Society for Marketing Advances

2011 SMA Proceedings

ADVANCES IN MARKETING

Sensory Marketing - The Next Frontier

William J. Kehoe and Linda K. Whitten, Editors

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<u>Sample footnote</u>:

Manisha Mathur, "Strategic Firm Investments in CRM and Firm Performance: Is CRM Capability a Missing Link?," in *Advances in Marketing: Sensory Marketing - The Next Frontier*, William J. Kehoe and Linda K. Whitten, Editors. Montgomery, AL: Society for Marketing Advances, 2011, pp. 27-28.

Society for Marketing Advances

November 2011

Dear Members and Friends:

It has been my pleasure and honor to serve as president of the Society for Marketing Advances during the past year. I am fortunate to have been surrounded with a group of talented individuals who have given much of their time to help SMA prosper. A special thanks to our **SMA officers** for their advice and ongoing leadership throughout the year.

Conferences just don't happen. I wish to recognize the following individuals who successfully orchestrated our annual conference:

- **Alvin Williams** and **Joe Hair**, both SMA Fellows, served as program co-chairs and have for organized a great line up of papers and sessions for the conference.
- **William J. Kehoe** and **Linda K. Whitten**, who once again served as co-editors of the *SMA Conference Proceedings*. Their efforts are reflected in the consistent quality of the *Proceedings*.
- **Rhea Ingram** and **Deb Spake**, our current and former executive directors, for working diligently to provide the Society with a memorable meeting site at the Peabody Hotel.
- **Our track chairs**, who guided papers and ideas through the review and publication process.
- **Our workshop leaders,** who provide pre-conference professional development learning opportunities.

In addition to the Society's dedication to scholarly excellence seen in this publication, I would like to recognize **Doug Hoffman**, for his leadership as editor of SMA's ***Marketing Education Review****,* and our scholarly partners, for their ongoing support: the ***Journal of Marketing Theory and Practice***, ***Journal of Business Research*****, the Elsevier Science Distinguished Scholars Series**, **the McGraw-Hill/Irwin Steven J. Shaw Award**, **Best Paper Awards, and the annual Doctoral Dissertation Proposal Awards**.

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

Finally, I would like to thank you, our SMA members and partners, for making 2011 a memorable year. You are the driving force behind our nearly 50 years of success. Please consider volunteering your efforts to support SMA. For updates on future conferences, visit our web site: www.marketingadvances.org.

Best wishes,

Bob Erffmeyer
President - Society for Marketing Advances

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Society for Marketing Advances

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Current Issues in Latin America

The few papers received in this track were sent to other tracks for review

Pride-Ferrell/Cengage
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No reviewers

Sherwin Williams
Distinguished Teaching Competition

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Barbara Woolridge, University of Texas at Tyler
Elise “Pookie” Sautter, New Mexico State University

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Linda Ferrell, University of New Mexico
James Gray, Florida Atlantic University
Doug Hoffman, Colorado State University
Astrid Keel, Auburn University
Barbara Woolridge, University of Texas, Tyler

AWARD-WINNING PAPERS

Business to Business/Customer Relationship Management Track Best Paper
Trust in Business Relationship: Examining the Mediating Effects
Bahar Ashnai, University of Manchester

Solomon/Buyer Behavior Track Best Paper
The Influence of Consumer Religiosity on Environmental Attitudes and Behaviors
William C. Martin, University of North Dakota
Connie Rae Bateman, University of North Dakota

Case Writing & Research Track Best Paper
Emporium Luggage
Michael A. Levin, Otterbein University
Bruce C. Bailey, Otterbein University

Ethics, Legal, and Public Policy Track Best Paper
Consumer Misbehavior: Does the Size of the Victimized Organization Impact the Level of Disapproval Associated with a Questionable Consumer Action?
Sam Fullerton, Eastern Michigan University
Larry G. Neale, Queensland University of Technology (Australia)

Lamb, Hair, McDaniel Marketing Education Track Best Paper
Drama Enactments of Customer-Server Exchanges by Trainees: Live Case Study of "Jessica Serves… Not"
Carol M. Megehee, Coastal Carolina University
Linda Jane Coleman, Salem State University
Arch G. Woodside, Boston College

Sales & Sales Management Track Best Paper
Competitive Intelligence Diffusion in the Buyer-Seller Exchange Process: The Influence on Product Competitiveness, Customer Satisfaction, and Brand Preference
Joël Le Bon, University of Houston
Adam A. Rapp, Clemson University
Douglas E. Hughes, Michigan State University
James 'Mick' Andzulis, University of Alabama

Services Marketing Track Best Paper
The Impact of Employee Identification on Job Engagement
Nwamaka A. Anaza, Francis Marion University
Brian Rutherford, Kennesaw State University

Tourism, Hospitality, Food, Music and Sports Marketing Track Best Paper
The Honeymooner and Honeymoon Destination Satisfaction
Timothy Reisenwitz, Valdosta State University

Irwin/McGraw Hill Steven J. Shaw Best Paper at Conference
To be announced at the SMA Conference

Society for Marketing Advances

FOREWORD

As for so many past years, years that passed so quickly as good years are want to pass, faculty colleagues and managerial practitioners from throughout the world attended another Society for Marketing Advances Conference held this year at the The Peabody Hotel/Memphis, Tennessee. Scholarly paper presentations, joyful collegiality and many good feelings abounded throughout the conference during November 2 through 5, 2011.

We thank the many contributors to these 2011 SMA Proceedings for their intellectually stimulating papers as well as all who participated in conference sessions. We thank Joe Hair and Alvin Williams, Program Co-Chairs, and the 2011 Program Committee (listed elsewhere in these Proceedings) for their outstanding work, attention to detail, commitment to deadlines, and most especially for their passion in seeking cutting-edge and high quality research in competitive papers. We thank all the SMA Officers for their encouragement and support, particularly SMA President Robert C. Erffmeyer and the present and former SMA Executive Directors W. Rhea Ingram and Deborah F. Spake.

We acknowledge the encouragement and support received from Dean Carl P. Zeithaml, Senior Associate Dean Richard G. Netemeyer, and Area Coordinator John H. Lindgren, Jr., McIntire School of Commerce, University of Virginia. We also acknowledge Dean Donald Carlson of Skyline College for his encouragement and support.

We leave these 2011 SMA Proceedings as we've done in past years with a reflection about academic conferences by David Lodge from his novel, *Small World*: "The modern conference … allows the participants to indulge themselves in all the pleasures and diversions of travel while appearing to be austerely bent on self-improvement. To be sure, there are certain penitential exercises to be performed – the presentation of a paper, perhaps, and certainly listening to papers of others. You journey to new and interesting places, meet new and interesting people, and form new and interesting relations with them; exchange gossip and confidences; eat, drink and make merry in their company every evening; and yet, at the end of it all, return home with an enhanced reputation for seriousness of mind." (David Lodge, *Small World*. New York: Warner Books, Inc., 1984.)

It has been a very good year for us as Editors of the 2011 SMA Proceedings.
Best wishes,

Bill *Linda*

William J. Kehoe
University of Virginia
Charlottesville, VA

Linda K. Whitten
Skyline College
San Bruno, CA

Society for Marketing Advances

2011 SMA Proceedings

ADVANCES IN MARKETING

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SMA Innovative Teacher Comment
Use of Pecha Kucha to Achieve Balance in Presentations

Michael A. Levin, Otterbein University

Introduction

Many instructors from business-focused disciplines include a presentation as part of their assignments. These presentations can range from short, elevator-type speeches prepared by individual students to more involved presentations prepared by a small group of students. Regardless of format, the overall goal remains the same; students should practice their presentation skills. With group presentations, particularly, several problems become apparent, including (A) presentations can lag or be rushed, (B) the "free rider" effect, and (C) certain parts of the presentation receive too much attention while other parts receive too little attention. To overcome these problems while still teaching presentation skills, I incorporated Pecha Kucha for my MBA marketing course.

Pecha Kucha is a Japanese word for "chit-chat." The format is 20 slides with the presenter spending 20 seconds on each slide. Hence, the presentation last no longer than 6:40. Pecha Kucha gained prominence among artists and architects as a means to discuss art and designs. The format is flexible enough to be used for individual or group presentations, and encourages students to present research on a particular topic.

Project Objective

The overarching goal of the Pecha Kucha is to teach students how to communicate the results of secondary research. Students must develop a thesis and present supporting evidence. The thesis must be grounded in a specific theory. Other goals for the Pecha Kucha include: (1) select and apply a relevant theory, (2) develop a thesis that reflects the theory, (3) find and present secondary data that supports the thesis, (4) create a 20-slide presentation that communicates the theory, thesis, and support, and (5) effectively deliver a presentation in the 6:40 time limit.

Each slide contains a picture, a table, a figure, or text. The use of text has become a source of discussion from students. Such discussion revolves around how much text to include and the look of text. This discussion allows the instructor and students an opportunity to share lessons learned about presentations.

Project Implementation

I have incorporated Pecha Kucha for the past two years in my MBA marketing course. The major group project for the quarter is a simulation. In the simulation, students serve as the vice president of marketing for an automobile company. At the end of the simulation, each three-person group has to present a Pecha Kucha that covers (A) context and consumers, (B) the group's marketing strategy, and (C) the group's on-going marketing tactics. In the event that I have four-person group, the fourth member presents on market segments that the group chose not to target.

For example, using a Pecha Kucha, the first student presents on context and consumers, the second student on marketing strategy, and the third student on marketing tactics. By the end of the third Pecha Kucha, the audience should understand how the group did or did not achieve its objectives for the simulation.

To prepare for the end of the simulation Pecha Kucha, students prepare four individual Pecha Kucha during the term. For the four individual Pecha Kucha, students must draw on the automobile industry. The assigned topic for the four individual Pecha Kucha presentations follows the assigned readings and discussion. Students are assigned to a presentation group to minimize Pecha Kucha on the same nameplate, which happens infrequently.

On the due date for each Pecha Kucha, students submit their slide deck and APA formatted references prior to class. Students are reminded that the use of images without attribution is similar to using a quote without attribution. It is a form of plagiarism.

For each Pecha Kucha, students are assessed using a rubric. The rubric is split between presentation content and presentation mechanics. Content areas include the discussion and application of theory, clarity of thesis, consistent and relevant support for thesis, relevance of slides to the thesis, and clarity of support. Mechanic areas include varying the speed of talking and pitch of voice, maintaining eye content, not reading, and staying within the 20 second per slide format.

To familiarize and prepare students for their first Pecha Kucha, we watch two Pecha Kucha presentations. We discuss the thesis and support along with the evidence used. The support flows from the presenter's words and slides, which I emphasize to the students.

After each night of Pecha Kucha, we talk about what we liked and what needs improvement. Students offer insight into how they created their Pecha Kucha and reflect on how they will prepare for the next assignment.

Project Contribution & Results

Students' final presentations are much improved. Each group member must participate, which eliminates the free rider effect. Pecha Kucha ensures all topics receive equal treatment and time.

Students report using the Pecha Kucha at work to give status reports on projects and account reviews. Other students have engaged in local Pecha Kucha nights.

On objective performance, students generally get better as they perform more Pecha Kucha presentations. On a survey, every student ranked the Pecha Kucha as the top assignment of the course's six assignments. Based on index of innovativeness and motivations, no difference appears between type of students.

On end of the term evaluations, students report apprehension for the first Pecha Kucha, but state how comfortable the exercise becomes due to the numerous opportunities to practice. Two, students like being exposed to a tool they can use in other settings.

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SMA Innovative Teacher Comment
Student-Written Exams: An Innovative Approach to Learning and Evaluation

Hope Corrigan, Loyola University Maryland
Georgiana Craciun, University of Pittsburgh

Introduction

Shortcomings of traditional exams include: the overuse of poorly worded, ambiguous or irrelevant questions from published test banks that accompany textbooks; the possibility of cheating due to repeat use of the same test banks; and the lack of immediate and specific feedback on final exams as only implicit feedback is available based on overall exam grade (Green 1997, Razzouk and Masters 1989).

In an effort to deal with these examination shortcomings, the authors developed and tested an innovative methodology that relies on student-written exams. The goals of this approach were to improve the quality and relevance of exam questions, minimize potential cheating, provide timely feedback, increase student involvement with learning and self-evaluation, help students manage exam stress, and create a meaningful learning and evaluation experience for students.

Student-written exams required students to develop their own exam questions and appropriate answers. The instructor's involvement in the exam design was limited to specifying the content to be covered, the chapter learning objectives, the required number/format of questions, and the exam submission deadline. The method was developed and evaluated in three undergraduate courses (Principles of Marketing, Retail Marketing and Brand Strategy) as an alternative to traditional final exams.

Description of the Innovation

The student-written exam method was implemented as an individual take-home, open book/notes exam. Each student wrote and answered multiple-choice and short essay questions that covered textbook chapters, lectures, class exercises, cases, videos and team presentations.

A detailed set of exam guidelines[a] was created to help students understand this new approach and grading requirements. The exam guidelines include: 1. Chapter learning objectives to keep students organized and focused on the relevant course content to be included in the exam; 2. Instructions and examples of how to write good exam questions; 3. Exam formatting and submission criteria; 4. Schedule of the exam feedback session; and 5. Exam grading rubric. Due to the method's novelty, the professor offered to review one multiple-choice and one short essay question from each student before the exam due date.

A feedback session was held on the exam due day. Each student brought to class her/his individual student-written exam as well as a separate sheet of paper with one example short essay question and response. The first hour of the feedback session was allocated to discussing the students' short essay questions. Then, students were given 10 minutes to individually review and make corrections on their own exam questions and answers before handing the final in to the professor. Lastly, students completed a brief survey on the experience of writing their own final exam.

Student Perceptions

Students found the experience of writing their own exam to be more interesting, relevant, challenging and less stressful than taking an instructor-written exam. Students also indicated that the student-written exams made them more involved in learning and more confident about the subject area. Students were also asked to indicate benefits that they experienced from writing their own exam. Their comments fell into four main categories that meet our method's goals: in-depth learning, higher involvement, greater responsibility and less stress.

Benefits and Challenges

Some of the benefits of the student-written exams method are: 1. Students take responsibility for their own learning and evaluation by writing their own exam questions and providing correct answers to them; 2. Students are encouraged to be more creative about problem formulation and finding solutions; 3. Students experience less exam related stress; 4. Writing questions and responses combines action and reflection providing students with a challenging and valuable learning experience; 5. Students receive immediate feedback on the final; 6. Students experience the exam from the instructor's perspective. This may strengthen their trust and improve the teacher-student relationship; and 7. Cheating is minimized because students write original exam questions.

Some of the challenges of this method are: 1. Students may need to be taught to write exam questions (show examples in the exam guidelines and provide them a chance to practice exam question writing); 2. Instructors need to ensure that questions are challenging and applied based on the level of the course (show examples in the exam guidelines); and 3. Instructors may be concerned that this approach will increase grading time (the authors' experience with this method showed that grading time stayed the same and it was less tedious to grade different questions).

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[a] Exam guidelines for Retail Marketing are available at: https://docs.google.com/viewer?a=v&pid=explorer&chrome=true&srcid=0B-wddPghH7ejYjhjZWI3NGUtOTBhMy00ZWUxLWI1MjgtMmUyNTg4NWJjZTcz&hl=en

SMA Innovative Teacher Comment
Boardroom in the Classroom

Shane D. Smith, Kennesaw State University

Introduction

Students often do not have experience at the professional business level prior to graduation. Yet, lack of experience is often the most criticized issue that managers speak of after a hire. Hiring managers have expressed that students encounter culture shock as they transfer from the structured academic environment over to the independent corporate environment. Internships may help, but not all students are eligible or capable of pursuing this route. An opportunity must be made available to the traditional student to provide professional experience beyond that of the typical college student employment.

Technique

Therefore, a technique of which is labeled the "Boardroom in the Classroom" (BINC) was created to help prepare the students for corporate culture before being hired. A semester long course is structured as a hiring institution and the new employees (students) are exposed to the corporate environment during their learning process. This immersion into the simulated corporate world, allow the students to become acclimated in a culture that is still foreign to them. By the end of the semester, the students will be more familiar with this new environment.

The students enter the classroom as if it were their first day on the job. The instructor treats them like they are new to the 'firm' and this continues all the way through the semester. Entering into the 'workplace' for the first time, the student is greeted by their manager (instructor) and explains how they will be an integral part of the organization. Keeping in character, much like that of a high school Spanish teacher refusing to speak anything but Spanish, the instructor continues the role of the hiring manager through all classroom activities.

The new hires are informed that they are to operate as a team and will represent the firm. Each team member has been hired for an assigned role with specific duties. These duties will depend on the nature of the course. For example, a B2B course can include a team manager, sales staff, buyers, etc. Once assigned, the students perform these duties throughout the course. Role playing includes all interaction and communication among class members to mirror exactly how interdepartmental communication occurs within a firm.

Lecture material is relayed to the students like that of in-house training for new employees. Academic material can be presented at the first meeting of the week. At the end of class, tasks are assigned with a deadline of the next scheduled meeting date. Assignments are correlated with scholarly information to accentuate the concepts and enhance learning.

On the second meeting of the week, the hires meet in the boardroom for a meeting to discuss their progress. With the instructor acting as their manager, the team reviews previous assignments and highlights significant findings. The manager (instructor) acts as discussion leader and guides the team through the findings.

Towards the end of the semester, students in the class will have accumulated a semester's equivalent of lectured instruction. Other deliverables include completed assignments coordinated with the weekly lectures and a group project which culminates in a final report and presentation.

Camouflaging the classroom into a business workplace can help the process. Classroom furniture can be rearranged to represent a conference room, a business dress code can be enforced, and all communication can mirror the commercial environment. Many of the administrative tasks that instructors are accustomed to can be disguised as HR duties used when training a new employee. Syllabi can be disguised as employee handbooks, etc. Paperwork, including lecture materials and assignments, can print on corporate letterhead, and emails can incorporate the firm's format. All of these materials are easily created by the instructor prior to the beginning of the semester.

The BINC is unique to similar experiential learning methods already used by academics. Many in use today, (i.e. micro businesses; simulations) do a wonderful job of creating expertise with skills related to the course material. The prior examples zero in on improvement of specific skills, in real world scenarios, in order to assist the student in becoming more proficient when applying those specific skills. The BINC technique is not focused so much on course content, but on corporate culture and protocol. While focus remains on teaching the required course content, simultaneously, students are immersed into the culture of a professional work environment.

Conclusion

The "Boardroom in the Classroom" format has been utilized several times. The impressive results have proven to be the winning variable. Findings show students enjoy the unique BINC format. Second, results indicate students display attitudinal and belief modifications as well. Finally, hiring managers have noted less 'culture shock' when the students arrived on the job.

The exposure to a modeled corporate environment appears to aid in student adjustment to the professional setting. This acclamation allows the students to focus on using their gained knowledge much earlier in their new career. The BINC model can be fun for the students as well as for the instructor. The end result is that it conquers one of our biggest problems of preparing our students for a transition from academia into the real world.

SMA Innovative Teacher Comment
Business GIS in Marketing 3.0: An Interactive SpatiaLAB Approach

Fred L. Miller, W. Glynn Mangold, Joy Roach, Terence Holmes, Timothy Johnston, Murray State University

Overview of Situation that Stimulated the Innovation

Business GIS is the application of geographic information system (GIS) to business problem solving and decision making. When applied in marketing, these technologies make three critical contributions. First they allow researchers to examine the spatial dimension of marketing data to answer questions about distance, routing, dispersion and concentration. Second they facilitate the integration of demographic data with enterprise customer data in the process of geodemographic profiling. Third, they enhance the sensory dimension of marketing analysis by representing complex collections of data and data types with visually appealing, easily understood maps.

As GIS has moved from the desktop to the Web to the cloud, a rapidly expanding set of online GIS resources, tools and functionality available on the Web have enabled faculty and students to incorporate a variety of spatially-based tools into the learning process. The set of spatial resources, collectively referred to as the GeoWeb, allowed us to utilize a dynamic mapping service to create an online mapping application.

Description of the Innovation and its Implementation

This innovation is an approach to business GIS exercises in the marketing curriculum which combines the flexibility of an online exercise with the more extensive analysis available in a dedicated GIS lab.

Our initial effort was incorporated into a Retailing Management class. This Web-based site-selection exercise asked students to recommend a desirable site for a fictitious bookstore by using information contained in static browser-based maps and downloadable reports. This approach allowed easy Web browser-based access to map materials and required little training in GIS technology. Students appreciated the visual nature of the information display and the opportunity to incorporate actual data into the decision making exercise. However, their experience with the analytical power of GIS was quite limited.

In our second initiative, another business GIS exercise asked students in a Sophomore-level Emerging Technologies in Marketing course to identify market segments and plan a promotional campaign for reaching an outdoor gear and camping retailer's potential customers. In a GIS dedicated computer lab, students identified appropriate family units and income levels and used that information to pinpoint the best addresses for direct mail campaigns and to establish sites for outdoor trade shows. Students completed five mini-exercises which, when combined, constituted a comprehensive GIS-based report.

Faculty and students reported favorable responses to these modules. However, they required some faculty and student training in the uses of the technology and some of the exercises required the use of a dedicated computer lab.

Use of the Innovation and Potential for Dissemination

Business GIS in Marketing 3.0 is being developed in Spring 2011. This exercise focuses on environmental scanning and is designed for use in a Principles of Marketing course. In it, students take the role of business GIS consultants to a fictitious startup firm named Bikes2Go. The firm wishes to locate its self-service bicycle rental and repair kiosks near parks that exist in urban areas of the United States. Students are charged with evaluating locations in the Seattle, Washington area as potential test markets for the rental and repair kiosks.

Relatively young households with moderate levels of income and above average spending on recreational equipment will be the target market for the product. Students will use dynamic online maps which display the distribution of these demographic and spending characteristics in the Seattle area, as well as the location of urban parks and existing bicycle rental and repair shops. They must decide whether the area has a sufficient number of attractive locations (parks near concentrations of target customers with no existing shops in the vicinity) to qualify as a test market for the Bikes2Go concept. To accomplish this, students will evaluate map data and use the results of their visual analysis to formulate recommendations to Bikes2Go's owners on the suitability of the Seattle, Washington area as a test market for the kiosk concept. The online map used in this exercise is available for review at http://bit.ly/dYQ0QO.

We deployed this exercise in two classes in Spring 2011 and collected evaluation data, which reported positive results. Therefore, we hope to disseminate it in two ways.

First, we have submitted the exercise to the SpatiaLAB series sponsored by Esri Press. This series will include a collection of case-based learning modules designed to enhance students' skills in spatial analysis relative to a range of disciplines and courses. The SpatiaLAB business GIS series will be available for business faculty to use in their courses.

Second, we believe this series of exercises would also be effective if presented as supplemental exercises within marketing textbooks. In this context, marketing faculty might encounter them in relevant chapters of Principles, Retailing, Sales Management, Marketing Research or Global Marketing courses and use the interactive, online exercises to illustrate important concepts and analysis for decision making in those fields. These plans are in development as of June, 2011.

The business SpatiaLAB series will eventually include modules for five to seven different classes in the marketing curriculum. Possible target courses are Principles of Marketing, Consumer Behavior, Research, Retailing, Sales Management, Integrated Marketing Communication and International Marketing. Each module will use GeoWeb and ArcGIS.com technology to analyze a typical decision situation in the respective field. Students may complete the modules independently or in teams and will use Web-based resources to perform required analyses, draw conclusions from the results, and make recommendations based on those conclusions, all in the form of brief written project reports.

In this context, this module and its successors will help students appreciate both the contribution of spatial analysis to the practice of marketing and the rich potential of the GeoWeb as a tool in several marketing applications.

SMA Innovative Teacher Comment
Tackling the Toolbox: Transforming a Useful Metaphor into Practical Assignments

Michael A. Levin, Otterbein University

Introduction

Prior to embarking on the new course structure discussed herein, I taught the undergraduate market research course using a lecture approach. It became apparent that the students were not learning when to use a particular analysis. A compounding factor was the business statistics course. The recency of completing the course, the mastery of the content, and the amount of knowledge varied widely by student and course section. It was apparent that, on the first day of the market research course, the students were walking into the classroom with a lot of apprehension about the topic and were nervous from their perceived deficiencies about statistics. Therefore, on the first day of the course, I needed to allay their apprehension while explaining the purpose of the course. I decided to bring a toolbox to class for the first day to capitalize on the metaphor that statistics are tools.

Project Objective

The overarching objective of the toolbox is to alleviate students' general anxiety through activity and humor while setting a tone. At the beginning of the course, students learn the difference between managerial market research questions, and how the research question guides the data collection, analysis and the report. Later, students learn the type of data and how it influences the analysis. In addition to the overarching objective, other objectives include recognizing the type of data from questionnaires, selecting appropriate analysis, and developing research questions.

Project Implementation

On the first day of the term, I bring a real gray Craftsman toolbox that includes a flat head screwdriver, a Phillips head screwdriver, a power drill with a dual head screw attachment, and a hammer. This sight usually appears humorous to students because I am dressed in a suit and the toolbox does not fit the student's idea of what a professor should bring to class on the first day. It also arouses their curiosity, which creates a more stimulating learning environment and sets the tone for the term.

After brief introductions, students select one tool and then take turns explaining, while standing, their respective tool d. For example, if the selected tool is the flathead screwdriver then followed by the Phillips head screwdriver, I ask about the difference. A student will typically respond about the screw head being different. The remainder of the exercises follows the same general pattern. I point out that they easily described the tool and knew the context for the respective tool's use. They all state they could use any of the four tools on demand.

To continue the metaphor, I ask about their apprehension toward statistics? An analysis is the same as a tool. In this course, we are developing a toolbox filled with tools called t-test, regression, Spearman's Rho, etc. By the end, they will know what tool to get out of the toolbox just like they knew when to use a flat head screwdriver.

To ease their comfort level, we follow a basic pattern: I do; we do; you do. First, I use the tool on data, and proceed very slowly through each step with an emphasis on explanation. Second, a student with some guidance from me leads the class in using the tool on additional data. The speed of our discussion increases as the explanation becomes more student-led because they are becoming comfortable with the tool. Third, the students write a memo to answer the research question and give a short presentation that required the use of a specific tool.

Around week 4, I give students a scenario that contains three lines: the research question, the nature of the data, and the analytical tool. Two of the lines are filled in and students fill in the blank line. In front of the class, each student explains the information they have and supplies the answer along with a reason. A student-led discussion follows if the answer is incorrect. Around week 6, students write their own scenarios with one of three lines blank. We repeat the presentation process. At week 9, I supply another set of scenarios with two blank lines.

At the start and end of a unit, we review the contents of our toolbox. Through this repetition, I remind students how and what they are learning.

Project Contribution & Results

Through the toolbox, in part, I am able to demystify analysis, humanize the course content, and recognize their apprehension. It also serves as a constant reminder of the overall course goal and marks how much they are learning. In the final project, students consistently appear poised during their presentation and their final memos are of a higher quality compared to the memos developed at the end of each unit.

In terms of impact, a student selected me to work on her honors project. In fact, she said she changed the scope of the project following my market research application course. The now completed project helped her graduate with honors with a portion of it presented at this year's Society for Marketing Advances conference.

Other lasting impacts: The number of students enrolled in this elective course continues to increase; the number of students enrolled from outside the business department is increasing (when asked why they want to enroll in this course, these students mention the toolbox).

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SMA Innovative Teacher Comment
Staged Cases: Combining Traditional Case Analysis, Live Case Analysis, and Simulation

Rex McClure, Marshall University

Introduction

Advanced marketing courses frequently include some type of active learning experience. Typically, these include structured and unstructured cases, live cases, and simulations. This paper offers an outline for an active learning experience that draws upon various aspects of all of these traditional exercises. The staged case method calls for student teams to address and offer solutions to a real company's problems using information and data available on the internet. The sequential scenarios, or stages, are revealed to the student teams one at a time in a manner that reflects how a team of high-priced consultants might be assigned to a project.

Planning and Preparation

Prior to any student activity, the instructor must choose the target company. Ideally, this company should have a number of characteristics that facilitate the students' role of consultant. The company should be publically traded, so the students will be able to access a wide variety of information on overall performance, divisional performance, products, markets served, and company history. Companies that have multiple divisions will allow the instructor to assign each student team to division. The company should also be facing some sort of ongoing difficulty (declining markets, poorly performing divisions, outdated product lines, etc.) which will be the targets for their solutions.

In conjunction with choosing a target company, the class should be divided into teams. Teams with three or four members typically perform better than larger or smaller teams. Each team should have at least one computer with internet access, more being better. In practice, students using only smartphones have also performed well. Additionally, the number of teams should coincide with the number of divisions in the target company. The instructor can choose to match each team with a division, or assign two teams to a division who then compete for the "best solution".

The Sequence of Events

Once the target company and student teams are established, the stages are revealed one at a time. The teams should be given time to discuss the situation, prepare answers, and present the answers to the class. Any particular stage can design to be a competitive situation, where the first team with correct answer, or the best answer, can be awarded bonus points. As the stages unfold, there can be periods of "internet blackout" and open access, which reflects plane travel, secured wireless networks, and regular office conditions. Following are some examples of situations and instructions for the students.

Scenario Part 1 - the beginning: Your team is working for a major consulting firm based in New York. It is a multi-functional team with various degrees of expertise in a variety of business-related areas. At 7am you receive a text message from your boss. It reads:

> Emergency assignment. Don't come to the office. Pack a suitcase, go to LGA, tickets waiting for ORD, limo to RRD.

Aside from obviously not going to the office and packing a suitcase, what does this message mean? Take about five minutes to come up with some explanation of the text message. Be ready to present it to the class.

Scenario Part 2 - waiting at the departure gate. Your team has assembled at LaGuardia, which has free Wi-Fi. While your team is waiting for your plane you can now log onto the internet and start doing some background research on RRD. Based on what you can find in the internet, what do think that RRD's needs are? With this new influx of information, what do you think you are going to be doing for RRD? Take about 20 minutes to come up plausible jobs that RRD might require. Be ready to present them to the class.

Scenario Part 3 - the flight. You will be spending the next hour and a half flying to Chicago. Upon arrival, you will take a limousine to RR Donnelly's headquarters in downtown Chicago. You want to get be ready for your first contact with Donnelly personnel. What specific information will need so you have an accurate situation analysis? Take about 10 minutes to build a list of background needed before you make your first contact.

Concluding the Exercise

The actual number of stages can vary; it is possible to create eight to ten scenarios, or as few four or five. It is recommended that the last stage be an oral presentation of the proposed solution. This last stage, and any previous stages, can be competitively scored by the students to identify which team(s) offered the best answers. Introducing competitive scoring tends to motivate students to a greater degree than instructor scoring.

There are some caveats worth noting. First, because the target company is a real company, and this method plays out in real time, unexpected information can become available at any time. It is incumbent upon the instructor to track the target company closely throughout play. Second, MBA students tend to come from a variety of disciplines, and their proposed solutions frequently reflect their backgrounds. The instructor must decide how much latitude students are given in formulating their solutions. Finally, some teams may lack the insight or motivation to find the information they need for any given stage. It is incumbent on the instructor to push some teams toward the best resources and help them avoid dead ends.

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SMA Distinguished Teacher Comment
Pedagogy

John Branch, University of Michigan

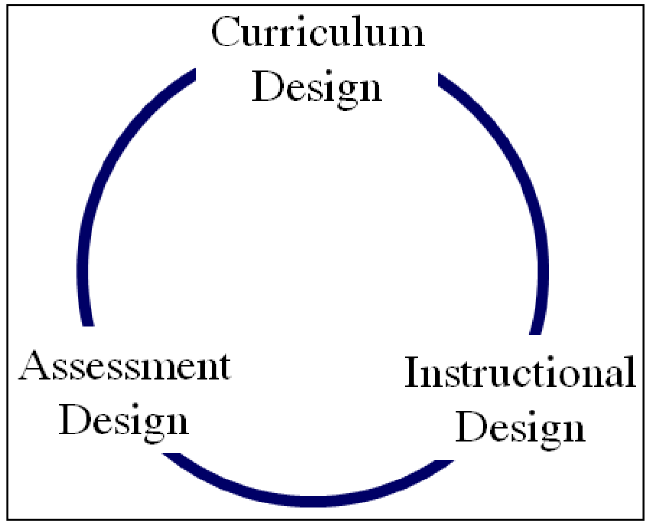
It might sound odd, but my teaching philosophy is not about teaching at all. On the contrary, I view my role as a teacher solely in terms of student learning. . . at the most basic level, I am a facilitator of learning. It was not always so. Indeed, when I began my career in 1993, lecturing on marketing at a business school in France, I spent countless hours writing scripts, replete with colour-highlighted cues: blue for “Switch Transparency”, orange for “Distribute Handout”, and green for “Insert Example Here”. In my cocky M.B.A. mind, I was the fountain of all marketing knowledge, there to deliver, with Robin Williams-like fervour, inspiration, and, umm, marketing. I would teach them, and they would love me!

Today, however, almost 20 years, hundreds of courses, and thousands of students later, teaching has taken the backseat to learning. Students’ learning, not my ego, is cardinal. It is this spotlight on learning which is at the centre of *pedagogy*. Defined as the art, science, or profession of instruction, pedagogy (or its Latin equivalent, education) focuses broadly on the context of learning, and, more narrowly, on the specific operations therein. It is pedagogy, therefore, which informs, or perhaps more aptly, constitutes my teaching philosophy.

First, in terms of the context of learning, I subscribe to a constructivist paradigm of learning, which suggests that knowledge is subjective, conceptually-mediated, and phenomenological. That is to say, people construct their own individual conceptualisations of phenomena, either abstract or concrete, as they experience them. In practice, I attempt to realise this constructivist notion of learning in specific operations which correspond to the 3 main activities of pedagogy: curriculum design, instructional design, and assessment design. I present them as an iterative cycle (See Figure at right.), which underlines their interrelated, self-informing nature.

Beginning with curriculum design, defined as the specification of knowledge objectives for a particular programme of study, I have adopted a philosophy which suggests that there are 3 types of knowledge: 1. declarative knowledge (the *what*), 2. procedural knowledge (the *how*), and 3. contextual knowledge (the *when* and *where*). In any curriculum design exercise, therefore, I appeal to the framework, specifying the curriculum in terms of the 3 types of knowledge which ought to be learned in the programme of study.

Continuing with instructional design, defined as the specification of learning atmosphere, tools, and activities, I have, in large measure, adopted an experiential learning approach. As such, my instructional design is characterised by more animated and action-oriented classroom comportment, student-centred tools, and problem-based activities. Instead of a lecturer, therefore, I view myself as a provider of experiences.



Finally, as for assessment design, defined as the evaluation of the student with respect to knowledge objectives, it is, admittedly, the least developed aspect of my teaching philosophy, but a current focus of my attention. Indeed, I have implemented rubrics in all my courses, both as guidelines for students and aids to assessment, and, during this past summer break, spent hours re-thinking the knowledge objectives of my courses, based on feedback from assessment.

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SMA Distinguished Teacher Comment
Teaching (Services) Marketing: Walking the Talk

Dwayne D. Gremler, Bowling Green State University

Business schools provide a service—education. Professors are the primary customer-contact providers to our (student) customers. What do our customers want and expect from their service providers in this context? For many (most?) of our (student) customers, at the top of their list is a desire to have professors who are passionate and enthusiastic about the subject they teach. Professors who believe in what they teach. Professors who live what they teach. Professors who "walk the talk."

I have been fortunate to have taught more than 50 sections of Services Marketing over the past 20 years—likely more than any other marketing professor in the U.S. I get excited when teaching this course—one that I think is extremely relevant to nearly every student who enrolls in the class. I believe the content of the course is especially practical, and most topics we discuss resonate well with students. But, in additional to merely discussing such issues as customer expectations of service, service delivery, and service quality, being a service provider allows me to demonstrate and model many of the concepts we discuss. I have an opportunity to practice what I preach. To walk the talk!

Walking the Talk

What are the concepts talked about in Services Marketing? Space limitations prevent a full discussion of the entire set of concepts, but one topic—*service quality*—can be used to illustrate how I attempt to walk the talk. Service quality has been described as the delivery of excellent or superior service relative to customer expectations, and has been conceptualized by Len Berry, Parsu Parasuraman, and Valarie Zeithaml as having five dimensions. I try to model excellence in each of these five areas when I teach any marketing class.

Responsiveness

This dimension of service quality is concerned with a service provider's *willingness to help customers and provide prompt service.* I demonstrate responsiveness in my classes by providing next business day (i.e., next class meeting) turnaround on my evaluations of all written assignments, papers, exams, and quizzes. I also respond quickly to students' e-mails (usually within a few minutes) and telephone calls, and I make it known to students I am available to help them outside of my posted office hours.

Assurance

Assurance refers to the *ability to inspire the customer's confidence and trust in the service provider*. I attempt to create assurance by knowing what I am talking about. Being prepared and being confident of what I am doing when I walk into the classroom helps (as does being a co-author on the textbook used in the course!). I also attempt to inspire students' confidence by communicating my background and expertise, using current examples to demonstrate knowledge of the subject, and bringing in guest speakers to reinforce course concepts.

Tangibles

The *appearance of facilities, equipment, personnel, and materials* captures the tangibles dimension of service quality. To demonstrate the importance tangibles can play in one's evaluation of a service, I pay attention to the physical aspects of a course, including the classroom, lighting/temperature, and the syllabus. If I am teaching at the end of the day, I arrive early and remove any trash scattered on desks or the floor. I put much effort into making handouts attractive and clear and into modeling professional dress. And, for students who do particularly well on exams and assignments, I put stickers and stamps on their work. (Amazingly, college students still like to receive such "awards" on their work!)

Empathy

Empathy refers to *caring, individualized attention given to customers*. To give students such attention, I make it a priority to learn students' names (by taking pictures of them the first week of the semester) and something about them by collecting 3" x 5" cards with information on each. I also attempt to demonstrate care outside of the classroom. For example, I have attended many extra-curricular student activities (e.g., cross-country meets, gymnastics events, art exhibits). I have also sent notes of congratulations to students (for becoming the homecoming queen or for a hockey victory), and offer to serve as a reference or write recommendation letters when students are looking for jobs.

Reliability

Reliability is *the ability of the service provider to perform the promised service accurately and consistently*—that is, doing what is promised. So how do I as a professor "do what I promise"? By coming early to class, keeping my office hours (or announcing when I cannot), always being prepared for class, and holding to dates in the syllabus as much as possible. To be as consistent as possible in serving students, I use rubrics when grading papers, essay exams, or any assignment with "subjective" assessment.

Shaping the Future

What a great job being a marketing professor is! And we have a chance to model excellent service delivery to those who will be leaders in providing service for the next few decades. I encourage you to help shape the future of service delivery by walking your talk in your marketing courses.

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SMA Distinguished Teacher Comment
Encouraging Engagement and Maximizing Learning Outcomes: The Role of Innovations in Teaching

Angela Paladino, University of Melbourne

Abstract

From "Meet the Marketers" sessions in lectures, to online opportunities for students grappling with real-world marketing, I apply a rich range of innovative teaching approaches to engage students in their learning. My teaching philosophy incorporates problem-based, collaborative and research-led learning and teaching. Directly involving hundreds of students in lecture activities, I create a dynamic learning environment where students are immediately motivated. Continuous monitoring of student learning outcomes inspires me to create ever more diverse and innovative teaching practices, applying techniques from the forefront of educational research. I now describe the approaches that I employ that reflect my teaching philosophy.

Teaching Philosophy

My belief in problem-based teaching and collaborative learning has been the key motivator behind the development and use of innovations, problem-based classes and assessment, as well as regular feedback between students and staff. I concentrate my responses on two areas that have had the greatest impact. When students participate in a problem-based and collaborative learning environment it increases their motivation to learn. My classes are characterized by practical examples that bring 'theory to life'.

To illustrate, I introduce innovative problem-based and collaborative learning teaching strategies that motivate my students. This may encompass the presentation of a case and challenging students to evaluate the accuracy of (for eg.) the firm's strategy. The interactivity of my lectures inspires students to learn. In my 'Oprah' session, student volunteers are called for in class and provided with a microphone to prompt participation. Students enjoy this and are motivated to engage in readings prior to class. Student learning is enhanced when material presented to them is of high personal relevance.

Another technique I employ is the use of my industry contacts as speakers. These guests provide a practical perspective to theoretical concepts, thereby enhancing student learning. They encourage students to strive for excellence, further motivating them to reach their highest potential.

Assessment

Student learning and engagement are the key motivators behind the innovative application-oriented assessment that I have designed and implemented across my subjects. For example, in one of my graduate subjects, students are allocated to a company and presented with problems that they must address as part of their assessment. They must apply concepts to critically analyze the firm's decisions. This motivates students to engage in a relevant learning experience.

Furthermore, my belief in research-led teaching and application of theory to enhance the relevance of the student learning experience have been the key motivators behind my development and use of innovative resources and the use of research to inform my teaching. Students are intellectually stimulated when presented with cutting-edge research that they are able to apply.

Research-led teaching allows me to disseminate new knowledge whereby my own research is applied to inform my teaching. For example, after presenting theories on environmental behaviors in 'Consumer Behavior', I discuss my attitudinal research and how it has been used by entities. This integration informs students of the practical relevance of assessing attitudes and how research has implications for consumers and public policy.

Innovations

To further enhance problem-based learning, I apply innovations that are at the forefront of educational research to engage students in their learning. Multimedia technologies, such as video clips of advertisements, assist with student learning and enhance the student experience and engagement. On-line case challenges have also been developed to assist with continuous assessment and feedback, allowing students to apply concepts to a practical setting.

Conclusion

Overall, my teaching philosophy is applied through a multitude of innovative techniques and tools to consistently inspire students to achieve and strive for excellence.

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Consumer Anthropomorphism

Phillip M. Hart, University of Memphis
Shawn R. Jones, University of Memphis

This study proposes that instances of anthropomorphism (i.e., treating nonhuman entities as human) offer a uniquely transformative opportunity to marketing managers. It advances that when consumers treat a product or a brand as human, if even metaphorically, a perceptually transformative experience occurs. A theoretical model of consumer anthropomorphism will be introduced and supporting literature will be presented to develop a series of propositions related to consumer anthropomorphism. The present work will argue that consumer anthropomorphism offers value to consumers while increasing brand loyalty, intention to retention a product, and recall for promotional stimuli.

Introduction

Anthropomorphism is the imbuing of nonhuman agents with humanlike characteristics, motivations, intentions, and emotions (Epley, Waytz, and Cacioppo 2007). Examples include talking to one's pet as if it could understand or cursing at one's computer for seeming to defy one's commands. At first glance, anthropomorphism may appear to have little, if any relevance to marketing managers or researchers. At closer examination, however, anthropomorphism can be seen as vital to understanding consumer behavior.

Anthropomorphism is an inherent human tendency that pervades human judgment (Burghardt 1997). Anthropomorphic thinking is evolutionary and universal (Mithen and Boyer 1996). It is a phenomenon that has been documented around the world for centuries (Guthrie 1993). Of interest to marketers are the numerous anthropomorphic creations, such as humanlike brand characters and seemingly intelligent electronic products, that can be found throughout the marketplace (Kiesler 2006). In advertising studies, products pictured alongside statements that inferred humanness allowed participants to see smiling faces on cars and envision families of products (Aggarwal and McGill 2007). When asked to describe their vacuums, owners of the Roomba brand robotic vacuums do so using social terms (Forlizzi 2007). Consumers perceive personality in products and at times even name them. This line of consumer reasoning is not without consequences.

Anthropomorphism has been shown in a variety of contexts to strengthen bonds to the anthropomorphized entity (Downey and Ellis 2008; Sundar 2004) and increase liking of it (Landwehr, McGill and Herrmann 2011). In a recent study involving car owners, those who thought of their car in human terms showed less intention to replace their cars than those who thought of their cars strictly in objective terms (Chandler and Schwarz 2010). A rental car company has placed names on their cars and claims to see the named cars more well maintained as a result (Levine 2009). As it is natural and inevitable to make evaluations through one's own experience (Kennedy 1992), it stands to reason that consumers are naturally and inevitably seeing their world of products, services, and brands through their human experience.

Consumers are not the only ones responsible for the abundance of anthropomorphism in the marketplace. Product designers include human features in their products to encourage human treatment. For example, automobile (Aggarwal and McGill 2007) and cell phone (Landwehr, McGill and Herrmann 2011) designs with features resembling eyes and a smile have been demonstrated to increase consumer treatment of these products as human. Marketers have also been found to utilize anthropomorphic characters in promotions. A series of Macintosh ads, for example, depict both a Mac and a PC brand computers as human characters in comical dialog about their features. Geico advertisements feature a savvy gecko lizard with an indistinct accent delivering their latest offerings. Yet other Geico advertisements have anthropomorphized the money you could potentially save by using their service. A stack of money with glass eyes on top seems to stares at customers as the soundtrack lyrics suggest, “I always feel like *somebody's* watching me”. A 2011 Dodge Durango ads explain the truck's two-year absence from the marketplace as time spent developing itself in ways such as touring Europe and working out. The Durango spot ends suggesting that Durango has done more in two years than most other trucks do in their lifetime, thereby encouraging consumers to anthropomorphize the entire truck market. Given that anthropomorphism is seemingly commonplace in consumer perception and is frequently employed in marketing tactics, it is surprising that marketing 's exploration of anthropomorphism been limited (Kiesler 2006, Landwehr, McGill and Herrmann 2011).

Statement of the Problem

Despite its frequent and varied occurrences, anthropomorphism is often overlooked or confused. It has been said that anthropomorphism is “commonly observed, but poorly understood” (Epley et al. 2007, p. 877). Even with anthropomorphism's frequent mention in many scientific fields, the scientific community's understanding of the subject remains limited. In marketing, the poor state of knowledge of anthropomorphism is no different (Kiesler 2006).

In recent years, a handful of research efforts have began to address the anthropomorphism of products (Aggarwal and McGill 2007; Chandler and Schwarz 2010; Kim and McGill 2011; Landwehr, McGill and Herrmann 2011). This line of research has been promising as anthropomorphism of products has been shown to influence evaluations of the product (Aggarwal and McGill 2007; Landwehr, McGill and Herrmann 2011), intentions to retain it (Chandler and Schwarz 2010), and related risk perceptions (Kim and McGill 2011). Research on the anthropomorphism of brands is, however, still in a stagnant, early stage.

To contribute to the growing body of product anthropomorphism literature and the gap surrounding consumer anthropomorphism of brands, the present study will develop its conceptual model (Figure 1) through a discussion of anthropomorphism and its value to both consumers as well as brand and product managers.

Anthropomorphism

Anthropomorphism is the imbuing of nonhuman agents with humanlike characteristics, motivations, intentions, and emotions (Epley et al. 2007). In the most simple terms, anthropomorphism can be thought of as seeing humanness in the nonhuman world.

Humans can anthropomorphize seemingly anything. They see faces in rocks, clouds, and natural formations (Guthrie 1993). They love and hate their computers which seem to have attitudes both good and bad. It has been suggested that 99% of pet owners talk to their animals and believe they understand to a degree (Katcher 1981). Even the invisible can be anthropomorphized, as in the case of ghosts (Bering 2006). Though anthropomorphism may seem in itself a strange form of reasoning, the attributing of mental states to nonhuman entities is inherently comparable to assigning mental states to actual humans (Shilhab 2002). In other words, it is possible to treat humans as human or nonhuman, just as it is possible to treat nonhuman as human or nonhuman. Rather than being a rare form of reasoning, treating nonhuman as human is both natural and commonplace (Epley et al. 2007; Guthrie 1993; Kennedy 1992; Mithen and Boyer 1996). Anthropomorphic thinking occurs without intention or deliberation (Burghardt 1997). To this point, it has long been suggested that anthropomorphism is a necessary tool for humans to understand nonhuman agents (Darwin 1872).

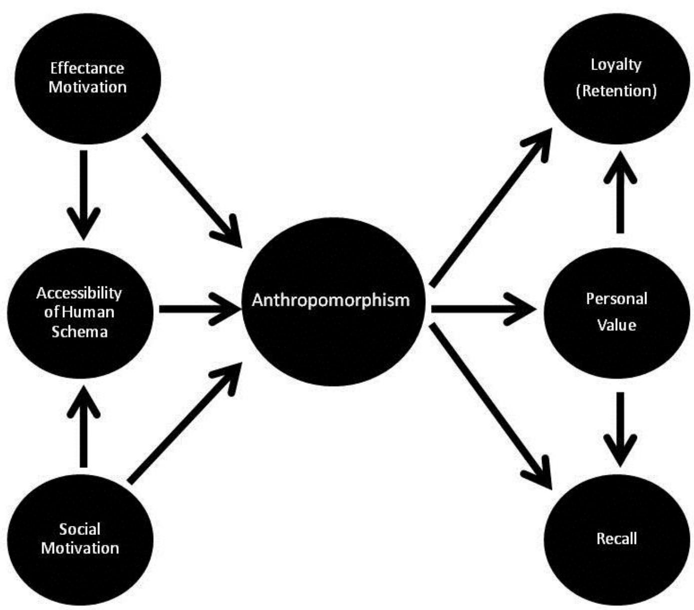
Seeing human in the nonhuman world of products and brands is a transformative experience. Nonetheless, it may be argued that anthropomorphism is merely use of metaphor. Use of metaphors, particularly human metaphors is widespread in marketing research and can, at times, be misleading (Davies and Chun 2003). However, on the neural level, anthropomorphism is not a metaphorical transformation, but a literal one.

Gazzola et al. (2007) found that mirror neuron systems, which are normally thought to activate only when observing other humans, engaged when participants watched anthropomorphized agents move. Furthermore, when individuals make dispositional attributions about another human, there is activation in the medial prefrontal cortex and superior temporal sulcus (Harris et al. 2005). A similar neural network activation was observed when participants were anthropomorphizing objects (Harris and Fiske 2008). When anthropomorphizing gadgets, similar neural correlates are activated as when mentalizing humans (Waytz et al. 2010).

These findings suggest that anthropomorphism, aside from possible perceptual influence, causes changes in neural patterns as well. Chandler and Schwarz (2010) explain that when thinking about objects and people, there are important differences in the processing of information. These differences are not merely in self-report and behavioral measures (Aggarwal and McGill 2007; Chartrand, Fitzsimons, and Fitzsimons 2008), but on a neural level as well (Gazzola et al. 2007; Harris and Fisk 2008; Harris et al. 2005; Waytz et al. 2010). Taken in combination, these studies suggest anthropomorphism offers marketers a perceptually and literal transformative opportunity to influence consumer thinking.

Seeking to advance marketing's understanding of consumer anthropomorphism, the present study will develop a conceptual model through a discussion of the related propositions. This discussion will begin with the antecedents of consumer anthropomorphism and will conclude with propositions related to the outcomes of consumer anthropomorphism.

Figure 1. Conceptual Model of Consumer Anthropomorphism



Antecedents of Anthropomorphism

Epley et al. (2007) offers a series of three factors leading to anthropomorphism: (1) accessibility of anthropomorphic knowledge, (2) social motivation, and (3) effectance motivation. This three-factor theory of anthropomorphis is the basis for the present study's model. The following discussion will address each factor one at a time and develop related propositions.

Accessibility

The first factor, accessibility of anthropomorphic knowledge, refers to the accessibility of human knowledge. Epley et al. (2007) reason that when the accessibility of human knowledge is increased, so is the likelihood of anthropomorphism. Human-like characteristics such as human shape (Graham and Poulin-Dubois 1999), facial features or voice (Dennett 1996), increase the accessibility of human knowledge which in turn increases the instance of anthropomorphism. Human-like movement has also been found to increase anthropomorphism tendencies (Dennett 1986; Tremoulet and Feldman 2000). The more a stimulus, such as a product or brand, resembles a human stimulus, the more likely it will be treated as human. This factor is in line with general models of knowledge accessibility (Higgins 1996), that would similarly suggest increasing agentic beliefs is likely to foster anthropomorphic thought.

Proposition 1: Increasing consumers' accessibility of human schema will increase consumer anthropomorphism of products and brands.

Social Motivation

The second factor, social motivation for anthropomorphism, comes from a desired feeling of connectedness (Epley et al. 2007). At times, individuals engage in anthropomorphism because of the social satisfaction it brings (Epley et al. 2007). For example, the feeling of loneliness is associated with increased anthropomorphism (Epley, Waytz, Akalis, and Cacioppo 2008). When individuals are lonely, treating something as human gives them a feeling of social contact (Epley et al. 2008). Related to this are the findings that individual extraversion leads to increased anthropomorphism (Luczak et al. 2003). So much as extraversion leads to more desired social contact, anthropomorphism can be seen as creating human-contact out of the nonhuman world.

Proposition 2: Increasing consumer social motivation will increase consumer anthropomorphism of products and brands.

As Epley et al. (2007) suggest, anthropomorphism is a mechanism by which motivational needs can be met. These motivational states in-turn influence the cognitive accessibility of human schema. It is expected that when consumers are increasingly socially motivated, their human schema becomes increasingly accessible.

Proposition 3: Increasing consumer social motivation will increase accessibility of human schema.

Effectance Motivation

The last factor, effectance motivation, encapsulates the cognitive value in anthropomorphism. This factor describes the desire to be more effective in our interactions with our environment. As effectance motivation increases, so does anthropomorphism (Epley et al. 2007; Epley et al. 2008; Waytz, Morehead, Epley, Monteleone, Gao, and Cacioppo 2010). If we desire more control or see control as more relevant to our goals, anthropomorphism becomes an increasingly valuable tool to place the stimulus within the familiar cognitive framework of humanity (Waytz et al. 2010). Perrson et al. (2002) describe anthropomorphism as an understanding of complex, not necessarily human, patterns of behavior. In this understanding of the nonhuman as human, individuals are able to engage in inductive inference, a process of applying highly organized human schemata to nonhuman entities, then correcting the application (Epley et al. 2007). Essentially, as individuals experience a need to control their interactions, they are increasingly prone to anthropomorphizing an entity to give themselves a greater feeling of control. For example, in a study involving gadgets, describing one group's gadgets as being unpredictable led the group to increased anthropomorphism (Waytz et al. 2010).

Proposition 4: Increasing consumer effectance motivation will increase consumer anthropomorphism of products and brands.

Similarly to social motivation, Epley et al. (2007) explain that effectance motivation is expected to influence the accessibility of human schema. As consumers feel a heightened need to understand and effectively interact with brands and products, the accessibility of human schema increases prior to its application to a nonhuman entity as a potential solution of better understanding the brand or product.

Proposition 5: Increasing consumer effectance motivation will increase accessibility of human schema.

Outcomes of Anthropomorphism

Anthropomorphism is both beneficial to marketers and consumers. Of benefit to marketers is that anthropomorphism is likely to increase loyalty to a brand or retention of a product while also increasing consumer recall of promotional information. Of benefit to consumers is that anthropomorphism is likely to lead to increased personal value in the product or brand.

Loyalty and Retention

It is commonly found that anthropomorphism can strengthen an individual's bond with the anthropomorphism target. For example, anthropomorphism was shown to be the driving factor behind strengthening a bond to a pet (Downey and Ellis 2008). Potentially stronger bonds to products or brands offers clear advantages to marketers. In a study involving consumer's personal car, anthropomorphizing one's car reduced their intention to replace the car compared to consumers that did not anthropomorphize their car (Chandler and Schwarz 2010). In pragmatic consideration, consumers may choose to switch to a new product or brand. However, if consumer perception was grounded in social cognition, there may be less of a tendency for consumers to switch from a their current product or brand as to do so would seem to be ending a human relationship.

