers with no ill consequences, improving the quality of life of those consumers. The third brother satisfies consumers initially, but unfortunately ignores potential long-term consequences, leading to destruction. This plot suggests that modern and nineteenth century customers perceive negative consequences of marketing, but also perceive benefits.

Nineteenth century consumers, similar to modern consumers, believe that marketing uses deceit. Modern survey methods report that consumers associate deceit and lies with marketing (Sheth and Sisodia 2005, 2007). Deceit and lies in marketing are primary plot devices in two of the fairy tales (“Sneewittchen,” and “Der Ranzen, das Hütlein, und das Hörnlein”) examined. Deceit and lies, at least since the nineteenth century, seem to have been associated with marketing by consumers.

There is agreement that marketing is manipulative amongst consumers from the nineteenth century and modern times. Studies associate manipulation with marketing (Sheth and Sisodia 2005, 2007), and fairy tales suggest nineteenth century consumers believed marketing to be manipulative (“Sneewittchen,” and “Der Ranzen, das Hütlein, und das Hörnlein”). In each of these two fairy tales, consumers are manipulated into using dangerous products or making an inequitable trade.

Results suggest that consumer perceptions of marketing have not changed greatly over the last century and a half. Generally consumers perceive several negative consequences associated with marketing, but they also recognize the benefits of marketing.

Conclusion

Consumer perceptions of marketing in the nineteenth and twenty first century appear to have a number of commonalities. Consumers perceive marketing to offer benefits, but they also associate marketing with negative practices (e.g., deceit, lying, and manipulation) and consequences (e.g., overconsumption). A lack of change in perceptions of marketing, suggest that marketing might need to reexamine its basic framework, rather than focusing on what went wrong. Since perceptions haven’t changed very much over time, the cause of negative consumer perceptions is more basic. Marketing should spend less time looking for what changed, and devote more time to the causes of negative perceptions. In this way, marketing can more efficiently make changes to enhance its credibility in society.

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Summary Brief

The Impact of Socially Responsible Marketing Activities on Consumers' Willingness to Pay

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Consumer interest in businesses practicing socially responsible marketing has been steadily increasing. However, engaging in socially responsible practices leads to higher costs for the firm. It is therefore important to examine whether customers are willing to pay higher prices when buying from socially responsible businesses. This research identifies consumer segments based on the importance placed on different socially responsible marketing practices, and examines whether the segments differ in their willingness to pay extra when shopping from socially responsible firms.

Introduction

How firms view the marketing orientation has changed through the years. For example, it has taken decades for marketing to evolve from an exchange perspective (Bagozzi 1975) to a “socially responsible” perspective. The exchange perspective incorporates the broader perspective of relational exchange (Dwyer 1987), whereas “socially responsible” marketing practices “protect the long-run interests of their consumers and the environment” (Kotler and Armstrong 2012, p. 83). While firms have evolved their perspective on marketing, consumers have also re-evaluated their perceptions of marketing and have placed a higher level of attention to the socially responsible activities of firms (Patino et al. 2014). However, in some cases, this higher level of attention to more responsible marketing can be associated with increased costs for firms (Oyewole 2001). While costs are rising, it has not been demonstrated that such increases are willing to be paid for by the end user, the consumer (Michaud and Llerena 2011). In this study, we identify consumer segments based on the importance placed on different socially responsible marketing practices, and examine whether the segments differ in their willingness to pay extra for products from socially responsible firms.

Method

Respondents were asked to read 10 marketing practices that can be considered socially responsible marketing and to check all that are important to them. The 10 marketing practices were that the company: (1) is environmentally friendly; (2) sponsors local community events; (3) donates to charities; (4) serves low-income markets; (5) doesn't discriminate in employment; (6) doesn't take

advantage of low-income and helpless people; (7) works with local businesses and farmers; (8) has good working conditions for employees; (9) doesn't harm animals; and (10) cares about the consumer. Respondents then indicated how much more they were willing to pay for an identical product in order to purchase it from a socially responsible company, if the regular price of the product was \$2.50, \$10, and \$100. Price levels were administered within-subjects—each study participant saw all three prices.

Results

Because the ten marketing practices are binary variables, we utilized latent class analysis (LCA) to identify consumer segments based on the importance they place on these socially responsible marketing practices. LCA models allow researchers to examine the homogeneity of a population and define categorical latent variables representing subpopulations of individuals or observations (Collins and Lanza 2010; Muthén 2002). Our findings suggest that more affluent consumers who do not endorse all socially responsible marketing, but prioritize some socially responsible marketing practices, are more likely to pay extra for products from socially responsible firms.

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Summary Brief

Regulation of Marijuana Promotion in the US: An Exploratory Study and Framework to Address Policy Issues.

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The purpose of this study is to explore the need for regulation of promotion of marijuana use along with a discussion of stakeholders and types of drug consumption involved while determining important influential factors needed to guide potential policy decisions. A categorization of current promotions and target markets will assist to develop our proposed research criteria so policy makers will be able to employ existing and develop new regulations aimed at this rapidly growing form of commerce.

Introduction

As an increasing number of US states continue to legalize medicinal and or recreational marijuana use and as the federal government continues to relax enforcement of related federal laws, marijuana use is becoming more of a mainstream topic in the US news and thus promotions abound. For example, in recent news, the issue of the Colorado Symphony holding a concert in which the fans could be expected to smoke marijuana has arisen causing debate among interest groups and lawmakers. The Symphony publicly stated that it “accepted support from the legal cannabis industry,” so the concern is whether promotion of an event that endorses recreational marijuana use would be in violation of the Symphony’s contract terms as well as other possible violations (Dave 2014). This example is one of several that are being complicated by a situation involving numerous pertinent variables in terms of policy regarding promotion of marijuana use.

Potential Need for Regulation

The FDA currently regulates direct-to-consumer (DTC) advertisements that contain benefit and risk information for the consumers. Additionally, the organization regulates marketing efforts including advertisements of the tobacco industry. Industry self-regulation is the norm for beverage alcohol advertising (Reuter 2014). Likely due to newness of the US industry, there is no current FDA (or US industry) standard regulation of marijuana (or cannabis) advertising. Since the federal government prohibits possession of marijuana under the federal Controlled Substances Act (Mello 2013), it is rather obvious as to why there are no extensive FDA guidelines for marijuana advertising. However, it is our view that the FDA should be concerned about marijuana promotion as state support for medical marijuana (including laws in 20 states and the District of Columbia) may soften public opinion toward the drug. A recent poll found 72% of Americans agreed that ‘government efforts to enforce marijuana laws cost more than they are worth’ (Reuter 2014, p. 353).

Important Stakeholders

Advertising and promotion of drugs has been found to be an important informational resource for current and potential common drug consumers (Myers, Royne, and Deitz 2011). Therefore, regulation of marijuana advertising is an issue that is important for a variety of stakeholder groups, including but not limited to medical use target markets, parents protecting children from influences for recreational use, recreational users, and general opponents. An initial step in the direction of systematic policy regulation would be to establish a framework and classification scheme based on stakeholder interests for the various areas for potential regulation.

Usage Dimensions for Regulatory Purposes

In some situations doctors write marijuana prescriptions which would be suitable for DTC guidelines and in others the drug is sold for recreational use without a doctor’s prescription. Therefore usage dimensions for regulatory purposes are important to assess.

Not only are US states regulating promotional policy of a substance the Federal Government deems illegal, but also the substance is marketed and regulated (or not) for consumption in multiple ways (e.g. recreationally and medicinally). It should be of interest to policy makers to assess the various state and industry (self) regulations in order to develop national policy guidelines for both the medicinal and recreational uses of marijuana. For example, Colorado lawmakers recommend voluntary standards similar to those of regulation of the alcohol industry to minimize advertising exposure to minors, while the state of Washington has no known similar guidelines whatsoever (Lenton 2014). Therefore, it is important to consider standardization in policy across states and to look to similar industries for precedent. Potential policy makers may look to precedent set by policy concerning direct-to-consumer advertising of prescription and over-the-counter drugs, as well as advertising of tobacco and alcohol because marijuana can be related to each of these categories of uses when it is considered a legal drug. Gambling is another area that could provide additional policy insight (see Watson et al. 2004).

To enrich the depth of knowledge of existing practices and to provide insight in comparison to previously regulated drug categories, the dimensions in need of regulation of marijuana promotions involve discovery of a proper corresponding categorization scheme. This study will examine marijuana usage categories (i.e., medical including physical/physiological and psychological as well as recreational) and how they should be considered in terms of promotional policy regulation.

Categorization of Current Promotions and Target Markets

Because most internet savvy consumers go online to find health care information (Sheehan 2005; Drummy 2002) it is important for drug-marketing policy makers to assess the types of associated information that exists and to consider corresponding regulation. A first step in that direction will be to provide a classification of the various types of promotions (e.g., promotions and events, internet (online), point of purchase, and traditional advertising) as well as differences among regulatory policies covering marketing communications for medicinal as well as recreational use of marijuana. Equally important is message content that could persuade target markets.

Proposed Research Criteria

An exploratory and descriptive study as well as a content analysis of the aforementioned topics including assessment of the various relevant target demographic and psychographic populations along with related clubs and user groups for both recreational and medicinal marijuana will be an important contribution to this new area of research. Especially important are recreational user groups including young people and other vulnerable populations in need of awareness of the reported risks and benefits of marijuana use. We seek to advance the marketing policy literature by studying to better understand the implications of current and potential promotional efforts.

Research and parallel education is needed to ensure that the general public is aware of the risk and possible benefits of marijuana. Policy makers should regulate promotional efforts that

will contain relevant information available to consumers. Popular topics in the marketing and public policy literature such as warning labels and off label use will be considered with the results of our research. For future research we will gather information from previous studies that is useful for policymakers to develop proper guidelines. An additional area of descriptive analysis for this area of research is the level of education that is required to purchase the marijuana for recreational use. Furthermore, future research could go beyond the US to cover global developments such as the legalization situation Uruguay. This topic could be pertinent to the interest of global policy makers such as the World Health Organization.

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FINANCIAL ASPECTS OF CONSUMER BEHAVIOR

Full Paper

An Exploratory Study of the Tipping Norm Knowledge of Consumers

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This study was initially undertaken by undergraduate students in a research class at a southern regional state university. The purposes were to assess the tipping behavior of people based on type of restaurant (very pricey to fast food) and their knowledge of the social norm for tipping. Three hypotheses were developed and tested using data drawn from a convenience sample of 255 area residents and students. All three hypotheses (men tip more than women, older respondents tip more than younger respondents, and no tipping behavior differences by ethnicity) were rejected.

Introduction

Tipping is the act of consumers giving gifts of money to workers who have performed services for them. Tipping behavior tends to be a very poorly specified set of responsibilities that is enforced by social standards (norms) and/or by one's own individual beliefs. Tippers are free to pay whatever they want in exchange for the services that have already been rendered. If you, as a tipper, decide not to tip, consequences could either be that of guilt or social disapproval. It is the voluntary nature of tipping that makes it an interesting topic for further examination. So, how much do you tip?

According to the Emily Post Institute (2014), you are supposed to tip 20 percent of your bill, excluding tax, for very good service, 15 percent for adequate service, and no less than 10 percent for poor service. The next time you visit your favorite restaurant, you may want to consider that many people rely on tips as their primary income and they are usually paid less than minimum wage; the current federal required wage is \$2.13 an hour (Picchi 2013). The Bureau of Labor Statistics reported that the median pay for waiters and waitresses in 2012 was \$8.92 per hour (Bureau of Labor Statistics 2014). "Tipped workers are more than twice as likely, and restaurant servers almost three times as likely, to fall under the federal poverty line, based on a 2011 Economic Policy Institute [study](#) by Allegretto and policy analyst Kai Filion" (Smialek 2014). "People tip billions of dollars per year in restaurants, both those that they frequent and those that they will never visit again" (Conlin, et al. 2003). Azar and Tobol (2008) estimated that annual tips to food workers in the United States were over \$40 billion.

Literature Review

Lynn and Latane (1984) identified several factors that affected the size of the tip, including group size (the larger the group, the smaller the tip on a per-person basis), gender (men tipped more), and payment method (bigger tip if paid by credit card) (McCarty, et al. 1990, p. 724). Bodvarsson and Gibson (1994) gathered data from 700 customers who patronized seven

different restaurants and concluded that the majority of tips depended on bill size and service quality. Since these studies, researchers have researched the effect of drawing a happy face on the bill (Seiter and Weger 2010), gratuity guidelines (Seiter, Brownlee and Sanders 2011), the weather (Flynn and Greenberg 2012), server gender (Seiter and Weger 2010), women's cosmetics, women's hair color, the patron's religious behavior (Grossman and Parrett 2011; Lynn and Katz 2013), the introduction of the server (Seiter and Weger 2010), the light touch of a server on a patron (Jewell, 2008), and the color of clothing. Azar (2010) concluded that people tip out of social and/or psychological motivations.

One meta-analysis by Lynn (1997) found that men tipped more than women, but only when the server was female. In another study, Lynn (2006b) found that women were more knowledgeable about the tipping norm but men still tended to tip a greater amount. However, Jewell (2008) found no significant difference in tipping behavior between the sexes.

Several studies have explored differences in tipping behavior by race, primarily Caucasians versus African-Americans. Koku (2005) suggested that the race of the person had nothing to do with the size of the tip in non-restaurant settings. Lynn (2006a) noted that the differences in tipping behavior between Caucasians and African-Americans may be due more to a lack of education about tipping norms among African-American restaurant customers. Michael Lynn's "research has found that Blacks in the United States tip less than Whites in large part because they have different perceptions and beliefs about the customary or normative tip amount (Lynn 2004, 2006b, 2011). In fact, approximately 70 percent of white adults in the U.S. believe that it is customary or normative to tip 15 to 20 percent of the bill size in restaurants while only about 35 percent of black adults in the U.S. hold this belief (Lynn, 2004, 2006b)" (Lynn and Williams 2012, p. 1033). Jewell (2008) found that whites tipped about 7% more than blacks did (p. 46). However, Brewster and Mallinson (2009) posited that servers often feel powerless and also encounter economic uncertainties. As a result, servers tend to withhold service from patrons who they perceive as being undesirable or unpredictable in their likely tipping behavior (pp. 1054-55).

With respect to Hispanics and Asian-Americans, Lynn and Thomas-Haysbert (2003) found that overall tip levels for Asian-Americans and Hispanics were comparable to those for Caucasians. However, McCall and Lynn (2009) found, in an Internet survey of over a thousand restaurant servers from across the U.S.A., that Asian-Americans and Hispanics are widely perceived as poor tippers. Lynn (2013) ran a series of regression analyses and found that "Hispanics did tip less than Whites (dollar tip: $B = -.82$, $t(1176) = -4.33$, two-tailed $p < .001$; percent tip: $B = -2.91$, $t(1176) = -6.12$, two-tailed $p < .001$), but Asians did not

(dollar tip: $B = 1.07$, $t(1176) = 1.43$, n.s.; percent tip: $B = 1.40$, $t(1176) = 1.09$, n.s.). Thus, servers' perceptions of ethnic group tipping are only partially correct" (p. 836). Regarding age differences in tipping, Jewell (2008) found that younger diners tipped more than did middle-age and elderly diners (p. 46).

Purpose & Hypotheses

This study was undertaken by undergraduate students in a research class at a southern regional state university in late 2007. The purposes were to assess the tipping behavior of people based on type of restaurant (very pricey to fast food) and their knowledge of the social norm for tipping. The following hypotheses were developed:

1. Men will tend to tip a higher percentage or dollar amount than women will,
2. Older, non-college age people (25 or older) will tend to tip more than college-age people, and
3. Ethnicity will not be significantly related to tipping behavior.

Methodology

The student team decided on a sample size of approximately 300-400 respondents. The questionnaire contained open-ended questions about how often the respondent ate at fast food, fast casual, casual dining, nice dining, and very pricey restaurants. These levels of restaurants were based on price and defined in the opening paragraph of the questionnaire (see the Appendix). Respondents were also asked how much they tipped on average at each of these restaurant levels (either a percentage of the bill or a dollar amount). The demographic section included questions on gender, ethnicity, age range, and whether or not they were college students. A pre-test was conducted to make sure the surveys were clear, easy to understand, easy to respond to, and did not take much time for the respondents to complete. Minor changes were made and then data collection began. The sampling method chosen was the convenience sampling method. The questionnaires were handed out on a university campus, during a tribal meeting, at a tribal casino, and at local businesses. The students also posted the survey on Myspace with a short introductory paragraph describing the nature of the study. Two hundred fifty-five usable surveys were collected through handouts and MySpace™.

The next step in the methodology was the statistical analysis. The respondents were allowed to write how many times they ate at a particular type of restaurant and asked to circle week, month, or year. The team converted every survey to year for easier analysis. The respondent was also asked to state how much they tip at a particular type of restaurant. Some respondents stated a dollar amount and some stated a percentage of the bill. The dollar amounts were converted to percentages where possible. The data was coded and then entered into version 13 of the SPSS statistical package and appropriate analyses were run.

Results

Profile of Respondents

Out of 250 respondents who answered the question, 154 were female (61.6%). Over half (135 out of 255, 52.9%) of the respondents were between the ages of 18 and 25. Out of the 255 respondents who answered the question, 183 were Caucasian (71.8%) and 33 were Native American (12.9%). Over half of the

respondents (131, 51.4%) were college students. For purposes of analysis, ethnicity was recoded into a new variable, race, where Hispanics and "other" were combined into one category.

Crosstabulations and chi-square analysis revealed several significant differences among the demographic variables. Native American participants tended not to be college students whereas African-Americans and Caucasians tended to be students ($\chi^2 = 14.584$, $df = 3$, $p = .002$). African-Americans tended to be younger (18 to 34), Caucasians tended to be the youngest (18 to 25), while Native Americans tended to be older (35 plus) ($\chi^2 = 26.306$, $df = 12$, $p = .01$, cell size problem = 50%). As one would expect, college students tended to be younger (18 to 25) ($\chi^2 = 116.014$, $df = 4$, $p = .000$).

Overview of Results

Respondents were first asked to indicate how many times per year they ate at "very pricey," "nice dining," "casual dining," "fast casual," and "fast-food" restaurants. Results are summarized in Table 1. Participants tended to eat at a "very pricey" restaurant roughly once every two months. "Nice dining" restaurants were frequented about two times a month while "casual dining" establishments were chosen about four times a month. Respondents tended to patronize "fast casual" and "fast-food" restaurants about six times and ten times a month, respectively.

Table 1: Descriptive Statistics for Restaurant Level Frequency

Question: How often do you eat at:	Mean	S.D.	Median	Mode
A "very pricey" restaurant.	7.00	11.51	2	1
A "nice dining" restaurant.	23.79	30.781	12	12
A "casual dining" restaurant.	50.85	45.828	48	24
A "fast casual" restaurant.	74.91	69.65	52	104
A "fast-food" restaurant.	119.03	90.603	104	104

Next, participants were asked to indicate how much, on average, they tended to tip at each of the five restaurant levels. Descriptive statistics are provided in Table 2. It is interesting to note that the average tip at a "very pricey" restaurant (17.01%) is less than the average tip at both "nice dining" and "casual dining" establishments (19.9% and 18.4% respectively). Some tipping does occur at fast-food restaurants though the median and modal tips = 0%.

The respondents were asked the question, "How much are people expected to tip in the U.S.A.?" Two hundred eighteen people responded with a percentage of the bill. Of these 218 responses, the mean was 16.106 percent with a standard deviation of 4.38 percent, a median of 15 percent, and a range of 0-50 percent. Sixteen people responded with a dollar amount. Of these 16 responses, the mean was \$11.44 with a standard deviation of \$5.70, a median of \$10.00, and a range of \$5.00-\$20.00.

Significant Findings

The frequency of restaurant patronage, average tipping percentages, and expected tipping norm were analyzed using independent t-tests and ANOVA. College students tended to eat at "nice dining" and "casual dining" restaurants more often than did non-college students (28.01 vs. 19.33 times/year, $t = 2.286$, $df = 239.533$, $p = .023$, equal variances not assumed; and 57.57 vs. 43.76 times/year, $t = 2.429$, $df = 253$, $p = .016$, respectively). Men

tended to eat out at “casual dining,” “fast casual,” and “fast-food” restaurants more than women did (59.04 times/yr vs. 45.77, $t = -2.099$, $df = 163.094$, $p = .037$; 91.13 vs. 64.55, $t = -2.821$, $df = 172.209$, $p = .005$; and 139.24 vs. 106.92, $t = -2.636$, $df = 172.333$, $p = .009$; respectively and equal variances not assumed for all three tests).

Table 2: Descriptive Statistics for Tipping by Restaurant Level

Question: On average, how much do you tip at a	Mean %	S.D. %	Median %	Mode %
“very pricey” restaurant.	17.007	9.548	15	20
“nice dining” restaurant.	19.902	11.053	20	20
“casual dining” restaurant.	18.367	9.512	16.6	15
“fast casual” restaurant.	13.599	15.506	10	0
“fast-food” restaurant.	6.287	17.578	0	0

African-Americans and Caucasians tended to eat out more often at “nice dining” establishments than did all other ethnic groups (26.5 and 26.43 vs. <18 times/year, $F = 2.688$, $p = .047$, homogeneity of variance problem). African-Americans and Native Americans tended to eat at “fast-food” restaurants more often versus Hispanics and others (150.05 and 133.79 vs. 74.79 times/year, $F = 2.65$, $p = .049$). Younger respondents tended to eat at “nice dining” restaurants more often than did those between the ages of 45 and 54 (28.39 vs. 9.89 times/year, $F = 2.23$, $p = .066$, homogeneity of variance problem).

With regard to tipping behavior, non-college students tended to tip more at “fast casual” and “fast-food” places than did college students, though these differences were only significant at $p < .10$. African-Americans tended to tip more at “very pricey” restaurants than did Hispanics or others (18.97% vs. 12.026%, $F = 2.149$, $p = .095$). Turning to the social norm/expectation question, Native Americans had a higher expected tipping percentage compared with Caucasians (18% vs. 15.673%, $F = 2.654$, $p = .05$, homogeneity of variance problem).

Discussion

Regarding hypothesis 1, there was no significant difference in the tipping patterns between women and men. However, we did find that men ate more often at casual dining, fast casual, and fast food restaurants than women did. Regarding hypothesis 2, there was no significant relationship between the amount tipped and the consumer’s age. Thus the first two hypotheses were rejected. Regarding hypothesis 3, some significant differences in tipping behavior were identified by ethnicity. Thus hypothesis 3 was rejected.

A very interesting finding was that 87 percent of people surveyed stated that the expected tip in the U.S.A. was 15 percent or more. What was most intriguing was that while most people know how much they were expected to tip, many people did not actually tip 15 percent.

One limitation experienced by the student team was the bailout of two original team members, thus making it harder to collect the data, which resulted in a smaller sample size than desired (255 versus 350-400). Another limitation was timing. There was a longer delay than anticipated in the approval by the Institutional Review Board, which resulted in less time for the students to collect the data. Another limitation is the use of a convenience sample instead of a random sample. Sampling error cannot be measured and the findings cannot be generalized to the area population. The last limitation encountered by the team was a

problem with posting the questionnaire online on MySpace™. The student team did not take into account that some people did not have personal computers or they didn’t check their MySpace™ page daily. Some of the surveys did not get answered due to this fact.

Additional limitations as noted by reviewers include: 1) the “lack of homogeneity in age and life stage may explain why no differences emerged in the sample” (Reviewer 1 2014); 2) the “results are based on what is essentially two different populations” (Reviewer 2 2014); 3) the questionnaire should be revised “to specify time frames and tipping as %” (Reviewer 2 2014); and 4) the use of MySpace™ is not as common as other social media networks (it was 7 years ago) (Reviewer 2 2014).

Further research is needed in understanding tipping behavior/norms. A larger sample size, a broader age and ethnic range of respondents, and a wider geographic target population should be undertaken by researchers in the future. Dr. Michael Lynn of Cornell is considered to be the expert on tipping and his research should be studied for additional areas for future research. In fact, on his website he has a tipping bibliography as of May 2014 (Lynn 2014).

Appendix: Tipping Habits Survey

For this survey, a “very pricey” restaurant would be one where you would expect to see a total bill of at least \$75 for two people. At a “nice Dining” restaurant, one would expect to see a total bill of at least \$40 for two people, while at a “casual dining” restaurant, the same bill would run around \$25 - \$30. At a “fast casual” restaurant (e.g., Quizno’s) the bill would run around \$15 for two people, while at a “quick service/fast-food restaurant, the bill would be closer to \$8 or so.

Using the above “definitions” and circling the appropriate time period:

1. How often do you eat at a “very pricey” restaurant? __times per year/month/week
2. How often do you eat at a “nice dining” restaurant? __times per year/month/week
3. How often do you eat at a “casual dining” restaurant? __times per year/month/week
4. How often do you eat at a “fast casual” restaurant? __times per year/month/week
5. How often do you eat at a “fast-food” restaurant? __times per year/month/week
6. On average, how much do you tip at a:
 - a) “very pricey” restaurant?
 - b) “nice dining” restaurant?
 - c) “casual dining” restaurant?
 - d) “fast casual” restaurant?
 - e) “fast-food” restaurant?
7. How much are people expected to tip restaurant waiters/waitresses in the United States?

Demographics Section:

8. Please indicate your gender: __Female__Male
9. Please indicate which category your age fall within: __18 to 25__35 to 44__55 to 64__75 or older
__26 to 34__45 to 54__65 to 74
10. Please indicate whether you are a college student or not: __College student__Not a college student
11. Please indicate your ethnicity: __African-American__Caucasian__Native American

__Asian-American__Hispanic/Latino__
Other_____

Thank you for participating in our study.

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Summary Brief

Foreign Currency Pricing and Left-Digit Pricing

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Research on the “left digit effects” (Manning and Sprott 2009) has been plentiful, and the reasons behind its effect have been extensively chronicled. One area that researchers have yet to explore is the left digit effects in a foreign currency pricing situation. This paper explores that very question. An online experiment is conducted with respondents from two countries (USA and Lebanon) and the results show that left digit pricing influence on consumer perceptions of quality varies between the USA market and a foreign currency pricing market.

Literature Review

The origin of left digit pricing dates back to R.H. Macy Company and “just-below” or “odd” pricing. By subtracting one cent from a round price the left-most digits are reduced thereby creating an illusion that the price is lower than it actually is. Consumers make purchase decisions based on how prices are displayed (Urbany, Dickson and Kalapurakal 1996), but they won’t always follow the path set up by marketers when it comes to making a purchase. Thus, prices serve as surrogates for consumers’ internal reference prices for frequently purchased products (Urbany, Dickson and Kalapurakal 1996). Hence, consumers look to the market average rate of a price when deciding on a purchase.

When exposed to pricing information, consumers tend to consciously and deliberately process that information (Coulter and Coulter 2007). Therefore, from the consumer’s perspective, the profit maximization ability of the 99 ending is particularly useful - considering that the 99 ending also triggers a perception of a sale or discount when compared to a rounded ending (Gedenk and Sattler 1999).

Left digit prices do carry connotations of low quality (Kreul 1982). These associations may correspond to the types of low quality that consumers believe goes along with low or discount prices (such as being leftovers or out-of-date items), or may simply involve an impression of the features that are normally used to judge products in that category. It has also been suggested that if a retailer’s use of just-below pricing is not limited to sale items, that the low-quality connotations of these prices may affect consumer expectations about the quality of all of the items available from that retail outlet. Schindler (1991), on the other hand, proposes that prices set at round numbers signal higher quality. Stiving (2000) also finds evidence supporting such a relationship, referencing a visit to Florsheim Shoes in May 1995 that reveals that every pair of shoes under \$120 was priced with right-digit endings, while every pair over \$120 used no-endings. Schindler (1991) adds that 99-ending prices may imply a discount, while no-ending or rounded up prices may indicate high quality. However, in an age where consumers are more informed than ever and traditional marketing and advertising tactics are becoming less effective, like Carlson, Bearden and Hardesty (2007) we propose

that the overexposure to left digit pricing has made the consumers less susceptible to those tactics and thus the means of quality perception in the 99-ending condition and the no-ending condition will not be significantly different (H1).

Foreign currency pricing is a special case of dollarization in which retailers quote the prices of goods and services in dollars instead of the local currency to avoid frequent price adjustments (Levina and Zamulin 2006). In periods of high inflation or hyperinflation firms turn to dollar pricing and even after the economy stabilizes firms may continue to denominate prices in dollars (Levina and Zamulin 2006). Consumers as well find it more convenient to conduct transactions in currencies in which they hold their savings; in times of high inflation, the dollar, and not the local currency, will be the currency that yields a higher expected return.

In the 1980s and 90s, during the civil war in Lebanon, and specifically after the deterioration of the parity of the Lebanese Lira (LBP), between 1984 and 1992, the majority of Lebanese businesses and individuals shifted their deposits in banks from LBP to US Dollars. Due to this, it became a common practice to use the Dollar as the main currency for shopping. All privately held shops, merchants, retailers, hotels and even hospitals, technically any non-governmental entity, price their goods and services in USD or both USD and LBP. In 2012, Mercer Consulting ranked Beirut as the most expensive city in the Middle East (replacing Abu Dhabi, UAE) and the 67th most expensive city to live in worldwide.

Although the Lebanese consumer has had enough exposure to USD pricing, the smallest denomination used has always been the one dollar bill and thus all pricing has always been round, i.e. no-ending prices. Thus, because of the comparative prices of goods and services between the USA and Lebanese markets, we propose that the Lebanese consumer’s perception of product quality will be influenced by 99-ending prices (H2) (Schindler 1991; Stiving 2000).

Methodology

To explore our effects an online survey was conducted. Two hundred and ninety-two subjects, mainly undergraduate students from an American university in Lebanon (51.6%) and a Mid-western university in the USA (48.6%) took the study for extra-credit. The respondents were almost equally split by gender, 50.3% females and their ages ranged from 18 to 41 years; the majority of the students (89%) were under the age of 30.

Stimuli and Design

After the study instructions, respondents were presented with one of the four offers that are manipulated in a 2 x 2 between subjects design. The first factor is the price level where a laptop

and a Blu-ray disc player represent the high and low price levels respectively; the dollar amounts of the offer seen were \$90/ 89.99 for the low price level and \$900/ 899.99 for the high price level. The dollar values were chosen based on the results of a 10 person focus group and also reflect the average market price for the products chosen. The second factor is the price endings, price with right digit ending (\$89.99, 899.99) and those with no right digit ending (\$90, 900).

After seeing one of the offers, respondents were asked four questions to measure Perception of Offer quality, a three-item scale by Darke and Chung (2005).

Results

A reliability analysis for the perception of quality scale showed a Cronbach's Alpha of 0.83, so a composite score was calculated. The authors then conducted a 2 x 2 x 2 ANOVA (Price ending: 99, none) x (Price level: low, high) x Country (USA, Lebanon) with perception of quality as the dependent variable. The results of the ANOVA showed a significant main effect of price level ($F(1, 292) = 33.175, p < 0.000$), a significant main effect of country ($F(1, 292) = 14.822, p < 0.000$), as well as a marginally significant two-way interaction between price ending and country on quality perception ($F(1, 292) = 3.484, p < 0.06$).

A planned comparison of the two way interaction was run and it showed that for Lebanon: the mean of quality perception in the 99-ending condition was significantly lower than that of the no ending condition ($M_{\text{NoEnd}} = 5.681$ vs. $M_{\text{End}} = 4.986, p < 0.023$) thus confirming H2. For the USA, on the other hand, the means of quality perception for both conditions were not significantly different, confirming H1. However, the planned comparison did show that the means of quality perception for the no-ending condition for Lebanon and USA, were significantly different with Lebanon showing a higher mean ($M_{\text{Lebanon}} = 5.681$ vs. $M_{\text{USA}} = 4.441, p < 0.000$).

The results of this study show that due to overexposure, 99-ending prices do not have the same influence on consumer perceptions of quality like they used to (Schindler 1991); however, this effect persists in foreign currency pricing situations. Thus, in a retailing context, although 99-ending prices still influence consumer purchase intentions (Jaber, Hubbard and Wolverson 2013), retailers cannot use left-digit or right-digit pricing as a quality signal.

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Summary Brief

The Impact of Gender, Perceived Knowledge, and Perceived Risk on Retirement Investment Decisions: An Exploratory Study

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As consumers have been found to make suboptimal financial decisions, there is a need for marketers to better understand what guides consumers' investment decisions. The authors examine how consumers utilize perceived knowledge and risk to make retirement investment choices. This study illustrates that increasing levels of perceived financial knowledge and familiarity with retirement planning, in addition to higher levels of financial risk tolerance, resulted in riskier investment decisions. Gender differences were found across variables, such that men reported higher levels of perceived knowledge and risk tolerance, and selected riskier retirement options compared to females.

Introduction

There is a need for marketing researchers to have a better understanding of what guides consumers' investment decisions. We specifically focus on how consumers utilize knowledge and risk to make retirement investment choices and if these choices differ by gender. The gender issue has significant implications given that women have a longer life span than men, coinciding with a greater potential for interrupted careers and earning potential due to family caretaking roles (Lusardi 2012). This paper examines the issue of retirement planning through consumer research that focuses on how gender, levels of perceived knowledge, and perceived risk impact investment retirement portfolio choices.

Literature Review

There are three categories of knowledge: (1) subjective knowledge, (2) objective knowledge, and (3) prior experience with the domain (Brucks 1985). While subjective and objective knowledge are highly correlated (Brucks 1985; Selnes and Gronhaur 1986), subjective knowledge is often a stronger motivator of behaviors (Selnes and Gronhaur 1986).

Investment knowledge can have a significant impact on the quality of one's investment decisions (Hershey and Walsh 2000/2001). Financial knowledge has also been looked at in terms of financial literacy (Lusardi 2012). Both older and younger women have been shown to have lower levels of financial literacy (Lusardi and Mitchell 2008), however women with higher levels of financial knowledge are more likely to decide to successfully plan for retirement (Lusardi and Mitchell 2008). Thus, the relation between perceived risk, subjective knowledge, and decision-making may be affected by gender.

H1a: Consumers selecting more conservative (risky) retirement options will report lower (higher) levels of perceived financial knowledge.

H1b: Males will report a higher level of perceived financial knowledge than females.

H2a: Consumers selecting more conservative (risky) retirement options will report lower (higher) levels of familiarity with financial planning for retirement.

H2b: Males will report a higher level of familiarity with financial planning for retirement than females.

Studies from the general investment literature show that risk-tolerant individuals prefer to invest in high-risk options, whereas those who are risk adverse prefer investing in bonds and certificates of deposits (Jacobs-Lawson and Hershey, 2005). Gender differences have been supported in the literature, such that males tend to have higher levels of financial risk tolerance (Grable 2000), women tend to be more generally risk-averse (Eckel 2008), and gender differences may exist when it comes to financial choice under risk (Jianakoplos and Bernasek 1998). Thus, we propose the following:

H3a: Consumers selecting more conservative (risky) retirement options will report higher (lower) levels of risk aversion.

H3b: Males will report a lower level of risk aversion than females.

H4a: Consumers selecting more conservative (risky) retirement options will report lower (higher) levels of financial risk tolerance.

H4b: Males will report a higher level of financial risk tolerance than females.

Methodology

Subjects read a scenario describing that their employer after graduation had asked them to set up their retirement plan. After indicating their selected retirement plan (ranging from 100% stock and 100% guaranteed income annuity), subjects completed measures of financial knowledge (Flynn and Goldsmith's 1999), familiarity of financial planning (Jacobs-Lawson and Hershey 2005), general risk aversion (Mandarik and Bao 2005), and financial risk tolerance (Jacobs-Lawson and Hershey 2005). All scales were reliable and one dimension.

The sample of 121 college students was more male (59.9%), with an average age of 22.29 years old.

Results

Results of the MANCOVA indicated significant effects of retirement choice [Wilks' Lambda = .76, $F(12, 299.26) = 2.76$, $p = .001$] and gender [Wilks' Lambda = .82, $F(4, 113) = 6.13$, $p < .001$]. The univariate results were further analyzed for hypothesis testing. H1a predicted that individuals selecting more conservative retirement options will report lower levels of financial knowledge, whereas those selecting riskier investments will report higher levels of financial knowledge. The univariate results revealed that retirement choice had a marginally significant effect ($F(3, 120) = 2.38$, $p = .07$, $\eta^2 = .06$), and that gender had a significant effect ($F(1, 120) = 6.25$, $p < .05$, $\eta^2 = .05$) on financial knowledge. In support of H1a, mean scores of financial knowledge increased (decreased) as individuals selected more (less) risky retirement options ($\mu_{100\% \text{ annuity}} = 4.41$ vs. $\mu_{100\% \text{ stock}} = 6.15$). Additionally, consistent with H1b, males reported higher levels of perceived financial knowledge compared to females ($\mu_{\text{male financial knowledge}} = 5.02$, $\mu_{\text{female financial knowledge}} = 4.34$).

Univariate results also revealed that retirement choice had a significant effect ($F(3, 120) = 2.80$, $p = .04$, $\eta^2 = .07$) while gender had a marginally significant effect ($F(1, 120) = 3.52$, $p = .06$, $\eta^2 = .03$) on financial planning and retirement familiarity. In support of H2a, which predicted that individuals selecting more conservative (risky) retirement options will report less (more) familiarity with financial planning and retirement, retirement risk increased as financial planning and retirement familiarity increased ($\mu_{100\% \text{ annuity}} = 3.87$ vs. $\mu_{100\% \text{ stock}} = 5.30$). Males also reported higher levels of financial planning and retirement familiarity compared to females ($\mu_{\text{male familiarity}} = 4.59$, $\mu_{\text{female familiarity}} = 4.06$); therefore, demonstrating evidence in support of H2b.

H3a predicted a relationship between general risk aversion and retirement choice, anticipating that individuals selecting more conservative (risky) retirement options will report higher (lower) levels of general risk aversion. While mean scores for general risk aversion were the lowest for individuals selecting the most risky retirement choice ($\mu_{100\% \text{ stock}} = 2.96$), the univariate results indicated no effect of retirement choice ($F(3, 120) = 2.03$, $p = .11$, $\eta^2 = .05$) and a significant effect of gender ($F(1, 120) = 18.12$, $p < .05$, $\eta^2 = .14$) on general risk aversion. Consistent with prior work (Eckel 2008), females demonstrated significantly higher degrees of general risk aversion than males ($\mu_{\text{female risk aversion}} = 4.31$, $\mu_{\text{male risk aversion}} = 3.70$). Together, these results indicate that general risk aversion is primarily a function of gender, therefore, no support was found for H3a, but support was found for H3b.

Lastly, the univariate results indicated a significant effect of retirement choice ($F(3, 120) = 4.19$, $p = .007$, $\eta^2 = .10$) and gender ($F(1, 120) = 6.44$, $p < .05$, $\eta^2 = .05$) on financial risk tolerance. Consistent with H4a, which predicted that individuals selecting riskier (conservative) retirement options will report higher (lower) levels of financial risk tolerance, risk tolerance increased as individuals selected riskier retirement options ($\mu_{100\% \text{ annuity}} = 3.60$ vs. $\mu_{100\% \text{ stock}} = 5.35$). Moreover, males also held higher financial risk tolerance levels than females ($\mu_{\text{male risk aversion}} = 4.21$, $\mu_{\text{female risk aversion}} = 3.60$), therefore offering support for H4b.

Discussion

While prior work has demonstrated the influence of financial familiarity and risk tolerance on saving practices (Jacobs-Lawson and Hershey 2005), our work is the first to show how these constructs, as well as subjective financial knowledge and gender, influence one's retirement investment selection. Gender differences were found amongst all variables, revealing that compared to women, men self-report higher levels of financial knowledge, financial planning and retirement familiarity, and financial risk tolerance, and lower levels of general risk aversion.

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SPECIAL SESSION

Special Session

Insights to Writing and Publishing Marketing Journal Articles: Issues and Difficulties Facing Ph.D. Students and Young Authors

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There is a need for doctorate students and young authors to understand the various difficulties and issues associated with successfully writing and publishing scholarly research in high quality marketing journals. This special session provides an interactive discussion of a number of important issues that young authors must be aware of and overcome to improve their chances of publishing in marketing journals.

Introduction

With the existing insights on writing and publishing marketing journal articles and the discipline's rapid expansion of publishing opportunities in new U.S. and international marketing journals, one intuitive prediction is marketing scholars' publishing success of important scientific articles is rapidly becoming a more common occurrence. Yet, this trend prediction is perplexing and contradictory because the prestigious and top 25 ranked marketing-oriented journals consistently report annual acceptance rates ranging between 7 and 18%. The low acceptance suggests a disconnect gap between conducting important, relevant quality research and ultimately publishing that research in quality journals. This gap raises concern of publishing success among both doctorate students and young authors recently out of their program.

Methodology

In an effort to address writing and publishing concerns, the primary objective underlying this special session is one of exploring specific writing and publishing difficulties facing today's doctorate and young authors through meaningful discussions between several acknowledged and successful senior scholars and the audience on critical questions and elements about the development of manuscripts submitted to high quality journals.

A unique element of the session is the interactive framework of using question and answer format between panel members and the audience to create a meaningful dialogue and opportunities of exchanging invaluable writing, organizing, and publishing insights toward improving the journal quality factor of manuscripts submitted to journal review processes. In addition, the interactive dialogue provides invaluable insights to main as well as specific components of a manuscript use in evaluating a manuscript's value and contribution to the body of marketing knowledge.

Current doctorate students and young scholars can gain insight and understanding of the necessary elements in preparing a journal manuscript for submission to a review process. The session focuses on a variety of issues that are classified as "fixable

manuscript problems" such as: (1) general manuscript sloppiness – including grammar, style, syntax, spelling errors as well as failure to follow the target journal's style guidelines; (2) development of hypotheses that are illogical and/or poorly supported by theory or extant literatures; (3) attempts at trying to analyze too many variables, test too many hypotheses, and/or ineffectiveness in presenting a coherent set of findings; (4) using a well written literature review that does not present the right development background for supporting the manuscript's main story line; (5) ignoring alternative theoretical explanations for unsupported relationships; (6) using the lack of support of hypothesized relationships as the only contribution to the literature. Manuscript problems that are very difficult, if not impossible, to successfully fix (possibly fatal flaws) consists of such issue as: (1) inadequate post hoc explanation of unsupported hypotheses or unexpected findings; (2) poor development of construct measures and/or pretesting procedures; (3) questions of whether the measures really tap (or correctly) capture the construct (s) of interest; (4) serious errors in the analysis use to test the hypothesized relationships; (5) judgments that the topic is too narrow in scope to be of interest and benefit to the target journal's readership from either an academic and/or practitioner perspective; and (6) findings fail to make an incremental or substantial contribution (theoretical, methodological, managerial) to the marketing literature.

Outcomes

The discussions of the above topics/issues will provide insights to establishing and understanding both the "do's and don'ts" in successfully preparing manuscripts for submission to journals' review processes. Leaving this session, researchers will have a better understanding that writing important scientific articles for prestigious and high-quality marketing journals entails a variety of complex and interrelated journal image, quality issues, judgments of the article's importance and value to the literature, and ultimately editors' acceptance/ rejection decisions. Gaining awareness and understanding of the important elements of a manuscript provide insight and knowledge about the expectations and standards authors must meet or exceed in order to maximize the likelihood of an acceptance decision. It is the author's responsibility to provide a convincing argument and support that leads to positive evaluative judgments of the importance and relevancy of the research topic and questions driving the research endeavor. The authors must provide evidence of scientific rigorosity in the methodology, measurements and analysis procedures. Finally, the authors must convince reviewers and editors that the empirical findings make substantial (absolute) and/or relative (incremental) contributions that are meaningful and useful to the literature (or the body of marketing knowledge).

CONSUMER ATTITUDES AND EMOTIONS

Summary Brief

Hope in Health Care Marketing: Exploring the Effectiveness of Emotional Persuasive Appeals in Health Care Decision Making

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Serious and chronic illnesses account for over 70% of deaths annually in the United States. Consumers with serious illnesses may especially be susceptible to the marketing communications of health care providers who offer hope and solutions. The purpose of this research is to examine the role of emotions in consumer health care decision making. Specifically, two studies investigate whether advertisements which induce hope engender trust and foster higher utilization intentions in consumers. Health care consumers, especially those with serious health conditions, may be considered “vulnerable” because most have limited knowledge of health care services. Implications for public policy are discussed.

Introduction

Millions of people are stricken with serious and chronic illnesses in the United States every year. Illness can threaten a person's sense of well-being and competence. Individuals with serious and chronic illnesses often look for restorative solutions to their enervating situation. As a result, health care may be one of the most important service offerings they access in their lifetime. However, most consumers have limited knowledge of health care services. Often the efficacy of such services is difficult to evaluate, even after the service has been rendered. Thus, health care consumers, especially those with serious health conditions, may be considered “vulnerable” consumers.

Consumers with serious illnesses may be especially attentive to, and susceptible to, the marketing communications of health care providers who offer hope and solutions. Recently, preeminent health care organizations and academic medical centers, including the Mayo Clinic, Cleveland Clinic, Johns Hopkins and Massachusetts General Hospital have increased efforts to reinforce their brands by augmenting their advertising budgets (Thomaselli 2010). Many of them use emotional appeals (Larson et al., 2005). They also highlight the benefits of a service offering, but do not quantify positive claims made and provide limited information regarding potential harms (Singer 2009).

However, the advertisements of the top academic medical centers that use emotional messaging may provide an exaggerated sense of the efficacy of medical care (Larson et al. 2005). By medical science standards, such anecdotal evidence would not be considered valid; nonetheless, advertisements for nonprofit medical centers are not held to scientific standards of evidence. Further, the Federal Trade Commission cannot limit the claims made by nonprofit medical centers with respect to their ability to cure people of diseases (Singer 2009). Thus, given some of the

emotionally based, anecdotal claims about the effectiveness of care, individuals may be given a false sense of hope and unrealistic expectations.

The purpose of this research is to examine the role of emotions in consumer health care decision making. Specifically, it investigates whether advertisements which induce emotions such as hope engender more trust and foster higher utilization intentions in consumers. The effectiveness of anecdotal evidence, which often pervades much health care advertising, is also examined for its role in eliciting favorable evaluations towards health care providers.

Hope and Emotional Advertising

Research suggests that emotions play a key role in the formation of judgments about advertisements and can be important in explaining the relationship between cognitive and behavioral reactions to advertising (Edell and Burke 1987; Kemp, Bui, and Chapa 2012). Advertisers have believed that advertising must arouse some emotion to be effective and researchers have purported that effective advertisements make a promise to the consumer, thereby invoking “hope” (Poels and Dewitte 2008).