On a college campus, anthropomorphism of computer terminals led to increased amounts of loyalty (Sundar 2004). Anthropomorphism was a better predictor of hardcore loyalty to computer terminals than was even consistency, which was found to reinforce loyalty (Sundar 2004). As anthropomorphism of computer terminals engendered loyalty to that particular terminal, it is expected that anthropomorphizing a marketplace entity, be it a product or brand, will increase loyalty or retention of that entity.

Proposition 6a: Anthropomorphizing a brand will lead to increased brand loyalty.

Proposition 6b: Anthropomorphizing a product will lead to increased retention.

Recall

The mere act of anthropomorphism may be stimulating and as a result, increase consumer recall for related promotional messages. Given that the mere presence of others is physiologically arousing (Zajonc 1965), so too may be the perception of humanness in a product or brand be arousing. This increased level of arousal may thus increase recall for the attached promotional messages, as greater neural activation has been associated with increased recall for a stimulus (Kapur et al. 1994). In a memory study, Kapur et al. (1994) compared the memory of participants who had read a list of words to participants who had also been asked to decide if each word referred to a living entity or not. Participants who had been tasked to the living/nonliving-decision had greater recall for the word list and increased neural activity as evidenced by PET scan data. Kapur et al. (1994) explained that deeper reasoning lead to greater recall. As anthropomorphism has been associated with increased neural activation, so too may it engender increased memory. Essentially, when consumers interpret a product or brand as human, they automatically elicit greater neural activity, which in turn fosters improved recall for promotional stimuli.

Consumers may also be able to construct narratives around their anthropomorphic brands and products, which may in turn facilitate their recall for promotional stimuli. As anthropomorphizing may be seen as a form of elaboration, it should as such offer additional pathways for recall (Anderson 1995).

Proposition 7: Anthropomorphizing a product or brand will lead to increased recall for related promotional stimuli.

Personal Value

Anthropomorphism is not only a perceptually transformative experience, it is telescopic in nature. In treating a product or brand, relatively simple entities, as human, these mere marketplace entities are transformed into what is arguably an individual's most complex conceptualization, human. Put simply, seeing human is seeing more in a brand or product than is actually there. This may, in and of itself, increase the perceived value a consumer places in a product or brand. For other consumers, anthropomorphism may present additional value, as it may satisfy their social motivation (Epley et al. 2007).

Proposition 8: Anthropomorphizing a product or brand will lead to increased personal value for a consumer.

Increasing the personal value of a brand or product is also likely to increase the arousal a consumer experiences while being exposed to the brand or product. As Kapur et al. (1994) suggest that increased levels of arousal can lead to increased levels of recall, so too may the increased arousal of a personally valuable stimuli lead to increased recall for related promotional stimuli.

Proposition 9: Increased personal value will lead to increased recall for related promotional stimuli.

Perhaps most intuitively, when consumers place more value in a brand or product, they will be more likely to have a strong bond with the product or brand. Particularly when anthropomorphic thinking grounds brand and product decisions in social terms, personal value speaks to the value of a relationship. When brands and products are thought of as human and have increasing personal value, so too will a consumer's loyalty to the brand or intention to retain the product increase.

Proposition 10a: Increased personal value in a brand will lead to increased brand loyalty.

Proposition 10b: Increased personal value in a product will lead to increased intentions to retain.

Conclusion

Though the investigation of consumer anthropomorphism is warranted by the numerous instances of anthropomorphism in the marketplace, the subject has received limited attention. The present study offers a concise conceptual model of consumer anthropomorphism. This model serves as a valuable framework where marketers can influence a natural human tendency that is of benefit both to marketers and consumers.

The principal limitation of the present study is the relative lack of empirical exploration of anthropomorphism. Though the subject of anthropomorphism has been discussed for thousands of years, empirical studies have only began within the last decade. Further limiting the literature on which the present study's model was build is that marketing researchers themselves have only recently began to explore the subject.

As Epley et al. (2007) suggest, anthropomorphism is a commonplace, but widely varied phenomena. As such, the investigation of consumer anthropomorphism should be extensive. Utilizing the present study's framework, future studies could empirically verify the proposed relationships. Subsequent investigations should also consider the conditions under which these relationships may not hold, for example low value, simple products. Future efforts should also consider the commonplace anthropomorphism of other marketplace entities, such as companies, services, and threats.

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The Influence of Emotions on Brand Relationships: A French Look

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The objective of this research is to investigate the influence of emotions on two key variables of affective relationships to brands: attachment and affective commitment. The findings from a multi-group analysis carried out on female consumers of two leading perfume brands show the strong predictive power of emotions on the two concepts covered in this study. In addition, and from a more managerial standpoint, the analyses confirm the existence of a formative construct, termed "affective response", stemming from the concepts of attachment and affective commitment,that can provide brand managers with a global approach to the emotional equity of their brands.

Introduction

As scholars emphasize, when consumption is directed less toward a functional objective than to experiencing emotions, we then speak of experiential consumption. On this subject, researchers has pointed out that consumption is a source of emotional reactions. Moreover, studies in marketing have shown that exposure to the media arouses emotions (Murry and Dacin, 1996). Richins (1997) also demonstrated that affective reactions play an important role both in the consumption of products and brands. One buys a car not only to get around, but also for the pleasure and freedom obtained by driving it; similarly one buys a yogurt not only to eat but also to obtain the sensations consuming it provides. In addition, the relational paradigm highlights the concept of attachment (Thomson et al. 2005) as well as that of affective commitment (Fullerton, 2005).

This study aims to test the pertinence of the experiential approach for two perfume brands[1] by modeling the influence of the emotions experienced during the consumption (Valette-Florence et al., 2009) of these brands on attachment and affective commitment (Fullerton, 2005) toward the brand. The first part of the paper will review the literature on the concept of emotions and the relational marketing variables used in this study. The second part, covering the research methodology, will present the proposed model, its implementation and the results stemming from it. Finally the conclusion will offer operational recommendations in regard to brand management and related relational variables.

Affect and Consumption

Experiential Consumption

Nowadays, the importance of affective reactions has been largely recognized and has led to the development of a new "experiential" approach (Holbrook and Hirschman, 1982). For the proponents of this approach, consumption represents an experience and therefore arouses a whole range of affective reactions such as feelings, sensations, emotions etc. Furthermore, according to Lacher and Mizerski (1995), the process leading to an experience is based on four types of reaction:

- Sensorial reactions linked to primary, physiological or physical stimuli that affect the five senses.
- Imaginative reactions based on nostalgic thoughts, such as the recollection of a holiday landscape.
- Emotional reactions arousing feelings and emotions such as surprise and joy.
- Analytic reactions arising from cognitive stimulation that draws on product knowledge and expertise.

Emotions

Emotions play a key role in marketing since, for example, they influence information processing, the evaluation of stimuli, and consumer satisfaction. Indeed, Oliver (1992) shows that the determinants of satisfaction are positive affects (interest and joy), negative affects (anger, revulsion, contempt, shame, guilt, fear and sorrow) and information-based beliefs.

Such emotions may leave strong affective traces in the form of markers in episodic memory (Cohen and Areni, 1991). Consequently, these memory traces become highly accessible during current cognitive operations (Westbrook and Oliver, 1991). Finally, Mc Queen et al., (1993) suggest that development of a person's emotional relationship to a brand is expressed in the notion of attachment, which leads to brand commitment.

Hence in the context of this study we shall examine the effect of emotions on attachment and affective commitment to the brand. At an operational level, we adopted the scale of emotions recently developed by Valette-Florence et al. (2009) with 35 measurement variables comprising 10 order-1 dimensions and 3 order-2 dimensions ("Fear", "Fulfillment" and "Possession"). As well as its confirmed psychometric qualities, this new scale has the advantage of wider spectrum of emotions than earlier measurement scales of emotions (e.g. Holbrook and Batra, 1987 or Richins, 1995), and is thus likely to offer additional explanatory and differentiating power.

Affective Relational variables

Emotions and attachment

Work on attachment around person/object relations (e.g. Ball and Tasaki, 1992) show that only emotionally charged objects, such as a person's place of residence or a gift, involve attachment. In the area of marketing, brand attachment is based partly on nostalgic links in relation to events in the person's life and partly to the congruency of the person's image (real or ideal) with the brand.

In the present study we shall use the definition proposed by Lacoeuilhe (2000) "brand attachment is a psychological variable that reflects a lasting, stable affective relation toward the brand (such that breaking it is distressful) and that expresses a psychologically close relationship with it." The author points out that emotions closely associated with attachment are different from attachment itself. Indeed, they are more intense, shorter lived

1 For confidentiality reasons, we are unable to name the brands.

and linked to the nature of the event, whereas attachment is a long-term, stable relationship with evaluative-type reactions.

Thus in the context of our research we did not select the attachment scale developed by Thomson et al. (2005), which is more recent but comprises items linked to emotions such as love. Instead we chose Lacoeuilhe's (2000) 4-item scale.

Emotions and commitment

The first studies on the concept of commitment were concerned with organizational commitment (e.g. Mowday et al., 1979). Allen and Meyer (1990) proposed a measurement tool based on three dimensions: affective commitment, cognitive or calculated commitment, and normative commitment. Since then, many researchers have attempted to apply this concept to relational marketing (e.g. Bansal et al., 2004).

We define it as "the firm wish to maintain a relation with the brand". In our study, we are interested in affective commitment. The concept was originally based on the extent of the employee's involvement in and identification with the organization (Meyer and Allen, 1991), leading to a feeling of belonging. In the area of marketing, this results in consumer loyalty, since the consumer develops a favorable attitude toward the brand and intends to continue purchasing it (Fullerton, 2005).

According to Fournier (1998), consumers develop relationships with the brands they consume. Commitment then leads to the firm and benevolent intention to make the satisfying relationship last in the long term, by accepting necessary short-term sacrifices and through the perception of impediments to the dissolution of the relationship. Fullerton (2005) proposes that commitment is central to these relations, since it leads consumers to develop positive affect toward brands. Furthermore, affective commitment is directly linked to the brand's expressive function source of emotions and feelings. In our subsequent research, we have therefore used Fullerton's (2005) scale.

Affective response

Many authors, such as Thomson et al., (2005) have underlined the pertinence of the concepts respectively of affective attachment and commitment in the formation of an affective route characterizing the relationship of consumers to their brand (Chaudhuri, 2006). In addition, these authors offer a series of conceptual and empirical arguments enabling the two concepts to be differentiated. However, to our knowledge, no study has so far suggested considering these concepts as constitutive elements of a new construct representing their respective contribution to the definition of an index measuring the overall share of the affective in the emotional route taken by consumers.

Drawing on the four criteria proposed by Jarvis et al. (2003) and the recommendations of Diamantopoulos et al. (2008), we postulate the existence of a formative construct called "Affective Response" at the junction of the concepts of attachment and affective commitment which allows this overall share of the affective in consumer behavior to be appreciated.

Research model

Figure 1 below depicts the research model and all the links leading to the affective response concept.

Influence of emotions on brand attachment

Many studies show that the bonds linking consumers to brands are underpinned by a series of emotionally charged images and memories. Indeed, the interactions between the person and the object give rise to strong emotions, which favor the development of a strong attachment towards the object concerned (Thomson et al., 2005). Thus, emotional items, such as "affectionate", "delighted", "passionate" and "joyous", from the attachment scales proposed in France by Lacoeuilhe (2000) or Thomson et al. (2005), characterize consumers' attachment to the brand.

Fournier (1998) postulates that brands are emotionally attractive, that is, they possess a seductive power and a capacity to create strong sensations, emotions and pleasure. We thus propose that positive emotions strengthen emotional attachment to the brand and that negative emotions influence it negatively, as expressed by the following hypotheses:

- H1a: "Fear" exerts a negative influence on brand attachment
- H1b: "Possession" exerts a positive influence on brand attachment
- H1c: "Fulfillment" exerts a positive influence on brand attachment.

Influence of emotions on brand commitment

In their account of the influence of negative and positive emotions, Cropanzano et al., (2003) point out that positive emotions, for example enthusiasm, have a positive impact of commitment. Conversely, negative emotions such as anger have a negative impact on commitment. Cristau (2006) has also shown that emotional attraction positively influences brand commitment. As with attachment, we assume that positive emotions favor brand commitment and negative emotions hinder it. We thus can formulate the following hypotheses:

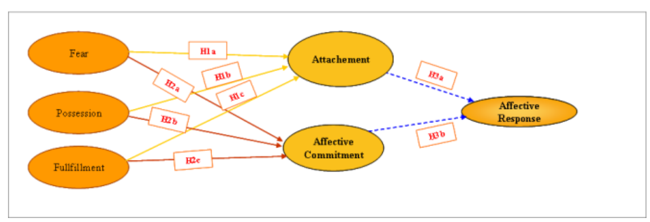
- H2a: "Fear" exerts a negative influence on brand commitment
- H2b: "Possession" exerts a positive influence on brand commitment
- H2c: "Fulfillment" exerts a positive influence on brand commitment.

Impact of relational variables on the affective response index

In accordance with our conceptual definition of the affective response construct, we postulate the two following hypotheses:

- H3a: Attachment significantly contributes to the composition of the affective response index
- H3b: Affective commitment significantly contributes to the composition of the affective response index

Figure 1: Research model



Testing the model and results

Carrying out the research and testing the model

In collaboration with a research company, we collected data on a representative sample (in terms of socio-professional category, age and place of residence) of 372 female true customers of two women's leading perfume brands in France. The collection, carried out on the Internet, by means of panelists, incorporated all the scales previously identified in our conceptual framework. In addition, to control for the influence of each brand on the results, we also implemented multi-group analyses.

The model was tested by means of the partial least squares (PLS) method, which according to Tenenhaus et al. (2005), has methodology advantages, particularly by offering methodological advances in relation to multi-group analysis and the use of quality goodness of fit indices for the estimated models. The models are all satisfactory with an external GoF of 0.97 and an internal GoF of 0.88 for brand A and 0.96 and 0.87 for brand B respectively (the closer GoF is to 1, the better the fit.).

As regards the measurement of the latent variables (emotions, attachment and affective commitment), we confirmed that the convergent validities were all higher than 50%, and that their reliability, measured by Joreskog's rho, was higher than or close to 0.7. Finally, a discriminant validity test was carried out and found to be satisfactory according to Fornell and Larcker (1981) heuristics, each latent variable sharing more variance with its respective measurement variables than the other latent variables it is correlated wtih.

Results

The results of the analyses show (Tables 1 and 2) the capacity of emotions to predict attachment and affective commitment to the brand, both for brand A and brand B, thus confirming all the hypotheses H1a to H2c.

For the two concepts examined, it is interesting to note that the explanatory power is slightly higher for the consumers of brand B. Nevertheless, all the relations are statistically significant for both perfume brands. Similarly, a permutation test (Chin, 2003) shows that all the structural relations are different between the two brands.

As regards positive emotions, fulfillment exerts the strongest influence on the two concepts examined, thus reinforcing the findings of Cropanzano et al. (2003). Conversely, the influence of fear, unsurprisingly, is negative.

Table 1: Influence of emotions on brand attachment

ATTACHMENT				
Brands	**Brand A (R^2=0.52)**		**Brand B (R^2=0.57)**	
Dimensions	Structural coefficients	Significance	Structural coefficients	Significance
FEAR	-0.165	0.008	-0.484	0.003
POSSESSION	0.368	0.001	0.427	0.000
FULFILLMENT	0.363	0.000	0.287	0.018

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Table 2: Influence of emotions on affective commitment to the brand

AFFECTIVE COMMITMENT				
Brands	**Brand A (R^2=0.47)**		**Brands B (R^2=0.56)**	
Dimensions	Structural coefficients	Significance	Structural coefficients	Significance
FEAR	-0.134	0.018	-0.419	0.008
POSSESSION	0.326	0.002	0.467	0.000
FULFILLMENT	0.398	0.000	0.258	0.032

For possession, there is little difference between the two brands (although stronger for brand B) in terms of impact on attachment and affective commitment. Its importance lies in the constitutive items of these dimensions, such as “sexy”, “adorable”, and “romantic”.

As regards the testing of hypotheses H3a and H3b, the results shown in Table 3 below reveal that they are well founded.

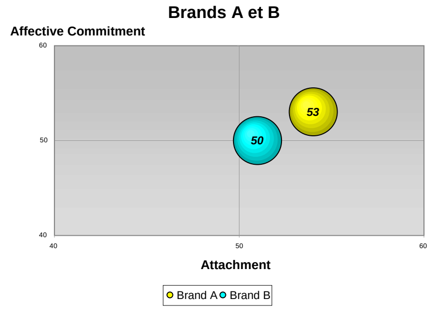
Table 3: Contribution of R^2 and structural coefficients of the variables attachment and affective commitment

	Contribution to R^2		Structural Coefficients	
	ATTACHMENT	AFFECTIVE COMMITMENT	ATTACHMENT	AFFECTIVE COMMITMENT
Brand A	58	42	0.58	0.43
Brands B	59	41	0.60	0.42
Total	58	42	0.60	0.43

We see that the contributions to the R^2 of the affective response, at 58% and 42% respectively, are high and well-balanced between the two concepts. The same is true for the structural coefficients giving rise to this construct (we checked that the Variance Inflation Factor [VIF] was less than 5).

From a managerial standpoint, the findings can be represented on a matrix showing the attachment scores on the one hand and the commitment scores on the other, as shown in Figure 2 below. The size of the circles represents the affective response index of the two brands A and B. We note that the two perfume brands occupy the same position, due to the similarity of their competitive positioning.

Figure 2: Affective response matrix of brands A and B



However, as the above results show, brands A and B have different action levers for increasing their affective response index. For example, brand A could prioritize the fulfillment dimension in order to jointly increase its attachment and affective commitment scores, which would position it in the upper right quadrant. An advertising campaign based on the joy of life and enthusiasm would conform to this objective.

Contributions, Limitations, and Future Research

The aim of this study was to propose an initial test of the affective route within the experiential paradigm and in particular to reveal the influence of emotions on the two key relational marketing variables, attachment and affective commitment to the brand. The results of the structural equation model confirm all the research hypotheses regarding the proposed conceptual model and highlight the contrasting influences of the various emotions, for the two brands investigated in this study, on those two concepts.

As well as its theoretical implications (confirmation of an emotional route (Chaudhuri, 2006)) and methodological implications (use of a multi-group approach in the context of the PLS estimation method), the study also makes an important managerial contribution. Indeed, it gives perfume brand managers real action levers, enabling them to act directly on the variables of attachment and affective commitment to the brand.

In this respect, the multi-group analyses clearly show the advantage of carrying out investigations at the level of each brand, rather than at an aggregate level, for while the effects of emotions all have the same sign for both brands, they differ in amplitude, thereby providing brand managers with specific tools. Finally, the affective response index offers them a global approach to the emotional equity of the brands they are responsible for.

Like any research, this study has its limitations, in particular in relation to the rather small sample size and the administering of the questionnaire through the Internet that might limit the generalizibility of the results due to potential social desirability bias. Indeed, following previous researches' suggestions, it would be legitimate to model the influence of attachment on affective commitment. Such an extension is an interesting line of investigation, as too is the application of the research model to other areas and to the incorporation of a more rational route (Chaudhuri, 2006). In the context of this study, the incorporation of concepts such as trust or cognitive commitment seems particularly promising. Developing a genuinely integrative model of these two evaluative and emotional approaches would be an undeniable theoretical advance.

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Summary Brief
The Discount Channel: A Threat to Brand Equity?

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Discounters are the most rapidly growing format in grocery retailing. While originally largely selling own brands only, many have added national brands to the assortment. This move catches national brand manufacturers between a rock and a hard place. Not selling at discounters disallows them from participating in the format's growth, while doing so puts other retail relationships at risk and may jeopardize their brand equity. We report two studies, one in the US and one in Europe, of consumer reactions to national brands being available in discounters. We find that consumers do not rate brands differently if sold in traditional versus discount formats, and also that key facets of brand associations hardly differ. We conclude that the retail discount channel has become an accepted and well-regarded format for consumers with little potential to negatively impact the equity of national brands.

Introduction

Brand theorists and practitioners agree that favorable consumer brand associations lead to positive outcomes for the company. For example, such associations allow organizations to charge a premium price relative to competing brands because of value added through the brand (Park and Srinivasan 1994). Brand associations result from experiences consumers have with the brand. The retail environment is one cue consumers use to form an opinion about the elements of an assortment, that is the brands on sale (Buchanan, Simmons and Bickart 1999).

The introduction of national brands to the discount assortment is a much-debated issue. While the potential benefits to both manufacturers and discounters are obvious – improving distribution coverage and enhancing the assortment attractiveness – so are the potential risks. Branded manufacturers may be unsure about the incremental brand sales generated by the additional channel. Discounters are unsure about the new brand's ability to generate incremental category sales (Deleersnyder and Koll 211). In addition, manufacturers may have to grapple with traditional retailers who fear that their sales will be adversely affected. One final and perhaps most critical concern may be the perception that the discount channel will harm the equity of brands. This could be especially vital for high-priced national brands if consumers transfer a discount perception of the store to the brand (Erdem and Swait 1998)

This relationship may be subject to two types of moderation. Highly reputed, well-known brands may suffer less from a conflicting store environment: "…the degree of prior knowledge consumers have about a product will influence the cues used to make product quality assessments… as… their knowledge of intrinsic attributes that are informative about quality improves" (Rao and Monroe 1988, p. 255). In their attempts to differentiate from other discount chains and lure more profitable shoppers (Ailawadi et al. 2004), discounters typically strive to add strong, well-known brands to their assortment. Such brands that enjoy high familiarity among shoppers may suffer less from their presence at discounters since shoppers may not rely on the store as an extrinsic cue. A further moderating factor may be the temporal availability of the brand. An increasing number of brands in Europe, for instance, strive to tap the discount shopper segment by promoting a national brand for a limited time, a strategy which also allows the discount channel to signal an attractive assortment under the constraint of very limited shelf space. Brand equity may suffer less if consumers understand that the brand does not have a permanent discounter presence, which also results in fewer shoppers encountering the brand on fewer occasions in the discount channel. In summary, we propose that the discount environment (a) diminishes brand reputation (relative to a mainstream retailer), (b) harms high reputation brands less than low reputation brands, and (c) harms brands more if they are available permanently as opposed to available only temporarily.

The Empirical Study

We chose to field our study in two countries with quite different retail environments. Austria boasts a typical Western European Fast Moving Consumer Goods (FMCG) setting with a high share of hard discounters (Aldi and Lidl jointly have a share of 20%) and few mainstream retailers capturing the rest of the market (in fact, two retailers command more than 60% of the market). In contrast, the USA is a highly fragmented market with few players having large shares and only a small share of the market captured by European-type discount formats. We therefore adapt our design according to market specificities respectively. Three scenarios are tested in each market for both a mainstream and a premium chocolate brand: sold in a non-discount retailer, sold in a discount retailer and sold for a short time period in a discount retailer. Following is a sample of one of the scenarios (premium brand, discount retailer, short-term availability) provided to respondents: "Imagine that while recently walking through Target, you notice that they have a selection of Godiva chocolate. Target has not previously carried the Godiva brand of chocolate. There is a display indicating that Target will only be carrying Godiva chocolate for a brief period of time."

We assess cognitive brand equity of consumers via three previously developed scales and via free associations consumers elicit when they think of the brand. Attitude toward the brand was measured using Cho et al.'s (2001) three item Likert-type scale. Attitude toward the retailer was measured using Goldsmith et al.'s (2001) three item attitude toward the company scale with seven point semantic differential response categories. Brand prestige was measured using Martin's (2009) four item semantic differential scale.

A common method to elicit associations is by using free association techniques, frequently advanced in brand research (Elliott 1994; Spears et al. 2006). Respondents perceive a stimulus and spontaneously name what comes to mind. In addition, respondents were asked to rate their associations as positive, neutral or negative.

Results and Discussion

Confirming our expectations, Lindt/Godiva was rated as significantly higher in quality than Milka/Hershey. The retailer type manipulation showed significant variation between the categories as expected and the long period of time was rated as significantly longer than the short period of time. All measures performed well with regard to unidimensionality, convergent validity, discriminant validity, and reliability. Specific information is not reported due to space constraints. We performed a MANOVA to test for the impact of the permanent/temporary discount availability of the chocolate brands.

In Austria, the brand equity measures (prestige and attitude) for both brands were not significantly different whether the brand was available in a mainstream retailer, in a discounter or only temporarily in a discounter. We conclude that in Austria, and indeed Europe, discounters have become such a common shopping destination that consumers no longer perceive them as inferior to mainstream retailers. In the US, the findings are more differentiated. The results indicate that when Godiva, a premium brand of chocolate, was extended from a specialty retailer to a mass merchandiser, there was a significant decrease in brand prestige, but not attitude toward the brand. Managers of premium brands in the US should be aware that the prestige of their brands may suffer if they are offered in discount retailers, even if only for a limited period of time. Intriguingly, though respondents' attitude toward the Hershey brand, a mainstream chocolate brand, was the same for both the mass merchandiser and the discount retailer, this brand was viewed as more prestigious when offered in the discount retailer than the mass merchandiser. Perhaps when the Hershey brand is offered in such a setting, consumers relate this brand to other potentially less favorable brands in a discounter and hence view Hershey as more prestigious.

Table 1: Brand Associations for Godiva in US

USA	Macy's	Target	Target (temp)
Frequency*	3,0	2,7	2,6
Valence**	69%	68%	69%
Content***			
Taste-related	0,8	0,6	0,5
Quality	0,3	0,2	0,2
Products	0,1	0,1	0,1
Product Attributes	0,2	0,3	0,3
Brand Evaluations	0,1	0,1	0,1
Price	0,5	0,5	0,4

*average number of associations elicited, ** percentage of associations rated as positive, *** average number of associations elicited by respondent (for example the average respondent mentions 0.8 taste-related associations).

With respect to the number, valence and content of brand associations, we find no evidence that the retail environment affects the number or valence of associations elicited by consumers (see Table 1 for Godiva in the US results). Regarding content, the differences between the three scenarios are modest – one interesting exception is Hershey's that generates fewer taste-related associations in a discount setting whereas Milka generates more of these (in general positively evaluated) associations. A favorable perception of Aldi in Austria (compared to the level perception of Dollar General and Target in the US) may explain this pattern.

While our study was exploratory, we conclude that the widespread fear of many brand manufacturers of damaging the reputation of their brands by allowing them to be offered by discount retailers may be unfounded. With the exception of brand prestige for premium brands in the US, our results indicate that brand perception does not suffer if the brand is sold in a retail format that is less prestigious than the retail format currently used.

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Summary Brief
Human Brand Equity: Branding Health-Care Professionals

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This research builds on recent human brand literature in the context of celebrities. But human branding need not be limited just to celebrities. Just as celebrities can be branded so too can certain health-care professionals such as physicians, surgeons, dentists, therapists, podiatrists, and independent practitioners be branded and 'managed' because consumers (patients) hold favorable, strong, and unique brand associations of these health-care professionals in their memory. The proposed model of health-care professional brand equity is grounded in self-determination theory, relationship marketing theory, and customer-based brand equity model.

Introduction

Firms attempt to differentiate their products or services from those of competitors. To achieve such product or service differentiation, these firms strive to create strong brands. Firms that successfully build strong brands reap enormous benefits such as "greater customer loyalty and less vulnerability to competitive marketing actions or marketing crises; more favorable customer response to price increases and decreases; increased marketing communications effectiveness, and brand extension opportunities" (Keller 2001, p. 15). Over the years, marketers have successfully applied branding strategies to brand their products. Beyond the success in product branding, marketers can now successfully brand "a service, a person, a place, an organization, or an idea" (Kotler and Keller 2006, p. 276). Human brands refer "to any well-known persona who is the subject of marketing communications efforts" (Thomson 2006, P.104). However, human brands research has been limited only to the context of celebrities such as sports, music and film personalities and politicians. But human branding need not be limited just to celebrities. Just as celebrities can be branded so too can certain health-care professionals such as physicians, surgeons, dentists, therapists, podiatrists, and independent practitioners be branded and managed as brands. The authors posit that similar to celebrities, certain health-care professionals do exhibit customer-based brand equity.

Theoretical Framework

This research is grounded in Keller's Customer-based brand equity model (CBBE), self-determination theory, and relationship marketing to enhance the understanding of health-care professional brand equity.

Customer-based Brand Equity Model

Health-care professionals human branding is grounded in the Keller's Brand resonance model (Keller 2001) that explicates the transference of the branding process to health-care professional brands. According to Keller (2001), the CBBE model consists of four steps, where each of the steps in the "branding ladder" is contingent on the achievement of the previous step. The four steps are (1) brand identity, (2) brand meaning, (3) brand responses, and (4) brand relationships. Accordingly, to create strong brands, Keller (2001) recommends a set of six "brand building blocks" that make up the brand pyramid. The six "brand-building blocks" are salience, performance, imagery, judgments, feelings, and resonance. Extending the building blocks to the branding of health-care professionals, salience relates to health-care professional brand awareness and how easily a patient can recall and recognize the health-care professional brand. Performance refers to the way the health-care professional brand meets the functional needs of the patients and satisfies the utilitarian, aesthetic, and economic needs of the patient. Brand imagery deals with the extrinsic properties of the health-care professional brand. Brand judgments are the personal opinions of the patient and are based on the health-care professional brand performance and imagery associations. Patient feelings are the emotional reactions of the patient engendered by the marketing of the health-care professional brand. Brand resonance focuses on the nature and depth of the relationships patients have with the health-care professional brand. For health-care professionals to be considered as human brands, health-care professionals must engender customer-based brand equity in the minds of consumers (patients). That is, patients' judgments and feelings of the brand must evoke positive reactions and the nature of the relationship between the patient and the health-care professional brand must be intense, active and loyal.

Relationship Marketing Theory

Relationship marketing theory provides the theoretical foundation to further the understanding of the interpersonal relationships between the health-care professional human brand and the patients. Relationship marketing refers to "all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges" (Morgan and Hunt 1994, p. 22). Hunt, Arnett and Madhavaram (2006) raise a pertinent question regarding firm–consumer relationships that can be extended to health-care professional brand-patient relationships. Why do patients have relationships with health-care professional brands? Hunt, Arnett, and Madhavaram (2006), identified three reasons why consumers perceive the benefits of entering into a relationship with a human brand. First, consumers aspire to have relationships with brands they can trust, share values and deem to be socially responsible. Second, consumers engage in relationships to achieve greater efficiency in their decision-making. Third, consumers see the relationship as a means of fulfillment of a goal to which they are tentatively committed.

Self-Determination Theory

According to Self-determination theory (SDT), a critical issue in the effects of goal pursuit and attainment concerns the degree to which people are able to satisfy their basic psychological needs as they pursue and attain their values outcomes" (Deci and Ryan 2000, p. 227). Ryan and Deci (2000) identify the basis for a person's self motivation and personality integration to be the person's innate psychological needs. These innate psychological needs are the needs for competence, relatedness, and autonomy.

The Conceptual Model of Health-Care Professional Brand Equity

The underlying thesis is, when health-care professional brands are responsive to the patients' innate needs of autonomy, relatedness, and competence, patients form strong attachments to certain health-care professional brands. These strong consumers' attachments to these health-care professional brands influence the patients' trust, commitment, and satisfaction in the health-care professional brands. Further, these lasting and deeper relationships between patients and certain health-care professional brands enhance health-care professional brand equity.

Autonomy, Relatedness, Competence, and Attachment Strength

In the context of this research, three specific antecedents or characteristics of the patient needs are examined. Autonomy refers to "a person's need to feel that his or her activities are self-chosen, self-governed, and self-endorsed" (Thompson 2006, p. 106; Deci and Ryan 2000). Relatedness is defined as "a person's need to feel a sense of closeness with others" (Thompson 2006, p. 106; Deci and Ryan 2000). Competence refers to "a person's innate, life-span tendency to seek feelings of effectiveness, achievement, and challenge in his or her activities" (Thompson 2006, p. 106). Empirical research shows that consumers form strong attachments to human brands when human brands enhance the autonomy, relatedness, and competence of consumers (Thompson 2006). Consequently, when health-care professional human brands fulfill the patient's need for autonomy, relatedness, and competence, strong attachments to certain health-care professional human brands develop.

Attachment Strength and Brand Relationships

The intensity of attachment is "best understood by one's reaction to real, threatened, or imagined separation, as well as to long-term or permanent loss" (Berman and Sperling 1994, p.16). Evidently, a health-care professional brand's responsiveness to a person's needs for autonomy, relatedness, and competence enhances intense attachments of patients to the human brands (Thompson 2006; Deci and Ryan 2000).

Human brand research (Thompson 2006) reveals that "stronger attachments are characterized by consumer's perceptions of their relationships with the human brand as satisfying, trusting and committed" (Thompson 2006, p. 110). Empirically, respondents report greater satisfaction, commitment, and trust when attachments with human brands were stronger

Relationship Factors and Health-Care Professional Brand Equity

Extending Keller (2001) to health-care professional brands, brand resonance refers to the nature of the relationships that patients have with the brand. That is, when patients have trusting, committed and satisfying relationships with the health-care professional brand, patients manifest a depth of relationships through brand loyalty, commitment, identification and advocacy. Hence, the outcome of patients' strong attachments and deeper relationships lead to health-care professional brand equity, the locus of this research.

Summary and Implications

This research has implications to brand practitioners by providing an understanding that health-care professional brands can become strong brands if certain health-care professionals are responsive to the patients' innate needs: autonomy, relatedness, and competence. Additionally, a health-care professional's responsiveness to a patient' innate need for autonomy, relatedness, and competence directly influences trusting, committed, and satisfying relationships with the health-care professional. These deeper relationships between patients and health-care professional brand enhance patients' brand equity of these health-care professional brands and are manifested through brand loyalty and brand advocacy of the health-care professional brand.

To the extent that the research propositions presented in this paper are supported, the implications to both academia and brand practitioners are meaningful. This research contributes to the body of brand literature by providing a theoretical framework for health-care professional brand equity. Furthermore, this study provides an understanding how the transference of the branding strategies can be applied to certain health-care professional brands.

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Summary Brief
Impact of Trust, Brand Attitudes and Value on Intentions to Use E-textbooks

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The cost of college textbooks has been increasing steadily for the last two decades. New developments in e-textbook offerings, such as the launch of websites like ichapters.com and enhanced features to make e-textbooks more user-friendly have provided students with attractive alternative to textbooks. The purpose of this paper was to understand the purchase intentions of e-textbooks among college students. Using Bagozzi's (1992) theory as a framework, a web-based survey was conducted and data were analyzed using structural equation modeling. Results show that attitude towards the e-textbook brand and perceived value are key determinants of students' intention to purchase e-textbooks. Trust also has a significant influence on perceived value and attitude towards the e-textbook brand. Attitude towards the brand partially mediates the relationship between value and purchase intentions.

Introduction

Although e-textbooks are convenient to use and cost less, they are yet to gain popularity among students. In 2008, the U.S. e-textbook market was merely $40 million compared to $35 billion for the printed book industry (Young 2008). Not surprisingly, a survey conducted by The National Association of College Stores on 21 U.S. campuses found that 73% of the students preferred to buy printed books (Carlson 2005). Researchers have cited several reasons for this lack of preference for e-textbooks. Limited titles in digital formats, lack of awareness, poor design and printing quality, cost, subscription and time-limit based access to book features, lack of resale value, and poor display resolution of either computer monitors or portable reading devices are some of the reasons for the lack of popularity of e-textbooks (Noorhidawati and Gibb 2008). Further, students were using e-textbooks only for a quick reference or for completing a research paper but not for continual reading activity (Littman and Connaway 2004). Hence, the study at hand aims to understand the purchase intentions of e-textbooks among college students. The rest of the paper is organized as follows. First, literature review on e-textbooks is presented and study hypotheses are developed. Next, methodology and results are presented. Finally, discussion, limitations and future research directions will be presented.

Literature Review

Bodomo et al. (2003) suggested that it is absolutely necessary to raise awareness and promote the advantages of using digital reading material and also enhancing e-textbook technologies. So far, the e-textbook manufacturers have tried to mimic the traditional book-like experience in their designs without giving importance to enhanced embedded features like highlighting, hyperlinks, or audio/ video features (Stone 2008). One of the biggest hurdles for e-textbook manufacturers would be to change the cultural perceptions associated with book reading – it is not meant to be done on a flickering screen (Young 2008). Thomas (2007) suggested that that it is important for the manufacturers to come up with a less expensive product that would be printable and can also be manipulated, especially the embedded text, like a real book. Based upon a review of literature on antecedent variables that influence customer intentions to buy hi-tech products like e-textbooks, we speculate that perceived value (Torkzadeh and Dhillion 2002) and attitude towards brand (Taylor and Hunter 2003) can be two important antecedents of customer intentions to use e-textbooks. Chaudhuri and Holbrook's (2001) study points out the importance of trust in situations in which the customer is uncertain about the product and has less knowledge about it. Given the fact that e-textbooks are a new product in the market and considering Baker et al.,'s (2002) argument that consumers use product knowledge to pass similarity judgments when a new product enters into the market, we also speculate that product knowledge would play a critical role in the buyer decision making process of buying e-textbooks.

Hypotheses Development

Based upon Bagozzi's (1992) self-regulation theory the following hypotheses were developed in the study:

H1: Perceived value has a direct positive relationship with purchase intentions. H2: Trust has a direct positive relationship with perceived value. H3: Value has a direct positive relationship with attitude towards brand.
H4: Product knowledge has a direct positive relationship with attitude towards brand H5: Product knowledge has a direct positive relationship with trust.
H6: Trust has a direct positive relationship with attitude towards brand.
H7: Attitude towards brand has a direct positive relationship with purchase intentions.

Methodology

We conducted a pretest among a representative sample of 30 students to find out their knowledge about e-textbooks. The results indicated that a majority of students (90%) are not familiar with e-textbooks. For this reason, we decided to measure students' product class knowledge more generally as knowledge about computers. For the purpose of this study, we created an ad for an existing e-textbook firm. The questionnaire containing the ad was posted on the website of an independent survey hosting site. Data were collected from students of a business school in a major university in the Midwestern United States. Five hundred and five students responded to the survey. Four hundred fifty usable responses were retained for the final analysis after rejecting 55 incomplete responses. All the five constructs were measured using existing scales from the literature. The 25 items were subject to confirmatory factor analysis. The model fit statistics suggest that the hypothesized model fits the data. We ran tests for convergent and discriminant validities using the method suggested by Anderson and Gerbing (1988) and found that the measures exhibited convergent and discriminant validities.

Hypothesis Testing

The hypothesized model was tested using the sample covariance matrix as input to Lisrel 8.51. With the exception of the χ^2 statistic, results indicate that the model fit was acceptable. The results indicated that except H4 ($\gamma = 0.06$, $t = 0.02$) and H5 ($\gamma = 0.03$, $t = 0.76$), all other hypothesized relationships were supported (t-values ≥ 2.0). Antecedent variables explain around 55% of the variance in purchase intentions, 36% of the variance in attitude towards brand and 24% of the variance in trust.

Discussion of Results

Perceived value has a direct positive impact on purchase intentions and explains 13% of the variance in purchase intentions. Results indicate that trust has a significant influence on value. This indicates that students who trust a brand would feel that they are getting more benefits for their sacrifice by buying a brand that they trust. Trust increases student perception of benefits received in a transaction. This increases value perception in students' minds. Trust also has a significant indirect influence on purchase intentions. Attitude towards the brand has explained two-thirds of the value in purchase intentions. This indicates that students' intention to purchase an e-textbook is significantly influenced by their attitude towards the e-textbook brand. Attitude towards the brand and perceived value are also key determinants of students' intention to purchase e-textbooks. Perceived value explains 43% of the variance in attitude towards brand. This indicates that perceived value of the offering has a significant relationship with attitude towards brand. Attitude towards brand partially mediates the relationship between value and purchase intentions. The student sample used in our study seemed to have positive attitude towards the brand (ichapters.com, in this case), which they trusted, and felt ichapters.com was a good value for money. Our study has the following limitations. Our study was conducted in one university and with business students. Research across multiple settings is needed to improve our study's generalizability.

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Summary Brief
Subjective Customer Equity: Considerations and Applications

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We advance the concept of Customer Equity (CE) by discussing various considerations and applications of the use of subjective data for its calculation. Specifically, we elaborate on the meaning of subjective CE, its methods for calculation, and evaluation of statistical error. Some of the main conclusions are that subjective CE can be used successfully to value companies and optimize marketing spending. This is the first study to compare the calculation of CE on firm and individual level. Due to practical calculation issues, we recommend subjective CE to be calculated on an individual level, rather than on a firm level.

Introduction

The concepts of Customer Equity (CE) and Customer Lifetime Value (CLV) have been in the public domain for more than 15 years, but they do not seem to be winning the hearts and minds of marketing professionals. As Berger et al. (2006, p.161) summarize, CE simply is "*not* prevalent among the vast majority of companies. Often, a company will note, *at best*, that it is aware of CLV and is starting to consider the metric…[italics in the original text]." In a qualitative study, Persson (2011) interviewed nine European banks; the results indicated that none used CLV for active decision making and only one measured CLV for certain products. However, all of them experimented with CLV in the past but did not adopt it. The situation is not much different on an academic level; in contrast to marketing academicians, the financial community is not welcoming widely CE and CLV despite their interest in reporting intangible assets (Pfeifer and Carraway 2000).

What is the reason for the lack of enthusiasm about CE? After all, it is the only metric bridging marketing efforts and firm value. It also is the strongest candidate for resolving the issue for the accountability and measurability of marketing efforts. We believe that part of the reason is its restrictive and complicated nature. CE requires detailed customer data and sophisticated modeling techniques, which are not available in many companies. Most of the academic research on CE employed rich data sets from large companies, but many companies do not have or cannot collect such data from their customers. Establishments like restaurants, retail and grocery stores, gas stations, coffee shops, and others cannot keep individual customer records. In addition, small and medium size companies do not have the capability and/or the expertise to implement advanced modeling approaches. Another discouraging factor may be the academic consensus being built that the best way to calculate CE is through objective customer data (Gupta et al. 2006). The use of subjective data based on surveys, so popular among practitioners and in the marketing research field, is even discouraged by some CE experts.

We advance CE by building an argument for the use of *subjective data* in its calculation. The use of subjective data will results in subjective CE. Subjective CE can be used as a substitute for, or in addition to, objective CE. Our approach is in agreement with the need for more "user-friendly CE models" (Villanueva and Hanssens 2007, p.28) so that managers "buy" the CE concept first. Subjective CE has certain limitations, but it offers the tremendous advantage of flexibility. It can be used in any situation to provide insights about how marketing efforts affect firm performance. It easily incorporates various marketing concepts and perception of competition, which objective CE cannot. A widespread use of subjective CE will increase the practitioners' awareness of the CE concepts, and most importantly, will result in an accountable way of marketing thinking.

Definition and Application

CE is defined as the sum of the lifetime values of all customers. CLV is the expected discounted future profit from a customer. For a thorough review of the topic see Donkers et al. (2007), Gupta et al. (2006), Kumar and George (2007), and Villanueva and Hanssens (2007). Generally, CE is used to (1) *value a company*; (2) *optimize acquisition spending*; (3) *identify profitable and unprofitable customers*; and (4) *account for marketing efforts*.

The Case for Subjective CE

The difference between objective and subjective data is that the former, also called transaction data, represents real behavior (e.g., money spent, number of marketing contacts, frequency of purchase, etc.), and the latter represents opinions collected from respondents, most often through surveys (e.g., brand equity, attitudes, awareness, purchase intentions, perceived value, reported purchase frequency, etc.). The dominant paradigm in CE research is that objective data is preferable to subjective data. To the authors' knowledge, there are only two works utilizing subjective data in CE; Rust et al. (2004) and (Sublaban and Aranha 2009), where the latter is a replication of the former. The rest of the research in CE uses objective CE.

The *advantages* of subjective CE are its: universality; flexibility; ability to incorporate competition; and usability as a decision-making tool. The *disadvantages* of subjective CE are that it: carriers over survey method biases; is less accurate; and includes statistical error, which should be addressed accordingly.

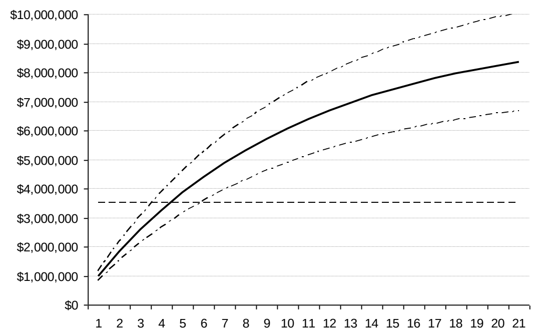
Subjective CE: A Calculation Primer

We demonstrate the use of subjective CE in a numerical example. Specifically, we discuss two methods for calculating subjective CE, explore its valuating abilities, estimate its statistical error, and assess the impact of different drivers on its value. Based on the classification of Kumar and George (2007), we calculated CE on firm level and on individual level. The data was collected from a popular restaurant. The time horizons ranged from 1 to 20 years. The chosen discount rate was 10%. The sample consisted of

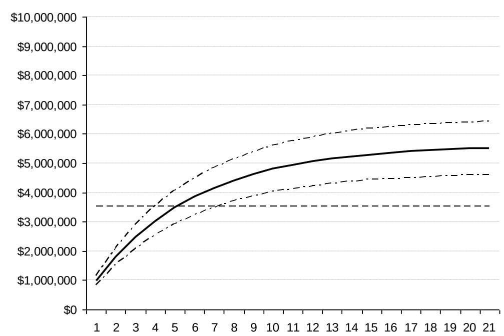
153 responses, 122 of which were usable. Out of all surveyed customers, 13 (11%) were new customers.

Figure 1: Subjective CE (95% Confidence Interval)

a. Calculated on Individual Level



b. Calculated on Firm Level



Note: - · - · - Lower and upper limits of the confidence interval.
\- - - - - Reported value of the restaurant.

The results in Figure 1 show that subjective CE on individual level yields higher values in the long term. This is a critical finding in our analysis because no direct comparison of the two methods has ever been made before. It usually is assumed that the two methods are equivalent, but the results demonstrate that they are not. Some authors assume that the infinite time horizon on firm level is appropriate (Wiesel et al. 2008) but our results show that with such an assumption subjective data overestimates the value of the company. However, although the two methods produce different results in the long term, they perform similarly in time horizons of up to eight years. On individual level, the value of the restaurant corresponds to subjective CE with a time horizon of 4.5 years, and for the upper and lower limits of subjective CE the corresponding results are 3.5 and 6 years. On firm level, the value of the restaurant corresponds to subjective CE with a time horizon of 5 years, and for the upper and lower limits of subjective CE the corresponding results are 4 and 7 years. These time horizons are similar to what is used in the literature to calculate objective CE.

The effect of the drivers was evaluated on subjective CE with a time horizon of five years. On individual level, the impact was evaluated on subjective CLVs, and on firm level the impact was evaluated on the components of CE (i.e., frequency of purchase, average amount spent, and retention rate). The two models yielded different independent variables, which revealed that the two methods can result in different managerial recommendations.

Conclusion

In this work, we advance the concept of subjective CE. We explained its conceptual meaning, evaluated its valuing capabilities, and assessed the impact of different drivers on its value. The results indicate that subjective CE is a viable approach to the concept of CE. It can be applied in small businesses that do not keep track of their customers. The valuing capabilities of CE are similar to the valuing capabilities of objective CE. The explanatory power of the model of subjective CE is sufficient to make specific predictions. Finally, due to calculation challenges, we do not recommend the use subjective CE on a firm level; the estimation of its variance is demanding and requires a partial calculation on individual level, and assessing the impact of drivers requires thorough recalculation of CE.

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Summary Brief
Strategic Firm Investments in CRM and Firm Performance: Is CRM Capability a Missing Link?

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Abstract

Customer relationship management (CRM) is a tool to gain customer loyalty and improve firm performance. Although CRM strategies may exist in the firm's marketing strategies, firms frequently fail to effectively execute such a strategy. The current study addresses the observed variability in the effectiveness of CRM across theory and practice and explicates that effectiveness in the CRM investments may be achieved by developing the CRM capability of the firm, which enables the firms to attain an improvement in the firm performance. In this regard, the present research provides a conceptual framework of CRM capability of a firm and proposes two key dimensions of CRM capability-customer prioritization, and customer retainability. Furthermore, value of CRM is explicated by considering the impact of moderating factors such as external uncertainty, relationship phase, and interaction frequency. The article concludes by providing the theoretical and practical implications of the conceptualization.

Introduction

Less than 50% of the CRM projects fully meet expectations (Krigsman, 2009) ,and the CRM failure rates have been consistently high in the past years (Srinivasan and Moorman 2005) despite the academicians purporting the benefits of CRM for performance of the organizations (Mithas, Krishnan and Fornell 2005). We propose that CRM capability of the firm is an important construct for understanding the firm's CRM effectiveness. This research addresses a key question: How can firms improve the effectiveness of CRM investments to enhance the firm's performance?

Overall, this research makes three key contributions. First, we propose that CRM capability of the firm is an important mediator which influences the performance outcome. Second, we develop a conceptual framework that integrates CRM capability and its mediation effect on firm's performance. Third, we identify three moderating factors (relationship phase, external uncertainty, and interaction frequency) that impact the leveraging of firm's CRM investment on CRM capability, and ultimately on the firm's performance.

Theoretical Background and Conceptual Framework

Drawing from two theoretical perspectives in the strategy literature, the resource-based view (RBV), and the dynamic capabilities perspective, the study examines how firms can achieve an improvement in the firm performance by leveraging the investments in CRM through the development of the CRM capability of the firm. The current research posits that firms can achieve effectiveness in CRM investments through the development of CRM capability, which favorably impacts the firm performance. CRM investment is the firm's investment of financial and structural resources; time, effort, and synergy of the organizational members in developing a large installed base of customers, and maintaining meaningful information on customers.

We define CRM capability of a firm as those processes of the firm, which manifest themselves as the firm's ability to sustainably manage information enabled dynamic and beneficial customer relationships aimed at creating superior value for the firm relative to competition.

Prioritization Capability

Customer prioritization is the extent to which customers are treated differently with regard to marketing instruments based on their importance to the firm (Homburg et al. 2008). With investments in CRM, firms are able to implement their prioritization efforts, successfully.

H1a: The CRM investment of the firm is positively associated with customer prioritization.

Customer Retainability

CRM affect customer satisfaction (Mithas et al. 2005), therefore, with CRM initiatives, based on the improved customer comprehension, firms are able to determine the efficaciousness of the marketing efforts for a group of customers, through which firms are better able to achieve greater customer satisfaction, loyalty and hence customer retention.

H1b: The CRM investment of the firm is positively associated with customer retainability.

Moderating Role of External Uncertainty

External uncertainty attenuates the decision makers' information processing because of bounded rationality of the decision makers. However, when the external uncertainty is low, the customer composition, buying behavior of the customers, and the needs and preferences of the customers would be predictable. Therefore, under conditions of low external uncertainty there would be no effect on the association between CRM investment and CRM capability of the firm.

H2a: The greater the external uncertainty, the stronger the positive association between CRM investment and customer prioritization of the firm.

Under conditions of uncertainty firms fail to discover the expectations and desires of the customers accurately, and thus also fail to satisfy their expectations and desires leading to lowering of firm's capability of customer retention.

H2b: The greater the external uncertainty, the weaker the positive association between CRM investment and customer retainability of the firm.

The Moderating Role of Relationship Phase

According to Dwyer, Schurr, and Oh (1987) relationships between buyer and seller develop through five phases demarcated as awareness, exploration, expansion, commitment, and dissolution. Each phase characterizes the major transition in how exchange partners regard each another.

H3a: The exploration phase of a relationship will weaken the positive association between a) CRM investment and customer prioritization; b) CRM investment and customer retainability of the firm.

H3b: The maturity phase of a relationship will strengthen the positive association between a) CRM investment and customer prioritization; b) CRM investment and customer retainability of the firm.

H3c: The decline phase of a relationship will weaken the positive association between a) CRM investment and customer prioritization; b) CRM investment and customer retainability of the firm.

The Moderating Role of Interaction Frequency

Interaction frequency represents the number of interactions per unit of time between exchange partners (Palmatier et al. 2006). With the better quality of information about the customers' importance, a firm is better able to prioritize the customers.

H4a: The greater the interaction frequency, the stronger the positive association between CRM investments and customer prioritization of the firm.

When firms are better able to satisfy their customers, firms are better able to retain those customers (Gustafsson et al. 2005).

H4b: The greater the interaction frequency, the stronger the positive association between CRM investments and customer retainability of the firm.

Prioritization and firm performance

When firms prioritize, the bottom-tier customers' satisfaction is not negatively impacted (Homburg et al. 2008).

H5a: The customer prioritization of the firm is positively associated with firm performance.

Customer Retainability and Firm Performance

Firms that are better able to retain their customers are better able to simultaneously and continuously better able to improve their knowledge of their customers and enhance their experience with these customers, and are thus also able to lower the cost of serving them over time (Reinartz & Kumar 2000). Consequently, such firms are able to improve their margins at a higher rate by constantly lowering the average cost of serving customers.

H5b: The customer retainability of the firm is positively associated with firm performance.

Conclusion, Limitations and Directions for Future Research

The current research advances the extant literature on CRM and firm performance by positing that the effectiveness of CRM can be improved by developing the firm's CRM capability, through which firms can improve their performance. The proposed conceptual framework would enable the top managers to choose those marketing strategies that enhance the firm's performance through the development of CRM capability.

As with any study, the present research also has some limitations. The current study does not take into account the possibility of other explanations for the ineffectiveness of CRM experienced by the firms. Furthermore, there could be other dimensions of CRM capability of the firm besides the customer prioritization and customer retainability.

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Summary Brief
The Impact of Network Configurations on Value Constellations in Business Markets: The Case of an Innovation Network

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A growing body of scholars are advocating a better understanding of how value is created in innovation networks, i.e. the configurations of strategic entrepreneurial nets aimed at improving the effectiveness of innovation performance. However, research that explicitly connects value considerations with innovation network configurations is still in its infancy, with empirical evidence being notably scarce. This study is aimed at identifying if and how network configurations affect value constellation aspects in business networks. We interviewed key informants representing 46 high-technology entrepreneurial firms co-located in an innovation network (Daresbury Science and Technology Park - UK). We identify that different network configurations can co-exist in the same overall network; these, nevertheless, are not alternative independent structures, but rather they interact with each other through actors spanning their boundaries. Our study thus provides an understanding of network configurations relating to specific value consequences, but also provides evidence relating to the interactions between different configurations.

Introduction

Over the past few decades research in marketing has faced the development of the concept of 'value networks' (Jarillo 1988; Parolini, 1999). Eventhough, attempts to define such aspects of value in networks are still rare and among them only a few studies are empirical (Hu and Tsai 2007), while most provide theoretical reflections (Gummesson 2006; Lindgreen and Wynstra 2005; Vargo and Lusch 2004; Kothandaraman and Wilson 2001; Sharma, Krishnan and Grewal 2001).

Scholars in strategy have been also increasingly concerned with shifting their analysis from value chains to value network configurations (Fjeldstad and Ketels 2006; Norman and Ramirez 1993, Stabell and Fjeldstad 1998; Pittaway et al. 2004; Achrol 1997). Strategic nets are value creating systems where focal actors create value by configuring their portfolio of direct business relationships in a specific and integrated manner (Möller and Rajala 2007). Such configurations have started to be linked to specific outcomes, mainly in terms of value co-creation, or resource combination and innovation; nevertheless, research on network configurations and network outcomes is still seen as preliminary.