Hope is a positive emotion induced in response to an uncertain, but possible goal-congruent outcome. One way in which hope can be induced is by enhancing desire and yearning (MacInnis and de Mello 2005). This can be done by highlighting the possibilities of a product offering. Many advertisements in health care make efforts to induce hope by highlighting the benefits and suggesting the possibilities of a product offering (Larson et al. 2005; MacInnis and de Mello 2005). In these cases, innovations imply possibilities for achieving goal-congruent outcomes that were formerly viewed as difficult to achieve. Thus, emotional advertisements in health care which induce hope might be more effective than advertisements which take a rational approach in communicating a health care provider's product offerings. Similarly, emotional advertisements which invoke hope might be more effective than rational advertisements at garnering more favorable evaluations from the consumer in the form of higher utilization intentions.

Study 1

To test the effects of hope on a health care decision, a between-subjects experiment was conducted which featured advertisements for a fictitious cancer treatment center (hope vs.

rational ad). The emotional appeal featured language which elicited hope. Hope innuendo was highlighted in the following verbiage: "Bringing Hope to Families..., we believe there isn't one way to beat cancer— there are hundreds." In contrast, the rational advertisement featured language which emphasized the quality of care and reputation of the cancer treatment center: "Quality-Proven Care..., your treatment team includes experienced cancer specialists."

As predicted, participants exhibited higher perceptions of trust for the health care provider in the hope condition ($M = 5.64$) than in the rational condition ($M = 5.0$, $p < .05$). Participants also expressed higher utilization intentions in the hope condition ($M = 5.89$) than in the rational condition ($M = 5.09$, $p < .05$).

Findings from Study 1 demonstrated that advertisements which elicit emotions such as hope may be especially effective in cultivating trust and fostering utilization intentions. However, in addition to emotional appeals, marketers may enlist other persuasive features. Testimonials, or endorsements of a product, have often been used as the centerpiece of many advertising efforts. Inclusion of endorsers in advertisements often leads to more favorable attitudes toward products and increased credibility perceptions of advertisements (Feick and Higie 1992). Thus, it is proposed that incorporating a testimonial in a rational health care advertisement will render it more effective in fostering trust and utilization intentions than a rational advertisement without a testimonial. These same effects are not predicted for an advertisement which induces hope.

Study 2

In order to test the interactive effects of a testimonial on an emotional versus a rational advertisement, a 2 (message type: hope vs. rational) x 2 (testimonial: present vs. absent) between-subjects experiment was conducted. Both advertisements included verbiage similar to Study 1. In addition, the testimonial condition featured a testimonial by a typical or ordinary person who had been a patient at the cancer treatment facility. The testimonial condition included the following text: "My medical team that cared for me was professional and compassionate...I highly recommend this center to any cancer patient...Patti, 45, cancer survivor."

As predicted, there was a message type by testimonial interaction for trust perceptions ($p < .05$). Participants in the rational condition with the testimonial ($M = 5.82$) exhibited higher trust perceptions than those in the rational condition without the testimonial ($M = 5.0$). There were no significant differences between participants in the hope condition with the testimonial and those in the hope condition without the testimonial ($M = 5.6$ and $M = 5.8$). Additionally, individuals in the hope condition without the testimony expressed higher trust perceptions than those in the rational condition without the testimony ($M = 5.8$ and $M = 5.0$). This further corroborates findings from Study 1.

There was also a message type by testimonial interaction for utilization intentions ($p < .01$). Participants in the rational condition with the testimonial ($M = 6.3$) expressed higher utilization intentions than those in the rational condition without the testimonial ($M = 4.5$). There were no significant differences between participants in the hope condition with the testimonial and those in the hope condition without the ($M = 5.4$ and $M = 5.7$).

Discussion

Findings from this research demonstrate that advertisements which induce hope have the ability to cultivate trust and increase utilization intentions in a health care provider. Including a testimonial in a rational advertisement helped to increase perceptions of trust and utilization intentions.

In the United States, it is expected that the health care industry will encounter unprecedented change and growth as Baby Boomers mature and governmental healthcare reform results in millions of newly insured patients. Further, as more health care options become available to consumers, more competition will exist. Marketing will play an integral role as hospitals compete on care and quality outcomes. Thus, tactics in promotions which engender favorable outcomes will be enlisted by marketing managers. However, a segment of consumers may not recognize the difference between information intended to inform the public and advertising designed to generate revenue. Many health care consumers are vulnerable consumers and flawed decision making can adversely influence well-being. As a result, advertisements should be presented in ways that help individuals make good health decisions.

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Summary Brief

The Effects of a Demarketing Campaign on Consumer Attitudes and Actual Consumption

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Leveraging the stimulus-organism-response (S-O-R) paradigm, this research contributes to our understanding of the effects of a demarketing campaign on consumer attitudes and actual behaviors. In particular, it examines the impact of a green integrated marketing campaign (IMC), which calls attention to potential electricity savings ideas, on consumer appraisals and consumption. A pair of studies indicates that the enactment of a demarketing campaign creates positive perceptions of the organization, and subsequently affects consumption behaviors. Specifically, study one suggests that a green IMC positively affects factors related to consumer choice, such as perceptions of an organization's trustworthiness, market orientation, and environmental-sensitivity, while study two indicates that an IMC may help shape consumer responses, such as reducing the growth of electricity usage. Taken collectively, the results suggest that demarketing campaigns not only facilitate changes in real consumption practices and thus contribute to societal welfare, but such efforts also serve to positively position the organization in the consumer's mind.

Research Summary

Demarketing campaigns, integrated marketing programs where an organization calls for decreased consumption of its own products, in many cases have proven to be a catalyst to consumption reduction and an effective antidote to overconsumption. While significant strides have been made to our understanding of such appeals and their effects on consumer attitudes, less is known about the effects of demarketing campaigns on actual consumption behaviors (Grinstein and Nisan 2009). Given the increasing prevalence of demarketing campaigns and their underlying objective of improving societal welfare, as well as the sizable investment required for implementation (the CDC's antismoking campaign cost \$48 million) (Stobbe 2013), research that assesses their efficacy adds value to campaign beneficiaries, marketing managers, and researchers (Andrews et al. 2004).

By examining the effects of an organization's demarketing program, the research presented attempts to fill this gap. In particular, it uses the Stimulus Organism Response (S-O-R) paradigm to explore the effects of a green integrated marketing campaign (IMC), designed to persuade consumers to reduce their electricity consumption (Bagozzi 1983; Belk 1975). The first of two studies tests the effects of an organization's announcements

on consumers' impressions. The findings suggest that consumers consider organizations that promote themselves using a green IMC to be more trustworthy (Morgan and Hunt 1994), market oriented (Webb, Webster, and Krepapa 2000) and environmentally-sensitive (Cude 1993) than those not doing so. Second, to determine whether demarketing efforts can shape actual consumer behaviors and are thus a worthwhile investment, a quasi-experiment assesses the effects of implementation on consumers' electricity consumption. The results provide strong support for the notion that demarketing campaigns can alter the consumption of a low demand elasticity, non-substitutable service, thus demonstrating their value for organizations, society, and the environment (Grinstein and Nisan 2009).

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Summary Brief

Consumer Perceptions of Policy Banning Unvaccinated Children from a Medical Practice

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Research on consumer perceptions of vaccination has focused on message content and style of the anti-vaccination movement. While there is risk to vaccination, vaccine-preventable illnesses possess a greater threat. Still, some parents choose not to vaccinate, thus risking their children, as well as those around them. What motivates parents to vaccinate and how are physicians banning those who ignore vaccination advice perceived? Conceptual framework and methodology will be discussed.

Introduction

Widely touted as the greatest health care advancement of the 20th century, vaccines and subsequent widespread immunization requirements have helped effectively eliminate epidemics of diseases such as whooping cough, measles, and diphtheria, which had caused widespread harm, in developed nations (National Institute of Allergy and Infectious Diseases 2014). Prior to the implementation of required childhood immunization, infectious disease was the number one cause of child death worldwide, with vaccination saving an estimated 3 million lives annually (World Health Organization 2012). While immunization protects the inoculated, it indirectly protects those who are not by decreasing the ability of the illness to spread. Despite this, parents are increasingly choosing not to vaccinate their children, with seven in ten pediatricians encountering parents refusing immunization for their children in the previous year (Diekema 2005). As vaccination rates drop, outbreaks of vaccine-preventable disease demonstrate a geographic-relation to vaccine resistance in the population (Bean 2011). Obligatory immunization has been exceptionally effective, but has inadvertently led vaccine harm to seem more common and damaging than vaccine-preventable illnesses (Kata 2010).

Background

The current generation of anti-vaccine ideology holds major roots in Andrew Wakefield's 1998 article in *The Lancet*, falsely correlating autism with vaccination (Roy and Rickard 2014). After publication, it was shown Wakefield was paid over \$600,000 by plaintiffs of a lawsuit contending vaccines to be unsafe, the article was disproved, retracted, and Wakefield lost his medical license. Regardless, the fabrication was disseminated and the autism-vaccine connection continues to have a hold in the U.S. In conjunction with increased information- both good and bad-availability, a dramatic increase in the number of parents choosing not to vaccinate their children has occurred. Nyhan, Reifler, Richey, and Freed (2014) found even when shown evidence refuting the autism-vaccination link, among anti-vaccine parents, misperceptions increased and the intent to vaccinate decreased.

In 1905, the Supreme Court ruled the government could require immunization as a matter of public health by upholding a

fine against a man refusing a smallpox vaccine in during an outbreak (*Jacobson v. Commonwealth of Massachusetts* 1905). While exceptions for physician approved medical reason were allowed, the court declared adults must submit to the regulation declared by the Board of Health (*Prince v. Massachusetts* 1944). The court affirmed the notion that neither freedom of religion nor right of parenthood were unlimited, as parental freedom and liberty do not include the right to expose "the community or the child to communicable disease or the latter to ill health or death" (*Prince v. Massachusetts* 1944). Recently, a judge upheld a ban on unvaccinated children in school during an outbreak of a vaccine-preventable disease, again finding public health concerns outweigh religious freedoms (Mueller 2014).

Another reason for decreased vaccination rates is social loafing, the idea people will put less effort toward a collective goal when their output is unidentifiable (Williams, Harkins, and Latané 1981). When a person can neither be credited, nor blamed for group performance, there is less incentive to perform. With vaccination, people are able to rely on the community for herd immunity. As long as a critical mass of individuals is immunized, the community is protected. However, privacy laws keep vaccination status personal, allowing for social loafing. Research has demonstrated messages emphasizing social benefit decrease social loafing and free-riding (Betsch, Böhm, and Korn 2013).

In response to pushback against compulsory vaccination, some physicians have begun banning patients whose parents refuse vaccination. While the American Academy of Pediatrics does not encourage the discharge of these patients, it has recommended "when a substantial level of distrust develops, significant differences in the philosophy of care emerge, or poor quality of communication persists, the pediatrician may encourage the family to find another physician or practice" (Diekema 2005). If a patient no longer sees the physician as the most valuable health care information source, the physician can no longer effectively perform their job. Pediatricians also cite concern for patients who are at risk for contracting a vaccine-preventable diseases, such as those with compromised immune systems or infants who have not yet received their full schedule of vaccines, as rationale for the ban (Flam 2014).

Protection Motivation Theory

Protection motivation theory indicates the key elements of a fear appeal are the amount of harm, the likelihood of the event, and the ability of the protective measure to work against a potentially harmful event (Rogers 1975). Threat and coping influence intent, which, in turn, influences behavior. Threat is a function of perceived severity of and vulnerability to the event. Coping is a function of perceived response efficacy and self-efficacy. Perceived severity is the perception of the harm which

could come from the vaccine preventable illness, operationalized with risk characteristics (Slovic, Fischhoff, and Lichtenstein 1979). Perceived vulnerability is the likelihood of the illness occurring, measured via the participant's attitude toward health risk (Menon, Block, and Ramanathan 2002). Perceived response efficacy is the likelihood the vaccine will protect from illness, operationalized with the locus of control (Keller, Lipkus, and Rimer 2003). Perceived self-efficacy is the ability to utilize the preventative measure, measured as the ability to comply with physician instructions (Hausman, 2004).

This research aims to better understand consumer perceptions of vaccination and physicians voluntarily choosing to ban "unvaccinated by choice" patients from their practice. It aims to validate the protection motivation theory as a model for understanding vaccination motivation, as well as understand how a physician banning patients for refusing vaccination is perceived by consumers. As threat and coping influence intention, it is proposed

H1: Increased threat of disease will lead to increased intent to vaccinate and increased agreement with patient ban.

H2: Decreased power of coping will lead to decreased intent to vaccinate and decreased agreement with patient ban.

H3: Increased trust in the provider will positively impact that intent to vaccinate.

Method

Participants will rate factors including attitude toward health risks, intention to vaccinate, and compliance with physician instructions. Next, they will be read information regarding a vaccine-preventable illness, with the side effects of the infection (2: actual vs. more harmful), as well as information about the efficacy of the inoculation (2: actual vs. less protective). Then, they will see the physician's policy banning unvaccinated by choice patients, and asked their opinion on decision justifiability, perception of infection risk, and trust in the provider.

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PRICE COMPARISONS AND PERCEPTIONS

Summary Brief

You Paid Less Than Me...and I'm Okay with That

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A conceptual model is developed and tested in two studies to explain under which circumstances consumers will evaluate the prices they paid for a product to be fair after learning that another (referent) customer paid a lower price for the same product. In study 1a, the authors determine that the effort exerted by the referent during a purchase serves to moderate the effect of external referent price contrasts on consumer price fairness perceptions. In study 2a, the authors find a similar effect of referent currency, demonstrating that when referents pay for products using combined currency (a mix of cash and rewards points) they are evaluated as being more deserving of the price that they paid for the product, and this has the effect of making consumer purchase prices seem more fair.

Introduction

Recent research has attempted to understand how consumers form price fairness perceptions when confronted with information that another consumer has paid a lower price for the same product, at the same retailer (Ashworth and McShane 2012; Haws and Bearden 2006). One explanation provided in the research is that, all else being equal, when similar consumers pay different prices for the same product, a deservingness violation is inferred (Ashworth and McShane 2012). Deservingness is defined as an evaluation of whether outcomes have been earned or achieved based on one's actions (Feather 1999).

We propose that effort, or an exertion of physical or mental energy, is a primary determinant of consumer deservingness evaluations and consequently an antecedent of price fairness perceptions. We expect that consumers will form higher price fairness evaluations for a purchase, even after learning that another consumer paid less for the same product, when that other consumer is determined to have put high levels of effort into their purchase.

Theoretical Framework

Equity theory states that perceptions of fairness occur through comparative evaluations of what each party invests into a given relationship, relative to what each party receives (Adams 1965; Ashworth and McShane 2012; Xia, Kukar-Kinney, and Monroe 2010). Equity theory suggests that consumers go beyond simply considering what is received in the exchange against what they paid (distributive justice), but that consumers also consider what they received in the exchange compared with what the firm received from the exchange. Additionally, social comparison theory suggests that consumers also compare their exchange outcomes against those of other consumers, whom we will refer to as referents (Festinger 1954; Major and Testa 1989). Consumers provided information about the exchange outcomes of other

consumers will use that information to determine the fairness of a transaction (Ashworth and McShane 2012; Haws and Bearden 2006; Major and Testa 1989). We refer to the comparison of one consumer's price against an external referent price as the external referent price (ERP) contrast. Generally, we expect that consumers will evaluate prices as being fairer when the ERP contrast favors the self.

H1: ERP contrasts that favor the self will result in higher price fairness perceptions.

One factor proposed to influence fairness evaluations is consumer effort. The effort of the referent is defined as the amount of effort exerted by the referent in the transaction presented in our consumption scenario. Whereas previous research has chosen to focus on the efforts of the "self," in our research we explore how buyers use perceptions of referent efforts to derive price fairness judgments.

H2: The effect of the ERP contrast on price fairness perceptions is moderated by the effort of the referent such that when the ERP contrast favors the referent, higher referent effort will lead to higher price fairness perceptions than when the referent exhibits no effort.

Consumers can also use inferences about the form of currency used by referents to form price fairness judgments. The possession of rewards points is indicative of a past transactional history, or past efforts, with a given retailer. We expect that a referent's use of combined currency will serve as an indicator of a past transactional history, thus influencing fairness perceptions.

H3: The effect of the ERP contrast on price fairness perceptions is moderated by referent currency such that when the ERP contrast favors the referent, referent use of combined currency to pay for the product will lead to higher price fairness perceptions than when the referent pays using only cash.

Deservingness relates to an evaluation of outcomes and whether the outcomes were earned or achieved as a product of a person's actions (Feather 1999; Xia, Kukar-Kinney, and Monroe 2010). We expect that evaluations of deservingness will explain price fairness judgments in our model, as moderated by referent effort and referent currency.

H4a: Deservingness will mediate the relationship between the ERP contrast and price fairness perceptions when the effort of the referent is high, but will not mediate when the effort of the referent is low.

H4b: Deservingness will mediate the relationship between the ERP contrast and price fairness perceptions when the referent currency is combined currency, but not when the referent currency is cash only.

Methodology and Findings

Study 1a utilized a 2 (ERP contrast: Favors the Referent vs. Favors the Self) x 2 (Effort of the Referent: No Effort vs. High Effort) between-subjects factorial design. A scenario-based approach was used to manipulate the independent variables. Participants in all four conditions read a short scenario in which they were purchasing a new television for the price of \$100. Participants then read that they overheard a conversation involving another student that purchased the same television, from the same online-retailer, but for a different price. In the ERP contrast favoring the referent condition, participants read that the other student only paid \$80 for the television. In the ERP contrast favoring the self condition, participants read that the other student paid \$120 for the television. The effort of the referent was manipulated to be either high effort or was left unstated in the no effort condition. Two dependent measures – Price Fairness and Deservingness - were administered in study 1a.

Supporting H1, a significant main effect was found for the ERP contrast on price fairness perceptions ($F(1, 102) = 37.71, p < .001$). Subjects generally evaluated prices that favored the self as being fairer than prices that favored the referent. Consistent with H2, planned contrasts revealed that when the ERP contrast favored the self, consumer price fairness perceptions were unaffected by the effort of the referent ($M_{\text{no effort}} = 5.40$ vs. $M_{\text{high effort}} = 5.66; F(1, 102) = 2.08, p = .30$), but when the ERP contrast favored the referent, the effort of the referent impacted price fairness perceptions such that high referent effort resulted in higher price fairness perceptions ($M_{\text{no effort}} = 4.02$ vs. $M_{\text{high effort}} = 4.65; F(1, 102) = 4.174, p < .05$).

Structural equation modeling was used to test the hypothesized indirect effects. The measurement model fit and the structural model fit were both determined to be adequate based on a number of indices. However, we did not find support for the predicted mediating effects of deservingness in Study 1a. The indirect effects through deservingness were determined to be non-significant at both levels of referent effort in our model.

Study 1b utilized a 2 (ERP Contrast: Favors the Referent vs. Equivalent Price) x 2 (Referent Currency: Cash Only vs. Combined Currency) between-subjects factorial design. The scenario used for study 1b was identical to the scenario used in study 1a with two primary differences: First, in the ERP contrast manipulation, the ERP contrast favoring the self condition was replaced with an equivalent price condition. Second, referent currency was manipulated in study 1b as the moderating variable rather than effort. In the combined currency condition, participants read that the referent paid for the television using a combination of cash and rewards points. The dependent variables were the same as in Study 1a.

Consistent with H1 and the findings in Study 1a, we found a significant main effect for the ERP contrast on price fairness perceptions ($F(1, 109) = 50.23, p < .001$). Similar to study 1a, results revealed a main effect of referent currency on deservingness evaluations ($F(1, 109) = 56.07, p < .001$) indicating

that referents paying for the television using combined currency ($M_{\text{combined currency}} = 3.73$) are evaluated as being more deserving of the price paid for the television than referents paying in cash only ($M_{\text{cash only}} = 1.86$). As predicted in H3, planned contrasts demonstrated that when the ERP contrast featured equivalent prices paid for the television between the participant and the referent, consumer price fairness perceptions were unaffected by the form of referent currency used in the purchase ($M_{\text{cash only}} = 5.80$ vs. $M_{\text{combined currency}} = 5.32; F(1, 54) = 3.57, p = .08$). However, when the ERP contrast favored the referent, there were significant differences between price fairness perceptions based on the form of referent currency used for the television purchase ($M_{\text{cash only}} = 3.63$ vs. $M_{\text{combined currency}} = 4.40; F(1, 52) = 4.48, p < .05$).

Structural equation modeling was again used to test the hypothesized indirect effects. The measurement model fit and structural model fit were again determined to be adequate. Consistent with H4b, the results indicate that when referents paid for the television using combined currency, deservingness mediates the relationship between the ERP contrast and price fairness, but does not mediate when referents paid using cash only.

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Summary Brief

The Role of Product Price Levels in Online Consumer Reviews

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Although online consumer reviews are subjective, online shoppers often consider them as more believable and trustworthy than what firms proclaim. While previous literature has focused on positive reviews, this paper examines the effect of negative reviews on consumers' purchase decision across different product price levels. Our study shows that for high-priced products, a high proportion of negative reviews can drastically reduce consumers' price satisfaction and purchase intentions than a low proportion of negative reviews. Interestingly, for low-priced products, there is no difference in consumers' purchase decision between a low and high proportion of negative reviews. We further demonstrate that perceived value mediates the effect of price satisfaction on purchase intentions. This paper provides new insights about how to minimize the effect of negative reviews on consumers' perceptions given the product price levels vary.

Introduction

Word-of-mouth (WOM) is a powerful means influencing consumers' purchase decision-making. Online consumer reviews are major forms of electronic word-of-mouth (eWOM) that affect buyers' purchase decision and determine product sales. Today, most online shoppers read consumer product reviews on the Internet before making a purchase. Prior research has studied the outcomes of online reviews for buyers' product evaluation and purchase decisions. However, the impact of online reviews on consumers' overall perceptions of product price is heavily under investigated. Price is often used as a quality indicator so that consumers associate a high product price to a high product quality (Monroe 1973).

Consumers usually shop online under uncertainty, as they cannot assess the product quality physically. Thus, positive reviews can reduce consumers' risk of weak performance, whereas negative reviews increase their quality suspicion and financial risk. In addition, when product price level is high and buyers are uncertain about product quality, they will face a higher risk that may lead to lower purchase intention (Yee and San 2011). Thus, this study examines the moderating role of product price levels on the impact of online reviews on consumers' price satisfaction and purchase intentions. Although the literature focuses on the importance of positive reviews, this study investigates the crucial role of negative reviews in buyers' choice. We aim to investigate (1) how different levels of product price perceived by consumers can change the way that online reviews work and (2) whether negative reviews would have similar impact on consumers who search for buying high-priced and low-priced products.

Conceptual Development

Word-of-mouth (WOM) is one of the most powerful means influencing consumers' purchase decision-making. The Internet has enhanced the efficiency of WOM by digitizing it and has enabled consumers to share their opinions and feelings (Dellarocas 2003). Furthermore, eWOM gives buyers opportunity to learn from others' experiences, access to greater information, and share advertising through emails and blogs. Online consumer reviews are another form of eWOM that influence consumers' choice and purchase decisions because they offer more consumer-oriented information about a product or brand than biased reviews provided by sellers. Although sharing positive information is prevalent, people pay greater attention to negative information. However, previous research has focused on the effect of positive eWOM on sales, whereas the proportion of negative reviews is more influential in decision-making (Lee, Park, and Han 2008).

Consumer Reviews and Price Perception

As Monroe (1973) suggested, consumers often compare objective price with an internal reference price and categorize products as high-priced versus low-priced. Such perception of price has an impact on online consumer reviews and buyers consider the price of products when writing reviews. Consumers also use the price as a signal of product quality. If they assume that high-priced products are of more quality, they will face a lower performance risk. However, they may perceive a higher level of financial risk if they are uncertain about product performance and perceive a product as expensive (Rajh 2012).

Buyers that shop online for high-priced products become more concerned about negative reviews, which can increase their perception of risk. This reduces satisfaction with the price and result in lower purchase intentions (Xia and Monroe 2004). The effect of negative reviews on purchase decisions may not be that strong for low-priced products because they bear less financial risk. Thus, we predict that for high-priced products, a high proportion of negative online reviews will lead to drastically lower consumers' perceived price satisfaction and purchase intentions than a low proportion of negative reviews (*H1*). In contrast, there is no significant difference between a low and high proportion of negative online reviews for low-priced products (*H2*). According to Xia and Monroe (2004), consumers who evaluate the price as reasonable and fair will perceive higher value and will show a higher willingness to buy. Thus, we suppose that consumers' perceived price satisfaction will positively influence their purchase intentions through its effect on perceived value (*H3*).

Methodology

A 2 (proportion of negative reviews: low vs. high) x 2 (product price levels: low vs. high) between-subjects factorial experiment was designed for the study. Participants were first shown a scenario wherein they involved shopping for a digital camera on the Internet. We chose a digital camera for this study because it is one of the items widely used by college students.

The manipulation of the proportion of negative reviews and product price levels were introduced via a web page with the digital camera product description, and product price (high price: \$129.99 vs. low price: \$69.99). We included eight consumer reviews in our experiment. All participants were presented the same webpage with the same product but different price levels and proportions of negative reviews. Subjects were randomly assigned to one of the four conditions. A total number of 90 college students participated in the study.

We operationalized the proportion of negative reviews based on the ratio of the number of negative reviews to the total number of consumer reviews (Lee, Park, and Han 2008). "Low proportion" of reviews was operationalized with two negative reviews among the eight reviews. "High proportion" of reviews was operationalized with four negative reviews. After reading the scenario, the subjects responded to 7-point Likert scales to measure their perceived price satisfaction ($\alpha = .97$), perceived value ($\alpha = .95$), and purchase intentions ($\alpha = .98$) adapted from the literature of pricing and consumer reviews (Grewal, Monroe, and Krishnan 1998; Xia and Monroe 2004).

Research Findings

The results of MANCOVA showed a main effect of the proportion of negative consumer reviews, a main effect of product price levels, and an interaction effect. Subsequently, ANOVA showed significant main effects of the proportion of negative consumer reviews and product price levels on perceived price satisfaction and purchase intentions. The interaction effect was significant on perceived price satisfaction and purchase intentions. For high product price level, a high proportion of negative reviews resulted in a significantly lower consumers' perceived price satisfaction and purchase intentions than a low proportion of negative reviews, supporting H1. However, for low product price level, there was no significant difference between a high and low proportion of negative reviews in perceived price satisfaction and purchase intentions. Thus, H2 was supported.

To test the mediation effect, we used the bootstrapping method of Preacher and Hayes (2004). The results show that (1) there was a significant positive effect of price satisfaction on purchase intentions; (2) price satisfaction positively affected perceived value; and (3) perceived value positively influenced purchase intentions. In addition, while entering perceived value as a mediator to the model, the direct effect of price satisfaction on purchase intentions became insignificant. This indicates a full mediation. Therefore, H3 was supported.

Discussion

The findings of this study show that a high proportion of negative online reviews will significantly reduce price satisfaction and purchase intentions for consumers who shop for a high-priced product. This is consistent with the literature suggesting that

consumers not only evade the risk of poor product performance, but also fear the financial risk and avoid buying a risky product (Yee and San 2011). In contrast, the high proportion of negative online reviews will not have a significant effect when the product price is considered cheap because consumers perceive a lower financial risk. The study also supports the findings of Xia and Monroe (2004) suggesting that perceived value mediates the influence of price satisfaction on purchase intentions. Hence, online reviews can increase buyers' value perception not only due to product quality, but also because of their satisfaction with the price set by the online seller.

Implications

The implication of the study for marketing managers and online sellers is that they should pay more attention to online consumer reviews. First, to avoid a high proportion of negative reviews, sellers of high-priced products should respond to the negative feedbacks and complaints on time, and provide effective after sales services. Firms can hire personnel to read consumer reviews daily and respond to negative reviews by apologizing and providing solutions. Second, online sellers should improve the quality of their products in order to reduce the high proportion of negative reviews. Lastly, online sellers can reduce their prices or offer promotions to influence buyers' perception of product price levels because consumers will be less sensitive to negative reviews for a product that is cheaper than its alternatives.

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Full Paper

Paying More to Help the Poor: Can Cause-Related Marketing Mitigate Perceptions of Price Unfairness?

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Of the many suggestions for methods to reduce consumer perceptions of price unfairness, cause-related marketing (CRM) remains notably absent in current marketing literature. This paper proposes that when a CRM element is included in a price fairness evaluation, perceptions of price unfairness will decrease. That is, consumers may perceive a price to be unfair until they learn that the company is donating a portion of the expense to a charitable cause. As several traditionally utilized theories in the fairness literature possess limitations when applied to a CRM context, this paper draws from procedural justice and attribution theory to offer seven propositions as well as a conceptual model relating CRM to the context of price unfairness. The paper concludes with directions for future research.

Introduction

The fairness literature in marketing research has overlooked a substantial approach to reduce consumer perceptions of price unfairness. A recent Journal of Business Research article (Ferguson 2014) suggests a plethora of effective pricing strategies to reduce unfairness perceptions, such as product shrinkage, price promotions, and automatic rebates, but the author only mentions cause-related marketing in passing. Furthermore, in an overview of fifteen recent articles on price unfairness from some of the field's leading journals, it was found that none of them include the notion of charitable donations to their repertoire of unfairness-reducing methods. Rondan-Cataluna and Martin-Ruiz (2011) even state that "price rises are fair only if they are due to increasing costs" (p. 246). Apparently, in pursuing the ubiquitous goal of reducing consumer perceptions of unfair prices, few academicians in consumer research have considered helping the poor.

Cause-related marketing (CRM) is "the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives" (Varadarajan and Menon 1988, p. 80). In other words, it involves the marketing communication tactics that relate the purchase of a product, service, or brand to the simultaneous contribution to a social cause (Luo and Bhattacharya 2009). When including a charitable donation with a routine transaction through a CRM campaign, the philanthropic costs are typically incorporated into the transaction cost, and a higher overall price inevitably ensues. These high prices could be directly in line with what extant literature defines as perceived unfair prices, yet consumers seem to be more understanding of such price increases, a common scenario many researchers have not considered.

Perceptions of price unfairness include the subjective judgments of whether or not outcomes are reasonable or just (Bolton, Warlop, and Alba 2003). Every price evaluation is comparative to some degree. Reference points for comparisons can range from other people to organizations to the individual's past behavior, and perceptions of price unfairness are impacted by consumers' knowledge of how or why the high price was set (Xia, Monroe, and Cox 2004). Bolton, Warlop, and Alba (2003) demonstrated that consumer knowledge beyond the price itself, including aspects such as the product's costs and the firm's profits, contributes to perceptions of fairness. An abundance of research identifies the negative results of unfair price perceptions often relegating suggestions for reduction of these perceptions to a few sentences in the managerial implications section. Rather than add to this satiated research stream, this paper attempts to look directly at ways firms might reduce perceptions of price unfairness by exploring a concept almost completely absent from the price unfairness literature: cause-related marketing.

Table 1. Price Fairness Theories and CRM

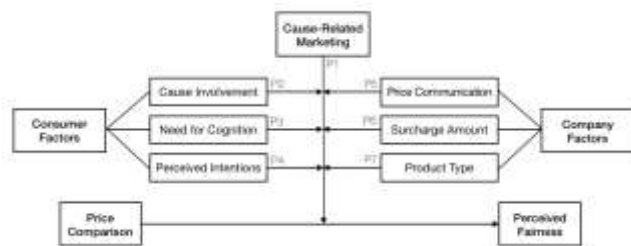
Theory	Key Focus	Relation to CRM
Distributive Justice	individuals have a right to receive a reward proportional to what they invest	rewarding external beneficiaries diminishes the value of individual investments
Equity Theory	equitable investments and rewards should be maintained among all parties	rewarding a third party who invests nothing is not equitable to all parties involved
Dual-Entitlement Theory	each party is entitled to a certain level of reward generally perceived to be fair	entitlement stems from investments, of which donation recipients provide none
Procedural Justice	individuals evaluate the underlying processes utilized to set a price	including clear explanations of the donation contributes to cognitive understanding
Attribution Theory	individuals attempt to elicit causal explanations for ambiguous situations	consumers attribute altruistic motivations to explain seemingly unfair price increases

Development of Propositions

In the context of price unfairness, the unique characteristics of CRM – namely, granting benefits to a third party outside of and typically completely unconnected to the transaction – do not fit nicely with many existing theories utilized in this stream of research. As can be seen in Table 1, most of the economic theories traditionally utilized to explain consumer evaluations of price unfairness fall short of doing so when incorporating a CRM element. Procedural justice and attribution theory allow for causal

explanations outside of transactional principles, providing a foundation for understanding the potential impact CRM has on perceptions of fairness. In this context, procedural justice can be said to pertain to how a price was set, while attribution theory relates to why the price was set. However, neither one of these theories alone can cover all potential aspects of CRM in relation to price fairness perceptions. In an attempt to clarify the complexity of this concept, seven propositions are offered for furthering research in this field. Three propositions pertain to factors that stem from consumers, while three are managed to some degree by the company. Figure 1 displays these propositions in a conceptual model, and a brief discussion of each follows.

Figure 1. Conceptual Framework of Propositions



Cause-Related Marketing

Varadarajan and Menon's (1988) seminal definition of CRM was identified above, but Berglund and Nakata (2005) expand upon it by proposing that the purpose of CRM strategy is to generate resources for social issues, most commonly in the form of financial contributions. CRM provides an interesting and unique caveat to traditional discussions of price fairness. Seeing as how prices may increase to accommodate the firm's donations, consumers would typically perceive such a seemingly unnecessary price increase as unfair. After all, the higher price is not set due to a rise in costs or market fluctuations, both of which are situations literature points out as appropriate for price increases to remain fair. However, the added, affective notion of helping someone in need is proposed here to reduce consumers' perceptions of price unfairness they may otherwise harbor. That is, the notion of "giving back" helps consumers rationalize the process of why the firm is charging a higher price than a given reference price. Both procedural justice and attribution theory could potentially explain the impact CRM can have on consumer perceptions of how and why a high price was set.

P1: Cause-related marketing mitigates perceptions of price unfairness.

Cause Involvement

Cause involvement may be defined as "the degree to which consumers find the cause to be personally relevant" (Grau and Folse 2007, p. 20). Koschate-Fischer, Stefan, and Hoyer (2012) found that "the impact of donation amount on willingness to pay is stronger when the customer's cause involvement and cause organization affinity are higher, respectively" (p. 916). However, this research did not investigate the impact of cause relevance on perceptions of price fairness. Intuitively, when presented with a CRM opportunity, consumers who possess high cause relevance will hold more favorable views of the transaction than those who

do not (i.e., a breast cancer survivor would be prone to view pink ribbons in October more positively than someone with no personal association with the illness).

It is expected that when individuals do not view a cause as personally relevant, or at least as one to which they would normally contribute, they could possess negative perceptions of the CRM campaign. Consumers with a low involvement with the promoted cause may view the donated portion of the price as a waste of money that could be spent elsewhere for perceived benefits. Just as consumers do not want to pay extra for product attributes they do not need, they may not want to pay extra for promoted causes they do not support. Attribution theory pertains to consumers' propensities to explain why an event happens, and in this case they may not find a satisfactory explanation when a company contributes to a cause with which they have no personal connection. In contrast to this, high cause relevance will enhance the efficacy of the CRM campaign, as consumers will be more likely to support the company no matter what price is charged.

P2: High cause involvement increases the effectiveness of CRM's ability to diminish perceptions of price unfairness.

Need for Cognition

Need for cognition has been defined as "an individual's tendency to engage in and enjoy effortful cognitive endeavors" (Cacioppo, Petty, and Chuan Feng 1984, p. 306). Research has found that individuals differ in their level of need for cognition. Individuals categorized as having a high need for cognition (HNFC) have been shown to be more likely to utilize the central route of elaboration, while those categorized as having a low need for cognition (LNFC) are more likely to utilize the peripheral route of elaboration (Haugtvedt, Petty, Cacioppo, and Steidley 1988). Under the central route of elaboration, consumers may question the fairness of prices even when CRM claims are made, such as how much of the price actually goes toward the promoted cause or why the company is involved with the cause in the first place. However, under the peripheral route of elaboration, consumers may simply attend to the positive association with a cause without questioning the methods the company used to set the price. As the distinction between these two types of consumers are multifaceted concepts, both procedural justice and attribution theory may help to explain how consumers evaluate prices differently based on their need for cognition.

P3: Consumers with LNFC will accept CRM's ability to decrease perceptions of price unfairness to a greater extent than consumers with HNFC.

Perceived Intentions

Not every company that participates in a CRM campaign does so with the same motives. Some firms invest extensively in CRM efforts and incorporate CRM tenets into the overall business strategies (Du, Bhattacharya, and Sen 2007). A social enterprise such as TOMS is renowned for its corroboration of selling shoes and giving them away, and the for-profit company has ingrained charitable work into its core purpose. However, other firms appear to simply utilize CRM as a way to quickly boost their image, and Bronn and Vrioni (2001) state, "Only a consistent, believable contribution to a cause (or non-profit organization) can build brand image and brand equity" (p. 218). Attribution theory provides for consumers' abilities to explain why a company makes certain decisions. Thus, consumers who view companies as simply attempting to polish brand images may negatively view price

increases, even when such increases are tied to a CRM effort; they may not want to pay more for corporate attempts at enhancing the company image. However, consumers may view higher prices as fair when the company appears to be altruistic and sincere in its CRM efforts.

P4: Positively perceived firm intentions will enhance CRM's potential of lowering perceptions of price unfairness.

Price Communication

A content analysis of online CRM messages revealed that, most of the time, the amount the firm is willing to donate is communicated in ambiguous terms (Pracejus, Olsen, and Brown 2003). Most research on ambiguous communication indicates that such lack of specification will typically lead to skepticism, and Kim and Lee (2009) confirmed that ambiguity in CRM advertisements was significantly related to consumer cynicism. On the other hand, the concept of price partitioning entails splitting the total price of a product into two or more components that cannot be purchased separately from one another (Morwitz, Greenleaf, and Johnson 1998). A typical example occurs when online retailers present shipping and handling fees separate from the product's price. Burman and Biswas (2007) point out that using one overall price may lead consumers to perceive a firm as hiding surcharges, while Carlson and Weathers (2008) propose that an overall price helps alleviate the negative reactions of discovering a multifaceted price through the transaction process.

When taken together, price communication literature for CRM efforts and price partitioning do little to explain how consumers may perceive the fairness of prices for products participating in CRM campaigns. Though procedural justice may provide a starting point for understanding this interaction, CRM literature contends that transparency and unambiguous prices are necessary for positive behavior to result from consumers, while extant research on price partitioning is unclear about the effectiveness of such transparency, insinuating that, at times, one price per product may be better than many prices. Though the literature may be mixed, this paper proposes that, for perceptions of price fairness, ambiguity will result in more positive reactions. This is simply due to the nature of a CRM presentation: consumers most likely desire to perceive the company as doing something good with their money as opposed to having to pay more than they normally would to help others, as would be the case in price partitioning when consumers would seem to pay one price for the product and another, separate price for the donation.

P5: Communicating donation amounts ambiguously, as opposed to explicitly partitioned, strengthens CRM's ability to reduce perceptions of price unfairness.

Surcharge Amount

One concern with using CRM to assuage price unfairness perceptions is the potential limit companies can reach in setting their CRM-related prices above standard prices. Anderson and Simester (2008) found that raising the price too high for one product over another resulted in a decrease in consumer demand. When consumers attempt to understand how a price was set, as procedural justice explains, they will likely consider how far above a standard reference price the company has gone to price its product. This paper proposes that marketers cannot overuse the inclusion of a CRM campaign to justify outrageous price increases without restraint. There is a point at which consumers will perceive that the firm may be taking advantage of them by

charging such a high price, and the warm feeling of helping others cannot overcome the apparent exploitation.

P6: Setting low to moderate surcharge amounts will increase the potential for CRM to decrease perceptions of price unfairness.

Product Type

Goods can be classified into two broad categories: hedonic and utilitarian. Dhar and Wertenbroch (2000) distinguish hedonic goods from utilitarian goods in that hedonic goods are "ones whose consumption is primarily characterized by an affective and sensory experience of aesthetic or sensual pleasure, fantasy, and fun," while utilitarian goods "are ones whose consumption is more cognitively driven, instrumental, and goal oriented and accomplishes a functional or practical task" (p. 61). Furthermore, hedonic and utilitarian goods may evoke different affective reactions, which could potentially impact perceptions of price fairness. For example, previous research has found a direct association between the purchase of hedonic goods and guilt (Khan and Dhar 2006).

Thus, hedonic goods, which by definition are not necessities, may require a greater level of justification both before and after the purchase by consumers. CRM efforts may facilitate this justification process. For example, a consumer who has no real need for a new pair of shoes may find it easier to justify the purchase of another pair if the company selling the shoes donates a pair of shoes to someone in need. Because utilitarian goods will most likely be purchased regardless of consumers' intrinsic desires, less justification is needed for making such purchases, reducing the proclivity for CRM to impact post-purchase evaluations. As hedonic and utilitarian goods invoke consumer assessments of both how and why prices may be set, procedural justice and attribution theory could be beneficial in contributing to a deeper understanding of this issue. In essence, consumers may view CRM aspects as a way to lower guilt in hedonic purchases, and they may in turn look more favorably upon a high price.

P7: Hedonic goods will provide greater opportunity for CRM to reduce perceptions of price unfairness than utilitarian goods will.

Table 2. Propositions and Relevant Theories

Proposition	Relevant Theories	
	Procedural Justice	Attribution Theory
P1. Cause-related marketing mitigates perceptions of price unfairness.	X	X
Consumer Factors		
P2. High cause involvement increases the effectiveness of CRM's ability to diminish perceptions of price unfairness.		X
P3. Consumers with LNFC will accept CRM's ability to decrease perceptions of price unfairness to a greater extent than consumers with HNFC.	X	X
P4. Positively perceived firm intentions will enhance CRM's potential of lowering perceptions of price unfairness.		X
Company Factors		
P5. Communicating donation amounts ambiguously, as opposed to explicitly partitioned, strengthens CRM's ability to reduce perceptions of price unfairness.	X	
P6. Setting low to moderate surcharge amounts will increase the potential for CRM to decrease perceptions of price unfairness.	X	
P7. Hedonic goods will provide greater opportunity for CRM to reduce perceptions of price unfairness than utilitarian goods will.	X	X

Implications and Future Research

Much of the literature on price unfairness indicates that price increases will only be perceived as fair in light of cost increases, especially when such costs are out of the firm's control. This paper proposes that another strategy for setting price increases involves the use of CRM. Very little research currently considers the use of CRM as a method to decrease perceptions of unfairness, and yet recent studies show that the use and desirability of CRM is growing rapidly. One such marketing research survey indicated that 89% of respondents would switch to a brand associated with a social cause given comparable price and quality, and 91% desire to see more brands contributing to social issues (Cone 2013). In light of undeniable statistics like these, managers will most likely integrate CRM tactics into their companies' daily operations more frequently and fervently than they ever have. Currently, little academic research explains how consumers will respond to the inclusion of CRM campaigns in the context of price fairness perceptions. Extending extant literature and drawing from procedural justice and attribution theory, this paper has offered seven propositions to guide researchers in this new direction as it relates to pricing strategy. Though it may not make sense economically, consumers may indeed be willing to pay more to help the poor.

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BRAND STRATEGIES IN BRAND COMMUNITIES

Full Paper

An Exploratory Approach of the Interplay between Brand Personality and Emotions for the Perception of French Ski Resort Brands

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This exploratory research aims at analyzing the interdependency of brand personality and emotions as, respectively, cognitive and affective determinants of the choice of a ski resort. Three different but complementary qualitative field approaches (projective techniques, focus groups and interviews of experts) have been used to collect data. A first step consisted in generating items to describe the brand personality traits and the emotions associated to a ski resort. These items have subsequently been used to describe various French ski resorts. The results show that ski resorts can be categorized in terms of clusters of personality traits and emotions, which show to be interdependent.

Introduction

On an academic level, brand personality and emotions have only been investigated since the 1980s¹. If brand personality is part of image and thereby of consumers' judgment towards brands, emotions have a strong influence on consumer behavior, especially through consumption experience. In tourism studies, researchers have been interested in both these concepts for several years only. For instance, Ekinci and Hosany (2006), Hosany, Ekinci and Uysal (2006) and d'Astous and Boujbel (2007) have applied the concept of brand personality to tourism destinations. Besides, within the topic of affect, Hosany and Gilbert (2010) have suggested a new scale to measure positive emotions linked to some holiday destinations.

If several authors have investigated the place of affect and cognition within tourist destinations' choice process (Pike and Ryan, 2004; Elliot, Papadopoulos and Kim, 2011; Lee, Lee and Choi, 2011), to our knowledge no research has investigated, together, brand personality and emotions as cognitive and affective determinants of tourist destination choice. More specifically, how does this apply to specific tourist destinations such as ski resorts? Do they have their own personality traits and emotions?

Conceptual Framework

Place of Affect and Cognition in the Perception of a Tourist Destination

In 1992, Izard already indicated that affective states interact with cognitive processes to form an affective-cognitive structure, materialized by an associative network of feelings, images, evaluations, thoughts and objectives. Recently, research conducted in consumption psychology have pointed to the impact of affect

upon cognitive processes, but can also result from it (e.g. Han, Lerner and Keltner, 2007) thereby forming an interdependent affective-cognitive structure.

In tourism, Elliot, Papadopoulos and Kim (2011) have demonstrated that in destination image cognitive and affective components influence beliefs developed towards a specific destination. On their side, Lee, Lee and Choi (2011) have modeled the influence of functional and emotional values linked of a festival upon satisfaction and behavioral intentions towards it.

Research Objectives

Set within the theoretical model of Pham (2008) that puts the stress on the interplay between cognitive and affective judgments, the principal objective of this research is to illustrate the interdependence between cognitive (judgment) and affective concepts, represented in this study by brand personality and emotions. Regarding the later, emotions, feelings and moods, all linked to the person, will be considered as emotions in the generic sense of the term. Drawing on this perspective, the research will focus on ski resorts. Its interest as an empirical field of investigation is twofold. First, skiing has long been recognized as a symbolic, multisensory and emotional leisure activity (e.g. Hirschman and Holbrook, 1982). Choosing a ski destination is therefore based upon sensory, symbolic and functional attributes. Secondly, Alpine skiing though still being among the main travel motives of winter tourists in the Alps is a market that currently faces a slowdown of its activity, at least in French resorts.

This research will also check if personality or emotions' items could not be specifically linked to some ski resorts. Indeed, some researchers have pointed to the fact that brand personality dimensions could vary depending on the marketing context (e.g. Venable et al., 2005). Therefore, it seems pertinent to undertake a "micro" approach focused on a specific application domain and that will be able to generate pertinent items (Valette-Florence and de Barnier, 2013). A qualitative investigation including several investigation phases has been chosen to answer this objective.

Research Methodology

A triangulation approach has been adopted. It has the advantage of grasping personality and emotion concepts of a ski resort with different approaches and with different groups of respondents. In this way, the method is sure to keep pertinent items only in regard to the research question. Three main phases have been used to generate the items of this study:

- A projective approach, with collage construction because individuals will feel more confident when they manipulate images rather than words and because researchers get a better access to their personal ideas. The set objective is for the respondents to express the story of a ski resort in an imaginative way.
- A classical approach consists in getting the respondents to react about the items mentioned during the collage, in order to generate other items and thereby to explore the area of consciousness.
- Resorting to a group of experts offers the possibility to delimitate more precisely the results obtained in the two precedent phases by keeping only the items linked to personality and emotions.

For purposes of data collection, French ski resorts were selected in accordance with the classification published in the French magazine L'Express. Respondents were selected from various groups of students who were regular users of at least one ski resort and occasional users of two other resorts. Twelve individuals and 10 ski resorts (namely, Orcières, Ancelle, Monêtier-les-Bains, Tignes, La Clusaz, Les Gets, Avoriaz, Villars de Lans, Le Grand Bornand, La Plagne) were selected. In addition, the group interviews were organized with three individuals each time. This process facilitates interactions within a small group while encouraging richer exchanges with the other group that did not participate to the collages. This way a large number of items was obtained that emanated from the exchanges between respondents within each group. On the other side, the fact of using groups allowed to resolve problems linked to the individual adherence to each item.

Triangulation Methods

Projective Method Using Collages

For the first triangulation stage, the respondents worked on the collages characterizing their particular ski resort. Next, a collage story was transcribed for each ski resort. 12 collages and 12 stories were thus obtained, with 513 words of all kinds for the groups working on brand personality and 429 words for the groups working on emotions. In a second step, a focus group was set up for each concept examined in this study. Every story, with its corresponding collage, was presented with a view to making the respondents react, either on personality items for the first group or emotions items for the second. Only the presenter knew what concepts were being examined. A total of 272 items out of 513 initial items for personality and 156 out of 429 for emotions were collected during this step

Classic Focus Group Method

The second triangulation stage was carried out with the same respondents, but only after a sufficiently long time interval. All the first stage items were taken by the presenters for each group. In addition, this list was supplemented with items from previous scales found in the literature, pertaining either to brands in general or more particularly to tourist destinations. For brand personality, the scales developed Ekinci and Hosany (2006) and Valette-Florence, Becheur and Valette-Florence (2010) were selected. For emotions, those of Richins (1997) and Hosany and Gilbert (2010) were used. This time, respondents consciously specified whether or not the personality traits or emotions corresponded to their ski resort. This second qualitative stage yielded 115 items for

personality and 101 for emotions. Overall, the two stages of the qualitative study generated 373 items for personality and 236 for emotions.

Expert Groups

To complete the triangulation method, a third stage was implemented. This involved selecting a group of five experts in each area (brand personality and emotions) in order to widen the purview of the two previous (projective and classic focus group) stages. The ten experts examined the list of items from the two previous qualitative stages, retaining only 189 for brand personality and 126 for emotions. These remaining items were obtained through convergence of the experts' choices and, in the event of disagreement, by revising their choices. However, since the experts were not all given the same classification of items, the question arises as the reliability of qualitative data collected. The review conducted by Perreault and Leigh (1989) stresses that there is no consensus in regard to a standard reliability index. This conclusion led them to propose a reliability index (Ir), calculated through the following formula.

This index is calculated for each pair of judges and, therefore, yields here 10 coefficients. It varies between 0 and 1. As table 1 shows, apart from one coefficient whose value was 0.58, the others ranged from 0.65 to 0.86, indicating that there was little or no difference between judges.

Table 1: Reliability coefficients for the qualitative classifications carried out by the experts

Personality						Emotions					
Judges	J1	J2	J3	J4	J5	Judges	J1	J2	J3	J4	J5
J1	1,00	80%	80%	71%	77%	J1	1,00	84%	74%	76%	87%
J2	0,77	1,00	74%	71%	79%	J2	0,82	1,00	73%	78%	85%
J3	0,77	0,69	1,00	67%	81%	J3	0,69	0,68	1,00	71%	71%
J4	0,65	0,65	0,58	1,00	74%	J4	0,72	0,75	0,65	1,00	74%
J5	0,73	0,76	0,79	0,69	1,00	J5	0,86	0,84	0,65	0,69	1,00

However, this analysis is unable to yield an overall coefficient for all the judges. Thus in a number of studies (e.g. Rust and Cooil, 1994) researchers have proposed a general form of this index, namely PRL (Proportional Reduction in Loss). This is a measure proportional to the expected loss of information due to lack of agreement among judges. In addition, PRL has three advantages for obtaining an acceptable level of reliability. The first is that it links reliability to the degree of information loss, the second is that it enables the minimum number of judges required to be determined, and finally it allows the minimum inter-judge agreements needed to be found.

Given the complexity of its calculation, it is obtained directly from the tables provided by Rust and Cooil (1994). The results show an excellent PRL of 0.96 both for personality and for emotions, which means concretely that the results are 96% reliable. In other words, in using the opinions provided by the five experts on personality or emotions, the probability of choosing a wrong categorization is only 4%.

In conclusion, as regards personality, 189 items were retained by the experts, or 51% of the complete list. Of these 189 items, 111 (59%) come from stage 1 of the triangulation (collages), and 78 (41%) from stage 2 (classic method). For emotions, 125 items validated by the experts came from two triangulation stages, of which 60 for the collages (48%) and 65 for the classic method (52%). These results show that it is possible to characterize ski resorts by personality traits and emotions. Moreover, in the list

there are personality items specific to the ski resorts, such as “Wild”, “Stuck up”, “Disrespectful” and “Elitist”. Similarly, there also emerged items pertaining to emotions that were specific to the area studied, such as “Radiant”, “Disoriented” and “Oppressed”

Correspondence Analysis Mapping of Personality and Emotions

Given the exploratory nature and quality of this study, only words with the highest frequency of occurrence were selected (39 for personality and 30 for emotions). These words were then cross-classified with the main ski resort areas. The table was subsequently analyzed by means of a Correspondence Analysis (CA) hence taking into account all the words tapping either personality traits or felt emotions.

A cluster analysis, based on the coordinates of the items on the three main axes of a correspondence analysis (in order to retain above 50% of explained variance), gave rise to the tree diagram shown below (figure 1), where the total number of personality traits (39) is balanced by the number of emotions (30).

Seven groups emerge, five of which are specific to a single resort. The sixth group includes the resorts Orcières Merlette and Monétier-les-Bains and the final group contains Les Gets, Ancelle and Grand Bornand. La Plagne is perceived as more emotions-linked than exhibiting personality traits – a fact reflected in its slogan “I love La Plagne”. Other resorts, by contrast, such as Les Gets or Orcières Merlette, count more on personality traits such as “Family”, an attribution which could moreover call into question the classification of Les Gets within Major Ski Resorts. Finally, several resorts, such as Villars de Lans, Tignes and La Clusaz seem to be characterized as much by personality traits as by emotions, such as “Tradition” and “Magic” for La Clusaz and “Charm” and “Fun” for Tignes.

These results imply that the perception of each resort is based on a blend of symbolic and emotional factors, thereby validating their interdependency and, by the same token, the aim of this study. Ultimately, in order to have a global vision of ski resorts, Euclidian distances between ski resorts were calculated from the coordinates produced by the correspondence analysis. In figure 2, the result of Multidimensional Unfolding allows to visualize on one plan the proximity of each of the resorts. This mapping illustrates the similarities of some groups of brands in comparison to others. Hence for instance we find that Avoriaz and La Plagne are in the first group, Orcières Merlette and Monétier les Bains in a second one and finally Villard de Lans, Le Grand Bornand, Ancelle and Les Gets in a last group. Only two resorts, La Clusaz and Tignes remain independent and have a much ascertained type. Globally, this representation founded on cognitive and affective determinants investigated in this research offers a complementary segmentation to that presented at the beginning of this paper.

Figure 1: Classification of the ski resorts with their associated personality traits and emotions

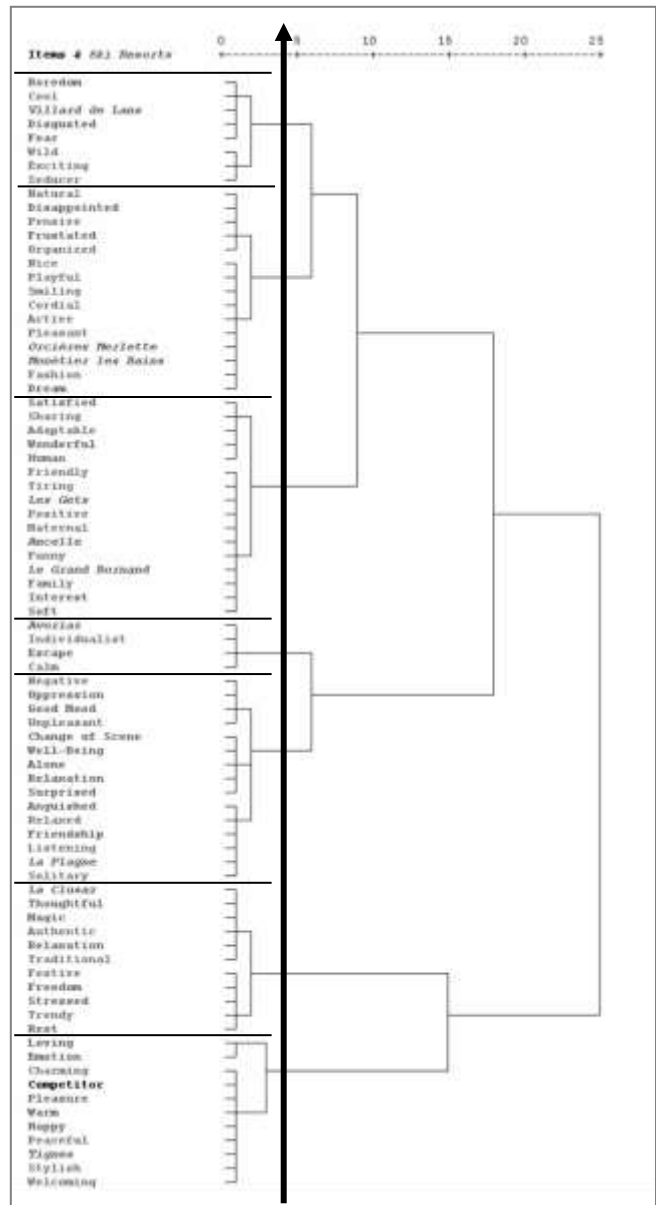
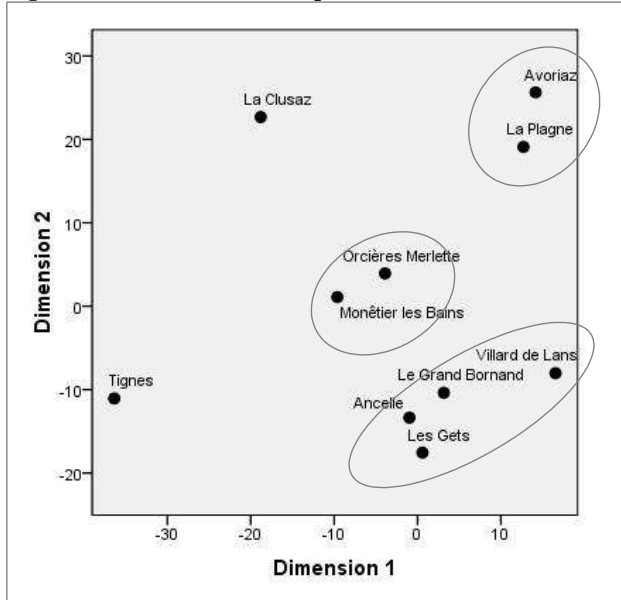


Figure 2: Multidimensional representations of ski resorts



Contributions and Implications

As for any research project, this study carries its own limits. Based on a double qualitative enquiry, those first results are first and foremost of an exploratory nature and need to be corroborated by further studies. On one side, those studies should envisage to study a wider number of ski resorts. On the other side, respondents, although used to the ski resort they describe, were all students. Even if this allows researchers to control exogenous variables such as revenue and age, it would be preferable to check the results' stability on other targets representative of the population frequently using ski resorts.

At a theoretical level, this research has shown that it is quite possible to characterize ski resorts either by personality traits or by emotions. Furthermore, both for emotions and brand personality, this differentiation derives from both positive and negative valence dimensions, unlike the positions adopted in the field of tourism by Hosany and Gilbert (2010) regarding the emotions or by Ekinici and Hosany (2006) for personality traits. Taking into account negative connotations seems, for both the concepts investigated in this study, to correspond to real concerns on the part of consumers. Focusing only on positive aspects would consequently reduce the field of investigation and hence the potential differentiation of ski resorts.

The interdependency between personality traits and the emotional field associated with ski resorts confirms the theoretical propositions advanced by Pham (2008). Affective and symbolic determinants both coexist in consumers' minds. The number and nature of these determinants vary according to the ski resorts concerned. This finding clearly shows that, at least for ski resorts, there is some amount of interdependency between brand personality and emotions, thus directly mirroring the conclusions of research in social psychology (e.g. Han, Lerner and Keltner, 2007).

Besides, a quantitative approach should now be undertaken in order to identify a scale specific to ski resorts and capable of measuring their personality traits and emotions. Those scales should offer a solid framework in order to understand better and

characterize the real cognitive and affective positioning of resorts. Finally, another perspective could be to investigate the influence of those key determinants of relationship to brand, such as trust, attachment and cognitive and affective engagement, in order to trace the cognitive and affective routes that underpin consumer behavior relative to ski resorts.

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Full Paper

Regional Brand Strategy in Changing Structure of Production and Distribution

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The purpose of this study is to understand transformations in production function for wholesaling manufacturers facing the contraction in regional industrial districts. Wholesaling manufacturers focused on building their own corporate brands as a means to strengthen their planning, design, and development functions under the shrinking of the production function. The autonomy of wholesaling manufacturers with the ability to strengthen in planning and development function has led to the creation of networks of companies giving up on production. However, many wholesaling manufacturers cannot skillfully respond to a solution- or creativity-oriented business requiring design, planning and development, and sales promotion capabilities. On the case-based study, the route of regional brand strategy for creating markets is explored in regional industrial districts, where they have been losing their competitive advantages by shifting production function.

Introduction

Since the late 1950s, Japanese manufacturing systems facing to attain high economic growth created production structures, where wholesaling manufacturers had been in the central position to deal with mass production. It has promoted the expansion of the regional industrial districts which had the agglomeration of small and medium business. Wholesaling manufacturers organize the specialist manufacturers responsible for the fragmented production process and the division of labor for those working at home. They control the areas of production within the production and distribution system (Itakura 1984). The specific functions undertaken by wholesaling manufacturer are: (1) Distribution functions, (2) Production management functions, (3) Certain production functions, and (4) Marketing functions.

Wholesaling manufacturers as converters had central roles in regional industrial districts (community-based industrial areas) by supporting the structure for production and distribution during the periods of mass production and expanding production. Since the 1990s, however, there has been a decline in the number of business locations and employment in the domestic manufacturing sector, and the production function has been shrinking. There needs to explore how the wholesaling manufacturer functions have changed during such a shrinking era. It also has to be examined what sort of functions would make it possible to maintain the competitiveness of regional industrial districts. This study is to reconsider the wholesaling manufacturers' functions that have been the nucleus of regional industrial districts and a possibility of regional brand development.

Changes in the Regional Industrial Districts

The areas of industrial agglomeration in Japan, particularly the structure for division of labor in local industrial districts, were rapidly formed in the period of high economic growth to deal with the mass production system. Most industrial districts resulted from wholesaling manufacturers receiving orders from local wholesalers in the industrial district that led to the creation of a system for the division of labor with raw material merchants and processors. Wholesaling manufacturers took charge of the final assembly and created the finished products from components that were outsourced. This formed a production and distribution system to deliver goods to local wholesalers in the industrial district and retail stores etc. Consequently, much of the research on local industries has focused on understanding the social specialization system that made it possible to have a mass production system with wholesaling manufacturer and local wholesalers at the center (Takeuchi 1983; Itakura 1984). That is, much of the research has been focused on understanding the structure and can be considered static research about the industrial district (Hatsuzawa 1987). An urgent issue from the late 1980s was the creation of a high value-added production system due to the inflow of cheap imported goods. This led to transformation of the production and distribution system to deal with the changes in the production system. These researches can be called as "dynamic research", aiming for understanding the transformation of industrial districts such as a reorganization corresponding to improved processing technologies through application of manufacturing engineering (Oda 2005); the decline in manufacturers' planning and development capacity caused by the expansion of OEM production (Hatsuzawa 1987); the decline of localized wholesalers and the increase of wholesalers in distribution center (Ohsawa 1996). There has been increased polarization for wholesaling manufacturer during this era with medium businesses that have their own planning and design development divisions with their own brand. Small and medium businesses aimed to improve their processing technologies that overemphasize the production function and rely on wholesalers for their marketing, sales, planning and development.

There was also research on the impact that the establishment of public technology support centers and incubators in the industrial districts (Ide 2002). They found the advantages provided by the formation of horizontal networks in industrial areas with an agglomeration of small and medium businesses such as Silicon Valley and Third Italy.

Domestically, more companies specialize in making the prototype, planning and development. Considering the ongoing

decline in manufacturers and growing post-industrialization in Japan, the benefit from agglomeration through the use of various networks was not enough to gain the competitiveness to sustain regional industrial districts. This situation has led to a research on the change in the function of wholesaling manufacturers caused by the progress in post-industrialization during recent years. There has been a research that shows a change in the structure of the division of labor for local industrial districts from the type of a division of labor for manufacturing processes to that of labor for information (Japan Finance Corporation for Small and Medium Enterprise Research Dept. Report 2003). And there has been a research on the progress of increasingly complex and integrated wholesale and production functions for companies in the industrial district (Japan Finance Corporation for Small and Medium Enterprise Research Dept. Report 2003; Osaka Research Center for Industry and Economy 2008). At the same time, there has been an increase in research since 2000 that takes a sociocultural approach in considering the advantages of regional industrial districts. These research have pointed to the importance of 'locations' and 'milieu' for industrial districts (Itami et al. 2000) such as the elucidation of the tacit knowledge unique to an area and the importance of face-to-face contact (Endo 2012; Kamakura 2012). There have also been arguments that the existence of social capital such as 'trust', 'moral', 'network', and 'community' have revitalized industrial areas. Such sociocultural approaches have now spread to research on understanding the impact of 'regional brands' and 'regional identities' on industrial areas. These researches suggest the importance of intangible assets to shift into high value-added production.

Shifting from Production Function to Wholesaling Function

In Kobe Chemical Shoes industrial district case, wholesaling manufacturers control all operations of the production of footwear. These operations involve many processes from product planning, creation of parts, final assembly, and finishing to wrapping and delivery. Wholesaling manufacturers buy the materials for each part (soles, inner soles, heels, etc.) from the raw material merchants and outsources them to processors. In the case of the leather product, the leather acquired from the leather merchant is outsourced to processors for cutting, sewing, and drilling, in this order. Ultimately, the product outsourced for processing is assembled and completed by the wholesaling manufacturer and completed products are supplied to wholesale distributors, mainly located in urban area. This system has been facilitating the supply of goods with short lead time for a small lot production of many products in line with the fashion trends. It also has been making it possible to keep prices low.

According to Yamamoto (2011), after the great decline of this district in 1995 Great Hanshin Earthquake, there has been an increase in the number of wholesaling manufacturers with a production function in the industrial district that have shifted into only non-production functions of planning and design, sales, and wholesaling with shrinking production function. The state of development of planning and design for each business indicates that most companies have capacity to develop planning and design and many companies employ their own designer or outsource. Because of this, most companies responded that they have their own brand. Some leading companies and small scale networks of

processors are choosing to survive not as part of an industrial district but using their corporate brand as a core.

Furthermore, there is a remarkable trend for companies to shift their production function to China and import the semi processed goods or finished product from there. Table 3 illustrates the progress made by each business in overseas development. Five of the wholesaling manufacturers within the area have their own factory or a factory of a business partner located in China. That is, while wholesaling manufacturers maintain the minimum level of production network within the industrial district, they have simultaneously implemented a management strategy to strengthen the production function outside the industrial district of overseas. However, wholesaling manufacturer in this industrial district relies on the agglomeration of wholesalers as a link to the market, and there has not been much accumulation of know-how or the function as a wholesaler. It means that many wholesaling manufacturers are producing on the basis of designs and volumes dictated by wholesalers in distribution center. This trend has not changed as of 2010. It shows how a high level of trading with wholesalers outside the industrial district still exists.

Summarizing the aforementioned characteristics, there has been a reduction in the manufacturing function for wholesaling manufacturer that had been at the core of the division of labor. By focusing on the development of planning and design, and by having one's own brand companies should be able to aim for increasing the sales function mainly through mail order sales. There has also been a progress in shifting to overseas production that wholesaling manufacturers will highly likely to increase their wholesaling function. If this trend continues, there will be more reduction in the trading volumes between wholesaling manufacturers and the processors within the industrial district and raw material merchants that will make it very difficult to remain as a location for processing. The shift by wholesaling manufacturers into the wholesaling function is exacerbating the decline in scale of the industrial district.

Creation of High Added Value Production through Brand Building

In this section we take the other case of the industrial district for one of Kyoto's traditional crafts: *Kyo-kanoko Shibori* (dye-dyed textiles). We clarify the transformation of the production and distribution network for the *Kyo-kanoko Shibori* industrial district, and try to identify the functions needed for wholesaling manufacturer when the industrial district is shrinking. *Kyo-kanoko Shibori* is the general term used for the tie-dyed goods produced in Kyoto. This mainly refers to silk products that have been produced with a pattern using a technique to tie up white material made of silk with silk thread to create parts that cannot be dyed. Tie-dyed goods became popular in Japan early Edo era and the center of production was in Kyoto. Production volumes increased from the late 1950s and there was a golden age up until the early 1970s. The total sales of the industrial district in 1973 were about 30 billion JPY, and there were 229 member companies in the cooperative association. However, the popularity of western clothes has led to a decline in the overall rate of Japanese style clothing since the late 1970s, and production has fallen dramatically. This has also led to a sharp decline in the corporate members of the cooperative association. As of 2006, the total sales of the association were about 10 billion JPY, with 93 members. This has led to the current production of a wide range of products

from clothing to accessories and interior goods in order to expand the sales channel. As a result, whereas the proportion of traditional crafts accounted for 80% of total production in 1973, it had fallen to 20% as of 2006. Similar to other local industrial districts, the era of producing designs for Japanese traditional clothes had a production and distribution structure suitable for mass production, while wholesaling manufacturer controlled the processors in the industrial district. The dramatic decline in production volumes coinciding with a lack of workers as artisans became older made it impossible to maintain the previous production structure. It is difficult to maintain it and some labor intensive processes are now outsourced to China. Some companies are creating new production structures based on producing function to build a corporate brand. In an example of a company that has clearly transformed its production structure, we provide details below about Company K. This company has shifted from tie-dyed goods for Japanese clothing to tie-dyed goods for Western clothing and interior.

Company K was established in 1935 and continued to produce tie-dyed cloth for *Kimonos* (seven employees, of which four were family members.) In 1993, the products related to Japanese traditional clothing accounted for 100% of their sales. However, in 2005, Japanese traditional clothing and Western clothing/ interior goods accounted for 50% respectively. As of 2011, sales of Western clothing/ interior goods had risen to 80% of their sales. Such self-renewal from traditional crafts was triggered by the company's participation in the system for developing new business areas sponsored by Kyoto Prefecture.

In addition, Company K was thinking about expanding into the European markets to increase its customer base and participate in the Kyoto Premium project. Kyoto Premium is a project that has been sponsored by the Kyoto Chamber of Commerce and Industry since 2005 to create brand value and promote the sale of traditional Kyoto crafts to overseas markets. The participation by Company K as a Kyoto Premium company triggered the development of new interior goods utilizing tie-dye techniques that led not only to an increase in new trading with overseas companies but also with Japanese companies. In particular, there was a sharp increase in sales of lamp covers that use the tie-dye technique and the price of one item is about 25,000 JPY. In addition, a scarf with a tapered end of about 20,000 JPY is popular. In other words, the participation in this project has generated innovation in a multitude of areas not only in design, but also product planning and the cultivation of new markets. Company K has made progress expanding in overseas markets and uses the processing techniques based on the traditional past tie-dyeing production to develop Western clothes and interior goods. In that process, it has shifted the production function to China and implemented a management strategy to strengthen its own design and planning and development function. Design and planning is the sole responsibility of the company president. Consideration of the production costs has led to all processing of goods outsourced to China. The company is focused on design irrespective of the location of production. The manager thinks Kyoto's strength is not production capacity, but to accumulate design and good taste. In addition, Kyoto is also an attractive location for an exhibition because of its capacity to draw clients from all across Japan. Although the volume is small, the company is also producing the cloth with tie-dyed patterns for *Kimono*, but the role as a wholesaling manufacturer in controlling the production function in the industrial district has been dwindling drastically.

This Kyoto Premium project has created new transactions in overseas markets for many participating companies, not just Company K. For example, as a result of an exhibition, a textile company A has received orders for the shop interiors for an overseas construction company and its contract is worth more than 10 million JPY. In addition, Company B jointly develops a brief case with a foreign company and receives orders for foreign novelty products with the orders in high prices. Many companies participating in the project eventually entered into a contract after the third year of joining the project. Participation in the project has provided opportunities to study trends in abroad and management of know-how and administration, and foreign market concepts that has bring companies to understand buyers and led to signed contracts. The Kyoto Premium concept is not to revitalize the traditional crafts segment, but aims at invigorating each industry such as textiles, dyeing and sewing. It is not aimed at 'Made in Kyoto', but in the creation of high added-value goods that are 'Produced by Kyoto'. It is aimed at turning traditional industries into cultural businesses that do not rely on 'tradition' or 'production' (Murayama 2012), which is considered a change that will lead to transformation of the existing production structure. This means the current wholesaling manufacturers do not require the controlling function of 'production', but instead they require the design, planning and development functions to establish corporate brands. In terms of production, regardless of location of the industrial area, it is now important to rebuild optimal production networks.

Conclusion and Implications

In the research studies of global marketing and brand strategy, a company has to consider the globalization of brand or the regionalization of brand adapted to the local market. Whether a company takes a standardization brand strategy or regional brand strategy, customer markets will perceive a brand with the country image of origin (Balabanis and Diamantopoulos 2011; Riefler 2012). The brand strategy of this study has a same issue, but its route is absolutely reverse. While the conventional research of global brand strategy has been focusing to the brand development of a company possessing power brands, brand strategy in this study is the brand creation of a company and/or industrial districts possessing a still seldom known brand (Tamura 2011).

This study has clarified the current state of production with the shift away from the control function of wholesaling manufacturer that was established in the mass production era. The decline in production volumes due to the import of low priced imported goods has resulted in transformation away from the production function towards the design, planning and development, and marketing and sale functions aiming to building corporate brands. However, OEM production increased from the 1960s and the popularity of the DC brand in the 1980s meant that most wholesaling manufacturers came to rely on designer brands from overseas and outside the industrial district. Wholesaling manufacturers have been expanding its wholesaling function without retaining its competitiveness in planning and development capacity. That is, although the focus for wholesaling manufacturer is shifting away from the production function towards planning and sales, they have been unable to address the important issues of solution, creative design and planning and development, unlike fabless companies in the apparel industry such as specialty store retailers of private label apparel (SPA). They have at the same

time lost their competitiveness advantage, which has exacerbated the declining trend in local industrial districts. Even so, wholesaling manufacturers have made progress towards the establishment of own company brands and the creation of value in a company brand has become an important issue. The change from the production function to the producing function aimed at establishing wholesaling manufacturer brands is having a major influence on the production and distribution structure in local industrial districts. We wonder whether or not wholesaling manufacturers that have to date somehow managed to maintain advantages on the production function can build company brands without production. In the Kobe Chemical Shoes industrial district, a progress has been made with shifting the production function overseas and wholesaling manufacturers have been putting effort into producing the corporate brand with a loss of the organization function within the industrial district. Even in Kyoto's traditional craft industrial districts, companies and industries producing *Kyo-kanoko Shibori* have become increasingly dependent on China for their production function. So despite being referred to as traditional crafts, the creation of purely domestic products has become impossible. The Kyoto Chamber of Commerce and Industry has promoted Kyoto Premium program by helping companies to expand into the European markets, but the business concept is not 'Made in Kyoto' but 'Produced by Kyoto.' This type of shrinkage in the production function has significantly reduced the volume of transactions with material merchants and processors within the industrial district. It means that the advantages of the production function where they were good at working on product assembly through organization will be lost. At present, most wholesaling manufacturers have not been able to respond well to the solution and creative-based business conditions such as design, planning and development and sales promotion that are necessary for autonomy. The current sharp decline in the number of companies suggests that the loss of competitiveness in the production function leads to a loss of the industrial district's competitive advantage and exacerbation of the downward trend. In these circumstances, what will be needed to establish strong regional brands? It is not enough to only to promote to be known by national and international markets. It will need to gain the value of index like the degree of attachment, intension of recommendation, price premium, and rate of regular uses. There needs the fusion of the ardor of marketers and markets.

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Full Paper

Exploring the Zen of the ZIN: An Inside Look at the Zumba Instructor Network

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There is no question that the seemingly ubiquitous Zumba® Fitness brand has grown in popularity at an astonishing rate in recent years. The question is: What is driving this success? An unorthodox business model and the associated promotional strategy may be to credit. Together, the concepts of Brand Community and Sense of Community provide a meaningful lens through which to investigate Zumba instructors' perceptions of the brand. Through this lens, a qualitative assessment of ZIN members' online profiles could offer insight into the undeniable success of the branded fitness program. Established content analysis methods should reveal recurring themes in the profiles and shed light on the international phenomenon that is Zumba.

Introduction

Established in 2001, Zumba® Fitness, LLC has generated an impressive international following in just over a decade with 14,000,000 participants in 185 countries taking Zumba classes on a weekly basis (www.zumba.com 2014). How does a branded fitness company become so popular? This research explores the innovative characteristics of Zumba® Fitness's marketing strategy that drive the overwhelming popularity of the brand.

Zumba® Fitness offers a branded fitness program with a unique twist. Latin and international music combined with a party-like dance based workout create a different feel for the exercise regimen. Put simply, the concept is that getting into shape can be a fun group activity. Of course, many workout routines have tried to effect this change in the view of exercise, but this program is different. For one, the company generally does not market itself to the individual participants. Instead, Zumba® Fitness has promoted itself to and thereby built an army of instructors who then promote their own classes to potential consumers. At first glance, it would seem that the program is simply another multi-level marketing system in which members are paid using a pyramid structure where those closest to the company receive the biggest payouts. However, Zumba® Fitness does not pay instructors. Zumba® Fitness licenses instructors, who then earn income by teaching their own classes at local facilities such as gyms. Once an instructor earns an initial license, the license will expire in one year unless the instructor retakes the initial training or joins the Zumba Instructor Network™ (ZIN). ZIN membership is maintained by paying a monthly membership fee. In return, the instructor receives continuing education materials, access to specialty trainings, and access to the online content, including a personalized online profile. Zumba® Fitness emphasizes joining the ZIN to new instructors as a way to connect with other instructors. By developing this inclusive culture, Zumba® Fitness

has fostered a community of instructors who are united by their devotion to the Zumba brand.

Theoretical Background

Since the ZIN constitutes a brand-based group, prior research regarding brand communities will be utilized as a frame of reference for the exploration of the group's role in the popularity of the Zumba brand. To provide the basis for a robust discussion of brand communities, an inextricably related concept, Sense of Community, is also reviewed. Brand communities and Sense of Community are discussed in the following sections.

Brand Communities

The concept of a brand being the center of a community is a fairly new notion, but a notion that is rooted in academic history. Early sociology studies focused on communities as organic social structures. This foundational work focused on religion, race, or ethnicity as bases for communities rather than brands (Durkheim [1915] 1965; Weber [1922] 1978). Further, Weber ([1922], 1978) wrote about a characteristic of community called consciousness of kind. A more recent definition of this is "the intrinsic connection that members feel towards one another and the collective sense of difference from others not in the community" (Muniz and O'Guinn 2001). Another element of community is the sharing of rituals and traditions which provide a method of preserving and communicating common meanings, norms, and values (Durkheim [1915] 1965). A final aspect of a community is a sense of moral obligation both among the members and to the community as an entity (Muniz and O'Guinn 2001; Stokburger-Sauer 2010).

Though once limited to local associations, communities are no longer bound by geographical constraints. A community without geographical bounds is considered a relational community which is defined by the "quality of character of human relationship without reference to location" (Gusfield 1975). As communication technology has developed, relational communities have grown in number and popularity (Wilson 1990). Another factor in the development of relational communities was mass commercialization that sprung from the industrial revolution (McAlexander, Schouten, and Koenig 2002). As more and more types of commercial goods became available, a shift from homemade to store bought consumption occurred. As a result, consumers came to express their identity through the products they purchased. From this came a type of relational community referred to as a consumption community. Consumption communities are "created and preserved by how and what men consumed" (Boorstin 1974). The definition provided by Boorstin implies that

individuals share relationships with others who buy the same products. Because commercialism is the central theme of a consumption community, this type of community connects the foundation of communities as established in sociology and social psychology to marketing. This provides for a modern outlook of communities from which the idea of brand communities was born.

The main difference between consumption communities and brand communities is that consumption communities focus on the relationship between consumers and do not account for the relationship between the brand and the consumer. During the time of Boorstin's work, the marketing field had not established the relationship between the consumer and the brand. However the field of marketing has recognized and thoroughly examined the relationship between the consumer and the brand since that time period. In fact, the last thirty years of marketing literature have been rich in discussions of the relationships between consumers and countless facets of brands. The focus on these relationships has been strong enough to cause a paradigm shift in marketing research (Vargo and Lusch 2004). Earlier work used discrete transactions to examine relational bonds between business marketing and relational exchanges (Arndt 1979; MacNeil 1980). Then, in 1987, researchers described the process by which buyer and seller relationships start and evolve (Dwyer, Schurr, and Oh 1987). This work provided a strong foundation for the analysis of business relationships throughout marketing.

Relationship analysis was crucial in establishing the concept of brand communities. The study of the relationship framework was eventually applied to the context of consumers and brands (Fournier 1998). Then brand personality and brand identity were explored, while outcomes of consumer-brand relationships including consumer value, loyalty, satisfaction, and sense of community were explored (Aaker, Fournier, and Brasel 2004; De Chernatony 2001; Keller 2001). Finally, the leap from consumption communities to brand communities was made (Muniz and O'Guinn 2001). Shortly thereafter an expanded definition of brand communities was established, one that included the relationships among groups of customers, the brand, the product, and the company (McAlexander, Schouten, and Koenig 2002).

Sense of Community

Previous research on the social organization of communities has drawn scholars closer to a deeper understanding of the experience of community membership. The feeling of inclusion in the community is central to this experience. A concise term for this sentiment which is used in literature from numerous disciplines is Sense of Community (SOC). An expanded definition of SOC is "a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members' needs will be met through their commitment to be together" (McMillan and Chavis 1986).

Drawing from this definition, SOC can be seen to have four components: membership, influence, needs fulfillment, and emotional connection. Membership serves as a boundary that defines the group in the mind of the individual and provides emotional security, allowing for the type of group intimacy required for shared meaning to be created. Influence refers to a mutual relationship between the individual member and the group overall such that each steers and impacts the behavior of the other. Needs Fulfillment is reinforcement of community membership. In other words, members must reap some kind of reward or benefit

for taking part in the community or they will cease to do so. Lastly, SOC includes an emotional connection between individuals and the group based in a shared history, rituals, or other interactions. These four sub-factors tap into the experience of community membership (McMillan and Chavis 1986).

As described above, the definition of community has broadened over time. Correspondingly, the contextual scope of SOC has also broadened to cover members of various communities such as church members, science-fiction fans, school children, and firefighters (Peterson, Speer, and McMillan 2008). Brand community members are also part of this expansion. Marketing scholars have examined SOC in complex brand-based situations. In one situation, SOC was determined to have an important role in the loyalty of individuals to specific brands, and this loyalty resulted in numerous behaviors that are beneficial to the brand (Carlson, Suter, and Brown 2008).

This exploratory research is intended to identify key elements of the Zumba Instructor Network membership experience. Based on the prior research described above, the study presented here will seek to elucidate commonalities among network members as well as their perceptions of the brand. The ultimate goal is to glean insights into the continued success of the pervasive Zumba brand.

Methods

The official Zumba® Fitness website features a search function through which Zumba instructors are listed by location. By creating a profile webpage for the site, instructors can promote themselves and demonstrate their views of the fitness program. These profiles thusly serve the dual function of representing the instructors' feelings about Zumba and encouraging potential students to join the instructors' classes. With these purposes in mind, these webpages will serve as the database from which the current analysis will be drawn.

Five hundred (500) instructors will be selected for inclusion with a systematic random selection. Through the stratified sampling method, 10 instructors from each state in the US will be chosen from an online directory such that skip interval size will be determined by the total number of instructors listed in each state. Instructors' profiles will be transcribed into text format and then uploaded to a qualitative data management software. The program facilitates the organization of and coding of text. Data will be subjected to content analysis on a phrase-by-phrase basis in accordance with the methods of Charmaz (2006). In the initial analysis, semantic level or "open" codes will be assigned to identify the meaning of each phrase. To ensure that anomalous statements do not convolute assessment, only codes that meet a 10% decision rule will be retained for further analysis.

A representative set of the coding by each researcher will be reviewed for credibility by a second researcher with expertise in qualitative data coding. Discrepancies that arise will be resolved through discussion, and all codes included will be the result of consensus. All statements will be assigned as many codes as they embody; therefore, code occurrences will not sum to sample size.

After the initial coding, the authors will apply inductive thematic analysis to develop higher level, axial codes as a means of linking conceptually related codes. These axial codes will represent the emerging themes of the data. Incidence rates for axial codes will be calculated on the basis of the number of participants whose profiles reflect the axial code divided by the total number of statements used for the analysis. Open codes that co-occur but reflect the same axial code will not be double

counted. Finally, these axial codes will be linked to illustrate instructors' conceptualization of the ZIN. The degree to which axial codes are interwoven will provide the structure for the interpretation of Zumba instructors' perceptions of the brand.

Preliminary Results

Though this research is just underway, a cursory examination of a handful of ZIN members' profiles offers an inside glimpse of the group. The following table provides just such a glimpse through a few examples of the profiles. In order to maintain anonymity, each example has been labeled with the postal abbreviation of the state of origin and names were changed.

Table 1. Examples of Participants' Profiles

TX-1
Hi, I'm Jenny and I love teaching Zumba classes. The reason is simple: Every class feels like a party! Come join me and you'll see what I mean. You don't even have to know how to dance. Just move your body and follow my lead. It's easy! Come try it, I guarantee you will have a blast!
TX-2
Hey Everyone!!! Thank u for stopping by my page to get more info about my Zumba Schedule! Proudly serving the Zumba Community in San Angelo since 2010!! I'm here to help you become a better you. I strive to help everyone get through depression, stress, or everyday life issues that we all go through... Memberships: \$45 per month for unlimited classes with a one time \$30 processing fee at sign up. Punch Cards: 10 classes for \$45, expires after 2 months Per Class: \$5 per class Military/ students/ seniors: \$3 drop in rate with proper I.D
PA-3
I had just finished Nursing school and was looking for a job when I saw an info-mercial about Zumba [®] Fitness... I was sick of feeling tired and bored all the time. Everyone doing Zumba [®] Fitness looked so happy and energetic! I wanted to be like them. So, here I am! I am excited about waking up and having Zumba [®] Fitness in my life. Even my 7 year old daughter says to me, "Come on mom, Lets do Zumba [®]". She is my life. So, having something we both enjoy... Is GREAT!
PA-6
I will be the first to admit that I never went to a gym outside of school until last year. Now, I can be found in the gym several times a week either instructing a class or attending a class. Zumba has changed me for the better, and I am proud to say I have lost almost 50 pounds thanks to this amazing program! If you give it a try, I know you will enjoy the party. My Zumba story began in March of 2011 when I attended a Zumbathon for AIDS Resource. ...I received my B1 Certification...I am now certified in Aqua Zumba, Zumba Gold, Zumba Toning, Zumba Gold-Toning, Zumba Sentao, and Zumbatomic...My most memorable experience was being able to instruct a Zumba Gold class at the Assisted Living Home in which my grandmother is a resident at.

As demonstrated in the examples above, a wide variety of communication patterns emerge. Many profiles provide the same basic information and are based on the template provided by the organization (refer to TX-1 above). Others vary in elaboration,

some of them providing specific information about the classes offered and some seem more generally about the instructor's personal experience. The variety also displays different types of objectives of the messages—some are more informational; others more persuasive and some focus more on the Zumba program while others are more concerned with the individual themselves.

Even across a small subsample of the profiles, initial examination demonstrates some recurring perspectives among ZIN members. Six (6) codes emerged from preliminary content analysis of 20 profiles: Devotion, Brand Identification, Inclusivity, Fun, Credentials/Legitimacy, and Benefits. Table 2 provides a list of these codes and examples of supporting attitudinal statements.

Table 2. Emerging Codes and Attitudinal Statements

Codes	Supporting Attitudinal Statements
Devotion	<i>I love teaching Zumba classes. Let me show you my passion. I honestly love teaching Zumba®, The passion I have for this amazing fitness program is like no other. In 2010, I discovered Zumba and I fell completely in love with it. I LOVE teaching Zumba and especially when I get to share in the changing of peoples lives!</i>
Brand Identification	<i>Without Zumba® my life would not be where it is today. Zumba® has been my life ever since, I am excited about waking up and having Zumba [®] Fitness in my life. I had no idea at the time how Zumba would become a huge part of my life.</i>
Inclusivity	<i>You don't even have to know how to dance. I got certified in kids Zumba [®] Fitness!!! Now I have the ability to teach kids ages 4-1.2 Zumba is a simple and fun way for ANYONE and EVERYONE to get in a great workout.</i>
Fun	<i>Every class feels like a party! I guarantee you will have a blast! I started teaching Zumba because it doesn't feel like a workout. Everyone doing Zumba [®] Fitness looked so happy and energetic! Zumba is a total party package! When you come to my class be prepared to make a lot of noise, and have tons of fun! Ditch the workout, and JOIN THE PARTY!</i>
Credentials / Legitimacy	<i>I also hold a Personal Training Certification AFAA and that helps boost my experience in the Fitness Industry. This program has let me get fit and stay fit. I am now a licensed Physical Therapy Assistant. I also coach figure skating. I am now certified in Aqua Zumba, Zumba Gold, Zumba Toning, Zumba Gold-Toning, Zumba Sentao, and Zumbatomic.</i>
Benefits	<i>Zumba has introduced me to so many amazing people and blessed me with so many new friendships. It really changes you from the inside out. I have lost almost 50 pounds thanks to this amazing program!</i>

General Discussion

Though it is far too early in the current examination to draw any reliable conclusions about the ZIN and its members, the preliminary results provide support for concepts that are integral to brand communities. Instructors exhibit a number of views that indicate the ZIN may in fact be a form of brand community that has aided the brand in its success. For example, instructor profiles allude to the role of the brand in the individuals' lives (Brand Identification), as well as the welcoming nature of the group (Inclusivity). In addition, references to an emotional bond with the brand (Devotion) also appear. Lastly, the advantages of ZIN membership (Fun and Benefits) are also frequently noted. The complete analysis outlined above will reveal other themes and provide a more complete depiction of the ZIN member experience.

Building from this exploratory work, a conceptual model could be proposed. Through quantitative assessment of the model, future research could establish the exact role of certain constructs in the ZIN experience. The improved comprehension of the brand's high level of achievement this process would yield could then be tested with regard to other brands and contexts.

Greater knowledge of the ZIN experience would also allow the managers of the Zumba® Fitness brand to gain a greater appreciation of their clientele. Specifically, Zumba managers could identify different types of ZIN members. If so, user profiles could be used to cater the ZIN experience to the particular desires or personalities of different instructors. Such customization should contribute to even greater satisfaction among Zumba instructors.

On a theoretical level, this research could help to shed new light on a little studied form of brand community. While internal marketing or promotion by an organization targeting its members is a popular topic, "internal brand communities" have not been the focus of a great deal of prior inquiry. It would seem the ZIN constitutes just that—an internal brand community. Of course, further research is needed to validate this suggestion. Should this description prove accurate, however, this represents a new area of study that lies at the crossroads of organizational behavior's concern with such constructs as employee engagement, organizational commitment, and job satisfaction and the marketing's interest in brand based groups. Indeed, the current research may have far-reaching implications for both disciplines.

Zumba® Fitness has been recognized as a unique and appealing exercise program. However, it represents much more. The innovative business model in fact suggests a whole new avenue for branding. Purveyors of other brands as well as scholars would do well to take notice of the approach and to strive for a greater understanding of the driving forces behind its success.

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Summary Brief

The Ties that Bind: Building Brand Advocacy Through Regional Identification

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This early stage work explores place branding through the lens of regional identification and brand advocacy built by emotional attachment, structural dependence and community engagement and participation. The authors propose to examine the interrelationship of these concepts via a large-scale online survey conducted in a regional southeastern community.

Introduction

Over the past thirty years, it has become well-accepted that powerful brands are an important driver in the success of a firm. While considerable research has explored the drivers of brand equity, from a firm's perspective, perhaps the most impactful work focuses on the outcomes firms receive from developing brand equity. According to Srivastava et al. (1998, p. 8):

Brand equity can be tapped in a variety of ways. It enables firms to charge higher prices (Farquhar 1989), attain greater market shares (Boulding, Lee, and Staelin 1994), develop more efficient communications programs because well-differentiated brands are more responsive to advertising and promotions (Keller 1993; Smith and Park 1992), command greater buyer loyalty and distribution clout in the marketplace (Kamakura and Russell 1994), deflect competitive initiatives (Srivastava and Shocker 1991), stimulate earlier trial and referrals of products (Zandan 1992), and develop and extend product lines (Keller 1993; Keller and Aaker 1992).