In this study we will therefore address the following research questions: Do network configurations affect value constellation aspects in business networks? How do such network configurations differ from each other, e.g. in terms of structures, and in terms of value aspects? In order to analyze the relationship between network configurations and value constellations, an innovation network - Daresbury Science and Technology Park (Daresbury for short) was chosen. We interviewed the 46 small high-tech entrepreneurial firms co-located in a dedicated building in the North-West of Great Britain.

Findings

In this study we draw on three different network constellations (termed seekers, believers and doubters) which characterize the specific network configurations of the focal entrepreneurial firms in the STP (Ramos, Henneberg, Naudè and Corsaro 2010). In each case, we then sought for sources of value, which could come from either rationalization effects or developmental effects, by the four different parties identified above: the focal company itself (actor level), the set of dyads between the focal company and its interaction partners (dyad level), other companies in the STP (but with whom the focal company did not interact) and the STP management (network level).

In the case of the doubters, there is little value added to the various parties other than the obvious value accruing from the economic transaction of renting the unit in the STP. The focal company is situated there because they find the premises convenient and the rent paid attractive, but there are no wider developmental effects open to them. As far as the focal company and its interactions with other partners are concerned, these are by definition located outside the STP – this is what makes them doubters. Value here accrues almost solely to the focal company, to its (external) strategic net, plus (mostly economic) income to the STP management – there is little to no real benefit to other STP members at all.

The seekers are those that conduct their business using a mixture of internal and external trading partners. In terms of rationalization effects, they therefore save some time seeking for and interacting with partners, given that some of these are close at hand. Many of them also recognize the potential value that exists dependent upon whether they can identify additional internal trading partners, or mobilize new external partners via internal relationships, and in this sense the seekers can also be seen as potential future believers, as they seek to increase the percentage of business transacted within the STP. From a wider perspective, the focal company and their counterparts internal to the STP all gain value from the same reduction in transaction costs and possible access to additional business. For the external counterparts the value is more marginal, given their lack of visibility among the rest of the net. For other members of the STP not involved in the actual net, there is certainly more potential value to be gained than in the case of the doubters.

Believers are those that really 'buy into' the whole concept of the STP, and are there because of the tremendous value that they feel they can extract simply due to the fact that they are there. It is the type and nature of the other companies in the STP that means that they can both source and also deliver value from counterparts within the building. This naturally produces rationalization effects by entailing far lower transaction costs and hence saving managerial time. And, given that the counterparts within the STP are all high technology companies, the focal company is assured of having suppliers who are technologically ahead of the market, hence producing even greater advantages. Also the STP management derives even more value from believers than seekers, given that they are likely to extol its virtues to external colleagues to a greater degree.

Conclusions

The first consideration refers to our independent variable, network configurations. Our study shows that a network can not only assume different configurations, but also that different configurations can co-exist in the same network; this is contrary to the strategic management literature which seems to consider configurations more as structural options around which a network can be configured in different alternatives. In our case, we specifically identified that the three categories of network configurations - doubters, seekers, and believers - co-exist in the same STP, even if, obviously, they can potentially change and new configurations can emerge. To some extent, some of these configurations depend on their co-existence within the STP, e.g. Believers want to have Seeker companies nearby to enable STP-internal value exchanges.

Our study shows that different value constellations, in terms of value recipients and value outcomes, are connected to each of the network configuration considered: believers, seekers and doubters. Our study shows that in order to understand how and what kind of value is created with respect to different network configurations, these two views needs to be joined in order to achieve a more process-oriented perspective.

From our study the concepts of network configuration and value constellation emerge not only as multi-layered, but also as multiplex phenomena; in order to capture the complexity of a network configuration it is arguably not sufficient to consider the different layers of analysis (single actor, dyads and network) but, as our study indicates, the different network configurations not only co-exist (within the framework of the Daresbury STP) but they interact with each other.

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Summary Brief
Trust in Business Relationship: Examining the Mediating Effects

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This study examines the interplay between inter-personal trust and inter-organizational trust in business relationships with each other and their impact on behavioral characteristics and consequently on relationship outcomes. A model is developed and tested by 331 UK business relationships. The results show that two aspects of trust (i.e. inter-personal and inter-organizational) influence behavioral characteristics (RSI and information sharing) positively. They influence relationship outcomes positively with mediating role of behavioral characteristics. The other party's opportunistic behavior impact trust negatively. Supplier opportunistic behavior has a significant and strong impact on RSI, but in contrast to the hypothesized relationship, the relationship is positive. Potential explanations are discussed followed by a discussion of the implications of the study.

Introduction

In business-to-business marketing it is critical to understand business relationships (Ford and Håkansson 2006). Trust is a cornerstone of these relationships with some dimensions which play a role in these relationships but have not been properly studied. This study addresses how these dimensions of trust (i.e. inter-personal and inter-organizational trust) impact on each other and on other relationship characteristics by developing a nomological model, including mediating effects, and testing the model.

Conceptual Framework and Hypotheses Development

Inter-personal and inter-organizational trust, commitment and their interplay

Inter-personal trust and inter-organizational trust are two different aspects of trust, working at two different (Blois 1999). Inter-personal trust is the extent to which the employees of one company perceive the employees of the other company to be honest and benevolent (Kumar et al. 1995). Inter-organizational trust is complementary to inter-personal trust, it involves protective mechanisms that minimize the risk of exchange relationships (Mouzas et al., 2007). Inter-organizational trust is the extent to which one company rationally can rely on the other company, to do what has been expected (Blois 1999).

Existence or lack of trust at the inter-personal level in two companies (i.e. between the employees of the two companies) affects how these two companies rationally rely on each other at the inter-organizational level. Furthermore, trust is a key determining factor for commitment in business relationships (Dwyer et al. 1987; Morgan and Hunt 1994). Therefore it is hypothesized that: Inter-personal trust positively affects inter-organizational trust (H1); Inter-personal trust positively affects commitment (H2); Inter-organizational trust positively affects commitment (H3).

Antecedent of trust incorporating the impact of the other party's behavior

There exists a negative relationship between opportunistic behavior and trust (Morgan and Hunt 1994). When a party believes that a partner engages in opportunistic behavior, such perceptions will lead to decreased trust. The next hypotheses are, thus: (Supplier) opportunistic behavior negatively affects (customer) inter-personal trust (H4). (Supplier) opportunistic behavior negatively affects (customer) inter-organizational trust (H5).

Consequences of trust

Information sharing is one of the important behavioral characteristics of business relationships; and it is unlikely to occur in the absence of trust (Cannon and Perreault 1999). Therefore: Inter-personal trust positively affects information sharing (H6); Inter-organizational trust positively affects information sharing (H7).

When inter-organizational trust in relationships increases, parties are more certain regarding the outcomes of the relationship and invest more in the relationship. Fang et al. (2008) suggest that inter-organizational trust between collaborating firms positively affects each firm's resource investment in the relationship as it serves as a rational risk mitigation mechanism. Therefore: Inter-organizational trust positively affects relationship specific investment (RSI) (H8). RSI can make exchange partners irreplaceable or replaceable only at a cost (Heide 1994). Thus: RSI positively affects commitment (H9).

If a party behaves in an opportunistic way in the business relationship, it is likely to provoke retaliatory behavior; (Supplier) opportunistic behavior negatively affects RSI (H10).

Relational outcomes considering the mediating role of behavioral characteristics

RSI, information sharing and commitment (Palmatier et al. 2007) positively impact on relationship performance and outcomes. RSI positively affects financial performance (H11). RSI positively affects non-economic (soft) performance (H12). Information sharing positively affects non-economic (soft) performance (H13). Commitment positively affects financial performance (H14). Commitment positively affects non-economic (soft) performance (H15). Different dimensions of relationship performance impact on each other (Palmatier et al. 2007). Financial performance positively affects non-economic (soft) performance (H16).

Method

The research hypotheses are examined in the context of 331 customer-supplier business relationships (from the customer perspective) for UK-based companies with more than 10 employees. The questionnaire used was based on forty seven items measuring the eight constructs. Fifteen items were dropped due to low factor loadings. The measurement model based on the remaining thirty two items was tested by Confirmatory Factor Analysis (CFA) using AMOS to cross-validate the factor structure, which shows good model fit with $\chi 2 = 870.573$ (p-value = .000), df = 436, $\chi 2/df = 1.997$, RMR = 0.128, CFI = 0.943, RMSEA = 0.055.

Results

All first sixteen hypotheses were supported at significant confidence levels. The overall fit measures and significance levels are $\chi 2 = 916.32$ (p-value = .000), df = 448, $\chi 2/df = 2.045$, RMR = 0.150, CFI = 0.938, RMSEA = .056. Inter-personal trust has a positive and strong impact on inter-organizational trust. Both trust dimensions impact on commitment; with inter-personal trust having a strong significant impact and inter-organizational trust having a significant and moderate impact. Supplier opportunistic behavior has a significant negative and strong impact on inter-personal trust and a relatively strong negative impact on inter-organizational trust. The influences of the trust dimensions on behavioral characteristics are also supported. Inter-personal trust has a, significant and strong influence on information sharing; inter-organizational trust has significant and relatively strong influence on information sharing and RSI. RSI has a strong and significant effect on commitment. Supplier opportunistic behavior has a significant and strong impact on RSI, but in contrast to the hypothesized relationship, the relationship is positive. This unexpected and surprising result will be discussed in the following section. RSI has a significant and relatively strong positive path coefficients in relation to both dimensions of relationship performance, financial performance and non-economic (soft) performance. In turn information sharing significantly, relatively strongly and positively affects non-economic (soft) performance. Commitment has a significant and strong positive path coefficients in relation to both dimensions of relationship performance, financial performance and non-economic (soft) performance. Finally, financial performance significantly, strongly and positively affects non-economic (soft) performance.

Conclusions and Implications

Traditionally business relationships have been studied by examining attitude-outcome relationships, and behavior-safeguarding, there is an attempt to bridge these two perspectives. On the other hand, in spite of the vast literature exploring the role of trust in inter-organizational relationships, there is an increasing attempt to shed light on how different aspects of this concept plays different roles in such relationships. This study addresses these issues by examining the role of two dimensions of trust (i.e. inter-personal and inter-organizational) and their interplay with other behavioral and outcomes of business relationships. All hypothesized relationships, except from the relationship between opportunistic behavior and RSI, are supported significantly. Surprisingly the analysis shows a positive relationship between opportunistic behavior and RSI. There are two potential explanations for this counterintuitive result. First, in a situation in which there is a risk of opportunistic behavior, the parties try to use safeguarding mechanisms. RSI can make exchange partners irreplaceable, or replaceable only at a cost, locking the other party in the relationship. Second, as a form of a pledge, a business partner may undertake an action that demonstrate good faith and bind the channel members to the relationship. RSI is one kind of such pledges. In case of observing opportunistic behavior from the other party, the focal partner can provide a strong signal of commitment to the other party in order to improve the mutual interest and relationship quality.

Managers at supplier companies should be aware of the impact of customer trust on customer commitment and relational behavior. Suppliers can improve cooperative behavior by improving customer trust at both personal and organizational level. They should avoid opportunistic behavior that decreases the level of trust and commitment and endanger the continuation of the relationship. Customers on the other hand can enhance the supplier relationship performance by engaging in high-trust relationships which supports their cooperative behavior in terms of making RSI and sharing information with the supplier.

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Summary Brief
Promoting the Provider Performance in Service B2B Relationship

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This paper proposes a theoretical model that relationship assets (e.g., relational knowledge and asset specificity) developed by a service provider promote its performance and increase the client switching costs. The proposed model is empirically tested with the data collected from marketing research service providers. Results from a path analysis provide the evidences that relationship knowledge assets have positive effect on provider performance and client switching costs while physical relationship specific assets have not. However, an additional analysis reveals that interaction of the physical relationship specific assets with the human relationship specific assets have significant and positive impact on service provider performance and client switching costs.

Introduction

Prior research in service provider and client relationship addresses that relationship partners handle unique interfirm relationship problems. First, a service buyer is difficult to anticipate the quality of service purchased until service is actually consumed at the end. From the transaction cost perspective, it provides the service buyer with serious concerns of increasing transaction costs if there may exist failure of choosing a right service provider, of monitoring service provider's opportunism, and of properly measuring performance. Second, because service is invisible and abstract, relationship partners in service sector need to employee different governance mechanisms that may not be equally applicable to the relationship partners in conventional interfirm relationship. For example, in conventional marketing channel relationship, buyer and seller often rely on a contract identifying specifically what should be exchanged (e.g., buyer receives the quantity of product ordered while seller obtains its payment). However, in service sector, such a clear contract is very difficult to develop and thus largely incomplete. Last, client's low switching costs are serious issue to a service provider. From the service provider's perspective, one solution for the client low switching costs is probably the vertical integration. However, the vertical integration by service provider is not often found in service B2B relationship. Thus, extant research remains a large room to study how to govern relationship in service B2B relationship.

With this backdrop, the purpose of this paper is to empirically investigate how relationship assets developed by a service provider promote its performance and increase client's switching costs.

Literature Review

There are two types of relationship assets involving relationship knowledge assets and physical relationship specific assets that are useful for enhancing the focal relationship in service sector.

First, the relationship knowledge and skills that are stored in a particular key contact employee and that is developed through interactions with the past and current relationship partners. Johnson, Sohi, and Grewal in their paper first introduce the notion of relational knowledge that consists of interactional knowledge stores, functional knowledge stores, and environmental knowledge stores. We argue that to capture such relationship knowledge, employee's role should be clearly defined.

Second, by borrowing the definition of the asset specificity by Williamson, we refer to the physical relationship specific asset as one of transaction-specific assets that are embodied in a physical facility rather than a person and that are tailored to a particular relationship. So an interesting property is that physical relationship specific assets have no value if the focal relationship ends. The prior study about the effect of the physical relationship specific assets on performance shows that physical relationship specific assets promote its receiving partner's opportunism, which results in increasing transaction costs and thus decreases performance.

Therefore, it is important for a service provider to strategically manage these two relationship assets for the purpose of promoting performance and increasing client's switching costs.

Hypotheses

Based on prior literature, we provide and empirically test following hypotheses below:

H_1: The higher the degree of individual relationship role clarity, the higher the provider performance will be.

H_2: The higher the degree of individual relationship role clarity, the higher the client switching costs will be.

H_3: The higher the degree of physical relationship specific asset, the lower the provider performance will be.

H_4: The higher the degree of physical relationship specific asset, the lower the client switching costs will be.

Methodology

To test the hypotheses described in this paper, we choose the marketing research service industry as our empirical context. Specifically, marketing research service providers and public opinion polling firms (NAICS code: 541910) are selected because our focus is on the service provider and client relationships where interpersonal relationships play an important role.

A national mailing list is generated using the Researcher SourceBook annually published by Quirk's Marketing Research Review. To increase response and obtain high quality of data, we first identify the key informants who are knowledgeable about our research context. We mail out the questionnaires to a total of six hundred and twelve qualified companies. A total of two hundred and fourteen questionnaires are returned and used for the following data analysis.

Results

The hypotheses discussed previously are tested using the path analysis technique. The path analysis has several advantages comparing to the multiple regression that is restricted to assess simultaneous estimation of parameters, to provide overall goodness of it for model, and to detect missing paths. The results show that all overall goodness of fit indices (Comparative Fit Index [CFI] = .982; Normed Fit Index [NFI] = .966; Non-Normed Fit Index [NNFI] = .961; Root Mean-Square Error of Approximation [RMSEA] = .070) from the path analysis represent the evidence of good model fit of our proposed model.

The effect of the individual relationship role clarity to the relationship between the relationship knowledge and the provider performance and the client switching costs are tested in H_1 and H_2. The path between the individual relationship role clarity and the provider performance are statistically significant (β_1 = 0.182, t = 2.743) and positive. The path between the individual relationship role clarity and the client switching costs are marginally significant (β_2 = 0.110, t = 1.675) and positive where increasing client's switching costs is a desired outcome from the service provider perspective. Thus, H_1 and H_2 are supported.

Next, in our third and fourth hypotheses, we expect that the physical relationship specific asset has negative effect on the provider performance and decrease the client switching costs. These two hypotheses (H_3 and H_4) are not statistically significant (γ_3 = -0.112, t = -0.736; γ_4 = -0.011, t = -0.075). Thus, results do not indicate support of H_3 and H_4.

Conclusion

The focus of this research is on the role of the relationship assets developed over time by a service provider on the performance and client's switching costs. Several hypotheses are empirically tested in the context of service B2B relationship.

The results from a nationwide survey provide some insights for academics and practitioners. In particular, relationship knowledge asset has statistically significant and positive effect on provider performance and increases client switching costs while physical relationship specific asset has not. However, the results of the paper must be interpreted in view of certain limitations.

A potential shortcoming of this paper is the use of a single context that limits the generalizability of the study. An important topic for future research is to specify in greater detail of governance mechanisms for the relationship assets discussed in this paper.

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Composite Ties and the Tensile Strength of B2B Relationships

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Relationship strength is viewed as essential to the development of positive relational outcomes. This conceptual paper uses ideas from the material sciences about the strength of composite materials to form a framework about relationship strength. We suggest composite tensile strength of relationships is the ability to resist forces that will permanently deform the structure of the relationship. This resistance to deformation to a variety of forces comes from four constituent components (relationship length, depth, breadth, and width) as well as the synergistic interactions of these components.

Introduction

An often explicit assumption of the sales and marketing literature is that increasing the strength of an interorganizational relationship will enhance outcomes. The importance of relationship strength can be seen in the positive outcomes such as revenue growth, market share, and profits (Crosby et al. 1990; Morgan and Hunt 1994) as well as the quality of marketing ties (Czepiel 1990) attributed to the construct. However, while the above research highlights the importance of relationship strength, this critical construct appears to not be fully explicated in the interorganizational marketing literature (Herington et al. 2008)

For instance, in some of the literature relationship strength is seen as likelihood of continuance of the relationship over time (Crosby et al. 1990). While in others, strength is indicated by the extensiveness of the interorganizational ties and is sometimes called its depth or intensity (Herington et al. 2008). But these conceptualizations seem to capture either a consequence of relationship strength in the instance of tenure or only part of the structure of the relationship. Neither seems to fully explain all the dynamics of marketing relationships.

Borrowing from the material sciences, we suggest that the strength of the relationship is a property of the relationship. Specifically, relationship strength is analogous to tensile strength or an object's ability to withstand an external pressure or force without sustaining a permanent deformation (Narasimhan et al. 2007). As in the material sciences, the nature and direction of forces that act upon relationships vary. The capability to resist these disparate stressors comes through the development of composite material. Recent developments in relationship research seem to embrace the composite nature of relationship strength. Some see relationship strength as a combination of existent constructs (Hausman 2001; Palmatier 2008; Palmatier et al. 2007).

A composite's strength is not only the sum of the individual component strengths but also is an outcome of the synergies that develop between the various constituent materials used in its formation. Much as a three dimensional figure is not fully described by only the measures of length and width; it is possible that the strength of relationships could be more fully described by the inclusion of additional components or dimensions. From this point forward we use the term dimension rather than component. Further, we suggest that for inter-firm context there are four dimensions (relationship length, breadth, depth, and width) that form the composite of relational strength.

Background

Investigations in marketing of interorganizational relationships have followed several related but distinct theoretical perspectives. Palmatier et al (2007) identified four main streams: 1) transaction cost economics, 2) dependence, 3) relational norms, and 4) commitment-trust. While other perspectives can and do exist, these four seem to be the most salient when considering relationship structure. They each attempt to describe the structure of existing relationships. It is this structure that underlies the property we label the tensile strength of relationships.

For instance, some constructs such as power and dependence or cooperation likely are some of the constituent materials of the composite structure of relationships. Other constructs such as interorganizational trust and customer commitment (Zaheer, McEvily, and Perrone 1998) are also constituents of the structure but additionally may provide some of the synergy that further enhances the tensile strength of a relationship. It also seems that the context of these relationship constructs supports the perspective that interorganizational relationships exist in a continuum of exchanges offering repeated interactions with a past, present, and future.

This condition of interorganizational relationships is analogous to the surrounding context of composite materials. It is this context that makes salient the various binding constructs used in the structure of the relationship. This incorporates previous suggestions that the context such as inter-firm versus B2C affects the strength of the relationship (Hausman 2001; Palmatier et al. 2007). A composite material or relationship uses multiple components appropriate to its context to provide strength against the variety of forces encountered in that specific context.

An interesting property of the tensile strength of constituent materials is that few if any are resistant to all forces. Some materials are better at resisting a specific force than others. In the material sciences this property has led to the use of a variety of constituent materials to form a composite which will then have enhanced tensile strength against a multitude of forces. For example, composites of glass, plastic, and natural fibers can have more tensile strength against a variety of forces than rope made of intertwined strands of only one fiber (Chawla 1998). Similarly, in interorganizational relationships reliance upon the combination of interpersonal weak ties first suggested by Granovetter (1973) may not provide resistance to all the stresses interorganizational pairings may face. Thus inter-firm relationships are strongest when the structure contains components resistant to all forces found in the interorganizational environment.

We suggest there are four primary constituent materials that provide this force resistance. First is the temporal tie present in interorganizational relationships. The relevance of the length or longevity of a relationship as a strong tie to relationship continuity has repeatedly been empirically demonstrated. The extent of the longevity is the temporal distance from the initiation of the relationship to the point in time at which latest measurement is taken. Relationships tenure as a constituent material is seen as providing resistance to stresses from environmental turbulence by reducing perceived uncertainty through expected patterns of behavior (Jap and Anderson 2007).

Another component is relationship breadth which has its roots in the literature about cross-buying and cross-selling. These 'cross'-activities are conceptualized as the extension of purchase activity beyond some initial category (Reinhartz et al. 2008). Relationship breadth encompasses cross-selling as it involves not only the strategic importance of the various categories in the perception of the seller but also strategic importance to the buyers of the various categories of purchases. To be part of relationship breadth, we suggest these 'cross'-activities must involve product categories strategic to both the buyer and seller.

The strength of relationship breadth develops out of the extent of the links. It is possible that in some relationships there exists only one product category that is strategic to both members of the dyad while in other relationships there are multiple categories. Relationship breadth strengthens as the percentage of strategic product categories that involve repeat purchases out of all possible strategic category combinations increases. The greater the numbers of categories the greater the self-interest of both parties to resist forces that threaten the relationship.

A relationship component that is often synonymous with strength is relationship depth (Herington et al. 2008). In some previous research, the depth of a relationship has referred to the overall climate between firms. This usage implies that relationship depth in a Euclidean sense would be the volume or mass of the relationship. Another conceptualization of relationship depth is the extent of social ties such as trust, openness of communication, and cooperation that exist between firms (Hausman 2001) We suggest this later definition of relationship depth is the most appropriate.

Relationship depth with its roots in trust and commitment provides strength against forces applied by competitors. Morgan and Hunt (1994 p. 22) specifically list resistance to 'attractive short-term alternatives' as one of the central strengths of relationship depth. The relationship strengthening aspect is the willingness to engage in high risk/ high reward activities. In addition, relationship depth is perceived as synergistically improving long-term orientation thus improving the overall strength of the relationship.

The last component of relationship strength is relationship width. Relationship width is the number of interpersonal touch points between the seller and buyer. Since much the relationship literature developed in the business to business context, these touch points typically involve the interconnectedness of two organizations through the various permutations of interpersonal contacts (Johnston and Bonoma 1981). The more extensive these contacts points or contact density as label by some (Palmatier 2008), the more the relationship has width.

The underlying rationale for the strength of extensive contacts seems to develop out the social psychology literature and network theory (Herington et al. 2008). Relationships with width will have not only extensive interconnectedness but there will develop an intensity or bond to the connections. These bonds will provide strength through the number of ties at the various nodes and through an affective interpersonal component added to the relationship.

We suggest that these four constituent constructs are salient within the context of interorganizational relationships. While each may provide strength to other relationship types, previous empirical research indicates the importance of these components to relationship structure and strength in the interorganizational context. These constituent constructs also seem to exhibit synergistic properties that enhance the overall strength of the relationship.

For instance, some evidence suggests that relationship tenure or length does not provide strength over all time phases of the relationship (Jap and Anderson 2007). This perspective does not account for the interaction of tenure with the affective components of relationship width. It also appears likely the synergy between the extensiveness of ties at various nodes of the relationship network will interact with the strategic interdependence that develops in relationship breadth. Thus relationship strength will not only be a function of the constituent components but also the interdependence between these components within the context of interorganizational relationships.

Propositions

This perspective that the composite of relational components has tensile strength against a variety of forces is critical to this definition of relationship strength. This strength allows for the positive exchange outcomes. Embedded is the implication that each dimension will show strength against some specific force. We suggest that relationship tensile strength operates as in classical physics in that whole is separable to its components. Thus, each component by itself will be strong if it retains the desired relationship structure in the presence of a force that might cause deformation or breakage of the relationship structure.

The literature suggests the introduction and/or the expansion of formalized institutional controls into the relationship (Lewicki et al. 1998) as one particularly theoretically disruptive force. This control mechanism can take the form of quality control inspections, written contracts, or other formal instruments or institutions. Such formalized controls by definition will subrogate the social norm control mechanisms. The introduction of formal control will also increase suspicion, negative attributions, and distrust thus replacing the elements of relational depth (Lewicki et al. 1998). This leads to the first proposition.

Proposition 1: Relationship depth has low tensile strength in relationship to the external force of formalized institutional control.

Relationship width seems susceptible to a force that has its roots in environmental events. Because this dimension relies heavily on numerous interpersonal contacts it would be stressed by changes in either firm's personnel. We suggest this force comes from broad based employee turnover such as lay-offs or reduction in force (RIF) events. Lewin (2003) found evidence of this stress with downsizing in the buying firm leading to organizational restructuring which negatively impacted trust, commitment, and flexibility in dealing with supplier organizations.

Proposition 2: Relationship width's tensile strength is susceptible to force from wholesale employee change.

There exist two forces that appear likely to break the tensile strength of relationship breadth. One is divestiture or addition by the selling firm of one or more strategic product categories. This could occur as firms move away from conglomerates structure. Divestiture may mean another organization will manage one or more of the product categories deemed strategic by both organizations. The other force is a technological innovation that makes one or more of the strategic product categories obsolete. Each of these events can be combined into a stressor of change in the array of product categories. This leads to the next proposition.

Proposition 3: Relationship breadth could break under the force of changes in the strategic product array.

On the surface, the last component of relationship strength, relationship length, seems least susceptible to stressors. However one force in particular seems likely to lead to irrevocable changes in this dimension. That is a temporary halt in economic exchanges. That is to say either the buyer temporarily can no longer make purchases or the seller can no longer supply product. This event could occur due to either macro events such as wars, embargoes, or natural disasters (the tsunami in Japan as a recent example). An interruption could also occur due to individual firm events such as labor issues, credit concerns, or bankruptcy. These could be temporary in duration but do represent an interruption in tenure. Occurrence of these types of events would lead to the final proposition about the external forces and the components.

Proposition 4: The longer the temporary suspension of economic exchange between firms, the more the ties due to relationship length are unalterably broken.

The above propositions outline the utility of tensile strength concept and the ability to anticipate stressors. However, the structure of the relationship does not spontaneously appear between firms. Each dimension develops over time and may interact with the other dimensions creating potential internal forces that may reinforce or stress the relationship strength. The following propositions provide guidance into research into these potential conditions.

Clearly the full implementation of the constituent materials of relationship breadth, depth, and width takes time. This indicates that relationship length occurs only after the deployment of one or more of these three components. However, the active development of one dimension could have impact on the existing strength of another component or on the development of another component.

Consider the attempt to increase the breadth of a relationship. Increasing breadth means attempting to add product categories to the existing relationship. While activities related expanding the product array are generally assumed to be in the realm of the seller, it is possible that buyer is expanding its product offerings either by geography or category and looks to existing suppliers to expand their own product array to meet the needs of this new initiative. In either instance of supplier or buyer expansion for there to be an increase in relationship breadth, there needs to be a corresponding agreement on strategic necessity of the new product categories by both firms. However, the firm may not agree. This could create stress on another component of the relationship as goal congruence is essential to relationship depth. If goal congruence does not exist, then conflict between the partners may occur. This conflict may affect the existing structure of relationship depth.

Proposition 5: Changes to the product array initiated internally by either firm will stress relationship depth. The more extensive the change to the array the more likely the structure of relationship depth is changed.

On the other hand increases in the product array may increase relationship width. As the number of strategic product categories increases in the relationship, the contact density may increase. Joint expanded geographic reach leads to increases in functional areas such as logistics and customer service. Each of these could increase the contact density as coordinating positions expand in both the buyer and seller. Expansion into other market segments may have similar results as strategic product categories are not likely to have overlapping personnel in sales, production, or purchasing.

Proposition 6: Changes to the product array initiated internally by either firm will increase relationship width. The more extensive the change to the array the more likely the extensiveness of relationship width is increased.

Finally, active efforts to increase relationship width may impact relationship depth. The more extensive the number of interpersonal contacts, the more complex the structure of relationships. Social norms of trust, communication, and overall relationship quality become more complex to maintain. As noted by Ring and Van de Ven (1994) the greater the length the relationship the more likely that the organizational relationship will outlast the interpersonal and informal understandings thus leading to formalization of these contacts. Mintzberg (1979) argues such increases in formalization when internalized will lead to dissolution of one or both firms. Additionally, it is possible and even likely that the extensiveness of interpersonal contacts will increase the heterogeneity of interaction outcomes leading to greater variability in social norms between the firms.

Proposition 7: Rapid increases in relationship width can create stress that leads to breakage in relationship depth.

Managerial Implications and Future Directions

There are two set of suggestions for managers that develop out of this proposed framework. The first set of implications revolves around managing change in existing relationships. The second set is suggestions about leveraging existing constituent material during relationship development without stressing existing structure. Each set of suggestions carry the important caveat that this proposed framework needs empirical support.

A main tenet of this tensile strength framework of relationships is that each component is subject to its own unique force. As a consequence, compensating for stress that is occurring on one component by attempting to strengthen another component may have little effect. For example, if relationship depth is weakened by one partner transitioning into a more formal and institutional control mechanism, an effort at increasing the extent of personal contacts and thus relationship width will have little effect. In fact, this effort may lead to even more erosion of social norms as the heterogeneity of these new interpersonal contacts stress the relationship depth even more.

Managers are advised to identify the stressor and deal directly with the relational component under duress. Stress on relational width through lay-offs or RIFs should be anticipated and plans developed for new interpersonal contacts. Changes in the array of strategic products need to be addressed carefully with substitute product categories or arrangements made to help the exchange partner find substitute partners. Moving to more formalized control may require the firm making the change from social norms to institutional control to provide substantive formal assurances to the partner as replacement for the previous social norm control. In summary, direct intervention in the component under stress is the suggested approach.

Within developing relationships, the implications of this framework for managers are even more complex. As seen in the literature, in some respects the strongest component is relationship length. However, achieving a relationship that lasts over time takes carefully balancing of the development of the other constituent components. For example, overburdening relationship depth by rushing the number of interpersonal contacts may permanently deform the social norms and break whatever strength that has developed in relationship depth.

Emphasizing product categories that are not important to the partner can have a similar effect. While a selling organization desires revenue growth, a too rapid approach in developing relationship breadth may strain both relationship depth and width. While a planned development of the relationship components is suggest, awareness that this is a long-term development process is essential.

Of course this paper is limited by its lack of empirical support. However, it is not suggested that all propositions be simultaneously be investigated. We suggest starting with the first four propositions. The best context for this research is dyadic. Despite the difficulty of obtaining dyadic data, this approach is imperative not just to avoid common method bias but because relationship breadth needs each dyad members' perspective on the strategic importance of the product categories under consideration. The goal of this first research is to establish that these relational components as elements of overall relationship strength.

Assuming the empirical support exists for the first four propositions, future research could focus on the development of the strong relationships. The interaction effect in propositions five through seven could be tested. The length of time necessary to develop strong relationships is another area to be explored.

Finally, as in the material science, the variation in breaking point of the tensile strength of inter-firm relationships could be investigated. It is likely there are not absolute points at which stressors force an unrecoverable deformation of the relationship structure. Rather, that point is affected by not only the force but by the matrix or context of the relationship as well as the components. The environmental conditions and their interaction with each other are also areas left for future research.

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Summary Brief
The $5 Phenomenon: The Predictive Value of Theories That Explain Today's Fast-Service Restaurant Market

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Historically, fast service restaurants used odd-ending prices to signal bargain prices. Research suggests that attempts to round-up odd-ending prices result in a reduction in sales volume and profits. In 2008, fast-service restaurant retailers launched promotional campaigns using an even-ending pricing strategy that abandoned the traditional odd-ending strategy. This new pricing campaign has been extremely success. The purpose of the current study is to assess the theories and frameworks that predict today's changing marketplace behaviors. Findings suggest that today's consumers are savvy shoppers who are aware of marketing communication efforts and attribute those activities to an attempt to induce purchase. Theories and frameworks grounded in marketplace efficiencies are better predictors of observed behaviors than those grounded in information-processing efficiencies.

Introduction

In 2008, Subway Restaurant chain, the sandwich market leader, launched a promotional campaign using even-ending pricing (i.e., $5 foot-long). This strategy was adopted by competitors such as Quiznos and McDonald's. Historically, fast-food restaurants use odd-ending prices to signal bargain prices (Nagle and Holden 2001) and sales prices (Schindler and Kibarian 1996); attempts to round-up odd-ending prices result in a reduction in sales value and price. The inconsistency between today's consumer behaviors and existing literature is the focus of the current study. Qualitative data is collected to provide preliminary insight into the phenomenon at hand.

Fast-Service Restaurant Industry

The food-service industry in the United States (USA) is a considerable segment of the retail market with quick-service restaurants leading the industry. With 578,000 restaurants in the USA (National Restaurant News 2009) that employed more than 6.9 million people in 2007, sales in the fast-service industry exceeded $433 million in 2007(U. S. Census Bureau 2009).

The changing demographics of USA population present a challenge for fast-service food businesses. The older generation (e.g. baby boomers), who have many years of experience in marketplace behaviors, are more sensitized to sellers' attempts to manipulate consumers (Dunne and Lusch 2008). Younger consumers born between 1965 and 1994 (i.e., Generation Xers and Yers), who were raised in the age of technology, are proficient in gathering data through the Internet and are skilled at avoiding advertising (Dunne and Lusch 2008). Both consumer groups are sophisticated and formidable participants in marketplace exchanges.

Theoretical Foundation

Research of pricing addresses how consumers attach meaning to odd- and even- prices. Theories and frameworks that address pricing strategies may be conceptualized into two orientation categories: 1) marketplace efficiencies, and 2) information processing efficiencies. There are four theories/frameworks that focus on marketplace efficiencies. Friestad and Wright's (1994) Persuasion Knowledge Model (PKM) suggests consumers learn to detect, neutralize, and resist persuasion attempts by sellers. Signaling theory considers marketplace transactions as a game between buyers and sellers (Spence 1974). High-quality sellers want to inform consumers about product quality features while low-quality sellers seek to misinform consumers to earn undeserved profits. Consumers who are aware of the game try to distinguish between information and misinformation. Affective Effect suggests consumers perceive price as a manipulative marketplace techniques. Attempts to manipulate the marketplace elicit a negative affective state (Diller and Brielmaier 1995; Schindler 2001). Finally, economic theories suggest there is a cost to processing more digits in a price; therefore, marginal costs increase and marginal benefit decreases. It becomes rational for consumers to disregard the right most digits (Huston and Kamdar 1996).

Theories/frameworks that focus on information processing efficiencies are based in psychology. A dominant theory is the Underestimation Effect, which proposes that consumers are susceptible to price illusion (Huston and Kamdar 1996). Prospect Theory suggests that the satisfaction experienced by a gain is less than the dissatisfaction caused by a loss (Kahneman and Tversky 1979). Cognitive accessibility suggests that an odd-ending price requires more computation effort; efficiencies may be achieved by avoiding deliberation (Varki, Sabherwal, Bitta, and Moore 2006). Finally, Coulter (2001) suggests that consumers process information from left to right so that a price of $1.99 is remembered as $1.

Two significant findings of odd- versus even-ending pricing research are noteworthy. Zero or even-ending prices are perceived as an indication of high quality (Hu, Parsa, and Zhao 2006; Schindler 2006). Second, the meaning of price is not universal (Hu, Parsa, and Zhao 2006).

Methodology

Exploratory research (in-depth interviews) is employed to gain preliminary insight. Naturalistic inquiry as prescribed by Lincoln and Guba (1985) is employed for the current study. Sample size is based on maximizing information; therefore, interviews are continued until redundancy is achieved.

Findings

Eleven participants were interviewed; four individual and two focus groups (one group of three participants and one of four). The majority of participants (seven) was females, under 35 years of age, and had earned some college credits. Eight of the eleven participants were single.

Participants were shown two advertisements; one with a sandwich featuring a price of $4.99 and one featuring a price of $5. Other than price, all elements of the ads were held constant to eliminate distraction from spurious context. As expected, only the price difference was reported. When participants were asked why a company might manipulate price by one-cent, participants attributed the strategy to marketing efforts to induce sales.

To uncover theories/frameworks that best align with current marketplace behaviors, participants were asked to describe how they developed their perceptions. Although responses varied, the notion of a more educated and skilled consumer were evident.

> "I think it is ridiculous…like you cannot figure out that 99 cents is really $1. With all the fast-food places out there, they try anything to get you to buy from them (focus group 2, participant 1)."

The absence of information processing theories/framework was a significant finding.

> "I actually like the $1…it looks better than 99 cent. In my head they mean exactly the same thing because I always round up (interviewee 2)."

Discussion

Prompted by Subway's $5 Foot Long campaign, fast-service restaurants have either abandoned odd-ending prices or supplemented odd-ending prices with even-number prices. Existing literature predicts that such a change should result in reduction in revenues and profits. However, the marketplace has shown that the opposite in true. The findings of the current study offer evidence that today's consumers are savvy shoppers who are armed with information (Internet) and/or years of marketplace experience.

Companies must acknowledge the competencies of the savvy shopper in developing promotional and pricing strategies. A variety of prices would guide consumers to attribute external forces for increase (e.g., from 99 cent to $1) and variety in prices. Although this may seem to be "out of the box," it is exactly the type of think that is necessary in today's competitive marketplace where consumers drive exchanges.

As with all research, there are limitations to the current study. The sample was limited to one geographical area and included a limited number of ethnic minority participants.

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Summary Brief
Consumer Evaluations of Unit Pricing

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Scholarly research has revealed mixed consequences of displaying unit prices. One stream suggests that displaying unit prices helps consumers in distinguishing valuable products, while the other stream suggests the opposite. In this study, the author seeks to understand the mechanisms underlying these mixed findings. Information is gathered through the use of open-ended surveys and in-depth interviews. Open-ended surveys were completed and analyzed prior to the interviews with the purpose of helping the researcher identify areas that might give insight into how consumers perceive unit pricing and to help develop the interview guide. From the surveys and the interviews, four themes emerged: precision, difficulties and inaccuracy in judging product size, less is best, and experience overtime. These themes provide insight into consumers' perceptions of unit prices and describe how unit pricing can relate to both positive and negative outcomes. Implications for companies considering the use of unit prices are offered.

Introduction

Scholarly research has revealed mixed consequences of displaying unit prices. One stream of research suggests that displaying unit prices presents the consumer with critical information necessary to make price comparisons across products (Russo et al. 1975). Therefore, unit prices ought to entice meaningful price comparisons and lead to more purchases of the most economical products (Russo et al. 1975). An opposing stream of research suggests that unit pricing can be difficult and confusing for consumers to interpret, such that it can impair a consumer's recognition of value (Kwortnik et al. 2006). Research in this stream indicates that unit pricing involves price identification, calculation, and comparison processes that consumers may not be motivated or capable to execute (Manning Sprott, and Miyazaki 1998).

Overall, three issues can be noticed throughout the unit pricing literature. First, research remains divided on the consequences of unit pricing, such that there are conditions in which unit pricing can assist as well as hinder consumer decision making. Second, research has failed to address consumer's beliefs of unit pricing. Third, pricing research has primarily focused on unit pricing in a comparison or choice context in which the products are already packaged; yet, many companies use unit pricing when selling unpackaged goods. Thus, this research is uniquely suited to fill these three gaps in the literature. Therefore the purpose of this study is to further understand the controversies surrounding the outcomes of unit pricing, to more generally explore consumer's views on unit pricing, and to bring light to the relationship between unit pricing and the selling of unpackaged goods. Specifically, this research compares unit pricing, which states a product's price in terms of dollars or cents per unit of measure to standard pricing, which states a product's price terms of dollars or cents per product. Unquestionably, consumers' views on pricing and price fairness have a significant effect on customer satisfaction and profitably (Haws and Bearden 2006; Xia, Monroe, and Cox 2004). Thus, understanding consumers' beliefs about unit pricing is critical for both researchers and practitioners.

Methodology

Since this research seeks to understand an unexplored topic and detailed consumer cognitions, the use of open-ended surveys and in-depth interviews were viewed as the superior approaches to gather this type of information (Hudson and Ozanne 1988).

Open-ended Surveys

Open-ended surveys were used to gain insight into consumer's perceptions of unit pricing as well as to assist the author in developing the interview guide to be used in conjunction with the in-depth interviews. Twenty-four undergraduate students were presented with a shopping scenario that utilized weight-based or standard pricing. Students were then asked how they felt about the company's pricing and to describe any advantages or disadvantages associated with the type of pricing presented. Next, participants were asked the same questions for the pricing strategy not presented in the scenario. Open-ended coding was used to interpret the findings. Specifically, the author coded each response sentence by sentence one question at a time. Three pertinent themes emerged: *precision*, *difficulties in judging product size*, and *less is best.* These themes will be discussed in the results section of the paper.

In-depth Interviews

Six semi-structured interviews were conducted. All interviews were audio-recorded and transcribed verbatim. Participants were the primary grocery shopper in their household, whose age ranged from 25-69. Following Mason (2002), a list of questions was developed prior to conducting the interviews and the list was used as a discussion guide that broadly outlined the topics of interest. The questions were developed based on the analysis of the open-ended survey and literature review. Sampling ceased when theoretical saturation was reached, indicated by information redundancy. Content analysis was used to interpret the data. One new theme emerged—*experience over time*.

Results

Precision

Precision reflects how consumers associate exactness with unit pricing, especially when the products are not already packaged. In such a case, a consumer can select a specific amount to be purchased. This theme includes four dimensions:

customization, waste avoidance, equality and fairness, and more information.

Difficulties in Judging Product Size

Another theme that emerged was that consumers often experience difficulties in judging a product's size and oftentimes do so inaccurately. Therefore, in a self-service context with unpackaged goods, consumers may end up serving themselves more than what they anticipated to pay for; and thus, with unit pricing, the consumer pays a higher price than expected. As a result, another dimension of this theme includes methods to help consumers make better judgments of size and price.

Less is Best

This theme describes that consumers have negative perceptions of unit pricing when a consumer desires a larger quantity. This is likely to stem from the common notion of quantity discounts, which are price reductions given for larger purchases to facilitate larger customer orders. However, in a unit pricing context, the price has a direct relationship with size; thus, quantity discounts cannot be obtained in such a context.

Experience Overtime

Lastly, the final theme that emerged from the interviews was that of experience. Primarily this theme stemmed from the participants who were older than fifty-seven years of age. *Experience overtime* refers to the concept that as consumers become more familiar with unit pricing and the weight of products overtime, they are able to make better assessments of final prices and whether or not their purchase will result in a "good-deal."

Discussion

The primary goal of this study was to examine how consumers view unit pricing, how unit pricing relates to the selling of unpackaged goods, and how unit pricing may assist or hinder consumer decision making. The results indicate that the theme *precision* describes consumer's positive perceptions of unit pricing, and *precision* primarily relates to unit pricing in contexts of unpackaged goods. The theme *difficulties in judging product size* explains how unit pricing can hinder consumer decision making and also describes consumers' negative perceptions of unit pricing. Furthermore, the theme *difficulties in judging product size* is highly applicable to contexts of unpackaged goods. The *less is best* theme also provides insight to why consumers negatively perceive unit pricing and applies to contexts of packaged and unpackaged goods. Finally, *experience over time* offers insight to how consumer perceptions of unit pricing may change over time; this theme is particularly relevant to contexts of unpackaged goods. To the best of the author's knowledge, this study represents the first attempt to understand consumer cognitions of unit pricing using qualitative research methods.

Limitations

The author acknowledges several limitations of this study. The richest data came from the six in-depth interviews and many of the interview participants were above forty years of age. It is possible that the participants in this research have differing views of unit pricing than younger individuals just beginning to experience unit prices in the marketplace; which was indicated through the *experience over time* theme. However, having undergraduate students participate in the open-ended survey attempted to reduce this limitation. The large overlap between the themes that emerged from the open-ended survey and the interviews supports that this limitation may not be significant.

Implications

This study has preliminary implications for marketing management. Most importantly, retailers need to understand the tradeoffs between using unit versus standard pricing. Retailers can enjoy the benefits of consumers perceiving precision, customization, fairness and equality associated with unit pricing; nonetheless, if a retailer chooses to follow a unit pricing strategy, a retailer must consider the type and the amount of information that needs to be displayed. Retailers utilizing unit prices would benefit from providing consumers information that is not only noticeable, but also helpful to consumers when making a decision. By providing this information the retailer will hopefully reduce any unwanted surprise of the final price.

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Summary Brief
Are Customer Co-creations Always Good?

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Introduction

The traditional marketing perspective focuses on the understanding of providers' activities by showing how they can achieve maximum production efficiency and generate high profits. In contrast to this view, more and more academics suggest that customers and service providers each have important roles to play, both together and separately, in creating an enjoyable shopping experience. The notion of customers as co-creators and partial employees of the mutual creation of value is not totally new but gaining more attention (Vargo and Lusch 2004).

In this study we examine how customers' participation and service producers' customer orientation work together to maximize value creation by showing how customers' participation creates values for themselves. Specifically, this paper attempts to identify how both customers' co-creation activities and service providers' customer orientation impact the customers' experiences (e.g., hedonic value and utilitarian value) and how customers' experiences influence customer behavior response.

Literature Review and Hypotheses

Marketing literature suggest that customer-oriented selling (COS) involves service providers practicing the marketing concept (Saxe and Weitz 1982). Since the marketing concept seeks to establish a long-term mutually profitable partnership between service providers and customers, fostering a customer-oriented approach among sellers should bring beneficial outcomes to customers (Brown, Widing, and Coulter 1991).

Marketing literature also demonstrate the positive outcomes of active customer involvement in service production. For example, Auh et al. (2007) suggest that customer participation is not only directly related to attitudinal loyalty but also is indirectly related to behavioral loyalty via the mediator attitudinal loyalty. Customers who are involved in the transaction are more likely to perceive that they have more control and opportunities to influence the final outcomes of the services. Therefore, we propose that customer orientation and customer participation are likely to lead to positive shopping experiences for customers (e.g., hedonic value and utilitarian value) and the following behavior responses (satisfaction, WOM).

We further propose that the shopping values of customers will mediate the relationships between customer orientation and customer participation, and the consequences, such as satisfaction and WOM. Crosby and Stephens (1987) suggest that though relationship marketing adds value to the service package, it is not a substitute for having a strong, up-to-date core service. That is, customer orientation and customer participation are not enough to achieve a customer's overall satisfaction. Customer perceived utilitarian and hedonic value of product/service is a necessary antecedent for customer's overall shopping experience.

Analysis

Structural equation modeling (SEM) was adopted to conduct tests of the measurement model and the hypotheses. Data were collected using an online survey administration tool (www.qualtrics.com). 415 usable responses were finally obtained. Respondents were predominantly female (67.7%).

All constructs were measured using previously developed scales. The results of CFA analysis suggested that the measurement model adequately represents the theoretical constructs. The results from the structural model support that customer orientation positively affects customer perceived shopping value (hedonic and utilitarian value) and customer satisfaction, and then affects WOM via perceived shopping value and satisfaction.

The results further suggest that customer participation (information resources) significantly and negatively impact customer experience (hedonic and utilitarian value), satisfaction, and WOM. On the other hand, customer participation (codeveloper) positively influences perceived shopping values, satisfaction, and WOM.

Discussion

The reported findings in this study confirm that customer orientation is indeed an effective strategy for a company and its employees in delivering value. The results further suggest that both customer participation dimensions (information resources and codeveloper) influence the related outcomes, but in opposite ways. This study brings relevant managerial implications to practitioners. Specifically, the study offers empirical support of the significant and positive effects of customer orientation on customer experience and response. The results further remind practitioners of understanding how customers respond to participation differently. That is, involving customers in the production process appears to be a double-edged sword for service providers.

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Summary Brief
An Exploratory Investigation of How Student Feelings (Affect) About the Costs and Benefits of Debt Influence Important Student Outcomes

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The study investigates whether perceptions student have about the costs and benefits of debt can be used to classify them into meaningful groups representing different patterns of thinking. A scale that measures college student perceptions of the costs and benefits of debt was developed using a sample of 148 students. Using these costs and benefits, the study classified students into four groups. A subsequent sample of students suggests differences among the four groups based on their level of financial debt literacy, academic performance, and financial well-being. Implications and limitations are also discussed.

Introduction

To date, studies investigating student debt have taken several different approaches to understanding this important construct. While some have investigated the relationships that demographic and personal variables such as student classification, age, gender, semester credit load, optimism, locus of control, self-control, and impulsiveness (Kuzma, Kuzma, & Thiewes, 2010; Wells, 2007; Baumeister, 2002) have with student debt, others have looked at debt interventions such as parental influence and the level of financial knowledge of students (Caruana & Vassallo, 2003) and student debt. There is also research that has focused on student attitudes about debt in general and how these attitudes influence their level and frequency of debt (Haultain, Kemp, & Chernyshenko, 2010). However, missing from this research is the investigation of how students go about making decisions to obtain loans or debt. This study attempts to fill this void by attempting to identify and measure feelings or affect that students have about debt and how this thinking relates to key student variables. First, using college student perceptions of the costs and benefits of debt an attempt is made to identify if students could be segmented into distinct groups based on different patterns of thinking. Second, an attempt is made to compare and contrast the distinct thinking patterns using personal, situational, as well as outcome variables important to college students such as financial debt literacy, financial constraints, financial well-being, credit card misuse, and perceived academic performance.

Methodology

Using prior studies that have focused on the perceived costs and benefits of student debt as well as expert knowledge, 16 Likert-type items where the responses varied from 1 "strongly disagree" to 5 "strongly agree" were developed. Responses for these items from 148 college students were subjected to an exploratory factor analysis using a varimax rotation and reliability analysis as suggested by Churchill (1979) and others. Results provided the expected two factors "costs" and "benefits." The reliability coefficient for the factor "benefits" was 0.88 (6 items) and "costs" was 0.77 (4 items), both acceptable as per Nunnally (1978).

Results reported hereafter are based on data collected from a fresh sample of students attending a class in business finance and a second course in business statistics. While the response rate for this sample was 58%, the small sample size (n=39) is one of the limitations of these findings. In addition to the 10 items that measured perceived costs and benefits of student debt the survey collected data for the study variables, financial debt literacy, financial constraints, financial well-being, credit card misuse, and perceived academic performance of college students. Student financial debt literacy was measured using six items from the JumpStart questionnaire (JumpStart Coalition for Financial Literacy, 2002). While financial constraints was measured using a 3 item scale developed by Urbany, Dickson, and Kalapurakal (1996), financial well-being was also measured using a 3 item scale developed by Mittal (1994). Credit card misuse was measured using the scale developed by Roberts and Jones (2001). The two items that measured perceived college student performance came from Macan et al., (1990). All scales have reported acceptable reliability coefficients.

Findings and Discussion

Considering the small sample size, the reliability coefficients for all multi-item scale study variables were high, varying between 0.71 and 0.94. All bivariate correlations were also in the expected direction. The median scores for the benefits and costs of debt were used to group individuals into high and low groups for the two variables. Based on this grouping 18% of the sample was classified as "uninterested" (both perceived benefits and costs low), 23% of the sample was classified as "skeptics" (costs high but benefits low), 33% was classified as "easy-going" (costs low but benefits high), and 26% was classified as "trade-off" (both costs and benefits high). In summary, students were classified into four groups based on their feelings about debt and these feelings are expected to determine how they go about making decisions about obtaining debt. A comparison of the study variables debt literacy, financial constraints, perceived performance, credit card misuse, and financial well-being among the four groups or patterns of thinking are provided in table 1.

Table 1. Perceived Academic Performance, Financial Constraints, Financial Well Being, Credit Card Misuse, and Financial Literacy by Cost/Benefits Groups

Variable	Group 1 (n=7)	Group 2 (n=9)	Group 3 (n=13)	Group 4 (n=10)	F-val.
Performance	5.64 (2)	6.11 (1)	4.54 (4)	5.45 (3)	3.17[1]
Fin. constr.	2.81 (2)	2.07 (1)	2.91 (3)	3.17 (4)	3.01[1]
Fin. health	2.79 (2)	3.56 (1)	2.35 (3)	1.95 (4)	6.17[1]
C. C. misuse	2.20 (2)	1.85 (1)	2.36 (3)	2.34 (4)	1.41
Debt literacy	3.85 (2)	4.56 (1)	3.85 (3)	4.10 (2)	0.34
% of the sample	18%	23%	33%	25%	

[1] $p < 0.05$
Ranking of means for each of the groups for each variable is provided within parentheses for ease of comparison

Notice that the mean differences were significant at the $p < 0.05$ level of significance for the variables perceived academic performance, financial constraints, and financial health. Since one of the objectives of this research was to investigate if students can be classified into meaningful groups based on their pattern of thinking, we ranked the means for each of the variables for each of the four groups and they are shown within parentheses in table 1. Notice that those students classified as "skeptics" or those who believe debt costs are high while benefits are low or simply stated those who feel that "debt is bad" (23% of the sample) appear to be doing the best based on all the financial variables under investigation. In fact, it is also interesting to note that this group has the highest level of financial debt literacy based on group means. However, those classified as "easy going" or those who believe debt costs are low but benefits are high or simply stated "debt is good" (33% of the sample) are not doing well. They have the lowest level of debit literacy (tied with the "uninterested") and academic performance and are ranked third based on means for financial well-being, financial constraints, and credit card misuse. The group classified as "trade off" are those who scored high on both costs and benefits (25% of the sample). Notice that the level of debt literacy is high (ranked 2 based on means) indicating that they must be knowledgeable about both the costs and benefits of debt but because of financial constraints (being a single parent, chronic illness, working long hours to make ends meet) they are in financial difficulty. Students in this group may be non-traditional college students. Finally, students classified as "uninterested" perceive both the benefits and costs of debt to be low (18% of the sample or the smallest group). One reason for this lack of interest may be their lack of knowledge about debt literacy (ranked 3rd based on mean score) or financial safety nets such as parents, spouses or low debt needs due to scholarships and grants. Notice that they are generally right behind the "skeptics" in terms of the financial variables being measured.

While it may be premature to mention the implications from a study based on such a small sample, if this pattern is generalized they can be very important. The first major implication is that feelings about debt as good or bad can have a major influence on college student debt and academic performance. The second major implication is the large portion of the student sample that is in financial difficulty (almost 60% of the sample based on number of students in groups 3 and 4). This type of stress will also impact their academic performance. Clearly a larger, more diverse groups of students need to be studied to better understand a growing financial issue among today's college students and this study makes an initial effort towards meeting this goal.