While typically examined in the context of consumer goods and services, consider brands in places, such as cities, etc. Much like firms that sell to consumers, geographic areas must instigate trial (e.g., visiting to an area) and improve loyalty to remain viable. This ability depends on attracting residents, visitors and businesses to an area. Each group (or individual) may focus on different attributes of the region and their impressions, like those of consumer brands, are influenced by controlled messages from organizations such as visitors' bureaus and economic development councils as well as uncontrolled messages such as word-of-mouth.

Despite these parallels to one of the most significantly studied fields in marketing, the study of geographic branding has been largely limited to theoretical frameworks or applications within environmental psychology (e.g., Lewicka 2011) and sociology (e.g., Altman and Low 1992). The limited work within the marketing field has tended to focus on clarifying these various frameworks (e.g., Kavartzis 2005; Kavartzis and Hatch 2013) or studying singular aspects of branding such as slogans (e.g., Kemp,

Childers and Williams 2012) or geographic-based origin sub-brands (e.g., Bruwer and Johnson 2010).

This situation may be explained by the idea that, for geographic brands, the "brand" may be different for each person or business given the heterogeneity of communities, particularly as they grow larger in geographic scope (see Gustafson 2009 and Reicher, Hopkins and Harrison 2006 for work on state and country branding). Consequently, it is more difficult to measure the brand concept associated with geographic regions, to develop a brand promise with consensus support from heterogeneous populations, and to foster trial or loyalty through traditional means (e.g., advertising, brand slogans, etc.). Despite these difficulties, geographic branding can work, as demonstrated by the city of Las Vegas, NV, which, in 2007, claimed to be the second most recognized brand, behind Google, in the U.S (Spillman 2009).

Independent of the perception of the geographic brand, the question remains as to what drives the willingness to advocate for the region to other potential "consumers." This paper proposes that such advocacy is driven by the community's identification, or the degree to which one perceives the area as reflective of one's self-identity or a sense of belonging (see Ashforth and Mael 1989 for an application within organizations), with a place or region.

The purpose of our presentation is to explore the antecedents of such identification as well as the resulting outcomes. The practical importance of such research is in identifying factors to encourage community support and word-of-mouth, which may then help develop stronger (and still authentic) geographic brands.

Emotional Ties and Structural Dependence

Identification with a region can possess two components: emotional attachment, where one forms a relationship with an area, and structural dependence, where one is tied to an area due to access to activities (e.g., physical activities, a job, etc.). This is similar to the idea that brand relationships contain two distinct, but related components – brand attitude and brand attachment (Park and MacInnis 2006). Once one feels identifies more strongly with the geographic region/brand through one or both of these components, one should then be more likely to advocate for brand.

Brand attitude is posited to be the "cold" affect portion of the relationship (Cohen and Areni 1991) where evaluations, with varying valence and certainty, are made about the brand, while brand attachment represents "hot" affect which is more about emotional connection and incorporation into the self (Mikulincer

and Shaver 2007). Prior work has found some evidence that brand attachment, via its ability to induce engagement in difficult behaviors and separation distress, has greater power than attitude in predicting actual consumer behavior (Park et al. 2010).

While the same may be true of places, geographic areas possess certain structural attributes (e.g., topography and climate) more difficult to replicate in competing regions relative to competitors in consumer markets. Consequently, this “cold” aspect of a community brand relationship may exert a stronger influence on geographic brands than in the typical consumer environment, particularly to the extent that such structural attributes are central to one’s interaction with the environment.

To examine these relationships, our analysis will use structural equation modeling to analyze 984 responses to a 31-item online survey collected over several weeks in a southeastern community. The survey includes multiple items, adapted from previous scales, to measure affective attachment, place dependence, regional identification, and advocacy as well as community involvement and multiple demographic measures.

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**GLOBAL MARKETPLACE II: FRANCHISING, TOURISM, AND
ADVERTISING**

Full Paper

How Advertising Content Can Stimulate Consumer Ethnocentrism

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As the world evolved into a global marketplace with easily accessible product information and availability, consumer perceptions of imported brands versus those made in their own countries have become a topic of interest to academicians and practitioners alike. Those perceptions (consumer ethnocentrism) are typically conceptualized as a moderating construct which is determined by each individual's social, psychological, and situational influences. There is a possibility that marketing activity such as advertising can increase the saliency of ethnocentric tendencies at the point of contact with a consumer, or even drive the direction of those beliefs and feelings. Little if any research has empirically tested this notion, so the current study begins that exploration. This manuscript reports the results of a series of ANCOVA runs that found significant deviation in mean scores across a 2x2x3 factorial design of test advertisements when individual hierarchy-of-effects differences are controlled through covariates. Interaction effects are also reported.

Background

Firms operate in a vast macroeconomic world surrounded by a host of what are commonly termed “uncontrollable” variables, such as the health of the economy, competition, legal-regulatory pressures, technological innovations, and the socio-cultural dynamic. Organizations attempt to influence their domain through a variety of “controllable” activities, such as production and distribution efficiency, product quality, competitive pricing structures, and various promotional tactics including public relations, lobbying, personal selling and advertising. Influencing how consumers view the world as a result of their past experiences (i.e., the socio-cultural environment) is considerably more difficult than effecting change in one aspect of the business that managers have more control over (e.g., production). However, that does not entirely preclude an organization from exerting some impact on the macro-environment through its marketing mix.

Consumer Ethnocentrism

One socio-cultural variable that impacts consumer decision-making is related to national identity, which the marketing literature terms consumer ethnocentrism or the country-of-origin effect. According to Clark (1990, p.66), “the idea that people of each nation have distinctive, enduring patterns of behavior and/or personality characteristics” is of primary importance to consumer and managerial decision making in the global marketplace. A strong national identity can lead individuals to believe things

considered important within or products produced by the group they identify with (i.e., their nation) are superior to those from other nations. Restated in terms of Social Judgment Theory (Sherif and Hovland 1961; Sherif 1963), the consumer who has a very strong sense of national identity will have wide latitude of acceptance for products originating in his or her own country, and narrow latitude of acceptance for those imported from foreign nations.

Country-of-origin and consumer ethnocentrism are both similar yet 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).

Given the broad-based cultural aspect of ethnocentrism among consumers, one might reasonably expect a marketing tool like advertising to have little if any influence on its formation. For example, Lambert and Harrell (2010, p.57) found that “personal choice overrides consumer ethnocentrism in a low CETSCALE environment” in their study of perfume preferences among females. 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). There is an aspect of consumer ethnocentrism reflected in the CETSCALE items analyzed here that focuses on national employment and economic well-being of fellow citizens that would seem to override marketing tactics (Rhiney, Arnold, and Salley-Toler 2013). For example, Smyczek and Glowik (2011, p.112) 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.”

On the other hand, according to Puzakova, Kwak and Andras (2010) advertising has changed Russian consumers' negative attitudes towards foreign products and helped increase sales volume for imported products. In addition, 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 negative beliefs resulted in lower product quality evaluations. Thus, the notion that advertising and other marketing tactics might influence the formation of consumer ethnocentric responses has at least some foothold in the literature.

The highly personalized nature of ethnocentric tendencies among consumers was demonstrated in a number of earlier studies published in the marketing literature that found a variety of demographic variables to significantly predict consumer ethnocentrism (Bilkey and Nes 1982; Han and Terpstra 1988; Neese and Hult 1996; Samiee 1994). One of these early studies reporting demographic results is Shimp and Sharma's (1987) article that established the CETSCALE, which is a ten-item measure adopted here to capture consumer ethnocentric responses to the test advertisements. Developed to capture respondent attitudes about the appropriateness of buying imported brands instead of products manufactured in America, the CETSCALE has been tested for validity and reliability in a number of studies conducted both domestically and abroad (Chowdhury and Ibn Rahman 2013; Herche 1992; Netemeyer, Durvasula, and Lichtenstein 1991; Pentz, Terblanche, and Boschoff 2013). The CETSCALE items listed below appear in their own way to reflect the concepts of affinity and animosity previously discussed.

Methodology

A random sample of household consumers was taken in the United States with contact made through the traditional mail survey method. Monetary incentives were added to each outbound survey along with a pre-stamped return envelope. Individual questionnaires in this between-subjects design included only one of the twelve total test advertisements; the instructions and measurement items were identical on all questionnaires, which were professionally printed and folded. There are four main effects in the study's 2x2x3 design that are analyzed here: (1) domestic American vs. imported automobile brand; (2) noncomparative vs. comparative headlines, and (3) affordable family sedan vs. upscale sports sedan vs. upscale SUV product forms.

Quantitative Method and Dependent Variables

The quantitative method in this study is Analysis of Covariance (ANCOVA), with each of the ten CETSCALE items treated as one interval (7-point Likert scale) dependent variable and one of the three main effects listed above as the categorical independent variable. CETSCALE (CET) items are as follows:

CET 1. Only those products that are not available in the U.S. should be imported.

CET 2. American products first, last, and foremost.

CET 3. Purchasing foreign-made products is un-American.

CET 4. It is not right to purchase foreign products.

CET 5. A real American should always buy American-made products.

CET 6. We should buy products manufactured in America instead of letting other countries get rich off us.

CET 7. Americans should not buy foreign products, because that hurts American business and causes unemployment.

CET 8. It may cost me in the long run, but I prefer to support American products.

CET 9. We should buy from foreign countries only those products that we cannot obtain within our own country.

CET 10. American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work.

Covariates

To produce a more accurate test of actual treatment effects in each of the three main effect analyses presented here, hierarchy-of-effects multi-item measures are included as covariates. These hierarchy-of-effects measures include an eight-item attitude toward the advertisement scale, a five-item attitude toward the brand measure, a four-item measure of brand beliefs, and a four-item measure of purchase intentions. Coefficient alpha scores for these four multi-item measures are all in the .80-.90 range. These covariates are included in the analysis to partial out the effects of existing beliefs, attitudes, and behavioral intentions so a more direct test of the impact advertising may or may not have on consumer ethnocentric responses can occur. In each analysis, one or more of these variables was significant. However, the focus of this study is on the dependent and treatment variables, not these covariates.

Results

The nation-wide survey produced 336 usable responses out of 2,250 mailings (slightly more than 400 were returned), which is a response rate of approximately 15%. Questionnaires were sent back representing at least 44 of 50 states, which is an 88% coverage rate. The origin of 22 usable responses (6.5%) could not be determined from the envelope, which means the national representation in this database could be greater than 90%. The five states that contributed the most response in this survey are also the five states with the largest populations in the U.S. (California, Texas, New York, Florida, and Illinois). Excluding missing data, the demographic profile for usable responses is as follows:

- Marital Status: 16% Never Married; 64% Married; 20% Other.
- Gender: 58% Female; 42% Male.
- Age: 23% Under 40 Years Old; 61% 41-65 Years Old; 16% Over 65 Years Old.
- Race/Ethnicity: 75% Caucasian; 25% African, Asian, or Native American, Hispanic, or Other.
- Education: 38% High School; 48% College (Undergraduate and Graduate); 14% Other.
- Household Income: 40% Under \$50,000; 40% \$50-\$100,000; 20% Over \$100,000.
- Occupation: 43% Professional or Managerial; 13% Blue Collar; 20% Retired; 24% Other.

The largest number of missing responses was for gender (53 out of 336) and the second largest group of missing responses occurred for the race or ethnicity item. There were 43 total items on the survey instrument including the seven demographic measures; any returned questionnaire that had missing responses for more than five items was considered not usable and not entered into this database. In addition, if any major section was left incomplete (e.g., none of the four purchase intention items were marked) those cases were excluded.

ANCOVA 1 - Domestic vs. Import Main Effect

Results for the first ten ANCOVA tests are presented in Table 1. The domestic vs. import main effect produced the largest number of significant differences in CETSCALE means between treatments than any other group of ANCOVAs. Values in the 5, 6, and 7 range indicate increasingly stronger agreement with that statement as the number gets higher, which equates to greater “Buy American” sentiment. Values in the 3, 2, and 1 range indicate increasingly stronger “Pro-Import” sentiment as the number gets lower. Values in the 4 range can be considered somewhat neutral. Although mean scores for CET4, CET5, and CET10 are in the 3 range indicating an overall consumer sentiment favorable toward imports, exposure to the six treatments sponsored by a domestic manufacturer (all General Motors products) moved that sentiment significantly closer to the buy-American position. In the case of CET6 and CET8, consumer ethnocentric response was actually moved from the neutral category into the buy-American range.

Table 1. CETSCALE Results for the Domestic vs. Imported Automobile Treatment

Item	TRMT	N	Adjusted Mean	F	Sig. of F
CET 4	Domestic ₁	178	3.441	4.911	.027
	Import ₂	158	2.991		
	TOTAL	336	3.229		
CET 5	Domestic ₁	178	3.926	8.437	.004
	Import ₂	158	3.299		
	TOTAL	336	3.631		
CET 6	Domestic ₁	178	5.023	8.594	.004
	Import ₂	158	4.386		
	TOTAL	336	4.724		
CET 8	Domestic ₁	178	5.356	12.073	.001
	Import ₂	158	4.695		
	TOTAL	336	5.045		
CET 10	Domestic ₁	178	4.003	10.215	.002
	Import ₂	158	3.346		
	TOTAL	336	3.694		

1. Domestic = Chevrolet (sedan), Cadillac (sport sedan), and Buick (upscale SUV) sponsoring brands.

2. Import = Toyota (sedan), Lexus (sport sedan), and Lexus (upscale SUV) sponsoring brands.

ANCOVA 2 - Noncomparative vs. Comparative Headline Main Effect

Since consumer ethnocentrism is inherently comparative in nature (i.e., the “us versus them” dynamic), a comparative advertising headline main effect was designed into this survey. Results for the second ten ANCOVA tests are presented in Table 2. Only one CETSCALE item was significantly influenced in this ANCOVA run, CET6. Where domestic firms are concerned, the noncomparative advertising format resulted in a more favorable consumer belief that “We should buy products manufactured in America instead of letting other countries get rich off us.” The reader should keep in mind that both treatments in this analysis include all six of the domestic and foreign brands previously

discussed. Conversely, the comparative format appears to stimulate more of a pro-import position regardless of whether the sponsor is a foreign or domestic brand. This result has to be taken in the context of contemporary economic society in the United States, where consumers have been exposed to countless imported products across multiple industries for decades. Jung and Beatty (2002, p.907) report that “in Korea, where direct comparative ads are rarely used, direct comparative ads were the most effective.” American consumers have been exposed to comparison statements in automobile advertising since the mid-to-late 1970s, so the overall neutral position displayed on this item is not surprising given that potential inoculation effect.

Finally and conversely, one can also view the outcome displayed in Table 2 as resulting from the comparative statement sponsored by domestic brands stimulating a more pro-import position among respondents. To explore this possibility, data were recoded to enable a test for any interaction effect that might materialize in a 2 (noncomparative vs. comparative) by 2 (domestic vs. imported) factorial design. This fourth set of ANCOVAs will be discussed in the last results section after the third main effect is explained.

Table 2. CETSCALE Results for the Noncomparative vs. Comparative Advertising Treatment

Item	TRMT	N	Adjusted Mean	F	Sig. of F
CET 6	NonComp ₁	170	4.949	4.354	.038
	Comp ₂	166	4.493		
	TOTAL	336	4.724		

1. NonComp = Noncomparative headlines in six test advertisements by brand sponsor include:

- For Chevrolet, beauty is not just skin deep.
- For Toyota, beauty is not just skin deep.
- For Cadillac, beauty is not just skin deep.
- For Lexus, beauty is not just skin deep (same for sedan and SUV).
- For Buick, beauty is not just skin deep.

2. Comp = Comparative headline in six test advertisements by brand sponsor include:

- For Chevrolet, unlike Toyota, beauty is not just skin deep.
- For Toyota, unlike Chevrolet, beauty is not just skin deep.
- For Cadillac, unlike Lexus, beauty is not just skin deep.
- For Lexus, unlike Cadillac, beauty is not just skin deep.
- For Buick, unlike Lexus, beauty is not just skin deep.
- For Lexus, unlike Buick, beauty is not just skin deep.

ANCOVA 3 - Product Form Main Effect

None of the ten ANCOVA runs for the product form main effect (i.e., affordable family sedan, upscale sports sedan, and upscale SUV) produced significantly different mean scores across treatments. However, when this main effect is recoded and broken down to the six brands level, the three General Motors products each produced significantly higher means at the .05 level than the three Toyota products for CET 5 (Sig. = .036) and CET 8 (Sig. = .018). In addition, CET 6 (Sig. = .056) and CET 10 (Sig. = .054) were marginally higher. As was the case with previous results, most of these mean scores are in the 3 or 4 range, but each domestic brand produced a mean score in the 5 range (compared

to means in the 4 range for the Japanese brands). Tactical analysis at the brand level is generally more relevant in a practitioner forum compared to a more strategic viewpoint from the product type or form analytical perspective, so further discussion of this topic will not be undertaken here. The discussion instead moves to analysis of an interaction effect.

ANCOVA 4 - Brand Main Effect

As previously mentioned, the final set of ten ANCOVAs was based on recoding twelve original test advertisements into a 2x2 independent variable that can be studied to detect any interaction effect that might materialize among the U.S. vs. Import and Noncomparative vs. Comparative advertising formats (see Tables 1 and 2 for detailed descriptions of these two main effects). Numerical results of this final analysis are presented in Table 3 and their visual equivalents are displayed in Figure 1. Four of twenty adjusted means (20%) illustrated in Table 3 are in the buy-American range, with the most favorable response for that position produced by the Domestic Noncomparative treatment for CET8. In fact, three of the four adjusted means in the 5 range occur when CET8 is measured, with one of these being the only TOTAL mean in the entire analysis that is above the 4 range. Eight adjusted means in Table 3 (40%) are in the 3 range, and an equal number (8 or 40%) are in the 4 range.

The strongest pro-American adjusted means resulted from respondents who processed test ads that were sponsored by domestic brands, and the strongest pro-import adjusted means were stimulated by the test ads sponsored by imported automobiles. As might be expected from analysis of the two main effects previously reviewed, the domestic versus import dimension appears to predominantly drive these results rather than the comparative advertising format with one exception: there is a ricochet effect produced by the Import Comparative treatment for CET8 and CET10. One interpretation is that the mere presence of an American automobile brand name featured in that advertisement stimulated some degree of buy-American sentiment despite the sponsoring brand being a popular import. Keeping in mind that the lower the score on a CETSCALE item the more favorable that is for imported brands, it appears that the comparative format might backfire depending on the specific aspect of consumer ethnocentrism being considered. However, these results are inconclusive due to the fact that significant results for the other two CETSCALE variables in this analysis did not result in the same ricochet pattern.

Conclusion

This study was designed to produce a pattern of consumer ethnocentric responses to ten items from the CETSCALE immediately after processing an array of advertising content. The primary proposition underlying this analysis is that a marketing tactic such as advertising can partially stimulate consumer ethnocentric reactions regardless of an individual's pre-existing beliefs, attitudes, and purchase intentions toward the foreign or domestic automobile brand under consideration. Results presented in this manuscript do support that notion. Why these patterns materialized in the current study can only be speculated upon due to its exploratory nature.

The questions remain, what is the difference between the two items (CET5 and CET6) that did *not* result in the ricochet effect versus the two items (CET8 and CET10) that did? Why did only

CET6 result in significant differences for the Noncomparative vs. Comparative main effect when other CETSCALE items are also worded in a relatively comparative manner? What other advertising content can impact the saliency of ethnocentric tendencies at the point of processing, and how long does that impact last before it begins to fade? Which elements of the marketing mix are (or could be) dominant in the stimulation of consumer ethnocentrism? How do multinational parts and foreign assembly (e.g., Mercedes SUVs manufactured in Alabama) of today's automobile industry impact country-of-origin perceptions, and are the original CETSCALE items still relevant? These questions and others can and should be the focus of future research on this topic.

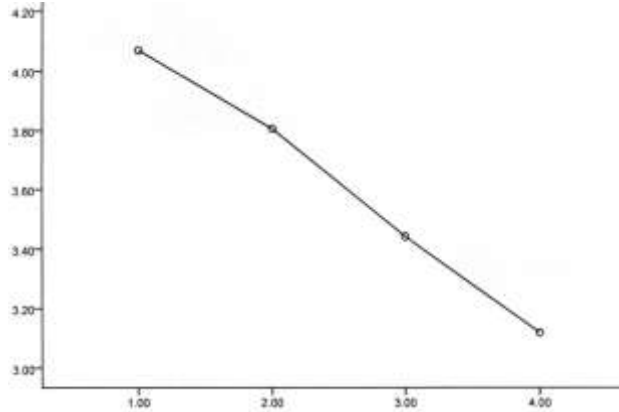
Table 3. CETSCALE Results for the Domestic/Import vs. Comparative/Noncomparative Interaction Effect

Item	TRMT	N	Adjusted Mean	F	Sig. of F
CET 5	DomNC ₁	83	4.069	3.419	.018
	DomC ₂	95	3.805		
	ImpNC ₃	87	3.441		
	ImpC ₄	71	3.118		
	TOTAL	336	3.631		
CET 6	DomNC ₁	83	5.342	4.888	.002
	DomC ₂	95	4.752		
	ImpNC ₃	87	4.585		
	ImpC ₄	71	4.134		
	TOTAL	336	4.724		
CET 8	DomNC ₁	83	5.577	4.901	.002
	DomC ₂	95	5.163		
	ImpNC ₃	87	4.664		
	ImpC ₄	71	4.731		
	TOTAL	336	5.045		
CET 10	DomNC ₁	83	4.122	3.638	.013
	DomC ₂	95	3.898		
	ImpNC ₃	87	3.303		
	ImpC ₄	71	3.398		
	TOTAL	336	3.694		

1. DomNC = Chevrolet, Cadillac and Buick noncomparative headlines.
 2. DomC = Chevrolet, Cadillac and Buick comparative headlines.
 3. ImpNC = Toyota and Lexus noncomparative headlines.
 4. ImpC = Toyota and Lexus comparative headlines.
- Refer to Table 2 for headline descriptions.

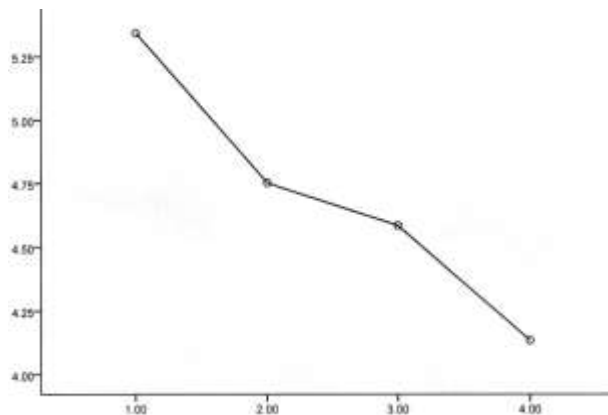
Figure 1. Visual Results for Domestic-Import/Comparative-Noncomparative Interaction Effects

CET 5



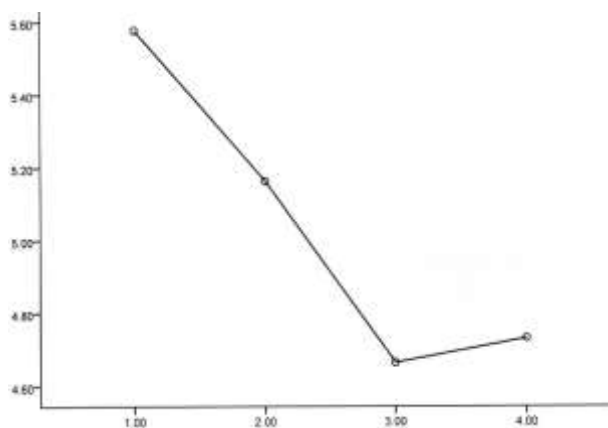
Domestic NC Domestic C Import NC Import C
(4.07) (3.81) (3.44) (3.12)

CET 6



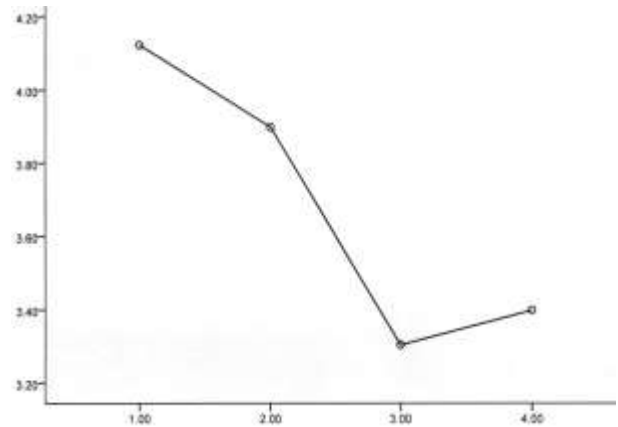
Domestic NC Domestic C Import NC Import C
(5.34) (4.75) (4.59) (4.13)

CET 8



Domestic NC Domestic C Import NC Import C
(5.58) (5.16) (4.66) (4.73)

CET 10



Domestic NC Domestic C Import NC Import C
(4.12) (3.90) (3.30) (3.40)

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Summary Brief

Building Formal Models of the Tourist's Gaze

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The study introduces formal implementable models of Urry's tourist gaze. The implementation includes applying Boolean algebra-based asymmetric tests instead of symmetric matrix algebra-based statistical tests—the asymmetric tests examine for the consistency of high scores in perceiving, assessing, and behaviors of complex configurations of antecedent conditions.

Introduction

All humans perceive through a particular enculturated lens, that is, “One's eyes are socio-culturally framed and there are various ‘ways of seeing’” (Urry & Larsen, 2011, p. 2). “There is no-thing ‘out-there’ intrinsically formed, interesting, good or beautiful as our dominant culture outlook would suggest. Vision is skilled cultural practice” (Jenks, 2004, p. 165). Urry and Larsen (2011) expand on Urry's (1992) prior contributions on the “tourist gaze”. “Humans gaze upon the world through a particular [a complex cultural configural] filter of ideas, skills, desires and expectations, framed by social class, gender, age, and education. Gazing is a performance that orders, shapes, and classifies, rather than reflects the world.” (Urry & Larsen, 2011, p. 2). Thus, visitors to Australia from America, Canada, China, Germany, Korea, Russia, and Spain each are representative of different complex-cultural configural gazes. These distinct configurations constitute unique tourist gazes that affect the perceptions and assessments of what members of each national culture see—and their behaviors while visiting Australia. Using Boolean algebra, models and research findings for the unique complex cultural configurations across nations support this observation (Woodside, Hsu, & Marshall, 2012). Culturally-derived tourist gazes do not encompass all of areas of perception and assessment. The possibility occurs for the tourist to interpret each of the nine regions of perception and assessment beyond her or his own cultural lens at least to a limited extent.

A Tourist's Gaze is a Complex Configuration of Antecedent Conditions

Before Woodside et al. (2011), examining the “net effects” individual dimensions in the tourist gaze was the focus of formal models of cultural influences on tourists' perceptions and assessments (e.g., Author, 1986; MacKay & Fesenmaier, 2000). The dominant logic in tourism research is still to analyze using such positivistic tools that test for symmetric relationships (e.g., analysis of variance, multi-dimensional scaling, and multiple regression analysis, structural equation modeling). However, culture consists of complex configurations of antecedent conditions and rather than study the impact of each dimension on perceptions, assessment, and behavior, Woodside, et al. (2011) propose testing complex configurations of antecedents as entities using Boolean algebra. Such testing for asymmetric relationships examines whether or not an high scores for an antecedent

condition associates with high scores for an outcome condition only, while positivistic symmetric testing examines whether or not low scores for the antecedent associates with low scores for the outcome and high scores for the antecedent associate with high scores for the outcome. Available and free software (fsQCA.com) provides easy-to-apply tools for asymmetric testing of complex configurations (Ragin, 2008; Woodside, 2013). Examples of complex configurations of antecedent conditions are possible using Hofstede's four principal cultural values as antecedents: individualism (I), power distance (P), uncertainty avoidance (U), and masculinity (M).

Considering only a high-low split on each of these four values, a total of 16 combinations are possible: high-low for each of the four values in combination. For example, $I \bullet M \bullet \sim U \bullet \sim P$ represents the complex configuration of the four antecedent conditions for the USA, where the mid-level dot represents the logical “and” Boolean operation and the sideways tilde, “ \sim ”, represents the negation of the condition. Thus, if the USA has the following (calibrated) values, $I = .98$; $M = .75$; $\sim U = .82$; $\sim P = .64$, the combination score equals .64. In Boolean algebra the value for the entire combination expression is equal to the lowest value for any single condition within the expression; such an operation expresses the amount of confluence (union) the given case (the USA is the case here) across the four values. For the complex statement, $I \bullet M \bullet \sim U \bullet \sim P$, a score of .64 represents a high level of membership when computing the membership scores for each of the nations in the Hofstede (2001) data set. Woodside et al. (2011) include findings from testing the impact of the following tourist gaze on tourists visiting Australia for not shopping for gifts to take home: the complex configuration of high individualism, high masculinity, and low power distance ($I \bullet M \bullet \sim P$). In an asymmetric test, visitors from Canada, Germany, New Zealand, and the USA have high scores for the complex antecedent condition and high scores in not shopping for gifts to take home.

Such findings for not gift shopping for gifts may not be particularly surprising for such a cultural configuration and tourist gaze of high individualism combined with high masculinity—individuals looking through such lenses are more likely to conclude that their visits are all about themselves and they have lower levels of concern about bringing back gift for family members and friends compared to a tourist gaze low individualism and low in masculinity ($\sim I \bullet \sim M$). Also visitors from cultures low in power distance have lower need to display power through gift-giving in comparison to visitors from nations high in power distance; thus, high scores in the complex configuration of $I \bullet M \bullet \sim P$ associate with high scores in not shopping for gifts.

Practical Tourism Marketing Implications

Views through cultural lens describe the substantial impacts of the tourist gaze on the success versus failure of tourism marketing campaigns. Two examples illustrate this perspective.

The First Example

The first example is the following campaign theme to attract Americans, Canadians, and British visitors to Australian. This campaign was judged by all to be a huge success. The positioning—"I'll slip an extra shrimp on the Barbie [barbecue grill] for you", with the actual slogan of the TV commercials being "Come and say G'day"—is available for viewing at http://www.youtube.com/watch?v=Xn_CPrCS8gs. Before the campaign launch in 1984, Australia was approximately number 78 on the "most desired" vacation destination list for Americans, but became number 7 three months after the launch, and soon became number 1 or 2 on Americans' "dream vacation" list, remaining in that position for most of the next two decades (Baker & Bendel, 2005)—these findings do not represent a scientific true-experiment but are useful practical indicators of success.

The Second Example

So in 2006, with no reports on testing its impact on tourists' perceptions and assessments in American, British, or Canadian markets, Australia launched a new TV campaign—"So where the bloody hell are you?" (Available for viewing at <http://www.youtube.com/watch?v=rn0lwGk4u9o>). After spending \$180 million (Australian dollars) the campaign was shut down in 2007. The commercial was initially banned by Broadcast Advertising Clearance Centre in the United Kingdom, which would not allow the word "bloody" in television versions of the commercial. Following lobbying by Tourism Australia, including a visit to the UK by Australia's tourism minister Fran Bailey and Lara Bingle, the ban was lifted, although a 9pm "watershed" was imposed on television commercials. In March 2007, the Advertising Standards Authority in the UK ordered the removal of roadside billboards bearing the slogan. The ASA stated that it had received 32 complaints and warned Tourism Australia to refrain from using profanity in future billboards. The Australian Tourism minister Fran Bailey responded, "What an absolutely, incredibly ludicrous stance and a greater example of double standards you'd never find. Everyone is shaking their heads, especially as it's in a country where they allow the FCUK billboards. ... I mean what is it about our campaign that they find offensive? I just don't understand it" (Brit ban, 2007). "After calling the ads "great" at the time of their launch when he was in Opposition, Prime Minister Kevin Rudd subsequently stated: "That campaign, every place I have visited in the world, has been basically described as an absolute rolled gold disaster" (Wikipedia, 2014).

Conclusion

Formal modelling of the tourist's gaze includes recognizing and filling the need for building complex antecedent conditions that represent alternative cultures well and poorly; then comparing the performances of these complex statements in predicting high scores for an outcome condition. The study of net effects of each

cultural value making up a unique culture is not the study of cultures since cultures by definition are combinatory statements.

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Summary Brief

Fashion Ideals in Advertising: Its Impact on American and Chinese Women

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The visual presentation of women has been documented in the marketing literature with an emphasis on the representation of beauty. For instance, due to emotional responses toward attractiveness, the literature shows that advertisers tend to choose attractive models in order to draw attention and promote a desirable and aspirational feeling among viewers (Dion, Berscheid, and Walster 1972; Frith and Mueller 2010).

Introduction

Recent literature has begun to examine beauty or attractiveness as a multi-dimensional construct. Solomon, Ashmore, and Longo (1992) found that there are six dimensions of beauty ideals, e.g., classic, trendy, cute. The evidence also showed that trendy looks have become the most prevalent beauty ideal, while sensual/exotic appeals were less popular in recent fashion/beauty magazine advertising (Fowler 2012). However, there was a paucity of research on consumers' responses to the most prevalent beauty ideal, e.g., trendy ideal, in the marketing literature, and the study of fashion ideals from a global perspective is even rarer.

Pursuing fashion is a global phenomenon and consumers across the globe sense fashion ideals through mass media (Thompson and Haytko 1997). Traditionally, one may expect that advertisements would be created and consumed in the same society. However, globalization alters the process. Many Western advertising agencies have entered developing nations to seek new opportunities. Fashion magazines, such as Vogue and Harper's Bazaar, operate multiple editions to fit various cultures and extensively use Western/original appeals to promote the Western brand (Dong and Tian 2009; Fowler 2012). As such, examining consumers' responses towards fashion/trendy ideals from a global perspective is essential. To guide this study, the researchers formulated the following research objectives: (1) to provide an understanding of cultural influence on the idea of fashion from consumers' perspectives; (2) to offer insights on how different age groups respond to the fashion ideal; (3) to explore how non-Western consumers perceive Western appeals in hybrid advertising; and, (4) to enrich the literature on the visual presentation of women in international advertising and consumer research.

In order to examine how consumers respond to fashion appeals across cultures, the theory of gestalt guides the study. According to gestalt theory, due to the capability of our senses, particularly with respect to visual recognition, the mind understands external stimuli as a whole rather than the individual parts (i.e., Bruce, Green, and Georgeson 1996). As such,

advertisers often strive to communicate a look, an impression, or feelings by creating a visual gestalt as viewers often see the objects that lie close together and derive integrated meanings (Englis, Solomon, and Ashmore 1994).

The exploratory nature of the study indicates that a qualitative inquiry would be most informative. In order to choose a set of representative ads for the study, a word association was conducted to validate the concept of being trendy, which originated in Solomon et al.'s (1992) study. The researchers define the trendy appeal as those appeals that feature urban and sophisticated women who are attired in the most current fashions and are situated within a recreational context (e.g., shopping malls). Based upon the updated definition, a set of ads was chosen from most recent transnational magazines, such as Cosmopolitan, Vogue, and Harper's Bazaar from both Chinese and American editions. As half of the hybrid ads are Western appeals/Western models (Fowler 2012), the researchers carefully chose both Western and Asian models from Chinese editions. Additionally, a projective method, the story-telling approach, was utilized in order to ensure that the researchers chose the appropriate ads (copies and headlines were disguised).

Following the pretests, focus groups were conducted to study viewers' responses towards each of the fashion ideals in the ads. This is because focus groups allow for interactions among individuals and support honest disclosure (Papista and Dimitriadis 2012). In addition, focus groups are able to provide insights into the sources of complex motivation and behaviors (Herstein and Zvilling 2011) and have been a useful method for research advertising, e.g., obtaining consumer impressions on advertising copy (Iacobucci and Churchill 2005). As such, a total of 64 female consumers were interviewed for the study. Half of the participants were Baby Boomers and the other half were Generation Y. In order to ensure length and in-depth understanding of viewers' impressions, perceptions, or feelings, the researchers separated the participants into 16 groups based upon age. This is because a small group discussion is preferable when the participants have intense feelings or experiences with the topic of the discussion (Krueger and Casey 2009). A total of 16 focus groups can be considered adequate for this particular method (Mariampolski 2001).

The results indicated both young Chinese and American women were inspired by the images. However, Chinese women demonstrated a level of enthusiastic aspiration, whereas American audiences were much more reserved and cautious. The higher level of aspiration may enrich previous literature of Western fashion influence on Chinese popular culture (Wu 2009). In addition, with the increase of participants' age, the study showed

that older females in both cultures had difficulties in identifying the ideal or in being inspired by the same ads. However, the findings suggested that older American females were more cynical than Chinese females. On the other hand, older Chinese females expressed more “trust” toward the images. Finally, the findings revealed that Chinese participants did not perceive any differences between Western models and Asian models. Similar to American consumers, Chinese females did not evaluate the models based upon race.

Women, in large part, are fashion-conscious. Through comparing consumers’ responses towards fashion ideals, the study extends the self-reference theory, which was conceptualized in the Western context (Hirschman and Thompson 1997).

Additionally, it contributes to the cultural study of fashion advertising. Finally, the study provides insights on how non-Western audiences perceived fashion ideals in transnational advertising. Practically, it may offer implications on advertising design. Further research may investigate similar topics with experimentation. In addition, a cross-sectional study may be helpful in terms of generalizing the findings. A longitudinal study may offer insights into how women respond to fashion at various lifecycle stages. A content analysis may provide valuable information for advertising/marketing researchers.

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WORKING FOR THE WEEKEND

Summary Brief

Propensity for Reciprocity and Cooperation among Front-Line Employees

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Reciprocity has been a bedrock perspective for examining interactions among actors in marketing. Missing has been an examination of the underlying elements within a person that promotes his/her reciprocal actions. This study is the first to examine specific individual difference variables that promote or hinder FLEs' propensity to reciprocate which is hypothesized to lead to reciprocal actions on the job. Structural equation modeling is used to test hypotheses and to develop a model of what leads to FLEs' reciprocal actions.

Introduction

Some of the heavily researched areas in marketing over the last decade, such as relationship marketing (Gruen, Summers, and Acito 2000), brand alliances (Desai and Keller 2002), supply chain management (Lejeune and Yakova 2005), and buyer-seller interactions and sales influence techniques (Cohen and Bradford 2005) rely on reciprocity to explain relations between actors. As a perspective, reciprocity facilitates the study of social interactions in many contexts.

Since Gouldner's (1960) seminal work on the norm of reciprocity, hundreds of authors have cited reciprocity as the fount of manifold human behaviors, but fewer have inquired into the root causes of participation in reciprocity. Most research involving reciprocity focuses on specific reciprocal behaviors or the consequences of reciprocity rather than on the causes of reciprocity itself (Perugini et al. 2003). An investigation into the causes of reciprocity could prove useful for those who rely on staff to reciprocate and cooperate on the job. There is considerable evidence that people do not have equal propensities for reciprocity.

This paper examines how individual difference variables influence the propensity to reciprocate at work. A model is proposed and tested relating different "other focused" individual difference variables to the propensity reciprocate. This research contributes to marketing literature by developing understanding of the effects of specific individual difference variables on front-line employee (FLE) propensity to reciprocate in the work role. This understanding aides academics as they seek to identify the underlying mechanisms that promote reciprocity and aides managers as they seek to employ those FLEs most likely to reciprocate on the job.

Reciprocity

Reciprocity is defined here as giving a benefit to another in anticipation of a future return of a benefit. Gouldner (1960) illustrates the norm of reciprocity as a sociological and psychodynamic phenomenon which evolved in human prehistory

and continues to serve important functions in social interaction. The co-evolution of the genetic predisposition to be cooperative and of cultural norms of reciprocity could have provided a powerful tool for group success. The environmental forces that shaped the portion of this behavior which has a genetic basis include the need to form non-fratricidal sharing rules, the improved efficiency of hunting and gathering in cooperative groups, and the greater ability to take and hold prime territory from rival groups of humans by working in concert (Gintis 2005). Similar forces drive employee interactions in business today which necessitates cooperative behavior as well.

The evaluation of reciprocal acts thus often hinges on an appraisal of the intentions of the doer to determine if reciprocity is indeed the best response (Dufwenberg and Kirchsteiger 2004). The intentions of the actors in reciprocity must be congruent with an ongoing two way exchange where present benefits will be returned at an unspecified future time (Fehr and Gächter 1998). No such intentions are required for altruism to occur, as altruism is a one way benefit without expectation of return; indeed altruism is rooted not in looking at Ego's own needs for return of the benefit, but rather in looking specifically from the perspective of Alter (Cialdini et al. 1987). This emphasis on intentions helps to distinguish reciprocity from other helpful acts at work such as altruism which relies on an evaluation of how deserving the recipient is.

Based on this we hypothesize and test the effects of "other focused" individual difference variables on propensity to reciprocate among FLEs. Specifically we propose that introversion and cynicism will have a negative effect; while agreeableness, altruism, and empathy will each have a positive effect on FLE propensity to reciprocate. We also hypothesize FLEs with a propensity to reciprocate will follow through with reciprocal actions.

Methods

To empirically examine the hypotheses developed, data collection was performed in a small Midwestern town in the US. We collected data from Front-Line Employees (FLEs) using a variant of the snowball sampling method. The snowball sampling method is particularly advantageous in identification of and gaining access too specific populations of interest (Biernacki and Waldorf 1981). In this case the population was FLEs; of 450 surveys distributed, 390 were returned complete.

All scales for the data collection were adapted from previous research except for the Reciprocity with Coworkers scale which was developed for this study. Analysis of scale alphas, identification of scale composite reliabilities, and average variance

extracted, and test for discriminant validity and multicollinearity were conducted. Confirmatory Factor Analysis (CFA) was conducted using LISREL 9.10 to verify measurement properties and to establish acceptable measurement statistics. The model provides acceptable fit to the data ($\chi^2 = 486.62$; $df = 168$; $p = .000$; SRMR = .0694; NFI = .945; CFI = .963).

Structural equation modeling (SEM) with LISREL 9.10 was used to test the hypothesized paths from selected individual difference variables through Propensity to Reciprocate to Reciprocating with Coworkers. The data exhibited some slight departures from normal; to accommodate a maximum likelihood estimator was used. The model exhibits acceptable fit ($\chi^2 = 499.53$; $df = 173$; $p = 0.00000$; SRMR = .0736; NFI = .944; CFI = .962) explaining approximately 39% of the variance in Reciprocity with Coworkers.

Results

Results of hypothesis testing using SEM confirm some of the hypotheses. Introversions has a significant negative relationship to propensity to reciprocate and Altruism and Empathy have a significant positive relationship to propensity to reciprocate. Agreeableness was not significantly related to propensity to reciprocate. Most interestingly, cynicism had a significant positive relationship to propensity to reciprocate, possibly a sort of Machiavellian reciprocity. Finally, those reporting a propensity to reciprocate also report performing reciprocal actions.

Discussion

There is a significant difference in individuals' propensity to reciprocate. That difference can be critical in employee relations. FLE's selection, placement, and promotion should take this into account. The research presented here provides valuable insight into how other regarding traits can be used to facilitate such an effort. The evidence pointing to the existence of Machiavellian Reciprocity in the workplace was particularly interesting.

Managers of FLE's in retail may wish to hire, place and especially to select for teams based on individual's propensity for reciprocity with coworkers, not to mention the possibility for more cooperative relationships with customers and competitors. Treating all employees as though they have an equal propensity for reciprocity leads to improperly matching persons to positions. Persons high in altruism and empathy and low in introversion should possess a higher propensity for reciprocity. Cynicism may not forestall cooperation, but care should be taken till more is known about the overall effects of this personality trait. As an enduring trait, propensity for reciprocity should pay dividends throughout the employee's tenure.

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Performance Benefits of Being a Great Retailer to Work For: A Resource-Based Perspective

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This paper investigates the phenomenon of being a great retailer to work for specifically as it relates to firm performance. The resource-based view (RBV) is employed in the SHRM context to justify the proposed hypotheses. The intended methods to be used to test the hypotheses are also presented.

Introduction

A recent article published in the *Harvard Business Review* identifies Netflix as a great retailer to work for (GRWF) (McCord 2014). A GRWF is a retailer whose employees have positive attitudes toward their jobs (Chan, Gee, and Steiner 2000) as well as positive perceptions of their work environment (Yoon, Beatty, and Suh 2001). CEO Reed Hastings attributes much of Netflix's success to innovative human resource (HR) management practices. For example, Netflix does not have a detailed expense policy. The expense policy is simply "Act in Netflix's best interests" (McCord 2014). Previous work about being a GRWF largely focuses on the managerial perspective by using managers as key respondents and generally finds that superior HR systems lead to increased firm performance (e.g. Combs et al. 2006). Empirical research that examines employee perspectives of being a GRWF is less prevalent and tends to use short-term performance measures like stock prices that are not as directly related to employee contribution (e.g. Fulmer, Gerhart, and Scott 2003). Yet, employees evaluate whether or not their employer's work environment is preferable to other potential employers and hence are instrumental in determining whether a retailer is a GRWF (Love and Singh 2011). Hence, there is a need for further investigation of the employee perspective using performance outcomes that are more intuitively related to employees' contribution to firm success.

Theoretical Background

Barney (1995) contends that, in order for a competitive advantage to be accrued and sustained, a resource must be valuable, rare, inimitable and properly organized. RBV is a major theory that researchers employ to develop knowledge in the arena of strategic human resource management (SHRM) (Becker and Huselid 2006). SHRM is defined as "the pattern of planned HR deployments and activities intended to enable an organization to achieve its goals" (Wright and McMahan 1992, p. 298). Firms that successfully exploit human capital in ways that are valuable, rare, difficult to imitate and properly organized can serve to create a competitive advantage and through the development of a workforce that helps fulfill a firm's business strategy (Wright,

Dunford, and Snell 2001). Such competitive advantage leads to improved firm performance, increased profitability and greater market values (Becker and Huselid 1998).

Hypothesis Development

Extant SHRM research provides evidence that both HR practices (e.g. Huselid 1995) and HR systems (e.g. Arthur 1994) influence firm performance. Studies from the managerial perspective frequently rely on RBV as the theoretical justification for this association (e.g. Messersmith et al. 2011). This study proposes that, by satisfying the requirements for sustained competitive advantage laid out by RBV, GRWFs experience superior firm performance in comparison to their respective industry averages. This relationship is most noticeable when using firm performance metrics that are more directly linked to employee contribution (i.e. customer satisfaction, innovation, growth potential, productivity and operating profit). Most current studies use short-term measures like stock price (e.g. Edmans 2012) that may not directly reflect the employee contribution. Hence, this study addresses the shortage of studies that assess GRWFs from the employee perspective by assessing the relationship between GRWFs and firm performance using measures more intuitively directly associated with employee contribution.

H1: GRWFs have higher (a) customer satisfaction, (b) innovation, (c) growth potential, (d) productivity and (e) operating profit than their respective industry averages.

To better understand circumstances where devoting resources to being a GRWF is beneficial, this study also assesses contextual factors that may influence the relationship between GRWFs and firm performance. Previous studies indicate that firm size (e.g. Cao and Zhang 2011), type of industry (e.g. Anderson, Fornell, and Rust 1997) and type of product (e.g. Lee and Park 2009) are contextual variables that influence relationships between firm strategy and firm performance.

H2: Firm size moderates the relationship between being perceived as a GRWF by employees and (a) growth potential (b) productivity, (c) innovation and (d) operating profit and (e) customer satisfaction such that the relationship is stronger (weaker) for larger (smaller) firms.

H3: Type of industry moderates the relationship between being perceived as a GRWF by employees and (a) growth potential (b) productivity, (c) innovation, (d) operating profit and (e) customer satisfaction such that the relationship is stronger (weaker) for service (goods) dominant firms.

H4: Type of product moderates the relationship between being perceived as a GRWF by employees and (a) growth potential (b) productivity, (c) innovation, (d) operating profit and (e) customer satisfaction such that the relationship is stronger (weaker) for low (high) tech product firms.

In order to develop a better understanding of the performance benefits of devoting resources toward being a GRWF, three independent studies (using three lists of GRWFs from the employee perspective) will be conducted that compare the performance of GRWFs to their respective industry averages using 5 years of performance data. In addition, to corroborate our findings, a group of GRWFs determined using a Delphi-style panel of human resource management experts will be analyzed. Further, potential moderating variables of the relationship between GRWFs and firm performance will be analyzed in order to identify the situations where devoting resources to being a GRWF is more beneficial.

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Summary Brief

Vertical versus Horizontal Line Extensions' Effect on Brand Retail Sales: The Role of Assortment Size

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Brands in the consumer packaged goods product categories frequently leverage their names by introducing new vertical or horizontal line extension products. Past studies show that brands can benefit from both the horizontal and the vertical line extensions. This research further examines which brand leveraging approach is the most preferable approach for brand market-level performance as measured by actual retail sales. Results show that the brand assortment size at time t , can moderate the effectiveness of vertical versus horizontal line extensions in time t on quarterly retail sales of a brand. Contrary to the expectations, large assortments at the time of new line extension introductions do not always diminish the effectiveness of line extending on brand sales in a category.

Introduction

Horizontal line extensions; or new products with the same price as the existing prices of the products in the line but different on some other minor attribute such as color or flavor; were shown to result in both positive and negative performance of a brand in its category (Berger, Draganska, and Simonson 2007; Draganska and Jain 2005; Reddy, Holak, and Bhat 1994; Kadiyali, Vilcassim, and Chintagunta 1999; Randall, Ulrich, and Reibstein 1998). In the context of vertical line extensions; or new products with a significantly different price than the prices of the existing products in the line; definitive market-performance brand effect cannot be concluded either (Randall et al. 1998; Lei, de Ruyter, and Wetzels 2008).

Comparing the two line extension strategies; horizontal versus vertical; some studies indicate that consumers prefer vertical attributes better than horizontal attributes (Draganska and Jain 2006). On the other hand, other studies report that horizontal extensions involving new flavors and new packaging are more successful than vertical line extensions (Nijssen 1999). This research further explores which line extension approach is better for a brand given the existing line assortment size at the time of new line extension introductions. Building upon the existing knowledge from product assortment and consumer choice literature, two presented hypotheses are tested utilizing unique market sales database from toothpaste product category.

Conceptual Framework

Consumers like variety (Kahneman, Wakker, and Sarin 1997) but larger assortments as opposed to smaller assortments of products introduce greater cognitive burden on consumers (Chernev and Hamilton 2009). Consumers are trying to minimize

the cognitive costs and maximize the benefits involved in choice making decisions (Chernev and Hamilton 2009). According to the reasoning based in the concavity of the value function in *prospect theory* (Kahneman and Tversky 1979), an increase in an object's true value on an attribute is associated with a decrease in this attribute's perceived value (diminishing marginal utility). Hence the marginal benefits associated with large assortments can be expected to decrease with each additional product added to the assortment. It can be proposed then that for brands with large line assortments, adding new horizontal or vertical product variants to the product line will be only marginally beneficial in terms of brand performance in a category. In other words, from assortment and choice point of view, adding two new line extensions to an existing assortment of two SKUs is much more beneficial than adding two new line extensions to an existing assortment of twenty existing SKUs, since consumers' cognitive costs associated with information processing of large sets is offsetting the benefits derived from the additional items added to the product set (Chernev and Hamilton 2009; Sela, Berger, and Liu 2009). As a result of information overload, consumers can be expected then to be more likely to delay a purchase or to not make a purchase (Sela et al. 2009; Schwartz 2004), or to switch to a different brand when brand assortment is large and additional new horizontal or vertical variant is added to an already large assortment of products than if the assortment was small. Lower quantities purchased and hence lower retail sales can be expected compared to brands with smaller number of products in their lines and on the retail shelves, all other things equal. This research tests the negative moderating effect of assortment size on the relationship between horizontal or vertical line extensions and brand dollar sales in toothpaste category.

Method

Dominick's Finer Foods (DFF) panel scanner data (James M. Kilts Center at the University of Chicago's Booth School of Business) served as the source of raw data for all key variables in this research. Toothpaste category was selected and extracted from the DFF files, since consumer packaged goods categories appear to be a fruitful context for study of the horizontal versus vertical line extensions (Draganska and Jain 2005; 2006). The original weekly store scanner data of all toothpaste UPCs was used to create the final aggregate dataset. The final aggregate dataset contained information on variables of interest for twelve toothpaste brands sold in DFF stores during twenty-five quarters during years 1990-1997.

GLS panel data regression controlling for heteroskedasticity, autocorrelation and unobserved heterogeneity at the brand level

was used to assess the brand performance effects of interactions between line extensions strategy (horizontal, vertical-same, vertical-low and vertical-high) and assortment size (high versus low). Regression runs were performed independently for each one of the two dependent variables: dollar sales and lagged dollar sales. The model used in this research was a random effects model, adequate for the dataset, since both time-invariant variables (brand assortment size and parent company control variable dummies) and time-variant (line extensions (LE) presence dummy and number of promotion instances in the focal quarter) variables were included in the model. Hausman test results confirmed that random effects was adequate and no fixed effects corrections were needed, since the difference in coefficients from using the fixed or random effects models was not systematic ($\chi^2 = 1.44$, $p = 0.99$). Regression results from the contemporaneous model are presented in Table 1.

Table 1. Results of GLS Panel Data Regression: Impact of Horizontal versus Vertical (Same, Low, High) Line Extensions and Brand Assortment Size on Brand Dollar Sales

Contemporaneous Effects	
<i>Independent Variables</i>	
Assortment Size	81728.40***
Horizontal LE Presence	-524.61+
Vertical-Same LE Presence	-1219.89***
Vertical-Low LE Presence	5698.46***
Vertical-High LE Presence	805.42**
<i>Interactions</i>	
Assortment Size x Horizontal LE Pres.	-3448.99+
Assortment Size x Vertical-Same LE Pres.	7551.45**
Assortment Size x Vertical-Low LE Pres.	25398.30***
Assortment Size x Vertical-High LE Pres.	-3747.89

Values are unstandardized coefficients. One-tailed significance values indicated: *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$; + $p < 0.1$

Results and Discussion

This research proposed that a brand with already large assortment size in a category can benefit from adding new horizontal or vertical line extensions to its product line to a lesser extent than a brand with small assortment size, all other things being equal. Regression analysis utilizing aggregated scanner data of twelve toothpaste brands sold for six years at a major Midwestern U.S. retailer showed several interesting results, some contrary to the expectations proposed in the current study. Horizontal line extensions and vertical-same line extensions were shown to have negative effect on brand's category retail sales. Vertical line extensions into lower or higher price-quality levels were shown to have positive effect on brand's dollar sales. The hypothesized negative moderating effect of assortment size on the relationship between line extensions (both horizontal and all three types of vertical) and brand dollar sales was marginally confirmed only for horizontal line extensions (-3448.99 , $p < 0.1$). Contrary to expectations, assortment size has positive moderating effect on vertical-same (7551.45 , $p < 0.05$) and vertical-low (25398.30 , $p < 0.05$) line extensions and dollar sales relationships. Assortment size does not matter with regards to dollar sales when vertical line extensions into higher quality/price levels are being introduced.

Taking into consideration the positive main effect of vertical-high line extensions term from the regression results, it can be concluded that all brands benefit from vertical-high line extensions, regardless of the number of products in their product line.

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PROMOTION AND BRANDING

Summary Brief

Revisiting the Skeptic: Claim Objectivity and Product Price Level in Consumer Skepticism of Advertising

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Ford, Smith and Swasy (1990) extended hypotheses in Nelson (1974) to examine differences in skepticism toward product advertisement claims including differences by attributes of search, experience and credence, by subjective and objective claims, and by low-priced and high-priced products. Much of the subsequent research on skepticism builds upon or extends from this seminal paper. Consequently, one finding that failed to support a hypothesis consistent with other research remains as a lingering question – that consumers are less skeptical of experience claims for low-priced than for high-priced products. We address this unsupported hypothesis and also confirm and validate that consumers remain more skeptical of subjective than of objective claims. Findings also suggest that skepticism by objectivity and price levels of claims hold across purchase involvement product categories.

Introduction

In examining consumer skepticism, Ford, Smith, and Swasy (1990) built upon Nelson (1974) and Dary and Karni (1973), by finding support for differences in levels of skepticism toward advertising claims for search, experience, and credence attributes, and also by supporting that consumers are less skeptical toward objective than toward subjective claims. However, findings failed to support that consumers are less skeptical of experience claims for low-priced than for high-priced products despite the theoretical rationale of this unsupported hypothesis that is consistent with findings of other research, including Petty and Cacioppo (1985) and Boush et al. (1993). Yet, Rao (2005) may explain this test result.

While subsequent research on skepticism since Ford et al. (1990) has since been extended to examine its influence upon other types of strategic messages and product claims within marketing, findings from this seminal paper should be revisited to confirm and validate present levels of skepticism, particularly for differences toward subjective and objective claims. Moreover, the unsupported hypothesis that consumers have lower skepticism toward experience claims for low-priced than for high-price products remains as a lingering question.

The purpose of this paper is to replicate a portion of Ford et al. (1990) with two primary objectives: 1) to validate and confirm the original hypothesis that consumers are less skeptical of subjective than of objective product claims, 2) to retest and extend the unsupported hypothesis that consumers are less skeptical of experience claims for low-priced than for high-priced goods. We reverse the direction of the wording for the former, and use rationale supported by Rao (2005) to hypothesize that, generally,

consumers will be *more* skeptical of claims for lower-priced products than for higher-priced products.

In this summary, we highlight literature that defines skepticism and summarize Ford et al. (1990). We also present our two hypotheses and then summarize our study and findings. Finally, we highlight some of our original paper's study implications and directions for future research.

Theoretical Background and Hypotheses

In defining skepticism, a common thread emerges in the literature of skepticism as a mechanism for consumers to critically evaluate advertisers' claims and to exercise caution in responding to them. Overall, consumer skepticism is viewed as being a defensive and reactive response to cope with the persuasive attempts of advertising (Koslow 2000). Obermiller and Spangenberg (1998, 2000) define the concept as the "tendency toward disbelief in advertising claims". Koslow (2000) and Forehand and Grier (2003) further defined skepticism as "merely questioning a claim" and as "consumer distrust or disbelief of marketers' actions". In this study, we use Obermiller and Spangenberg's (2000) definition as we adapt the scale to measure skepticism based upon that definition.

Consumers evaluate truth in advertising by the objectivity of claims (Nelson 1970, 1979). Claims can be objective, describing "some feature of the product that is measured in a standard way", or subjective, describing "some feature of the product that is not measured in a standard way" and resulting in "different conclusions" about the advertising claim (Ford et al. 1990, p. 436). In support of Nelson (1970, 1974), Ford et al. (1990) found that consumers were less skeptical of advertising comprising objective claims than those of subjective claims.

Moreover, consumers are expected to be most skeptical of advertising claims that they can never verify, such as many credence attribute claims, and least skeptical of claims they can easily and inexpensively verify prior to purchase, such as search attribute claims (Ford et al. 1990). Although some time has since passed since Ford et al.'s (1990) finding, we propose that claim objectivity still matters to consumers. Therefore, in this study, Ford et al.'s (1990) first hypothesis is retested as reframed:

H1: In general, consumers will be more skeptical of subjective claims than of objective claims.

Ford et al.'s (1990) research further suggested that the claims by search qualities and by product price levels may affect skepticism. Consistent with Nelson's (1974) hypothesis, Ford et al. (1990) found that consumers were less skeptical of claims for search attributes than they were of claims for experience

attributes. The study's findings also failed to support that consumers are less skeptical of experience claims for low-priced products than for high-priced products. A plausible explanation rests on the price-quality heuristic in which price is used as a proxy for quality (Rao 2005). Thus, high (low) priced products are viewed as having high (low) quality. In the context of the current research, we expect this heuristic to inform consumer skepticism in the following manner: compared to a high-priced product, a low-priced product with similar advertising claims may be viewed as lacking in quality and even as a gimmick. As such, advertisers may be perceived as inflating their claims more for the low-priced than the high-priced product. Therefore, the following is proposed:

H2: In general, consumers will be more skeptical of claims for lower-priced products than for higher-priced products.

Method

Student participants were recruited from undergraduate marketing and economics classes at a Midwestern university in the US. In total, there were 161 participants in the study; 55.3% were female. Data were collected using an online survey, with questions measuring skepticism toward claims for comparison between objective and subjective claims, and for comparison of claims for high-priced and low-priced products. The control and manipulations are described in the full paper. To measure skepticism, we adapted Obermiller and Spangenberg's (1998) nine-item Likert consumer Ad Skepticism scale to create a four-item scale.

Results

Two product categories were analyzed using repeated measures Analysis of Variance (ANOVA): a low-involvement product category (shampoo) and a high-involvement product category (automobiles). For both types of products, a two-factor (claim objectivity: objective versus subjective) within-subjects analysis and another two-factor (price: low versus high) within-subjects analysis were conducted.

For the low-involvement and high-involvement products, shampoo and automobiles, respectively, the objectivity within-subjects design, a factor for claim type by objectivity was created with two levels – objective versus subjective. The composite measure was claim skepticism. The test of within-subjects effects showed a significant Greenhouse-Geisser test statistic for each level of involvement, indicating a significant difference for levels of skepticism between objective and subjective claims for both levels of involvement. Estimated means for each level revealed that, as expected, subjects were significantly more skeptical of subjective claims than of objective claims. Thus, Hypothesis 1 was supported for levels of product involvement.

A similar within-subjects design created a factor for claim type by price level with two levels – low- versus high- priced goods, for both low and high involvement products. The composite measure was claim skepticism. The test of within-subjects effects revealed a significant Greenhouse-Geisser test statistic for each level of involvement, indicating a significant difference for claim skepticism between the low-priced and the high-priced product for each level. In support of Hypothesis 2, the estimated means revealed that subjects were significantly more skeptical of claims that mentioned the product as being low-priced than of claims that mentioned that the product was high-priced.

Discussion and Future Research

Findings lend support for the hypotheses tested and are consistent with those of Ford et al. (1990). Our main contribution is confirmation of and extension of their hypotheses: that consumers are more skeptical of subjective claims than of objective claims, and of claims for low-priced than for high-priced products across product involvement categories. Our findings suggest an important conclusion post-Ford et al. (1990): claim objectivity and price levels matter to consumers in evaluating product claims, regardless of product involvement category.

Our full paper addresses limitations of this research and highlights strategic implications. Direction is provided for future research both in terms of breadth and depth to further understand consumer skepticism.

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SPORTS, SEX, AND CELEBRITIES

Summary Brief

Compensating NCAA Student Athletes: Legal and Policy Issues

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Student-athletes sign over their right of publicity rights when they consent to NCAA regulations. University athletic departments then utilize the images and likenesses of college athletes to attract and build a fan base, to sell tickets to athletic events, to market merchandise, and to enter into agreements with third party advertisers. There is growing concern over whether, under these circumstances, universities are exploiting the public images of well-known athletes locally, nationally, and even throughout the world. In addition, student-athletes also consent to the concept of "amateurism." This concept expressly recognizes student-athletes as amateurs rather than professionals, and thus exempts student-athletes from receiving compensation. This has sparked a heated debate over whether student-athletes should be compensated.

Introduction

In 2009, three former college athletes filed three, separate class action lawsuits challenging the NCAA's compensation and right of publicity restrictions (O'Bannon v. NCAA 2010; Keller v. Electronic Arts, Inc. 2010; Hart v. Electronic Arts, Inc. 2013; see also *In re NCAA Student-Athlete Name & Likeness Litigation* 2010). Sam Keller, a former quarterback for the Arizona State Wildcats and Nebraska Cornhuskers, filed a class action lawsuit against the NCAA, EA Sports, and the Collegiate Licensing Company ("CLC") for violating his right of publicity with the video game franchise NCAA Football. Two months later, Ed O'Bannon, a former member of the 1995 UCLA Bruins championship basketball team, also brought a class action lawsuit against the NCAA, EA Sports, and the CLC. The lawsuit alleged that the three companies violated anti-trust laws by requiring student-athletes to waive their right of publicity rights in perpetuity (Schoeneberger 2013). Shortly thereafter, Ryan Hart, former quarterback for the Rutgers Scarlet Knights, filed a class action lawsuit against only EA Sports and alleged a violation of his right of publicity. The central issue in these three cases is whether the use of the student-athletes' likeness, image, and persona in the video games NCAA Football and NCAA Basketball violate the student-athletes' right to publicity.

Review of Literature

Right of Publicity

The right of publicity protects the right to control the commercial use of one's name, image or likeness. This doctrine

developed primarily because traditional legal theories did not adequately protect the economic value of a person's name, image, or likeness. A person has a property interest in the commercial values embodied in his or her identity. The right of publicity protects this property interest by prohibiting the unauthorized appropriation of a person's identity. Moreover, "the right of publicity also secures for plaintiffs the commercial value of their fame and prevents the unjust enrichment of others seeking to appropriate that value for themselves" (Restatement (Third) of Unfair Competition 1995, § 46 comment c).

The right of publicity is primarily a creature of state law. There is no federal statute that grants the right of publicity (Jackson 2004). Accordingly, states have been responsible for either judicially recognizing the right of publicity—known as common law—or promulgating legislation that expressly recognizes the right of publicity. Currently, only thirty-one states recognize the right of publicity (Vick and Jassy 2011). In 1953, the Second Circuit Court of Appeals developed the common law basis for distinguishing the right of publicity (*Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.* 1953). Common law offers greater flexibility and more favorable treatment of the right of publicity when the alleged violation does not fit squarely within statutory language (Elkin and Lane 2010). Also, each state has the autonomy to set forth the scope of the right. For example, Indiana has the most far-reaching law also recognizing, voice, signature, photograph, distinctive appearance, gestures, and mannerisms (Indiana Code Annotated 2011, § 32-36-1-7).

Case Updates

In 2010, the California district court consolidated the O'Bannon and Keller cases (*O'Bannon v. NCAA* 2010). The court tried both of these cases separately, but this at least ensured that the cases would be in the same jurisdiction. Thus, after the court decides one case, the court can then rely on that case as precedent to decide the next case (Dodd 2013b). The district court ruled in favor of Keller and the Ninth Circuit Court of Appeals affirmed the district court decision. The Court of Appeals ruled that the First Amendment protected Keller and other student-athletes' from having their likeness be utilized in perpetuity without receiving any compensation. The Keller decision can now be used as precedent for the O'Bannon decision.

In the O'Bannon decision, United States District Judge Wilken recently ruled that the class action plaintiffs could not receive compensation from current and past NCAA profits arising

from video games, television broadcasting contracts, and other merchandise (McCann 2013). This ruling is a major blow to the class-action litigants who were hoping to receive compensation from the past licensing deals. However, Judge Wilken stated that the former student-athletes could sue as individuals. This way the court could make a case-by-case decision on how much compensation the student-athlete is entitled based on the degree that their image was misappropriated.

The implications of this decision are significant (Koba 2013). The decision may effectively end the NCAA's ability to sign away the student-athlete's right to compensation for the use of their likeness on television broadcasts, video games, billboards, and other similar items. This outcome would align with the holding in *White v. Samsung*; that is, student-athletes have greater control over their right of publicity than previously acknowledged. This decision may also have severe implications on the issue of student-athlete compensation, since student-athletes would presumably need to be compensated for the use of their likeness.

Furthermore, this outcome may have a devastating impact on licensing deals between the NCAA and third parties (McCann 2013). For instance, EA Sports recently settled the Ryan Hart decision for \$40 million (Dodd 2013a). The outcome of this decision caused EA Sports to stop producing its widely popular franchise NCAA Football (Berkowitz 2013a). The loss of NCAA football may be merely the tip of the iceberg for compensating student-athletes for the use of their likeness. Unfortunately, we will have to wait and see what the implications of these three cases are.

Compensation

The NCAA generated \$872 million in revenue and \$71 million in total surplus during the 2012 fiscal year (Berkowitz 2013a). This marked the most profitable year in NCAA history. Furthermore, many Division I programs also realized profits in 2012 (see Berkowitz et al. 2013). For example, the University of Texas-Austin generated \$163,295,115 in total revenue and \$25,025,405 in surplus. The enormous amount of revenue and profit that many of these top programs are generating has led commentators to suggest that student-athletes should be compensated. The common rationale is that universities and related sports organizations benefit financially from the efforts of the student-athletes. On the other hand, an argument can be made that student-athletes are already sufficiently compensated. We explore these issues in our manuscript.

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Summary Brief

Product Placement in Social Media via Celebrities: Exploring Consumer Attitudes and the Need for Government Regulation

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Does reality television star Kim Kardashian really use eos lip gloss? Or does she just get paid thousands of dollars for tweeting images of herself using the product? As social media outlets gain more users, companies have found the power in celebrities to place products in front of their friends and followers. However, do consumers perceive these social media messages to be authentic communication or paid product placements? A conceptual model was developed to explore consumers trust and skepticism of product placement on social media as a predictor of attitudes and perceptions and ultimately the need for government regulation.

Introduction

Movies like *E.T.* and television shows like *Seinfeld* have prominently featured candy products, Reese's Pieces and Junior Mints, respectively. Even video games, like the Darkened Skye have included branded products, like Skittles, interactively in the games. Recording artists Lady Gaga, Britney Spears and Jennifer Lopez have utilized products, like jewelry, technology gadgets and cars, in their music videos, which help to cover production costs. Extensive research has been conducted on product placement in movies, television, video games and music, but to date, little empirical research has evaluated product placement via social media sites, like Facebook, Twitter, Instagram, and blogs.

The purpose of this research is to expand the knowledge of product placement to include social media as an important medium for placements and to identify and understand conceptually how consumers evaluate this advertising format in social media. Moreover, this study proposes an evaluation of consumer attitudes toward product placement in social media with an emphasis on the perceptions of celebrity trust and skepticism of the product placement, in hopes to better understand the ethical implications of using product placement within social media and to consider the potential implications for public policy.

Background and Propositions

Celebrities like Britney Spears have made a concrete effort to maintain a consistent presence on social media (Kaplan and Haenlein 2012). While many were wary about their reputations on these sites, celebrities are now making thousands of dollars posting messages and tweets about products and brands for a fee. The question remains if consumers recognize these social media postings as paid placements. Social media product placements are incorporated into the daily lives of celebrities who post their messages via social media sites. For example, a year ago, reality television star Kim Kardashian tweeted a photograph of herself applying eos lip gloss with a message stating "Pregnancy lips...@EOS to the rescue! LOL." While it was not confirmed she

was paid for this tweet, she reportedly has been paid up to \$20,000 per product tweet (Kornowski 2013).

Product placement is defined as "the intentional inclusion of brands through audio and/or visual means, within entertainment, educational, or informational content" (La Ferle and Edwards 2006). According to PQ Media, product placement spending reached \$7.39 billion globally in 2011. As consumers become more jaded by traditional advertising mediums, social media sites serve as an innovative outlet for information about specific brands. Placing products via social media allows companies the opportunities to not only connect with a specific target audience, but also allows consumers to share this product information with their "friends" and "followers."

Companies are paying influencers, specifically celebrities, to post information touting brands, messages and products. When done effectively, the mentions on social media do not appear to be marketing messages but authentic views about the brands, much like the traditional product placement concept. During the 2014 Academy Awards, product placement via social media saw a record retweet "selfie" from host Ellen DeGeneres on her Samsung phone with more than 3 million retweets. While the moment appeared unscripted, it was reported to have been a planned activity, since Samsung was a major advertiser for the Academy Awards.

While products promoted by celebrities appear to be commonplace on social media outlets, organizational interest groups and the government struggle with the monitoring and development of guidelines to enforce activities on the Internet and now social media sites. While the general issues of advertising law apply online, the Federal Trade Commission (FTC) has developed guidelines for the proper disclosure of product marketing and endorsements on social media to protect consumers from unfair and deceptive practices online. The FTC has suggested that celebrities and product endorsers end their tweets with #ad or #spon (sponsored by) to signify the tweet was an ad (CBS News Staff 2011). However, this is just a recommendation, and currently there is no process in place to mandate. While the FTC has evaluated how online advertising discloses information, it has failed to quickly address information disclosed through product placement on social media or how to uphold celebrities to the current guidelines to add #ad or #spon to messages.

Moreover, the Federal Communications Commission (FCC) is mandated with regulating product placement by radio, television, wire, satellite and cable, including the Internet. In 2008, the FCC announced its intentions to review new rules on how television programmers disclose paid "props" to viewers (Kang 2008). While the FCC does not regulate the Internet, which includes social media sites, it seeks to develop and implement guidelines to not restrict freedom of speech on the Internet. A

recent survey from Rasmussen Reports found that one in five American voters want the FCC to regulate the Internet with one in four not sure if the commission should have a role (Parr 2010). How consumers view sponsored products on social media needs to be explored as well as whether the FCC should provide regulation or guidelines for proper disclosure of these paid placements. The concern remains whether social media postings by celebrities are considered to be free speech or commercial speech, and how consumers can confirm if it is commercial speech.

A conceptual model was developed, and the following propositions are proposed:

- P1: Trust of celebrity influences a) attitudes toward celebrity and b) skepticism of product placement on social media.
- P2: Skepticism of product placement on social media negatively toward the attitudes toward product placement on social media.
- P3: Attitudes toward the celebrity influence the need for government regulation of product placement on social media.
- P4: Attitudes toward product placement on social media influence the need for government regulation of product placement on social media.
- P5: Attitudes toward the product placement on social media mediate the relationship between attitudes toward the celebrity and the need for government regulation of product placement on social media.

Research Contribution

This proposed study seeks to better understand the role of celebrity trust and skepticism of product placement via social media as a predictor of attitudes and perceptions toward product placement in social media and the need for government regulation. The use of product placement in social media has received little attention in academic literature despite the growing use of this practice and the lack of examination of the practice by the government, in particularly the FTC and FCC. This study attempts to expand the concept of product placement into the growing genre of social media by proposing an examination of consumers' attitudes and perceptions. As product placement becomes more prevalent in social media with celebrities making thousands of dollars "pitching" products and services which are perceived as just communication, both federal organizations may need to consider developing more specific guidelines for advertisers and mandating regulations identifying product placements as paid advertising messages in social media.

Studying product placement in social media can provide necessary insight to advertisers and public policymakers to better understand the conditions which make placements more or less successful and even deceptive. Advertisers are motivated to use product placements in social media because consumers feel a connection with celebrities and the messages can be targeted to the appropriate audiences. Product placement on television is already under scrutiny by public policymakers who are concerned with the

deceptive nature of this practice and potential lack of awareness of the commercial intent by television viewers. However, little focus has been made on celebrities being paid to discuss products on social media. Regulation may be warranted if consumers' skepticism of the practice results in an erosion of their trust in the celebrities and potentially the brands. It has been suggested warning messages should be included in television shows which use product placement; however, few have recommended warnings for sponsored content in social media. With the growing use of product placement in a variety of mediums, both advertisers and public policymakers need to be more aware of consumers' attitudes, skepticism and trust of the growing use of product placements in social media by celebrities. Celebrity credibility has already been an issue for celebrities who have been found to have ghost writers who write their tweets (Dashevsky 2013).

Today, products are commonly integrated into numerous television programs, films, music and video games. As advertisers are challenged to reach consumers, product placement in social media provides unique opportunities reach consumers. While some have suggested that product placement is still a novel concept (Hudson et al 2008), it is becoming more and more pervasive and evident in social media outlets. This raises the key question if consumers are aware of product placement and its persuasive intentions in social media and if the government should consider regulations to protect consumer's interests.

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**SERVICES AT WORK: COMPETITIVE ADVANTAGE, SERVICE
CONVENIENCE, AND INTERNAL MARKETING**

Summary Brief

Dynamic Tacit Knowledge Conveyance in the Hospitality Sector: Maintaining Competitive Advantage through Storytelling

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Tacit knowledge transfer is a source of competitive advantage in the hospitality sector. The current paper discusses how to gain and maintain competitive advantage through the use of storytelling as a tacit knowledge mode. A conceptual model is offered as a means to integrate variables required for effective hospitality tacit knowledge transfer.

Introduction and Background

Competitiveness in the hospitality industry has skyrocketed over the past quarter century. Hospitality-oriented organizations have become increasingly innovative at reconfiguring the value equation to maintain competitiveness. Any realignment of resources, of whatever type, has some degree of influence on competitive positioning, service delivery, and overall organizational performance in hospitality firms.

An integral component of competitive advantage in the hospitality industry is the astute and adroit management of knowledge in the organization. In their research on hospitality employee knowledge-sharing behaviors, Kim and Lee (2013) state that “knowledge management is considered a competitive advantage because it is a tool with which organizations improve organizational creativity, innovation, productivity, and reputations, with which they ultimately enhance organizational profits.” Ultimately, the manner in which hospitality firms elect to configure or align resources, including knowledge, determines their capacity to compete and to be agile enough to withstand serious competitive onslaughts. Brookes (2014) says that ‘knowledge resides in the individuals, technology, structure, routines and coordination processes within organizations and can be transferred by moving or combining these knowledge reservoirs within or across firm boundaries.’ It is the ‘movement of knowledge reservoirs’ in the hospitality industry that is the focal point of the current paper. Specifically, the movement of knowledge has strategic criticality. This is consistent with Chu et al. (2012) in linking the value of knowledge transfer capacity as a competitive weapon with efforts to map knowledge-sharing traits to a comprehensive business strategy. Given the tie between skillful knowledge-sharing and overall strategy, there is compelling urgency for hospitality organizations to direct increased attention toward conceptualizing and implementing workable knowledge transport strategies integral to long-term success. As added evidence, Wang and Wang (2012) show empirically that both explicit and tacit knowledge sharing initiatives contribute to organizational operational and financial

performance directly or through enhancements of innovation speed or quality.

Knowledge-Sharing and Hospitality

Knowledge as a resource is well-documented in the literature. Increasingly, organizations are realizing the power and potential of knowledge in transforming organizations, both operationally and strategically. This is particularly the case with tacit knowledge. In stating the significance of tacit knowledge, Zhang (2012) suggests that as much as 90% of individual knowledge is categorized as tacit knowledge. This bodes well for organizational efforts targeted toward strengthening knowledge transfer initiatives in the hospitality sector. Daghfous et al. (2013) buttress the importance of tacit knowledge by connecting it to competitive advantage, within the context of the resource-based view of the firm.

Liyanage et al. (2009) indicate that explicit knowledge can be articulated in formal language, is recorded, and fairly easily codified. It is basically the typical information found in policies, procedures, strategic plans, operational plans, information technology systems, and numerous other documents and systems similarly positioned in organizations. While explicit knowledge is essential, it lacks the contextual richness of tacit knowledge that is so necessary for relationship building, problem-solving, networking, and innovative behavior required for sustained success in the dynamic hospitality field. An excellent example of the ‘richness’ of tacit knowledge is captured by Hallin and Marnburg (2008):

“In hotel organizations, a major part of frontline personnel’s domain-specific knowledge is developed due to their interactions with guests, managers, colleagues, suppliers, employees of competing hotels and other external interest groups on a regular basis. During social interactions with these groups, frontline employees tend to perceive impressions of how each of these groups acts towards their workplace. As a consequence, frontline personnel become skillful and knowing agents about others’ perceptions of the state of the hospitality business.”

The above statements embody the essence of the power of tacit knowledge to embolden decision making that leads to enhanced performance. As the potential of tacit knowledge enhances, attention is thus directed toward delivery mechanism. The key question for hospitality practitioners becomes ‘how to harness and transfer the power of tacit knowledge for maximum organizational advantage.’ While there are alternative knowledge transfer modes available, the current paper posits storytelling as an

attractive option loaded with possibilities. The next section offers insight into the efficacy of storytelling as a transfer medium for tacit knowledge in the hospitality sector.

Storytelling and Hospitality Tacit Knowledge Transfer

Storytelling as a transport modality for tacit knowledge has considerable potential to change how hospitality firms think about knowledge transfer. The viewpoints of Gorry and Westbrook (2011) capture the possibilities of storytelling in tacit knowledge transfer:

“Storytelling is naturally pervasive within companies: at coffee pots; in lunchrooms, elevators, and hallways; on the Internet—wherever workers meet. Some stories have local importance for work and a few reverberate widely within the company. Xerox photocopier repairmen, for example, swapped stories about their work over early morning coffee, at lunch, and during breaks. Often, they would collaboratively develop ‘war stories’ about complex repairs, with several individuals adding bits to the developing narratives. Early versions of these stories were later polished for sharing with less knowledgeable workers.”

While the above scenario depicts ‘informal storytelling,’ there is merit in formalizing storytelling as an integral component of continuous improvement through training, mentoring, organizational development, and assessment and performance measurement initiatives. As indicated by Denning (2004), the scope of storytelling purposes is quite broad. Particularly, Denning demonstrates that storytelling may be used to: spark action; transmit values; foster collaboration; tame the grapevine; and share knowledge.

Aramo-Immonen and Jussila (2012) propose storytelling as a way to increase intellectual capital. They describe intellectual capital – human, structural, relational – in relation to storytelling. As manifestations of collective knowledge, Aramo-Immonen and Jussila see storytelling as a powerful means of conveying knowledge, especially through informal conversations and narratives. Denning (2008) makes a strong case for the efficacy of storytelling when he said “as we look around the business world, stories are everywhere. Managers think in stories, they remember in stories, they plan in stories, they express hopes and fears and dreams in stories, and they make decisions in stories. Storytelling is already part of our world.”

Model of Tacit Knowledge Transfer

To integrate the variables and factors contributing to tacit knowledge conveyance in the hospitality sector, a conceptual model was developed. The model resulted from a review of the extant literature, general knowledge of the hospitality sector and familiarity with some of the management and human resources challenges associated with the industry. The model brings together

elements of trust, leadership, cooperation, organizational support, hospitality skill sets, and specific knowledge transfer strategies, including storytelling. Collectively, these variables have the potential to partially explain how hospitality organizations may enhance both efficiency and effectiveness by conceiving, developing, implementing, and assessing comprehensive tacit knowledge transfer strategies to strengthen their competitive positions.

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Summary Brief

Examining the Effects of Service Convenience: A Case for A Large National Retailer

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We test a service convenience model in an auto-parts retailing industry. Specifically, we examine how service convenience dimensions (i.e., access, transaction, decision and benefit convenience), affect customers' perception of the retailer (e.g. service quality, product quality, and perceived value), and subsequently their loyalty and share of wallet. The results suggest that service convenience exerts its effect on customer loyalty and share of wallet through perceived service quality and perceived value, but the relationship is not mediated by perceived product quality. In addition, decision convenience followed by benefit convenience, have the highest total effects in the model. Overall, the results confirm that service convenience is an important driver of customer loyalty and share of wallet.

Introduction

In this study, we test a service convenience model for a national auto-parts retailer. The study contributes to the literature in three ways: a) examines the mechanism through which service convenience exerts its effect in retail setting by including mediating variables in the research model; b) the theoretical model was tested on a large scale using data from a national auto-parts retailer, which provides strong validity of the convenience model; c) the effect size was used as an additional tool to evaluate the significance of the empirical results, which is a strict approach, although rarely applied in hypotheses testing and academic research.

Theoretical Model

Convenience has been defined in the literature as “anything that adds to one’s comfort or saves work; useful, handy or helpful device, article, service etc.” (Brown 1990). Research on convenience was extended into services marketing literature by Berry, Seiders and Grewal (2002) who defined it as a multi-dimensional concept and proposed several dimensions of service convenience that include decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience.

The data for this study was collected from the customers of a national US retailing company dealing with auto-parts. In the auto-retailing context, access convenience refers to the ease of accessing a store, which is represented by the convenience of store locations and hours. Transaction convenience refers to the ease of making a transaction in a store (i.e., waiting in counter and checkout lines). Auto-parts can be high on credence qualities (Zeithamel 1981) and people may not be able to evaluate them

even after they purchase or use them. Therefore, decision convenience refers to the ease of deciding which parts are needed. The knowledge of employees, their ability to detect what is wrong with a vehicle, and their overall ability to solve a problem is what constitutes decision convenience in an auto-part store. Finally, benefit convenience refers to the ease of obtaining the primary benefit of a service. In the auto-parts retailing context, the primary benefit is the acquiring of the needed parts, and therefore the availability of those parts and the ability to get what is needed corresponds to the core benefit of the service received in an auto-part retailer.

There is existing research on service convenience that developed a couple of convenience scales; examined the impact of few of the convenience dimensions on customer loyalty and satisfaction (Sieders et al. 2007; Colwell et al. 2008; Chang et al. 2010; Liesen 2006) etc. In this study, we aimed to continue the tradition of service convenience research and address some of the shortcomings identified by us existing in the previous research.

To explain how the effect of service convenience is transferred on to customer loyalty and their share of wallet, we selected three mediating variables, which are relevant in the service context: perceived service quality, perceived product quality, and perceived value. Three control variables (i.e., age, education, and income) were included in our analysis because consumers with different characteristics have different thresholds and consequently, different repurchase possibilities (Mittal and Kamakura 2001).

Methodology

The academic researchers and a team from the auto-parts retailer jointly designed the study. For the main data collection, a marketing research firm was employed to manage the entire process of mailing. A total of 90,000 surveys were mailed and 17,034 were returned (18.9% response rate). The usable surveys were 12, 657. Almost 16% of the respondents were under 35 years old, while 53% were 35-54, and 31% were over 54. About 47% had a high school diploma or less, 33% had some college, and 20% had college degrees. The survey instrument for the study was adopted and modified from existing literature. The maximum likelihood exploratory factor analysis of the 18 items designated to measure the constructs in the study produced 9 factors. The factors collectively accounted for 70% of the variance, and the oblique rotated results indicated that the items loaded heavily on the expected factors. The 18 items were subjected to a confirmatory factor analysis with a 9-factor measurement model using the sample covariance matrices. The fit statistics indicated that the

measurement models were acceptable. The reliability coefficients (Cronbach's alpha) for all multi-item measures were above the .70 level suggested by Nunnally (1978), ranging from .71 to .92, and also exhibited convergent and discriminant validity (Anderson and Gerbing 1988; Fornell and Larcker 1981). To improve the quality of the analysis we decided to split the sample of 12,657 responses into a calibration and a validation sample. This practice allows replication of the findings and increase validity of the results. Because the sample sizes were large and even small results would appear significant, we evaluated the results for both statistical significance and practical significance (i.e., effect size).

Findings and Discussion

Results showed transaction convenience affects only one of the mediating variables, perceived service quality, and the effect is not strong. Similarly, access convenience has an effect only on one of the mediating variables, perceived value, and its effect also is not strong. In contrast, decision convenience is the most important of all convenience types; it has an effect on all the mediating variables, and particularly strong effect on perceived service quality. It has an effect on perceived product quality as hypothesized because receiving help in making a decision may impact the perceived quality of the chosen product. Decision convenience also impact perceived value probably because the provided help makes for a quick and less effortful choice. Finally, benefit convenience, affects strongly perceived value and perceived product quality, and most importantly, it is not related to the overall quality of service. The results also suggested that customer loyalty and share of wallet are affected mainly by service quality and the perception of value. The perceived product quality does not have a significant impact on consumer reactions. The control variables in the model, age, education, and income, do not have significant effects.

Overall, the study makes important contributions to the literature. It validates the service convenience model and provides solid empirical support from a real-life scenario that service convenience matters.

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Summary Brief

Scale Development: Measuring Internal Marketing in Service Firms

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The purpose of this presentation is to facilitate a discussion regarding the concept of internal marketing within the context of relationship marketing as it applies to the services industries. The specific context of the present study is centered on the banking industry. A majority of studies have focused on the customer perspective, but have neglected to obtain managerial input. Thus, a scale was developed and tested which represented issues from the managerial perspective. Scale development was based on a two-step process. First, four focus groups were conducted. The results of which were utilized in the development of a scale. The scale was tested via a survey sent to more than 5000 bank managers. The results of the study provide empirical support for the proposed scale, and provide the basis for measuring managerial input and perceptions. The scale suggests there are two dimensions for enabling promises which include the management-employee and the employee-customer interaction.

Introduction

Relationship marketing has at its roots in the concept of relational, on-going exchanges as opposed to discrete, one-time exchanges (Bagozzi 1974). For services, relationship marketing has been a naturally evolving strategy due to the customer involvement in the performance of the service and the direct interaction between customer and service provider/firm (Bloemer and Odekerden-Schroder 2007).

Service firms typically use a combination of external, interactive and internal strategies to communicate with various constituents. Internal marketing strategies occur between the company and the employees and help enable the interactive marketing strategies. The internal marketing strategies have been referred to as the process of enabling promises. The enabling of promises requires that the service system and employees have the skills, abilities, tools, and motivation to deliver the promise (Bitner 1995). Many of the components to enabling promises are derived from employees' innate abilities. Yet, most skills are developed through appropriate training programs, and functionalized through the allocation of tools (equipment) which most efficiently support their job tasks. To be most effective, these innate and learned abilities must be utilized and focused (Nguyen and Leclerc 2011). This can often be accomplished through the implementation of a service mission which drives the offering and steers the organization. The mission can empower and guide employees within the organization, and can provide the belief that employees can achieve personal and organizational goals (Ueno, 2013).

The product of internal marketing (the service environment), should in and of itself be a strong motivator for service oriented behaviors. As well, the environment should support the creation and delivery of value. It is through supporting quality internal

marketing and the creation and delivery of value that customer relationships are managed (Frimbong 2014).

The following study examines the perspective of managers on the internal marketing strategies that influence their motivation to maintain customer relationships with the firm. The following methodology explains the process for measuring and analyzing this association.

Methodology

In order to develop operational definitions of internal marketing, a series of focus groups and a survey were utilized. In this study, we conducted 4 focus groups with 28 bank managers with an average of 7 participants per group. The sessions were transcribed and audio recorded, while the moderator facilitated the discussions. The discussions explored the idea of enabling promises, and focused on the participant's interpretation of the various promises that the bank facilitates. The initial analysis revealed that there were 7 primary themes, which were then utilized in the development of the scale.

For the survey instrument, we used the results of the focus groups and descriptions of internal marketing offered by Gronroos (1990), George (1990), Berry and Parasuraman (1991) and Sharma (2007), which helped to generate twelve items that might reflect managements' beliefs about internal marketing strategy. The items reflected many of themes from the focus groups such as actively recruiting and training personnel, motivation, creating the appropriate environment for nurturing and motivating personnel, measuring performance and rewarding personnel. The items were attached to a 7 point Likert scale anchored by 1 = strongly disagree and 7 = strongly agree. The items were reviewed by ten bank marketing managers (not included in the previous focus groups or subsequent survey) for wording, clarification and logic with suggestions incorporated in the final survey.

The survey was conducted via Survey Monkey. An email invitation was sent to a stratified sample of 5000 bank managers across the country. The items were factor analyzed using a common factor analysis with varimax rotation to determine not only the underlying structure but also the dimensionality. The exploratory factor analysis used a varimax rotation and Cronbach alpha analysis. The twelve original items were reduced to ten based on the analysis criteria. The two-factor solution tends to indicate that there are two distinct parts to the internal marketing product of the work environment. The first factor focuses on the management and employee relationship characteristics. The items that loaded on this factor involve developing the employee through effective hiring, training, empowerment, and reward. The second factor represents the employee-customer environment in terms of the expectations that management has regarding the customer interaction.

Conclusion

The challenge for service firms might be to identify the strategies and their products that would most influence a customer's commitment to a relationship. The research indicates that the interactive product of functional service delivery is a critical influence on the customers' commitment to a service relationship. The service management prescriptive indicated by the research would therefore involve developing quality functional service delivery and support for this through the work environment. Specifically, management could aggressively recruit service providers that genuinely enjoy customer interaction. Recruitment should be followed by not only the standard technical training but also motivational training to ensure responsiveness, and attention to detail so the customer gets the impression that quality is a central concern on the part of the provider. Further, managers could include setting clear performance standards and reward service providers that meet or exceed these standards. It would also seem prudent for marketing managers to periodically survey their internal customers to see if the beliefs of management are being translated into observable actions by those on the front lines.

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Summary Brief

The Need for Internal Service Recovery: Safeguarding the Service Profit Chain

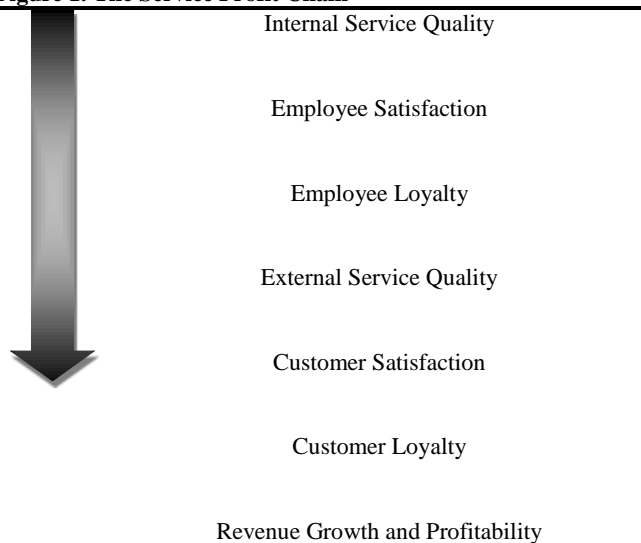
Stephen J. Grove, Clemson University
Michael J. Dorsch, Clemson University
Les C. Carlson, University of Nebraska

Our presentation examines the critical role of service employees in fashioning the customers' experience and organizational success as demonstrated by the service profit chain and the need for organizations to ensure internal practices and policies foster keep employees positively energized. Specifically, we discuss the need for service recovery aimed at the organization's internal customers, the employees, as an essential part of any internal service quality initiative and how the steps necessary to successfully implement an internal service recovery effort.