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Happiness in Money, Acquisition, and Consumption: A Replication and Extension

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This study confirms findings from previous research, suggesting that monetary experiences are relative, whereas consumption experiences are absolute. However, contrary to previous research, members of poor groups (neighborhoods) seem to experience inequalities in money and acquisition possibilities to a greater extent than members of rich groups. Further, a moderating variable, maximization, showed that maximizers were less satisfied with the monetary experience than satisficers. However, maximizers were equally satisfied with their acquisition and consumption experiences as compared with satisficers. The results of this study suggest that institutions should try to improve conditions related to the consumption of products and services, rather than income. Shifting the focus from monetary aspects to the more important aspects of consumption may help to increase well-being for society in general, and not only for some people at the expense of others.

Introduction

Much debate in consumer research has been dedicated to issues of happiness and life satisfaction. An important aspect of this discussion concerns the question whether wealth and money are absolute or relative (Brickman, Coates, and Janoff-Bulman 1978, Diener et al. 1993, Veenhoven and Hagerty 2006). Obtaining insight into this question is not merely an issue of academic curiosity, but also has important practical implications. If experiences related to wealth and consumption are relative, individuals in one group or society would compare themselves to other individuals in the same group or society, and their level of happiness would depend on the level of other people's wealth or consumption experiences rather than on the absolute level of wealth and consumption. This conceptualization implies that a specific group or society could never become happier overall – rather, an increased level of happiness for some members of the group would be at the expense of other members of the group. If, however, wealth and consumption are absolute, an increase in the level of wealth and consumption would make a group or society happier overall

Following Hsee et al. (2009a, Figure 1, p. 397), two groups with different levels of wealth or consumption are distinguished in this study. These groups can be societies, countries, regions, companies, schools, neighborhoods, or any other aggregate level of individuals. For ease of discussion, the groups will be described as neighborhoods in the remainder of this article. In order to show the effect of relative versus absolute conceptualizations of wealth and consumption, members of a specific neighborhood are supposed to know wealth and consumption levels of members from their own community, but they do not have good knowledge about wealth and consumption levels of other neighborhoods. If wealth and consumption are relative, then rich members of one neighborhood would always be happier than poor members of the same neighborhood. However, because happiness in this case is based on comparisons rather than on absolute levels of wealth and consumption, the rich neighborhood would not be happier on average than the poor neighborhood. If, on the other hand, wealth and consumption are absolute, not only would rich member of one specific neighborhood be happier than poor members of the same neighborhood, but the rich neighborhood would be on average happier than the poor neighborhood, and specifically, the poor members of the rich neighborhood would be happier than the rich members of the poor neighborhood.

Based on Hsee et al. (2009a), specific experiences related to money, acquisition, and consumption are distinguished in this article in order to gain a more differentiated insight on the triggers of happiness. Hsee et al. conducted their research with Chinese consumers and used milk with different concentrations of milk powder in order to simulate increasingly rewarding acquisition and consumption experiences in their first two out of a total of four studies. In this article, milk is replaced by lollipops, a more tangible and emotionally involving product than milk based on milk powder, and the study is conducted in Mexico, a culturally different context from China. Further, the original study is extended by adding maximization as a moderating variable.

Theoretical Framework

It has been argued that although money, acquisition, and consumption experiences should be aligned closely, individuals tend to evaluate money as being isolated from the consumption experience it can buy (Amir, Ariely, and Carmon 2008, Hsee et al. 2009b). Previous research has found that money is predominantly relative (Ball and Chernova 2008, Solnick and Hemenway 1998), and it has been suggested that with both money and acquisition, people seem to rely on the face information, such as numbers, quantities, sizes, or specifications, instead of the utility they receive from consuming the product or service (Hsee et al. 2009a). Consequently, it has been shown that people are bad predictors of the feelings resulting from *future* consumption experiences (Patrick, MacInnis, and Park (2007). On the other hand, when evaluating *current* consumption experiences, people seem to have a relatively reliable "internal" measure of evaluation that is less dependent on external reference points (Simonson 2008). These findings lead to the following hypotheses:

H1: Happiness with money is relative.
H2: Happiness with the acquisition of a good is relative.
H3: Happiness with the consumption of a good is absolute.

Inequalities between rich and poor members of a society may be perceived differently, depending on whether the degree of monetary, acquisition, and consumption experience is high or low. Whereas the overall level of happiness is expressed by its mean, inequality of happiness is expressed by its standard deviation

(Kalmijn and Veenhoven 2005). For example, if country A has a happiness mean of 7 on a 10-point scale and a standard deviation of .5, and country B has a happiness mean of 7 and a standard deviation of 1, the members of country B show a greater dispersion around the mean and inequality of happiness in country B is greater than in country A. In order to test the expectation that members of poor countries, regions, or groups perceive inequality in happiness to a greater extent than members of rich countries, data from the four-step verbal happiness measure of the World Database of Happiness (Veenhoven 2011) were analyzed. Specifically, standard deviation of the happiness measure from the World Database of Happiness was regressed on gross national income (GNI) per capita (Worldbank 2011) from the year the happiness study was conducted. This analysis of publicly available data was conducted to formulate hypotheses H4 to H6 and was not part of the main study of this article. The results of this analysis suggest a significant negative influence of GNI on the standard deviation of happiness (β=-.56, p<.001, R2=.32). Thus, members of poor countries seem to experience more inequality in happiness than members of rich countries, leading to the following hypotheses:

H4: The effect of money on happiness is stronger for the poor group than for the rich group.
H5: The effect of acquisition on happiness is stronger for the poor group than for the rich group.
H6: The effect of consumption on happiness is stronger for the poor group than for the rich group

A variable that may influence the levels of happiness for both the poor and the rich members of a society is maximization. Simon (1956) introduced the idea by arguing that the utility-maximizing, rational man is an idealized conceptualization that does not exist in the real world, and that people's decisions are rather based on a bounded rationality. Based on Simon's work, Schwartz et al. (2002) suggest that maximizers try to always make the best possible decision, whereas satisficers are willing to accept an option that just crosses the threshold of acceptability. The new perspective that Schwartz et al. add to Simon's conceptualization is that they now see maximization as a personality trait rather than a general, universal rule. Because maximizers, in a sometimes chronic way, search for the best option, they tend to be less satisfied with their choices than satisficers (Iyengar, Wells, and Schwartz 2006, Schwartz et al. 2002). Further, they have been found to perceive more time pressure in purchase decisions than satisficers, and they are more likely to feel regret and to change their initial rapid decision (Chowdhury, Ratneshwar, and Mohanty 2009). Thus, the following hypotheses are suggested:

H7: Maximizers (as opposed to satisficers) show lower levels of happiness with money.
H8: Maximizers (as opposed to satisficers) show lower levels of happiness with acquisition.
H9: Maximizers (as opposed to satisficers) show lower levels of happiness with consumption.

Methodology

Participants were 131 undergraduate students from a private university in Northern Mexico who were randomly assigned to one of two groups. The two groups represented the poor versus rich neighborhoods described in the introduction of this article. However, participants were not aware if they were in the rich or in the poor neighborhood, and they did not know that the study was conducted in more than one group. Participants in each group received a voucher that could be used to buy a lollipop. Vouchers had no other value than to be used to buy one lollipop each during the session, and could not be saved, transferred, or used later. Participants in the poor neighborhood received a voucher worth either one or two points, and participants in the rich neighborhood received a voucher worth either three or six points. After receiving the voucher, participants reported their happiness on Abdel-Khalek's (2006) one-item, 11-point happiness scale.

In the next step, participants were invited to buy a lollipop with their vouchers. Lollipops were pretested with a sample of 40 students, independent from the participants of the main study. Participants in the pretest rated the perceived quality of the lollipops on a scale from one to ten, resulting in a range from 8.50 for the highest perceived quality and 5.69 for the lowest perceived quality. The 16 lollipops were then divided into quartiles, resulting in four groups containing four lollipops each in descending order of perceived quality. Thus, members of each group in the main study had a choice of four lollipops among they were able to buy one with their voucher. Poor members in the poor neighborhood had a choice of four lollipops ranging from 5.69 to 6.03 in quality perception based on the pretest, rich members in the poor neighborhood had a choice of lollipops ranging from 6.25 to 6.69, poor members in the rich neighborhood had a choice of lollipops ranging from 6.84 to 7.81, and rich members in the rich neighborhood had a choice ranging from 7.97 to 8.50. After buying a lollipop (the acquisition phase), participants reported their happiness with the acquisition and subsequently were invited to consume their lollipops. During the consumption of lollipops, participants again reported their happiness on the 11-point happiness scale. Thus, participants reported their state of happiness at three instances in the study in order to measure happiness with monetary, acquisition, and consumption experiences. Finally, participants responded to Schwartz' et al. (2002) 13 item, 7-point maximization scale.

Results

Figure 1: Happiness Scores

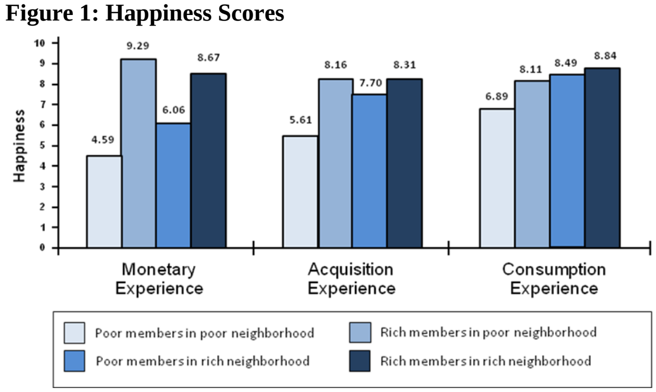
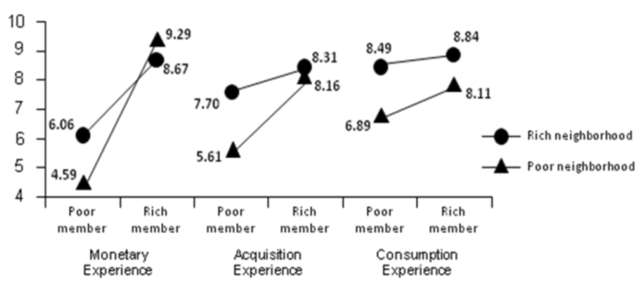


Figure 1 shows the scores of the happiness measure for monetary, acquisition, and consumption experiences. Consistent with H1 and H2, the visual patterns of happiness related to monetary and acquisition experiences are relative. That is, in both the poor and the rich neighborhood, poor members are less happy than rich members, and specifically, rich members of the poor neighborhood seem to be happier than the poor members of the rich neighborhood. On the other hand, and congruent with H3, the means of the happiness measure for the consumption experience follow an absolute pattern, with rich members of the poor neighborhood being less happy than the poor members of the rich neighborhood.

In order to test hypotheses 1 to 6 statistically, a 2 (neighborhood: rich versus poor) x 2 (member: rich versus poor) ANOVA was used. For the monetary experience, the main effect for member was significant ($F = 107.29$, $p < .001$), whereas the main effect for neighborhood was not significant ($F = 1.42$, n.s.). Members in the rich neighborhood were, on average, not happier with their monetary experience than members in the poor neighborhood. These results confirm the relative nature of money and support H1. For the acquisition experience, the results of the 2 x 2 ANOVA show a strong main effect of member ($F = 15.92$, $p < .001$) and a somewhat weaker, but still significant main effect of neighborhood ($F = 8.03$, $p < .01$). This implies that although the visual composition of the happiness scores in the acquisition experience follows a relative pattern (Figure 1), members of the rich neighborhood were, on average, happier than members of the poor neighborhood. Thus, the results suggest that, contrary to the findings from Hsee et al. (2009a) and H2, acquisition experience may be absolute. Finally, the results for the consumption experience showed a significant main effect of both member ($F = 5.41$, $p < .05$) and neighborhood ($F = 11.78$, $p < .01$). Combined with the visual pattern of the means in Figure 1, the results demonstrate that consumption experience is absolute, as presumed by H3.

Figure 2: Interaction Effects for Member and Neighborhood



Whereas H1, H2, and H3 are related to the relative or absolute nature of monetary, acquisition, and consumption experiences, H4, H5, and H6 state that the effects of monetary, acquisition, and consumption experiences on happiness are stronger for the poor neighborhood than for the rich neighborhood. Figure 2 shows the slopes for the three effects for both the poor and the rich neighborhood. Visual inspection of the slopes suggests that in all three types of experiences, the effect of being a poor versus being a rich member is stronger (there is a steeper slope) for the poor neighborhood than for the rich neighborhood. In order to test if these differences are statistically significant, the neighborhood x member interaction effect was analyzed. The interaction effects for both monetary ($F = 8.76$, $p < .01$) and acquisition experience ($F = 6.06$, $p < .05$) were statistically significant, providing support for H4 and H5. However, the interaction effect for consumption experience (H6) was not significant ($F = 1.63$, n.s.).

The reminder of the analysis is dedicated to the effect of maximization on happiness in monetary, acquisition, and consumption experiences. Because maximizers are more demanding than satisficers, H7, H8, and H9 presume that maximizers experience lower levels of happiness in any of the three stages of the experiment than satisficers. Before running the main analysis, the psychographic properties of the maximization scale were tested. The original maximization scale is conceptualized as a three-dimensional construct, with six items loading on factor 1, four items loading on factor 2, and three items loading on factor 3. In the current study, an exploratory factor analysis (EFA) reproduced this factor structure nicely, except for the first factor that split into two factors with three items each. Reliability (Cronbach alpha) for the 13-item scale was acceptable (alpha = .65). A confirmatory factor analysis (CFA) demonstrated satisfying fit statistics for the four-factor measurement model (CFI = .96, GFI = .93, RMSEA = .03). In order to test if maximization had an influence on happiness in the monetary (H7), acquisition (H8), and consumption (H9) experiences, a one-way ANOVA with maximization as the independent variable (factor) and happiness as the dependent variable was used. For the monetary experience, a marginal main effect of maximization on happiness was found. Maximizers were less satisfied ($m = 6.85$) with the coupons they received than satisficers ($m = 7.89$, $F = 3.33$, $p = .07$), as presumed by H7. However, maximization had no effect on happiness for acquisition and consumption experience, and thus H8 and H9 could not be supported.

Discussion and Conclusions

The results of this study demonstrate that, as expected, monetary experiences are relative, whereas consumption experiences are absolute. Increasing monetary wealth in a neighborhood, society, or country thus is a zero-sum game, where the gains or losses of some members are balanced by the losses or gains of other members. On the other hand, improving the consumption experiences in a country or neighborhood produces real increases in well-being, because members evaluate also the absolute level of their experience, rather than only the relative level in comparison to other members of the group. Acquisition experience possibly occupies an intermediary position in the relative – absolute continuum: although the pattern of the means suggests that acquisition experience is predominantly based on relative comparison, the statistical analysis also shows an (albeit weaker) main effect for group, indicating that a better acquisition experience may increase the well-being for a group as a whole, and not only for some members of the group at the expense of others.

Contrary to the findings presented by Hsee et al. (2009a), this study shows that differences in the quality of monetary and acquisition experiences have a stronger effect on happiness for the poor neighborhood than for the rich neighborhood. This implies that inequalities in money and acquisition possibilities in poor neighborhoods, countries, or communities in general are perceived as being stronger than in rich communities. However, for consumption experiences, this interaction effect did not occur, suggesting that the consumption experience is not worse for the poor members of a poor neighborhood than for the poor members of a rich neighborhood, and it is not better for the rich members of a rich neighborhood than for the rich members of a poor neighborhood. In other words, whereas inequalities in money and product acquisition are perceived as being more salient in poor as opposed to rich communities, there is no difference in how these inequalities are perceived between rich and poor communities when it comes to the consumption experience. Finally, maximizers (i.e., individuals who strive to maximize their outcomes and to exploit all available choice options) showed to be less happy with their monetary experiences than satisficers (i.e., individuals who are satisfied with an acceptable option). However, maximizers and satisficers did report similar levels of happiness when it comes to acquisition and consumption experiences.

The results of this study suggest that institutions should try to improve conditions related to the consumption of products and services, rather than income. Further, when focusing on monetary aspects, the effect of being poor is stronger in poor communities than in rich communities, and being a maximizer reinforces the feeling of being unhappy with one's income. This implies that shifting the focus from monetary aspects to the more important aspects of consumption might help to increase well-being for society in general, and not only for some people at the expense of others. Conceptually, money should not have a different effect on happiness than the consumption of products and services, because money represents just this, an option for future consumption. However, it seems that in most societies, money has developed a life on its own. Pointing out that, after all, it is consumption (the real experience) and not money (the right to consume these experiences) that should make us happy is suggested as a way to avoid the trap of getting stuck in Easterlin's (1995) paradox of unimproved levels of happiness, despite substantial progress in monetary wealth.

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Summary Brief
The Influence of Consumer Religiosity on Environmental Attitudes and Behavior

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Little is known about the relationships between consumer religiosity and environmental attitudes and behaviors. In this research, we empirically investigate these relationships and find that religiosity's overall impact on environmental behaviors is not strong, though it is a better predictor of certain behaviors than environmental attitudes. Further, the effects of religiosity on environmental attitudes and behaviors are more complex than has been suggested in prior research. Implications of this research for marketers and public policy officials are provided.

Introduction

As environmental issues now receive widespread attention and concern in the public arena, marketing practitioners and researchers are devoting an increasing amount of effort toward green marketing and finding the antecedents to ecologically minded consumption (e.g., Laroche et al. 2001). However, despite the major impact that religion has on consumption and society (Bailey and Sood 1993; Hirschman 1982), there is only limited research investigating the role of consumer religiosity as an antecedent to environmental attitudes and behaviors. In this study, the relationships between consumer religiosity, environmental attitudes, and six environmental behaviors are investigated.

Literature Review

Environmental Attitudes and Behavior

Environmental attitude is generally viewed as an enduring set of beliefs, a summative favorable or unfavorable evaluation, and predisposition to behave in a particular way towards the physical environment or a specific characteristic of the environment (Azjen 2001). Similarly, pro-environmental behaviors refer to "voluntary actions that are intended to benefit nature or the natural environment in terms of its maintenance and growth" (Naito et al. 2010, p. 995). Environmental attitudes tend to have a moderately strong positive impact on a wide variety of environmental behaviors (e.g., Thapa 2010).

Religiosity and Environmentalism

Religiosity is defined as the "degree to which a person adheres to his or her religious values, beliefs, and practices and uses them in daily living" (Worthington et al. 2003, p. 85). Across virtually all religions, consumers with high religiosity are likely to focus on traditional values and security (Fontaine et al. 2005).

Consequently, religiosity may have a negative impact on consumers' environmental attitudes and behaviors. Among Judeo-Christians, the tendency is to view humans as masters over nature (Eckberg and Blocker 1989). Conversely, secular individuals' ideology is more likely to emphasize care for the environment (Inglehart 1990). Environmentally activists are generally less likely to be involved in religious activities (Shaiko 1987).

Hypotheses

Research has consistently found a positive relationship between environmental attitudes and behaviors (Oreg and Katz-Gerro 2006).

H1: Attitude toward the environment is positively related to environmental behaviors.

Though research investigating the impact of religiosity on environmental attitudes and behaviors has been contentious (e.g., Guth et al. 1995, Lal 1995; Shaiko 1987), religiosity typically has a negative impact on environmental attitudes and behaviors.

H2: Consumer religiosity is negatively related to attitude toward the environment.

H3: Consumer religiosity is negatively related to environmental behaviors.

Methods

Overview and Participants

Survey data were gathered using the student referral method at a university in the Midwestern U.S., resulting in the collection of data from 416 respondents. Mean respondent age was 34, 51 percent of respondents were male, and 55 percent were students.

Measures

Religiosity was measured using the scale developed by Worthington et al. (2003). Attitude toward the environment was measured using the ecocentric environmental attitude scale used by Thapa (2010). Six environmental behaviors were queried using six single item measures from Thapa (2010) and included voting for a public official due to his/her record on protecting the environment; donating money and/or paying membership dues to environmental/conservation organizations; recycling glass bottles, jars, or aluminum cans; watching TV programs about the environment; switching products because of environmental issues; and buying products made from recycled materials. Both the religiosity and environmental attitude measures were subjected to an EFA, a CFA, and reliability analyses and demonstrated convergent validity, discriminant validity, and high reliability.

Results

Hypotheses 1 and 3 were investigated through a series of six multiple regression analyses using both religiosity and attitude toward the environment as the independent variables and each of the six environmental behaviors as the dependent variable. As expected, environmental attitude had a significant positive relationship with all six environmental behaviors, supporting H1.

Counter to H3, the impact of religiosity on several environmental behaviors was positive. Religiosity has a significant positive impact on the extent to which consumers donating money to environmental organizations, recycle various items, and purchase products made from recycled materials, and a moderately significant positive effect on voting for public officials. The effect of religiosity on donating behavior was actually greater than the comparable effect of attitude toward the environment.

A regression analysis using religiosity as the independent variable and attitude toward the environment as the dependent variable was conducted to examine H2. This indicated that a moderately significant, albeit weak, negative relationship exists between these constructs, thus supporting H2.

Discussion and Limitations

Discussion

Intriguingly, in this study we find positive relationships between religiosity and participation in several environmental behaviors. While some research in this area has found or suggested that these relationships are negative (e.g., Guth et al. 1995; Lal 1995), anecdotal evidence suggests that a shift amongst many religious groups in the U.S. towards greater care for the environment may be occurring (e.g., Choo 2006; Stone 2008). Thus, consumers' religiosity may actually further their involvement in ecologically friendly behaviors.

This finding is particularly interesting given that we also observed a negative relationship between religiosity and attitude toward the environment. A potential explanation for this finding lays in what many U.S. consumers associate with environmental concern. Highly religious individuals in the U.S. frequently associate concern for the environment with tandem support for abortion and gay rights, amongst other social issues, which they are typically opposed to (Guth et al. 1995). This may account for the relationship we observe.

Our results should be of interest to researchers studying environmentalism in consumers. First, while attitude toward the environment is a consistent predictor of participation of a wide array of environmental behaviors, its effects are small. Second, the impact of religiosity on environmental behaviors is smaller than that of attitude toward the environment, with the notable exception of donating money or paying membership dues to environmental organizations. Third, that religiosity is positively related to environmental behaviors but negatively related to environmental attitude suggests that these relationships are more complex than prior research has indicated.

These findings also have several implications for marketers and public policy officials. First, encouraging consumers to become more concerned about environmental issues seems to indeed lead to greater participation in a variety of pro-environmental actions, though other likely stronger factors are also at work. Second, among highly religious consumers, directly encouraging participation in environmental behaviors may be more effective than attempting to appeal to superseding environmental issues or consumers' concern for the environment.

Limitations

The majority of the variance in the environmental behaviors we investigate remains unaccounted for. Future research is needed to better account for these behaviors. Since only cross-sectional data were investigated in this study, causality amongst the variables cannot be conclusively determined. Additional research using time-series data is needed to provide such evidence.

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Summary Brief
The Impact of Generational Cohorts on Status Consumption: An Exploratory Look

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This paper compares the levels of status consumption for Baby Boomers, Generation X, and Generation Y (Millennials). The study finds significant differences in the level of status consumption by generational cohort. The average level of status consumption was highest for Generation Y, followed by Generation X and then Baby Boomers. In looking at the significance of these differences between individual cohorts, there was a significant difference between Generation Y and Baby Boomers. For luxury marketers, this suggests they consider the Generation Y generational cohort as a potential market segment.

Introduction

Consumers of luxury products come from all different social and income classes and they use these products because they make them feel confident and they enjoy wearing well-known brands (Husic and Cicic, 2009). Truong et al. (2008) noted that luxury goods have become more affordable and accessible to new customers (the "democratization of luxury") and more consumers are willing to pay a price premium for status products. There is renewed interest in luxury research and need for empirical analysis of status consumption. (Shukla, 2010: Truong et al., 2008).

Schewe, et al. (2000) suggest that generational cohorts are a more efficient way to segment markets than age, as different cohorts have been impacted in a similar way by external events. Norum (2003) suggests generational differences in consumer purchase patterns do exist. What has not been examined in terms of generational cohorts is their level of status consumption. Thus, this paper examines if there are differences in the motivation to consume for status based on generational cohort, focusing on the cohorts of Baby Boomers, Generation X, and Generation Y.

Literature and Hypotheses Development

Status Consumption

Status consumption is "the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others " (Eastman, Goldsmith, and Flynn, 1999, p. 41). This consumption-related need for status is the "tendency to purchase goods and services for the status or social prestige value that they confer on their owners" regardless of income or social class level (Eastman et al., 1999, p. 41). This is similar to O'Cass and Frost's (2002, p. 68) definition as "the process of gaining status or social prestige from the acquisition and consumption of goods that the individual and significant others perceive to be high in status." Chao and Schor (1998) define it as purchases made by individuals who desire status products and brands with the consumption of these products being socially or publicly visible. Shukla (2010, p. 110) stresses that status consumption is "principally "irrational" in its expression and motivation" and that it is significantly influenced by consumers' ostentation behaviors.

Status is derived from the evidence of wealth provided by conspicuous consumption and the power that results from the associated respect, consideration and envy of others (Eastman et al., 1999). The conspicuous consumption of luxury goods provides the consumer with satisfaction from others' reactions to the wealth displayed rather than from the value of the product itself (Mason, 2001). Per Husic and Cicic (2009, p. 234), "by using status goods as symbols, individuals communicate meaning about themselves to their reference groups."

Generational Cohorts

"A generational cohort is generally defined as a group of individuals who have shared similar experiences and have unique common characteristics around these experiences" (Beldona, et al., 2009). A particular cohort is associated with unique values and priorities that may persist over their lifetimes (Jackson, et al., 2011) resulting in each cohort exhibiting distinct attitudes and behaviors (Moore and Carpenter, 2008). Markert (2004) defines Baby Boomers as born between 1946-1965, Generation X born between 1966- 1985, and Generation Y born between 1986- 2005.

Baby Boomers have been perceived as independent and individualistic with strong interests in self-fulfillment and personal growth (Littrell, et al., 2005). Generation X is one of the most highly educated generations and is technologically and media savvy, but disillusioned, skeptical, and pragmatic (Jackson et al., 2011; Littrell et al., 2005). Generation Y, Millennials, is considered high-tech and consumption-oriented (Jackson et al., 2011). Generation Y, similar to Boomers, is socially conscious and eco-aware, but more comfortable with multiculturalism (Hewlett et al., 2009). Generation Y is seen as the most protected and indulged generation (Tucker, 2006). Finally, social networks are vital to Generation Y (Hewlett et al., 2009).

We expect that due to these differences in values among the three cohorts, there will be differences in their level of status consumption. O'Cass and Frost (2002, p. 82), in a study of young status-conscious consumers, found they "are more likely to be affected by a status brand's symbolic characteristics, by feelings evoked by the brand and by the degree of congruency between the brand-user's self-image and the brand image." Moore and Carpenter (2008) found that Millennials are most likely to buy prestigious clothing while Boomers are significantly less prestige sensitive. Thus, we propose the following hypotheses:

H1a: There will be significant differences in the level of status consumption among different generational cohorts.
H1b: The Generation Y cohort will have a higher level of status consumption than the Generation X or Baby Boomer cohorts.
H1c: The Generation X cohort will have a higher level of status consumption than the Baby Boomer cohort.

Methodology

Data Collection

A nonprobability sampling technique utilized trained marketing researchers to recruit adults living in the Southeast United States to be part of an email list. The response rate was approximately 30% with 220 respondents. The inclusion criteria for the different cohorts were as defined by Markert (2004), with the minimum age being 18 years old. The sample had a good representation for gender. The median age category was 36 to 45 years old. In terms of ethnic group, the majority of the sample was white at 85.5%. Approximately half the sample was married, but relatively few had children living at home. The sample was highly educated, with the median having a college degree. Finally, the median income was between $50,001 and $100,000.

Measures

Eastman et al.'s (1999) five-item status consumption scale was used to measure the motivation to consume for status. On average, the sample somewhat disagreed, suggesting that the majority of the sample was not motivated to consume for status. The scale was unidimensional and reliable with (alpha = .86). To test hypothesis 1a, an ANOVA test was run with the average score on the status consumption scale being the dependent value and generational cohort being the independent variable. To test hypotheses 1b and 1c, post-hoc Tukey tests were run comparing the mean status consumption score for the three cohorts.

Results

The mean score on the status consumption scale overall was 2.31 (0.73 sd) with values ranging from 2.11 (0.63 sd) for Baby Boomers to 2.33 (0.73 sd) for Generation X and 2.60 (0.80 sd) for Generation Y. For hypothesis 1a looking at overall generational cohort differences, the F was 7.39 ($p = .001$). Thus, there are significant differences in the level of status consumption by generational cohort supporting hypothesis 1a with Generation Y having a higher mean level of status consumption followed by Generation X and then Baby Boomers.

In looking at the significance of these differences between individual generational cohorts (hypotheses 1b and 1c), there was a significant difference in the levels of status consumption for Generation Y compared to Boomers ($p = .001$) but not between Generation Y and Generation X ($p = .095$). Thus, there is only partial support for hypothesis 1b. Finally, in terms of the significance of the difference between Generation X and the Baby Boomer cohort, while the level of status consumption is higher for Generation X versus Baby Boomers, this difference was not significant. Thus, there is not support for hypothesis 1c.

Discussion

This study found significant differences in the level of status consumption by generational cohort. The average level of status consumption was highest for Generation Y followed by Generation X and then Baby Boomers. In looking at the significance of these differences between individual cohorts, there was only a significant difference between Generation Y and Baby Boomers. Thus, based on our research, Generation Y is the cohort most motivated to consume for status.

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When Hands Decide: Relating Involvement and Risk to Consumer Need for Touch

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The majority of consumers prefer to touch a product before purchasing it. They may touch the product for information, understanding, knowledge, experience or strictly for the sensation itself. This propensity to touch a product is referred to as a consumer's need for touch (NFT). The present work seeks to examine the relationship between NFT and degree of involvement and perceived risk. This work will develop a theoretical framework to posit that the NFT scale has a link with involvement and perceived risk, each of which play important roles in understanding consumer buying behavior. Several propositions are developed that will guide future research efforts to investigate the relationship between consumer NFT and other established constructs.

Introduction

All our knowledge begins with the senses, proceeds then to the understanding, and ends with reason. -Immanuel Kant

Prior to purchasing a product, consumers prefer to gather relevant information and experience the product (Lawton 2006). They can perform this activity knowingly as well as unknowingly as sensory organs continually gather information and experience sensation even when an individual does not make any conscious effort to do so. Indeed, consumers consciously and unconsciously gather information through sight, sound, smell, taste and touch that influences their marketplace choices. For example, it has been demonstrated that the unique identity of a brand can be built by providing delightful sensory experience to consumers (Schmitt 1999; Lindstrom 2006). Research has recognized the need to probe how each of the five sensory organs may influence consumer choice. Early research efforts have begun to show the effects of sensory inputs such as the impact of visual/volume perception (Chandan and Wansink 2002; Wansink and van Ittersum 2003), aesthetic and color (Folkes and Matta 2004; Gorn et. al 2004), listening to music (Macinnis and Park 1991), smell (Joy and Sherry 2003; Morrin and Ratneshwar 2003), and touch (Peck and Childers 2003a) on consumer behavior. However, research on the impact of touch information remains limited.

Though early in its understanding, consumer research has begun to investigate the importance of sense of touch, showing that the majority of consumers prefer to touch and feel a product before purchasing it (Lawton 2006). This act alone of touching a product can cause a sense of possession that can lead to a consumer purchasing products, even ones they do not necessarily need (Underhill 1999). Consumers touch products for many reasons. Consumers may touch the product for information, understanding, experience, or merely for undergoing the sensation. The propensity of consumers to touch products can be observed in most shopping centers in how consumers touch to evaluate the comfort of apparels, the functionality of a gadget, or the durability of a mattress before they arrive at a purchase decision. In other cases, consumers are persuaded to touch a product. This persuasion can come from cues available in the external environment, such as a point of purchase (PoP) displays, or from retail personnel who encourage them to interact with a product. Understanding a consumer's need for touch and the effects of touching a product are critical both to physical retailers, as well as online vendors, to whom consumer preference to touch particularly possess a challenge (Lawton 2006).

Progressing consumer research's understanding of sense of touch, Peck and Childers have conducted a series of foundational studies (2003a; 2003b; 2006), including a scale to capture consumers' need for touch motivation (2003a). This scale measures two dimensions of consumer need for touch: instrumental and autotelic. The instrumental dimension refers to the consumer's need to touch for information, while the autotelic dimension refers to the consumer's need to touch for the sake of the sensation itself. Individual consumers may be high in one, both, or neither dimension of NFT. Peck and Childers (2003b) reports that individual, product and situational factors affect consumers' motivation to touch a product. More recent work from Peck and Childers (2006) has established a positive link between autotelic need for touch and impulse buying behavior, showing that consumers who prefer to touch a product for the sake of the sensation itself are prone to impulse purchases. Additionally, their findings suggest that situational factors may also induce impulse purchases for consumers high or low levels of autotelic NFT.

Seeking to advance marketing research's understanding of consumers' sense of touch, the present work will develop a series of propositions relating consumer need for touch (NFT) to well-established constructs. In combination, these propositions will posit that consumer NFT is meaningfully related to both involvement and perceived risk. Figure 1 presents the study's propositions in a model of consumer NFT motivation.

Theoretical Background

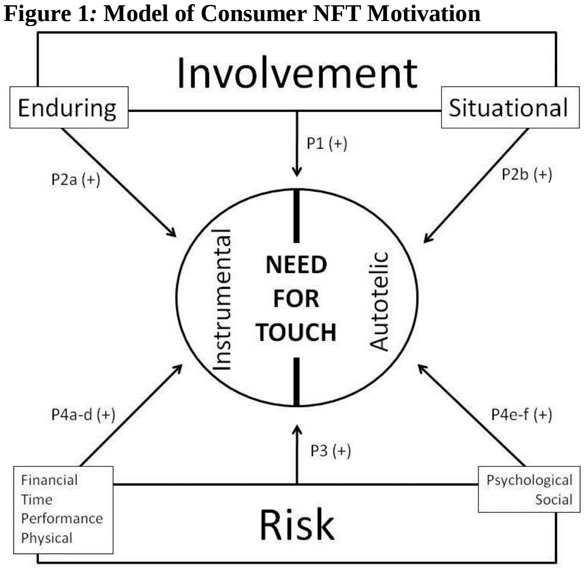
To establish the present study's theoretical framework, we first turn to Peck and Childers seminal work from 2003 (2003a). There has been limited research done in the domain of need for touch construct. However, it is reported that individuals differ in terms of touching a product. Some consumers are prone to touch a product primarily for hedonic reasons, such as merely for fun or enjoyment. This dimension of a consumer's need for touch is the autotelic. Others consumers touch a product primarily for evaluating its performance or functionality. These consumers are said to have an instrumental need for touch as well as they exhibit utilitarian motives (Peck and Childers 2003a). It may be the case that a consumer is high in both autotelic and instrumental NFT.

Apart from individual factors and product factors, it has been argued that situational factors also have an influence on the consumers' motivation to obtain product information from touch (Peck and Childers 2003b). However, what if the consumers were unable to touch a product? Such is commonly the case when consumers buy products online, as they do not have the same opportunity to touch the product as they would in a physical store. Studies addressing this scenario have indicated that consumers who have greater instrumental need for touching a product can be compensated with visual cues and written messages when they purchase the product through the Internet, a catalogue, or the television (Peck and Childers 2003b). For those seeking to touch a product for information, text descriptions can provide the missing information that was sought in the act of touch. However, this is not true with those individuals who are high in autotelic NFT (Peck and Childers 2003b). For consumers who seek touch sensation for the sake of the sensation itself, text descriptions were unable to mitigate their need to touch the product. These results suggest that consumers high in instrumental NFT can have this need mitigated in situations where the consumer cannot touch a product, while consumers high in autotelic NFT cannot (Peck and Childers 2003b).

Peck and Childers (2003a) also demonstrates that a message that incorporates a touch element can more persuasive to consumers than one without. It is reported that people who are high in autotelic NFT may be persuaded by marketing communications that include something to touch along with the message. In contrast, for consumers who are low in autotelic NFT, a touch element does not generate a significant increase in their affective response (Peck and Wiggins 2006).

Though NFT research is promising in its initial findings, both physical and online retailers have limited guidance on handling consumer NFT. To help address this practitioner need as well as to advance marketing research's understanding of NFT, the present study will develop the following model (Figure 1) of consumer NFT motivation. This model will posit the relationships of two well-established constructs, involvement and perceived risk, with need for touch.

Figure 1*:* Model of Consumer NFT Motivation



Involvement and Need for Touch

Over the last four decades, there has been a considerable effort to investigate the role of involvement in consumer decision making process (Howard and Seth 1969; Engel, Blackwell, and Kollat 1978; Laurent and Kapferer 1985; Laaksonnen 1994). It has received considerable attention from consumer researchers because of its importance in influencing consumers' cognitive and behavioral responses to external stimuli (Dholakia 2001). Involvement indicates a state of motivation, arousal or interest that is unobservable to the individual easily (Kapferer and Laurent 1986). It is an individual's motivational state directed toward an object for accomplishing a specific goal. The goal can be a product class, purchase decision, a specific brand, or an advertisement (Park and Mittal 1985). Thus, the level of consumers' involvement in a purchase depends on both personal importance and interest in the product class

Often involvement is measured on a high and low dichotomy (Clark and Belk 1979). It is observed that degree of involvement while buying a product depends on individuals' personality and their interest in the product class. Hence, if an individual is seeking more sources of information to make a good decision, then their level of involvement is going to be high. Ample evidence indicates that as the degree of involvement increases, the consumer goes the extra mile to conduct an extended information search related to their purchase (Howard and Seth 1969; Bettman 1973; Smith and Brister 1994). In so doing, consumers spend time investigating and considering those products in which they have a high level of involvement (Underhill 1999). As touching a product provides information, individuals high (versus low) in involvement could be expected to have higher (versus lower) need for touch. They touch the product to evaluate its salient properties and inform their marketplace decisions. Additionaly, high (versus low) NFT individuals are more likely to touch objects and are more (versus less) adept at using touch to gather information (Peck and Childers 2003a). In combination, these findings suggest that as consumers are increasingly involved in a product, they are more likely to touch a product.

Proposition 1. Consumers high (low) in product involvement will be associated with higher (lower) need for touch.

Involvement has been conceived of as multidimensional construct. These different dimensions of involvement play different roles in influencing consumer behavior. However, the two most commonly utilized dimensions are situational and enduring involvement (Parkinson and Schenk 1980; Richins and Bloch 1986). Situational involvement occurs over a short period of time and deals with a specific situation, typically a purchase occasion. It is "a temporary perception of product importance based on the consumer's desire to obtain particular extrinsic goals that may derive from the purchase and / or usage of the product" (Bolch and Richins 1983, p.72). In contrast, enduring involvement represents a long term commitment to a product class. It is not affected by a specific purchase occasion. Enduring involvement exists when a consumer consistently thinks about the product on a day-to-day basis. This long-term involvement arises as a result of ongoing interest with the product class (Kapferer and Laurent 1986). This product class comes to have an association with a consumer's self-concept, values and ego (Dholkia 2001). This importance to an individual consumer drives their search for information to make wise marketplace decisions (Richins and Bloch 1991). Consumers high in enduring involvement with a product category would thus be expected to have an instrumental need for touching a product in order to attain all of the available information before making purchase.

Proposition 2a. Consumers high (low) in enduring involvement will be higher (lower) in instrumental need for touch.

Enduring involvement is not expected to impact a consumer's autotelic need for touch, as such a form of touch is not intended to seek information. Though enduring involvement may incentivize a consumer to search for information through touch (instrumental NFT), enduring involvement has no theoretical connection to autotelic need-for-touch. Rather, situational involvement in which the consumer is temporarily formulating a product's importance is likely to increase a consumer's autotelic need for touch. Supporting this claim is a recent study in which a positive correlation is found between the autotelic NFT and impulse purchase which is generally guided by situational and environmental cues (Peck and Childers 2006).

Proposition 2b. Consumers high (low) in situational involvement will be higher (lower) in autotelic need for touch.

Perceived Risk and Need for Touch

Perceived risk is one of the most pervasive constructs in the theory of consumer choice for the last four decades. Bauer (1960) has conceptualized this construct and suggests that it arises from unanticipated and uncertain consequences of unpleasant nature resulting from the choice outcome. Since then, it has been investigated to a great extent in a multitude of studies which provide insight into how perceived risk affects consumer decision making process (Bettman 1973; Dowling 1986; Dholakia 1997 and 2001). Though perceived risk in consumer behavior literature has been defined in several ways (Mitchell 1999), more emphasis is given on relating it to potentially negative outcomes (Dowling 1986). Perceived risk is considered as a function of two components - the probability of the loss occurring and the importance of the loss if it occurs (Cunningham 1967; Bettman 1973). Similarly, Dunn, Murphy and Skelly (1986) have conceptualized perceived risk as the anticipated negative consequences a consumer relates to the purchase of a product. Hence, it reasserts the idea given by Dowling (1986) that perceived risk is generally conceptualized in terms of loss.

Previous studies have extensively examined the relationships between perceived risk and involvement (Venkatraman 1989; Dholakia 1997; Dholakia 2001; Mitchell 1999) as well as perceived risk and information search (Cox 1967; Lutz and Railly 1973; Murray 1991; Dholakia 2001). Venkatraman (1989) reports that respondents who exhibit higher levels of enduring involvement are better able to handle risk than those who are situationally involved. Confirming this, Dholakia (1997) and Mitchell (1999) also find a relationship between perceived risk and involvement. The relationship between these two constructs is based on the premise that all consumers purchase products under some uncertainty. In this uncertain condition, Cox (1967) has stated that consumers are motivated to take steps to reduce their perceived risk. Cox (1967) concludes that perceived risk determines the amount and nature of a consumer's information search. Similarly, Sheth and Venkatesh (1968) have revealed that individuals who are high on the degree of perceived risk, as compared to those individuals who are low on the level of perceived risk, deliberate longer and spend more time seeking information about the chosen brand and rejected brand. Therefore, we expect that people who are high in perceived risk will be increasingly motivated to touch a product before purchase to mitigate risk with touch information. In contrast, low perceived risk is expected to lead to an overall lower NFT, as there is less perceived risk to mitigate through touch.

Proposition 3. Consumers high (low) in perceived risk will be higher (lower) in need for touch motivation.

Perceived risk has long been believed to consist of multiple dimensions. Jacoby and Kaplan (1972) noted five major types of perceived risk: financial, performance, psychological, physical and social. Later on, one more dimension, time/convenience, has been added and bringing the total dimensions of perceived risk to six (Kaplan, Syzbillo and Jacoby 1974). Financial risk corresponds to financial or monetary loss that may occur due to purchase of a product. Performance risk relates to the issue of the consumer's concern about whether a product will perform as expected or whether a different product will perform better. Physical risk refers to the product safety and possible hazards associated with product use. Time/convenience risk involves a concern over the loss of time because of the product (McCorkle 1990; Murry and Schlacter 1990). The current study argues that perceived risk in the forms of financial risk, performance risk, physical risk, and time risk can all be mitigated with information. This information may potentially come from touching a product, therefore these forms of perceived risk are expected to increase a consumer's instrumental need for touch.

Proposition 4a: As perceived financial risk increases, consumer instrumental need for touch increases.

Proposition 4b: As perceived performance risk increases, consumer instrumental need for touch increases.

Proposition 4c: As perceived physical risk increases, consumer instrumental need for touch increases.

Proposition 4d: As perceived time risk increases, consumer instrumental need for touch increases.

Consumers may yet desire to touch a product for autotelic reasons to mitigate risk as well. Concern about what others think regarding a particular product purchase is referred to social risk. Psychological risk consists of the possible loss of self image due to product purchase or use. As touching a product for the sake of experiencing it may simulate owning a product and engender possession (Underhill, 1999), the present study argues that merely touching a product can help consumer estimate the social and psychological impact of ownership. Thus it is expected that autotelic need for touch will increase as these forms of perceived risk increase.

Proposition 4e: As perceived psychological risk increases, consumer autotelic need for touch increases.

Proposition 4f: As perceived social risk increases, consumer autotelic need for touch increases.

Conclusion

A promising new stream of sensory research has begun to form around a consumer's need for touch. Understanding consumer NFT is relevant to retailers, package designers, product designers, point-of-purchase display designers, and even online vendors who must understand how to compensate consumer NFT. Nonetheless, the insights gleaned from this line of research have been limited. The present study contributes to this growing body of knowledge in considering the roles that involvement and perceived risk, two well-established constructs, play in the formulation of consumer NFT. In combination, the present study informs practitioners of two of the underlying mechanisms that drive both dimensions of consumer NFT. In scenarios where retailers expect consumers to be highly involved and perceive a high degree of risk, products should be displayed in such a way as to allow consumers to touch the products before purchase. In non-physical retail spaces, such as those found online, the present work offers retailers a parsimonious framework whereby they can predict increased consumer instrumental NFT, the dimension of NFT that can be mitigated by presenting additional information.

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Summary Brief
Looking for Love on Craigslist: The Role of Self-Marketing

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The purpose of this study is to examine the self-marketing occurring among heterosexual men and women on Craigslist. The central aim of this research is to explore the self-marketing used among heterosexuals who are presenting themselves as a total package, like a brand, to interested individuals in this online community. Our research is unique because unlike other research on online dating our research explores self-marketing and provides insight for developing marketing communication for online communities and other marketing activities. Thematic analysis was used to examine 1,200 posts of heterosexuals from a national sample of personal advertisements on Craigslist. Four key themes (type of interaction, criteria for partner, self-disclosure, and tone) were identified and discussed.

Introduction

Crafting the right message and using the right person to deliver the message is crucial for success in advertising. The same premises are true in self-marketing on Craigslist. Online dating is replete with obvious marketing tactics where the presentation of the self is consciously sales oriented (Schau and Gilly, 2003). Given the gap in existing literature, and the opportunity to contribute to the understanding of self-marketing within the context of social media, this research extends the literature on self-marketing and explores the unique communication of online personal marketing in Craigslist.org. . The central aim of this research is to explore the self-marketing used among heterosexuals who are presenting themselves as a total package, like a brand, to interested individuals in this online community. Our research is unique because unlike other research on online dating (Anderson, 2005; Valenburg and Peter 2007) our research explores self-marketing and provides insight for developing marketing communication for online communities and other marketing activities.

Theoretical Foundation

Our culture today is full of examples of self-marketing and personal branding. Popular social media websites such as Facebook and MySpace provide platforms where individuals can communicate their personal brand with other members of the community. There are only a few academic studies that have explored online dating (Anderson, 2005; Valenburg and Peter 2007) and most of these focused on why individuals use online dating sites and attitudes toward online dating.

In computer-mediated environments (CME) individuals present themselves using digital rather than physical referents and reveal personal information about the self to others in a process known as self-disclosure (Schau and Gilly, 2003). According to Moon (2000) self-disclosure is easier in CMEs than in face-to-face interactions because there is less fear of being socially undesirable. Compared to face-to-face communication, the Internet facilitates self-expression where individuals can choose to remain relatively anonymous.

Methodology

Craigslist.org was selected for data collection because it is one of the most popular self-advertising websites in the world The sample data collection process used methods employed by Thomas, Peters, and Tolson (2007) in their research their research on Myspace.com. To obtain the sample data from Craigslist.org the United States was divided into six different regions and the two largest cities based on population were chosen as the sample cities for each region. Data was selected in the Craigslist personal section from the following nine categories: Strictly Platonic, Women Seeking Women, Women Seeking Men, Men Seeking Women, Men Seeking Men, Miscellaneous Romance, Casual Encounters, and Missed Connections. For each selected city, the first fifty (50) posts were extracted and saved as a word document and then printed and filed based on the Craigslist category (i.e., women seeking men or men seeking women). This process resulted in a total data set of 4,800 posts. For the purposes of this exploratory research, information from the women seeking men and men seeking women were combined to examine self-marketing among heterosexuals. This yielded a sample of 1,200 posts for the current study.

Thematic analysis was selected as the method for analyzing the data because it provides a well-accepted, objective, and systematic scientific process for analyzing communication. To identify the categories for classification, the authors independently reviewed the transcripts, noting the general categories of content as they read through the data. Four categories identified were types of interaction, criteria for partner, self-disclosure, and tone. Finally, exemplary verbatim quotes were drawn from the data and incorporated into the findings.

Findings and Discussion

Types of interaction

Types of interaction sought represented both sexual and non-sexual activities. The most frequently mentioned type of interaction was dating (n=282, 36%) and least mentioned was kinky (n=53, 6%). A fifty-six year old executive from New York posted the following, "seeking the exclusive company of one highly intelligent, sexy, very attractive young woman for an exclusive intimate relationship based on a mutually beneficial arrangement." In this post he clearly reveals that he is looking for an intimate relationship and the characteristics that he is looking for in a relationship. While a few of the posts were classified as containing lewd comments, most of the interactions listed revealed that heterosexuals were seeking traditional types of interactions that would commonly occur in traditional dating situations.

Criteria for partner

It was not surprising that the criteria for a partner focused frequently on physical characteristics (n= 374, 50%). In the absence of a face-to-face meeting it is important for those seeking a date or partner to understand the physical makeup of a potential date. The second most frequently cited comments were related to demographic issues such as race, religion, and professional status (n=193, 24%). The criterion used to search for and evaluate potential partners goes beyond physical characteristics.

Self-disclosure

Not surprisingly, many individuals offered information about their physical characteristics (n=492, 27%) and personal demographics (n=328, 18%). It is interesting that, while individuals are seeking someone that meets specific criteria, they are also not afraid to disclose their personal information. The truthfulness of the self-disclosed information is an issue for those seeking a partner. Similar to how consumer brands are recognized by their trademark, self-marketing provides cues such as physical characteristics and hobbies that are used to help others determine whether or not the person is a fit for them.

Tone

The tone of the personal ad conveys the overall feeling and approach that the individual is using for the advertisement. The tone varies depending upon the individual writer of the post.

The tone used for the post provided additional insight into the individuals approach to self-marketing. The posting of pictures in many of the posts (n=258, 55%) underlines the need to see the individual. Many of posts (n=101, 21%) revolved around the concept of honesty, or in the vernacular "keeping things real." The tone of the post is important because the language selected for use in the post is a cue used in self-marketing. If the post is deemed too wordy or the individual is believed to be dishonest, his personal advertisement may be ignored.

Managerial Implications

Findings from this study expand the existing literature on online dating by presenting new insight into individuals' self-marketing tactics. Crafting the right message and using the right person to deliver the message is crucial for marketing success. The same premises are true in self-marketing on Craigslist. Online dating is replete with obvious marketing tactics where the presentation of the self is consciously sales oriented (Schau and Gilly, 2003). The types of interaction, criteria for partner, self-disclosure, and tone of the post reveal that online self-marketing is carefully constructed and communicated. From a marketing perspective, our findings provide new insight into how identities are constructed and insight for creating marketing messages. For example, consumers often try a product because they like the package and/or remember a slogan or brand message. In much the same way, when online self-marketing is effective, an individual might connect with someone whose post matches his/her personal views, aspirations, and dreams. Thus, it is important when creating marketing messages to understand what types of messages would appeal to the target market. Should the message be about building a relationship with the consumer or about benefits offered by the product? What selection criteria are important to members of the target market? Is the criteria more fact based (i.e., like demographics) or is it related to physical characteristics? Finally, how should the marketing message be constructed? Answers to these questions can assist marketers in crafting a message and improving positioning of brands.

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Summary Brief

We Are Family: The Role of Fifi and Fido in the American Home

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The authors empirically examine the evolving role of dogs in the American family and how owners' demographics affect those roles; dogs' roles ultimately have marketing implications as they impact consumer spending. Seven hundred ninety-three dog owners responded to a survey posted in the community section of craigslist.org in January 2010. Among other things, they were queried about why they acquired the canine members of their households. In the $50-billion a year pet industry, the marketing implications of pet parenting abound, but the authors learned that taking care of Fido and Fifi goes beyond spending money. A lot of the pampering is priceless. In this paper, the authors look at a subset of questions dealing with owners' demographics and the reasons why they acquired their dogs. A preliminary framework was developed and results discussed around these variables.

Introduction

Despite the recession, Americans kept spending more on their pets each year, even during the downturn. In fact, they may have cleaved more strongly to their pets because of it. According to the American Pet Products Association (APPA), Americans took over $48-billion out of their wallets in 2010 to pay to support their pets' needs. And those "needs" kept expanding to cover everything from pooch-worth purses to the latest medical technologies to treat every disease and disorder imaginable.

Statistics show that the number of dogs and cats residing in our households is approaching a three-fold increase in the last four decades, going from 61 million in 1972 to 165 million in 2010 (APPA 2011). That is a lot faster growth than the 66% growth of the American population in the roughly comparable time period (1970 to 2010), according to the U.S. Census. With 62% of households having at least one pet, it is more common than not to share a residence with a non-human pal (APPA 2011). Over the decades, Fido has moved from the barnyard to the backyard to the den to the master bed. During this transition, his owner has, understandably, paid a lot more attention to his grooming needs and overall hygiene. However, his owner's attentiveness appears to go well beyond the overtly sensory to deep-seated bonding. Dog owners lavish a multitude of pampering behaviors and indulgences on their dogs in ways that cost both time and money or for which they simply spend their time and attention. In most households with dogs, they have truly become another member of the family, with rights and privileges to go along with that status.

While the full empirical study looks closely at the ways owners pamper their dogs, in ways in which they do and do not spend money, this paper dissects a slice of the data that examines the reasons why owners acquire their dogs in the first place. The authors compare owners' demographics to those reasons, develop a preliminary framework, and test the relationships.

Abbreviated Literature Review

In a seminal treatise on consumer behavior, Belk (1988) indicates that consumers' possessions are contributors to and reflections of their identities. Though Belk intended his study to apply to inanimate consumer possessions, there is no reason that his findings do not apply to animate consumer possessions, such as pets. In fact, it is possible that consumers consider their pets to be even more an extension of themselves than they do other inanimate consumer possessions.

Nearly four decades of research has been done showing the value of pets on human welfare (Kidd and Kidd 1980). For example, Gunby (1979) found that heart attack victims were more likely to recover if they were pet owners. Other research has found that pet ownership increases the human life span (e.g., Thompson 1973). There is much research evidencing the psychosocial benefits of pet ownership for adults (e.g., Corson and Corson 1978; Ryder 1973) and children (e.g., Levinson 1972). One article reported that a majority of scientists believe that 13 animal types have a moderate capacity for cognition and have at least a moderate capacity for sentience (Knight et al. 2009). Thus, it should not come as a surprise that in 1979, Cain reported a study that found 87% of consumer respondents considered their pets to be members of the family, 36% said they thought of and treated their pets as people, and 37% indicated pet ownership has helped them maintain and/or increase their social contacts and relationships.

Methodology

An electronic survey was developed. Most of the questions for the survey had been pre-tested with a paper survey administered to over 100 students and 20 general public participants of a local dog festival. The pre-test served to test the questions and the exhaustiveness of the reasons for dog ownership and pampering. Data were gathered using the paper survey over the course of one year before the electronic version was launched.

The survey was deployed by posting a request with a link to the survey via craigslist.org in the pet section of the community discussion board. This was chosen because it seemed to be the most logical and appropriate placement within craigslist for this discussion. While a few other social networks and forums were tested, none generated an equivalent response rate in such a short time frame as craigslist. Several markets geographically dispersed around the country which featured urban, suburban and rural components were selected. Postings were sequential due to the restrictions of this website. All survey data were gathered between January 10th and January 17th, 2010.