Introduction

The importance of an organization's employees for helping to fashion customer perceptions of service quality is well-established (Schneider et al 2002). That notion is perhaps best captured by the tenets of the service profit chain (Heskett, Sasser and Schlesinger 1997) which demonstrates the link between internal service quality, i.e., successfully engaging an organization's employees via programs and policies that embrace them as internal customers (c.f., Berry 1981), and its impact on a firm's profitability/revenue growth (See Figure 1).

Figure 1. The Service Profit Chain



(Source: Heskett et al. 1994)

In a nutshell, engaged and supported employees are critical to a process that culminates in loyal customers and the benefits they produce for an organization. At the center of internal service quality that prompts the service profit chain is a concerted effort to market those programs and policies to employees and respond to employees' needs and wants (Gronroos 1991). Essentially, evidence exists that supports the proposition that happy employees lead to better customer experience and loyalty (Stauss 1995), suggesting that organizations should work hard to develop the means to ensure that a state of employee delight is created and maintained.

The Need for Internal Service Recovery

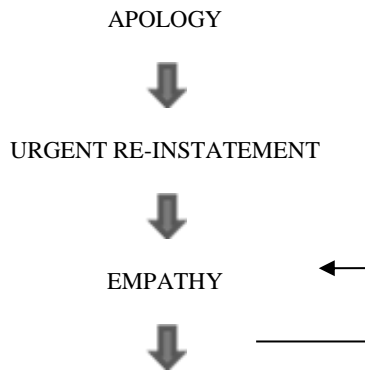
Unfortunately, just as failure occurs in an organization's delivery of service to external customers (Tax and Brown 1998), failure to serve an organization's internal customers, i.e., its employee, may sometimes happen. Employees may be treated unfairly, overlooked, wrongly accused of misbehavior, verbally abused and the like, which can disrupt employee satisfaction/delight, a key link in the service profit chain. Ultimately, such internal service failure may affect employees' performance in terms of the "discretionary effort" (Berry 1988) they exhibit, i.e., the difference between the maximum effort an employee can bring to a task and the minimum effort needed to avoid termination, by prompting a slide toward the latter. When service failure occurs with respect to an organization's external customers, astute organizations have a plan in place to assuage their dissatisfaction and recover the customers' goodwill (Lovelock and Wirtz 2011). We argue that service organizations should exercise the same level of circumspection when it comes to addressing service failure with respect to an organization's employees. In fact, a system that is in place to deal with employees' perceived mistreatment by an organization should be a vital component of an organization's internal marketing effort contributing to internal service quality (e.g., employee delight), an important driver of the service profit chain. Such a system can guard against the possibility of a wide range of negative employee responses beyond simply demotivation that might include sabotage, negative word of mouth, surly behavior toward co-workers and customers, job exit and more. The keys to ensure that internal service recovery occurs are, of course, twofold: first to recognize the necessity and benefits of internal service recovery; and, second, to create and maintain a work environment that welcomes employees' complaints regarding perceived

transgressions and mechanisms for those complaints to be registered and processed.

The Internal Service Recovery Process

Upon gathering and assessing an incident of an employee's perceived organizational transgression, action should be taken to rectify the circumstance. Some time ago, Zemke and Schaaf (1989) posited 5 key steps that organizations should take in an effort to recovery from service failure with respect to external customers. Those same five steps ostensibly could be utilized in a service recovery process with respect to an organization's internal customers and contribute to employee delight. The steps, as depicted in Figure 2 are apologizing, pursuing urgent reinstatement, demonstrating empathy, providing symbolic atonement and engaging in follow-up to make sure the effort has worked. We posit that if these steps are sincerely and rapidly followed when failure occurs with respect to service employees, the effort can protect against diminished discretionary effort and/or other negative responses. All five steps are needed when the failure results in significant disruption of the customers' experience, i.e. they have been "victimized," while only the first two are pertinent if the failure has had a less deleterious impact, i.e. they have only been "annoyed" (Zemke and Schaaf 1989).

Figure 2. The Steps to Internal Service Recovery (ISR)



(Adapted from Zemke and Schaaf 1989)

Summary

In our presentation, we discuss the need for internal service recovery more fully, provide a glimpse of the scope of potential organizational mistreatment of employees as well as the range of employee response to those transgression, address the necessity of actively pursuing knowledge of employees' complaints regarding organizational transgressions, describe the 5 steps to achieving internal service recovery and apply them in the context of marketing to an organization's internal customers, its employees.

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I CAN'T GET NO SATISFACTION

Summary Brief

CO₂ Labeling in the Fast Food Industry – A Strategic Perspective

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This paper examines recent efforts by retailers to use eco-labels and other product information as a strategic decision to show the sincerity of their sustainability efforts/orientations and to offer consumers products that are less environmentally harmful in addition to their main product offerings. Results from two studies show that companies who use eco-labels, and in particular, CO₂ emission labeling can influence consumer choice.

Introduction

Companies are adopting a sustainable business approach in an attempt to gain a competitive advantage, to increase their return on investment, or because consumers demand they engage in environmentally friendly and socially responsible practices. Trends include eco-labeling on packaging as is demonstrated by international companies such as Coca-Cola and Kimberly Clark that have committed to try carbon footprint labeling on their products. Although the effects of carbon reduction labels and the willingness to pay (WTP) have been studied for various consumer goods (Kortelainen, Raychaudhuri, and Roussillon 2013), very little research on sustainable- or CO₂ labeling of food and its effect on consumer choice exist to date (e.g., Aoki 2011; Sirieix et al. 2013). We address this gap in the literature by investigating if consumers alter their consumption decisions based on CO₂ labeling efforts in a fast-food restaurant context.

Eco-Labels and Carbon Footprinting

Consumers often look at more than just product attributes when making purchase decisions. Labels are a common part of the information used by consumers when choosing products. Eco-labeling “is a market-based technique for conveying information about consumers’ demands for environmental protection” (Bruce and Laroiya 2007, p. 275). The voluntary disclosure of Carbon footprinting information, or of CO₂ emissions, through labels is a fairly new phenomenon. However, it is becoming increasingly important in the dialogue of climate change and environmental disasters.

A *carbon footprint* is “the total greenhouse gas emissions caused directly and indirectly by a person, organization, event or product.” Carbon Trust calculates a product’s carbon footprint over the entire lifecycle of the product (Carbon Trust). However, Padgett et al. (2008) found that since most calculators lack complete transparency, it is difficult for consumers to understand the results. They also found that although carbon calculators use similar approaches, the results are often different. Even with these results, Padgett et al. (2008) claim that the calculators “play a fundamental role in promoting carbon emission reductions through individual behavior change” (p. 106). Sirieix et al. (2013) found

that although consumers view the Carbon Trust label positively, if they are not sure of the label’s meaning, it lowers the credibility of the label.

Eco-labels give consumers a way of comparing competing products on environmental characteristics and can be a third-party verification of the credence claims made by the manufacturer/marketer. However, there is conflicting evidence on the behaviors and preferences of consumers regarding ecological interest and carbon footprinting. Consumers who choose products with eco-labels show a statistically higher concern for ethical, environmental, and health issues (Aoki 2011; Grankvist, Dahlstrand, and Biel 2004). But, wine industry researchers found that there is “very little evidence that carbon footprinting will affect consumer preferences” (Waye 2008, p. 290). Borin, Cerf, and Krishnan (2011) claims that environmental product labeling needs to be clear and should include both good and bad information about a product so consumers can make informed decisions. An issue with all labels, including carbon footprint labels, is that even though consumers may see the label, it is not the same as understanding the information provided (Grankvist, Dahlstrand, and Biel 2004). Research shows that for consumers to act and adopt new behaviors the level of knowledge is a key factor (Weinstein 1988). When guiding consumers to change attitudes and behavior there are several issues that needs to be addressed: First, the consumer needs to be aware of the issue at hand. Second, they need to believe that the issue matters to both society and to them individually before having an intention to act and then finally act (Weinstein 1988).

Hypotheses

Based on our literature review we hypothesize that:

H1: The level of CF information will have a positive impact on consumer choice of lower CO₂kg emissions foods.

H2: The level of CF information will have a positive impact on attitude towards the product offering (the variety of choices provided by the firm).

H3: Understanding of CO₂ labeling is positively related to environmental concern regarding food purchases.

H4: Higher consumer interest in environmental information is positively related to attitude towards the product offering.

H5: Understanding of CO₂ labeling is positively related to the belief that companies can be both socially responsible and produce quality products.

Method

Study 1

We chose to research fast food chains in Sweden due to recent attempts there to incorporate CO2 labeling. We recruited customers of a fast food chain (N=80) through the company's online newsletter and Facebook page where an online survey link was provided. The survey took about ten minutes to complete and no incentives were offered. Participants were asked to respond to questions about the company's recent CO2 labeling efforts (awareness), their consumption decisions at the restaurant, and their general sustainability interest and knowledge.

Results

Eighty percent of the sample had noticed the firm's recent efforts while twenty percent had not. In terms of the two groups, respondents who noticed the label reported more pro-environmental behaviors and rated the firm higher as a societal contributor compared to the respondents who were less aware of the firm's efforts. However, neither group would change their regular product choices with the firm based on the labeling efforts.

Study 2

An experiment was conducted with American consumers. After a pretest (N=27), we designed a two-group repeated-measures design, where participants were randomly assigned to one of two conditions. The experiment manipulated the amount of carbon footprint information (high and low explanation of company's effort) provided to see if consumers' food choices were affected by the label and information provided. We used Qualtrics consumer panel data (N=100) and the experiment took about ten minutes to complete.

Results

H1: In the low CF information condition there was no significant difference in food choices before and after exposure to the kgCO₂e menu. In the high CF information condition however, there was a significant difference in food choices before and after exposure to the kgCO₂e labeling, thereby supporting Hypothesis 1. *H2:* Was not supported. *H3:* There was a significant association between understanding CO2 labeling and whether or not a person is concerned with the environment when they are making food purchases thereby supporting Hypothesis 3. *H4:* There was a significant effect of consumer interest in environmental information on attitude towards the product offering thereby supporting Hypothesis 4. *H5:* Regarding respondents' perceptions of socially responsible firms, those who understood the carbon label had more favorable attitudes towards how a company's socially responsible behavior affects the quality of their product offerings and technological expertise than those who did not understand the carbon label, thereby supporting Hypothesis 5.

Discussion and Conclusion

This study demonstrates that when CO2 labeling and information on company sustainability efforts are combined, consumer choice can be influenced. When consumers understand

and interpret an eco-label correctly, they may display more concern for the environment in product choices. If consumers have an interest in environmental information, they may also rate a firm's product offering higher than consumers who display less interest in the environment. Consumers interpreting the label correctly and understanding its meaning also show they value a firm's overall sustainability efforts. These results support our premise that information on carbon labeling provided by marketers, and educating consumers about carbon labels, can positively affect consumers' food consumption choices. This, in turn, may have a positive effect on the environment without hurting the profitability of the company. Future studies could investigate other factors that impact consumer decision-making when faced with eco-labels (i.e., if they believe that environmental issues affect them now or not, how different types/styles of labels affect choices, and how price affects decisions).

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Summary Brief

Choice of Gift, Gift Recipient Age, and Gift Satisfaction

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Using a scenario-based experiment on a panel of consumers, this paper explores differences in satisfaction with- and likelihood to use different types of gifts (cash gift, gift card, and physical gift). Gift recipients are more satisfied with- and more likely to use cash gifts and gift cards compared to physical gifts. Gift recipient age is found to moderate the relationship between gift type and likelihood to use the gift. Implications, limitations, and avenues for future research are discussed.

Introduction

With the invention of the gift-card in 1995 the retail setting was forever changed (Offenberg 2007). Gift cards offer numerous benefits that have increased their popularity with both consumers and retailers. Gift cards are reported to be a \$100 billion a year business, with most U.S. adults averaging five gift card purchases a year (Savitz 2012). Valentin and Allred (2012) made clear that “understanding the gift card’s place among gifts requires much additional research” (p. 277). Extant literature has explored multiple angles of the *giving* side of gift cards (e.g., Austin and Huang 2012), but little empirical exploration of the *receiving* side of gift cards exists.

Understanding the attitudes of consumers receiving and using gift cards (and their effects on key retail outcomes) has not received adequate attention, yet the implications provide vital information for retailers. To this end, we seek to increase our understanding of consumer satisfaction with- and likelihood to use gift cards versus cash and physical gifts, as well as how this satisfaction and usage can be impacted by the relationship between the gift giver and recipient and the age of the gift recipient.

Hypotheses

One of the most prominent research questions throughout the gift card literature stream is the question of consumer preference of gift cards, gifts (in the traditional sense), or cash gifts (e.g., Austin and Huang 2011). Valentin and Allred (2012) note that cash is the most convenient of gifts but is widely viewed as thoughtless and lazy, while “nicely wrapped goods” are portrayed as “more personal, endearing, respectful, and socially acceptable” (p. 272). Based on Thurstone’s (1927) Law of Comparative Judgment we apply a random utility model that assumes an individual makes a choice decision based on assigned utility value of a choice in relation to each choice alternative in a given frequency (Thurstone 1927). Maximizing recipient choice, then, allows for the highest possible utility. A cash gift would maximize recipient choice by allowing the highest liquidity and, thus, largest freedom of choice. Gift cards would follow in liquidity and allow the second most possible freedom of choice, and finally, a physical gift would provide the least liquidity and thus the

smallest freedom of choice for the recipient. Therefore, we propose:

H1: Satisfaction with the gift will be highest for recipients of cash gifts, followed by gift cards, and finally, physical gifts.

Due to the nature of cash gifts, they have inherently higher effective liquidity. Based on this increased utility, marketing literature supports cash as the best gift (Valentin and Allred 2012), but relationship aspects of the gift exchange must be considered as well. Waldfogel (2002) demonstrates that factors such as the relationship between giver and recipient, as well as the frequency of contact between the giver and recipient, affect the tendency to give cash as a gift. In addition, Valentin and Allred (2012) find “the closer the giver-getter relationship, the less recipients appear to value effective liquidity.” To expand on this, we propose that:

H2: The relationship between type of gift and satisfaction will be moderated by relationship closeness.

The complexity of balancing giver intentions and recipient desires (matching gift to desired gift) implies that a cash gift would be most successful in satisfying recipients. The high liquidity of cash gifts will allow the most ease of use. Because a physical gift alleviates the burden of shopping for a gift recipient, the likelihood of use for a physical gift will outweigh that of a gift card. Redemption of a gift card requires additional consumer resource use (e.g., time, transportation, etc.) in order to use a gift card. Therefore:

H3: Likelihood of using the gift will be highest for recipients of cash gifts, followed by physical gifts, and finally by recipients of gift cards.

“[T]he decision to give cash is influenced by the givers’ ability to choose desired noncash gifts” (Waldfogel 2002). Choosing a desired gift requires existential knowledge of the recipient. Thus, an existing relationship between gift giver and gift recipient will increase the ability of the giver to choose a desired gift, therefore we propose that:

H4: The relationship between gift and likelihood to use the gift will be moderated by relationship closeness.

Cash gifts followed by gift cards are more liquid forms of economic value than their traditional gift counterparts (Valentin and Allred 2012). Cash gives the recipient maximal freedom of choice and requires minimal shopping. Because younger demographics would more commonly have restrictions on both shopping opportunity and monetary freedom, younger gift recipients should be more likely to place a higher value on this freedom. Therefore, the recipient’s age will affect their preference for gift type such that:

H5: The relationship between type of gift and satisfaction will be moderated by the recipient’s age.

H6: The relationship between type of gift and likelihood of using the gift will be moderated by the recipient’s age.

Methodology

In order to test the proposed hypotheses, a scenario experiment was used. Respondents read a brief scenario manipulating the type of gift received and the relationship between the gift giver and recipient and answered outcome measures based on the scenario presented. Respondents in this study were members of an online panel over the age of 19. The final sample was 194 respondents. The average age of respondents was 46.5 and 47.2% were male.

Results and Discussion

Before testing the hypotheses the realism of the scenarios, the ease of understanding the scenarios, and both manipulations were assessed with no problems detected. Satisfaction was measured using a three-item scale (Voss, Parasuraman, and Grewal 1998). Likelihood to use the gift was assessed with the item "If this scenario were to happen to you in real life, how likely would you be to use this [gift card, cash, gift]."

In order to test H1-H4, multivariate analysis of variance was used. The overall Wilks' lambda for gift type is significant ($F = 8.734, p < 0.001$). The results indicate that type of gift significantly impacts both satisfaction with the gift ($F = 5.602, p < 0.01$) and likelihood to use the gift ($F = 18.355, p < 0.001$). Post hoc tests reveal that respondents are significantly more satisfied with cash gifts ($M = 6.338$) and gift cards ($M = 6.303$) than traditional physical gifts ($M = 5.751$), partially supporting H1. Similarly, respondents are significantly more likely to use cash gifts ($M = 6.64$) and gift cards ($M = 6.66$) than traditional physical gifts ($M = 5.79$), partially supporting H3. The overall Wilks' lambda for the interaction between gift type and relationship is not significant ($F = .056, p = .994$) indicating the relationship between gift type and satisfaction and likelihood to use the gift is not moderated by relationship between the giver and recipient, therefore, H2 and H4 are not supported.

To test H5-H6, multivariate analysis of covariance was used. Relationship between the gift giver and recipient was included as a covariate in the model. Age was divided into three groups. The overall Wilks' lambda for the interaction between gift type and age was significant ($F = 2.084, p < 0.05$) and the interaction of gift type and age does not impact the recipient's satisfaction with the gift ($F = 1.047, p = 0.385$), not supporting H5. However, the interaction between type of gift and age does significantly impact recipient's likelihood to use the gift ($F = 2.596, p < 0.05$) such that younger consumers are more likely to use cash gifts followed by gift cards then physical gifts while older consumers do not differ in their likelihood to use gift types, supporting H6.

Implications, Limitations and Future Research

The results of this study add to our understanding of gift preferences. Satisfaction with the gift and likelihood to use the gift is highest for cash gifts and gift cards, with physical gifts having much lower rates of satisfaction and likelihood of use. Younger consumers are more likely to use cash gifts followed by gift cards

and physical gifts, while the likelihood to use the gift is not different among older consumers. While gift recipients may enjoy receiving cash because of its increased utility, gift givers may prefer to give a more personalized gift, such as a gift card or physical gift. Gift cards allow the gift giver the opportunity to purchase a thoughtful gift that is specific to the recipient, thus satisfying gifting preferences and maintaining gift recipient utility.

Retailers should use these results and encourage the purchase of gift cards instead of physical gifts, as recipients across all age groups are least satisfied with- and least likely to use physical gifts. Retailers should encourage individuals to purchase gift cards rather than giving cash gifts, as gift recipients across all age groups are equally satisfied and likely to use gift cards. To do this, retailers can use signage and/or advertisements encouraging the purchase of gift cards. Retailers could offer a discount on the gift card to make purchasing a gift card more enticing to gift givers. Retailers should also emphasize the more personalized nature of gift cards to encourage the purchase of gift cards.

This study has several limitations, which open up avenues for future research. A scenario-based experiment is performed in order to test the proposed hypotheses. Future research should test the hypotheses using survey methods. Future studies might also investigate other issues relating to gift cards such as difference in gift card usage based on different store and/or service provider types and differences in gift cards, cash gifts, and physical gifts based on the relationship between giver and recipient.

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Summary Brief

Does Attachment Drive Meaningful Social Media Interactions? Which Retail Customers are Talking and Are You Listening?

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In this research, we examine the relative power of attachment to social media (ASM) and attitude toward social media to predict meaningful (vs. token) social media support behaviors of retail customers. In Study 1, we demonstrate that while ASM and attitude toward social media are both drivers of token behaviors, only ASM drives meaningful social media support behaviors. In Study 2, we delve deeper into our examination of meaningful support behaviors expressed on social media by developing and testing a model including two additional variables indicative of meaningful behaviors. Contributions of this research include the novel application of attachment theory to social media and customers' retail-related social media behaviors, and the use of ASM as a new means by which retailers may identify consumers who are more likely to provide meaningful support for their brands and/or organizations via social media.

Introduction

As social media continues to grow and change the way people communicate, marketers are racing to understand how to leverage social media in order to advance their brands and organizations. The average American is now spending over 22 hours a week on social networking sites (Ipsos 2013) and about 97% of marketers are using social media to market their business (Stelzner 2013). One reason for marketers' strong interest in social media is that it provides a host of new options for deeper levels of customer engagement, advocacy, and meaningful support. Organizations "that use social media strategically have an opportunity to deepen connections with their consumers, building affinity and loyalty" (Powers et al. 2012, p. 480).

However, some benefits of social media marketing are being drawn into question by recent research suggesting that social media activities vary in their value to the organization. Although consumers can exhibit *token* support for causes by "liking" them, this does not necessarily equate to or lead to more *meaningful* support in the future. *Token* support occurs when consumers engage in cursory forms of online support such as "liking" or joining a page on Facebook; whereas, *meaningful* support occurs when consumers engage in behavior changes, or exert significant efforts to offer more tangible contributions to an organization (Kristofferson et al. 2014). *Meaningful* support might include behaviors such as sharing organization-related information with others, risking one's own credibility by being a public advocate of an organization, and communicating directly with an organization in order to help them improve their services or products. These

organizationally valuable behaviors require more than just token contributions of effort and time on the part of the consumer.

Conceptual Framework

We explore consumer support behaviors expressed on social media as outcomes of *attachment to social media (ASM)*. ASM is "an emotion-laden bond between a person and social media; characterized by affective and cognitive connections with others and one's self facilitated by social media" (VanMeter and Grisaffe 2013). Further, *attitude toward social media* (i.e., the valence of an individual's overall feelings about social media) is investigated as a rival predictor of consumer support behaviors on social media. Our overall theoretical proposition is that individuals who are more highly attached to social media will engage in greater degrees of *meaningful* (vs. *token*) social media support behaviors and that ASM will be a better predictor of those behaviors than attitude toward social media.

The first social media-related outcome variable we consider is *customer engagement via social media*. Although a formal measure of engagement in the context of social media does not yet exist, in this research, we conceptualize customer engagement via social media as customers interacting and communicating with, or about, retailers on social media platforms. We suggest that behaviors such as "liking" a restaurant's social media page and sharing a restaurant's post serve as proxies for customer engagement via social media.

To investigate the second social media-related variable of interest, *advocacy via social media*, we drew from the work of White and Schneider (2000), who conceptualized customer advocacy as a sub-dimension of customer commitment. White and Schneider (2000) adopted the ladder framework developed by Christopher, Payne, and Ballantyne (1991), which depicts basic customers at the bottom of the ladder and advocates at the top. Customer advocates not only display repeat purchase behavior, but also promote the organization in conversations with others, thus serving as a valuable marketing resource for the organization (Christopher, Payne, and Ballantyne 1991). In line with the ladder framework and the notion of token versus meaningful support, advocacy reflects higher levels of committed connection to the company. We define *advocacy via social media* as customers using social media to advocate on behalf of a brand, company or cause.

The third outcome variable we examine is *voice of customer to the organization via social media (VOCO-SM)*. We consider

C2B communication aimed at helping the company to be a form of meaningful support behavior. Because many companies look to the voice of the customer for customer-driven product development and enhancement, and because social media offers powerful new ways to listen to the voice of the customer, this form of voluntary communication via social media may be especially important to retailers. Expanding upon Bettencourt's (1997) work on customer voluntary performance, we define VOCO-SM as helpful, discretionary customer social media behaviors that support the ability of the firm to deliver quality products and services.

Methodology and Results

We examine the relationships among the variables of interest in a retail/restaurant context using two data sets collected as part of a larger research project concerning restaurants in close proximity to a large southwestern university. Members of the surrounding community, students, and faculty and staff of the university participated in surveys in which we measured ASM, attitude toward social media, and several outcomes of social media support behaviors: customer engagement via social media, advocacy via social media, and voice of the customer via social media.

In Study 1, we use our first data set (n = 437) to compare the relative impact of ASM and attitude toward social media on six social media behaviors of consumers using separate logistic regressions. We find that while ASM and attitude toward social media are both indicators of *token* behaviors, only ASM significantly predicts *meaningful* behaviors (see Table 1).

Table 1. Study 1 Results

Token DV	IV1. ASM		IV2. Attitude	
	Logistic B	p-value	Logistic B	p-value
Looked at Restaurant's Page	.59	.000	.49	.001
Learned from Restaurant's Page	.44	.001	.31	.033
Liked Restaurant's Page	.69	.000	.29	.053
Meaningful DV	IV1. ASM		IV2. Attitude	
	Logistic B	p-value	Logistic B	p-value
Bought Because of Page	.52	.004	.06	.755 (ns)
Advocated on My Page	.55	.010	.36	.125 (ns)
Shared Restaurant's Post	.84	.003	.45	.146 (ns)

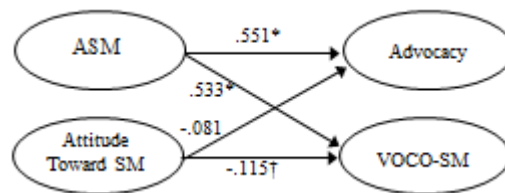
In Study 2, we utilize Mplus 7.11 to employ structural equation modeling (see Figure 1) on our second data set (n = 591) to test ASM and attitude toward social media as predictive drivers of advocacy via social media and voice of the customer via social media (VOCO-SM). The fit indices values for the structural model indicate the model is an adequate fit for the data ($\chi^2 = 2819.698$, $df = 766$; CFI = .923; TLI = .917; RMSEA = .067; SRMR = .085).

Discussion

Across two studies, we find that ASM predicts *meaningful* retailer consumer behaviors expressed on social media. A key takeaway of this research is that the use of ASM may provide a new means by which retailers can identify consumers who are

more likely to provide *meaningful* support for their brands and/or organizations via social media.

Figure 1. Study 2 Results



*significant at $p < .05$

†sign reversal indicates a suppression effect

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VARIOUS PRODUCT AND BRANDING STRATEGIES

Summary Brief

Marketing and R&D Coopetition, Knowledge Integration, and New Product Performance

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This study aims to examine the cooperation and competition between marketing and R&D departments. Research findings based on a survey of IT companies provide strong support to the hypotheses. Specifically, this study indicates that the effects of social relations on knowledge integration depend on the relational forms. Knowledge integration fully mediates the effect of cooperation and competition on new product development performance. This study offers important theoretical contributions in multiple disciplines.

Introduction

Integration of complementary knowledge resources, as a new paradigm in lieu of the traditional transaction cost theory that accounts for firm existence, is purported to define the primary task of modern organizations and is considered a major determinant of new product performance. Although extant literature recognizes its paramount importance in firm advantages and innovations, our understanding remains inconclusive about the drivers and hindrance to this firm capability. The vast majority of research acknowledges the role of social relations in influencing organizational knowledge processes but diverges on the specific effects of social relations. Grounded in the social perspective, a distinct body of research based on social capital theory and network ties theory strongly espouses the notion that social relations facilitate transfer and integration of knowledge. In contrast, a research stream rooted in the Carnegie School's thoughts of firms as political coalitions argues that political friction constantly accompanies social relations within firms due to conflict of interests, and triggers resistance to sharing and connection in knowledge bases among organizational units. The controversy in the literature indicates that there exist two opposing forces embedded in social relations that influence organizational knowledge processes. The paradox thus raises the questions: Do social relations between departments help or hinder integration across knowledge domains of these departments? Furthermore, do the opposing forces complement or substitute each other in the influence on knowledge integration?

Knowledge has long been stressed as the most strategically important resource that undergirds superior firm performance. Numerous studies trumpet the benefits of various types of knowledge for product innovations, such as market knowledge, technology knowledge, and procedural knowledge. However, knowledge competence can also turn into rigidity that impedes firm adaptation to market and technology changes. Indeed, knowledge can be both a source and a barrier to innovation. Although knowledge integration is purported to generate positive performances, prior research leaves out knowledge content from consideration, especially the dark side of knowledge. Therefore, some questions remains unsettled about the link between

knowledge integration and performance: Why does knowledge integration benefit innovation performance despite the weaknesses of knowledge itself? When knowledge content is taken into account, does the positive link still hold?

This paper intends to resolve the controversy in the literature and address the above questions in the context of R&D and marketing relationships.

Theory and Hypotheses

Knowledge integration is normally considered a process of synthesizing diverse knowledge sets in the literature. R&D and marketing departments possess unique sets of declarative knowledge and operationalize on distinct procedures. Knowledge integration acts to leverage the functional differences, and in the processes of reconfiguration and reconciliation, promotes product creativity, speed of product introduction, and overall efficiency of NPD. First, construction of integration mechanisms enables rapid access and sharing of declarative knowledge between R&D and marketing departments. For example, formal or informal meetings facilitate specialists of each domain to quickly search and combine appropriate knowledge sets with the knowledge input from their collaborators. Second, although R&D and marketing rely on separate routines to carry out task operations, the routines can be reconfigured and reconciled to adapt to changes in technologies and market demands. By recombining entire routines in new ways or applying existing routines to new problem-solving situations, a firm can improve creativity in deployment of procedural knowledge. Third, through negotiation and adjustments, different task routines converge on the same path to fulfill collective goals, which reduces development costs and shortens the time cycle of product projects. Thus, we posit that,

H1: Knowledge integration across R&D and marketing departments has a linear, positive effect on new product performance.

R&D-marketing cooperation refers to the degree to which these two units communicate and interact with each other in order to achieve common interests of a firm. A cooperative relationship is characterized with frequent social interaction. The cross-functional interaction and communication blur the boundaries of units and enhance organizational integrative processes. Despite the differences in knowledge bases and task routines, social interaction between R&D and marketing facilitates mutual understanding of the differences and nurtures a process of "perspective taking", in which members of different groups value and accept different perspectives. Hence, R&D and marketing units are able to reconcile their dissimilar knowledge bases or negotiate over the optimal procedure of new product development. The frequent interaction and communication with a cooperative intent also foster strong social ties and trust, which motivate actors

to negotiate and make mutual adjustments to reconcile discrepancies. Thus, we posit that,

H2: R&D-marketing cooperation is positively associated with knowledge integration across them.

Rivalry between organizational units is a manifestation of conflict. Grounded in the political perspective, this study predicts that internal competition between R&D and marketing exerts a singular, negative impact on knowledge integration. In the context of R&D and marketing, the specialists of the two units invest in developing domain-specific knowledge and monopolize each knowledge domain, from which they reap the rents of power, resources, and status. Internal competition creates threats to the investments and these rewards. Thus, each department is inclined to hoard its unique knowledge competence from being transferred or even deny the value of the knowledge stock possessed by competing units. The political perspective suggests that organizational politics arising from competition inhibits pursuit and use of knowledge between departments. In consequence, the potential of diverse perspectives, the instrumental aspect of conflict, cannot be realized, while the negative emotions aroused by conflict can be heightened in political fights. Thus, competition reduces the ability and motivation of R&D and marketing specialists to recombine or reconcile their knowledge sets.

H3: R&D-marketing competition is negatively associated with knowledge integration across them.

Organizational units cooperate and compete simultaneously. A growing body of literature advocates the synergistic view that joining the two relational forms can create synergy for firm performance by stimulating greater organizational learning and knowledge seeking. Specifically, we reason that cooperation generates synergy for knowledge integration because bundling cooperation with competition helps to suppress the influence of politics by reducing conflict of interests and increase the likelihood of access to diverse perspectives. As noted previously, actors in a cooperative relationship tend to have frequent social interactions and cooperation reduces their incentive to pursue self-interests at the expense of the collective goals. Both informal and formal communications facilitate mutual understanding and acceptance of different perspectives and interests. Also, frequent social interactions with a cooperative intent foster trust and

altruism of actors towards each other, which motivate them to reach mutually beneficial solutions and contribute more to a relationship than expected. Based on a better understanding of the goals and responsibilities of their counterparts, R&D and marketing are able to reach a consensus on resource allocation and decision power distribution. Moreover, the relational capital that emanates from cooperative interactions motivates them to compromise in negotiation or concede self-interests to collective goals when it is. Therefore, cooperation reduces the conflict of interests between units and the ensuing political tensions. With the decline in perceived threats to power and status, competing units are encouraged to seek complementary knowledge from each other, because they trust that either transfer to or using knowledge from rivals would not cause serious harms to their own interests. By lifting the barrier to knowledge flow, cooperation creates the opportunity to recombine the diverse technological and marketing knowledge, while the benevolent relational capital provides ability and incentive to reconcile discrepancies in thought worlds and operational routines of R&D and marketing. Thus,

H4: The interaction between R&D-marketing cooperation and competition is positively associated with knowledge integration across them.

The contingency of knowledge integration on R&D-marketing relational forms, in conjunction with the consequence of knowledge integration for new product performance, suggests that knowledge integration is a medium through which the effects of R&D-marketing relationships can be carried over.

H5: Knowledge integration mediates the effects of R&D-marketing cooperation, competition, and the interaction between the two on new product performance.

Results and Implications

We tested our hypotheses on a sample of IT firms from China. The results of the regressions show that marketing and R&D cooperation facilitates whereas competition impedes knowledge integration. In addition, there is a significant positive interaction between cooperation and competition. Knowledge integration fully mediates the effect of cooperation and competition on NPD performance.

Summary Brief

The Relationship between Entry Timing and New Brand Strategy Performance under Different Market Conditions

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The timing of new brand entry is a core strategic decision involving the launch of new products via a new brand strategy. The decision of when to launch a new brand into a market is fraught with difficulties and can involve substantial risks and costs. This paper takes a contingency perspective on the relationship between the timing of entry of two new brand strategies (brand extensions and new-name brands) and the new brands' performance by empirically examining the impact of two different yet equally important external market conditions (market turbulence and competitive intensity) on this relationship. The study collected data from SBUs operating in the consumer goods industry via an on-line survey. The results show that of the two moderating market conditions looked at in this study, only competitive intensity has an impact on the relationship between the timing of entry of both new brand strategies and their performance.

Introduction

New brands are a mechanism by which firms can introduce new products into a market (Klink and Athaide 2009). However, there is conflicting evidence on the consequences of the entry timing decision for new brands—i.e., as to whether it is better for a firm to enter new brands earlier or later into a market. For example, whilst some studies (e.g., Carow, Heron, and Saxton 2004) have found that market-share and financial advantages accrue to early-movers as opposed to late-movers, there are also a other empirical studies that have found that late-movers are more successful than early-movers (e.g., Shamsie, Phelps, and Kuperman 2004). In light of this conflicting evidence, not enough research has been conducted to guide timing of entry decision-making in order to investigate those factors that enhance the performance of early entry versus late entry of a new brand. This issue is an important albeit particularly complex one for organizations, as the decision of when to launch a new brand into a market is fraught with difficulties and can involve substantial costs and risks.

An optimal timing of entry strategy is often dependent on market-based factors (Thomas 1996). As Zhou, Gao, Yang and Zhou (2005, p. 1050) so aptly state, firms “need to examine certain sets of organizational and environmental conditions to develop their strategies” as there is “no universally beneficial strategic choice”. Two key market-based factors which reflect different components of a firm’s external environment and affect a market’s attractiveness are market turbulence and competitive intensity (Jaworski and Kohli 1993). Understanding how these

two market-based factors influence timing of brand extension entry and new-name brand entry decisions can help a firm to make a better informed and more appropriate strategic decision on *when* to introduce these new brands into a market.

Therefore, this paper takes a contingency perspective on the timing of entry—new brand performance relationship by empirically examine the moderating effects of two key market-based factors –market turbulence and competitive intensity– on the relationship between the timing of entry of two new brand strategies (brand extensions and new-name brands) and their performance. Brand extensions involve the application of an existing brand name to new products that are entered into a different product category, while a new-name brand refers to a new brand name that is created for a new product (McCarthy, Heath, and Milberg 2001).

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Summary Brief

The Effects of Adjacent Food Color on Perceived Flavor: A Factorial Investigation

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In prior research, the effects of food color on flavor were tested by creating color/flavor combinations at two stimulus levels: “wrong” (i.e., mismatched color and flavor, as in purple colored orange drink); and “right” (i.e., matched, as in orange colored orange drink). Thereby, the primacy of food color in determining response to flavor in color associated foods is demonstrated (Spence, Levitan, Shankar, and Zampini 2010). These results indicate the robust effect of food color as a flavor signal by showing that consumers presented with “wrong” color would systematically misidentify its mismatched flavor as one normally associated with that “wrong” color, profile that mismatched flavor as the flavor normally associated with that “wrong” color, and, on average rate their liking of the mismatched food as highly as they would those foods whose color and flavor were properly matched; indicating that food color dominates other flavor information sources, including labeling and taste.

Though food scientists, psychologists, and chemical sense researchers have empirically examined various aspects of the effects of food color on flavor identity and perception, most prior food color research tests *complementary* “wrong” and “right” colors. Complementary colors are those found apart from each other on the color wheel (e.g., orange and purple), and as such are seen to be contrasting and reinforcing. This study extends this research to a test of *adjacent* “wrong” and “right” food colors. Adjacent colors are those found next to each other on the color wheel (e.g., yellow and orange), and as such are seen to be harmonious, and blending.

We follow the procedure introduced by Garber, Hyatt and Starr (2001), in the US, and Garber, Hyatt and Nafees (2013) in India, who tested the color-flavor association at each of three levels pertinent to the choice process: identification, meaning and

liking. We replicate their taste test experiment and extend it to a comparison of adjacent rather than complementary colors. Specifically, actual flavor is manipulated at two levels (orange, lemon), and beverage color is manipulated at three levels (orange, yellow, clear) in a between subjects design.

Preliminary results for adjacent “right” and “wrong” colors largely confirm prior results for complementary colors for food color’s role in flavor identification, perception and preference. However, there appears to be less symmetry than what was shown for complementary colors, in that the effects for the orange level of the food color manipulation are more robust than for the yellow level, suggesting that the effects for adjacent colors may be more strongly linked to the particular processing of individual colors, relative to those for complementary colors. Results will be presented. Theoretical, strategic and policy implications will be discussed.

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BRANDING AND PERSONALITY

Summary Brief

Consumer Innovativeness Effects on the Susceptibility of Innovative Brands to Inferior Innovations

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This article advances innovation research by investigating perceiver effects on innovative brand evaluations. We specifically examine how consumer innovativeness moderates the effect of inferior high- and low-level innovations on the perceived innovability and quality of high innovative brands. The results indicate that consumers' attitudes toward the quality (vs. innovability) of innovative brands are more sensitive, and, thus, easily to be weakened by inferior innovations, regardless of the levels of innovations. Moreover, inferior high-level innovations instigate less negative impacts on high- (vs. low-) innovativeness consumers, whereas inferior low-level innovations instigate more negative impacts on high- (vs. low-) innovativeness consumers. It appears that high- (vs. low-) innovativeness consumers more appreciate high-level innovations and, thus, more and less tolerate the negative performance of high- and low-level innovations, respectively.

Introduction

Profiting firms are typically innovative companies with high innovability (or innovation ability/innovativeness capability; Jonash and Sommerlatte 1999). Thus, the ability to invent new innovations has become a requirement for business growth and sustainability (e.g., Luo and Bhattacharya 2006). Specifically, new innovations increase long-term bottom-line (i.e., firm income), top-line (i.e., firm revenue), and stock market (i.e., firm value) performance (Pauwels et al. 2004). However, as the failure rate of new innovations is higher than 80%, the launch of new innovations is riskier than the leveraging of regular new brand extensions (Castellion and Markham 2013). As a result, the management of failure innovations has become a common and critical issue for innovative companies. As new innovations normally carry existing brand names to warrant success, the failure of innovations can be detrimental to the perception of the brand titles.

Theoretical Background

New innovations vary in innovation levels ranging from incremental to radical offerings (Crawford 2014), which instigate various customer preferences (e.g., Szymanski et al. 2007). Therefore, the perception about innovations involves the two dimensions of quality and innovation level, which suggests that inferior innovations may affect innovative brands in the two correspondent perspectives of brand quality and brand innovability. In other words, the influence of inferior innovations on innovative brands can be more radical than regular brand extensions as it evokes the extra impact on brand innovability, a critical factor directly relevant to business profits and sustainability.

Extant research discusses innovations mainly from corporate perspectives based on the responses of innovation managers (e.g., Srinivasan et al. 2009). Specifically, the effect of innovations is defined by correlating innovations with visible marketing results (e.g., growth of profits). Less is known about the causal relationship between innovations and the psychological mechanism of consumers for predicting market results.

Moreover, research on innovation documents that the personality trait of consumer innovativeness moderates the adoption of high-tech innovations (e.g., Tellis, Yin, and Bell 2009). Consumers with higher innovativeness have higher adoption rates of high-tech innovations. As mental processes are the antecedent of behaviors, factors affect innovation adoption behaviors (i.e., consumer innovativeness) are likely to also affect brand perception (i.e., perceived brand innovability and quality).

Therefore, this article advances innovation research by investigating perceiver effects on innovative brand evaluations. We specifically examine how consumer innovativeness moderates the effect of inferior high-level innovations on the perceived innovability and quality of high innovative brands. We propose that consumers' attitudes toward brand quality (vs. innovability) are more sensitive to inferior innovation information (hypothesis 1). Moreover, as high-innovativeness consumers appreciate innovations (e.g., Tellis, Yin, and Bell 2009), inferior high-level innovations instigate less negative impacts on high- (vs. low-) innovativeness consumers (hypothesis 2a). In contrast, inferior low-level innovations instigate more negative impacts on high- (vs. low-) innovativeness consumers (hypothesis 2b).

Methodology

One hundred and forty-five smartphone users ($M_{\text{age}} = 32.94$, 66 females, 79 males) participated in the 2 (innovativeness: high vs. low) x 2 (innovation level: high vs. low) between-subjects experimental design. The participants were informed that the purpose of study was to investigate consumer opinions about smartphones. The participants started by reading the PC Home assessment about the fictitious Appsung brand and rating the quality and innovability of Appsung, followed by a series of rating tasks about brands and innovativeness. Prior and posterior brand quality was captured with the three-item brand attitude measure of quality, favorability, and desirability (e.g., Kempf and Smith 1998). The perceived brand innovability was captured with a seven-item innovation ability measures (Luo and Bhattacharya 2006; Rindfleisch and Moorman 2001; Schreier, Fuchs, and Dahl 2012). The perceived innovation level was identified with the 9-item product innovativeness measure (Lee and O'Connor 2003). The consumer innovativeness was measured with the 10-item innovativeness scale developed by Tellis et al. (2009) consisting of the ten dimensions of stimulus variation, habituation, variety

seeking, novelty seeking, effort, risk taking, nostalgia, opinion leadership, suspicion, and frugality.

Results and Discussion

We performed principal component analysis (PCA) to check the component scores of the 10 items for a shorter and robust consumer innovativeness scale (Helper and Albarracín 2013). The reluctance–suspicion item was removed for its low component score ($< .30$) and the 9-item scale was developed ($M = 4.63$, $M_{dn} = 4.56$, $SD = .71$, Cronbach's alpha = $.67$). Moreover, a median split was used to classify participants as being low innovativeness (those whose scores were 4.56 or less, $n = 76$) or high innovativeness (those whose scores were greater than 4.56, $n = 69$).

We performed paired-samples t-tests and ANOVAs to test the hypotheses. The analyses revealed that the perceived quality (vs. innovability) of the innovative brand (i.e., Appsung) is more sensitive to the inferior innovation, regardless of the levels of innovations ($M_{quality} = -2.58$, $M_{innovability} = -2.03$, $t(144) = -5.18$, $p < .001$). As a result, hypothesis 1 was supported. Moreover, ANOVAs on both of the indices of quality and innovability change yielded the interaction of consumer innovativeness and innovation level ($F_{quality}(1, 141) = 5.98$, $p < .05$; $F_{innovability}(1, 141) = 9.03$, $p < .01$). Specifically, the high-level inferior innovation instigated more negative impacts on low- (vs. high-) innovativeness respondents' perception about brand quality ($M_{low} = -2.91$, $M_{high} = -2.32$, $F(1, 83) = 2.24$, $p = .13$) and innovability ($M_{low} = -2.11$, $M_{high} = -1.51$, $F(1, 83) = 3.72$, $p = .06$). In contrast, the low-level inferior innovation instigated more negative impacts on high- (low-) innovativeness respondents' perception about brand quality ($M_{low} = -2.07$, $M_{high} = -2.85$, $F(1, 58) = 4.56$, $p < .05$) and innovability ($M_{low} = -1.85$, $M_{high} = -2.68$, $F(1, 58) = 5.41$, $p < .05$). As a result, both of the hypotheses 2a and 2b were supported.

In conclusion, consumers' attitudes toward the quality (vs. innovability) of innovative brands are more sensitive, and, thus, easily to be weakened by inferior innovations, regardless of the levels of innovations. Moreover, inferior high-level innovations instigate less negative impacts on high- (vs. low-) innovativeness consumers, whereas inferior low-level innovations instigate more negative impacts on high- (vs. low-) innovativeness consumers. It appears that high- (vs. low-) innovativeness consumers more appreciate high-level innovations and, thus, more and less tolerate the negative performance of high- and low-level innovations, respectively.

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Summary Brief

Keeping Up with the Jones': The Impact of Social Comparison on the Status Consumer's Attitude Towards the Brand.

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Consumers have a multitude of reasons for purchasing products. Status consumers are concerned with conveying power and/or prestige to others. A status brand can signal power and/or prestige to others when ownership is exclusive to certain consumers. Status consumers monitor their social status by comparing their relative standing to others, either intentionally or unintentionally. This paper proposes a model describing the effects of social comparisons on status consumers' attitudes toward a brand. Specifically, it is expected that the perception of another user being in a lower status will result in a negative effect on the status consumer's attitude towards the brand. Conversely, it is expected that the perception of another user being in a higher status will result in a positive effect on the status consumer's attitude towards the brand.

Introduction

Whether it is due to increased competition or the desire to create another revenue stream, brands that have generally been targeted toward the elite, have begun targeting an additional class of consumers (Vigneron and Johnson 2004). Through brand extensions or new product lines, brands that have been traditionally viewed as symbols of high status and/or exclusivity are becoming increasingly available to consumers with lower status. (Wiedmann, Hennigs, and Siebels 2009). This has blurred the line between the levels of status.