Sample

The survey sample consisted of 793 respondents. Demographically, the sample appeared to be fairly reflective of the U.S. in all ways except one: 90% of the sample consisted of women. The authors do not know why that is. The subject matter, the place where the survey request was posted, or the fact that there was no incentive offered may have contributed to the skew. Gender aside, 57% of the sample claimed to be married, 20% single, 14% living with a partner, and 10% separated, divorced or widowed.

The most common sized household of respondents was two (43%), followed by three (18%), four (14%), one (13%) and five or more (11%). The most reported number of children under 18 living in the household was zero (68%) followed by one (15%), two (11%) and three or more (6%). It may not be surprising to see so many pets in so many households without children as pets appear to be the new child surrogates in our society (Walker 1993).

As to age, fully one quarter of the sample consisted of 25-34 year olds, followed by Baby Boomers in the 45-54 year old age group (23%), Generation X'ers that were 35-44 (21%), older Boomers aged 55-64 (15%), and some younger people aged 18-24 (12%). The rest of the sample was filled out by 65-74 year olds (3%) and some under 18 year olds (2%). Therefore, this survey cut across virtually all age groups.

The representation from various income groups was broad, but skewing somewhat to those earning over $50,000 per household. Leading the respondents were those with household incomes in the $25,000-$49,999 range (27%), followed by those in the $50,000-$74,999 range (22%), the $75,000-$99,999 range (13%), the under $25,000 range (12%), the $100,000-$124,999 (8%), and over $125,000 (6%); 13% refused to answer this question.

Results

The authors ran exploratory t-tests and regression on the independent variables, the demographics, against the dependent variables, the reasons why owner acquired their dogs (statistics not displayed here due to space limitations). Those reasons were all measured on a 5-point importance (interval) scale ranging from extremely unimportant (1) to extremely important (5). Overall, the most important reason for acquiring a dog proved to be for companionship with a mean score of 4.65, followed by someone to play with at 4.03, a buddy to exercise or take walks with (3.87), someone with which to communicate (3.75), security (3.22), and to teach children lessons such as responsibility and sharing (2.36). The least important reason for most people was for the dog to play the role of a service dog (2.05), which is not surprising given that this is a specialized purpose requiring dedicated training.

Discussion of Findings

Several statistically significant relationships emerged among the variables studied. As to gender, females were more likely than males to buy dogs for service. Marital status had some effect: the authors discovered that separated, divorced or widowed people were more likely to buy a dog for teaching their children lessons (e.g., responsibility, sharing) than married people were. There was a relationship between household size and buying a dog for two reasons: the larger the household, the more likely a dog was acquired for teaching children lessons or communication. The more children that resided in a household, the more likely it was that a dog was acquired for teaching the children lessons or communication. The younger the dog owners, the more likely they were to acquire a dog for communication, teaching the children lessons or security. The lower the household income, the more likely they were to acquire a dog as a playmate, to serve as a buddy for walking or exercising, for communication, or for service.

Conclusion

The results reported here represent the first analyses of what the authors hope will be a rich study on the marketing implications of dog ownership—implications that affect advertising, veterinarian services, and offerings by pet food, grooming and toy manufacturers and retailers, to name a few. In this paper, the authors discuss the relationship between demographic variables and reasons why dog owners acquire their dogs in the first place. This is the point of embarkation to a study that eventually will dive into several other tributaries such as what these owners purchase related to those reasons for having their dogs and how they reward and pamper them.

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Summary Brief
Graphic Novels: Exploring the Relevance for Marketing Promotion and Learning

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The following summary brief seeks to stimulate interest and promote discussion on advancing the study of graphic novels as a phenomenon of scholarly interest to marketing educators and researchers. After a brief introduction to the history of comics and the development of the graphic novel genre, the session covers three major areas of scholarly interest: 1) the mechanics of comics' construction and effects on cognitive processing, 2) sociological consequences of graphic novel readership and its connection to brand communities, and 3) graphic novels as a new media format for student and consumer learning.

Introduction

Comics, as both commodity and promotional tool, are not a new phenomenon. Recall the tale of Mac the 90 pound weakling, who after being humiliated on the beach, was transformed thanks to the bodybuilding tools of Charles Atlas. The comic genre arguably gained heightened legitimacy as a domain of scholarly study with the advent of works such as Eisner's (1975) Contract with God and the Pulitzer Prize winning Maus by Art Spiegelman (1986). Today, the extended comic narrative more commonly termed graphic novel, is a widely accepted literary art form that has broad global appeal with examples of marketing applications found for products as diverse as emergency first responder systems (Microsoft's PIVMAN) to luxury Swiss watches (Linde Werdelin's The Perfect Five).

The Mechanics of Comics and Reader's Cognitive-Neural Processing of Stories

The concept of closure, central to theses of comics construction, emphasizes what happens within the mind of the reader between the panels aka in the gutter. Readers' interpretation of comic stories rests heavily on what they bring from personal memory and experiences into the storyline; the gutter and its placement in the juxtaposition of independent panels is where the readers generate meaning (Eisner 1985, 1996; McCloud 1993).

In comics, readers are presented with multiple narrative elements (e.g. panels, gutters, balloons, captions, marks, and text effects), thus, the ability to simultaneously process individual elements and integrate this multimodal information defines the reader's construction of meaning. Kress (2003) recognizes differences in how readers process and conceptualize text and visuals. As words in texts follow a type of time-sequence logic, a more linear processing is required. Conversely, as visuals relate more to a spatial logic, a type of simultaneous or non-linear processing is required. Thus, the cognitive processing of comics requires both the sum of different mode interpretations and the personal experiences that readers draw from memory to shape their understanding of narratives (Romanelli 2010).

Neuroscience studies have demonstrated differences in brain activation when people are exposed to diverse types of texts and images. Lane et al. (1999) showed that, after exposure to emotional images, a higher interaction between emotion and attention centers in the brain was detected, which suggests that the combined effect leads to greater visual processing. Similarly, research suggests that evaluations of others' emotions depicted on face images and cartoons involve different brain activation patterns, largely related to the level of abstraction used in the visual stimuli (Jovicich et al. 2000, Ochsner et al. 2004). As 'abstractness' in comics vary as a function of the artist's drawing work, the interpretation and processing of comics as a consumption object presents interesting opportunities for advertising and consumer neuroscience research.

The Sociological and Anthropological Consequences of Comic Readership

Comic readers often form a cult like sense of affiliation based on identification with the characters and subcultural connections with the graphic narrative (Pustz 2000). This sense of interpretive community is similar to brand communities in marketing. Comic design factors can affect levels of identification. For example, the more abstract the drawing is, the more the reader identifies with the subject through "masking" (Royal 2007). Alternatively, the more photo-realistic the image is, the greater the sense of "otherness." Otherness might be a desirable trait in objectifying aspects of the brand and accentuating its uniqueness and status. Alternatively, the abstraction of graphic novel characters should theoretically enhance the reader's empathy with particular traits or qualities of the character that can in turn imbue ownership of the brand with desirable brand associations.

According to Pustz (2000), most comic readers get gradually immersed into the comic culture by developing their own language, knowledge, and practices which are shared with other members of their 'comic community'. The powerful combination of visual images and narrative make comics a unique tool to help consumers visualize and understand the complexity of their local and global realities (Darlington & Kashtan 2010), as demonstrated by Japanese comic books (i.e. manga) which have become very popular in Europe and the U.S.

The Emergence of Graphic Novels as a New Media Format for Learning

Recently, educators have advanced pedagogical uses of graphic novels, extending their formerly recognized function of entertainment and uses in media technology classrooms (Handsfield et al. 2009; Tabachnick 2009). While pedagogical uses first gained popularity in secondary education to engage students with varied content domains such as English literacy, media literacy, and social studies, more recently they have been recognized as useful for tertiary education. Literary scholars include graphic novels such as *Maus* (Speigelman 1986) and *Persepolis* (Satrapi 2003) to explain the historical, political, religious, and social contexts. Similarly, researchers at Texas Tech have introduced a higher-education management textbook in the form of a graphic novel, '*Atlas Black'* (Short et al. 2010), in which characters are engaged to play out management skills over several book chapters. Graphic novels hold similar promise in marketing education.

The potential uses of graphic novels to market social issues also hold significant potential. A particular form of graphic novel known as "graphic pathography," educates adults diagnosed with disease and makes explicit the mind of a diagnosed person, showing their authentic rather staged reactions, and their struggles with denial and other thoughts and behaviors that undermine their health treatment (Cornog 2009). Despite their growing popularity, graphic pathographies have not been programmatically investigated (Green and Myers 2010). Clearly, marketing academicians should be at the forefront of this research movement to better explore the value of graphic novels as a tool for health and related social marketing issues.

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Case Summary Brief
Emporium Luggage

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The Emporium Luggage case focuses on Phil Wein, the retailer's president, consideration of a new physical store. Information is provided about the retailer's context, competitors, and customers as well as the retailer itself. Besides considering suitable locations, students will need to work through the purpose of a physical location and the merchandise mix. Finally, the promotional mix will need to be evaluated. A set of discussion questions can be used to guide the students.

Decision Dilemma

In October 2010, Phil Wein, president of Emporium Luggage, was looking for ways to expand his retail luggage operation. Like many firms in the luggage industry, his leisure travel segment had been hurt by the 9/11 terrorist attacks. Now, the U.S. recession and the resulting higher unemployment rate had cut down on business travel. Hence, his core business customers were no longer spending as much money on travel.

However, the greater Chicago area continued to expand westward. Wein thought he might have an opportunity to better serve those customers with a new retail location.

Like all physical retailers, Emporium Luggage had lost customers to Internet-based retailers, including Amazon and had countered by adding two Internet stores, which were not branded as Emporium. These stores offered similar luggage items but not the same merchandise mix as Emporium.

Phil wondered if he should open another store to be located closer to potential customers. If so, then he wanted to review and possibly change the merchandise mix to meet his customers' needs.

Situation

Emporium Luggage was a Chicagoland-based company that offered a variety of merchandise and service. It maintained three stores and two websites.

Irving Wein, Phil's father, started the company in 1947. In the late 1970s, David and Phil Wein (Irving's sons) joined the business, with Phil eventually taking over as company president. At its height, Emporium maintained 13 locations in the greater Chicago area. The emergence of the Internet, increased price pressure from discounts mass merchandisers, and other external market forces had forced Emporium to reduce the number of stores. Emporium Luggage still thought of itself as a family business. The company had no formal mission statement or clear understanding of their positioning.

Besides the stores and the two websites, Emporium Luggage maintained a presence on Amazon. However, this arrangement was not exclusive, as Emporium competed with other luggage retailers on Amazon, as well as Amazon itself. Amazon proved especially troublesome. If Amazon detected a price change on Emporium's page (or on any retailer's page), then Amazon would lower the price of the particular merchandise item on its own page.

The effect was twofold. One, Amazon, not Emporium Luggage, would appear as the low cost provider when a consumer searched for a merchandise item on Amazon's site. Two, Amazon's site would appear first, or close to first, if the consumer used Google to search for an item. Phil was reluctant to give up the Amazon presence because competing luggage stores would continue to maintain their Amazon presence. To turn a brick-and-mortar dictum, if you cannot sell *what* you do not have on the floor, then you cannot sell *when* you do not have an Internet site.

The Luggage Market

By 2010, the recession and the economy's slow recovery had hurt Emporium's store sales. Competition remained intense, as many retailers offered luggage. In a mall, upscale department stores, mass merchandise department stores, and discount department stores offered luggage. Thus, a typical medium- to large-sized mall might include three to five competitors.

Larger drug stores sold smaller luggage pieces. Internet-based stores and mixed channel outlets increased the competitive set. Most websites offered free or discounted shipping services, although. Some offered free shipping provided the customer spent a minimum amount (e.g., $150) on each order. While Phil's two websites offered non-exclusive merchandise, Emporium did stock merchandise that was not offered through Internet resellers.

Luggage, Airline Fees, and Regulations

Buying luggage was not a simple undertaking. Airlines charged a variety of fees as a means to generate revenue. Some airlines had added fees for checked luggage, while others began stringently enforcing federal regulations for luggage size.

Luggage size also needed to match the type of travel being undertaken. Carry-on luggage was ideal for a short trip; medium-sized luggage was needed for a 4-7 day trip, and large, wheeled luggage was needed for longer trips and vacations. With luggage weight restrictions from airlines, where checked baggage could weigh no more than 50 pounds (23 Kg), lightweight luggage had become a priority for leisure travelers.

According to the Transportation Security Administration (TSA), airline passengers were allowed one carry-on bag and one personal item, such as a purse, laptop, or briefcase. Carry-ons also included garment bags, duffels, and tote bags. Carry-on luggage had to meet size requirements so that items fit in the overhead bin or under the seat in front of the passenger.

Thus, business and leisure travelers were looking for luggage that would meet both federal regulations and airlines' rules regarding overhead bins as well as checked luggage.

The Company

The size of a typical Emporium store was between 2,000 and 4,000 square feet. The company used both shopping mall and strip mall locations with varying degrees of success. Shopping mall stores were closer to 2,000 square feet because rent and fees were based on square footage. Strip mall locations were closer to 4,000 square feet because of the lower of fees.

Wein used several criteria to determine the appropriateness of a location for a new store. He began by analyzing the trade areas of proposed locations, as well as local competition, giving a personal assessment of the potential for success in the area in general, and certain retail locations in particular. Wein also looked for a broad customer base and/or trade area with a commercial office park nearby. Commercial office parks indicated there would be a large number of potential business travelers in close proximity to the new location.

In addition to the above criteria, Wein also looked for the following characteristics in a strip mall location: (1) the store must be accessible from the outside, (2) customers must be able to see the store sign from the street, and (3) the location must offer a minimum traffic count of 50,000 cars per day. If those three main characteristics were satisfied, then Wein considered presence of controlled access and store mix. The strip mall should contain a destination store (e.g., wine store, dry cleaner, cigar store) to generate traffic.

Regardless of size and location, 80% of the store was devoted to selling space. Merchandise was grouped by brand and type. For example, Samsonite luggage had its own display area. Gifts and travel accessories, such as TSA-approved luggage locks, were located elsewhere in the store. Typically, gross revenue, by percent, was generated as shown in Table 1.

Table 1. Emporium's Percent of Revenue by Category

Product Category	Percent
Luggage	60
Cases (backpacks, briefcases, computer cases, etc.)	20
Leather Goods	5
Travel Accessories	5
Luggage Repair	5
Handbags/Gifts	5

Wein wondered if a standard store set was the best way to present his merchandise. He was concerned about the amount of selling space devoted to luggage as sales of cases for electronic devices and travel accessories appeared to be increasing. Although luggage sales were still the largest source of revenue, he considered changing his merchandise mix based on store location. Wein was not sure how to go about reallocating space and thought he might ask his store managers for their suggestions.

Each retail store had one full-time manager. Depending on foot traffic (i.e., customer count) and sales metrics, a store may be able to handle up to two additional employees, either one full-time and one part-time, or two part-time. Employees were paid a salary. Manufacturers offered various sales incentives/reimbursements on particular brands or items within a product line, which were in addition to the employees' salary and paid directly to the individual making the sale.

Wein wanted each store to maintain a 40% margin. In order to achieve that goal, discounts and allowances were negotiated on a supplier-by-supplier basis. Markups on product lines varied, depending on manufacturer deals and an individual item's sales volume. Wein also knew that he could not afford to have store rent exceed 12% of gross revenue if the store was to be profitable.

Emporium relied on a variety of firms for merchandise. Besides well-known brands such as Samsonite, American Tourister, and Victorinox, vendors such as The North Face, Eagle Creek, and Dooney & Burke also provided luggage. Often, these vendors supplied other retail formats such as websites, mass merchandisers, and specialty stores.

Emporium's employees were very knowledgeable about the merchandise they sold. Buying luggage was a somewhat complicated process due to changing policies and regulations.

Customer Profile

Emporium's primary customers were business travelers. When the economy was healthy, more customers were traveling. Conversely, when the economy was sickly, as it was at the time, fewer customers were traveling. Emporium's customers' typically came from households with an annual income of $100,000 or more and expected good service. Given the options for luggage, the purpose of the trip, and the regulations and policies, customers relied on the knowledgeable store employee that worked Emporium.

Generating Store Traffic

Emporium Luggage had relied on traditional word-of-mouth among its current customers to create store traffic, as well as to develop new customers. Wein had tried direct mail and had bought advertising space in the local weekly newspapers. These efforts had brought limited success. Signage and location seemed to matter more than traditional forms of advertising, and had always worked well in the past. Still, he could not help but wonder if he was leaving something on the table.

Discussion Questions

1. Describe the situation facing Phil Wein. What forces in the marketing environment should be considered when opening a new store?
2. Why does a luggage store, such as Emporium Luggage, exist? What is the unique selling proposition (USP) of a "brick-'n-mortar" location compared to a virtual store? Does Emporium Luggage offer customers some kind of "value added" experience? If so, how does this value added differ between the store and Internet experiences?
3. Write a mission statement for Emporium. How would that mission statement impact the strategic and tactical decisions?
4. Currently, Emporium focuses on selling luggage. Should a new store continue this focus or change its focus? How would this decision affect the decision to select a new site? How would retail space be allocated?
5. How should Mr. Wein promote a new store opening, as well as Emporium's current locations to new and current customers?

Case Summary Brief
Roger McFearsom: The Ethics of Complying with Requests

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Roger McFearsom is into his third month as a salesman. He is approached to sign a birthday card and contribute for a gift. His situation presents ethical and legal questions he must face with just moments to make his decision.

Introduction

You want me to sign a birthday card and cough up $200 for Ms. Solomon? Roger found himself saying out loud to Chuck Stayer who is the divisional director of sales at Alliance custom software. Chuck reports directly to Ms. Solomon, the vice president of marketing. Chuck has 23 direct report sales representatives under his supervision. Roger McFearsom reports to Chuck. Roger is on track to make his bonus as long as everyone he reports to above him is satisfied with his performance.

Chuck works closely with Ms. Solomon helping to manage the sales activities of the region. Through daily phone and electronic communications, Ms. Solomon is known to the sales force and office staff as "the witch." During a regional sales meeting with Ms. Solomon and Chuck, Roger thought to himself, "My colleagues were right. Three months here at Alliance and Ms. Solomon is one of the most toxic people I have ever met. Chuck is such a suck up to Ms. Solomon. Chuck would kiss her feet if she asked him to. I've never met two people who are so conceited, lacking in the most basic interpersonal relations skills. I guess being the boss allows you to be a jerk."

The sales team meets every two weeks in a collective body, usually through a teleconference but occasionally face to face. Everyone knows everyone. Ms. Solomon is a "rain maker" who can make or break a salesperson and the division. She can grant or take away resources needed to do the job. She is also the person who signs off on raises, bonuses and the best sales territories.

Next week is Ms. Solomon's birthday. Publically she says, "I do not like birthdays, please don't remind me." However, given her lack of outside relationships, her birthday and an after-hours office celebration with a big gift is something everyone in the division knows she looks forward to. For years, Chuck has been the go-to guy who makes sure a birthday card is passed around so all her "beloved" employees can wish her well.

Roger McFearsom

Roger graduated three months ago from university. This was his first professional sales job. He was fortunate to be hired by Alliance earning a base salary of $37,000 with bonus potential of an extra $12,000. Roger only knows Ms. Solomon from his contact with her at work. She is someone he knows he must work with, and for, to keep his job. Roger pondered the headlines in the *Wall Street Journal*, "Unemployment rate 9%, Economy Still Uncertain." Roger thought about his friends from university that still did not have jobs, let alone prospects for a good job like he landed. Roger thought to himself, "I just can't stand "the witch." Roger loathes her and wants to be as far away from her as possible.

Roger had been frugal with his finances, saving for the upcoming weekend with his fiancé. The weather was expected to be fantastic at the beach. Roger had one more sales meeting before he was on his way. During a break at the meeting, Roger was surprised when Chuck approached him saying, "Hey, you know it is Ms. Solomon's birthday next week. I want you and Fernando (another sales associate) to sign the birthday card I am sending around. By the way, everyone is chipping in $200 each for her birthday present." Roger looked at Fernando hoping he would say something.

General Questions for Discussion

1. Is asking Roger to sign the card and pay $200 an ethical issue?
2. Should Roger sign the card? Why? Why not?
3. Is what Chuck did ethical, moral, legal, in good taste?
4. What are the potential ramifications to Roger for signing or not signing the card?
5. Would it make a difference if Chuck had simply asked Roger to sign the card without asking for money?
6. What would you do and why?

Learning Goals

1. To consider the differences between an act that is legal, ethical, and moral.
2. To consider the differences between gift giving, extortion and bribery.
3. To motivate participants to consider strategies to avoid compromising personal and professional ethics and morals.

Target Audience and Use

This is a general discussion case which may be used without detailed ethics preparation. However it may be used following more detailed learning assignments that dig into the nuances of ethical theory. It may be used in undergraduate level and MBA level business courses. Birthday cards and gifts to supervisors at work are general situations that most students will encounter in their work environment at some point in their career. Situations such as this routinely occur in business. As an employee, an immediate response will be required with little time to think through the ramifications of their actions. Having the experience of addressing these scenarios in a classroom environment, thinking through theoretical concepts, consequences, and intended behaviors before the similar situations arise has proven beneficial to students who have used the events noted in this case in the past.

The case may be used as a stand-alone homework assignment. Historically, it has worked better with students working through the issues at home, having an assignment that involves the foundations of ethical philosophies then discussing their views in a classroom format, live or through electronic discussion methods.

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Case Summary Brief
The Case of the Houston Marathon: Managing a Reputation Problem

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This case provides a study in non-profit marketing and the application of marketing tools to pursue non-revenue-related goals, such as reputation management. The Houston Marathon faced a declining reputation in the running community due to unhappiness with registration policies that were designed to limit the number of runners in the Marathon. This case considers the causes of runner dissatisfaction and provides the opportunity to address how a nonprofit can manage its brand equity. The case further examines specific marketing objectives and target markets the Marathon should pursue, and it concludes with questions specifically formulated to explore marketing proposals for modifying the Houston Marathon's promotional mix and pricing strategies. The case is particularly relevant for the study of services marketing and nonprofit marketing at the undergraduate and foundations graduate level.

Introduction

The Chevron Houston Marathon has a PR problem, but it is a problem borne of success, not failure. In recent years, members of the running community have been vocal about their dissatisfaction with the Houston Marathon. Most of the complaints result from registration issues. Runners have vented their frustrations, because some who want to register for the race are unable to do so, and others feel the system the Houston Marathon uses to determine who can register for the race is simply not fair (McGowan 2010).

The increasing popularity of the Marathon has forced organizers to make a series of changes in registration policy to better control the number of runners, holding it to a size that can be accommodated on the streets of Houston. But, the interests of various constituencies have collided, and the Houston Marathon Committee finds it must address its declining reputation.

Background

The Houston Marathon is organized by the Houston Marathon Committee, which was founded in 1972. The first running of the race was in December of that year and has been held continuously every winter since ("Our History" n.d.). The Committee added a half marathon to the event in 2002 and a 5K in 2004 ("Results" n.d.). The three events take place on the same day and are together commonly referred to as the Houston Marathon. The events attract well-known international runners, experienced and novice local runners, and groups. Many participants are running for personal reasons, and others are raising money for charities.

The Houston Marathon has become a national-level event, hosting national championships in 1979, 1998 and from 2005-2011 ("Our History" n.d.) as well as the U.S. Olympic Trials in 1992 and 2012 ("Houston selected…" 2010). The race has received plenty of positive exposure for these achievements, and it is generally well regarded nationally, but Houston-area runners have been vocally unhappy about recent changes to the registration process.

One can imagine a veteran runner repeating to himself as he passes mile marker 21 and rounds Memorial Park, "Five miles to go. Just five more miles." He is just five miles away from the finish line of the Chevron Houston Marathon and beating his fastest marathon time. As he crosses the finish line, the gathered crowed hears his breathless yell of excitement and sigh of accomplishment. This feeling is the reason over twenty thousand marathoners show up in Houston, Texas every January to run the Chevron Houston Marathon.

The Marathon is known for its fast, flat course and ideal weather conditions for any level of competitor, not to mention the potential to qualify for the Boston Marathon (Adventure Marathons n.d.). Perhaps these are the very reasons that the number of runners keeps increasing and the amount of time it takes to fill up all of the available registration spots for the Houston Marathon keeps decreasing every year.

Registration Changes

The Houston Marathon first implemented a registration cap for the marathon and half marathon in 2006 due to concerns that the increasing popularity of the race would cause the number of participants to overwhelm the course. As initially implemented, the cap, set at 15,000, was a limit on the total number of participants in the marathon and half marathon. It did not set specific limits on the number of participants in each individual race. In 2007, the races "sold out' for the first time, reaching the 15,000 registrant cap six months after registration for the race opened. The cap increased in 2008 and again in 2009; each year it was selling out more quickly than the previous year and runners were clamoring for an increase in the registration cap. More specifically, marathon runners were very unhappy and vocal about "their" spots being taken by half-marathon runners who had registered earlier.

In 2010, the Committee responded to these complaints by raising the cap to 22,000 total participants and including sub-caps of 11,000 in the marathon and 11,000 in the half marathon. Despite the large increase in the cap, registration closed in record time – all half-marathon spots were filled within 18 hours and all marathon spots were taken within 60 hours.

The Committee realized that simply increasing the cap every year was not enough to keep up with demand and satisfy runners' desire for a fair and predictable way to register for the marathon. Therefore, the Committee decided to keep the cap at 11,000 runners in each race (22,000 for the event) and implement a lottery system for the 2011 race. Runners have the opportunity to register for the lottery in advance, and participants are randomly selected from the lottery entrants at a pre-determined and published date.

To enter the lottery for the 2011 marathon, runners were required to register on the event website sometime during a 17-day period from July 27, 2010 to August 12, 2010. It was also possible to enter the lottery as a group (up to 10 people); this option makes certain that either everyone in the group gets selected or no one does. Then, on August 17, 2010, the Houston Marathon Committee announced which participants had been selected. The debut of the lottery system, however, presented some very negative responses, particularly from the loyal runners who were not selected.

Promotion and Social Networks

The Houston Marathon gets some coverage in local media, mainly through the Houston Chronicle; the Chronicle's running blog, RunHouston, and the local ABC affiliate, which broadcasts the race live. Coverage in these media outlets is largely positive. The Houston Chronicle's coverage is mainly limited to re-releases of official press releases from the Marathon Committee. The ABC affiliate mainly runs promotional and human-interest pieces to attract viewers to its live race-day broadcast. The RunHouston blog does criticize the race's policies when the authors believe it is warranted, but usually maintains a fairly positive slant even when offering these criticisms.

The biggest negative media response has come from the runners themselves. For example, reader comments on many of the Houston Chronicle's online stories usually show more anger and frustration than understanding of the Marathon's policies (MacInnis 2010), and many runners and fans that are upset about the recent registration system are using Facebook as a way to express their opinions about the lottery system. While some of the Facebook posts have been positive, the vast majority has been negative and demeaning. In March 2009, the Houston Marathon jumped on the social network train and set up its own Facebook page, which it uses to advertise and promote the race, to communicate with the runners, fans, and the marathon community, and to generally keep tabs on what runners are thinking.

The Houston Marathon advertises in four places: the Houston Chronicle, the Houston Press, Runner's World Magazine, and KTRK-TV ABC13 (McGowan 2010). The advertisements that the Marathon places in these outlets are informative in nature, i.e. geared towards runners to inform them of the opening and closing dates of registration and towards community members to inform them of the race date and encourage them to participate as spectators.

The Houston Marathon's public relations efforts have, to date, been similarly basic. The Marathon interacts with the media primarily through press releases that announce significant events such as registration opening and closing. Aside from an occasional interview on local television, these press releases are the extent of the Marathon's direct interaction with the media (McGowan 2010). The Marathon's 'Run for a Reason' program, in which runners can raise funds for their favorite charity, and the Kids' Race that precedes the marathon can also be seen as public relations activities, since they aim to relate the Marathon to socially positive positions in a way that improves the public's perception of the Marathon.

Questions

1. Is current runner dissatisfaction with recent changes in registration policies a long-term threat to the Houston Marathon's brand? Explain. What specific marketing objects should the Houston Marathon pursue as it strives to improve its reputation?
2. The Houston Marathon Committee is not using pricing as a means of influencing runner demand for registration in the Marathon. Should it consider this? Why?
3. As with most non-profits, the Houston Marathon has several market segments that it must consider in accomplishing its objectives as an organization. Identify these market segments and the importance of each to the Houston Marathon. Are applicants that were not selected through the lottery to participate in the race an important market segment? Explain.
4. How has social media changed the environment in which the Houston Marathon Committee operates? How can the Committee use social media to advance its objectives?

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Research credits

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[Full case with teaching notes available]

Summary Brief
Using Marketing Audits as the Basis for Nonprofit Case Generation

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This paper describes an efficient approach to developing current and applicable cases for use in courses with a nonprofit focus and that cross all administrative disciplines. The currently used approach described in this paper has been developed over a period of about 15 years and has proven successful. Lessons learned from the implementation of marketing audit assignments and the resulting creation of a collection of nonprofit case materials are summarized.

Introduction

Classroom discussion cases have remained popular throughout the past several decades in business school classes (Christensen and Hansen 1987). Cases are used in several types of marketing courses as the basis of problem solving, discussion, presentation and the development of analytical skills. Although courses in nonprofit marketing have maintained a steady following throughout the years, the number of cases focused on nonprofit organizations has failed to keep up with the demand in marketing.

This paper explains a way that the authors have paired assignments in conducting marketing audits in nonprofit organizations with using those audits as the sources of information on which nonprofit cases are based. The process of doing that is explained and tests of both the audit assignments and the use of the resulting cases is reported.

Need for Cases

Cases are readily available in a variety of marketing course topics. As nonprofit marketing is a relatively new topic in the business curriculum and it is rather well suited to the use of classroom cases, one would expect a strong supply of nonprofit marketing cases. Unfortunately the number of current cases in the area of nonprofit marketing is quite limited. If cases are to be incorporated into these courses, a better source of high quality cases based on the experiences of nonprofit organizations must be found.

Nonprofit Marketing Audits

Historically, cases have been written by instructors through interaction with chosen organizations. This approach is sound but very time consuming. A second approach was discovered as a by-product of another classroom assignment—the marketing audit of the nonprofit organization. In order to give students an opportunity to interact face-to-face with marketing leaders of nonprofit organizations and assignment was developed to prepare students to conduct marketing audits of those organizations. The basis of the marketing audit assignment was an expansion of Kotler's (2000) nonprofit audit outline. Once they were competent in conducting such an exercise, students were sent out in pairs to interview leaders and observe activities called for in nonprofit marketing audits.

Students received a grade for the term paper resulting from the audit assignment. As part of the assignment students were expected to identify areas of marketing problems and then collect the information from the organization needed to analyze the problem and offer some strategic solutions.

Turning Audits into Cases

In a typical class of 24 students, 12 marketing audit papers would result. Of that number usually two to four audits showed promise as cases. Following up with the organizations that had been the subject of the audits, the most promising organizations would then be further examined by the faculty member and the audits would be written into the form of discussion cases.

Additional work and the acknowledgement of the students who had done the initial audit work either as co-authors or simply for their contributions would bring the case to completion.

Putting the Case Together

Once the audit is chosen to convert into a case, an outline of the case can be built. A check list of facts that may not be in the audit must be made and the key person from the nonprofit organization should be contacted. Permission to write and use the case must be obtained from the organization. A draft of the case is then completed. A test of the case with a student class discussion is undertaken with a subsequent revision and addition of any explanatory material that would make the discussion better.

Feedback from the Students

To assure that both audits and cases were useful to class members, feedback from the students who completed the audit assignments as well as evaluations of the resulting cases is reported. Both groups of students reported high levels of satisfaction with the audit assignment and with the resulting cases.

Enriching the Cases

Additional ways of enriching the final case product are discussed. Among those ways are:

1. Leave out most of the irrelevant information. Student audit assignments will contain much information that does not relate to the primary problem in the resulting case.
2. Add appendices to the case based on information collected in the audit.
3. Add information or focus sections based on subsequent interviews with leadership of the nonprofit organization.
4. When the case is discussed in class, the leadership of the nonprofit organization can be brought in to listen and then comment on the discussion.

If cases are shared with colleagues, a teaching note can be added that will be helpful. Case sharing groups of colleagues make many more cases available for class.

Types of Organizations

Almost any type of nonprofit organization can serve as the basis of a case if a significant problem is present. Among some of the cases that were converted from nonprofit organization audits recently include the following:

1. Boy Scouts of America—Rebuilding a national reputation after winning a controversial Supreme Court case that resulted in disallowing atheists as leaders and members.
2. Hippodrome Theatre—Analyzing a local market to decide what theatrical productions should be booked.
3. Cameron Park Zoo—Building a stakeholder support group for a municipal zoo that was moved to a new location.
4. University Athletic Foundation—Expanding an athletic fan organization to include non-revenue sports fans.
5. Local NPR Radio Station—Redefining the mission and vision for the station as a parallel university-based and community-based radio station.

Each of the cases listed above resulted from problems identified by students in the marketing audit exercise in a nonprofit marketing class. Students in that class in later semesters approached the audit assignment with more ownership because they saw the names of students on the cases used in the class. Likewise, students approached the cases used in class differently because they realized that the case situations were real and identified by students like themselves.

Conclusions

The marketing audit is a good fit as an assignment in the marketing for nonprofit organization class. Although the focus of the audit is to teach students how marketing works in a nonprofit organization, with little additional effort a fresh group of discussion cases can be introduced into the course each semester. The combination of audit projects and cases has been well accepted by classes over several years.

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Summary Brief
The Role of Patient Empowerment in the Adoption of Healthy Behaviors

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The availability of diverse online information is often linked to debates about an 'empowered consumer'. Empowerment has particular relevance in healthcare, where empowering patients may offer financial and health opportunities for consumers and service providers alike. However, misuse or malicious provision of online information may facilitate adoption of potentially harmful behaviors leading to conflicts between patients and carers (formal or informal). Within this context, the translation of empowerment theory into practice is unclear; a major theoretical weakness being a lack of consistent definition of 'empowerment'. We propose a Patient Empowerment model drawing on existing literature, refining conceptualization of 'empowerment' and defining its role in the process of health behavior adoption.

Introduction

In recent years, the Internet has become an alternative to traditional media in reaching fragmented audiences (Laing et al. 2009). Many view information searches by potential or actual users of different services as promoting 'Consumer Empowerment'. Empowerment has particular importance in the healthcare context, where it is perceived differently by the four most involved groups: health policy makers, healthcare professionals, patients and carers. Health policy makers emphasize the importance of 'expert patients', indentifying health benefits for patients and financial benefits for health organisations (Wilson 2001). Healthcare professionals can be resistant to empowerment (Potts and Wyatt (2002). Patients' attitudes towards information search depends on existing condition and relationship with the physician (Couper et al. (2010). For carers, empowerment may impact on patient-carer relationship dynamics (Ungerson 2004).

Certainly, many patients use the Internet for health-related information searches and they often use this information as guidance for health related decisions (Laing et al. 2009). However, the literature on health outcomes associated with health information searches is equivocal; positive and negative outcomes for the patient are reported (Potts and Wyatt 2002). This can partially explain physicians' attitude towards this phenomenon. Further, there has long been recognition of the gap between 'empowerment' policy and practice (Myers and MacDonald 1996). Fundamentally, whether the provision of health information translates to patient empowerment, and, if so, how, remains in question (Clarke 2001). Clearly, the level at which patients, who are at the heart of care provision, become involved in health decisions can influence the disconnect between health care providers, policy makers and patients, and their own wellbeing. Therefore, there is a need to understand how patients can (or cannot) be empowered through information provision and the potential impact on dynamics of health decision-making and healthy behavior adoption.

Conceptual Framework

Potential of Empowerment

The literature is replete with theories addressing adoption of healthy behaviors [e.g. Health Belief Model, (Rosenstock 1966), or the Theory of Planned Behavior, (Ajzen 1985)]. However, some researchers claim that existing theories do not account for the full complexity of those behaviors (Carpenter 2010). A major weakness is that these models often consider the desired outcomes from the perspective of physicians or policy makers, neglecting patients' or carers' values, and do not account for the direct influence of information on patients' decisions. The concept of empowerment provides a possible alternative to the existing solutions for understanding health behaviors, including decision making. However, empowerment theory itself suffers from a lack of consistent definition and operationalization across the various disciplines utilising the concept. This research aims to move towards a theoretically justified definition of Patient Empowerment and describe the mechanisms through which empowerment may develop and operate within the context of information provision and health behaviors.

Empowerment Literature

Empowerment literature is focused around three aspects of empowerment: power sharing, enabling ability and the role of information in empowering process. Some academics perceive empowerment as a power sharing process, based on access to resources and reflected by altered relationships between professional service providers or suppliers and customers (Ouschan, Sweeney, and Johnson 2006) . Others, for example Menon (2002), perceive empowerment as an enabling process, focused around intrapersonal factors (e.g. perceived control, self-efficacy) that influence decisions. Wathieu et al. (2002) suggest that information obtained from the Internet influences empowerment as it balances the informational asymmetry between professionals or suppliers and consumers.

Zimmerman (1995) notes that 'power' itself might not always be the desired outcome of empowerment; as people become empowered to attain certain goals, e.g., a healthy eating plan. Those goals might be associated with different sets of values attached to the idea of health (Zimmerman 1995). Theories on intrapersonal factors within the health behavior literature help us to understand the diversity in values and associated goals.

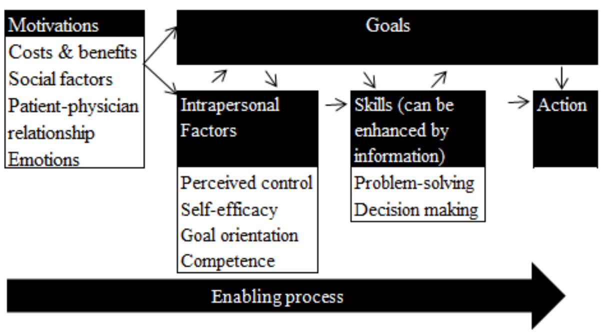
Health Behavior Literature

Intrapersonal factors (e.g., perceived control, self-efficacy) that might change during the empowerment process are central to health behavior models. Various antecedents (e.g. emotions or social factors) of these factors help us to understand goals that might be achieved through 'empowerment'. As empowerment and behavioral models share similarities in regard to intrapersonal factors, behavioral theories were used to better understand the antecedents of those factors. Consequently, existing meta-analysis studies of prominent theories, such as Health Belief Theory (Rosenstock 1966), or the Theory of Planned Behavior (Ajzen 1985), indicated the most significant variables in predicting certain health behaviors. These informed model building.

Patient Empowerment Process

Emphasizing the enabling and process nature of empowerment, and based on the reviewed literature, a conceptual framework of the patient empowerment is proposed (fig. 1).

Figure 1. Patient Empowerment Process



The definition of Patient Empowerment builds on those by Menon (2002), Zimmerman (1995) and Ouschan et al. (2006) and is described as an enabling process, in which individuals' intrapersonal factors change, enabling them to make choices that help in gaining control over their lives. Information, including that available from the Internet, helps patients to acquire skills necessary for reaching the desired level of empowerment, a level consistent with terminal values (and goals) guiding behaviors.

Concluding Remarks

The presented framework is a foundation for further research on Patient Empowerment. The model contributes to a better understanding of empowerment theory; it indentifies empowerment antecedents and introduces the need for recognition of different goals guiding behaviors. It also has important practical implications. Better understanding of patients' decision making might indicate more suitable interventions to address health behaviors and address disconnections among patients, carers health care providers and policy makers.

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Summary Brief
The Effect of Tenure Confidence on Job Satisfaction among Junior Marketing Faculty

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In this study we find that factors uniquely associated with expected tenure appreciably explain job satisfaction (JS) among academics. Specifically, tenure confidence, namely one's assessment of his or her prospect of obtaining tenure, increases job satisfaction among junior marketing faculty. We also find that because teaching and balanced schools place less emphasis on research in considering tenure promotion, research output is not predictive of job satisfaction.

Job Satisfaction & Tenure Confidence

When a discrepancy between what one expects and what one receives, in terms of a valued employment characteristic, exists, we experience job satisfaction (JS) (Locke 1967). For example, if one values a pay raise, a higher (vs. lower)-than-expected pay raise should produce higher JS (vs. job dissatisfaction). However, if one does not value a pay raise JS should not be influenced by this discrepancy.

A more dynamic account of JS is provided by one's goal pursuit. Goals play an important role in predicting JS in that they determine and update the value and direction of one's expectations (Locke 1967). In the context of academia, the psychological tension resulting from the uncertainty in obtaining tenure should be an important predictor of JS among tenure-track, junior academics. Despite its importance, no prior research has investigated the impact of tenure confidence on JS for tenure-track, marketing assistant professors.

We define tenure confidence as one's calibration of the likelihood of obtaining tenure within the negotiated time span (usually six years). Thus, higher (vs. lower) confidence indicates greater (vs. lesser) belief in the likelihood of obtaining tenure. We predict that higher tenure confidence is associated with higher JS. Literature on affect and goal-driven behaviors (Frijda 1986; Gross 1998) provides evidence for this prediction.

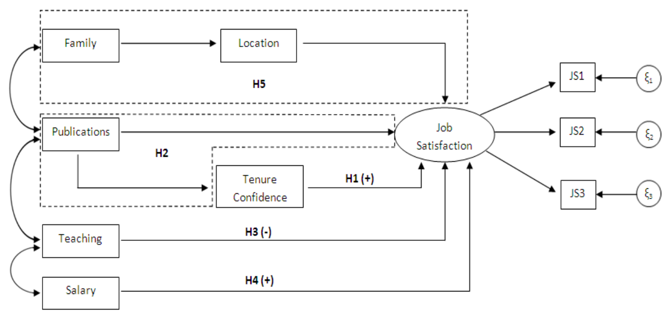
Provided that junior marketing faculty members strive to obtain tenure, tenure should be set as their goal before it is accomplished (Seggie and Griffith 2009). Affect experienced in pursuing career goals, including tenure, is likely to be used as a subjective input in evaluating JS (e.g., hedonic spillover; Emmons 1992). Prior research (Carver et al. 1996) shows that positive (vs. negative) affect is experienced when one feels he or she is moving towards (vs. away from) the goal or when the rate of progression is faster than expectation or accelerated (vs. decelerated) overtime.

In sum, this paper investigates the antecedents that lead to JS among tenure-track assistant marketing professors. We incorporate tenure confidence along with other variables, important to JS. We investigate the relationships between these variables and their joint impact on JS.

Model & Hypotheses

Our conceptual model is presented in Figure 1. As previously stated, we hypothesize the following:
H1: *Higher tenure confidence will result in higher JS.*

Figure1. Impact of Tenure Confidence on JS



One central criterion integral in determining tenure promotion is publication output (McAlister 2005). Thus, we predict that confidence in one's publication record will positively influence tenure confidence, leading to greater JS.
H2: *Higher publication satisfaction will result in higher tenure confidence.*
In sum, we predict that tenure confidence will mediate the relationship between publication output and JS.

Teaching, research, and service constitute the primary dimensions used in evaluating tenure promotion. Of these three, research output is considered the most important criterion for research institutions (McAlister 2005) and becoming increasingly important for teaching institutions (Mott-Stenerson 2005). However, teaching demands often detract from research output, thus decreasing JS:
H3: *More manageable teaching loads result in higher JS.*

Previous research finds that a discrepancy between desired salary and actual salary predicts JS (Huilin and Smith 1965).
H4: *Higher satisfaction about one's salary package will increase JS.*

Family is an important determinant of JS for academics (Jacob and Winslow 2004). On many occasions, job decisions are based on family needs, such as the need to stay in a position or in a specific area to maintain family relationships. According to Festinger's cognitive dissonance theory (Festinger 1956), when attitude and behavior conflict, people either change their attitude or behavior in order to maintain attitude-behavior consistency overtime. Hence, the greater weight one puts on family considerations for staying at one's current position, the more satisfaction he or she should experience. Thus, we predict that the importance of geography will mediate the relationship between family importance and JS.

H5: *The more important family is for someone to stay with his or her job, the higher JS one should feel. This effect will be mediated by the importance of the location of a job.*

One way to increase academic output is through collaboration, namely coauthoring research with other academics. Co-authorship accelerates publication output through greater work or time efficiencies. Hence, we predict the following:

H6: *Greater value for co-authorship should lead to greater satisfaction about one's publication output, leading to higher tenure confidence.*

We also hypothesize that school type (i.e., research, balance or teaching) will influence the relationship between these variables. We hypothesize that because teaching and balanced schools place less importance on research output in granting tenure promotion, research output will not predict JS for these schools.

Research Methodology & Procedure

393 assistant professors at North American universities were invited to participate in this study via email (39% response rate). All participants completed one of the "Who Went Where & Salary Surveys" from 2006 to 2010 (available online at AMA DocSIG). Participants were asked to complete an online survey, created using Qualtrics. 51.6% of respondents were from research institutions, while the remaining was from balanced or teaching institutions.

Participants were asked to report year of graduation (2006 – 2010), type of employing school (research, balance, or teaching), and primary research area (consumer behavior, modeling, strategy, sales, and other). JS and its antecedents were sourced from a combination of previous studies and from the Minnesota Satisfaction Questionnaire (MSQ). The items were measured using seven-point Likert scales asking each respondent the extent to which their publication output meets his or her expectations, the value they place on co-authorship, their satisfaction with their compensation package, the importance of family and location in regards to their current position, and the manageability of their teaching load. Finally, participants were asked to provide their overall level of JS.

Results and Discussion

The measurement model was estimated prior to the structure model (Anderson and Gerbing 1988). Although the significance level of the chi-square test was slightly lower than 0.05, both SRMSR (0.05) and RMSEA (0.06) were within ideal ranges. In addition, both AGFI (adjusted goodness-of-fit index) and Bentler's CFI (comparative fit index) were above 0.90. In sum, our model exhibited acceptable fit with our sample data. Furthermore, five of the seven hypothesized relations were found to be significant, while one was marginally significant. Thus, we found support for all but one (H6) of our hypothesized relationships. We found that tenure confidence fully mediated the relationship between publication output and JS (H1 and H2). In addition, we found that teaching load had a negative impact on JS (H3) and that salary had a positive impact on JS (H4). Lastly, we found that family pressures to maintain one's current position increased JS (H5).

We utilize multiple-group SEM (Jöreskog 1971) to estimate and test the significance of each relationship, across school type. While tenure was found to be the most significant predictor of JS for research institutions, it was not found to have a significant influence on JS for faculty at balanced and teaching institutions. It is likely, that failure to achieve tenure at a research institution results in dismissal, but this may not necessarily be the case among teaching and balanced schools. This is a fruitful topic for future research. It is important to note that teaching manageability and salary remained significant predictors of JS among teaching and balanced schools. Our research contributes to the literature by examining the relationship between tenure confidence and JS among marketing academics.

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Summary Brief
Can Unexpected Events Affect Purchase Decisions? Exploring the Impact of Cognitive Interruptions on Product Evaluations

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Conflicting theories of human cognitive processes have generated diverse debates about the benefits of unconscious thought in consumer behavior. The purpose of this research is to examine the effect of interruptions on product evaluations. Drawing from two competing theories, namely distraction-conflict theory and, unconscious thought theory, a set of propositions about the impact of interruptions on product evaluations is presented. These propositions suggest that five interruption characteristics –goal congruency, cognitive load, timing, duration, and frequency- influence product evaluations. The moderating role of consumer expertise and perceived control is also discussed. Finally, some implications for consumer behavior theory and advertising are presented.

Introduction

Conventional wisdom suggests that consumers make better decisions when they engage in serious conscious deliberation. Nevertheless, recent studies demonstrate that too much conscious deliberation can lead to a reduction in the ability to make the right choices (Dijksterhuis et al. 2006a, 2006b). Therefore, distracting or interrupting (i.e., eliciting nonconscious thought) a consumer during a consumption situation may have a significant positive impact on his or her subsequent decisions (Nordgren and Dijksterhuis 2008). Most research about the role of unconscious thought in consumer decisions has used interruptions and distractions as the means to elicit unconscious thought. However, the characterization of cognitive interruptions and their effect on product evaluations has been practically neglected. Conflicting theories and findings about the role of interruptions in consumer behavior suggests the existence of some other variables explaining this phenomenon. Thus, the objective of this research is to determine the factors conditioning the effect of interruptions on product evaluations, that is, on the ability of consumers to effectively rate a product based on the information provided about its attributes.

Theoretical Background

Interruptions are “externally generated, randomly occurring, discrete events that break continuity of cognitive focus on a primary task” (Coraggio 1990, p. 19). They are common phenomena interfering with consumption, are outside of one’s control, have unknown occurrence patterns, and have finite duration.

Two divergent theories explaining the effect of interruptions and distractions on decision making are prominent in literature: the distraction-conflict theory (DCT) and the unconscious thought theory (UTT). According to DCT (Baron 1986), distractions facilitate performance in simple decision-making but inhibit performance in complex decision making. In simple decisions, fewer cues are required to process the decision and the cognitive capacity of the decision maker is less likely to be challenged than in complex decisions. Conversely, in complex decisions, people have little cognitive capacity to process both the ongoing decision and the interruption. As the interruption narrows the decision maker’s attention, a loss of information cues relevant to the decision is very likely to occur. Under these circumstances, a decision maker’s performance can deteriorate; as the frequency or intensity of interruptions increase, the level of deterioration may increase (Speier et al. 1999).

Recent studies have demonstrated the positive effects of interruptions on complex decision making. In opposition to the ‘traditional’ approach, namely distraction-conflict theory (Baron 1986), Dijksterhuis and Nordgren (2006) developed the unconscious thought theory (UTT), which proposes that unconscious thought can lead to better decisions under complex decision-making processes. They established that “conscious thought (i.e., cognitive and/or affective task-relevant processes a person is consciously aware of while attending to a task) is good when things are simple, and becomes worse as the complexity of the decision problem increases; however, unconscious thought (i.e., cognitive and/or affective task-relevant processes that take place outside of conscious awareness) is independent from the complexity of the problems” (Dijksterhuis et al., 2006, p. 103).

Controversy has risen about the validity of UTT and its effects on consumer decision making. Some researchers have argued that the alleged ‘benefits’ of the deliberation-without-attention hypothesis are still debatable and must be considered carefully (Rey et al. 2009). Their findings suggest that the ‘positive effect’ of unconscious thought occurs only under specific conditions. Therefore, it is very likely that some other factors could be conditioning the purported benefits of unconscious thought (i.e. interruptions) on consumers’ decision-making.

I suggest that five basic interruption characteristics influence consumer behavior, namely goal congruency, cognitive load, timing, duration, and frequency. As each characteristic poses a different degree of cognitive disruption, it can be expected that consumers will use different mechanisms to resume and process the interrupted task after recovering from the interrupting stimulus. In addition, I propose that consumer expertise and perceived control over interruptions play a moderating role in the effect of interruptions on product evaluations.

Goal Congruency and Interruptions

Goal congruency reflects the extent to which the interruption message is consistent with consumer's goal fulfillment. Thus, the representation of the interruption message in consumers' memory will be determined by the degree of similarity between such message and their salient goal.

P_1: Goal-congruent interruptions will have a more positive effect on product evaluations than goal-incongruent interruptions.

Cognitive Load in Interruptions

Interruptions require certain amount of cognitive effort to be processed. Therefore, they may demand high or low levels of working memory depending on the complexity of their content (i.e., message). An interruption with a high cognitive load will demand a higher level of working memory than an interruption with a moderate or low cognitive load.

P_2: Complex interruptions (i.e., high cognitive load interruptions) will have a more negative effect on product evaluations than simple interruptions (i.e., low cognitive load interruptions).

Timing, Duration, and Frequency of Interruptions

When dealing with interruptions, time becomes a crucial factor. During an interruption, certain amount of time is needed to (1) perceive the interrupting stimulus; (2) respond to it; (3) process the new task; (4) return to the main task; and (5) resume it. Therefore, the timing, duration, and frequency of interruptions are expected to have a significant influence on the total amount of resources needed to process the interrupting message.

P_3: Early interruptions will have a more positive effect on product evaluations than late interruptions.

P_4: Short-duration interruptions will have a more positive effect on product evaluations than long-duration interruptions.

P_5: A low frequency of interruptions will have a more positive effect on product evaluations than a high frequency of interruptions.

Perceived Control over Interruptions

Perceived control can influence consumers' decisions regarding to processing or not an interruption, and the amount of time to be devoted to the interrupting task. Ariely (2000) demonstrated that when consumers are given control over the content, order, and duration of product-relevant information, they increase their ability to integrate, remember, and understand inputs (i.e., product information) to their judgments. As perceived control may influence the effect of interruptions on consumer decisions in a positive or a negative direction, it can be assumed that it plays a moderating role.

P_6: Interruptions have a stronger positive impact on product evaluations for consumers with a low (vs. high) level of perceived control.

Consumer Expertise and Interruptions

Consumer expertise plays a crucial role in consumers' ability to cope with task complexity. Consumers with more experience are more likely to perceive cues from the environment that can be useful for the achievement of their goals. As such, experienced consumers are more likely to effectively distinguish goal-relevant cues from goal-irrelevant cues.

P_7: Interruptions have a stronger positive impact on product evaluations for consumers with low (vs. high) expertise.

Discussion and Implications

Present research provides theoretical and managerial implications. First, the study contributes to the understanding of unconscious thought in consumer behavior. Studies of unconscious thought in consumer decision have used interruptions and distractions as the means to elicit unconscious thought. But, the characterization of interruptions has been neglected. This research will provide a better understanding of the effects of interruption characteristics on consumer behavior. Although not extensive, the list of characteristics presented in this study contributes to explain the complexity of interruption phenomenon and aims to understand the varied effects of unconscious thought on product evaluations.

Second, managers may find it useful to understand the effects of interruption timing, goal congruency, and duration on consumer decisions. With this knowledge, they will be able to select the best strategies to approach customers. In the online marketplace, firms might find it beneficial to use interruption- based advertising. As websites are becoming more interactive and visually appealing to consumers, understanding the different effects of interruption characteristics on consumer behavior may help advertisers create websites that generate positive effect on consumers.

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Consumer Perceptions of Foreign Cinema: An Examination of Country-of-Origin Effects in the Film Industry

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The impacts of country-of-origin effects on quality evaluations have been examined in variety of contexts. However, existing research has focused on tangible products. This paper examines such effects in the context of entertainment, and presents the results of a two-part study including both quantitative and qualitative components. These results suggest that evaluations of foreign films in comparison to Hollywood films can be predicted primarily by cultural proximity, and secondarily by geographic proximity.

Introduction

Country-of-origin effects (COO) were first postulated some 45 years ago, and continue to be hotly debated. Such effects have since been examined in a number of contexts; however, most research has been directed at tangible product, with little attention paid to artistic and entertainment products. Drawing upon the existing literature, and examining the limited research that has been conducted on entertainment and artistic products, this paper seeks to examine this largely unexplored context.

The paper begins with an historical review of research into COO effects, followed by a discussion of major points in the literature, including opposing viewpoints that suggest that such effects have been overstated. The review of the literature ends with an examination of recent papers concerning the subject, and a brief accounting for the limited research into arts and entertainment. Finally, the results of a small, exploratory study designed to determine whether COO effects in entertainment are worth pursuing are presented. The conclusions of this study suggest that such phenomenon do exist, based on evaluations of consumer evaluations of US cinema products compared to the cinema products of others countries.

Literature Review and Theoretical Development

Country-of-Origin Effects

The concept of country-of-origin (COO) effects was first articulated in 1965, by Schooler. In observing the effects on trade of the establishing of the Central American Common Market, Schooler noted that, while a great deal of attention was being paid to physical barriers to trade, such as lack of infrastructure, insufficiency of resources, or institutional issues, no attention was given to intangible ones (Schooler, 1965). Further research led him to conclude that intangible barriers based on national perceptions did exist.

An early follower (Nagashima, 1970) examined the "Made in" appellation attached to various products and explored how it affected the reactions of consumers. The results suggested that COO effects are not necessarily based upon one's own national identity, but upon perceptions of the qualities of other nations. The study also indicates that preconceptions about the perceived characteristics of a particular nation influenced consumer perception, so that French products, while often scoring low in terms of quality, scored high in terms of prestige, because of France's image as sophisticated and elegant.

Bilkey & Niles (1982), in their meta-analysis of the research into COO, found evidence of effects in a wide variety of contexts, including occurrences of product evaluation based on stereotyping, and hierarchical prejudice between more- and less-developed countries (Bilkey & Nes, 1982). The authors also noted a variety of studies of the effects of demographics on COO evaluations, finding support for hypotheses that older consumers tend to rate foreign products more highly, and that there is a positive relationship between education and the degree to which one approves of foreign products. Dogmatic individuals were found to have more favorable attitudes towards products from culturally similar nations, though when the type of nation was disregarded, no effects were found. Similarly, individual conservatism was negatively related to a positive appraisal of foreign products. The conclusion of this meta-analysis was that, though COO effects clearly exist, it is difficult to determine the magnitude of those effects, and that their impact on product quality evaluations may not be particularly significant.

Among the problems noted by Bilkey & Niles was the lack of an established scale to measure COO effects. Researchers tended to use a semantic-differential scale to evaluate quality perception differences, but these varied in terminology used and definitional specificity. Shimp and Sharma (1987) set out to develop a scale for measuring ethnocentrism. First posited by Sumner in 1906, ethnocentrism is a sociological concept that suggests that each group tends to see itself as central, and all other groups as peripheral (Shimp & Sharma, 1987). Furthermore, groups are more likely to see groups that are culturally similar to themselves in a positive light, and those who are culturally dissimilar in a negative light. Shimp and Sharma adapted the sociological concept into "consumer ethnocentrism", which they define as a belief in the morality and appropriateness of purchasing goods made in one's own country. Whereas previous discussions of COO effects involved perceptions (e.g. Schooler, 1965;Nagashima 1970) this concept introduces higher-order attitudes about the rightness of purchasing foreign products. This scale is relevant to the study of COO effects in that those who score high on the CETSCALE for measuring consumer ethnocentrism are more likely to subjectively interpret product quality, while those who score low are more likely to be objective in their perceptions.

While national image can affect product evaluation, the reverse is also true. Han (1989) postulates that country image can serve either as a halo (in which one's perceptions about the country inform one's evaluation of that country's products) or as a summary construct (in which one's perceptions of a country's products inform one's evaluations of that country's image). When consumers lack information about a country, they may base their perception of that country on past experiences with its products.

This "chunking" of information creates the summary construct from which the consumer pulls in future product evaluations. When the consumer is unfamiliar with a nation's products, however, that consumer makes evaluations and decisions based on his or her impressions of that nation.

Though COO effects have been identified in many studies, not all scholars agree that they have any real effect on purchase intentions. A consumer may be highly ethnocentric and disdainful of the products of an Asian nation, but still purchase products from that nation despite negative evaluations based on other factors. A more recent meta-analysis (Peterson & Jolibert, 1995) suggests that effect sizes for COO studies involving perceptions and evaluations are significantly larger than effect sizes for COO studies involving purchase intentions. They also suggest that the largest demonstrated effect sizes were achieved in those studies that were most divorced from reality, such as those that relied on a single cue. This has led some scholars to conclude that COO effects are exaggerated. Samiee et al. (2005) suggest that many consumers lack specific knowledge about the national origins of a particular brand. While certain factors, such as experience with international travel, socioeconomic status and linguistic ability, might increase knowledge, many consumers simply guess at the national origin of a brand. The results of the experiment designed to test this hypothesis showed very low scores for brand-origin recognition among consumers. Most were able to identify their own nation's brands, but not others. Taken together, the work of these scholars, as well as others, call into question the past study of COO effects, and their actual managerial or consumer impact.

Bloemer et al. (2009) attempt to address this lack of specificity by applying the Elaboration-Likelihood Model (Petty & Cacioppo, 1986) to COO effects. The Elaboration-Likelihood Model (ELM) suggests that there two routes by which information is processed – the core and the peripheral. The peripheral route is engaged when the subject has a great deal of information about the topic invoked by a cue, or when there is low involvement. When there is greater involvement, and information is low, the core route, a process of information seeking and evaluating, is engaged. Bloemer et al. suggest that the different effect sizes and the difficulty of identifying a generalizeable effect may result from different processing of cues by different subjects. For instance, a consumer with a moderate amount of information may be exposed to a COO cue and begin to follow the core route of gaining more information (Bloemer, Brijs, & Kasper, 2009). However, if involvement does not exist he may cease that process and use the cue and his limited knowledge instead. Other factors, such as motivation and ability to process additional information, may play a role as well. The authors suggest that integrating cognitive theory into COO research can help fill the gaps in the theoretical understanding of COO effects.

More recent studies have examined the effect of the perceived "warmth" and "competence" of a nation (Kramer, Chattalas, Takada, & Kuwashima, 2008). Similar to earlier work (e.g. Nagashima, 1970) this study examines perceived generalizations about the people or nature of a particular country. Those nations perceived as competent (e.g. Germany) are thought to produce more utilitarian products, while those that are perceived as being "warm" (e.g. Italy) are perceived as producing mostly hedonic products. This moves the research in COO away from simple evaluations of quality, and into more contextual evaluations. Product quality may be perceived as equal, but COO effects confer an extra, meaningful characteristic onto products, even within the same category. So, a German car is utilitarian, and an Italian car is hedonic, without either car suffering lower quality evaluations.

Entertainment

The research literature on country-of-origin effects has focused almost exclusively on material, tangible goods. It has given very little attention to intangible products, such as the arts or entertainment. Television, film, dance, theatre, and other forms of artistic expression are products just as cars, clothes, shoes and food. In some ways, these products are more strongly identified with the nation of origin than physical goods may be. Films are often referred to as "French Films" or "Indian Films", even more so than as "comedy" or "drama". Foreign films have a certain cultural capital cache in some social groups in the US, and American films are sometimes disparaged as being crass. Film is often a global product. Thanks to independent producers and distribution channels, films from around the world make their way to America, and American films make their way around the world (d'Astous, Voss, Colbert, Caru, Caldwell, & Courvoisier, 2008).
D'Astous et al. (2008) suggest that the evaluation of artistic products is far more complicated than that of products, as they invoke a greater number of affective responses relating to one's own identity, nationality, cultural openess, and education. Language similarity, geographical proximity, economic proximity, and cultural proximity also play a role in evaluation. Consumers in developed nations like the US are more likely to downgrade artistic products of nations such as Mexico than they are of Japan. Also, despite the geographic proximity of Mexico, perceived cultural distance would negatively affect how its artistic products are rated. Someone from Great Britain, culturally proximal to the US, might rate an American artistic product highly, despite a much greater geographical distance.

Kottaz & Bennet (2007) find similar results in their study involving an art gallery, noting that gallery-goers native to the country in which it was located tended to overvalue those pieces that originated in that country and undervalue those that originated outside. These evaluations were mediated by individual factors such as patriotism, conservatism, cultural openness and individuality, and demographic factors like education, age, socioeconomic status and specialized knowledge of the subject. As with physical goods, artistic goods are evaluated not only on their artistic merits but on a variety of factors stemming from where they originated and the nature of the evaluator himself (Kottasz & Bennett, 2006).

Based on this, and the previous cited literature on country-of-origin effects, I propose the following:
P1: Americans will rate films originating in the United States higher than those films which originate from other nations.
P2: Americans will rate the films of culturally proximal nations more highly than culturally distant nations.
P3: Americans will rate the films of nations that are geographically proximal but culturally distant higher than those of nations which are both geographically and culturally distant.

The Study

Film is a more egalitarian art form than the visual arts or many of the performing arts. Opera and ballet tend to be attended by those of greater socioeconomic status and education. Because previous studies have indicated that individual characteristics such as education and socioeconomic status are negatively correlated with susceptibility to COO effects, investigations of the "highbrow" art forms would appear to be already biased in favor of a weaker effect. Most consumers either attend movies, or watch them at home. Film is often strongly associated with the nation from which it originated. People love "Japanese Films", or they love "French Films", or "British Films". Hollywood is an American icon, as Bollywood is an Indian one. The combination of broad consumption and strong national identity makes film the ideal medium for studying COO effects on entertainment products.

Participants were asked to complete a series of semantic-differential questions, measured on a 7-point scale, from "Much Lower Quality" to "Much Higher Quality, concerning perceptions of films of various origins in relation to Hollywood films. These included specific nations (Canada, Mexico, Great Britain, France, China, Australia, and India), and regions (Central/South America, Asia, Europe). Respondents who had not seen films from a category were asked to indicate their perception of what these films would be like. The nations and regions were chosen because they include nations that are both culturally and geographically proximal, that are culturally proximal and geographically distant, and which are culturally and geographically distant. Respondents were also asked a series of open-ended questions involving their perceptions of American and foreign films. These questions asked what consumers both like and dislike about American and foreign films, as well as what qualities were identified with each. The purpose of these questions was to identify specific repeated factors that might provide greater insight into any COO effects found.

Participants were selected by snowball sampling. Key individuals with large networks of co-workers and friends in geographically disparate parts of the country were identified and asked to assist. This method resulted in a smaller number of respondents than was hoped, but for the purposes of what is essentially a pilot study, sufficient. A total of 84 respondents participated in the survey, of which 34 were unusable due to a lack of completion. This resulted in a useable total of 50 surveys.

Results

Several categories in the data analysis lacked sufficient variance to yield any meaningful information. Of the useable responses, only 4 were from those who defined themselves as other than Caucasian. This prevented comparison of cultural distances between Hispanics and Caucasians in relation to their opinions of films from Mexico and Central/South America. Also, no one identified as Asian, preventing a similar comparison of US and Asian-origin cinema. There was greater variance in age, however in an ANOVA of the data, only a single significant difference was identified, between 18-24 year olds and those between 35 and 42. This result was barely significant at .048. Both these relationships deserve additional attention, through a larger and more varied data set.

Individual quality ratings were analyzed through a t-test comparison of means, given the lack of other feasible comparative variables. Significant variance between means was identified in each of the quality assessments. Results for US-to-other-nation comparisons were, in ascending order of means (A lower score indicates a higher degree of similarity between US cinema and foreign cinema,): Canada (2.98), Great Britain (2.98), France (3.47), Mexico (3.57), Japan (3.69), India (3.92), China (4.04). Results for US-to-other-Region comparisons were, in ascending order of means: Europe (3.37), Asia (3.49), Central/South America (4.45). For comparison purposes, US films had a mean rating of 2.71.

Discussion

The results tentatively support all propositions. US films were rated consistently higher than films from other nations and regions. Expectations about the effect of cultural-vs-geographic proximity were also borne out. Canada and Great Britain, both cultural "cousins" to the United States (and particularly the heavily Caucasian group of respondents) were rated equally, and were the closest to the United States in quality evaluation. France, also European and Caucasian, and relatively culturally proximal, was ranked third.

Mexico is geographically proximal and culturally somewhat distant, and was first among the nations that do not share a high degree of cultural similarities. This particular result may be skewed by the fact that very few Hispanics were represented in the sample. It would be fair to posit that a sampling that included more Hispanics might yield different results. Similar unbalanced sample representation may also skew the positions of the Asian nations, Japan, India and China, though these were also mostly ordered as anticipated. Japan, though geographically distant, shares a number of cultural links with the US, particularly among younger generations. The popularity of Japanese cinema and television, mostly in the form of anime (a Japanese genre of animation aimed predominantly at adults), as well as other expressions of Japanese culture, coupled with a strong Japanese fascination for American culture, suggest that Japan and the US would share a certain degree of cultural closeness.

The positioning of India and China was something of a surprise. It was anticipated that China would be rated more highly than India, given the differences in relative popularity between Chinese films and actors and Indian films and actors. There are, for instance, a number of popular Chinese actors working in American cinema, and Chinese imports occasionally achieve cross-over success (i.e. *Crouching Tiger, Hidden Dragon* and, to a lesser extent, *Eat, Drink, Man, Woman*).

An examination of responses from the qualitative portion of the research instrument supports the observations made above. Those who expressed dissatisfaction with foreign films often mentioned that they didn't understand the contexts of the films, or that they felt no connection. One respondent noted: *"Sometimes I find that I do not understand the contexts that a foreign film presents, that I am ignorant of the culture or of ideas that the film presents, and that my understanding and appreciation is less than full. Just because a foreign film has all the qualities I listed [before], it doesn't mean the film is going to be good."*

Others echo this complaint, saying things like: "too hard to understand", or "Can be hard to relate to". Some point out that cultural humor is lost on them, or that they simply don't "get" some references. These are expressions of cultural distance and may explain much of the results noted. It is possible that cultural distance is the *primary* driver of the difference in means between quality evaluations.

Another interesting observation is the reoccurrence of two similar responses to questions concerning US and Foreign films. When asked what respondents *disliked* about Hollywood films, the most common response referred to the similarity of stories and themes, the predictability of plot, and the repetitiveness and "formulaic" (a word that was used many times) nature of the films: *"I don't like that Hollywood has seem* (sic) *to run out of* *ideas. All of the remakes that are coming down the pike. There are original stories out there, I just don't think they are looking hard enough."*

Conversely, there was a great deal of praise for the originality and inventiveness of foreign films. They are described as "original", "quirky", or "unique". Respondents point to what they perceive as greater risk-taking in foreign films, and an emphasis on interesting stories rather than effects and star actors: *"... it's wonderful to experience a story we might otherwise miss, and from a context that's new or unexpected. It's good for us, as audience members, to have to lay aside pre-conceived notions of where a story will go or what the world looks like, and start from a fresh perspective -- foreign films make that very easy to do."*

Most interesting is the degree to which Hollywood films are described in negative terms compared to the description of foreign films in positive ones. Respondents tended to cite things like special effects, expensive cameras, high production values, and big budgets as positives. Technical aspects far outweighed affective aspects, whereas complaints were heavily weighted towards poor stories, predictable plots and repetitive ideas. The opposite was true of foreign films, with most complaints being directed towards technical complaints such as sub-titles or bad dubbing. This raises an additional question about the nature of perceived quality. Is it based on technical aspects, affective aspects, or a combination of both?

Body

The limitations of this research have already been somewhat addressed. First, because it was intended to serve as an exploratory study to determine if COO effects existed, certain key concepts raised in the literature were ignored. These include factors such as socioeconomic status, education, or measures of conservatism and individualism. This particular limitation can be overcome by adding in use of the CETSCALE (Shimp & Sharma, 1987) to measure the dimensions of ethnocentrism, as well by addition of more demographic information.

The second major weakness is the small sample size and its relative homogeneity. While a sample of 50 produced results sufficient to satisfy the exploratory nature of the research, it was not sufficient to thoroughly examine the stated propositions. The lack of diversity in age and ethnicity presented another problem, preventing analysis on several levels that might have proved interesting. Mexico's relatively low rating, given that it is geographically proximal and shares a fairly strong link with the US, both in terms of population and cultural aspects such as food and music, could simply be a result of a lack of Hispanics in the sample. Though I expected to see Canada and the other European nations ranked before others, this result might not stand given a larger and more diverse population. Also, the instrument needs further development, so that quality is measured multi-dimensionally.

This was primarily a pilot study to see if explorations into COO and entertainment were a viable course of research. Preliminary results suggest that additional research is warranted. I would like to thank the anonymous reviewers for their suggestions, and for bringing additional dimensions to my attention. First, the role of cultural distance needs more examination. What is very distant for one consumer may be much less so for another. Also, in addition to the previously mentioned inclusion of a more ethnically diverse sample, non-American consumers should also be included in future research. Finally, thought needs to be given to the managerial implications of possible effects. As the use of on-demand, internet-based streaming entertainment delivery systems becomes more and more prevalent, the availability of, and ready consumer access to, foreign cinema similarly increases. Mainstream services, like that currently offered by Netflix, already include sizeable catalogs of foreign cinema. An understanding of what appeals to consumers will assist programming managers in matching product to customer.

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Consumer Misbehavior: Does the Size of the Victimized Organization Impact the Level of Disapproval Associated with a Questionable Consumer Action?

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A national sample of 815 adults drawn from the general American population provided their perceptions of the appropriateness of 12 questionable actions undertaken by consumers in the marketplace. The scenarios ranged from illegal actions such as fraudulently inflating one's losses when filing an insurance claim to actions such as purchasing an item that is obviously mispriced. While actions such as the latter may not be illegal, questions of ethics or so-called consumer misbehavior may still be raised by many outside observers. The results for the 12 scenarios exhibited a wide range of mean responses on the six-point scale thereby supporting the oft-stated premise that consumer ethics is situational in nature. Furthermore, the results document a meaningful relationship between the extent to which an action is deemed to be unacceptable and the size of the victimized organization.

Introduction

Ethical behavior is generally predicated upon an organization or an individual doing what is perceived to be the *right thing*. In this regard, it is not necessarily about adhering to prevailing laws, rather it is a question of whether or not the action under scrutiny would be deemed to be appropriate by most people. As might be expected, the vast majority of the scrutiny on ethics in the business environment has been placed on business organizations. In this regard, 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 determine the public's perception of an array of specific questionable actions. Yet more recently, we have witnessed a significant growth in the stream of research that has addressed questionable actions undertaken by consumers. In fact, some 20 years ago, Hirschman (1991) brought to light the idea of the *dark side of consumer behavior*. More recently, research has addressed the issue of *consumer misbehavior*.

Subsequent to Hirschman's proclamation, consumer ethics has emerged as a fertile area for those interested in exploring the barriers to 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 components of the strategies designed to nurture customer retention is that of trust.

Books dating as far back as Upton Sinclair's (1906) *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. But, relationship-based marketing dictates that neither philosophy can be embraced. If not, then any relationship is destined for a premature demise. Much like a personal relationship between a husband and wife, if there is reason for distrust, then separation (and divorce) is likely to be imminent.

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 issue of *the size of the victimized organization*. Several recent studies have addressed the issue of the size of the harm imposed upon the victimized organization, yet there is a paucity of research that has examined how attitudes regarding certain consumer actions are mediated by characteristics – such as the size – of the victimized organization. While assessing the general sentiment of the public regarding the acceptability of several questionable consumer actions, it adds a dimension that has seldom been put forth in the more recent consumer ethics literature. Does the size of the victimized organization mediate an individual's perception of how acceptable a particular action is? Alternatively posed, the question is one of whether the size of the aggrieved organization that incurs a loss as a result of a questionable consumer action impacts the level of acceptance – or *unacceptance* – of that action.

Literature

What can be inferred from the preceding dialogue is an acknowledgement that any business transaction and the corresponding establishment of a mutually beneficial long-term relationship are dependent upon ethical conduct by both parties in the buyer-seller dyad. This has become increasingly apparent as consumers have begun to assume a more active role within the retail transaction process. For instance, the growth in the use of self-service checkout counters at local supermarkets is based upon a foundation of trust. That is to say that both parties need to have faith that the other party will not attempt to take advantage of the other in light of the absence of direct interaction; this lack of interaction could present opportunities for exploitation. This raises the question as to whether or not businesses are becoming more vulnerable to the consequences of inappropriate behavior – legal or not – on the part of consumers. This question is particularly pertinent when considering the size of the victim since it is the larger organizations that are more likely to employ tactics such as self-scan checkouts which dramatically reduce the aforementioned direct interpersonal interaction between the buyer and the seller. Despite the question of whether organizations are becoming more vulnerable to consumer misbehavior, in comparison to the scrutiny placed on the perceived misconduct of business organizations, there have been comparatively few attempts to assess the ethics of a myriad of questionable behaviors undertaken by consumers. Consider the following statement which was put forth some 26 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 even 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.

It is fair to say that 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-Miller 1999), insurance fraud (Tennyson 2002), and fraudulent return activity – alternatively referred to as *deshopping* or *retail borrowing* (Harris 2008). In light of the aforementioned emerging trend towards a less interactive retail environment, 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 with there is no discernable 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 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 that consumers could justify any questionable action. 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. What is evident in the literature is that there has been an effort to differentiate between illegal consumer actions and legal (but questionable) actions undertaken by consumers. More importantly, there has been an increased emphasis on the extent to which the action has a beneficiary and an identifiable victim.

Fullerton, Kerch and Dodge (1996) developed a taxonomy for assessing consumer transgressions with 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). Vitell's (2003) review of more than thirty consumer ethics studies published between 1990 and 2003 resulted in the conclusion that the extent to which consumers believe that certain questionable behaviors are either ethical or unethical is predicated upon three criteria: whether the consumer actively seeks an advantage, whether the action is perceived to be legal, and the degree of harm borne by the victimized business entity. Thus, the situational nature of consumer ethics is apparent.

While there has been a meaningful growth in the body of research focused on consumer ethics over the past 25 years, research that addresses the size of the victim is virtually nonexistent. Yet there is enough insight such that some perspective is attainable. The issue of degree of harm has been examined with research indicating that consumers are less critical of actions when the harm inflicted upon the victim is small (Fullerton and Neale 2011). But it is conceivable that the size of an organization may be a surrogate for degree of harm. For instance, it has been stated that a consumer might invoke the *denial of injury* premise whereby a misbehavior such as shoplifting might be justified by virtue of the belief that "this store is so big; no one will ever notice that one blouse is missing" (Callen-Marchione and Ownbey 2008, p. 368). Applying the criteria put forward by Vitell and Muncy, (1992) this mindset arguably falls within the realm of *no harm/no foul*. A similar argument was put forth by Harris (2008) who posited that when one's perception of fraudulent returning has no significant impact on retailers, then the proclivity of that individual consumer to engage in such behavior increases accordingly.

Al-Khatib, Vitell, and Rawwas (1997, p. 750) addressed the need to further explore the concept of consumer ethics when stating that "there seems to be a definite need to study the ethical decision making of consumers." While this shortcoming has begun to be addressed, much of the research has focused on university students. Consequently, consumer ethics experts such as Scott Vitell (2003) urge us to ramp up our efforts to assess the perceptions regarding consumer transgressions. What is deemed to be acceptable; what is deemed to be unacceptable? In other words, what is right, and what is wrong? This study represents one step in the ongoing effort to fill this perceived gap in the ethics literature.

Research Objectives

There are essentially two objectives associated with this aspect of this ongoing research project. From a broad perspective, the initial objective is that of determining the sentiment of American consumers as it relates to a series of questionable actions. How acceptable or unacceptable are these specific actions deemed to be? The second objective is much more narrowly focused in that the impact that the size of the victimized organization is scrutinized to see if that dimension influences the level of acceptance (or unacceptance) assigned to each of the 12 questionable actions under scrutiny. As such, it addresses a question that is routinely articulated in today's tabloids: does size matter?

Methodology

The research began with the development of a survey designed to solicit the respondents' opinions regarding an array of questionable consumer actions. This process involved a review of previous research in an effort to see what scenarios should continue to be used. A number of new scenarios were also added to the list. From that aggregate list, 12 scenarios were selected for use in the finalized version of the survey. This list ranged from illegal actions such as inflating one's losses on an insurance claim to legal – but questionable acts – such as getting information about a product from a full service retailer, then using the knowledge gained to make a more informed purchase of that same product from a lower priced source such as a virtual storefront on the Internet.

Scenario-based vignettes featuring a third person were used. In each case, the behavior was described and an unknown third party – such as the person in front of you in the queue or a player on your friend's softball team – was identified as the *perpetrator*. For each scenario, a surrogate measure of the size of the victimized organization was provided. This criterion was expressed without using brand names, but by referring to the organization using terms such as "the neighborhood dairy" and "a large national chain". A split ballot approach was used whereby half of the respondents saw a large victim associated with each action whereas the other half had a version that referred to a small victim. It is important to note that there were six scenarios featuring large victims and six featuring small victims on each version of the survey. The acceptability of each action was measured using a balanced six-point Likert-type scaled anchored by the terms *very unacceptable* (1) and *very acceptable* (6). In addition to these scenarios, the typical demographic questions were asked using a multiple choice format.

Data collection was achieved by using eRewards, an independent research contractor that uses an Internet protocol to contact members of its consumer panel. An email was sent to panel members who were consistent with the target market. Those opting to respond were directed to the survey with a URL that was incorporated within the email. Controls were implemented to assure that the sample was representative of the aggregate American population and that it included respondents who were at least 18 years of age. Furthermore, additional safeguards were used to protect the integrity of the data. In order to minimize order-bias or halo effect, the order of the items addressing the 12 consumer actions was randomized. A minimum time was established so that the surveys of respondents who did not take enough time to fully consider and respond to each question were discarded. The voracity of the response process was also considered with any respondent who straight-lined the responses (e.g. all fours) likewise excluded. A total of 815 completed surveys comprise the final database.

Analysis involved the calculation of the mean for each scenario without regard to the size of the victimized organization. This analysis addressed objective one, namely that of determining how acceptable or unacceptable each of the 12 actions was in the eyes of the respondents. For the second objective, the responses for each scenario were segmented on the basis of the victimized organization's classification as either large or small. A standard t-test was used to determine whether a statistically significant difference was in evidence when comparing those respondents whose scenario reflected a small victim to those respondents whose scenario involved a large victim. For the null hypothesis of equal means to be rejected, the corresponding level of significance associated with the t-value had to be below .05.

Results

To attest to the representativeness of the sample of 815 respondents, a brief overview of the demographics is provided. Fully 49.7 percent of the respondents were female; 56.9 percent were at least 45 years of age; 51 percent were married; 44.9 percent have two or more children; 54.8 percent have a college degree (including those respondents with advanced degrees); and 50.8 percent have a household income of less than $50,000. While the percentage of respondents possessing a college degree was higher that the parameter for the overall population, the one demographic that caused the greatest concern was that of ethnicity. Specifically, three key ethnic groups were somewhat underrepresented by varying degrees, particularly the Hispanic segment (Asian American – 1.6%; African American – 7%; and Hispanic – 5.6%). So while the sample is not a perfect microcosm of the American adult population, it was deemed to be sufficiently representative for the assessment at hand.

The initial analysis addressed the objective of developing a profile of the aggregate sample irrespective of whether the respondent was considering a loss having been inflicted upon a large or a small victimized organization. As shown in Table 1, the respondents appear to hold fellow consumers to relatively high standards. Of the 12 actions under scrutiny, fully 11 were rejected as evidenced by means falling on the unacceptable side of the scale's midpoint of 3.50. The most strongly condemned actions were the two that respondents should have easily recognized as being illegal. The acts of falsely inflating an insurance claim and that of stealing from one's employer were resoundingly rejected. Of note is the fact that six of the actions exhibited means scores below 2.20. Given that the lowest possible mean is 1.00, this would seem to indicate that the respondents have reasonably high expectations of their peers. Furthermore, the tight grouping of the means (which fall between 1.90 and 2.19) allows these actions to be characterized as a cluster that represents actions for which there is a strong disdain.

The second cluster of means is represented by two actions with means of 2.65 and 2.69. While not viewed as harshly as those actions in the initial cluster, the respondents still expressed considerable opposition to the actions of returning an item to a store other than where it was purchased so as to secure a refund and that of borrowing someone else's membership card in order to gain access to a special event at a museum without having to pay the published non-member admission fee. The third cluster comprised three actions with means falling between 3.08 and 3.20. As such, they were each deemed unacceptable; however, the mean scores fell only slightly below the midpoint of the scale. Thus it can be stated that there was neither strong nor universal condemnation of the actions involving the individual who knowingly purchases counterfeit jewelry, the act of making multiple visits to a retail store in order to purchase sale items where the quantity that could be purchased in a single transaction was limited, and the act of purchasing an item that is obviously mismarked at a lower price. The final cluster is not a cluster at all. Rather, there is a single action that was deemed to be acceptable. With a mean of 4.54, respondents were relatively comfortable with the act of visiting a higher-price, full service retail store in order to get information about a particular product, then purchasing that same product from a lower-priced alternative such as a virtual storefront on the Internet. It is worth noting that the mean for this action (4.54) falls well beyond the scale's midpoint thereby reflecting a meaningful, albeit not universal, level of acceptance being associated with this particular action. An overview of these results for the aggregate sample is presented in Table 1.

Table 1. Acceptance of the 12 Questionable Consumer Actions

Questionable Action	Mean
Stealing from One's Employer	1.90
Inflating a Loss on an Insurance Claim	2.00
Returning Worn Clothing for Refund	2.06
Keeping Extra Change	2.13
Not Reporting a Shoplifter	2.16
Fibbing for Senior Citizen Discount	2.19
Returning an Item to a Store Where not Bought	2.65
Borrowing Membership Card to Avoid Admission Fee	2.69
Knowingly Purchasing Counterfeit Jewelry	3.08
Return to Store Multiple Times for Limited Quantity	3.09
Purchasing Mispriced Item (lower)	3.20
Info from One Retailer, Buy Elsewhere	4.54

This leads to the more important second objective, that of determining whether the size of the victim influences the level of acceptance or non-acceptance 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. 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 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 1, only two exhibited statistically significant differences when stratified on the basis of the size of the victim 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, respondents were more critical of the action when the victim was characterized as being 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 victim.

The six actions making up the three remaining clusters all exhibited statistically significant differences. Furthermore, when assessing the three clusters, grand means for the differences between the two sample means were calculated. For the most criticized set of actions, the grand mean 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. Table 2 summarizes these results.

Table 2. Differences in the Mean Levels of (Un)Acceptance Based on the Size of the Victimized Organization

	Size of Victim			
Questionable Action	Large	Small	Diff.	sig.
Stealing from Employer	1.96	1.84	+0.12	.083
Inflating Insurance Claim	2.05	1.95	+0.20	.105
Returning Worn Clothing	2.13	1.99	+0.14	.081
Keeping Extra Change	2.21	2.05	+0.16	.018
Not Report a Shoplifter	2.25	2.08	+0.17	.019
Fibbing for Sr. Discount	2.25	2.14	+0.11	.148
Returning Item Wrong Store	2.85	2.46	+0.30	.000
Borrow Membership Card	2.79	2.59	+0.20	.023
Purchase Counterfeit Jewelry	3.28	2.88	+0.40	.000
Return Multiple Times	3.41	2.77	+0.64	.000
Purchase Mispriced Item	3.36	3.04	+0.32	.002
Retail Info; Buy Elsewhere	4.86	4.23	+0.63	.000

Discussion

For starters, it is important to recognize that this national sample is comprised of adult residents of the United States. Given the sample size of 815 and the care taken in an effort to assure the sample's representativeness, it seems reasonable to draw some generalizations from the results. As shown in much of the previous research on consumer ethics, the results of this study also support the premise that American consumers hold their peers to relatively high standards. That is to say that even though consumer ethics definitely has a situational component, consumers still tend to expect others to behave in an ethical manner. But in saying this, it is important to acknowledge that this mindset is not universal across the American population. For each scenario, there were respondents at each extreme. For example, there were respondents who felt that stealing from one's employer is very acceptable even though the vast majority (89.2%) placed this action in one of the three unacceptable categories of the scale. It should also be reiterated that the two patently illegal actions ranked at the top of the scale in terms of the respondents' condemnation of those actions. So while we say that ethics is about doing the right thing, not necessarily the legal thing, it appears that violations of the law are generally deemed to be unethical. This finding is consistent with the criteria articulated by Vitell (2003).

Irrespective of the size of the victim, some behaviors are simply deemed to be inappropriate. In general, these are among the most strongly criticized actions – that is to say those that fell within the initial cluster of six highly objectionable actions. But as the focus shifts to those behaviors which are less objectionable – or even acceptable – a noteworthy phenomenon is evident. For each of the remaining six scenarios, more criticism is evident when the victim is small in size. It appears that even though there is not universal criticism of the behaviors under scrutiny, American consumers do have empathy for these smaller organizations. The rationale is likely predicated upon the issue of the degree of harm imposed upon the victim. Small organizations may feel the detrimental impact of a behavior whereas the larger organizations are immune to the pain because of their size. Since there is less perceived harm suffered by the larger organizations, there is less criticism of the misbehavior on the part of the consumer. In essence, it relates to the aforementioned issue of no harm/no foul.

Concluding Remarks

This research has documented a relationship between the level of unacceptance associated with a questionable consumer action and the size of the organization which has fallen victim to that action. As such, it serves to alert those who operate within large organizations that they are more vulnerable than are their smaller counterparts. After all, if consumers are less critical of a particular action, it seems reasonable to assume that they are more likely to engage in that action themselves. *Caveat venditor*.

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Summary Brief
Political Sex Scandals in Cartoons

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Abstract

An analysis of Political cartoons of three well-known US political sex scandals (Eliot Spitzer and the Emperor's club, Bill Clinton and Monica Lewinsky, and John Edwards and Rielle Hunter) is presented to examine how cartoons channel public perception in terms of the involvement of a prominent politician and the difference of opinion based on who the politician is; frame the organization of communal knowledge; and facilitate the grounds upon which some things can be said.

Summary Brief
Corporate Ethical Behavior in Social Media

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Firms are creating a marketing presence within social media Web sites at a rapid pace. While some aspects of social media mimic traditional consumer-firm interactions, extant research fails to address how some behaviors may violate well-established guidelines. This study utilizes the qualitative research method to gain an understanding of behaviors and perceptions of two separate units of analysis – consumers and firms – interacting with one another on Facebook. Responses from each unit reveal a difference in behavior and perceptions regarding how firms handle complaints from consumers in this medium. Specifically, firms feel they have the right to delete consumers' complaints posted on a company's Facebook page, while consumers regard such actions as unethical.

Introduction

Consumer usage of social media Web sites, such as Facebook, Twitter, and YouTube, is attracting the attention of marketers. Seventy-one percent of Fortune 500 companies now have a presence on Facebook (Ganim Barnes 2010), while the number of consumers who use the site exceeds 600 million (Carlson 2011). Marketers are targeting and interacting with consumers on popular social media sites such as Facebook to improve brand awareness and cultivate relationships (Poynter 2008). The surge in B2C marketing within social media is apparent by the recent increase in marketing dollars spent in this medium. Estimates of social media market spend are predicted to increase over 300% from $935 million in 2010 to $3.1 billion in 2014 (Forrester Research 2010). Despite this increase, marketing managers have limited guidance as to how to approach marketing strategies within this medium (Mangold and Faulds 2009).

The success of B2C social media marketing will largely depend on consumer and company behavior and perceptions of one another. Thus, the purpose of this study is to examine B2C interaction within the world's most popular social media Web site: Facebook. The researchers use a qualitative approach to assess two separate units of analysis: consumers and companies. By comparing qualitative data between these two units of analysis, the researchers triangulate differences between consumer and company behavior and perceptions. The guiding research question for this study is: how is the behavior and perceptions between consumers and companies diverging in social media to create potential confounds for each? Therefore, the contribution of this study is to offer theoretical and managerial insights into how social media B2C interaction and communication are currently functioning and how to improve upon existing problem areas.

Literature Review

Theoretical research within the domain of social media is limited thus far, but beginning to emerge. The increase in consumer control is creating opportunities for marketers, such as a new medium to build relationships (Hennig-Thurau et al. 2010) and an additional medium for collecting research (Smith 2009). Field experiments with retailers are beginning to discover that social media can increase in-person retail sales (e.g. Dholakia and Durham 2010). Concerns over privacy are emerging as commercial messages become embedded within this highly personal medium (Hoadley, Xu, Lee, and Rosson 2010). In addition to the few social media studies that exist, the most similar theoretical area with a large extant literature stream is electronic word-of-mouth (eWOM) (Hennig-Thurau et al. 2004).

Social media and eWOM are similar in that they are both Internet-based forms of communication. Upon closer inspection, eWOM may actually be thought of as a small piece of social media. eWOM is a form of user generated content (UGC) that is one of many functional activities that takes place within the larger structure of social media (Hennig-Thurau et al 2010). C2C informal communications generally comprise eWOM. Moreover, marketers engaging with and communicating to consumers, both informally and through marketing messages, is not considered to be eWOM (Hennig-Thurau et al. 2004). Thus, consumer-company interaction within social media is a unique research area that shares some commonalities with eWOM, but requires a deeper understanding to lend guidance to managers and build theory moving forward (Schau, Muniz, and Arnould 2009).

Method

This qualitative study follows the approach of phenomenological interviewing for data. Prior to conducting interviews, the researchers spent several months reading popular press news articles regarding consumer-corporate interaction within social media. This enabled the researchers to develop open-ended questions to use during the semi-structured interviews.

The sample is composed of two separate units of analysis: the consumer unit and the company unit. Purposeful sampling criterion is employed for consumer respondents: females age 21 to 55 who actively use Facebook. This criterion sample is used because females are heavy users of social media, outnumber men on Facebook, communicate more than men on Facebook, and provide a greater level of personal information on Facebook than men (Zarella 2010). The sampling criterion for company respondents is a firm's social media decision maker (i.e. the marketer) for a corporate Facebook page. Eight consumers and five marketers are included in study's current sample.

Results

A trend is emerging in the data, as the consumer subjects refer to complaining in relation to an activity or interaction on a company's Facebook page. References to "satisfaction", "gives me a voice", and "to let other consumers know" are consistent among the responses. In contrast, a surprising pattern is emerging from the data regarding how marketers handle complaining. Four of the five marketers state that they will delete complaints that consumers make on the company Facebook page – even if the complaint is warranted. Some even *block* a complaining consumer from ever posting again on the company's Facebook page.

Follow up interviews with each unit of analysis to probe their opinions and feelings of this complaint-deleting behavior are revealing. Consumers use the words "it's not ethical", "unethical", and "poor business ethics" to form a common theme in the data. This begs the question: is deleting (i.e. ignoring) a legitimate complaint that a consumer posts on a company's Facebook page an unethical act by the company? The answer to this question from the marketers during follow up interviews is surprising. Overall, none of the marketers see this as an ethical problem.

Discussion & Implications

Firms seek to participate in the Facebook *community* with consumers. A standard core practice that consumers use within this community is the exchange of information. When a firm deletes publicly viewable complaints, it is extinguishing the exchange of information among consumers. Under social contract theory, such a violation of a standard core practice within a community is regarded as an unethical act. Moreover, firms are breaking their social contract (Donaldson 1982).

This entire theme illustrates that firms are facing new ethical dilemmas with this burgeoning technology (De George 2000). This should not be a challenge to marketers who are often boundary spanners adapting to changing norms (Dunfree, Smith, and Ross 1999). Yet, similar to how the business landscape in the 1970's was slow to recognize the importance of ethics, a similar trend may be occurring as marketers are slow to recognize unethical acts and decisions within social media (De George 2000).

As this study moves forward and collects more data from additional respondents, the researchers will attempt to answer several theoretically and managerially relevant questions. Why do marketers not recognize the ethical violations of deleting complaints on Facebook? What are the short and long-term repercussions? Why is the Facebook communication medium different than traditional in-person service recovery for handling complaints? The answers to these questions may extend theories in eWOM, service recovery, and business ethics, while at the same time providing guidance to managers.

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Summary Brief
The Importance of Religiosity, Belief Congruency, & Consumer Ethics for Online Retailers

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Religion has been a pervasive force in society since the beginning of human history, In practice, retailers and brands sometimes use religious symbols, or cues, when communicating with consumers. However, limited research on how consumers perceive religious cues, characteristics of the cues, or the ultimate outcomes. This study manipulates the type of religious cue, belief congruency, and the strength of the religious cue in an online retail setting in an examination the relationships between religiosity, consumer ethical beliefs, consumer alienation, and other important outcome variables. Theoretical foundations for this study are drawn from Belief Congruency Theory (Rokeach 1960) and the General Theory of Marketing Ethics (Hunt and Vitell 2006).

Introduction

Religion pervades many aspects of people's culture and lives, ranging from small details, like menu selections, to matters of great consequence, like religious conflicts in the Middle East. Religion is one of the most universal and influential social institutions that has significant influence on people's attitudes, values, and behaviors at both the individual and societal level (Mokhlis 2009). Religiosity, or the degree to which a person is committed to his or her religion, is an important cultural force and a key influence in buyer behavior, as it possesses stability over time and has observable elements (Delener 1994).

There are several gaps in the religiosity literature in marketing that this study will address. First, despite religion being such a driving force in society, there is a limited amount of research in religiosity in marketing (Mokhlis 2009). Even fewer articles relate religiosity and retailing. Second, many of the studies are conducted in contexts that have questionable generalizability. For example, several studies have been conducted in places with uncommonly even distributions of people of different religious affiliations located in one place, such as Mauritius (Essoo and Dibb 2004) and Malaysia (Mokhlis 2009). Third, there is presently very little research linking cues to religiosity, or the strengths of those cues. Fourth, there are no studies that specifically examine the congruency between the religious affiliation of consumers and the religious affiliation of retailers. The goal of this research is incorporate religiosity into these neglected areas, as well as investigate retailers' use of religious cues and congruency of religious affiliation through the use of an experiment, using a more generalizeable sample from the U.S.

Background

The focal construct is religiosity, which is sometimes termed religious commitment or religiousness, is the degree to which beliefs in specific religious values and ideals are held and practiced by an individual (Essoo and Dibb 2004). In terms of consumer research, religiosity has been used to explain differences in opinion leadership, risk avoidance, credit purchase, and life satisfaction (Wilkes et al. 1986), retail store evaluative criteria (McDaniel and Burnett 1990), shopping behavior (Essoo and Dibb 2004), purchase decisions (Delener 1994), and shopping orientations (Mokhlis 2009).

Several other constructs play a role in the proposed model of this study. Religious affiliation is the adherence to a particular religious group (Essoo and Dibb 2004). Consumer ethical beliefs, are the moral values and belief systems that individuals use when consuming products and services (Vitell and Muncy 2005). Consumer alienation is feeling of separation from the norms and values of the marketplace (Allison 1978). The five dimensions of consumer alienation are powerlessness, meaninglessness, normlessness, isolation, and self-estrangement (Lambert 1980).

There is scant literature that examines the use of religious cues, or symbolism, in marketing. Most notably, Dotson and Hyatt (2000) examined the Christian cross, as a peripheral cue. Their results showed that high-involvement highly dogmatic subjects had more positive feelings toward the advertisements that included the cross, while the low-involvement, highly dogmatic subjects had less favorable attitudes of advertisements that included the cross.

Theory and Hypotheses

Hunt and Vitell's (2006) General Theory of Marketing Ethics (H-V Theory), which was revised from their initial 1986 theory provides one theoretical foundation for this study. This theory is a general theory of ethical decision making, which includes a process model that begins when a person is faced with a situation that they perceive to have ethical relevance. Various alternatives or actions will compose the person's evoked set. An individual's ethical judgments are a function of both deontological and teological evaluation. Further, these ethical judgments drive intentions, which predict behavior. Additionally, Hunt and Vitell (2006) elaborated on several personal characteristics that might influence different aspects of the ethical decision making process, of which religion is the most relevant to this research. Specifically, highly religious people have more clearly defined deontological norms that play a stronger role in ethical judgments.

Belief Congruency Theory (Rokeach 1960) provides another theoretical foundation for this study. According to this theory, people value beliefs, belief systems, and belief subsystems in proportion to their own belief systems. Therefore, people evaluate other entities (i.e. people, companies, messages, etc.) in terms of how congruent they perceive the target's belief system is in relationship to their own. Congruent belief systems are viewed favorably, and conversely, incongruent belief systems are viewed unfavorably. Specifically, similarity and importance are the two elements of belief congruence. If there are two targets and one is viewed as being similar, then that is the one that is viewed more favorably because of its congruence (Rokeach 1960). However, if there are two targets that are both similar, the one that is perceived to be more important is the one that is judged to be the more congruent with one's own belief system, and is judged more favorably as a result. Further, this theory explains that any stimulus can activate a belief system, or at least a portion of a belief system, which creates mental linkages that lead to cognitive interaction, which is the process by which a single evaluative meaning emerges as a result of combining two stimuli.

Both of these theories are applied to explain the hypotheses. For sake of brevity the development of these hypotheses is omitted from the summary brief. The hypotheses are:

H1: Religiosity will have a significant positive relationship with consumer ethical beliefs.

H2: Consumer ethical beliefs partially mediate the relationship between religiosity and consumer alienation.

H3 (& H4): Belief congruency, between the religious affiliation of the religious cue and the religious affiliation of the subject, moderates the relationship between ethical consumer beliefs and consumer alienation (positive retail outcomes)such that, consumer ethical beliefs predict higher levels of consumer alienation when there is belief incongruence (congruence) than when there is belief congruence.

H5 (& H6): In the situation of belief incongruence, the strength of the religious cue moderates the relationship between ethical consumer beliefs and consumer alienation (positive retail outcomes) by strengthening (weakening) the relationship when the incongruent religious cue is strong, compared to when there is a weak religious cue or no religious cue.

Method

A three-factor, between-subjects experiment will be conducted that will examine these hypotheses. The three factors that are manipulated are the religious affiliation of the cue at four levels (Christian, Muslim, Jewish, and non-religious), belief congruency at two levels (presence or absence), and the strength of the symbol or cue at two levels (high or low strength). As mentioned above, the context is an online retailer. The stimuli, which are variations of a mock website for an online retailer, will be hosted online in Qualtrics. A pretest was conducted to determine which symbols best represent the three religions. The pretest results suggest that the best symbols are a cross for Christianity, the mosque for Islam, and the Star of David for Jewish religion. The strength of cue is manipulated by the prominence of the cue. Established scales will be used to measure religiosity, consumer ethical beliefs, consumer alienation, and other outcome variables, such as patronage intentions, purchase intentions, loyalty, word-of-mouth, retailer satisfaction, and attitude toward the company. The covariates that will be included, as suggested by prior research, are age, sex, income, educational level, and zip code. Additionally, if the subject is Christian, their affiliation with Catholicism or Protestantism will also be measured for additional analysis.

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Summary Brief
A Cross-Cultural Comparison of the Influence of Structural Competition and Salesperson Trait Competitiveness on Sales Performance

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The United States and Canada share one of the closest and most comprehensive bilateral trade relationships in the world, but are also intensely competitive. In the context of competitiveness in selling, Canadian and American sales professionals share some inherent cultural similarities, including a common competitive drive to be successful in their respective sales roles. However, the two differ in some respects. This exploratory study provides some cross-cultural insights on the influence of structural competition and salesperson trait competitiveness on American versus Canadian salesperson performance.

Introduction

The United States and Canada engage in significant bilateral trade, where in a recent month the United States exported $24.4B in goods to Canada and imported $27.2B from Canada (United States Census Bureau 2011). While the US and Canada share one of the closest and most extensive trade relationships, a significant lack of understanding surrounding cultural imbalance remains between these two trading partners in general (O'Grady and Lane 1996) and surrounding similarities and differences in selling behaviors that impact sales performance in particular.

While the US and Canada work to maintain a mutually beneficial trade relationship, a sense of cultural rivalry is omnipresent. One key area this is most visible to the typical person is within the competitive sports landscape between these two countries. For instance, the ongoing Canadian-USA National Hockey League (NHL) rivalry is well recognized and represents the unique relationship, similarities, and differences that these two bordering countries share.

It is perhaps not unexpected that many sales professionals note that their own level of competitiveness in selling can be associated back to their own competitive sports experiences. From this, an inherent question that emerges is whether participation in organized sport has any impact on sales performance. Consequently, this exploratory research not only addresses the question of whether a salesperson's involvement in organized sport, along with their individual level of trait competitiveness, has an impact on sales performance but also whether significant cross-cultural differences exist between American and Canadian salespeople.

Cross-Cultural Assessment

Despite the increasing breadth of sales research, specific literature relevant to cross-cultural selling and negotiation situations is mainly normative and often disjointed (Simintiras and Thomas 1998). Further, while there are many assumptions and myths between Canadian and American cultures, scant literature addresses cross-national personal selling interactions and comparisons between Canada and the US (Evans et. al. 1992; Kale and Barnes 1992).

A review of existing business cross-cultural research reflects the premise that cultural differences exist when studying different countries. In considering the extensive cultural research of Hofstede (i.e., 1983; 2001), we can understand differences across cultures based on culturally determined values of power distance, uncertainty avoidance, masculinity/ femininity, individualism/collectivism, and long-term orientation. While many may consider Canada and the US to be more similar than dissimilar, there are cultural differences and similarities between the United States and Canada across these five aforementioned dimensions at some level (Hofstede 2001).

Salesperson Structural Competition, Trait Competitiveness and Sales Performance

Competition is commonly inherent in situations in which two or more people vie for rewards that are too scarce to be enjoyed equally by all participating parties (Kohn 1992). Trait competitiveness is the enjoyment of interpersonal competition and the desire to win and be better than others (Spence and Helmreich 1983). Both of these concepts can be applied across corporate and national selling contexts. Trait competitiveness has been a key topic of interest in the sport and human resource management literature (Gould and Dieffenbach 2002; Laabs 2000; Murphy 2006) because it is often considered a predictive variable of success against others as in the case of athletes competing against other athletes for a winning outcome or prospective job candidates competing with others for a limited number of jobs. It is also a variable of interest to the sales literature since successful salesperson performance hinges on competition against others to win accounts.

It is clear that many prominent sales organizations value individuals high in trait competitiveness since these individuals tend to set higher goals (Brown, Cron, and Slocum 1998). Further, interviews with sales managers in the US and Canada suggest that athletes are more likely to have higher trait competitiveness. This aligns with the point that participation in individual and team sports provides individuals with the ongoing development of skills, strategies, and techniques to set, plan for, and attain goals for themselves (Green 2005). Learned competitive behavior through participation in various sports (levels and types) and gained through structural competition inherent in performing a selling function may extend into the selling environment in business markets and be positively related to salesperson trait competitiveness and salesperson performance.

Research Design and Sample

Eighty-three sales representatives from American and Canadian companies responded to an electronic survey measuring their participation in high school and college sports (structural competition). Salesperson trait competitiveness was measured using Helmreich and Spence's (1978) measure of trait competitiveness. Salesperson performance was assessed using Yammarino and Dubinsky's (1990) measure of subjective salesperson performance. Hofstede's (1994) Value Survey Module 26-item questionnaire was adapted to assess key cultural dimensions between the Canadian and American salespeople.

Findings and Conclusion

Our results suggest that Canadian and American salespeople are more similar than dissimilar. Shared is a competitive drive to be successful in their respective sales roles. Further, higher levels of trait competitiveness and sales performance were found between individuals who played organized sport than those who did not. Despite cultural differences between the two countries, no significant differences were found in the sample.

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Summary Brief
Wearing Your Cultural Lens to Win Back Lost Customers

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Introduction

Why do customers return or switch back to exchange relationships that they have previously left? What can service providers do to facilitate re-acquisition of these lost customers? How does a customer's comparative assessment of the strength of the past relationship and the new relationship with the replacement supplier impact the consumer's decision to return? Furthermore, given the heightened importance and strength of long-term exchange relationships among Asian cultures, what are the key differences between Chinese and American consumers when making decisions to reestablish exchange relationships that they have previously left? These are some of the questions that this paper attempts to explore in order to provide marketers a better understanding of the re-acquisition process.

Service quality variability is an innate aspect of service encounters and a subject of concern for many service providers. With this variability, there are bound to be service encounters that are less satisfactory than others. Given enough time, a service failure is inevitable. However, unresolved service failures often lead to customer defections; driving customers to find alternative providers for the service.

As consumer markets grow throughout the world, the interplay of culture and customer experiences can determine customer satisfaction, retention, and for defected customers, reacquisition strategies. Customer reacquisition strategies and consumer behavior pertaining to switching-back decisions are critical to customer relationship management. However, the current service literature has paid minimal attention to the particulars of the consumers' switching-back decision-making process.

In response to Tokman and his colleagues' (2007) advocacy for a new research stream toward a theory of customer reacquisition management, our study proposes and tests a three-route model of customers' switching-back decisions. The triadic model captures the economic antecedents (customers' perceived worth of win-back offers or WOW), the social / relationship antecedents (relative social capital), and emotional antecedents (post-switching regret) that lead to customers' switching-back decisions.

Chinese Consumer Value

We employ the triadic model to further explore the cultural differences between Chinese and American consumers in their switching-back decisions. The Chinese culture is largely defined by the Confucian principles to help maintain social harmony, order, and stability. Confucius-influenced societies focuses on the connectivity and interaction among one another, including individuals, businesses, and the larger society. As such, relationships are preserved through "Guanxi" (personal relationships), mianzi (saving face), renqing (favor), and hui bao (reciprocation and reciprocity) (Joy 2001; Wang 2007; Wang and Lin 2009).

Three hypotheses are proposed:

Hypothesis 1: Chinese customers, when compared to American customers, will be more influenced by WOW when deciding on switching back to the original service provider.

Hypothesis 2: Chinese customers, when compared to American customers, will be more influenced by relative social capital when deciding on switching back to the original service provider.

Hypothesis 3: Chinese customers, when compared to American customers, will be less influenced by their post-switching regret when deciding on switching back to the original service provider.

In order to test the hypotheses, a 2 x 2 between groups, quasi-experimental design was employed (Cook and Campbell 1979), with two levels of price (high and low), and two levels of perceived service benefit (high and low) manipulated as in Tokman, Davis, and Lemon (2007), in both China and the US. Note that the relationship between WOW and the offers' price and perceived service benefit was not the focus of our study. A total of 263 usable responses in the US and 196 usable responses in China were collected, resulting in cell sizes ranging from 47 to 55 in both samples.

Surveys with two samples from China and the US largely support our proposed three-route model and the indicated cross-national differences.

Findings and Discussions

Findings from this study suggest that consumers considering returning to a past service provider is influenced by three information sources: (1) win-back offers by *original* service providers (i.e., WOW), (2) relative social capital, and (3) post-switching regret. It is important to note that service providers not only have direct control on WOW and social capital, but also can exercise strong influence on the perception of relative social capital and post-switching regret through marketing activities. As important, findings from this study support the growing body of research on continuously and consistently monitoring strong customer relationships. This is especially pertinent in Chinese society, where "hui bao" (reciprocity) and "Guanxi" (special relationships), and "face" signify the core value of society. For Chinese consumers, a high value win-back offer supported by special treatments or favors can aid in re-acquisition efforts. Over time, these special treatments or favors create strong social capital between the customer and the firms, which can deter customers from defecting and help firms win back defected customers.

In the US, where these activities are less integral to cultural norms, perhaps this information is less diagnostic when predicting what will be received in future business encounters and, therefore, it is less important to consumers' switch-back decisions. Another interesting cultural difference identified in this research study pertains to how more affective and emotional variables impact the switching-back decisions of Chinese and American consumers. In this study, the positive impact of post-switching regret on switch back intention was significant for American consumers only. This finding is consistent with past research that indicates that affect and emotion impact purchase decisions of Americans more than Chinese. Instead, Chinese consumers focus more strongly on the economic aspects of an exchange relationship (Su and Wang 2010).