Status brands have been defined as “brands for which the simple public display or use of a particular branded product brings esteem on the owner apart from any functional utility (Vigneron and Johnson 2004). Traditionally, status brands have conveyed exclusivity and/or high status obtained through a high purchase price (Geiger-Oneto et al. 2012). Status brands have become a way in which consumers are able to create and display their social identity (Vickers and Renand 2003). Status consumers are those individuals that are more likely to purchase and conspicuously use status brands because these brands let others know that the consumer has reached a certain status (Vigneron and Johnson, 2004).

Research has shown that a person obtains status from a brand when the consumption of the brand differentiates the consumer from others by either placing them on the same level as their desired reference group or separates them from other groups (Geiger-Oneto et al. 2012). In order to determine whether a brand differentiates the consumer from others, a comparison must be made between the consumer and other users of a brand (Ordabayeva and Chandon 2011). An investigation into this issue is important because consumers that are interested in receiving

status from a brand may not purchase a status product if it is made available to the common consumer (Stegemann 2011).

Status Consumption Model

The classic definition of status is the societal position or rank awarded to an individual by others (Eastman, Goldsmith, and Flynn 1999). Whether they desire to gain power or prestige at work or increase their standing in social relationships, individuals often engage in behavior with the intention of gaining status (Eastman, Goldsmith and Flynn 1999; Geiger-Oneto et al. 2012; Vigneron and Johnson 1999).

Congruence is when the brand's dominant image is in-line with the consumer's ideal social self-image or concept (Sirgy 1982). Therefore, if a product's dominant image is one of “high status” and the consumer wants others to view them (ideal social self-concept) as “high status”, he/she will more likely have a positive attitude and be more motivated to purchase. Conversely, if a product's dominant image does not denote “high status” to the consumer's ideal social self-concept of “high status” then the consumer will not have as positive of an attitude towards the brand (Sirgy 1982). *Attitude towards a brand* is “the individuals internal evaluation of the brand” (Mitchell and Olson 1981, p. 318) and can energize and guide consumer behavior (Spears and Singh 2004). Because a consumer's attitude towards a brand is linked to intent (Spears and Singh 2004), the higher the congruency between a status consumer and product, the more favorable attitude a consumer will have towards the brand and the more likely the purchase.

H1: The greater the congruence between a status consumer and a brand the higher the status consumer's attitude towards that brand.

Social Comparison theory explains that people are generally motivated to judge their abilities and opinions by comparing themselves to others, especially reference groups (Bearden and Etzel 1982; Festinger 1954). A consumer's perception of their standing relative to others can affect many behaviors, including a person's self concept (Suls, Martin, and Wheeler 2002). Such consumers will often conduct upward comparisons (i.e., comparisons to someone of higher status) in order to increase their positive self-evaluations (Argo, White, and Dahl 2006). Status consumers are especially susceptible to interpersonal influence and engage in self-monitoring (O'Cass and McEwen 2004). Self-monitoring reflects the degree to which a consumer uses social cues to monitor and alter their self-presentation (Lennox and Wolfe 1984). Because of concerns for prestige and appearance, the product and brand choices of consumers may reflect the degree to which individuals possess self-monitoring characteristics (O'Cass

and McEwen 2004). It is proposed that when a status consumer perceives another user of the same focal product to be a higher social status, this will help to bolster the congruency between the status consumer's ideal social self concept and the status brand.

H2a: When a status consumer observes someone he/she perceives to be of a higher social status using the same brand, his/her attitude towards the brand will increase.

Research has also shown that consumers also conduct downward comparisons in order to increase their self-evaluations (i.e., comparing themselves to someone they consider to be less fortunate) (Wills 1981). It has been argued that when consumers conduct a downward-comparison, consumers will feel as though they are better off than the less fortunate and this will boost their positive self-evaluation (Wills 1981). However, this paper proposes that when status consumers perceive a user of the same focal product to be of a lower status, this will cause the status consumer to have a more negative attitude towards the status brand. This is due to the fact that the brand will no longer be considered a status product by the status consumer as it no longer offers the exclusivity and gap between status levels that they are seeking by using the product (Suls, Martin and Wheeler 2002).

H2b: When a status consumer observes someone he/she perceives to be of a lower social status using the same brand, his/her attitude towards the brand will decrease.

Research Design

The hypotheses will be tested using an experiment with subjects recruited using a purposive sample of status consumers. The experiment will manipulate the congruence between a brand of automobile and the consumer. It will also manipulate the perceived status level of other users of the same focal brand. A pre-test will be conducted in order to determine whether the manipulations in the experiment will be effective. All subjects will read the same initial scenarios in which they will be provided background information. In all subsequent scenarios, the subjects will be randomly assigned into high/low status conditions and status/non-status automobile conditions. After each scenario, the subject's attitude towards the brand will be measured. All measures of attitude towards the brand are adapted from Spears and Singh (2004).

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Summary Brief

Explaining Imagination through Personality: A 3M Model Approach

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Imaginative consumption, the process consumers use to evaluate offerings in the future, lacks substantial understanding and attention. Thus, this research extends the literature on the imagination by examining the personality traits that contribute to imaginative consumption by using the 3M Model. A sample of Gen Y is used to assess the relationship between personality traits and imaginative consumption. Certain traits, such as openness and need for uniqueness, and especially situational level traits, have a strong influence on imaginative consumption. Additionally, since this study is the first to apply the 3M Model to imagined behavior, the study extends application of the 3M Model to imagined outcomes. Managerial implications are provided.

Introduction

The consumer imagination uniquely combines information stored in memory, such as mental representations of personality, with external information gained from the sensory environment in a yet-to-be-experienced context (Mischel and Shoda 1995; Spears and Yazdanparast 2014). Indeed, through these imaginative avenues consumers evaluate products in yet-to-be-experienced settings (Phillips 1996; Phillips, Olson, and Baumgartner 1995; Schau 2000). In spite of rich insights from prior scholarship, much remains missing about how personality traits intertwine with imaginative fashion consumption. Consumer personality, a constellation of layered personality traits, motivations, and propensities for behaviors, resides in a hierarchical network, as identified in Mowen's robust 3M Model (Mendoza-Denton and Goldman-Flythe 2009; Mowen 2000; Smith 2007). To contribute to literature on personality and imagination, the central purpose of the present research is to investigate the extent genetic predispositions, socialization, and learning influences predict imaginative consumption for Gen Y consumers.

Theoretical Background

Imagining in a future scenario permits consumers to mentally try out products and interact with others (Escalas 2004; Leahy and Sweller, 2008; Markson and Paterson 2009; Richardson 1967; Sparshott 1990), facilitating implementation of later action (Linville and Clark 1989). Imagining yet-to-be-experienced scenarios takes into account information in memory, such as knowledge about the self, personality, and experiences (Mischel and Shoda 1995; Spears and Yazdanparast 2014), supported by Shoda, Lee Tiernan, and Mischel (2002) who suggest mental representations of encountered events, the self, attitudes, and situational behavioral tendencies are

interconnected through personality networks in long-term memory (Mischel and Shoda 1995). Therefore, existing, stored information and new sensory information collaborate to form imaginations. In a retail store, these visions take on consumption-oriented properties.

Mowen's 3M Model explains the layering of individual personality characteristics, as well as motivations and propensities for certain behaviors through a hierarchical network (Mowen 2000). Mowen's (2000) 3M Model encompasses a hierarchy of four trait levels, from elemental to surface level and provides a comprehensive organizing structure for investigating how traits impact behavior (Mowen 2000). Elemental traits, based on genetics, include Mowen's eight traits, including the "Big Five". Compound traits, derived from early learning, include need to evaluate, need for cognition, need for uniqueness. Situational traits develop from socialization, and this study includes cognitive and affective involvements, idea shopping motivation, escape motivation, self-esteem, and shopping enjoyment. Surface traits directly influence behaviors (Mowen 2000) and, in this case, consist of imaginative fashion consumption, a context-specific form of imaginative consumption related to the consumption of fashion apparel and accessory items (Hoffman, Kopalle, and Novak 2010). Gen Y consumers' approach to imaginative fashion consumption is distinctive (Munk 1997; Paul 2001).

Methodology

The analyses includes N= 454 participants. Gen Y participants were acquired through giving course credit at a large university in the southern United States, with the average participant 21 years old, female (51%), white (58%), and undergraduate students (85%). All scales were borrowed from the literature and provide sufficient reliability. Factor analysis led to the creation of a new item counter-conformism, and the deletion of three reverse-coded items.

Hierarchical regression analyses were run to test changes in explanatory power of the model when adding the various trait levels provided by the 3M Model and answer the research questions. This analysis approach is most appropriate in addressing the research questions (Hair, Babin, and Anderson 2010). First, a hierarchical model was run with the situational traits as a first step, compound traits as a second step, and elemental traits as a third step. The situational traits in Model 1 explain 47.9% of the variance of the dependent variable. In Model 2, the compound traits act as a second step ($R^2=.510$, $\Delta R^2=.044$, $p<.001$). Model 3 successfully explains 55.1% of the variance on imaginative consumption ($\Delta R^2=.028$, $p<.001$). The

significant situational traits include: self-esteem ($t=2.81, p<.05$), shopping enjoyment ($t=2.20, p<.05$), idea shopping motivation ($t=5.50, p<.05$), and affective involvement ($t=2.29, p<.05$). Need for uniqueness is the only significant compound trait ($t=4.14, p<.05$). Finally, the only significant elemental trait is openness ($t=4.14, p<.05$).

Conclusion

The present research uniquely combines two literature areas, imagination and personality. Two objectives were outlined, and contributions emanate from these objectives and are noteworthy. In this study, the findings support the role of genetics, early learning, and later learning in enabling individual consumers to imaginatively consume fashion. The current investigation extends our understanding of the imagination with the findings that enduring dispositions to display consistent behavioral patterns in certain situational contexts impact the imagination (Phillips 1996). Likewise, the study contributes to our understanding of the consumer imagination with the finding that, individual's learned behavior, through situational traits, most strongly explain imaginative consumption. Furthermore, the current study extends the 3M Model to account for imagined outcomes, the first, to our knowledge.

In communicating to customers, marketers should appeal to consumers' involvement and interest in shopping for fashion, need for uniqueness, and openness. Furthermore, advertisers should gear messages consistent with these consumers' personality traits because imaginative consumption increases attitudes and intentions when exposed to relevant ads (Phillips 1996). This means advertisers should use more affective approaches versus cognitive approaches. In the retail environment, managers can stir uniqueness needs by providing minimal SKUs on the racks or shelves.

Although student samples are not ideal, access to the Gen Y population is most convenient with students. Research should also be conducted using other specific contexts for imaginative consumption and cognitive load as a moderating variable.

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ADVERTISING REVISITED

Summary Brief

Advertising Derived Brand Information and Purchase Intentions: Traditional Advertisements and Millennials

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This study focuses on analyzing how much the information and affect derived about a product and manufacturer from a single advertisement can influence consumers' purchase intentions in the context of the most informed and educated category of consumers, that of Millennials. By showing whether consumers can make inferences related to the quality of the product and producer just from advertising, the study contributes to the clarification of the role of advertising in consumers' purchase intentions, as well as the process of creating and maintaining a brand. The key conclusion of this study shows that different aspects related to the quality of a product can be inferred from seeing an advertisement without actually trying the product. This shows the importance that advertising still plays in influencing consumers' purchase intentions, but also its significant role in creating and maintaining a brand and a company image.

Introduction

Given the attention and importance placed on advertising, and with so many other modern sources of information available, it would be interesting to see whether "traditional" advertising such as print advertisements, still has a significant impact on consumers' attitudes, behaviors, and purchase intentions. It would also be interesting to discover whether contemporary advertising is still a relevant and effective tool for impacting consumers' perceptions of product quality, company trustworthiness, and recommendation intentions.

This study focuses on analyzing how much the information and affect derived from a single advertisement can influence purchase intentions in the context of the most informed and educated category of consumers, that of Millennials. By showing whether these consumers make inferences related to the quality of the product and producer just from advertising, the study can contribute to the clarification of the role of advertising in consumers' purchase intentions, which is critical to the process of creating and maintaining a brand.

We also focus on a very important relationship in the modern context of social media and viral advertising: whether consumers' intentions to recommend a product positively affect purchase intentions. This is especially important under current circumstances, when consumers have the ability to share brand information and communications online with other consumers and within their social circle. The results can contribute to enriching the branding, advertising and consumer attitudes and intentions research, and show how information derived from advertising influences consumer intentions. This is a topic beneficial for practitioners regarding the objectives formulated in the branding

and advertising strategies and the expectations for its influence on consumers' different types of attitudes and behavior.

Conceptual Framework

On the one hand, advertising can influence consumers to buy products by informing about price deals and sales promotions, with direct effects on purchase behavior, rather than on product attitude (Rossiter and Percy 1980). On the other hand, advertising persuades viewers by creating or maintaining a favorable attitude toward the product, which then influences purchase behavior. This is considered the attitudinal approach to advertising. In this context, attitudes reflect a consumer's overall degree of affect for the product, while behavior, such as buying, is influenced by consumer's attitude toward different product related factors (Rossiter and Percy 1980).

In the context of modern print advertising, we selected three key attitudinal variables related to consumers' opinions about an ad, a manufacturer and a product: (1) ad believability, (2) manufacturer trust and (3) product quality. All these variables take the classical attitudes in advertising variables a step forward and focus on credibility and quality inferred from an advertisement. Regarding the importance of social media and consumer-to-consumer communication, we also include consumers' intention to recommend the product as a variable of interest that can be influenced by an advertisement and might affect purchase intentions. The hypotheses of this study are as follows:

H1: Ad believability positively influences purchase intentions.

H2: Manufacturer trust positively influences purchase intentions.

H3: Perceived product quality positively influences purchase intentions.

H4: Intention to recommend positively influences purchase intentions.

Methodology

Data for this study was collected via a self-administered online survey. An advertisement for a cosmetic product from an unknown brand was used in order to eliminate influences from previous attitudes toward the manufacturer and the product, in order to ensure that the four independent variables and the dependent variable were measured as outcomes of only seeing the advertisement and were not affected by previous brand perceptions.

The study sample consisted of 135 undergraduate business students at an American university, who received extra-credit for taking part in the study. The sample includes individuals under the

age of 25, out of which 52 percent were males. Using consumers from the Millennial generation was due to the fact that they are considered much more tech savvy and inclined toward using online and social media sources of information, rather than print advertising, therefore making the conclusions of the study even more important regarding the effects of advertising.

Regarding ethnic distribution, the Caucasian, African-American and Hispanic segments each represent approximately 28 percent of the sample.

All constructs were measured via existing multi-item scales adapted to fit the context of this study. Due to space limitations the specific items used in this study could not be included here, however please contact the authors for the study's items if needed.

Results and Discussion

In order to test hypotheses 1-4, we performed a multiple regression analysis with purchase intentions as the dependent variable and ad believability, manufacturer trust, intention to recommend and product quality as the four independent variables. The results of the regression procedure are presented in Table 1. The model was significant and with a high R-square at .785, showing a good explanation for the dependent variable. Three independent variables are significant in explaining purchase intentions, with the exception of manufacturer trust, providing support for hypotheses 1, 3 and 4.

The results of the statistical analysis show that ad believability has a positive relationship with purchase intentions, which is an important observation not only for researchers, but also for marketing practitioners. The perceived quality of the advertised product is also positively related to viewers' intention to purchase the product, in this case the advertised mascara, even if the quality of the product was inferred from a single advertisement, without an actual trial, such as in this study, it still had a significant effect on buying intentions. This shows that not only is the actual quality of a product important for consumers, but also the perceived quality inferred from different sources, including advertising.

Table 1. Multiple regression for purchase intentions

Significance	0.0001		
R-square	0.785		
F-value	118.626		
	Standardized		
Variable	Coefficients Beta	t-value	Significance
Ad believability	0.132	2.012	0.046
Manufacturer trust	0.118	1.504	0.135
Product quality	0.236	3.126	0.002
Intention to recommend	0.481	6.505	0.0001

As expected consumers' intention to recommend the advertised product also has positive influences on consumers' purchase intentions, even though, in this case, this intention was only formed as a result of viewing an advertisement. This result

underlines the importance of advertising in contributing to consumer recommendations and word-of-mouth.

Manufacturer trust inferred from the advertisement was not found to be significant in relation to purchase intentions. One of the reasons that we did not find this relation significant might be due to the circumstances in which we measured manufacturer trust. Research on manufacturer trust in consumer and business-to-business studies has noted, many times, that trust is usually formed during a relationship with the manufacturer (Dean 1999; Hess and Story 2005). In this context, it might have been difficult for consumers to form a feeling of trust toward a manufacturer based on just an advertisement, since the company we used is not known and did not elicit previously acquired information.

Conclusions, Managerial Implications and Limitations

The key conclusion of this study shows that attitudes related to the ad believability, and to the credibility and reliability of a product can be inferred from seeing an advertisement, without actually trying the product. This shows the importance that advertising still plays in influencing consumers' attitudes and resultant purchase intentions. Not only does the credibility of an advertisement directly affect consumers' purchase intentions, but advertising also influences other factors that lead to sales, including perceived quality of a product and intentions to recommend the advertised product. Even more importantly, these characteristics apply to the consumers in the Millennial age category, an important segment on the consumer market. Millennials are consumers who use new media the most, yet our study showed that they are still affected by traditional advertising, which is great news for the future of marketing.

This underlines for marketing researchers and especially practitioners the significant role that advertising still plays in forming consumer attitudes and intentions, despite the proliferation of more modern platforms and tools, including consumer reviews, blogs and electronic word-of-mouth. A second important conclusion shows the significant influence played on purchase intentions by ad believability, perceived product quality and consumers' intention to recommend a product. In this context, credibility and reliability as suggested by an ad seem to have significant weight in consumers' decision to buy a product. This shows the importance of an ad's believability and the credibility of its claims in the sales outcome.

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Summary Brief

The Portrayal of Quality of Life for the Elderly in Chinese Advertising: A Literary Criticism Approach

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Quality of life has been portrayed in advertising in China. This study was designed to examine how the macromarketing environmental factors such as public policies impact marketing practice. A literary criticism approach was applied to the study and both public and commercial advertising was analyzed.

Introduction

Quality of life marketing has been defined as marketing practices designed to enhance consumer well-being while preserving the well-being of other stakeholders (Sirgy 2001). Marketing literature on QOL has been categorized in six areas (Sirgy and Samli 1995): measures of QOL, marketing and satisfaction, QOL of vulnerable population, aspects of lifestyle and QOL, the impact of organizational practices on QOL and expectations of future QOL. In marketing, much work focused upon consumers' well-being in the marketplace in Western societies, under the assumption that materialism has a negative impact on consumers' well-being (e.g., Bouroughs and Rindfleisch 2002; Sirgy et al. 1998). The individual orientation of material values conflicts with collective-values (Sawatzky, Ratner, and Chui 2005). Yet, the sense of well-being in consumer life may be associated with non-consumption activities as well as material consumption (Layton and Grossbart 2006). In essence, some individuals may gain more satisfaction by consuming less (Kilbourne, McDonagh, and Prothero 1997). However, a disproportionate share of the research was done in developed societies. Little research has been investigated the portrayal of QOL in developing societies such as China. In addition, the aging/vulnerable population in China has been given little attention in the marketing research. As such, the particular interest of this research is to analyze how QOL related to the aging population is portrayed in Chinese advertising.

Methods and Findings

Literary criticism has been applied in advertising research and is a legitimate approach for the study (e.g., Stern 1989; Brown, McDonagh, and Shultz 2013). The analytical method begins with textual criticism as the basis for entering a text to make its literary dimension explicit (Stern 1989). Sociocultural and historical perspectives are then used to examine real consumer lifestyles of certain historical eras. This step often goes beyond text itself to analyze the text. Thus, it provides information about culture, advertising, and consumption, enabling researchers to understand the implicit values in ad text. Next, structural and semiotic criticism adds further information about the symbolic code. Finally, reader-response is used to indicate the way a text directs consumer participation in the ad's world.

Ads related to aging population were chosen. For example, the first two ads (Ad 1 and Ad 2, See appendix) are sponsored/published by the Chinese government. The first ad (Ad 1) emphasizes the obligation of taking care/respect for the elderly. The copy can be translated as "When the wrinkles showed up on your forehead, my hand could not smooth them out. Respect the elderly to ensure the future value of humans." The copy of the second ad (Ad 2) can be translated to "care of the elderly now is care of the self in the future." Using the literary theory approach, we found that the ads acknowledge current living arrangements while promoting the traditional filial piety obligation. Additionally, the text (Ad 2) "go home often" is a clear indication that the extended family may not live under the same roof. "Taking care of the self," (Ad 2) is an acknowledgment of increasing individualism.

Similar themes can also be found in commercial advertising. For example, the third and fourth ads (for China mobile) (Ad 3 and Ad 4) both use a family theme to convince viewers that cell phones can be holiday gifts for the elderly, to be used to connect generations. The copy of the third ad in Chinese is "Besides health supplements, what else will your parents need? Feelings, emotions?". Similar to the third ad, the last ad (Ad 4) claims that "Love the elderly, and respect your parents from your heart. This holiday deliver your love to your parents." The text (Ad 4) clearly indicates interplay between family bonding and the product. Gift-giving rituals still play central roles in family relationships.

Discussion

Overall, with rapid economic and political changes, the mass media has been used as a political and cultural tool to enhance elderly's well-being. The negotiation between traditional culture and material consumption interfaced in Chinese advertising. The ritualistic cultural and political meanings such as filial piety responsibility and 4-2-1 family structure (four grandparents, two parents, and one child) have been reflected in both public and commercial ads.

The aging Chinese population is facing challenges in both physical and mental health. Although physical health has been greatly improved due in large part to economic development, the effects of the changing youth culture and fading filial piety responsibility on the elderly's mental health can be somewhat negative. Given such circumstance, mass media have been used as a political tool to restore traditional cultural values to cope with such negativity. Thus, the research contributes to QOL marketing theory by drawing literature from political and cultural perspectives. In addition, it offers researchers insights on vulnerable consumers from global perspectives. Most importantly,

this study is the first to examine traditional cultural values such as filial obligations in both public and commercial advertising in transitional economies. Finally, practically speaking, the study helps advertisers to further understand the change of Chinese culture, thus providing guidance on copy writing and artwork design in a global/local context. For instance, in order to target the Chinese elderly, traditional cultural values should be emphasized. Future research, however, should further gather data to examine how individuals in such a society perceive QOL, using a reader response approach. Moreover, it might be insightful to examine how the elderly cope with such physical/mental health issues in order to adapt to the rapid societal change.

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Appendix

Ad 1



Ad 2



Ad 3



Ad 4



Summary Brief

Facebook Boredom: A Preliminary Analysis

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The growth rate among Facebook users has declined over the last few years. Facebook on the other hand argues that they are experiencing a growth among users. Considering these claims, it would be interesting to examine whether or not the glory days of Facebook are over. This exploratory study examines users' attitudes and boredom states towards Facebook and provides an understanding of factors influencing these feelings

Introduction

Social networking sites allow individuals to present themselves, articulate their social networks, and establish or maintain connections with others (Ellison, Steinfield, and Lampe 2007). Facebook is a social networking service that was founded by a Harvard University undergraduate student, Mark Zuckerberg, with the help of his college roommates. Facebook was first exclusive to Harvard students and then expanded to Ivy League schools and continued to spread to all universities from there. By September 2006, Facebook went from a web site exclusive to US college students to the second most visited Web site in the world (Alhabash et al. 2012).

The rate of growth of Facebook, however, has slowed down recently. In Britain, United States, Canada, Russia, and Norway for instance, number of Facebook users has dropped (Bates 2011). More recently, Digital Agency iStrategylabs revealed that three million US teenagers have left Facebook (Wakefield 2014). Facebook, though, has argued that some of these reports about Facebook losing users in some regions are based on data extracted from Facebook advertising tool which is not designed to be a source for tracking overall growth of Facebook.

Considering these contradicting claims, it would be interesting to examine whether or not the glowing days of Facebook have really come to an end. Consequently, the present research aims to examine users' attitudes and boredom states towards Facebook and provide an initial understanding of the factors influencing these feelings. Specifically, the study addresses and answers three questions.

What are the reasons for liking and disliking Facebook?

Are Facebook users bored of this social networking site?

What is the relationship between Facebook boredom, attitude toward Facebook, and attitude toward ads on Facebook?

Uses and gratification theory (Katz, Blumler, and Gurevitch 1973) is useful in explaining how and why people use media. According to this theory, motivations to use media predict individuals' media use behavior and time spent using it. However, it does not provide insights about lack of involvement or lost interest. Boredom theories (e.g., Fisher 1993) provide a better perspective to approach this issue. Different approaches to theorizing boredom converge on the fact that boredom is basically

the aversive experience of wanting, but being unable to engage in a stimulating and satisfying activity.

Method

Data were collected through a paper and pencil survey from students at a Southwestern university. We focused on undergraduate college students because although Facebook is now available to other age groups, the current literature is primarily based on studies utilizing the undergraduate population. Thus, we aimed to generate findings that would bear relevance to and expand current knowledge. Overall, 235 usable responses were collected (average age was 21.4 years and 52.8% were female).

Results

Most frequently mentioned reasons for liking Facebook were keeping in touch with friends and family (mentioned by 85% of respondents), followed by its interactivity and ability to look at pictures and watch videos (5.3% of respondents). News feeds and chat options were reported to be the most interesting features of Facebook (34.9%). Interestingly, only 1.2% of respondents mentioned that coupons and sales options provided via Facebook are interesting to them.

Most frequently mentioned reasons for disliking Facebook were lack of privacy (31%), too much drama (17.9%), Facebook being time consuming (15.5%), and having unnecessary ads and videos (14.3%). Likewise, the main annoying feature of Facebook was mentioned to be ads on Facebook (37.6%), followed by invitations to games or liking pages (27.2%).

Both genders were bored with Facebook ($M = 4.71$ and 4.99 for males and females, respectively). Also, both genders reported low attitudes towards Facebook ($M = 3.90$ and 4.14 for male and female respondents, respectively) and advertisements on Facebook ($M = 2.59$ and 2.64 for males and females, respectively).

Moreover, the bootstrapping method and Sobel revealed that attitude toward Facebook mediates the relationship between Facebook boredom and Attitude toward ads on Facebook.

Conclusion

The results provide initial evidence for the current claims regarding decreasing interest in Facebook. Moreover, the impact of Facebook boredom on users' attitudes toward this social networking site and the impact of Facebook attitudes on attitudes towards ads on Facebook reveal an important point regarding the necessity of studying the phenomenon of Facebook boredom for marketers.

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**THIS AND THAT: MOBILE ADVERTISING EFFECTIVENESS AND
RESOURCE ADVANTAGE THEORY**

Full Paper

The Role of Opportunism within the Context of Resource Advantage Theory: A Conceptual Framework

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The traditional view of opportunistic behavior between business partners is one associated with "the dark side" of relationships. Opportunism, however, is common place in business relationships. Could there be more to opportunism than meets the eye? Is it multidimensional? This paper challenges the traditional view by positioning opportunism – based on the central premises of Resource-Advantage Theory – as a viable managerial strategy in supply chain relationships. We revisit and reconsider opportunism's role in business relationships, particularly during a downward business cycle characterized by uncertainty, competitive intensity, and market turbulence. Future research implications are presented.

Introduction

The 2007-2009 economic crisis brought chaos to the international automobile industry directly affecting global customer demand, production and the industry's supply chain. Economic growth declined globally. Demand for automobiles, particularly in the U.S. and European markets, dropped precipitously as consumers steeped in debt lacked the ability and will to purchase (Sheu and Hu 2009). By 2009 U.S. automotive production dropped fifty percent to 5.73 million units (International Organization for Motor Vehicle Manufacturers 2014). To survive, General Motors and Chrysler sought government stimulus financing. The effects on demand and production were directly felt by the industry's supply chain. General Motors and Chrysler closed factories and dramatically reduced their dealer franchise systems. Ford Motor Company slashed its supply chain membership from 3,300 to 850 companies (Torres 2011). Eleven of fourteen major U.S. automotive suppliers filed for reorganization or declared bankruptcy (McKinnon 2008). European and Asian suppliers faced similar problems. The crisis was further exacerbated by Japan's earthquake and nuclear disaster in 2011, which disrupted Japanese supplier access to the global market. Given the severity of the global turbulence and disruption, long standing commitments between companies and their supply chain members were compromised. Whereas collaboration had been the major theme characterizing supply chain management, opportunism "self-interest with guile" (Williamson 1975) reared its ugly head.

The purpose of this paper is to revisit how traditional marketing thought treats opportunism, as a managerial strategy. Traditional marketing thought considers opportunism to epitomize the "dark side" of relationship marketing (Anderson and Jap 2005). However, it is hard to conceptualize that all opportunistic relationships are administered by "self-interest with guile."

Certain researchers stress that opportunism is commonplace in marketing (Hawkins, Wittman and Beyerlein 2008; Mysen, Svensson and Payan 2011; Villena, Revilla, and Choi 2011). Barua (2013) treats opportunism as an extension of the Cooperation-Competition Relational Paradox (Raza-Ullah et al. 2013). Further, a reconsideration of the role of opportunism in relational marketing may be justified given Hunt's (2010) Resource Advantage Theory: his Concepts of Constrained Self-Interest and Relational Resources. This paper challenges traditional marketing thought by positioning opportunism as a viable managerial strategy within relationship marketing, particularly during business environment conditions of uncertainty, competitive intensity and market turbulence within the global business cycle (Mysen, Svensson and Payan 2011).

Theoretical Framework

Traditional marketing thought has a bias towards collaboration as being the dominant managerial strategy to achieve business success. This bias is understandable if one considers that the traditional model of channel of distribution management, now supply chain management, emerged during an extended period (1950-2005) of economic growth and prosperity (Christopher and Holweg 2011). Supply chain management has focused on the bright side of collaborative relationships (Villena, Revilla, and Choi 2011); its literature has been unequivocal regarding the value of collaboration (Chen and Paulraj 2004; Terpend et al. 2008; Villena, Revilla, and Choi 2011). The discipline's emphasis on collaboration can be attributed to Alderson (1965) who stressed the need to develop cooperation as holding equivalent status to competition in explaining his General Theory of Marketing Processes. Subsequently, collaboration has become the central premise, in-common, within the theories of differential advantage, market segmentation, comparative/competitive advantage, resource-based, resource advantage and relationship marketing.

In order to challenge traditional marketing thought and its bias towards collaboration, particularly its dominant role in supply chain management under conditions of a downward business cycle, turbulence and uncertainty, the role of opportunism as a viable managerial strategy should be shown to be consistent with the discipline's two general theoretical frameworks: Theory of Marketing Processes and Resource Advantage Theory. What are the central premises and conditions that position opportunism within these theoretical frameworks?

Since R-A Theory represents an extension of The Theory of Marketing Processes and, by definition, must encompass and integrate other marketing theories such as transaction cost

analysis, service-dominant logic, resource base, relationship marketing (Hunt 2010), etc., we need only to demonstrate that opportunism is consistent with R-A Theory's central premises and conditions. Among these are self-interest, relational resources and symmetry. First, R-A Theory is based on constrained self-interest seeking as opposed to Neoclassical Theory's concept of motivation stated as self-interest maximization (Hunt and Morgan 1997). Constrained self-interest represents an extension of Alderson's notion that management is motivated, not by profit maximization, but rather by increased profits and survival. Hunt (2010) maintains that motivation is constrained by personal moral codes that are based on deontological ethics. When moral codes are shared, relational behaviors such as cooperation, trust and commitment exist. Hunt (2010) does not discount "self-interest with guile." He recognizes there may be other states of opportunism. He states that R-A Theory offers "deeper insights" than universal opportunism. Hence, "constrained self-interest" introduces flexibility regarding our perception of opportunism.

Second, relational resources are central to R-A Theory. Hunt (2010) coined his notion "The concept of Relational Resources." His premise that demand and supply are heterogeneous is important to this concept. He says resources are tangible and intangible entities available to the firm that enables it to produce efficiently and effectively a marketing offering(s) that is/are valuable to a marketing segment(s). Resources are heritable, durable, imperfectly mobile and heterogeneous. They include financial, physical, legal, human, organizational, informational and relational. Relational behaviors would include cooperation, conflict, trust, opportunism and other intangible behavioral constructs that characterize the model of supply chain management. Consistent with the model, Mysen, Svensson and Payan (2011) classify opportunism with trust and commitment as dimensions of relational quality. Resources play an important role in differentiating comparative advantage from competitive advantage. Comparative advantage in resources applies to a firm that has a unique mix of resources that hold value for marketing offerings. Competitive advantage is a unique market position attributable to meaningful comparative advantage in resources. Comparative advantage is endogenous to the firm; competitive advantage exogenous. Competitive advantage leads to superior financial performance (superior or inferior).

Lastly, R-A Theory is rife with asymmetry. The notions of heterogeneous demand, supply, resources and superior financial performance are asymmetrical. Consider superior financial performance, Hunt (2013) states "The firm's objective is superior financial performance." Superior financial performance is not the maximum. It is a relative objective, being "more than" or "better than" some standard of performance. Clark (1961) stated it differently. He said, "Firms are profit minded, not profit maximizers because they face uncertainty and lack the necessary information to maximize profit." Alderson (1965) stated firms do not engage in profit maximization, rather increased profits and survival. He said members of the channel of distribution strive to achieve expected returns. In reality, these profit concepts are based on achieving an acceptable range of expected returns. Within a business relationship, returns to the respective dyadic parties are likely to be asymmetric. Thus, asymmetry characterizes relational behaviors as well as returns or profits.

Opportunism: The Traditional Concept

To have a clearer appreciation of the origins of opportunism in business thought, we need to position the concept within the context of the traditional models of channels and supply chain management. As mentioned, the traditional models are dominated by collaboration as the objective and primary managerial strategy to achieve superior financial performance (Ford and Hakansson 2013; Villena, Revilla, and Choi 2011; Allred et al. 2011; Cao and Zhang 2010; Anderson and Narus 1991; Gronroos 1997, Morgan and Hunt 1994; Lusch 2011).

In recent years, the collaboration bias has been somewhat mitigated by research in co-opetition. Co-opetition is defined as the simultaneous pursuit of cooperation and competition between two firms (Bengtsson and Kock 2014; Brandenburger and Nalebuff 1996). Raza-Ullah et al. (2013) consider co-opetition a paradox, that is, an either/or framework of two opposites as mutually independent with both dimensions operating at the same time (Chen 2008). Cameron and Quinn (1988) described the paradox as a situation in which it is not possible to choose between contradictory dualities; it is illogical for these contradictory logics to apply simultaneously, particularly when juxtaposed (Lewis 2000).

Brandenburger and Nalebuff (1996) concluded that the most frequent contradiction with co-opetition was between joint value creation and private value appropriation. As an example, a firm may provide specific assets to benefit the relationship while the partner exploits the assets for private benefit. Das and Teng (2000) identify a timeline issue. One partner may commit to a longer term collaboration relationship while the other partner may behave opportunistically by exploiting personal short term benefits. Due to the paradox, tension is manifest (Fong 2006; Pratt and Doucet, 2000; Raza-Ullah et al. 2013).

The most serious shortcoming of the traditional models is their failure to fully break with Neoclassical Economic Theory. The models continue to treat competition as an exogenous construct while treating cooperation as endogenous. As such, these constructs are not comparable relational resources and do not serve well as alternative strategies for the management of the supply chain. Consequently, the traditional models exhibit two deficiencies. Collaboration is not a panacea. It is deficient since many supply chain relationships fall short of partner's performance expectations (Doz and Hamel 1998; Barringer and Harrison 2000). Second, co-opetition with its paradox and construct issues has not improved on the satisfaction of partner's performance expectations (Padula and Battista Dagnino 2005).

Within this context, opportunism is viewed as epitomizing the "dark side" of business relationships. The dominant characterization of opportunism is "acting in self-interest with guile" (Hawkins, Pohlen and Prybutok 2013; Williamson 1975). Opportunism consists of actions by one partner to achieve his self-interest goals despite apparent harm to the other partner (Williamson 1975). These actions are closely associated with deception, misrepresentation and dishonesty (Larson 1992; Masten 1988; Tjosvold and Weicker 1993). Dark side actions include failing to fulfill commitments or responsibilities towards partners (Gassenheimer, Baucus and Baucus 1996) and lack of adherence to general norms (Wathe and Heide 2000). Opportunism can either be administered as passive (Kreps 1990) or active (Shell 1991). Although this characterization applies to individual behaviors and dyadic relationships, it applies to business networks, too. Ford and Hakansson (2013) stated that business networking consists of

continuing interaction between independent actors, activities and resources. Networking involves actors “engaged in guile, deception, mutuality, altruism, short term and long term self-seeking or a wide range of behaviors referred to as cooperation and competition.”

Mysen, Svensson and Payan (2011) make the point that opportunism has become mainstream research, but seldom is the central focus of empirical studies. Most opportunism research resides within Transaction Cost Theory. The theory assumes opportunism is present between exchange partners (Hawkins et al. 2008). This assumption is consistent with earlier research that found relationship members were likely to operate with a restricted or short term philosophy associated with self-interest; the objective being to gain control over their relationship with others (Alderson 1965; McVey 1964; Revzan 1961). Thus, the extant literature supports opportunism being a relational resource common to exchange relationships.

The literature also gives credence to opportunism’s “dark side.” For example, high quality relationships experience lower levels of opportunism (Dwyer, Schurr and Oh 1987). Opportunism has been associated with declines in cooperation, satisfaction and performance (Gassenheimer, Baucus and Baucus, 1996). Business partners have been found to behave opportunistically when such behavior makes it profitable (John 1984). Opportunism was found to restrict value creation (Morgan and Hunt 1994; Wathne and Heide 2000) and to erode other exchange outcomes (Hawkins et al. 2008). Given these results, Mysen, Svensson and Payan (2011) suggested that curbing opportunism may be vital to long term supplier –manufacturer relationships and value creation.

Despite the “dark side” dominance, certain authors argue that opportunism is not necessarily pejorative (Hawkins et al 2008; Jap et al. 2013; Gassenheimer, Baucus and Baucus 1996; Gundlach, Achrol and Mentzer 1995; Ploetner 2008; and Wang 2002).

Opportunism and R-A Theory

The business environment including uncertainty, competitive intensity and market turbulence significantly influences the role of opportunism in supply chain management (Mysen, Svensson and Payan 2011). Opportunism is sensitive to changes in these environmental conditions. These conditions are heightened during periods of downturns in the business cycle. Mysen, Svensson and Payan (2011) suggested opportunism has not been the subject of many empirical studies. Given the sustained economic growth (1960-2005) there have been few periods of business cycle downturns, mostly short-lived, during which the nature and scope of opportunism could be fully exercised. Given the growth environment, the dominance of collaboration and the “dark side” attributions associated with opportunism, is research too focused on a single dimension of opportunism? Are there other more beneficial dimensions?

Earlier in this paper, we stated that opportunism, to be considered a viable managerial strategy, must be consistent with the general theory of marketing: R-A Theory. We suggested that opportunism must be consistent with the theory’s concepts of constrained self-interest, relational resources and asymmetry.

Alderson (1965) said that a business’ primary objective is survival. However, he did not agree that unfettered self-interest was appropriate. Firms that did not create meaningful market offerings demanded by consumers were inefficient users of society’s resources. Their self-interest was moot. He recognized

that profit maximization was inappropriate. He favored increased profits and survival. As mentioned, Hunt’s (2010) constrained self-interest extended Alderson’s contributions. Hunt would recognize that under austere conditions of uncertainty, competitive intensity and market turbulence a firm with competitive advantage could resort to opportunistic behavior, but it need not be on the basis of “self-interest with guile.”

In a recent focus group, owners of supplier companies to the global automotive industry were asked, “How did they manage their customer’s demands for price reductions, rapid delivery of inventory and other factors associated with the 2007-11 global recession?” One participant gave the following answer: “Our major customer demanded that we reduce our prices and margins to, for us, an unacceptable level of return. The customer was stressed by poor sales and excess inventory. We sat down with the company’s representative and agreed to meet his austere requirements. We accepted because if we lost his business, we could not maintain sufficient production capacity to be efficient and we would lose our irreplaceable technical staff. We understood each other’s dilemma. Since 2011, the economy has improved. We are now able to command prices and returns that exceed our expected returns. We reopened negotiations with this customer and discussed our requirement to increase our prices or we could not continue to be a supplier to his firm. Today, we remain one of his major suppliers (Barua 2013).”

As evidenced by the participant’s explanation, “self-interest with guile” did not dictate the negotiations. Both parties engaged in constrained self-interest supported by open dialogue and a clear understanding of the constraints facing each party. Clearly, the supplier accepted a less than expected return because the loss of the customer would have threatened the survival of her company. Obviously, the customer valued the supplier. Given the theory based comments of Alderson and Hunt and the stated scenario, even austere conditions need not lead to opportunism exercised as “self-interest with guile.” This suggests the nature and scope of opportunism has yet to be fully articulated (Crosno and Dahlstrom 2008).

As discussed, R-A Theory recognizes the significance of relational resources (Hunt 2010). Certain researchers recognize opportunism as a relational construct commonly found in business relationships (Mysen, Svensson, and Payan 2011). Being an intangible asset, opportunism is one of many relational resources available to support a firm’s ability to provide market offerings valuable to a market segment. It can be part of the firm’s unique resource mix that yields comparative advantage in resources (Hunt 2010). Given opportunism’s relational status, it is clearly consistent with the premises of R-A Theory.

Finally, opportunism is most likely to be multidimensional and asymmetrical. Whereas, the marketing literature is replete with asymmetry within other relational resources such as dependency, power, collaboration, conflict, trust and commitment, opportunism reflects asymmetry, too. Again the marketing literature reports opportunism has at least two dimensions: self-interest with guile and self-interest without guile. Research has demonstrated opportunism is associated with most other relational constructs that characterize the models of supply chain management. These include antecedents such as goal congruency, asset specificity, dependency and power as well as managerial outcomes such as conflict, satisfaction, trust, commitment and performance.

Conclusion and Future Research Implications

The objective of this paper has been to revisit opportunism as a viable managerial strategy within supply chain management. If opportunism is to be a viable managerial strategy, it must be consistent with relevant premises of R-A Theory. This paper has developed the case that opportunism fulfills the requirements of being consistent with constrained self-interest, that it is a relational resource among many that characterize relationship behaviors and can be part of a resource mix that will generate comparative advantage in resources, and that opportunism is asymmetric. It is multidimensional and can vary in intensity. Consequently, opportunism is consistent with the R-A Theory and merits full consideration as a viable managerial strategy, subject to constraints that may apply to any other relational resource in supply chain management.

These are specific issues that must be addressed by future research:

The Traditional Model of Distribution/Supply Chain Management

After more than fifty years of study, does the traditional model reflect the realities of the business world? The emphasis on collaboration as the dominant objective and management strategy researching and explaining supply chain management should be challenged. Traditionally, there are two managerial strategies available: cooperation/collaboration and conflict. In reality, there is one. Conflict is an outcome of your managerial strategy and does not require management until it rears its head. Co-opetition is relatively new, but, again, cooperation appears to dominate that managerial continuum. As mentioned, cooperation and competition are incongruent opposites. Cooperation is an endogenous relational construct; competition is an exogenous market driven variable. What theoretical structure can challenge the entrenched traditional model?

The Nature and Scope of Opportunism

Most researchers believe there has been a dearth of research regarding opportunism. There have been few empirical studies. Opportunism has not been the central focus of research studies. How do you define the concept? What is its operational definition? Too often, opportunism is confused with competition. Both constructs share descriptors in-common such as self-interest, profit objectives, etc.

Measurement (Opportunism)

Associated with its operational definition, how do you measure it? Based on focus group interviews, firms have expected returns or norms. The supplier in the aforementioned scenario indicated that opportunism in her case was “self-interest without guile.” It yielded unacceptable expected returns, but a return that, in the short term, enabled the firm to maintain acceptable production capacity and its technical staff; that is the resources necessary for the survival of the business. As indicated, there were non-financial benefits, but the minimum standard was financial, the return.

Performance

Hunt (2010) maintains that superior financial performance must be measured by profits, earnings, return on investment and capital appreciation. He says the Neoclassical Theory’s normal profit does not apply. However, in business meetings, an answer to the question, “What is your expected return on this project?” The respondent often says normally 50 percent (an example). But is that “normal” return common or specific to the firm or industry? Is it differentiated due to the business environment (competitors, total cost of business, stage of the business cycle, nature of the business or whether the products or services are old or new)? Business people retain something from their economic classes, Normal Profit. Not the economist’s concept, but the term they associate with their expected profit return.

The Global Supply Chain

Is opportunism viewed and applied differently within different cultures, or even across cultures? Do different dimensions of culture, such as individualism/collectivism impact opportunistic behavior? While some research has found that collectivistic cultures may experience less opportunism (Ding 1995, Dore 1983), others have found it present in those cultures when the potential benefit is greater than the penalty (Nooteboom 1996) or perhaps when it involves an out-group member (Chen et al., 2002). Gu et al. (2008) found that opportunism can be influenced by national culture (Guanxi).

Business Environment

Is opportunism applied differently between managing the growth versus the downturn stages of the business cycle? Mysen, Svensson and Payan (2011) maintain that uncertainty, competitive intensity and market turbulence directly affect opportunism and its administration. Is there credence to the old adage: Managers manage the growth stage; good managers manage the downturn stage of the business cycle? Given growth, many companies place high sales volume and margin requirements on sales staff. Purchasing agents are likely to be less cost savings oriented. With these pressures, is this environment more conducive to “self-interest with guile?” In contrast, in the downturn stage of the business cycle, sales and cost management become paramount. Is this environment more conducive to “self-interest without guile?”

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Summary Brief

Incorporating the Customer Perspective in CLV Models: An Exploratory Study of Customer Attitudes toward Mobile Coupons

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Today, marketers continue to search for the most effective ways to establish sustainable, long-term relationships with their targeted customer segments. Customer lifetime value (CLV) models provide a theoretical foundation to understand and evaluate a firm's relationship with its customers. The research in this paper proposes an extension to the CLV framework in the context of mobile coupons by adding customer perspectives. To demonstrate the importance of customer perspectives in relationship marketing, we present the findings of a longitudinal exploratory survey on customer perceptions of mobile-coupon marketing programs. While mobile coupons are believed to be an effective tool for relationship marketing, customer attitudes toward these programs are still evolving and not yet well understood. The findings of the study provide support for three propositions related to mobile-coupon programs.

Introduction

Managing customer relationships is a central topic in contemporary marketing. The framework of customer lifetime value (CLV) offers a systematic way to understand and evaluate such customer relationships (Jain and Singh 2002). Furthermore, CLV can be used to guide a firm's customer acquisition and retention strategies (Blattberg et al. 2009). To date, however, the majority of the extant literature has examined this phenomenon primarily at a conceptual level (e.g., Dwyer, Schurr, and Oh 1987; Palmetier 2008).