To summarize some of the key findings of this study, we find support for the proposition that Chinese consumers make non-emotive decisions regarding switching-back to a former service provider. It is interesting to note that Chinese consumers tend not to dwell on negative emotion of regret, and instead focus on the economic incentive (i.e., WOW) and social/relational benefits (i.e., relative social capital). In comparison, American consumers focus on economic (i.e., WOW) and emotional (post-switching regret) factors influencing the switch back decision.

These findings have many implications for service providers and multinational firms. For suppliers who have lost and wish to reacquire the lost customers, our findings suggest that the economical value of win-back offer is the most important incentive for both Chinese and American consumers. Thus, firms may want to evaluate their value propositions to determine the most attractive quality vs. price offer/package for each customer in developing win back strategy. In addition, firms attempt to reacquire customers in China should focus their customers' attention on positive social/relational benefits (i.e., social capital) established with the firm relative to that with the competitor; thus they may remind customers the "good old time" and encourage customers to return. Meanwhile, firms' attempting to reacquire customers in America can focus their customers' attention on negative emotions (i.e., post-switching regret) emerged after leaving the firm; thus they may leverage the perceptions of consumer regret and encourage customers to return.

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Summary Brief
A Complex Adaptive Systems Perspective on Maritime Piracy

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Abstract

This study utilizes complex adaptive systems theory as the theoretical foundation through which readers are introduced to the growing threat of maritime piracy. Data and examples obtained from government and media sources are used as the basis for the discussion of the causes of maritime piracy and to provide suggestions for future research.

Introduction

The International Maritime Bureau (IMB) defines maritime piracy as "*An act of boarding or attempting to board any ship with the intent to commit theft or any other crime with the intent or capability to use force in the furtherance of that act"* (http://www.icc-ccs.org/imb/overview.php) and reports that the number of pirate attacks as been increasing for several years. The reasons for maritime piracy are complex and rooted in historical events and have impacted many countries. Readers that seek to understand the resurgence of maritime piracy must first understand that maritime piracy is based on opportunity, necessity and ability. Consequently, modern day pirates are highly adaptable and pose a significant threat to global supply chains and ultimately the international community as a whole. At the most basic level pirates with their propensity toward violence constitute a direct threat to the health and welfare of those that they come in contact with (Kraska and Wilson 2009). Countries that do not actively combat maritime piracy risk having their ports boycotted by shipping companies or being categorized as high risk areas by insurance companies which could cripple local economies (Thai and Grewal 2007). Acts of piracy may also cause long-term environmental damage in the event of an explosion or oil/chemical spill (Chalk 1998).

Maritime Piracy

Many scholars believe that maritime piracy predates recorded history and began shortly after the development of established trade routes and ended with the fall of the Barbary Coast pirates in the mid 1830's (Ong-Webb 2007). Unfortunately, maritime piracy reemerged at the end of the Vietnam War when the United States and Soviet Union cut military expenditures and left large portions of the world without effective naval deterrence (Burnett 2002). In 2007 the IMB reported that pirates attacked 263 ships throughout the world. The frequency and severity continued to increase through 2009 when pirates were responsible for taking some 1052 people hostage, injuring 68 and killing 8 with another 8 missing and presumed dead. In January 2011 the BBC reported that maritime piracy costs the global economy \$7 to \$12 billion annually. While the loss of life and financial cost of these attacks is high readers may be surprised to know that between 40 and 60 percent of pirate attacks go unreported (Ong-Webb 2007). Table 1 provides a summary of the human toll resulting from pirate attacks that occurred between 1995 and 2009.

Table 1 Types of violence to crew & passengers January 1995 through December 2009

Types of Violence	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Taken hostage	419	244	402	202	210	191	359	748	440	188	292	889	1052
Threatened	119	68	21	72	45	55	65	34	14	17	6	9	14
Assualted	23	58	22	9	16	9	40	12	6	2	29	7	4
Injured	31	37	24	99	39	38	88	59	24	15	35	32	68
Killed	51	78	3	72	21	10	21	32		15	5	11	8
Missing			1	26		24	71	30	12	3	3	21	8
Annual total	643	485	473	480	331	327	644	915	496	240	370	969	1154

Complexity Theory

Complexity theory is an umbrella theory that describes the emergence of order in dynamic environments where there is no clear linear relationship between inputs and outputs (Grobman 2005). A complex adaptive system (CAS) can be viewed as a web of individual stakeholders that have the ability to act in ways that are not always predictable. Each stakeholder's actions are interconnected and have the potential to impact the operating environments of all stakeholders. Interactions between stakeholders in a CAS are governed by the evolving web of individual agents, organizations, and associations which changes over time due to emerging influences (Holland 1995). These changes enable the system, as a whole, to optimize its chances of survival. The complex set of interactions between stakeholders in a CAS, the dynamic nature of rules that exist to govern adaptations within the system and adaptations of the system within an evolving environment produce effects within an intricate array of feedback loops that are generally non-linear (Anderson, 1999).

Complexity theory can also be applied to maritime piracy (Barnes and Oloruntoba 2005) as individuals and groups turn to piracy in order to survive or prosper where black market economies are the norm. Reinhardt (2004) suggests that maritime piracy is most likely to occur in locales that meet four criteria. These criteria include: a tradition of seafaring, long stretches of uninhabited beaches with navigable ports or channels, weak or corrupt governments with large black market or underground economies, and where there is sufficient opportunity. While pirate attacks can and have occurred throughout most of the world the current situation in Somalia offers a textbook example of how CAS can be used to explain the reemergence of maritime piracy.

At present, the Somali government is extremely weak due to reoccurring civil wars that have left large portions of the country remain under the control of well armed warlords who are reluctant to relinquish power. The economy is extremely weak because what little industry that was in Somalia prior to the current conflict has either left or been destroyed leaving many Somalis reliant on international food aid in order to survive. From a geographical perspective the Somali coast offers large stretches of remote beaches with a number of small but navigable ports.

One must also consider the human factor because Somalis living near or along the coast have fished their coastal waters for generations. Consequently, there is a large portion of the Somali population that is familiar with both the operation of seaworthy vessels and military weaponry. Compounding this problem is the fact that Somalia's territorial waters where illegally fished out during their civil war years by outsiders leaving a growing local population that has been largely unable to feed itself. Somali family groups and villages along or near the coast can therefore be viewed as complex adaptive systems that are attempting to adapt to harsh living conditions in order to survive. Finally, it must be noted that Somali pirates have little fear of prosecution if they are caught due to a very weak and corrupt Somali legal system.

Suggestions for Future Research

This study highlights the need for additional research in a number of important areas. The identification of these topic areas is of great importance given the growing threat to global supply chains. Based on this growing threat the first potential stream of research should focus on the development of new business models that will enable supply chain managers to better estimate the true costs associated with preventing or recovering from a pirate attack. A second and equally important potential stream of future research should focus on developing a better understanding of the factors that contribute to maritime piracy and how they can be mitigated.

Conclusion

The international maritime supply chain is critical to the global economy but has been adversely affected by the resurgence of maritime piracy. These pirates represent a complex adaptive system whose mode of operation and tactics continue to evolve in spite of the combined military forces that have been sent to eliminate them. As a result, governments and industry must now work together in order to develop new methods of operation that are less vulnerable to this threat.

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Summary Brief
The South-North Divide in International Marketing: How Consumers' Associations with South vs. North Affect Their Product Evaluations

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International marketers often consider the impact of country of origin on consumers' perceptions and their acceptance of foreign products and brands. However, consumers' perceptions of the products' origins may not always occur at a country level. Similar to country-specific stereotypes, there exist numerous stereotypes about different regions within one country (e.g. Hollywood in the US) and different groups of countries (e.g. European Union). Such within-country and between-countries stereotypes may also affect consumers' perceptions of products and brands manufactured in different regions of a country or the world. The goal of our conceptual paper is to examine the novel issue of how within-country region-specific stereotypes in addition to country-specific stereotypes affect consumers' product evaluations and their purchase intentions. We focus on South-North divide as the oldest and the most universal within-country region-specific stereotype.

Introduction

International marketers often consider the impact of country of origin on consumers' perceptions and their acceptance of foreign products and brands. Country of origin allows consumers to predict certain product features and overall quality (Hong and Wyer 1989; Li et al. 1993; Maheswaran 1994) based on country-related stereotypes - a set of "descriptive, inferential and informational beliefs" about a particular country (Martin and Eroglu 1993). Country of origin (COO) effect has received considerable amount of attention in marketing literature over the last 50 years.

However, consumers' perceptions of the products' origins may not always occur at a country level. Similar to country-specific stereotypes, there exist numerous stereotypes about different regions within one country (e.g. Hollywood in the US; Champaign in France; Transylvania in Romania) and different groups of countries (e.g. South Asia, European Union, Third World). Such within-country and between-countries stereotypes may also affect consumers' perceptions of products and brands manufactured in different regions of a country or the world.

According to (Keller 2008) successful marketing strategies should capitalize on favorable, strong and unique associations that are linked to a product. Favorable, strong and unique region-specific associations may also enhance consumers' product evaluations regardless of whether these associations exist at within-country, country or between-countries level. Despite its strong potential impact, region of origin effect at within-country and between-countries levels has received only limited attention in marketing literature.

The goal of our conceptual paper is to examine the novel issue of how within-country region-specific stereotypes in addition to country-specific stereotypes affect consumers' product evaluations and their purchase intentions.

Country of Origin Effect

COO can be viewed as an extrinsic product cue and its strength in product evaluation process increases in the absence of other intrinsic and extrinsic cues (Kotler and Gertner, 2002). It may also become the main decision-making cue when all other product features are comparable.

Region of Origin Effect

Traditional polarization between rich North and poor South is one of the central themes in social sciences (Ayoob and Zierler 2005; Cruz 2005; Reuveny 2002). In colonial times European countries competed for access to Southern resources to supply manufacturing facilities in the North (Reuveny and Thompson 2008). Such stereotypes are relatively strong despite the fact that North-South divide is becoming less relevant from the perspective of production, because of globalization that resulted in spatial restructuring of industries (Arrighi et al. 2003).

Propositions

North is usually associated with the wealth and industrial development, while South - with natural resources, poverty and ethnic cuisines. As a result of such differential perception we suggest that consumers' evaluations of technical products will be more favorable when they are manufactured in the North than when they are manufactured in the South. At the same time, food items are likely to be evaluated in the opposite manner. Food from the South will be evaluated more favorably than the identical food originated in the North.

Conclusions

Global companies usually deploy their manufacturing facilities in countries with low-cost labor and close proximity to cheap natural resources. However, such resource-efficient strategy may come at the cost of diminishing the perceived value of a product due to poor or even neutral image of the country of production. Therefore, global businesses often face perceived quality – production costs dilemma (Drozdenko and Jensen 2009).

Prior research has suggested implementing different "promotional strategies (Ettenson et al. 1988), decomposing the COO product cue (Tse and Wei-na 1993), employing incongruent foreign brand name (Leclerc et al. 1994), providing separate information about country of assembly and country of origin of parts and some other strategies. In contrast we suggest a novel strategy that does not require big investments and is based on consumers' stereotypes about the South-North divide. Such region-specific stereotypes are likely to gain weigh when consumers are not familiar with products and when region of origin is a salient cue.

Firms can downplay country of origin cue among COO sensitive consumer by emphasizing region of production. Region cue becomes a stronger product evaluation cue when it's made salient for consumers during product evaluation process. Region-specific stereotypes in some situations may mitigate negative country image and may be used by global companies when developing new products or introducing existing products into new countries.

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Summary Brief

The Effects of Brand Name, COO, and Price on Perceived Quality and Willingness to Purchase: A Study of Female Chinese Consumers

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Global marketers want to capitalize on previously acquired brand equity by extending a reputable brand to a new regional market, especially to the emerging economies. Three questions that global marketers always attempt to answer before they enter into the Chinese market are 1) if their brand name will be accepted by Chinese consumers; 2) if their country-of-origin will have any problems with Chinese, and 3) what price will be acceptable to local consumers. Utilizing the consumer risk-taking theories, this article examines the effects of brand name, brand country-of-origin information, and price on perceived quality and purchase intentions of Chinese consumers. The experimental results showed mixed support for the six hypotheses. Brand name does affect quality perception and Chinese consumers have more positive evaluation of a brand with foreign name than the Chinese name. Brands with foreign names are considered higher in quality but do not lead to purchase intentions. Country-of-origin effect is still significant among Chinese consumers who have more positive perceptions of foreign products than the domestic ones, and are more willing to buy foreign products. The results indicate that price is still an extrinsic cue that has decisive influence on quality perceptions and purchase intentions among Chinese consumer.
Managerial implications for global marketers are discussed.

Summary Brief

How Consumers React to Service Failures when they are a Minority in their own Country

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The literature has examined how animosity toward other countries, and consumer racism might influence consumers' actions in the marketplace. However little is known about how local consumers react to their status as a numerical minority versus migrants in their own countries. We integrate findings from social distinctiveness theory as well as integrated theory to present a conceptual model to explain how local consumers will respond to service failures enacted by foreign service providers, when the former are a minority in their own country. Research propositions are presented and managerial implications discussed.

Introduction

Previous research has examined how consumers who migrate to another country acculturate and assimilate into the culture they are moving to (e.g., Cleveland and Chang 2009; Laroche et al. 1998). However little is known about how consumers in a country receiving migrants respond to such immigration in the marketplace. This is issue is especially relevant in countries which are characterized by a large percentage of migrant populations like the United Arab Emirates and Singapore in which 70% and 41% of the population respectively are expatriates (International Organization for Migration 2011). The minority status of consumers in their own country creates a unique context in which there is pressure for the locals to acculturate to the immigrant culture rather than the normal reverse situation. The question that begs an answer is how local consumers behave in the marketplace when they perceive themselves as a minority threatened by a foreign population? Our aim is to examine how a consumer' position as a national minority influences their attitudes towards various ethnicities living in their country and how these attitudes will have an impact on their attitudes toward service failures enacted by foreign service providers. We build upon the integrated threat theory (Stephan et al. 2000) within the social psychology literature and social identity literatures within marketing (e.g., Deshpande and Stayman 1994) to develop a conceptual model and provide research propositions for future research.

Literature Review

Social distinctiveness theory has been used in marketing to explain how minorities react to advertising (e.g., Deshpande and Stayman 1994; Grier and Deshpande 2001). The theory argues that individuals will identity with others that are similar to them and that are a minority in the social context. Previous research reveals that when an ethnic group is a numerical minority then ethnicity is salient to members of such a group (Deshpande and Stayman 1994; Grier and Deshpande 2001). However national identity salience does not necessarily imply bias against out groups, but rather ingroup bias (Brewer 1999). However, we expect that a heightened social identity will not be associated with negative reactions toward other ingroups, but that it will lead to a heightened state of alert toward actions of foreigners.

We have argued that a consumers' national identity will be salient to him or her when in a numerical minority. When a consumer's national identity is salient he/she is more likely to be attuned to any threats posed by immigrant populations (Stephan et al. 2000). We therefore proceed to discuss the integrated threat theory which explains how individual react to immigrant populations (Stephan et al. 2000). In the next section we will introduce research propositions.

The integrated threat theory supports that prejudice toward other groups is driven by four types of threats: realistic threats, symbolic threats, negative stereotypes and threats from intergroup anxiety (Stephan et al, 2000). The first three relate to the effect of an out-group on one's in-group, while the fourth relates to the negative impact of a group to one's individual self, and thus we will discuss the first three. We expect that these threats will lead to prejudice against a service provider in the form of more sever service failures.

Realistic threats are "threats to the very existence of the in-group (e.g., through warfare), threats to the political and economic power of the in-group, and threats to the physical or material well-being of the in-group (e.g., their health)" (Stephan et al. 2000, p. 1243). When out-groups are perceived as competitors with one's in-group for resources like jobs, welfare these groups are viewed as posing realistic threats. Symbolic threats "involve perceived group differences in morals, values, standards, beliefs, and attitudes" (Stephan et al. 2000, p.1243). Individuals experience prejudice toward groups that represent a threat to the way of life and worldviews of the in-group.

Thus when consumers are a numerical minority in their own country we expect that they will perceive higher levels of both symbolic and realistic threats from expatriates, and that a high level of perceived threat will lead to more severe perceptions of service failure when the service provider is a foreigner.

P1: The perceived level of realistic threat from foreigners is positively related to the severity of the service failure.

P2: The perceived level of symbolic threat from foreigners is positively related to the severity of the service failure.

We have argued that the numerical majority of foreigners heighten a local consumers' perceived level of threat from foreigners in general. However, since foreigners might originate from different countries, and since different groups often have unique stereotypes attached to them we expect that stereotypes attached to different groups might also have an impact on the perceived severity of the service failure.

Negative stereotypes have been suggested as a more subtle form of threat. Negative stereotypes (e.g., deceitful, untrustworthy, incompetent, aggressive) are conceptualized as a threat because they setup a negative expectation about interacting with other groups and therefore lead to prejudice. Research supports that negative stereotypes are positively associated with prejudice (Stephan et al. 2000).Thus we expect that negative stereotypes will affect perceptions of service failure. Consumer will enact prejudice on the service provider in the form of more severe service failures. Thus:

P3: Negative group stereotypes are positively related to the severity of the service failure.

Perceived Group Status

Another factor expected to influence perceptions of service failure is the perceived status of the service providers' ethnic group . Previous research supports that the perceived level of threat and negative stereotypes will have a more pronounced effect on prejudice for lower status groups (Cadinu and Reggiori 2002). This expectation is consistent with downward comparison theory, which suggests that individuals will deal with threats to the in-group by derogating out-groups that are of a lower status (Wills 1981). Thus:

P4: When the service provider belongs to a group that is of perceived low status then:

a) The perceived realistic threat of foreigners will have a greater effect on the severity of the service failure than if the service provider belongs to a group of perceived high status.

b) The perceived symbolic threat of foreigners will have a greater effect on the severity of the service failure than if the service provider belongs to a group of perceived high status.

c) Negative group stereotypes will have a greater effect on the severity of the service failure than if the service provider belongs to a group of perceived high status.

Discussion

In this paper we have presented research propositions to explain how consumers react to service failures when the consumer is a numerical minority in his/her country and the service provider is a foreigner. We suggest that future studies test this conceptual model in countries where consumers are numerical minorities. Examples of such countries include the United Arab Emirates and Qatar, in which foreigners account for 70% and 87% of the population respectively. If threat from foreigners leads to more severe service failure perceptions then several managerial implications can be drawn. An understanding of the factors that lead consumers to be biased against the service provider because of his/her foreign status can assist managers in designing training programs to prepare first line employees dealing with service failures. Results of this study might also be useful for managers to understand that perceptions of service failure severity might be driven by the prejudice that consumers have toward foreigners and not the characteristics of the service failure itself. The results of this study also have potential public policy applications. Policy makers in may seek to educate businesses on how consumers are likely to react to service failure when foreigners are perceived as a threat. Programs can also be instituted by policy makers to reduce the level of perceived threat from foreigners, and change the negative stereotypes that consumers might hold of different foreign groups.

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Summary Brief
Reframing the Discourse: Advertising Rhetoric Fails to Combat Islamophobia

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It can be argued that the rising tide of crimes against Muslims and mosques, and the increasing level of discourse on Islamic issues can be pointed to as evidence of a rise in Islamophobia. In response, the Council on American-Islamic Relations has initiated an advertising campaign to reframe the discourse to "Muslim as American." Instead, using terror management theory as a base, and relying on the qualitative method of applying literary criticism to advertising critique prescribed by Stern (1989), this qualitative research finds the ads reinforce cultural worldviews that frame Muslims as "other" and may result in a deeper divide between Christians and Muslims.

Introduction

In an interview, the legislative director for the Council on American-Islamic Relations (CAIR) argues that anti-Muslim sentiment is pervasive in American culture (National Public Radio 2010). CAIR has tracked vandalism and arson committed against mosques, the Muslim place of worship, and found it has climbed from a one incident-per-month rate at the beginning of 2010 to 12 crimes per month by that fall (National Public Radio 2010). At the same time, political rhetoric has heated up. Most notably, the potential construction of a Muslim community center two blocks from the site of the September 11, 2001 terrorist attacks, the burning of the Qur'an, the Islamic holy book, by Christian clerics, and Congressional hearings on the radicalization of American Muslims.

With anti-Islamic sentiment seemingly on the rise, CAIR produced two public service announcements (PSAs) to position Muslim-Americans as principally Americans (Council on American-Islamic Relations 2010). The ads feature Muslim-Americans reflecting on the terrorist attacks of 2001. CAIR's legislative director said, "We felt it was really important to do something that would humanize Muslims to our fellow Americans and then also remind everybody that on 9/11 Al-Qaeda attacked the United States, not Islam" (National Public Radio 2010).

The question becomes, then, will the new marketing communications effort by CAIR have the desired effect on everyday Americans? The qualitative analysis presented in this paper concludes they do not. To support the thesis that the ad campaign developed by CAIR does not achieve its purpose of changing the discourse on Islam in the United States, but rather, reinforces a worldview that Muslims are inherently un-American and a threat to Americanism, this qualitative research brings together concepts of rhetorical articulation of politics (Ivie 2007; Murphy 2003), discourse analysis of media-based rhetoric (Aly and Green 2008; Merskin 2003), and complicity theory related to racism (McPhail 1991), to understand contemporary political framing of Islam. It then relies on literary analysis of advertising (Stern 1989) and terror management theory (Greenberg, Pyszczynski, and Solomon 1986) as a framework for a critique of the CAIR ads. The paper concludes by offering direction to reframe the discourse on Islam in a more effective method.

The Framing of Islam

In his first words to a stunned American people on the evening of September 11, 2001, then President Bush attempted to frame the day's events, and all future violence of a similar nature, whether against the West or initiated by the same, as a struggle between good and evil. Not long after that initial speech, Bush reiterated that the United States was in a protracted conflict between the two (Ivie 2007). Bush could frame the discourse in that manner because he had already established his authority to shape public interpretation of the September 11 events as well as the American military response (Murphy 2003). In doing so, Bush crafted the affective response Americans were to have (Murphy 2003) and shaped American response of war framed in a religious dogma (Ivie 2007).

The framing of followers of Islam fits into McPhail's (1991) definition of complicity as a theory of negative difference in which a belief in separateness is accompanied by a rhetoric that perpetuates the "other" in terms of race, gender, culture, nationality, and religion. Today, the politics of complicity favors a rhetoric that discredits and disregards the words of anyone who does not fit within one's cultural worldview (McPhail 2002).

Some critics argue the characterization of Islam by the media also has reinforced the idea of "other" within the worldview of Americans (Merskin 2003). In a 2007 survey, 32 percent of Americans said the media had the most significant influence on their views of Muslims, and 48 percent said the media had contributed to negatives views of Islam (Pew Forum 2007). In their meta-analysis of studies of U.S. media coverage of September 11, and wars in Afghanistan and Iraq, Aly and Green (2008) found common media constructions around good versus evil. According to Merskin (2003), the framing of Middle Eastern Americans as "other" is made complete by visuals that highlight images focusing on the violent and sensational.

Terror Management Theory

According to terror management theory (TMT), individuals reminded of their own mortality or feel their safety is jeopardized experience an increase in negative evaluations of those who do not share their cultural worldview (Greenberg, Pyszczynski, and Solomon 1986). Negative reactions to moral transgressors occur because the transgressors threaten the validity of the individual's beliefs and values (Rosenblatt et al. 1989). When given the choice between discrediting their own worldview or disparaging someone or some group that threatens the values of that worldview, most individuals choose to dehumanize the outgroup (Rosenblatt et al. 1989). Because reminders of an individual's vulnerability increases the negative reactions toward the transgressor, the CAIR ads describing the horrors of September 11, 2001 from eye-witnesses play into the effects of TMT on Americans who adopted the worldview prescribed by Bush and the mass media.

Empirical studies have shown the significant relationship between mortality salience and reformation of individual established perspectives (Rosenblatt et al. 1989). Descriptions of September 11, therefore, not only provide recall of an individual's memory of those events but their feelings of diminished safety, increased fear, and human mortality, as well as closely held beliefs about Islam and Muslims. If it is true that ads simultaneously reflect and influence behavior (Stern 1989), then TMT provides the framework to reinforce a worldview that Muslims are inherently un-American and a threat to Americanism.

Advertising that Freezes the Discourse

Stern (1989) advocates a four-step methodology to advertising critique: 1) analytical accounting of the text; 2) analysis of the context through sociocultural and historical perspectives; 3) structural and semiotic analysis; and 4) consideration of who the audience is and what the desired outcome is of the message originator. Examining the text of the CAIR ads finds a narrative approach that attempts to place the viewer in the personal context of the narrator. But the ad's content opens the door to counter-interpretation. The person in the ad, initially a hero in the eyes of the viewer, concludes by saying "I'm a clinical pharmacist, a first responder in 9/11 … and a Muslim." This act of establishing the faith of the narrator reminds the viewer of the dichotomous framework in American culture of Muslim and Christian. The narrator has become the "other" and the cultural worldview of good and evil is confirmed. The second ad provides similar contrasts when it ends "I'm a New York City firefighter, and I responded to 9/11. And I am a Muslim."

Islam has maintained its presence in the public discourse with every anniversary of the September 11 attacks. The CAIR ads are an effort to quell the rise of Islamophobia by affecting the discussion of Islam in the United States. However, the recalling of the terrorist events has the effect of establishing mortality salience and emotions of fear and lack of security. Ads designed to connect American and Muslim instead confirm Muslims as "other," and Islamophobia is perpetuated. Research has found providing factual information to combat a cultural worldview also entrenches that worldview, while staking a contradictory position does not work much better, and often makes the subject resist changes to the ideologies that existed prior to the correction (Nyhan and Reifler 2010). Instead of a Muslim narrator reminding viewers of the events of September 11, a third-party narrative using a Christian describing Islamic friends whom he or she has learned to trust is one advertising strategy that could combat such a challenge.

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Summary Brief
Hispanicness and Viewer Response to English, Spanish, and Spanglish Advertisements

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The Hispanic population in the United States now exceeds 50 million residents and represents the majority minority in the U.S. Despite this fact, there is little research addressing how each successive generation retains the characteristics of their ethnicity, and how it may affect responses to advertising messages with different language themes. To test this question, an experiment was conducted to test whether the level of Hispanicness of the viewer affected the viewer's response to the advertisement. The direct effects of three language executions (Spanish, English, and Spanglish) on the evaluation of advertisements among a highly Hispanic study group were conducted Results indicate that for a highly Hispanic population that is bi-lingual, the use of Spanish or English advertisements were positively met, while advertisements in Spanglish were not. Attitude towards the ad was significant in overall ad evaluation for Spanish and Spanglish advertisements. Results, implications, and future research questions are discussed.

Introduction

With the recent release of the 2010 United States Census Bureau data, it is clear that the demographics of the U.S. is changing. This is best demonstrated by the fact that the population of Hispanics grew by 43% in the last decade in the United States and continues to outpace other the growth of other ethnic groups (http://quickfacts.census.gov). In fact, Hispanics now account for more than 50 million U.S. residents and are projected to make up one in three residents by the year 2050 (http://articles.latimes.com). The impressive growth rate in this demographic has exerted its influence on various areas of the U.S. marketplace, and warrants further investigation. This is supported by the fact that Hispanics controlled an estimated $978 billion in spending power in 2009, with projections for $1.33 trillion by the year 2014 (http://www.terry.uga.edu/selig/docs/GBEC0903q.pdf). This amount would account for more than 10% of the purchasing power of the general U.S. population, and has the potential to exert great influence on the way marketers and managers position and promote their products.

Traditionally, the growth in the U.S. population of Hispanics was due to the immigration of individuals from countries such as Mexico, Puerto Rico, and Cuba, while additional immigrants would come from Central and South America. This trend in the growth of the Hispanic demographic in the United States has moved from immigration to the growth to births among Hispanics currently residing in the U.S. (http://articles.latimes.com), showing that there is a shift in the traditional makeup of the Hispanic population in the United States.

Along with this shift in the makeup of the U.S. Hispanic population has come a divide in the generations, with each successive generation becoming more acculturated and adopting or taking on many of the customs and traditions of the U.S., while sharing in the customs and traditions of their parent's home countries. This can be found in the holidays celebrated, with many families celebrating the mixed traditions of their home countries combined with those of the U.S., and, in particular, this can be found in the languages used in and out of the home. For example, Hispanic children often attend schools where the primary language is English, while at home, the language of preference is Spanish. This is reflected in the fact that the top 10 states with the largest Hispanic markets have a population of approximately 23 million Hispanics, while Spanish is spoken some or most of the time in approximately 21 million of those homes, or in excess of 90% (http://factfinder2.census.gov). This leads to the use of both languages within and without the home, resulting in a combination of the two languages into what is termed "Spanglish", or the use of the two languages within the same sentence or conversation. Consequently, this study seeks to answer the following research questions: does the degree of Hispanicness affect viewer response to English, Spanish and Spanglish advertisements?

Conceptual Development

Hispanicness

As observed by Villarreal and Peterson (2009), Hispanic ethnicity has traditionally been treated as a dichotomous variable, much like a demographic variable such as gender or marital status where the respondent can only respond with one of two answers (i.e. yes/no, married/unmarried). They go on to further state that this treatment is '…atheoretical, simplistic, and ignores the fact that being a Hispanic does not reflect the degree to which Hispanic ethnicity or "Hispanicness" is possessed (Villarreal and Peterson 2009)." For example, there are many celebrities who identify themselves as either being Hispanic, or having a Hispanic heritage, but, either doesn't speak Spanish, or have only learned Spanish later in life (i.e. Christina Aguilera, Eva Longoria, and Jessica Alba). So, even though one may possess Hispanic roots, i.e. parents were born in Mexico, Latin or South America, they either don't fully reflect or embrace being a Hispanic. This is also reflected in the fact that as each successive generation of self-identified Hispanics become acculturated at the intersection between their parent's Hispanic cultural identification and their own cultural identification, which is often a mix between their parent's culture and the culture within which they live, the degree with which they identify as being Hispanic could potentially fade.

In previous marketing literature, there has been little research that has treated Hispanic ethnicity as anything other than a dichotomous variable. According to Villarreal and Peterson (2009), the studies which have attempted to move beyond the treatment of this variable as dichotomous have primarily treated ethnic self-identity in terms of weak or strong Hispanic identification (e.g., Deshpande and Stayman 1994; Donthu and Cherian 1994; Webster 1992). Valencia (1985) has defined Hispanicness in terms of ethnicity and acculturation, which is attributed to the presence or absence of cultural behaviors. Since some members of the Hispanic community appear to be "more Hispanic" than others, this study adopts Valencia's (1985) definition of Hispanicness as "…the rate or degree of acculturation of Hispanic consumers living in this country (United States)."

Results

Overall, the respondents rated all three ads, Spanish, English, and Spanglish as moderately believable. That is, on a scale from one to five, scores ranged from 2.36 to 3.00, showing that the respondents perceived the ads as relatively effective in forming an overall positive attitude toward the ad. Similar scores were achieved for the factors of interesting and valuable. These results can be found in Table 1

Table 1
Advertisement Evaluations by Ad Language

Measure	Spanish	English	Spanglish	All Ads Mean	SD
Believable	2.88	2.36	3.00	2.74	0.34
Informative	1.80	2.07	2.73	2.20	0.48
Interesting	2.19	2.29	2.33	2.27	0.08
Convincing	2.31	1.79	2.40	2.17	0.33

The results of the multilevel regression analysis for believability, informative, interesting, and convincing are shown in Table 2. The variables listed both under the intercept and the advertising themes are between-subject, whereas the advertising theme variables are within-subject. The between-subject variables listed under the intercept denote main effects while those listed under each advertising theme denote interaction terms.

Table 2
Multilevel Model Results for Ad Evaluation Measures

Construct	Spanish	English	Spanglish
Intercept	2.85**	1.96	2.23*
Hispanicness	0.13*	-0.07*	0.05
Attitude (Ad)	0.11*	-0.02	0.08*
Purchase Intentions	-0.07	0.02	-0.03

p<0.01,p<0.05,***p<0.10*

The primary purpose of this study was to determine whether the degree of Hispanicness affect the viewers' interpretation of English, Spanish, and Spanglish advertisements. Based upon the results in Table 3, the degree of Hispanicness is significant in the viewers' interpretation of Spanish and English advertisements, while it is non-significant for Spanglish advertisements. This shows that Hispanicness does play a factor in overall evaluation of Spanish and English advertisements, while in the case of this study; Hispanicness wasn't significant in the viewers' overall evaluation of the advertisement.

In addition to the answer to the primary research question, it was found that attitude towards the ad was significant for Spanish and Spanglish advertisements, while non-significant for English advertisements. Also, purchase intentions for Spanish, English, and Spanglish advertisements were all non-significant.

Discussion

With a rapidly expanding Hispanic population in the United States, the importance of understanding these consumers is more important than ever. With an estimated 1 in 6 U.S. residents currently being Hispanic or of Hispanic origin, while it is estimated that by 2050 1 in 3 will be Hispanic or of Hispanic origin, the ability of marketers to understand the language and verbal cues that appeal to this demographic is vital.

The finding that Hispanicness is significant in the viewer's overall interpretation of Spanish and English advertisement is important because it shows the marketer that these are important demographic factors to consider in the construction of advertising and advertising campaigns, particularly for those products and services that are aimed towards a Hispanic population. Further, the finding that Hispanicness is non-significant for Spanglish advertisements show that code-switching behavior may be useful in personal conversation, however, the use of this type of code-switching may be ineffective for advertising.

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Summary Brief
A Cross-Cultural Study of Consumer Attitudes toward Marketing Practices

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Introduction

Although a number of researchers focus on consumer attitudes either in an individual country or on comparison of attitudes among different countries (Defris and McDonnell, 1976; Chan et al. 1990), there has been a paucity of attention afforded to significant shifts in consumer demographics within the U.S. (Cynthia 1991, Sexton 1972, and Schaninger et al. 1985). This research focuses on the gap in literature and examines consumer attitudes of Asian group that presents 14.6 million people, accounting for 4.9 % of the U.S. population (by the 2006 U.S. census). Specially, this research addresses the following questions: (1) Are there significant differences in attitudes toward marketing practices between Asian and American customers? And are the consumer attitudes towards marketing in the economic situation different from those that were measured by previous studies? To serve the research purpose to compare consumer attitudes of Americans and those of the other groups, people who have non-Hispanic white ethnicity are named as Americans and Asians or Asian Americans as Asians.

Hypotheses Development

Asians follow collectivist culture. People in collectivist culture tend to do things in groups and their attitudinal decisions are influenced by group norms, which stem from national culture (Triandis, 2000), and exhibit higher uncertainty avoidance than members of individualist cultures (Moss & Vinten, 2001). Therefore, a set of hypotheses are generated as follows: There is a significant difference between Asian and American attitudes toward product quality (H1), the pricing of products (H2), the advertising of products (H3), retailing (H4), marketing (H5).

There are a lot of changes in current social and economic situation in the U.S, such as president election, economic downturn, therefore, there is a significant difference between consumer attitudes toward marketing now and in the past (H6).

Measurement

Questionnaires developed by Gaski and Etzel (1986) were adapted. The scales included the measures of consumer attitudes toward marketing mix variables. The questionnaires measured consumer attitudes toward each of the marketing mix variables - product, retailing, advertising, and price. The instrument also included measures of consumer satisfaction with each of the marketing mix variables, and the perceived importance of the marketing mix variables.

Out of 250 surveys sent to a large State Southwest University, 200 surveys were returned among which 3 were half completed therefore they were removed. The data collected underwent purification through reliability analysis using Cronback's alpha. The two items from each scale exhibiting the lowest item-to-total correlations were deleted, leaving four sets of five item scales.

To verify discriminant validity, correlation among four scales was obtained for the whole sample. The use of Pearson correlations was used to test for discriminant validity in this study. Since each scale had an alpha coefficient considerably higher than its correlations with any of the other scales which range from 0.170 to 0.394, therefore discriminant validity was upheld. In addition, the correlations between the index measure and overall consumer satisfaction are 0.610, which indicate adequate convergence between the index measure and the customer satisfaction measure. Thus, the convergent validity for the instrument is also supported.

Discussions

Although there were some differences between Asian and American groups in a certain factors, the difference was not significant for the overall index and all four marketing mix scales, therefore, the results reject H1, H2, H3, H4. But H5 is marginally rejected. The mean index score obtained for the whole sample was 2.074. This indicates that a more favorable consumer attitudes towards marketing as compared with the US where Gaski and Etzel's study (1986) showed a score of -14.847. Therefore H6 is supported.

Among the four marketing areas, consumer attitude towards retailing was most favorable (1.73). However, consumer attitude toward price was most unfavorable (-.926), an indication that is easily explained from the sample of students who consider price of items a critical criterion to make decision although they are have positive attitudes toward quality (1.28) and retailing.

Marketing in the United States at present appears to be better than marketing more than 20 years ago even though the study was done in bad economic situation. The results of the study showed that there was no much different attitude towards marketing between groups from two Asian and American cultures, which lead to a conclusion that both groups are homogeneous.

The mean consumer attitude score of 2.217 obtained from this study can be considered as a preliminary "index" of consumer attitudes towards marketing at the time of economic downturn in the US with 2009 as the base period. This index measure could be used for continual monitoring of the basic public perceptions of, and satisfaction with, marketing

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Summary Brief

The Use of Catastrophes as Advertising Appeal: Content and Reactions to Advertising Following the Earthquake in Chile on February 27, 2010

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This paper presents two studies examining the relationship between catastrophes and advertising in the context of the 27/2 earthquake in Chile (2010). The first study scrutinizes the characteristics of those print advertisements that used this event as their main theme. As a result, a revised typology of previous works is proposed. The second study evaluated the reactions of the consumers to the different kinds of advertisements post catastrophes defined. This issue was explored in a survey that asked for the attitude and credibility toward these pieces, and in a qualitative examination of the reasons for that evaluation given by interviewees.

Antecedents

Catastrophes such as earthquakes, floods, tornados, major accidents or terrorist attacks have always held a special attraction of different areas of communication studies. In the particular case of marketing communication field, there are several studies focusing on post-disaster management that primarily aim at analyzing strategies for restoring the image of tourism destinations affected by catastrophic events (Hystad and Keller, 2007). In addition, other studies have focused on the tactic actions used by organizations immediately after catastrophes. This area includes those studies examining how companies have used these disasters in their communication campaigns (Elliott et al., 2005).

In this vein, McMellon and Long (2004, 2006) analyzed the content of the advertising that appeared following the attack on the Twin Towers in 2001 and then examined public reaction to this type of advertising. In the absence of relevant prior evidence studies, the first part of McMellon and Long's study (2006) began with a pre-analysis of a series of previous disasters similar to the attack on the Twin Towers (all of them caused by humans): Pearl Harbor (1941), World Trade Center (1993), Oklahoma (1995) and Twin Towers (2001). They proposed a classification of advertisements post-catastrophe as those devoted (1) to improve the *image* of the company; (2) to communicate *patriotic* images and pride in the country and its values; (3) to use the catastrophe only as *commercial* intent; (4) to seek *participatory* attitudes or public commitment to support whether through donations or fund-rising campaigns; and (5) to provide useful *information* to citizens about the catastrophe or measures to take. Finally McMellon and Long (2006) investigated consumer attitudes toward these different types of print advertising. They applied the Mckenzie and Lutz scale (1989) to a convenience sample of 621 people who evaluated graphic pieces in the "image," "participation," "patriotic," and "commercial" categories. Results indicated that "commercial" and "image" ads generated more negative attitudes than those that were "informational" and "patriotic." They also found significant differences by gender (women have a more positive attitude than men) but not by age of study participants.

Thus, this paper seeks to test and expand upon the findings of McMellon and Long (2006) through two studies developed in the context of the earthquake in Chile on February 27, 2010 (a natural disaster). The first one aims to determine the ways in which advertisers used the earthquake as an advertising theme. The second study seeks to evaluate consumer reactions (attitude and credibility) to advertising that used this earthquake as a theme.

Study 1: Content Analysis

To investigate the types of ads most often used by companies after the earthquake in Chile on February 27, 2010, we took all of the print advertisements that appeared between February 28 and March 14, 2010 in the two newspapers with the highest advertising income in the country: El Mercurio and La Tercera. These ads were defined as those using words such as "catastrophe," "earthquake," or any other verbal allusion to the catastrophe. Using this definition, it was defined a total sample of 209 ads. These pieces were analyzed by two coders based on the classification proposed by McMellon and Long (2006), but with the addition of the option "others". These "other" responses were later recoded to reach the final set of advertising types.

This analysis detected a taxonomy of 8 different types of advertising post-earthquake, which represents an adaptation of the original McMellon and Long´s (2006) categorization: "image", "informational", "direct commercial", "indirect commercial", "participation", "mixed", "gratitude", "patriotic", and "others". In terms of frequency, the analysis showed that two types of ads were most commonly used: "image" and "information" (see Table 1).

Table 1: Types of advertising post Chilean earthquake

	%	Cumulative %
Image	35,9	35,9
Informational	23,4	59,3
Participation	12,4	71,7
Commercial (Direct and Indirect)	11,0	82,7
Mixed	10,5	93,2
Gratitude	4,3	97,5
Patriotic	1,9	99.4
Others	0,5	100,0
Total	**100,0**	

Study 2: Reactions to Ads

The second study sought to determine consumer reaction when faced with print ads that used the earthquake as a theme. This issue was examined in two parts: one evaluated the audience's "attitude and credibility" toward the ads and another that explored the reasons they gave for their evaluation.

A group of ten marketing and advertising experts were asked to choose the pieces most representative of the categories most often used, and then they were presented online in July 2010 to a probabilistic sample by quotas of 1961 cases drawn from the urban population of 18+ years throughout Chile from all the socioeconomic levels, with a margin of error for overall results of ±2.2%, with a confidence level of 95%.

Each participant observed each piece for 15 seconds and evaluated each ad in terms of "attitude" and "credibility" based on a semantic differential scale of seven values (Good/ Bad, Pleasant/ Unpleasant, Favorable/ Unfavorable, Convincing/ Dubious, Credible/ Non-credible, Partial/ Impartial) (McKenzie and Lutz, 1989) and finally answered an open-ended question about the reasons for their evaluation of the ad (McMellon and Long, 2006). For the second part of this study, 200 cases were selected from among all of the participants using a special type of sampling for qualitative studies called random sampling (Miller and Hubermann, 1994, Strauss and Corbin, 1990).

Table 2: Attitude and Credibility to advertising types

		Average	
Ads	**Classification**	**Attitude**	**Credibility**
"Red Cross"	Participation	2.72*	2.68*
"Sodimac"	Indirect Commercial	2.98*	3.19*
"Lan Airlines"	Informational	3.09*	3.20*
"BCI"	Image	3.15*	3.57*
"DirecTV"	Direct Commercial	3.75*	3.91*

*p value < .0001

Results showed that the most favorably evaluated items were "participation" and "indirect commercial" (see Table 2). A complementary analysis examined the socio-demographic measures (see Table 3).

Table 3: Attitude and credibility to advertisments

	Attitude		Credibility	
	Mean	**Sig.**	**Mean**	**Sig.**
Male	3.32	0.000	3.46	0.000
Female	2.96		3.16	
< 24 years old	3.06		3.14	
24 - 40 years old	3.05	0.000	3.28	0.000
> 40 years old	3.34		3.52	
ABC1	3.08		3.26	
C2	3.00	0.000	3.20	0.000
C3	3.07		3.26	
D	3.43		3.53	
Residence outside of the earthquake area	3.51	0.000	3.68	0.000
Residence in of the earthquake area	3.06		3.23	

We then proceeded to qualitatively investigate the reasons that respondents had. It was observed that respondents justified their decisions primarily on the basis of three main reasons: *prior perception of the brand, the opinion of the execution,* and the perception of the *commercial intent* (more or less open) of the advertisement.

Prior brand image	*"It instills pride because the Red Cross is a transparent institution, which gives confidence and is always willing to help, that's why I like what they do and I believe them"*
Opinion of the execution	*"The SODIMAC ad seemed very disorganized, with many ideas together, a lot of text"*
Execution	*"I think it is a company that should have helped more, the advertisement should not be 1 +1, but 1 +3 or else it is too little, and it shows that they are still making money"*

Conclusion

This research proposed a classification of advertisements post-disaster in terms of 9 categories, "Image", "Informational", "Direct Sales", "Indirect Sales", "Participation", "Mixed", "Acknowledgement", "Patriotic" and "Others." Of these, there was a clear predominance of the first two mentioned, which reached nearly 60%. This classification has some differences with the previous one proposed by McMellon & Long (2006), which did not reported "acknowledgement" ads, a higher presence of "patriotic ads" and lower prominence of "informational" advertising. Study 2 aimed to examine the attitude and credibility toward ads that allude to an earthquake and the reasoning behind them using a qualitative approach. With respect to the former, the results show that as the variable type of advertisement, the ads that were best evaluated were the "participation" and "indirect commercial" types. These results coincide with findings from McMellon and Long (2006). In the qualitative part, the analysis of participants' responses showed that there are three dimensions that seem to condition the evaluation of the ad: the opinion toward the advertised brand, the evaluation about the performance of the ad, and the perception of commercial intent.

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Summary Brief
Website Design and Social Influence in Online Group Buying: A Conceptual Framework

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Online group buying combines the features of online shopping and traditional cooperative buying and provides consumers with a new way of getting bargains. Since this shopping trend is relatively new, the discussion in marketing research regarding the behavior of consumers involved in online group buying is still scant. Extending the frameworks proposed by McKinght et al (2002) and Kaufmann et al (2010) and considering the social dimensions of online group buying, this paper proposes a framework, which examines the influences of website design, informational social influence and consumers' self construals on the intention to join online group buying. The framework will be examined empirically by surveying group buying participants in the US and Taiwan.

Introduction

Current studies of online group buying mostly focus on the pricing mechanism (Anand and Aron, 2003; Chen, Chen and Song, 2002; Kauffman and Wang, 2001) and limited attention has been paid to other factors affecting consumers to join online group buying purchase. To pave the way for further investigation, this paper develops a model and several hypotheses by extending the conceptual frameworks proposed by Kauffman, Lai and Lin (2010) and McKnight, Choudhury and Kacmar (2002). Besides the website design factors proposed in the aforementioned frameworks, social factors, including informational social influence and consumers' self concept, are considered.

Literature Review

Online group buying

Current research of group buying focuses mainly on the demand and the pricing mechanism in this new type of online transactions (Anand and Aron, 2003; Chen, et al., 2009; Kauffman, Lai and Ho, 2010). These studies discuss the influence of the pricing mechanism on demands from the seller's perspective and neglect consumers' attitude and behavior during the process. Kauffman, et al. (2010) investigate the relationships among reviews, perceived risks and trust, which influence bidding intention. However, other important factors, e.g., website design, the quality of reviews and social factors, have not been discussed.

Web Design, Trust and Perceived Risk

Elements of website design can enhance online shoppers' feeling of trust (Cyr, 2008; Pavlou, 2003). McKnight et al. (2002) find that website design influences consumers' trust on online vendors. Kauffman et al (2010) find that risk and trust in the group initiator influence participants' intention to join group buying bids. A well designed group buying website will help group buying participants generate trust in a group buying initiator because the potential participants may project their trust in the website onto the initiator. Further, online shopping research has proved that online store image will influence consumers' perceived risks (Aghekyan, 2009). Since online store image stems from consumers' perception of website design (Katerattanakul and Siau, 2003), the website design will influence their levels of risk perceptions.

H1. The more positive consumers' perception of web design, the higher consumers' trust in a group buying initiator.

H2. The more positive consumers' perception of website design, the lower consumers' perceived risk of online group buying.

Informational Social Influence, Trust and Perceived Risk

Online Word-of-Mouth (eWOM), one form of informational social influence, has been documented as an important risk reducing information (Chatterjee, 2001). Information has also been proved to influence online brand trust (Alam and Yasin, 2010). At the same time, trust can reduce consumers' perceived risk (Yousafzai, Pallister and Foxall, 2003). Schaupp and Carter (2008) find trust in both online service providers and the Internet can reduce consumers' perceived risk. Therefore, the influence of information on perceived risk can take both direct and indirect routes.

H3. eWOM information about a group buying initiator is negatively related to a consumer's perceived risk in online group buying.

H4. eWOM information about a group buying initiator is positively related to a consumer's trust in the group buying initiator.

H5. The more trust consumers have in a group buying initiator, the lower consumers' perceived risk of online group buying.

Interdependent Self Construals, Trust, and Intention to Participate

An individual may come to believe about self through defining his or her relationship with others, i.e., through self-construals (Escalas and Bettman, 2005; Markus and Kitayama, 1991). Consumers with higher interdependent construals like to build a self image of being sociable as a self-presenational goal and are more readily to participate in tasks, which demonstrate their social appropriateness (Lalwani and Shavitt, 2009). Therefore, these consumers are more willing to participate in groups and work with others to achieve a goal.

H6. A consumer with higher interdependent self-construal tendency is more willing to participate in an online buying group.

Lee and Robins (1998) conclude that individuals with higher social connectedness will show higher interpersonal trust. Holland et al. (2004) conclude, compared with participants with high independent self, participants with high interdependent self show greater interpersonal proximity.

H7. A consumer with higher interdependent self-construal tendency has more trust in a group buying initiator.

Pavlou (2003) finds that trust is positively linked to online purchase intention. Tsvetovat et al. (2000) also suggest that trust, especially in group initiators, is important in the formation of buying groups and during the group buying process. Besides, McKnight et al. (2002) conclude that trust is positively related to, while perceived risk is negatively related to consumers' intention to purchase online.

H8. The higher a consumer's trust in a group buying initiator, the higher a consumer's intention to participate in online group buying.

H9. The lower consumers' perceived risk of online group buying, the higher a consumer's intention to participate in online group buying.

Methodology

To verify the framework proposed here, this study will conduct online surveys among online group buying participants in the US and in Taiwan. These two locations witness the popularity of online group buying but provide different types of online group buying services. The online group buying websites currently available in the US are dominantly B-to-C type, while the most popular online group buying services in Taiwan are mainly C-to-C type. The survey will target and recruit consumers with online group buying experiences.

Expected Contributions

This paper extends a framework, which fills gaps of current group buying studies. The framework hypothesizes that Word-of-Mouth about a group initiator influences consumers' decisions to join a buying group (Kauffman et al, 2010). Besides, the interdependent-self individuals are more likely to trust a group initiator and join a buying group.

Managerially, the proposed framework provides investors and practitioners interested in providing online group buying platforms a checklist of factors, which should be considered when opening such a website. Also through understanding consumers' self concept, group buying websites may plan their social media strategy and virtual community design accordingly.

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Summary Brief
Need for Cognition and its Effect on the Effectiveness of Product Placement

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Attitude toward a specific product placement and toward the brand placed are commonly used indicators of the effectiveness of product placement. The relationships between these constructs and their individual-level antecedents were examined. Structural equation modeling of these relationships reveals that a viewer's mood and parasocial attachment to a character have a significant positive relationship with their attitude toward a specific product placement. This in turn has a significant positive relationship with the viewer's attitude toward the brand. However, there is a significant difference between viewers with high and low "need for cognition". The relationship between attitude toward the specific placement and toward the brand placed was significantly stronger for viewers with low NFC.

Introduction

In recent times, the lines between entertainment and advertising have become increasingly blurred. One of the contributors to this phenomenon is the practice of product placement. Attitudes toward product placement and toward the brand indicate whether a specific placement was effective. While these constructs have been addressed in extant literature, a missing component is that of "need for cognition", and how it interacts with the relationship between the two constructs. This paper reviews both the need for cognition literature as well as research in this area in advertising and product placement. Antecedents of attitudes toward a specific placement and toward the brand placed are identified. The relationships between the constructs are examined in order to determine if they vary based on the viewer's need for cognition.

Literature Review

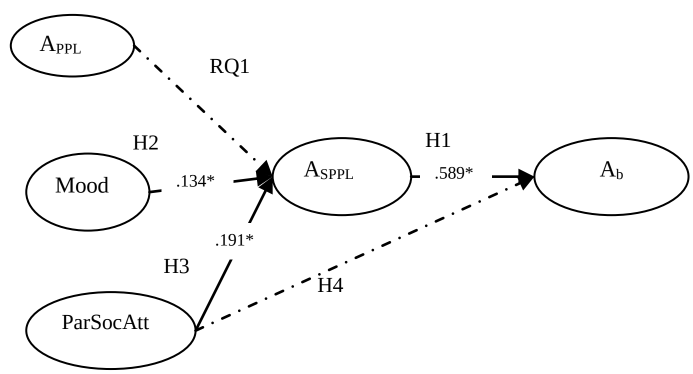
Two widely accepted definitions of product placement are as follows. It has been defined as "a paid product message aimed at influencing movie (or television) audiences via the planned and unobtrusive entry of a branded product into a movie (or television program)" (Balasubramanian 1994). Another definition states that "brand placement is the compensated inclusion of brands or brand identifiers, through audio and/or visual means, with mass media programming" (Karrh 1998).

According to the dual mediation model in advertising (MacKenzie, Lutz, and Belch 1986), attitude toward the ad can have a direct effect on brand attitude. We expect mood to have an effect on attitude toward a specific product placement through a peripheral effect (Batra and Stayman 1990). While attitudes may develop after a single exposure to the program, over the course of multiple episodes a viewer may become vested in the characters and their lives, developing "parasocial" attachments with the characters which can affect their attitude toward the placement and the brand (Russell and Stern 2006).

Need for cognition is an individual level difference and individuals with high levels of NFC are those who have a tendency to engage in and enjoy thinking (Cacioppo and Petty 1982). The relevance of NFC with respect to marketing communication is that it affects the path to persuasion. Thus NFC is likely to moderate the relationship between attitude toward the specific placement and attitude toward the brand. Individuals with low NFC are likely to be persuaded to a greater extent by placements.

The hypothesized structural model is shown in Figure 1 (The dotted lines represent the non-significant paths that were ultimately dropped).

Figure 1: Structural Model



Note: APPL: Attitude toward product placement in general, ASPPL: Attitude toward a specific product placement, Ab: Attitude toward brand; ParSocAtt; Para-social attachment. Dotted paths represent dropped paths

Method

The sample consisted of 249 undergraduate students from a large Midwestern university who were offered credit toward their courses for their participation in the study. The survey was hosted online. The first part of the survey consisted of the mood measures. This was followed by an episode of the popular television series "Seinfeld" that was approximately 23 minutes long. Of the various products placed within the episode, the one chosen (Diet Coke) was the best representation of a typical product placement (i.e. between 0 and 6 seconds, character interaction with the main character of the program -- Jerry Seinfeld). In order to ensure that participants viewed the entire clip, several measures were built in. Finally, participants were requested to complete the remaining measures for attitude toward the brand placed, attitude toward the specific product placement, attitude toward product placement in general; parasocial attachment to the character associated with the placement, and need for cognition, in addition to demographic information.

Results

The data lacked multivariate normality; hence robust statistics that are adjusted for non-normality are reported throughout this paper. Maximum likelihood estimation was used in our analyses.

The results from the confirmatory factor analysis showed that the fit indices were good with a comparative fit index of .943 and root mean square error of approximation of .063. All factor loadings were statistically significant at the .05 level. The structural model was also found to have good fit indices, with a CFI of .942 and RMSEA of .063. However, the paths from “Para-social Attachment” to “Attitude toward the Brand” and from “Attitude toward Product Placement” to “Attitude toward the Specific Product Placement” were not significant. Based on the results of the Wald test, the model was re-estimated after dropping these paths one at a time. The final model had acceptable fit indices (CFI = .949 and RMSEA = .066), and all structural paths were statistically significant and in the hypothesized direction, thereby supporting hypotheses H1, H2, and H3. The standardized estimates of the structural paths are shown in Figure 1.