The main objective of our research is to advance the CLV framework by incorporating customer perspectives and gaining a better understanding of those aspects through an empirical examination of customers' perspectives on mobile coupons. More specifically, first, building on the CLV model by Gupta et al. (2006), we develop a more comprehensive theoretical framework that incorporates missing pieces from customers' perspectives. Second, we conduct a longitudinal exploratory study of customer perceptions. Third, through analyzing the study, we develop a set of propositions.

Theoretical Background

Researchers and practitioners agree that each customer varies in his/her lifetime value to a firm, and that long-lifetime customers are generally more profitable to a firm (Jain and Singh 2002). In an attempt to build such long-term customer relationships, many firms have begun to utilize mobile coupons. A mobile coupon is

“an electronic ticket solicited and/or delivered by mobile phone that can be exchanged for a financial discount or rebate when purchasing a product or service” (Mobile Marketing Association 2007). Mobile coupons can be preserved or be carried around, and furthermore allow marketers to achieve massive, interactive and immediate communication with targeted customer groups effectively (Hsu, Wang, and Wen 2006).

However, some marketers are struggling to develop attractive services for mobile marketing that meet customers' needs. Because of media characteristics and social and psychological influences, mobile devices are likely to be perceived as personal accessories; thus customers exhibit strong emotional attachment to their cell phones as they integrate them into their daily routine and social lives (Fortunati 2001). Furthermore, mobile marketing is still relatively new in the eyes of many customers. Therefore, the gap between the fast-growing market for mobile service and customers' lack of experience creates uncertainty for mobile-marketing service providers in terms of service design, speed of diffusion, and customers' adoption rate (Dao, Rizos, and Wang 2002; Wehmeyer and Müller-Lankenau 2005).

Method

To gain a better understanding of the benefits and issues of mobile coupons, we conducted an exploratory longitudinal study. Because of the rapid growth of mobile-coupon programs, we also wanted to understand whether customers' attitudes were evolving over time. To accomplish this objective, the same survey was conducted online in Spring 2010 and again in Spring 2012. Subjects were undergraduate business students. The survey contained open-ended questions about customers' attitudes and concerns about mobile coupons.

Content analysis was conducted for both data sets using the same coding procedure. Responses to the open-ended questions were coded by the lead author using an open-coding procedure in which codes were not predetermined, but rather emerged from the data. Two other raters independently re-coded the data sets using the set of codes identified by the lead author. The inter-rater reliability (Cohen's Kappa) was 86% for the first survey and 83% for the second survey, indicating acceptable rater agreement (Fleiss 1981). Inconsistent code assignments among the coders were resolved through further discussion among the raters.

Findings and Propositions

Our analysis indicates that some customers' attitudes toward mobile coupons changed over two years. Our first survey identified the following primary advantages of mobile coupons: *convenience, entertainment value, interactive nature and promising future*. Although the second survey also included these themes, the themes were further elaborated: *people recognized the benefits of mobile coupons beyond the basic function of convenience*. Customers had much more experience with mobile coupons than before and realized how fast and easily accessible the coupons can be. Furthermore, new themes that highlight the *economic value* and *environmental friendliness* of mobile marketing were identified. Thus:

P₁: Mobile coupons have the potential to be an effective marketing technique in relationship marketing. Customers' positive attitudes toward mobile coupons are based on factors such as convenience, entertainment, economic value, and environmental friendliness.

In the first survey, as disadvantages of mobile coupons, customers expressed concerns about identity loss and privacy issues. In addition, some respondents had limited experience with mobile coupons. The second survey showed a somewhat different picture of customer experiences. While some were very satisfied with mobile coupons, others noted downsides of mobile coupons. Some respondents found mobile-coupon programs to be annoying, as in a case where a person signs up and receives too many coupons. Thus:

P₂: Loyalty programs using mobile coupons are still at an early stage. Marketers should identify and address issues associated with mobile coupons to further develop mobile-coupon marketing and to facilitate its wide application.

Furthermore, the findings indicate that customer loyalty is evolving with the scope of application and maturity of mobile coupons, and that customer trust has the potential to develop further as a customer has more experiences with mobile coupons. Given the various types of mobile-coupon programs offered and the continuous advancement in mobile technology, continued investigations on how customer attitudes are changing will be critical to our understanding of mobile-coupon programs and their influence on customer relationship management and CLV. Thus:

P₃: Exploratory studies on mobile-coupon marketing would help marketing researchers gain a better understanding of the missing pieces in CLV framework on the customers' side.

General Discussion

Our study makes several contributions. First, the results provide preliminary evidence of the importance of incorporating customer perspectives, such as customer loyalty, trust and customer attitudes into CLV models. Second, through taking a longitudinal approach, we found significant differences in

customers' overall attitudes toward mobile coupons over the two-year time frame. One major change was the shift in focus from an initial interest in entertainment value and novelty to the economic savings that mobile coupons bring to them. Third, our study shows that mobile-coupon marketing is still at an early stage. As customers gain experience, delivery technologies evolve, and more companies launch mobile-coupon programs, customer perceptions and company strategies are also evolving. The longitudinal study shows shifts in customer experience with mobile coupons and changing concerns.

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Summary Brief

The Factors That Affect Mobile Advertising Effectiveness in a Real-Time Bidding Environment

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This study uses actual usage data from over 2 million mobile users to examine the antecedents of mobile ad effectiveness. The study found that the content of mobile ads and the type of product advertised does not significantly affect click through rates. More peripheral characteristics such as the number of colors, height of ad and width of ads do affect click rates. The study also shows that consumers click on ads on apps at a significantly higher rate than on mobile websites. It also shows that android users click on ads at significantly different rates than iphone users.

Introduction

Mobile device usage has grown rapidly and in recent years they have become ubiquitous (Yang et al. 2013). For example, 90% of adults in the United States have mobile phones and 58% of them own a smart phone (Smith 2011). Because of the price of smartphones and tablets, and also the wireless plans associated with them, owners of smartphones tend to be financially well-off. 48% of smartphone users have a college degree and 59% of them have households with incomes over \$75,000 (Smith 2011). These demographics represent consumers who advertisers are attracted to. With the increasing popularity of mobile devices, advertisers have been targeting mobile devices and mobile advertisements have been projected to increase by 400% between 2012 and 2016 (McCarthy 2013).

Although large numbers of consumers are shown ads on their mobile devices and mobile ads are projected to grow substantially, evidence about their effectiveness is anecdotal at best. There are beliefs in the industry about the types of ad characteristics that increase click through rates (Agarwal et al 2011). However the belief is based mostly on anecdotal evidence rather than methodologically rigorous research. Mobile advertising click through rates are low averaging under 1% (McNaughton 2011) demonstrating that there is still the need to learn more about the factors that lead to improved mobile ad performance.

Using ads that were served to over 2 million customers on a mobile advertising network, this study examines potential antecedents to mobile advertising effectiveness. The paper

examines the effectiveness of characteristics such as ad characteristics, product characteristics, device characteristics and destination website characteristics. This research is important because it focuses on mobile advertising, a new and important area in marketing that has been inadequately covered in the academic literature. By examining the antecedents of successful mobile advertising we will also be providing media planners with information that can help them become more efficient in their mobile advertising purchases.

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COMING OVER TO THE DARK SIDE OF CONSUMER BEHAVIOR

Summary Brief

Calling the Neo-tribes: Creating an Experience with “Linking Value” at Pensacon 2014

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Members of consumer neo-tribes seek products and services primarily for their linking value, their ability to foster social connections and interactions. When a neo-tribe offering creates linking value, its likelihood of success and longevity is enhanced. This study examines how the organizers of Pensacon 2014, a fan “con” for aficionados of various media-oriented genres such as Sci-fi and Fantasy, created linking value for attendees and provided a platform for the various neo-tribes of fans to demonstrate their shared devotions and enhance their tribal identities. Findings of an empirical study are presented and discussed.

Introduction

There exists a special class of service-oriented consumer offerings wherein consumer interaction with other consumers is an extremely important success factor. When executed well, this communal approach to marketing can result in what is referred to as a neo-tribe experience (Cova and Cova 2001) in which people realize value in the community as much as, if not more than, the commodity. A neo-tribe is a type of consumption community (Muniz and O’Quinn 2001) consisting of a network of heterogeneous persons who bond together via a shared passion or emotional connection to a brand (Cova and Cova 2001). Neo-tribes seek products and services primarily for their linking value (e.g., Cova 1997).

In a recent study, the authors examined this effect within the theme cruise industry. This led to discussions of other contexts in which interaction between consumers should be important. Further research on “cons” – conferences for fans of Sci-fi, Horror, and similar media-oriented genres – revealed that these types of events are also tribal in nature (e.g., Kozinets 2007). Our main thesis is that con organizers should plan events that foster a neo-tribe experience for attendees. Without such an experience, fans will be less likely to return and the long-term success of the offering will be jeopardized.

Background

Consumer Neo-tribes

Consumer neo-tribes, a type of consumer community, are founded out of a shared passion for activities or objects that people freely choose to embrace (Cova 1997). In seeking to establish and strengthen their accord, members of these transitory postmodern tribes (Maffesoli 1996) are always looking out for emblems, rituals, places, brands – anything that will facilitate their communion. When individual consumers find that they have

something essential in common with one other, the social connection or “link” they experience via mutual devotion to a brand or a practice becomes a primary way in which their need for community is fulfilled (Richardson 2013).

Marketing to Neo-tribes

Because tribal networks change constantly (Canniford 2011), marketers targeting neo-tribes must stay close to the network in order to monitor the flux of different people, places, objects, and practices that coalesce to create the tribal experience. However, if a marketer gets too close, and seeks to impose itself, its brands, or its agenda on tribes, then there is a risk of being rejected by the tribe. The marketer must find a way to support the tribe’s identity and linking value without getting in the way of the tribe’s freedom, multiplicity, transience, and playfulness (e.g., Canniford 2011). For most marketers, this means making a shift from traditional marketing’s more unidirectional approach toward a more open and interactive relationship between consumer and brand (Richardson 2013).

About Pensacon

Pensacon 2014 was a convention for fans of comics, film and television for genres that include, but aren’t limited to, Sci-fi, Fantasy, Horror, Anime, etc. The first-time event took place February 21-23, 2014 in Pensacola, Florida. A local news source summed it up as, “From panel discussions to nerd “karaoke”, the schedule reads like a cross between summer camp and an academic conference, with all activities centered on books, films, television shows and games meant to provide people with an outlet for creative, imaginative thought” (Forbes, 2014).

Pensacon 2014 drew more than 11,000 attendees; between 5,000 and 10,000 had been expected (Diaz, 2014). This alone is evidence that the offering appealed to people looking for a certain neo-tribe experience.

Method and Findings

Our goal was to examine the role of the neo-tribes, those pre-existing as well as those forming at Pensacon, in the overall success of the convention. Over the three-day weekend, a total of 362 attendees completed our paper and pencil survey. Eighty-four percent of our sample lived in a zip code that began with “325,” representing an area from the Florida-Alabama line east to Sandestin/Crestview Florida, or “365/366” which is the Mobile, Alabama metropolitan area. We interpret this to mean that the call for the tribes did not need to go far, as this is roughly a one-hour

drive. Respondents were asked to indicate which genres they were interested in (Sci-Fi, Horror, Fantasy, Anime, Gaming, Comics and Other) and then choose a favorite genre. Almost 85 percent were interested in Sci-Fi and 33 percent indicated this genre was the favorite. Even the last-place category, Anime, appealed to 47 percent of respondents. On average, respondents were interested in more than three genres, strongly indicating that many attendees were members of several tribes.

The organizers of Pensacon 2014 put a lot of effort into creating events outside the conference proper that would appeal to attendees. The two most prominent special events (on Friday night and Saturday night, respectively) each drew attendance (or the intention to attend) of approximately 40 percent of respondents. None of the other listed events drew more than 12 percent of respondents intending to attend. These findings suggest that the popularity of the two prominent events was driven by attendees' perceptions that these events provided enhanced opportunities to enjoy community consumption with other members of the various neo-tribes. In other words, these events likely held more linking value for the tribes.

Respondents were asked questions about their previous attendance at and intention to attend other fan cons. Thirty-six percent reported having attended another fan con within the last year and of that group, the average was less than two other cons. Just more than half of our respondents intended to go to another con in the next six months.

We measured the neo-tribe effect using three items about community/socialization (representing linking value) and one item about the quality of the experience. All used 5-point Likert scales. The mean values for these variables appear in Table 1. We found very strong affirmative responses these items with all means greater than 4.1. We also found that 93 percent of respondents reported that they intend to go to Pensacon in 2015.

Despite the small variation in responses, we found significant and positive correlations between the four neo-tribe effect items and the respondent's likelihood of attending in 2015 (See Table 1). Thus, although the correlations are modest, the findings support our contention that the neo-tribe effect matters.

Table 1: Neo-tribe Effect Items: Community/Socialization and Assessment of Experience

Item	Mean	Correlation with Intention to Attend in 2015
Meet Other Fans	4.108	0.129*
Enjoyable Interaction	4.280	0.129*
Sense of Community	4.214	0.131*
Enjoyable Experience	4.426	0.240*

* Significant ($p < 0.05$)

Interestingly, there were no significant differences on the three community/socialization items between respondents who had attended at least one other con and respondents who reported no previous con attendance. This suggests that Pensacon 2014 was successful in creating an experience with linking value for both

new and existing tribal members. Not surprisingly, the very large group that indicated they would return to Pensacon in 2015 had a significantly better neo-tribe experience than those who did not intend to attend Pensacon 2015. This finding lends support to the importance of creating an experience with linking value for tribal members as a key success factor in tribal marketing.

Conclusion

In this paper, we examined the role of neo-tribes in the success of a new offering: the Pensacon 2014 convention. We found that participants who reported a positive community/socialization experience – that is, those who experienced tribal linking value – were more likely to report an intention to attend Pensacon in 2015.

In the future, we intend to enhance the study by looking more closely at repeat attendees versus new attendees. We also intend to pay closer attention to the process of calling the tribes. We understand that social media is important in reaching potential Pensacon attendees, but the finer points of such tribal marketing strategies and tactics are an important area for future research.

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Summary Brief

Fetishism – The Link between Loyalty and Addiction

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Fetishes – magical objects of extraordinary empowerment and influence – are categorized as one of the deeply rooted motivations for consumption in the literature of consumer research. Based on self-identity theory, this conceptual paper investigates the motivational role of contemporary fetishes/fetishism in the consumption process, examines the relationship among fetishes/fetishism, loyalty and addiction, and proposes a comprehensive consumption model by integrating Christopher et al.'s (2010) loyalty ladder into Darley, Blankson, and Luethge's (2010) decision-making model. This comprehensive consumption model suggests that fetishes/fetishism could be the link between consumer loyalty and addiction.

If possessions contribute to and reflect consumers' identity (Belk 1988), the motivation of fetish usually comes from deep inside and affects their choice of fetish object. Previous consumer research on fetishes admits its role on consumer's product choice (Ellen 1988; Fernandez and Lastovicka 2011; O'Donnell 1999). However, little research has treated fetishes/fetishism as a factor in any consumption process model. Thus this study aims to adapt fetishes/fetishism into a comprehensive consumption model. Firstly, this study suggests that fetishes are objects that consumers love and cherish, while fetishism is the worshiping/enjoyment of the beloved objects. Secondly, this study proposes fetishism links loyalty with addiction and invites future researchers to empirically test the role of fetishism in the consumption process. Managerially, the model prescribes a comprehensive framework for marketers and practitioners to follow, including all stages of consumption process, factors that influence consumption behavior as well as how fetishes/fetishism link loyalty and addiction.

Fetishism, Loyalty and Addiction

Anthropologists and historians refer fetish to the individuals' relationship between religion and the material objects (Ellen 1988). Karl Marx (1867) recognizes the commodity perspective of fetishes with mystical meanings. In consumer behavior literature, Ellen (1988) identifies four underlying cognitive elements of fetishes: concretization, animation, conflation, and ambiguity of control. However, these elements are not adequate in consumers' fetishes accurately, especially the magical meaning attached to the objects. Fernandez and Lastovicka (2011) recognize two type of fetish: relic-fetish and replica-fetish. The empowerment undergoes fetishization, through which, contemporary consumers have reversed the top-down movement of meaning assumed by McCracken's (1986) and have progressed to more active meaning co-creation within contemporary society (Fernandez and Lastovicka 2011). The meaning empowerment matches the Belk (1991) classification of possession and presents concepts of fetishism, singularity and sacredness, self-extension, and meaning

displacement. Thus, consumption fetishes are the focus of this study.

O'Donnell (1999) finds out that females consume fetish fashions for more positive self-evaluations, and eventually result in sexual empowerment in the form of increased control over sensual experience and sexual self-presentation. Assaf (2010) employs the term of "brand fetishism" for the phenomenon of perceiving trademarks as spiritual entities rather than as informational devices. Based on Maxian's view, brand loyalty reflects consumers' commodity fetishism because consumers have bestowed specially meanings on these products/brands. In a word, fetishism is closely related to loyalty in the sense that both constructs are affected by internal personality and external social/situational factors.

Granfield's (2004) recognizes that the addiction research focuses too much on individual experience outside the social context and suggests that a social transformational view (Alexander 2000) should be employed in studies on addiction fetishism and commodity fetishism. Addiction and fetishism research should not alienate personal experience of addiction or commodity fetishism from the social circumstances of production. Thus, addiction fetishism and commodity fetishism need analyses of the actual social realities, social inequalities, and social conditions of production.

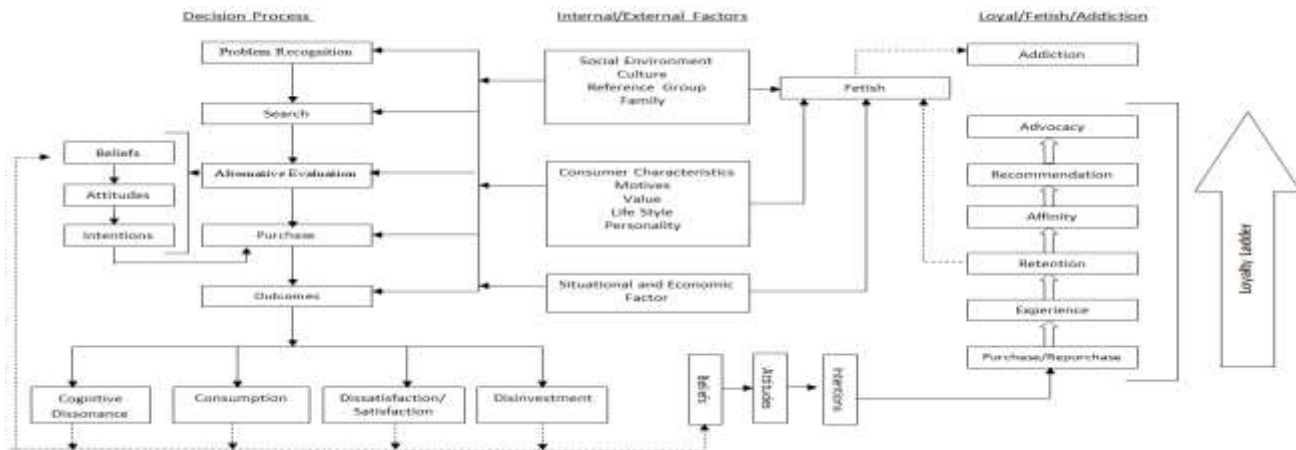
A Comprehensive Consumption Model

Adapted from the Engel-Kollat-Blackwell (EKB) model, Darley et al. (DBLModel) (2010) retain the central role of the five stages of the decision-making process but also recognizes the internal and external moderators, interactions among factors, and consequences of the decision-making process and consumers' needs for satisfaction. Mascarenhas et al.'s (2006) loyal ladder improves specifies characteristics of Christopher et al.'s (1993) model, ranging from random casual awareness in the bottom all the way to the bonding loyalty of brand communities. Christopher and Frank (2010) propose a revised version of the ladder based on top of Mascarenhas et al.'s (2006) revised model. The model emphasizes the importance of customer engagement in the loyalty development process.

This study proposes a comprehensive consumption model (Figure 1) based on Darley et al.'s (2010) decision making model and Christopher and Frank's (2010) loyalty ladder model. The new model maps both consumers' decision-making process with the post-consumption experience. The purpose of this model is to depict role of fetishism in consumers' consumption process as well as its relationship with loyalty and addiction.

This paper extends the scope of fetish/fetishism and provides a broader perspective for future consumer researchers to understand phenomena of fetishism in marketing place.

Figure 1 Comprehensive Consumption Model



Furthermore, the proposed comprehensive consumption model integrates the extended decision-making model (Darley et al. 2010) and Christopher and Frank's (2010) loyalty ladder model and maps out all stages of consumption as well as loyalty and addiction. Most importantly, this model fills in the gap in the consumer research literature and utilizes fetishism to build a bridge across loyalty and addiction. This model will encourage future researchers to empirically test the influences of contemporary fetishes on the consumption process.

Managerially, this model suggests a comprehensive framework for marketers and practitioners to follow including all stages of consumption process, factors that influence consumption behavior as well as how fetishes/fetishism link loyalty and addiction. This model also emphasizes the importance of consumer behavior and consumers' role in value co-creation.

The study also informs directions for future research. Firstly, a comprehensive scale is needed to measure the relationships among fetishism, loyalty and addiction. Secondly, the model needs to be empirically tested in both qualitative and quantitative approaches to examine the understand role of fetishism in the consumption process.

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Summary Brief

Stress and Online Impulse-Buying

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This study was to examine the impact of stress, materialism, and external impulse stimuli on impulsive online buying. A total of 156 usable surveys were collected online. Stress was manipulated by presenting participants with solvable and unsolvable anagram tests. A 2 (stress vs. non-stress) x 2 (external stimuli presented vs. no external stimuli presented) between-subjects design was employed. The study's results indicated that there was a positive correlation between materialism and the impulse tendency, and external impulse stimuli did not influence online impulse-buying tendencies. In addition, consumers under stress displayed a higher online impulse-buying tendency than those under no stress only after viewing the second image, regardless of stimuli presented.

Introduction

Impulse buying refers to a sudden urge to buy something without previously planning and deliberating on all information, and is motivated by immediate gratification (Verplanken and Sato 2011; Vohs and Faber 2007). The purposes of this study were to examine the effect of stress, materialism and external impulse stimuli on impulse-buying tendencies in an online environment. This study proposes that impulse buying is utilized to cope with and alleviate stress. This study tested whether the individual seeks to counterbalance his or her perceived discrepancy by purchasing products when an individual's sense of self is threatened. This study also examined whether online environments promote impulse buying.

Literature Review and Hypotheses

Stress

Stress is defined as a situation that is considered by the person as having demands that exceed his or her resources for coping (Folkman 2013). Several investigations in material consumption support the proposition that impulse buying alleviates stress and negative emotions (Atalay and Meloy 2011), elevates excitement and pleasure (Verplanken and Sato 2011), and evokes hedonistic high-arousal emotions (Ramanathan and Menon 2006). This study proposed the following hypothesis:

H1: Consumers under stress will have a higher online impulse-buying tendency than those under no stress.

Materialism

As individuals move from childhood to adolescence, self-definition evolves from acquiring possessions to engaging in activities related to an identity (Belk 1985). Materialism is defined as the importance a consumer attaches to attaining worldly possessions (Belk 1985; Richins 2013). Materialism encourages consumers to invest a disproportionate amount of their resources

into acquiring goods (Goldsmith and Clark 2012). Therefore, the literature leads to the following hypothesis:

H2: Highly materialistic consumers will have a higher tendency of impulse buying compared to their counterparts.

External Impulse-buying Stimuli

Specific external impulse-buying stimuli in an online context include promotions and suggestion cues (Dawson and Kim 2010). Promotion cues consist of such cues as buy one-get one free deals, coupons, free shipping, and lower price than initially suggested. Suggestion impulse stimuli include new styles, featured items, and suggested articles that a customer would like to acquire along with the original item. These external triggers catalyze an impulse-buying decision. Therefore, this study also examines the atmospheric cues that influence impulse shopping, suggesting the following hypothesis:

H3: Consumers who are exposed to external impulse stimuli will have higher online impulse-buying tendencies than those that are unexposed.

Method

Participants and Design

One hundred fifty-six female undergraduate students participated in this study in exchange for partial course credit. Participant ages ranged from 18 to 27, with a mean age of 21. Seventy-six percent of respondents were between the ages of 18 and 22. Participants' stress condition was manipulated by completing an intelligence (anagram) test. The tests were not used to measure intelligence, but to induce frustration and stress. The participants in the experimental group (stress) had a set of ten insolvable anagrams, while the participants in the control group (non-stress) had a set of ten solvable anagrams. This study also manipulated external stimuli by presenting participants with four different web images before evaluating their impulse-buying tendencies. This study created a photo image which contained a promotion impulse stimulus (a 25% discount and a sign for everyday free shipping) and a photo which contained a suggestion impulse stimulus (suggestion of coordinating items). For control groups, the same two photos were used without the external impulse stimuli.

In order to check the stress manipulation, undergraduates ($n = 103$) rated how much stress they felt after trying to solve the anagrams on a 10-point rating scale of 1 (low stress) to 10 (high stress) (Zellner et al. 2006). As expected, results from a t -test showed that the participants who were in the unsolvable anagram group experienced higher stress ($M = 5.9$) than those who were in the solvable anagram group ($M = 4.33$) ($t = 4.18$, $df = 101$, $p < 0.001$).

Procedure

Participants received an e-mail invitation to be a part of the study and were given a link to a survey. All experimental procedures were conducted with internet-enabled computers. Participants in the stress group were expected to fail; their perceived failure resulted in higher levels of stress for them (Zellner et al. 2006). Following the anagram test, participants were randomly assigned two web pages. Each web page showed one of the four conditions containing different external impulse stimuli. While viewing each web page, participants answered a set of questions on an Impulse Buying Tendency scale (Weun et al. 1998). Following the external impulse stimulations, participants completed a materialism survey. The study concluded with a short section on demographics and a debriefing section.

Measurement

Impulse tendency induced by a situation was measured on a 5-point Likert-type scale (e.g., 1 = strongly disagree; 5 = strongly agree) with five items adopted from Weun et al.'s (1998) scale (Cronbach's $a = 0.89$). Materialism was measured on a 5-point Likert-type scale (e.g., 1 = strongly disagree; 5 = strongly agree) with 14 items adopted from Richins' (2004) scale (Cronbach's $a = 0.84$).

Results

In order to test H1, a t -test was conducted to compare impulse tendency in stress and no stress conditions, categorized by 1) presence of the suggestion stimulus, 2) presence of the promotion stimulus, 3) the order of web images, and 4) an impulse tendency average. The results indicated that there was a significant difference in impulse tendency between stress ($M = 3.09$) and no stress ($M = 2.71$) conditions for the second image viewed ($t = -2.93$, $df = 154$, $p < .05$). There were no significant differences for the rest of the dependent variables. Therefore, H1 was partially supported in that consumers under stress had a higher online impulse-buying tendency than those under no stress only after viewing the second image. In order to test H2, correlations were analyzed. The results indicated that there was a correlation between materialism and impulse tendency for the suggestion impulse stimuli ($r = 0.24$, $p < 0.01$), and between materialism and the impulse tendency average ($r = 0.16$, $p < 0.05$). Therefore, H2 was supported. In order to test H3, a t -test was conducted to compare impulse tendency in the external impulse stimuli and no external impulse stimuli groups. The results indicated that there was no significant difference in impulse tendency in response to external stimuli. Therefore, H3 was not supported.

Conclusions

This study examined the effect of stress, materialism, and external impulse stimuli on online impulse-buying tendency. The results of the study indicated that stress increases impulse-buying tendencies. The study's findings suggested that impulse buying was a coping mechanism to alleviate participants' stress, which was associated with self-discrepancies induced by the failed test. When presented with the stress condition, participants were more likely to impulse buy after seeing the second image. This suggests a form of delayed stress response. The analysis of correlation indicated that the degree of materialism is positively related to

both the average impulse tendency and the impulse tendency after viewing the suggestion stimuli.

This study represents possibly the first effort to examine the effect of stress, materialism and external stimuli on online impulse purchases within a single study. The current study only used two types of external stimuli (promotions and suggestion cues). Although these external stimuli did not significantly influence online impulse buying, more research examining other types of external stimuli is warranted. Additional impulse purchase research is required to examine interactions among these concepts and to explore the role of materialism as a key antecedent.

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GREEN MARKETING, SOCIAL RESPONSIBILITY, AND LIFE TRANSITIONS

Summary Brief

Responsible You, Despicable Me: Contrasting Consumer Inferences from Socially Responsible Behavior

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The impact of corporate social responsibility (CSR) on consumer preferences toward socially responsible brands is well documented. Here, we develop a new perspective of CSR by investigating consumer perceptions of direct competitors to socially responsible brands. In three studies, we demonstrate that the socially responsible attributes of one brand can lead consumers to form negative evaluations of competing brands. Furthermore, we extend the inference making literature to highlight when the contrast between competing brands with socially desirable attributes emerges. Additionally, the manner by which brands are evaluated is identified as an important boundary condition to these effects.

Overview

In competitive environments, companies look to develop distinguishing features that are valued in the marketplace. One attribute of growing importance to consumers is how a company's actions benefit society as a whole. This increased focus on corporate social responsibility (CSR) has created a major shift in many markets, even leading to the development of a "societal orientation" (Laczniak and Murphy 2012). To understand this shift, research has investigated how CSR activities impact consumer attitudes toward socially responsible brands (Cotte and Trudel 2009; Luchs et al. 2010) as well as the conditions that impact consumer preferences toward those brands (Peloza, White, and Shang 2013; White, MacDonnell, and Ellard 2012). While these studies provide important implications for companies that engage in social responsibility, the impact of these CSR activities on the competition remains unclear.

To address this, we investigate how CSR activities directly impact consumer perceptions of the competition. We utilize the inference making literature (Kardes, Posavac, and Cronley 2004; Loken 2006) to understand this effect. Whereas prior research on consumer inferences has primarily focused on the assimilation of consumer attitudes across related brands (Darke, Ashworth, and Main 2010; Raghunathan and Irwin 2001; Roehm and Tybout, 2006), we examine contrasting inferences that emerge when a focal company's CSR leads to less favorable attitudes toward direct competitors while leaving attitudes toward the focal company unaffected.

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Summary Brief

A Multi-Method Inquiry of the Influence of Resources during Life Transitions

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Individuals experience many transitional events during their lifetimes. This study employs a survey and existential phenomenological interviews to investigate how individuals' perceptions of life changing events influence their behavior. First we assess individuals' perceptions of the significance placed on differing life transitions, followed by a qualitative inquiry to gain a richer understanding of the outcomes that may arise from a transitional event. Overall, the findings suggest that time and financial resources play a significant and similar role during the transitional process for positive and negative transitions. However, social resources are much more important to people going through negative transitions. The impact of time, financial and social resources on post-transition adjustment may be dependent on expectations, and some transitions serve as gateways to further life events. The results are viewed within the framework of Pintrich and Schunk's (1996) Attributional Process Model, and a conceptual model of the attributional process of life-transitions is presented.

Introduction

In the current era of relationship marketing, and one-to-one customer-brand dialogue, it has never been more important for companies to build connections with consumers. It is no longer enough to give customers what they want, when they want it; successful companies must now anticipate what the customer needs before even they are aware.

The link between life transitions and buying behavior has been well established (see Hopkins, Wood, Siemens, and Raymond 2014 for an overview). Still, how a consumer may be targeted by marketers during transition depends largely on his or her own interpretation of the transition itself. Some transitions may be more difficult or less pleasant than others, and transition-related stress may arise. While Hopkins et al. (2014) found that consumers were more open to role-related ads during positive transitions (compared to negative ones), consumers often had "mixed feelings" about their life transitions, and it was often difficult to classify transitions as either good or bad.

Research Questions

Given previous findings that transitions can be viewed with mixed appraisals (Hopkins et al. 2014), our first research question is: are there specific transitions that are perceived as generally positive or negative by consumers? Further, if there are perceived differences, which transitions are perceived to have the largest

consumption-related significance? While we acknowledge that each individual is different, there may be transition-related consistencies across groups of consumers that may lead to generally predictable positive or negative appraisals. Our second research question is: do negatively perceived life transitions lead to different shifts in resources than positively perceived transitions? That is, we plan to expand previous knowledge on life transitions by determining if there is a connection between resource shifts and how positively or negatively the life transition is perceived.

Study One: Classifying Transitions

In order to classify and determine transition significance, we start with an all-encompassing list of life transitions and assess individual's perceptions of these events. An online survey was created asking respondents to rate how negatively/positively they viewed thirty-five different life transitions on a 7-point scale. Applying a piecemeal-based processing perspective (Keaveney and Hunt 1992), respondents were then asked to rate each transition on the degree to which they perceived the transition to be significantly life altering (7-point; not very life altering/very life altering). The product of each of these scales was then created in order to provide a transitional index; thus each transition could be viewed simultaneously in terms of its being either positive/negative and as being a significant, life altering event. The survey also identified several demographic parameters for sample description. The survey was administered to respondents via an online survey panel.

The sample consisted of 208 responses with 53% female, 37% married, 36% with an income in excess of \$50,000.00, 55% over the age of 30, 47% college graduates and 71% Caucasian. It was discovered that the most positive perceived transitions were having a baby (index=39.74), marriage (index=35.50) and Graduate from school (index=34.45). The most negatively perceived transitions were death of a spouse (index=39.74) or close family member (index=36.99), diverse (index=35.82) or laid off from work (index=35.54).

Study Two: Interviews

Existential phenomenological interviews were conducted with informants who have recently (within the past year) gone through the top three positive or top four negative major life transitions. Informants were recruited through word-of-mouth and snowball sampling, and each informant was offered a \$20 gift card

for participating in the study (n=14). The interview guide consisted of eleven opened-ended questions on the topic of life transitions and perceived resources. Interviews lasted between 30 - 75 minutes and were transcribed verbatim using a professional transcription agency. A hermeneutically grounded (part-to-whole) framework was used to analyze the data. The textual analyses revealed four key themes across the interviews.

Theme one: While all resources shift during transitions, there is a clear distinction between positive and negative transitions for perceived social resources. Every informant had a lot to say about time, financial, and social resources during their life transitions. We found that time and financial resources go through similar, unstable shifts for both negative and positive transitions. However, social resources played a much stronger and different role for negative transitions than they did for positive transitions.

Theme two: both positive and negative life transitions are gateways to additional post-hoc life transitions. Both positive and negative transitions created pressure or encouragement to go through other life transitions. These pressures stemmed from the informants themselves and from others around them. For instance, the informants who recently had a baby felt pressure to buy a new house, to build a nursery, and to get a bigger and safer car.

Theme Three: Transition Expectations Matter. Consumer's expectations differed from the reality of the actual transition events, based on their prior expectations for the event. Theme Four: Both positive and negative transitions, as well as post-hoc transitions, lead to consumption. It was also found that each type of life transition lead to many purchases.

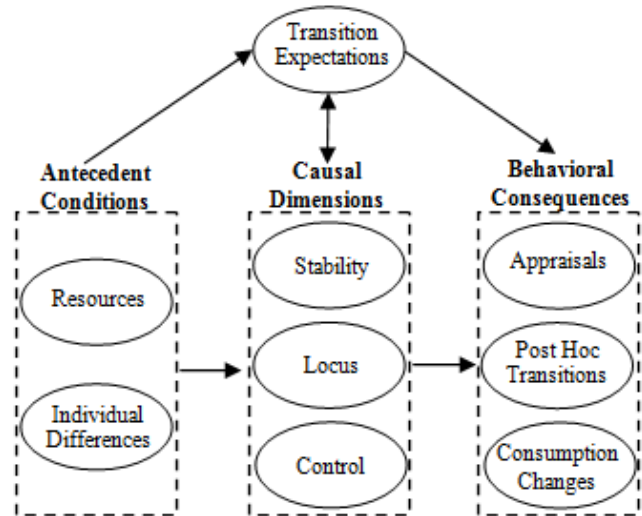
Discussion

Based on the findings of these studies, we propose that life transitions may be better understood when viewed through the lens of attribution theory. We found that individuals' appraisals of their transitions often depended on attributions they made regarding the causal explanation for their transition. These attributions were related to their levels of resources, the degree to which the transition met or exceeded their expectations, and the degree to which the transition was life-altering. According to Fiske and Taylor (1991, p 23), "Attribution theory deals with how the social perceiver uses information to arrive at causal explanations for events. It examines what information is gathered and how it is combined to form a causal judgment." Specifically, attribution theory addresses one's perception of an event's locus (internal vs. external), controllability (within or outside of their control) and stability (consistent vs. inconsistent cause). Pintrich and Schunk (1996) propose an attribution process model, providing the consequences of attributions for an individual's motivation, affect, and behavior. According to that model, antecedent conditions include environmental and personal factors, which lead to perceived causes and causal dimensions of locus, controllability and stability. These attributions then lead to psychological and behavioral consequences (Pintrich and Schunk 1996).

Reflecting on Pintrich and Schunk's model (1996), we propose a conceptualization of life-transition experiences as they relate to attribution theory (see Figure 1). This conceptual model allows for contextualization of our research findings against the backdrop of attribution theory, and demonstrates the potential relationships between resources, expectations, and attribution elements. These attribution elements may affect transition

appraisals, which, in turn, influence post-hoc transitions and consumption behavior.

Figure 1: Attributional Process of Life-Transition Experience



Future research should explore this proposed conceptualization, and further explicate the role of attribution elements in the experience of life transitions. Some potential avenues for this research are in examining the differential effects of various resources (social, time, financial, or others) as moderators to the process, as well as any direct or indirect effects of resources on each specific attribution element (locus, control, or stability). Since one outcome of this study offers evidence that expectations influence transitions, future research could examine the differences between planned/expected and unplanned/unexpected transitions. It is likely that planned transitions will be correlated with higher levels of perceived resources, and will thereby be met with more positive attributions and appraisals. On the other hand, one who is faced with an unexpected transition may perceive those same transitions negatively, perhaps because of the low attribution of controllability and external locus.

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Summary Brief

The Color of Green: Exploring Ethnicity and Green Consumerism

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For decades conventional wisdom has suggested that the profile of the typical green consumer is a liberal, White woman, with a college level education in a middle to upper income bracket. Numerous studies have echoed these findings; arguing that women (Dettmann and Dimitri 2007; Dietz et al. 2002; Zelezny et al. 2000; Hunter et al. 2004; Parker 2002), who are younger (Hines and Ames 2000; Levin 1990) and more educated (Dettmann and Dimitri 2007; Dickinson 2005), with a higher income (Barnett et al. 2005; Loureiro et al. 2001), a stronger sense of social engagement (Witkowski and Reddy 2010) and high environmental consciousness (Barr and Gilg 2006; Diamantopoulos et al. 2003; Thørgersen and Ölander 2002) are much more likely to engage in green consumption than other groups. But, this study is about looking beyond the typical to find if research is capturing a true picture of what consumers are purchasing green.

Introduction

Several studies have identified contradictory information challenging the traditional green consumer profile (Blocker and Eckberg 1997; DePelsmacker et al. 2005; Moustafa 2007; O'Fallon and Butterfield 2005; Witkowski and Reddy 2010; Yin et al. 2010). While there is debate over certain demographic variables, research focused primarily on ethnicity and green consumerism has been scarce.

Recently, research has identified that White consumers are not the only demographic concerned about the environment or intrigued by the various health benefits associated with green (Deeran 2009; Memery et al. 2005). Popular press is littered with articles that distinguish the importance of words such as 'organic' and 'natural' in the marketing claims of ethnic beauty products. This information identifies that minorities are more willing to pay a premium for these products whereas white consumers may be hesitant (Mahoney 2010). One implication in the limited nature of published research on this topic may be decreased minority access to 'green' and/or 'ethical' products due to the premiums charged and the lack of outlets in minority neighborhoods/populations (Nielsen 2013).

Another implication may be that minority segments just aren't being polled about their green ideals because they were never considered to be green product buyers. A recent study suggests that when major retailers open stores in Black neighborhoods, Black consumers visit these chains more often than the total market (Nielsen 2013). This information suggests that there is a possibility that green and ethical consumption may not be as much out of their reach as previously thought.

Ling-yee (1997) asserts that individual differences matter in the green buying behavior equation because they affect the "knowledge people possess" and by extension the "affection they have" for environmental issues. This study examines the attitudes of different minority segments on the issues of green and ethical consumption. It attempts to examine whether race and ethnicity influence a person's inclination to engage in green consumerism or whether other demographic factors are more influential in predicting green buying behavior.

Method

In the sample of 441 respondents, 44% of the respondents were male, 56% were female, 54% were White, 24% Black, 11% were Latino, 4% Asian, 1% were Native American and 6% identified themselves as other. In terms of education attainment levels 58% of the sample had at least a four-year degree, 27% had some graduate education and less than 3% did not have a high school diploma. Overall, 60% of the sample had an annual income of over \$60,000 a year.

Regression analysis was used to regress ethically and socially responsible consumption behavior (ESRCB) on four (4) independent demographic variables: Income, Gender, Education and Ethnicity. Dummy variables were created for all other races apart from Whites. The ESRCB scale was specifically developed and refined for the study using procedures outlined by Churchill (1979), $\text{Alpha} = .807$.

Results

Regression Model: Adjusted $R^2 = .10$, $p = < .001$, $F = 13.433$
Total Sum of Squares (433/4) = 355.65. Income: $B = .022$, $p = .243$ $t = 1.168$, Gender: $B = .266$, $p = .001$ $t = 3.25$. Education: $B = .165$, $p = .000$ $t = 4.837$, African Americans: $B = -.205$, $p = .042$ $t = -2.037$, Latinos: $B = -.387$, $p = .005$ $t = -2.816$, Asians: $B = -.640$, $p = .002$ $t = -3.137$, Native American: $B = -1.041$, $p = .087$ $t = -1.714$, Other ethnicities: $B = -.112$, $p = .519$ $t = -.645$.

Discussion

The findings contribute to the body of literature that contradicts the traditional profile of green consumers. Income was not a significant predictor of green and ethically responsible buying behavior, however all other demographics were. As is consistent with the traditional literature, women demonstrated greater green and ethically responsible buying behavior than men and this behavior improved with education. Additionally, minorities appeared to be less likely than Whites to engage in green and ethically responsible buying behavior (as suspected).

What is significant is that there are distinctions in 'greenness' amongst minorities. Of the three minorities examined Asians are the least likely and Blacks the most likely to exhibit green and ethically responsible buying behavior. The study findings suggest that education is the most important of all the demographics. Regardless of the race and income of a consumer segment, education is the big pay off for manufacturers and marketers of green products. Thus the success in green marketing may lie in the product information that is conveyed within promotional materials and/or packaging and genuinely promoting true/relevant information about the benefit and impact of green products to society and the planet.

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SPECIAL SESSION

Special Session

Mindful Marketing and Consumer Behavior

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R. Bret Leary, Wyoming University

Gary Ottley, Bentley University and Babson

The field of marketing is undergoing a fundamental shift in its core beliefs. Leading scholars recently called for an elevated conceptualization and practice of marketing (see, e.g., Webster and Lusch 2013). Consumers have been also urged to adopt more sustainable consumption behaviors (see, e.g., Vitell 2014). This special session examines mindful practice of marketing and consumption by marketers and by consumers. The session mainly consists of presenting three research projects, one focusing on marketing practices by firms and two studying consumption behavior among consumers. In the first paper, the researcher proposes an elevated view of marketing, namely conscious marketing, and explains its tenets. In the second paper, the researcher examines when consumers consume in a sustainable manner and when they do not. In the third paper, the researcher proposes an index to measure mindful consumption behavior. All researchers share data pertaining to their work.

Conscious Marketing by Gary Ottley

In this research, I introduce and define a new marketing philosophy and construct – conscious marketing. I also test the construct with practitioners as a first step in the development of a scale for empirical measurement of an elevated marketing consciousness. Building on a theoretical foundation provided by stakeholder marketing and the service-dominant logic of marketing, the research focuses on the marketing strategies and practices of firms who subscribe and attempt to adhere to the principles of what has become known as conscious capitalism. I conduct in-depth interviews with CEOs and CMOs of highly conscious firms to better understand how they view and practice marketing. Through the study of actual, lived-and-practiced meanings of an elevated marketing consciousness by senior executives, manifested by deliberately restorative marketing practices, the research shows how the conscious capitalism paradigm influences customers, stakeholders, and societal well-being.

Consistency in Sustainable Behavior by R. Bret Leary

At the heart of transformative marketing and consumer behavior is the need for smarter consumption to reduce the negative environmental and societal impacts of consumption. Accordingly, an increasingly large number of consumers have goals to live a more sustainable life. The hope is that consumers act consistently with their goals of being sustainable, but recent research (e.g. Luchs et al. 2010; Mazar and Zhong 2010) shows that individuals often do not behave in a manner that reflects their sustainability goals. Why is this? This discussion investigates the

perspectives of consistency versus contrast in environmental behavior, seeking to understand why consumers act in a manner that reflects these goals or, conversely, why they choose not to. Stern (2011) suggests that answers to these questions are imperative for a more sustainable future and that we must begin to determine “the effect of taking one pro-environmental action on subsequent actions” (Stern 2011, p. 311). Research in this area will provide understanding the factors that lead to consistency versus inconsistency within sustainable behavior, which is necessary considering the growing marketing for sustainable products (Neff 2012).

An Index to Measure Mindful Consumption Behavior by Nada Nasr Bechwati

The purpose of this research is to develop an index to measure mindful consumer behavior. I define mindful consumers as individuals who, in all stages of consumer behavior, are aware of themselves, their communities and the society at large and behave in ways that contribute to the well-being of all these entities. The concept of well-being is multidimensional and goes beyond instant satisfaction to involve good health, sustainability including financial sustainability, social responsibility and self-actualization. The stages of consumer behavior include acquisition, preparation, consumption, ownership, maintenance and disposal of goods and services (Hoyer and MacInnis 2010). To construct an index to measure mindful consumer behavior, I follow methodological guidelines provided by Diamantopoulos and Winklhofer (2001) who identify four critical steps in index construction: (1) content specification, (2) indicator specification, (3) indicator collinearity, and (4) external validity. An intensive literature review guided content specification and identification of relevant published scales. As a result, a pool of 49 scale items was developed. Longitudinal data collected from 314 consumers in two countries were used to refine the initial list of items and identify dimensions for further analysis. A second round of data collection is currently under way to further refine and validate the proposed index.

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