In order to test for moderation, we used the unconstrained latent interaction approach first proposed by Marsh et al. in 2004. The individual indicators of Mood, Attitude toward the specific product placement, and Parasocial attachment, and those for “Need for Cognition” were centered in order to reduce multi-collinearity. The indicators of the moderator construct associated with each of the exogenous constructs were then created by multiplying matched indicators from the respective construct and the NFC. The results show that while all models had good fit indices, a significant positive interaction effect was observed only in the case of the path between Attitude toward a specific product placement and Attitude toward Brand.

Discussion

Some interesting results of the study are that pre-existing attitudes toward product placement in general do not seem to have an effect on the viewer’s attitude toward a specific product placement on television. The nature of the product or the nature of the actual placement (subtle, integrated placements v. non-subtle placements) may very well override any pre-existing attitudes toward product placements. As in the case of advertising, the viewer’s mood at the time of the placement seems to have a significant relationship with the attitude toward the placement. This has significant implications for marketers and is an issue that needs further examination – does this mean that a program-induced positive mood can have a significant positive effect on the attitude to the specific product placement? The affective bond that a viewer has with the character of a television show also has a significant positive effect on the attitude to the specific product placement, and this is again a relevant finding from the perspective of marketing practice – marketers may find television programs with characters that generate such attachments to be better venues to place their brands.

Attitude toward the specific product placement and attitude toward the brand have a significant positive relationship; however, an interesting finding is that this is not a consistent effect across a program’s viewer base. The magnitude of the relationship is significantly higher for viewers with a low need for cognition, since the peripheral cues offered by product placement seem to work in a more effective manner for these viewers. From the perspective of marketing practice and for future research, an exploration into whether these viewers vary in their preference for specific genres of television programs could yield results of practical significance.

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Summary Brief
Timing Fashion Cycles: Implications for Integrated Marketing Communications

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Timing of marketing communications throughout the product's lifecycle is of critical importance to the practicing managers. The study examines current state of research on this important topic and suggests borrowing methods from fashion research literature and methods to map product life cycle. Such mapping can aid in planning and execution of marketing communications strategies. Using fashion magazine data for 1981-1991 timeframe, the study demonstrates the process of mapping using simple measurements and discerning patterns of fashion lifecycle for women's evening dress. The results support the hypotheses advanced and the authors discuss implications of the results and future directions for research linking product life cycle and communications strategies.

Introduction

Timing of marketing communications throughout the product's lifecycle is of critical importance to the practicing managers. However, specific guidelines are still lacking for any strategic marketing activities that would take into account product lifecycle.

Hypotheses

The literature on fashion and fashion cycles seems to suggest that there are a multitude of factors that may govern the changes in fashion. Upper class leadership theory, operating at the conscious level, suggests unpredictable and constant changes in fashion, as upper classes are trying to distinguish themselves and the lower classes trying to 'catch-up'.

H1. Fashion, in terms of dress length, décolletage length, oscillates frequently over shorter periods of time (months).

On the other hand, classic empirical studies suggest that over longer periods of time, fashion changes have a continuous nature and even exhibit certain predictable patterns/cycles.

H2. Fashion, in terms of dress length, décolletage length, is cyclical over longer periods of time (years).

Flugel's (1930) theory of "shifting erogenous zones" explains changes in female fashions through either veiling or exposing certain female body parts that are of sexual interest to men. Many times this occurs through changes in the length of the skirts and dresses, i.e. exposing or revealing legs, and changes in the length of the décolletage of dresses and blouses, i.e. exposing or revealing breasts. Importantly, Flugel (1930) suggests that a fully exposed body is boring for men, so as one erogenous zone is covered the other one is typically veiled.

H3. There is a positive relationship between décolletage length and skirt length.

Methodology

Based on previous research, the current study collected data for the years 1981-1991 using photographs from Harper's Bazaar fashion magazine. The four measures were plotted, and their residuals were plotted as well.

Results and Discussion

Our results provide support for all hypotheses advanced. Our results suggest that IMC professionals could time their promotions based on the analysis of fashion cycles.

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Summary Brief
Path Analysis of Comparative Advertising

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Comparative advertising is an advertising tactic that makes explicit claims of a sponsored brand's superiority to a comparison brand. This study applies structural equation modeling (SEM) to examine the relationships between the constructs of attitude toward ad, ad involvement, ad believability, ad effectiveness and purchase intention. The positive relationships between constructs exhibited in the analysis suggest that consumers' purchase intention is influenced by consumers' positive impression of the sponsored brand.

Introduction

Comparative advertising can effectively engage consumers in relative judgments about the sponsored brand that generate either an association or differentiation effect. However, the relative effectiveness of comparative versus non-comparative advertising may vary as a function of product characteristics or message content.

Past research on comparative advertising mainly focuses on comparing the research subjects' attitudinal differences observed in experiments. Little research has attempted to develop a comparative advertising model to explore the casual relationships between constructs. Grewal et al. (1997) developed a hierarchy of comparative advertising effects model to examine the effectiveness of comparative and non-comparative advertising. The meta-analysis results show that comparative ads are more effective in eliciting attention to the ad, message and brand awareness, favorable brand attitudes and purchase intentions.

On the other hand, comparative ads produce lower source believability and less favorable attitudes to the ads. However, Grewal et al.'s (1997) model has never been tested with a single comprehensive technique that studies the multiple relationships between dependent and independent variables. To bridge that gap, this study develops a simplified model to explore the relationships between the constructs of attitude toward the ad, ad involvement, ad believability, ad effectiveness and purchase intention.

Literature Review and Hypotheses

Consumers would pay more attention to ads that have two brands in comparison in which the advertised products are relevant to their needs (Grewal et al. 1997). The messages presented in the comparative ads capture consumers' attention because the explicit attribute comparisons help consumers differentiate the sponsored brand and the comparison brand.

Comparative advertising is more stimulating (Pechmann and Esteban, 1993) because the ad messages motivate audiences to argue either in support of or against the advertising claims. Believability of comparative advertising is related to source credibility and the perceived truthfulness of the advertising message (Grewal et al., 1997). Comparative advertising is less believable because comparative ad message induces consumers to counter-arguing with the advertising claims as well as disparage the source of the advertising message (Belch, 1981).

Comparative ads that compare objective brand attributes can generate more positive attitudes than comparative ads with subjective brand attributes comparison (Barry, 1993). Objective brand attributes refer to factual information conveyed in the ads while subjective attributes denote as evaluative information. If consumers' attitudes toward the comparison brand are perceived positive, similarity may lead to more positive attitudes toward the sponsored brand (MacKenzie, Lutz, and Belch, 1986).

Previous research shows that there is a stronger relationship between attitude toward the sponsored brand and purchase intention of comparative ads than for non-comparative ads (Grewal et al., 1997). When a new sponsored brand is comparing to an established brand or market leader a novelty effect may occur. In this instance, the new sponsored brand may receive more attention and the ad itself is also being perceived as more informative than a non-comparative ad. This may result in a greater impact on consumers' attitudes and purchase intention. The constructs for the comparative ad model include believability, ad involvement, attitude toward ad and purchase intention with ad effectiveness as the mediating variable (See Figure 1 for the proposed model). The following hypotheses are formulated based on the aforementioned discussion:

H1. There will be a positive relationship between attitude toward ad (AAD) and ad effectiveness (AE)

H2. There will be a negative relationship between ad believability (AB) and ad effectiveness (AE)

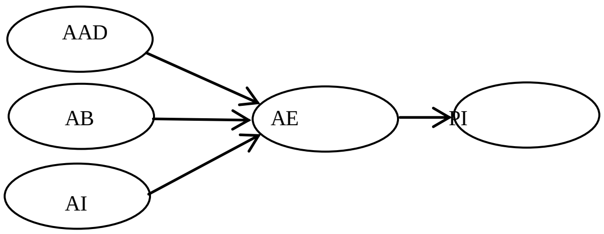
H3. There will be a positive relationship between ad involvement (AI) and ad effectiveness (AE)

H4. There will be a positive relationship between ad effectiveness (AE) and purchase intention (PI)

Research Methodology

Using a web survey, three comparative ads with three levels of comparative advertisement intensity (CAI) were randomly assigned to 195 marketing and advertising students from two American universities. Laptop computers were chosen as the comparative products because of their relevance to the respondents' needs. The comparative attributes were weight, price, shape, speed and overall quality.

Figure 1. Research Model



Findings

Exploratory factor analysis (EFA) with varimax rotation produced a five- factor solution with eigenvalues greater than 1.0. The coefficient alphas for each construct (attitude toward the advertisement, ad believability, ad involvement, ad effectiveness and purchase intention) ranged from .84 to .94.

Confirmatory analysis (CFA) results indicated that the χ^2 for the measurement model was 405.98 (p = .000) with 199 degrees of freedom. The fit indexes were comparative fit index (CFI) = .95, normed fit index (NFI) = .90, root mean squared error (RMSEA) = .07, and tucker-lewis = .94. As a result, a 22-item CFA model was estimated and the measurement model provided an appropriate fit. All loading estimates were significant ($p < .001$) with the lowest being .72 and the highest being .94. The variance extracted estimates were .77, .78, .67, .78, and .65 for PI, Add, AB, AI and AE, respectively. Further, the construct reliability estimates were all adequate ranging from .94 to .85.

Structural equation modeling (SEM) was run to examine the overall theoretical model specification and the hypotheses. The results indicated that the χ^2 for the measurement model was 428.11 (p=.000) with 202 degrees of freedom with fit indexes CFI= .95, RMSEA = .07, and TLI = .94. The results revealed that the measurement model provided a satisfactory fit of data.

Test of Hypotheses

Regarding the hypotheses test, H1 expected that there would be a positive relationship between attitude toward ad and ad effectiveness. H3 proposed that ad involvement was positively related to ad effectiveness. H4 hypothesized that ad effectiveness would have a positive relationship with purchase intention The path results revealed that attitude toward ad, ad believability and ad involvement all were positively related to ad effectiveness. Similarly, ad effectiveness also positively affected purchase intention. Therefore, H1, H3, and H4 all were supported. H2 expected that ad believability was negatively related to ad effectiveness. The results showed a positive effect, thus, H2 was not supported.

Conclusion

The test model reveals that both attitude toward ad and ad involvement constructs have significant positive impacts on effectiveness of comparative ads. However, the findings of this study do not support previous research (Belch, 1981) that suggests believability would negatively influence consumers' attitudes toward comparative ads. Instead of detecting a negative relationship, the test model reveals a positive relationship between ad believability and ad effectiveness. The positive relationship between ad effectiveness and purchase intention reflects an overall positive impression of the sponsored brand in the ads. Using explicit objective advertising claims in comparative ads increase the perceived credibility of the ads which subsequently helps create a positive impact on subjects' purchase intentions. The findings do not support previous research that comparative ads are less credible than non-comparative ads. As attribution theory suggests, consumers attribute the cause of their purchase intention to the objective brand attributes associated with the benefits of buying the sponsored brand over the comparison brand.

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Summary Brief
Increasing Advertising Receptivity through Social Media Engagement

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Abstract

The scale and speed of social media is unparalleled, challenging marketers to leverage social media as a means to develop and improve relationships with consumers. Social media offers firms the opportunity to engage with and among consumers and benefit from instant, unmediated consumer insights that are invaluable to the firms. This research draws upon social network theory to propose a conceptual framework focusing on the effectiveness of social media engagement in improving advertising receptivity through development of reciprocity, transivity, and cohesive subgroups. Further, the study demonstrates that high centrality of actors in a network enhances the receptivity of advertising messages. The study advances the theoretical understanding of social media by laying out the activities required to render social media engagement effective in enhancing advertising receptivity. Important managerial implications that should be considered when using social media in the communication mix are also identified.

Introduction

Social media has transformed the way people communicate and share information (Jayanti 2010), offering an unprecedented opportunity for the firms to use social media as a tool for engagement and collaboration (Barwise and Meehan 2010; Kilger and Romer 2007). Traditional advertising paradigms are failing in the new Attention Age (Hensel and Deis 2010). Thus, there is a need for seeking new and innovative ways to reach consumers in a hyper-social world. Drawing from the social network theory, this research aims to address how firms can achieve advertising receptivity through social media. Social media is characterized by connections, associations, and relationships (Paine 2011). We propose that social network characteristics-reciprocity, transivity, and cohesion, are critical for driving advertising receptivity when consumers and firms both actively and consistently engage in lively exchanges initiated by the firms on social media such as blogs, and social networking sites.

Overall, this research makes the following contributions. First, we propose and illustrate that reciprocity, transivity, and cohesive subgroups are the key aspects of social media that account for the relation between the social media engagement and advertising receptivity. Second, we demonstrate the important role of centrality in differentially impacting advertising receptivity, and explain how firms can achieve a greater level of advertising receptivity under the condition of centrality. We show that when centrality is high, the advertising receptivity will be high.

Theoretical Background and Conceptual Framework

Social Network Theory

A 'social network' in social sciences refers to a group of elements and nature and the level of the associations or relationships or links between and among them (Meyer 1994). Social network theory provides valuable insights that can be used to improve advertising receptivity in the context of engagement in social media. Our conceptual model is based on social network theory, and suggests that engagement in social media by the firms and consumers enables the development of characteristics, such as reciprocity, transivity, and cohesive subgroups, which further enables the firms to achieve and enhance advertising receptivity.

Reciprocity is the proclivity for mutuality in relations between people in a network (Lusher, Robins, and Kremer 2010). Transivity is the proclivity to form triadic relations with others, which can be described in terms of "a friend of a friend is a friend" (Lusher et al. 2010, p. 219). Cohesive subgroups are a subgroup of social media users who all have links with each other and within subgroups different norms of behavior may operate (Lusher et al. 2010), representing subcommunities within a larger community. Further, centrality (prominence of an individual in its network)--a key concept in social network theory-- is found to attenuate the effectiveness of the key social network theoretical aspects (reciprocity, transivity, and cohesive subgroups) in achieving advertising receptivity critical for demonstrating the effectiveness of advertising strategies of the firms.

Social Media Engagement and Advertising Receptivity

The users of social media can be characterized as being active, reactive, and proactive conversationalists, who actively participate in lively exchanges and tend to share their experiences on social media (Dunn 2010). Thus, firms seeking receptivity to advertising messages must first focus on ways to communicate and advertise in unique and entertaining manner to convey authenticity and relevance (Barwise and Meehan 2010; Dunn 2010). Social media enables the firms to engage the consumers (Barwise and Meehan 2010; Kilger and Romer 2010). Engagement is turning on a prospect to a brand idea enhanced by the surrounding context, and it involves generating relevant behavior with the customer or prospect.

Social Media Engagement and Elements of Social Network

Those communication messages that are interesting, entertaining, and enjoyable have the potential to impact the recipient, who then passes the messages along to the network of connected people. Thus, engagement through social media enables the development of reciprocity, transivity, and cohesive subgroups-the three key concepts of social network theory, which are critical for understanding how and why engagement can lead to advertising receptivity. Cohesive subgroups result when there is a greater level of social media engagement and interactions. Users of social media are most strongly affected by the members of their group with whom they engage in frequent interactions. Thus, we find that engagement in social media is effective in developing and improving advertising receptivity through the development of reciprocity, transivity, and cohesive subgroups. Hence we hypothesize that:

***P1**: Social media engagement is positively related to reciprocity, transivity, and cohesiveness of the consumers with the network.*

Elements of Social Networks and Advertising Receptivity

Firms are better able to understand the dimensions underlying the consumers' evaluation of the advertising messages through social media platforms (blogs, social networking sites) where people who produce content and fervently voice their opinions, also connect with other people. When reciprocity, transivity and cohesiveness of the subgroups increase, the WOM among the participants also increases, resulting in greater sharing and communications on advertisements. The users of social media trust the other users or the social contacts and are then inclined to follow up on communications on advertisements shared through social media. Hence it is hypothesized that:

***P2**: The greater the reciprocity, transivity, and cohesive subgroups, the greater the advertising receptivity.*

Moderating Role of Centrality

The concept of centrality reflects the prominence of an individual in its network, and measurement of centrality provides an estimate of the social power of the users of social media based on how well they connect to the network. The actions of central actors exert greater influence on other actors in a network, thus, highly central actors play an important role in establishing positive or negative WOM influence in a network. Highly central actors or most prominent and important actors generate trust in themselves, which is manifested in their increased WOM influence on individuals in the network, thus ultimately impacting the advertising receptivity. Hence it is hypothesized that:

***P3a**: Centrality moderates the positive association between social network characteristics and advertising receptivity such that the higher the degree of centrality in social media, the greater the influence of reciprocity, transivity, and cohesiveness of subgroups on advertising receptivity.*

Low centrality prevents the deepening of relationships within the network, hinders the development of trust among the members, and the advertising messages are not shared, or communicated, thus rendering WOM influence ineffectual. Hence it is hypothesized that:

***P3b**: Centrality moderates the positive association between social network characteristics and advertising receptivity such that the lower the degree of centrality in social media, the lower the influence of reciprocity, transivity, and cohesiveness of subgroups on advertising receptivity.*

Implications and Future Research Directions

Social media has recently gained in popularity as a tool for engaging consumers, and instantly obtaining consumer feedback and effectively leveraging social media provides an important differentiator for firms. Firms that effectively leverage social media are better able to deliver value to the consumers through accurate and up-to-date information on firms' offerings, creating brand awareness, building trust by delivering on what the firm promises, developing credibility by positive word-of-mouth (WOM), and unwaveringly focusing on meeting the customer's needs and expectations. The implications for marketers are enormous when one peruses statistics on social media. Social media users share their experiences with the firm's offerings, and provide multiple sharing of fresh insights on social media, which enable firms with inspirations to improve and to innovate their offerings. Social media also enables firms to deepen their relationships with their customers by engaging lively exchanges with them that are very useful for relationship marketers. Ultimately, with greater advertising receptivity, firms can generate better return on investment in social media which is critical for improving firm's performance.

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Summary Brief
Spokes-character as Endorsers in Marketing Communications: Present and Future Research

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Spokes-characters have been used for over a century to enhance corporate and product brand image. However, despite the potential breadth of research that the use of spokes-characters could prompt, so far research regarding the effect of spokes-character use has been limited, largely dominated by a focus on their effects on young audiences as well as by experimental designs that do not reflect the complexity of the IMC environment. In this paper, we review and critique the small amount of research on spokes-characters focusing on adult audiences, before discussing the research gaps in these papers and proposing future research directions.

Introduction

A spokes-character is 'a fictional persona employed to sell a product or service' (Callcott and Phillips, 1996, p. 73). Spokes-characters appear in a wide variety of forms (fictional, human, animated, animal, alien, or a combination of these) and in a range of product contexts, from cereals to financial services. They act as message sources and their credibility, likability, expertise, similarity to the audience, and gender are therefore all central to their effectiveness (Moore, Mowen and Reardon 1994; Kotler and Keller 2009).

The use of spokes-characters in marketing practices is long-established (Philips and Lee, 2005). The aim of using spokes-characters aligns with the standard objectives of transformational appeals: to make the consumer feel good about the product by creating a likeable or friendly brand (Albers-Miller and Stafford 1999). Examples include 'Ronald McDonald' for *McDonald's* and 'The Colonel' for *KFC*. Reflecting the increasing importance of online marketing contexts, the use of avatars has also been explored in more recent work, although these characters may take a slightly different role to the standard interpretation of a spokes-character (Callcott and Lee 1995; Keeling, McGoldrick and Beatty, 2010).

Despite the widespread use of spokes-characters in marketing communications contexts (Garretson and Burton, 2005), the potential contribution of spokes-character research to IMC scholarship (Callcott and Lee, 1995) has not yet been realized because work in this area has remained limited. Currently, most spokes-characters studies focus on public policy implications and/or the influence on children and young people (Garretson and Niedrich, 2004; Neeley and Schumann, 2004); the amount of research regarding the influence of spokes-characters on *adult* consumers remains small (Garretson and Burton, 2005). Moreover, the few that do exist adopt qualitative or experimental methodologies that present difficulties when generalizing to real-world contexts (e.g., Callcott and Lee, 1995; Neeley and Schumann, 2004; Philips and Gyoerick, 1999). In this paper, we reflect on the limitations of these findings in light of the rapidly globalizing economic, socio-cultural and media environments for marketers and propose two research foci that we believe are essential to developing scholarship on spokes-characters in a way that will maintain its relevance to these changing marketing contexts.

IMC Channels: Online / Offline Dynamics

The specific characteristics of digital media, mobile technologies and web-based marketing initiatives are shaping marketing practices and producing challenges for marketers attempting to reach consumers via multiple channels and in an increasingly competitive marketplace (Barwise and Farley, 2005; Ferguson 2008; Schultz and Schultz 1998). In spokes-character research, some scholars have attempted to address this complexit. For example, Garretson and Burton (2005) use an IMC approach, but their study lacks breadth because it focuses only on print advertising and packaging as the IMC context. Other research on spokes-characters also reflects this narrow approach to the object of research, in that studies tend to be experimental, taking the spokes-character out of the real-world context, or examining their use in television or print contexts (e.g., Neeley and Schumann, 2004). In this sense the findings may be problematic in their application to the real-world complexity of IMC campaign development.

One major area that has been largely overlooked in this respect is the emerging patterns of consumers' engagement with marketing initiatives as a result of technology. In general, the importance of the online environment as a platform for the use of spokes-characters in marketing to adults tends to be reflected only in work specifically on avatars. This has been useful in understanding how their presentation can influence consumer perceptions of the brand (Keeling et al., 2010; Luo et al, 2010), but avatars themselves are not easily translated to less interactive sites such as print or relatively static web pages, nor are they necessarily equivalent to long-standing 'spokes-characters', such as the Michelin Man, in terms of their association with the brand over multiple marketing contexts and over time.

No studies have addressed the cross-fertilization of spokes-character utilization across online and offline channels, whether targeted at children or adults, yet this is becoming a common practice among marketers. Television advertisements, for example, may attract a considerable audience via YouTube as well as traditional TV stations (e.g. 'Old Spice Man'). Spokes-characters with a significant following may have their own web pages that offer consumers both experiential and goal-directed interactivity (e.g., M&Ms), while mobile marketing technologies also have the potential to address both adult and child consumers in new ways (Michael and Salter, 2006; Ventakesh et al, 2010). The impact of such complex cross-over patterns is difficult to investigate using the experimental research designs that dominate existing scholarship, since such designs expressly strip out, rather than integrate, environmental complexity.

Cultural and Social Context

Gudykunst (1997) contends that culture has a direct influence on communication but the cultural specificity of the context in the spokes-character literature is rarely acknowledged as a limitation of the findings. On the contrary, generalizability is assumed regardless of context. We take issue with this, not least because the production, regulation and consumption of spokes-characters are communicative acts and as such are culturally and socially dependent (Kale, 1991; Rosenbloom and Larsen, 2003). Yet, research on animated advertising and spokes-characters in these cultural settings is scant.

Moreover, while the design of spokes-characters has been explored (e.g. Callcott and Lee, 1996; Callcott and Philips, 1996; Garretson and Niedrich, 2004), very little attention has been paid to the influence of cultural and social norms associated with the design of spokes-characters. However, culture-specific stereotypes associated with particular identities, for example, may shape narratives associated with those identities (Lyons and Kashima, 2001) and this in turn could affect the design of spokes-characters linked to those identities. Thus, these macro-level dynamics influence the meaning production inherent in the creation of spokes-characters, and define the parameters for the consumption of the messages communicated by the characters.

Conclusion

In this discussion, we have suggested that spokes-characters should be understood better from the perspective of the increasingly complex IMC environment, as well as in terms of the cultural and social context in which they exist. The limitations of existing research lead us to conclude by suggesting the following research directions:

1. Explorations of the use and effects of spokes-character across different marketing communication contexts, especially in terms of the cross-over between online and offline communications environments.
2. Explorations of the effects of social and cultural context on the use of spokes-characters.

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Summary Brief
I Said “No”: Understanding Parental Perceptions of Screen Media Advertising to Children

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For more than 30 years, both academicians and advertisers have evaluated the relationship between children and their exposure to television advertising, with the debate focusing primarily on the vulnerability of young children and their ability to comprehend advertising messages. The purpose of this study is to investigate parents' attitudes toward advertising in general as well as toward their young children aged 2- to 7-years old, and how these attitudes relate to parental mediation of screen media usage, specifically television, videogames and the Internet. In addition, parental perceptions of their own responsibility, and their perceptions of the government's responsibility are examined. Results indicate that parental attitudes toward advertising and perceptions of responsibility have an impact on their level of restrictive mediation of screen media. Implications and future research directions are discussed.

Introduction

Today's children are considered to be one of the most brand conscious generations (Achenreiner and John 2003), and companies are eager to reach children at younger ages to develop attachments that will continue as adults (John 1999). While the literature about children and advertising is fairly extensive, much of the research focuses only on TV advertising, failing to address the growing use of screen media including DVDs, movies, videogames and the Internet via computers, all of which have content directed toward the youngest age groups in the preschool and elementary school. The purpose of this study is to investigate parents' attitudes toward advertising, both for themselves and their young children aged 2- to 7-years old, and how these attitudes relate to parental mediation of screen media usage (television, videogames and the Internet). This study also investigates parental perceptions of the government's responsibility toward restrictive mediation of screen media as well as their own responsibility.

Background and Hypotheses

Much of the research on consumer socialization has focused on the effects of television advertising on children (Moschis 1987). According to the Kaiser Family Foundation, media usage has “become a part of the fabric of daily life,” and parents' beliefs about mediums influence children's use of them (Rideout and Hamel 2006). In a typical day, 75% of children aged 6-months to 6-years old watch television, 32% watch videos or DVDs, 16% use a computer and 11% play videogames (Rideout and Hamel 2006). More media than just television are playing a significant role in children's lives and at a younger age. Yet little research has explored the cognitive, affective and behavioral influences of screen media on young children.

Families are important influencers in the consumer socialization of children, and a child's family is believed to have the greatest influence on this socialization process (Moschis 1987). To better understand parental influence, researchers must first evaluate parental attitudes and perceptions of their children as consumers in order to predict their behaviors. When evaluating attitudes of very young children, parental attitudes and perceptions are used to gauge what children may be thinking. Parental attitudes toward advertising to their children provide the degree to which a parent expresses reservation about advertising aimed at children. Existing research indicates that parents have generally negative attitudes toward advertising toward children (Carlson and Grossbart 1988).

Parents serve as the gatekeepers for children's television viewing (Dens et al 2007), and they can influence their children's consumer behavior through modeling, reinforcement, and social interaction (Moschis 1987). Because parents play an important role in children's understanding of consumer behavior and advertising, it is important for marketers to understand how parents perceive advertising, and then how they allow their children to be exposed to it (Dens et al 2007). Parents can be viewed as mediators of children's television viewing through the following categories: restrictive, instructive, co-viewing and unfocused (Valkenburg et al 1999). Restrictive mediation, discussed in this study, occurs when parents set rules regarding to their children's viewing of media content. While these categories have been tested relative to television viewing, they have not been examined within the context of other media such as videogames and the Internet.

Further, it is important to understand perceived parental responsibility toward their children's viewing of television, videogames and the Internet. While parents play an important role in children's exposure to screen media, it is also important to understand parental perceptions of the need for government regulation of advertising aimed at young children through these media types.

Based on the consumer socialization framework and the previous discussion regarding screen media, the following hypotheses are proposed:

- H1: Parents' attitudes toward advertising in general are positively related to parents' attitudes toward advertising to children.

- H2: Parents' attitudes toward advertising to children are directly related to parental restrictive mediation of media usage.
- H3: Parents' attitudes toward advertising to children mediate the relationship between parents' attitudes toward advertising in general and parental restrictive mediation of screen media usage.
- H4: The strength of a parent's perceived level of responsibility of the child's screen media usage has a direct effect on parental restrictive mediation of screen media usage.
- H5: Parental perceptions of government involvement with screen media have a direct influence on parental mediation of screen media usage.

Methodology

To test the hypotheses, an online self-administered questionnaire was developed. The link to the questionnaire was placed at a number of online parenting websites. Respondents accessed the online study via the link and were required to answer each question before proceeding to the next question. A sample of 119 parents who were considered the primary caregiver and have one child aged 2- to 7-years old was obtained.

The study measured the following constructs: (a) attitudes toward advertising, in general, (b) attitudes toward advertising directed at children, (c) perceived parental responsibility toward children's screen media usage, (d) parental perceptions of government's involvement in regulating screen media and (e) parental restrictive mediation of their children's screen media usage. Existing scales were adapted to ensure validity and reliability.

Results and Discussions

Two simple regressions were run to test Hypothesis 1 and Hypothesis 2. Parental attitudes toward advertising in general had a significant effect on parental attitudes toward advertising directed toward children ($ß = .56$, $p <.001$). Parental attitudes toward advertising directed toward children had a significant but negative effect on parental restrictive mediation of screen media usage ($ß = -.31$, $p < .01$). Thus, H1 and H2 were supported.

Following the four-step methodology of Baron and Kenny (1986), a series of regressions were run to test mediation in Hypothesis 3. First, attitudes toward advertising in general resulted in significant but negative relationship with parental restrictive mediation ($ß = -.29$, $p <.01$). Next, attitudes toward advertising in general was regressed on attitudes toward advertising toward children ($ß = .56$, $p <.001$), followed by attitudes toward advertising toward children regressed on parental restrictive mediation ($ß = -.26$, $p <.01$). Finally, a multiple regression model was run with both attitudes toward advertising in general and attitudes toward advertising toward children predicting parental restrictive mediation ($ß = -.21$, $p < .05$; $\beta = -.15$, $p > .10$). Because attitudes toward advertising toward children were not significant but the other variables, attitudes toward advertising in general and parental restrictive mediation, were, no mediation effect was found. Attitudes toward advertising toward children are not important in the relationship. Further, a Sobel test was conducted run and was not significant (-1.29, $p > .10$); thus H3 was not supported.

Hypothesis 4 proposed a direct relationship between the strength of a parent's level of responsibility of the child's media usage and parental restrictive mediation of screen media usage. The relationship was significant ($ß = .44$, $p < .001$) providing support for H4. Hypothesis 5 tested the direct relationship between parental perceptions of government involvement with screen media and parental restrictive mediation of screen media usage. This relationship was also significant ($ß = .27$, $p < .01$), thus providing support for H5.

Implications and Future Directions

This research adds a new element to the academic literature on marketing and advertising through screen media directed toward young children aged 2-7 years old. Understanding parents' perceptions of advertising in general and advertising toward their young children can assist marketers in targeting this vulnerable group properly and fairly, while aiding public policy officials in regulating corporations seeking to reach children at younger and younger ages. Our research indicates that parents feel it is their responsibility to restrict their young children's access to screen media rather than have lawmakers. The question remains what role the government should have in policing advertising via screen media which provide an abundance of marketing opportunities. Moreover, this study attempted to expand the literature on parental restrictive mediation of young children by evaluating this construct based on other media than television.

Future research could also gauge the influence of other constructs including attitudes toward the individual types of screen media as well as behavioral considerations such as the nag factor. Additional studies on each individual screen media would allow for a comparison across specific media. Also, future studies could allow for experimental design to evaluate advertising conditions via screen media. Finally, a study with the young children is another fruitful avenue to explore.

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Making the Case for Business GIS Tools in Small and Medium Sized Enterprises

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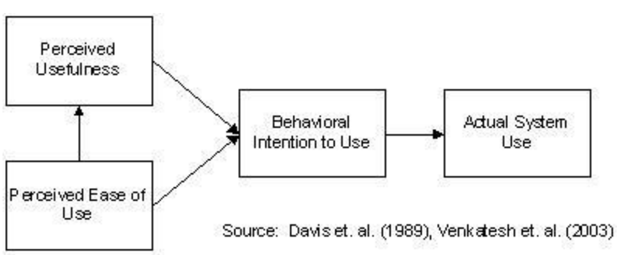
Abstract: The application of geographic information system (GIS) tools to business decision making is known as Business GIS. These tools apply spatial analysis and the sensory power of map visualization to business problems. Though the power of GIS analysis in marketing decision making has long been recognized, implementation has been slow. This has been especially true for small to medium sized enterprises (SME's) which have lacked the financial resources, information technology capabilities and analytical skills necessary to implement these systems. However, new developments in the field have lowered the entry threshold for SME's and facilitated their acquisition of Business GIS tools. This paper uses the Technology Acceptance Model to assess this situation and argue that the model's barriers to adoption have been decreased to a level which supports more widespread acceptance of this technology. It also identifies methods through which SME managers can access Business GIS resources.

Introduction

Spatial analysis is a key component of many marketing decisions and the visual impact of maps makes them an important form of sensory marketing. Surprisingly, however, the adoption rate for GIS technologies by business decision makers has been slow and uneven. High commitments to hardware, software and analytical skill acquisition have kept these tools primarily in the hands of large corporations with sophisticated IT operations. This is unfortunate in that smaller enterprises can benefit significantly from the use of these tools. Recent developments in the field, however, have the potential to reverse this trend and speed adoption rates. These developments, the applications they make available, the benefits of these applications to SME's and several methods of enabling their adoption of Business GIS tools are discussed below.

Technology Acceptance Model and Business GIS

The Technology Acceptance Model illustrated in Figure 1 below postulates that Perceived Usefulness and Ease of Use are key determinants of managers' intention to adopt new technologies. The thesis of this paper is that, relative to Business GIS, both of these factors have evolved to levels which predict much more rapid growth in the use of these tools by SME's. Specifically, we argue that several factors have increased the Ease of Use and describe four value propositions that enhance the Perceived Usefulness of Business GIS tools. We conclude by identifying several ways executives and professionals in SME's can access these technologies more easily.



Value Proposition 1: Business Mapping Applications Improve SME's Communication with Customers

Business mapping applications include readily available, Web-based mapping resources such as Google Maps, Bing Maps, Google Earth and MapQuest. As an extension of these functions, business listing services such as Google Places, Bing and Yahoo listings, integrate business information with locational data. They present this data in map-based formats that are retrieved by search engines. For illustrative purposes, we will consider Google Maps and Google Places here.

Google Maps: While Google Maps is not commonly considered a social medium, it offers similar capabilities. The Google Maps system is easily accessible via a Web browser, requires no special investment or skills and is capable of integrating multimedia and map-based resources into mashups which support an organization's communication objectives. Organizations can provide descriptions and profiles, maps with annotated placemarks including images and videos, suggested routes between sites and content from other providers in a medium which illustrates the spatial relationship of these resources.

Once designed, Google Maps can be shared with other users and/or embedded into existing organizational Web sites. In the latter context, they allow enterprises to offer direction finding services to users as well as the capability to search the surrounding area for desired locations.

Google Places: Interestingly, many SME's have Google Place listings whether they know it or not. The heart of this system is a worldwide listing of sites, organizations and enterprises. Where available, the system provides images, Web site links and reviews. SME's initial use of this system might be simply to influence the listing information that already exists, rendering the listing more valuable.

Beyond this rather defensive posture, however, managing one's Google Places listing has some very attractive features for SME's. As indicated in the graphic below, a Google Places listing is, in itself, a well organized and formatted Web presence which, when properly managed, commands relatively favorable treatment in search engines. In addition, the listing is also formatted to appropriate dimensions when accessed from mobile devices. In the latter context, the "Get Directions" function of the Places listing is particularly helpful as the directions are delivered to a device that knows where it is and behaves accordingly. Places listings can also include coupons for delivery to users via either computer or mobile devices. So a user who is not familiar with an enterprise can learn about it, find out how to get to it and be motivated to do so with a promotional offer … all from a mobile device. Mobile device formatting and location-based services, as these functions are called, are now available to managers with little effort or cost.

Map 1: Organizational Google Places Listing

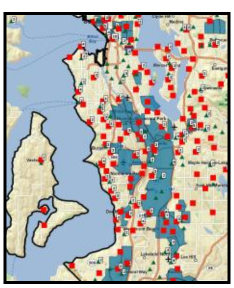
Business mapping applications use maps and listings to inject a spatial dimension into the organization's communication program. For environmental scanning, strategy formulation and operational decisions, the spatial analysis tools in Integrated Business GIS systems enable even more extensive use of spatial technologies.

Value Proposition 2: Integrated Business GIS (IBGIS) Online Applications Enhance SME's Understanding of their Markets

Online Business GIS tools such as ESRI's Business Analyst Online, make spatial analysis resources available to enterprises on a low cost per subscription basis. Subscriptions may be annual but may also have durations as short as one day. Thus, managers of SME's may consult these tools on an as-needed basis with no investment in enterprise systems, software or servers.

Market Area Analysis: In market area analysis, symbolic and thematic mapping are used to visualize the competitive environment of an enterprise and help managers identify the most important opportunities and threats it presents. Specifically, thematic mapping tools display geographic areas such as ZIP codes, census tracts and block groups with varying colors based on demographic characteristics, allowing marketers to identify concentrations of attractive prospective customers. Symbolic mapping focuses on single point retail attractors and competitors in the market area, displaying them with symbols, sizes and colors that represent such attributes as store type, size, number of employees or annual sales. This allows marketers to see both the location and relevant characteristics of these businesses in a meaningful spatial context.

In Map 2, the blue polygons are concentrations of households in the firm's target market, while the red squares are retail attractors (popular shopping destinations, large retail stores, and shopping malls) and the green triangles existing competitors. The map allows managers to visually seek out the most favorable combinations of these factors relative to other considerations such as transportation infrastructure.



Map 2: Market Area Analysis with Business Analyst Online

Site Screening: Online Integrated Business GIS systems are also valuable tools for site screening. Business Analyst Online, for example, allows users to create customized trade areas around potential locations and, then, order a variety of reports detailing the characteristics of those areas. This facilitates quick but detailed comparisons of alternative potential sites in a market area.

Drive time trade area polygons are displayed around two locations in a market area in Map 3. Having identified these locations and trade areas, the analyst can order general reports on the demographic and lifestyle characteristics of each trade area or more focused reports for specific industries, if desired. Though other factors enter the final site selection decision, this process provides an efficient way to identify leading candidates for a retail location.

Map 3: Site Screening with Business Analyst Online

While online systems are excellent tools for initial market analysis and screening, the more flexible and comprehensive desktop solutions bring more powerful tools to these tasks and add other valuable functionality.

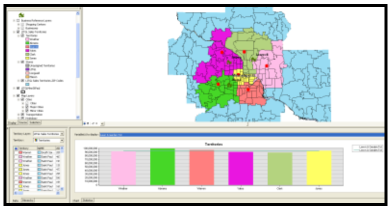
Value Proposition 3: Desktop IBGIS Tools Enchance SME's Decision Making With Extensive, Current Demographic Data

On desktop computers, Integrated Business GIS systems expand the capabilities of online tools by providing expanded data, more analytical capability and more complete integration of enterprise data.

Market Area Analysis and Site Selection: The comprehensive market area visualization capability described above is enhanced in desktop applications with more flexibility in symbolizing data, more available business data and an expanded arsenal of analytical tools. For example, Map 4 below presents market area information on potential consumers, competitors, retail attractors, transportation infrastructure and consumer expenditure patterns in a single map. The double rings identify seven potential retail sites and displays their location as well as the geographic area which represents $100 million and $130 million of relevant retail expenditures around each site. The tighter the rings, the more concentrated the sales, indicating a more attractive site.

Map 4: Threshold Expenditure Rings in Site Selection

Sales Territory Design and Balancing: An SME with a sales force or customer service function faces the task of properly allocating those resources relative to demand and workload. Within established territories, the routing and scheduling of daily sales or service calls may also be a challenge. Inefficiencies in these operations create dissatisfaction among customers who feel underserved. They may also create performance problems among sales or service staff who are either overloaded or underutilized in unbalanced workload situations. The territory design and route optimization tools of desktop Integrated Business GIS systems allow enterprises to address these problems effectively.



Map 5 Sales Territories with Sales Potential Balancing Graph

In Map 5, the ZIP codes in an urban area are divided into six territories based on sales potential and geographic proximity to the organization's primary location. Weights to be used in the assignment of territories are assigned by the sales managers. For example, managers might believe that the level of purchases in a ZIP code has twice as much impact as the number of households in determining sales potential, and would set the weights in that calculation appropriately. The graph indicates the sales potential of each territory, which can be adjusted by moving ZIP codes between territories. This system facilitates the creation of territories balance by sales potential and workload.

Enterprise Expansion with Principal Component Analysis: For SME's with established operations, the site selection decision involves enterprise expansion rather than initial market entry. Here the research objective shifts to finding potential new locations which match the characteristics of successful current operations. Desktop Integrated Business GIS systems facilitate this process through Principal Component Analysis, a tool which performs multivariate evaluation of several alternative locations based on similarity to a designated model location

Map 6 illustrates the results of this analysis. The polygons on the map represent the market areas of alternative locations, ranked by similarity with the model, or successful, store in the darkest orange. Darker colors are locations with greater similarity. This tool helps enterprise owners identify the most favorable expansion opportunities available.

Map 6: Principal Component Analysis for Enterprise Expansion

Value Proposition 3: Desktop IBGIS Tools Enchance SME's Decision Making With Lifestyle Segmentation and Targeting

The applications described above are heavily data driven, but rely on characteristics of geographic areas such as ZIP codes, census tracts and trade areas for analysis. When enterprises have customer data to include in their research, Desktop Integrated Business GIS systems with Lifestyle Segmentation Data allow them to explore this data with lifestyle segmentation tools. These systems add to the expense of implementation but also provide more finely grained analysis of a firm's customers, their values, behaviors and purchases. This process involves three steps; 1) developing a profile of existing customers, 2) understanding the behaviors of those customers and developing marketing strategies to serve them more effectively and 3) seeking out concentrations of similar customers in other areas to support geographic expansion of the enterprise.

Customer Profiling Analysis: Customer profiling involves identifying the key demographic, lifestyle, purchasing and media consumption characteristics of a firm's best customers. Initially, individual customer address information data in tabular format is geocoded to assign a latitude and longitude and, therefore a map location, to each. Then, each record is assigned the demographic and lifestyle attributes of the census block group (or larger areas if block group data is unavailable) in which it is located.

Figure 1 below illustrates the results of that process. It lists the Tapestry lifestyle segments that are most prevalent in the firm's customer base. It also reports the concentration of these groups relative to the general population in the organization's service area. This allows the enterprise to learn who its best customers are as well as their distinctive characteristics.

Tapestry Volume Profile by Segment

A. There are a total of 66 Tapestry market segments.

B. 285 customers are classified in "4 Boomburbs". This Tapestry market represents 15.4% of all your customers.

C. Penetration rate is 0.30.

D. In the base area 7.3%, or 93,478 of the base, are in Tapestry market "4 Boomburbs".

(A) Tapestry Description	(B) LITGL Customer Profile Number	%	(C) Penetration Per 100	(D) MinnStPaul CBSA Number	%	(E) Index	(F) Total Volume	(G) Average Volume	(H) Volume Index
4 Boomburbs	285	15.4	0.30	93,478	7.3	211	$3,103,229	$10 889	107
2 Suburban Splendor	230	12.4	0.46	50,353	3.9	316	$3,045,679	$13 242	130
6 Sophisticated Squires	282	15.2	0.19	147,400	11.5	133	$3,019,970	$10 709	105
13 In Style	252	13.6	0.34	74,032	5.8	236	$2,458,372	$9 755	96
7 Exurbanites	236	12.7	0.57	41,105	3.2	398	$2,448,737	$10 376	102
12 Up and Coming Families	110	5.9	0.11	103,287	8.0	74	$1,205,516	$10 959	108
16 Enterprising Professionals	94	5.1	0.21	45,851	3.6	142	$809,958	$8 617	85
18 Cozy and Comfortable	59	3.2	0.08	74,048	5.8	55	$449,316	$7 616	75
30 Retirement Communities	40	2.2	0.10	41,466	3.2	67	$422,473	$10 562	104
9 Urban Chic	43	2.3	0.50	8,559	0.7	348	$419,257	$9 750	96
24 Main Street, USA	49	2.6	0.04	113,396	8.8	30	$377,520	$7 704	76
19 Milk and Cookies	44	2.4	0.27	16,265	1.3	187	$259,554	$5 899	58
28 Aspiring Young Families	18	1.0	0.04	44,939	3.5	28	$157,946	$8 775	86
14 Prosperous Empty Nesters	11	0.6	0.06	19,846	1.5	38	$103,035	$9 367	92
39 Young and Restless	13	0.7	0.05	23,737	1.8	38	$90,470	$6 959	68
36 Old and Newcomers	14	0.8	0.03	51,748	4.0	19	$79,721	$5 694	56

Figure 1: Tapestry Segment Profile Report

This information can be tied to other data streams to support the organization's efforts to improve service to existing customers and expand operations to other areas with characteristics similar to those of its core customers.

Developing Promotional and/or Merchandising Strategies: When a firm has identified the core group of Tapestry segments in its customer base, it can use Market Potential Index (MPI) data to discover more about their behavior and purchasing patterns. For example, Table 1 reports the Activities and Media behaviors of the Core group of customers identified in Figure 1 above.

Top Leisure Activities/Lifestyle Characteristics:

Description	Core Index	Developmental Index	Overall Index
Did woodworking in last 12 months	128	131	118
Attended country music performance in last 12 mo	123	108	116
Member of fraternal order	121	146	120
Did birdwatching in last 12 months	120	149	119
Did indoor gardening/plant care in last 12 months	114	108	109
Member of veterans club	113	139	118

Top Media - Listen Characteristics:

Description	Core Index	Developmental Index	Overall Index
Radio format listen to: country	136	136	132
Light radio listener	111	110	112
Listen to Radio: midnight - 6:00 am weekday	108	110	108
Listen to Radio: midnight - 6:00 am weekend	108	115	111
Radio listening: football (college)	105	134	111

Table 1: Activities and Media Exposure of Target Segment

For these activities and radio listening behaviors, numbers greater than 100 indicate that respondents in the Core group report greater incidence of that behavior than US households in general, while numbers below 100 indicate a lower incidence. For example, more of the individuals in the Core group of customers on which Table 1 focuses "did woodworking in the last 12 months" than among US households in general.

In this table, the Core column refers to the collection of Tapestry segments in the primary target market and the Developmental column to the segments in the secondary target market. By focusing on those items with values above 100, a firm can learn about the behaviors, values and purchasing patterns of its target customers and develop more effective promotion and merchandising strategies to serve them.

Market Opportunity Analysis: The firm's customer profile can also be used to identify attractive opportunities for market expansion. Specifically, the firm can seek out other geographic areas which match the characteristics of the target customer profile. This approach is illustrated in Maps 7 and 8 below. Map 7 analyzes opportunities across the continental United States at the Core Based Statistical Area (CBSA) level, with those CBSAs in darker green representing the highest projected sales. In this map, the Seattle Tacoma area appears very favorable and becomes the focus of Map 8, which uses the same dark green symbology to indicate higher projected sales.

Map 6: National Opportunities

Map 7: Regional Opportunities

Should this firm decide to expand to the Seattle Tacoma area, it would replicate the market area analysis and site selection procedures described above to determine its precise operating locations.

Data considerations: One of the core advantages of Integrated Business GIS systems is the integration of extensive datasets within the operating and analytical framework of the software. These packages include several years of census data as well as current year estimates and five year projections of hundreds of demographic variables. These systems also include market research and business listing data from other providers.

This raises the concern of integrating datasets while maintaining the integrity of the data. For Esri, the largest provider of Integrated Business GIS software and data, this problem is addressed in several ways. First, actual census data is provided for checkpoints in both the desktop and online systems. Second, an exhaustive process is used to generate current year estimates and five year projections on an annual basis (ESRI, 2010). Third, validation teams check the accuracy of estimates at small geographies systematically (Skuta, et al., 2010) Fourth, access to data from the 2005-2009 American Community Survey and 2010 Census data is provided continuously in the online system. Fifth, as this firm provides the basemaps for ZIP Code, census tract and census block group boundaries, all data sources are standardized to those boundaries to minimize any cartographic error that might be associated with using geodemographic data from different sources. These procedures provide users of these systems with up-to-date, reliable data for the analyses described above.

Managerial Implications of Implementing Business GIS Applications in SME's

The range, power, flexibility and affordability of the applications described above build a compelling case for the use of Integrated Business GIS tools in SME's. For many managers the enhanced availability of these technologies and the variety of beneficial applications described above makes the acquisition of Business GIS capabilities desirable. For these managers, corollary decisions relative to hosting and staffing these capabilities must also be considered.

Despite these advances, managers of other enterprises might still be reluctant to make this investment. However, they may still use two types of resources to exploit the potential of these technologies.

First, many SMEs are fortunate enough to have support organizations within their communities that can provide their client organizations with Business GIS tools and the reports that emanate from those tools. These support organizations include economic development and entrepreneurial support agencies, business research consulting firms, and various nongovernmental organizations.

Second, business schools can serve as valuable resources for SME managers unable or unwilling to invest in the hardware, software, and human resource expertise that is required to utilize Business GIS tools. Specifically, vendors' site licensing or lab package arrangements enable business schools to make Integrated Business GIS software available for student projects at little or no cost to the school. Assigning SME's Business GIS projects to students creates a potential win-win-win situation in which students are able to enhance their Business GIS knowledge and skills, SME's are able to benefit from the Business GIS tools, and the vendors are able to gain valuable exposure for their products among important target markets. In addition to developing marketable skills for students, such projects can raise client organizations' awareness of the benefits of these skills.

Both of these options provide legitimate entry points for SME managers wishing to assess the value of Integrated Business GIS systems for their enterprises before making substantial commitments of resources to these tools.

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Summary Brief
Mobile Loyalty Orientations among Generation Y: A Conceptual Model of the Impact of Mobile Application Attributes and User Behavior

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The escalation of mobile application usage among consumers is transforming the marketing communications landscape, and mobile marketing is increasingly becoming a critical component of marketing strategy. The authors conduct four focus groups to explore how consumers are utilizing mobile apps in the marketing communications context and specifically explore how members of the Generation Y cohort use mobile apps to search for, evaluate, and communicate about product/service information and experiences. The exploratory results aid in the development of a conceptual model to illustrate the impact of mobile app attributes on app user behavior, and the subsequent impact on mobile loyalty orientations among the Generation Y cohort. Implications for mobile marketing managers are discussed.

Introduction

The purpose of this study is to investigate how Gen Y consumers use mobile apps and identify attractive app attributes. First, we explore the theoretical foundations of information search, source credibility. Second, we conduct four focus groups to investigate how consumers are purchasing and using commercial mobile apps. Next, based upon the exploratory data, we develop a conceptual model to illustrate the impact of mobile app attributes on app user behavior, and the subsequent impact on customer loyalty orientations among the Gen Y cohort. Lastly, managerial implications for marketers and future research directions are discussed.

Literature Review

Information Search

Consumer information search is an important stage in the decision-making process (Moe and Yang 2009). Consumers perform information searches to maximize the quality of their purchase outcomes (Punj and Staelin 1983). However, consumers often browse product/service information for hedonic purposes, without anticipated purchase intentions (Bloch et al. 1986). The instant availability of product information via mobile devices may increase information search among consumers, regardless of their motives. For example, multi-brand online retail stores and third-party retail search engines via mobile devices offer instant product comparison criteria, which can reduce the time and effort consumers spend evaluating alternatives (Johnson et al. 2004).

Source Credibility

Source credibility is a critical factor during the consumer information search process. Opinions from information sources that are perceived to be highly credible tend to be dominant over a consumer's initial conflicting opinion (Sternthal et al. 1978), and the information is more likely to be used when making judgments about product quality in situations when consumers are trying to evaluate product qualities that are unobservable prior to purchase or consumption (Jain and Posavac 2001). Mobile information sources often offer subjective customer ratings and/or reviews in addition to objective product information, and the perception of credibility of both may impact the consumer decision process.

Method

In order to gain insight into how members of Gen Y use mobile devices to search for product or service information and evaluate the credibility of mobile information sources, we conducted a preliminary exploratory study. A total of 35 Gen Y members were recruited from a large southern university to participate in four focus groups. Twenty-one (60%) participants were female, while the remaining 14 (40%) were male. Their ages ranged from 21 to 24, and all reported owning a smart phone.

Results

Mobile App Attributes

Focus group participants were asked which mobile applications they use for shopping. Several respondents mentioned using retail apps that are easy to navigate. We define the *ease of use* of a mobile app as its degree of technological simplicity or difficulty, which can be measured by the degree of effort required for the user to learn the app functions. When participants were asked how they know if a mobile product review is credible, many indicated that they look for a reviews that sound like a friend could have written them or reviews with seemingly unbiased information. We define *perceived credibility of information* as the degree of inferred integrity of the mobile app content. When participants were asked which mobile apps they use to search for customer reviews, they chose well known apps with large numbers of users. We define mobile app *popularity* as its number of current users. Popularity appears to play a role in signaling the credibility of app content, in that as the number of people using a particular app increase, the perceived credibility of the content appears to increase. Thus, we propose:

P_1: Mobile app popularity positively impacts perceived credibility of app content.

Mobile App User Behavior

We define *frequency of mobile retail app use* as the number of times a particular user engages in any consumption activity with a mobile retail app, within a given time frame. When our focus group participants described the apps they use most frequently, they emphasized the simplicity of the app and how many of their friends used it, highlighting an apparent connection between an app's ease of use, popularity, and user behavior.

We define *immediacy of mobile retail app use* as the amount of time elapsed between a consumption stimuli (e.g., television commercial, mobile notification, word-of-mouth conversation) and the use of a relevant mobile retail app for consumption activity. Our focus group participants shared many mobile retail app experiences, in which they used apps before, during, or after a physical shopping trip; at the last minute to purchase something; or in place of traditional technology. These experiences emphasize the time-saving benefits of mobile retail apps, linking immediacy of use to important app attributes.

We define *engagement with mobile retail app* as the degree of interaction between the user and the app. Our focus group participants reported varying degrees of engagement with mobile retail apps. For example, while some participants reported using retail apps to virtually try products or share reviews, others reported using retail apps to merely browse for products to kill time. The participants whose descriptions implied more active app engagement, again, emphasized the easy-to-use qualities and universal appeal. Given this information, we propose a link between mobile app attributes and app user behavior:

P_2: Mobile app attributes (i.e., ease of use, perceived credibility of content, and popularity) positively impact app behavior (i.e., frequency, immediacy, and engagement with a mobile retail app).

Mobile Loyalty Orientations

One particularly interesting issue emerged during the focus groups—the apparent shift from brand to store loyalty among members of Gen Y. Focus group participants indicated using mobile apps of large retailers or search engines for product and service information more often than mobile apps for individual brands. Clearly, possessing a multitude of mobile apps for individual brands is impractical compared to having a fewer number of retail apps which allow consumers to access multiple brands simultaneously. Consumers who shop more frequently via mobile apps, need consumption information more immediately, or seek a more engaging retail app experience may be less brand loyal and increasingly loyal to large retailers or search engines when deciding which mobile retail app to use. Thus, we propose:

P_3: App behavior (i.e., frequency, immediacy, and engagement with a mobile retail app) has a differential effect on mobile loyalty orientations (i.e., a positive impact on multi-brand online retail store and third-party retail search engine loyalties and a negative impact on brand loyalty).

Conceptual Model

The results from the exploratory focus groups and extant literature aided in the development of a conceptual model (see Figure 1).

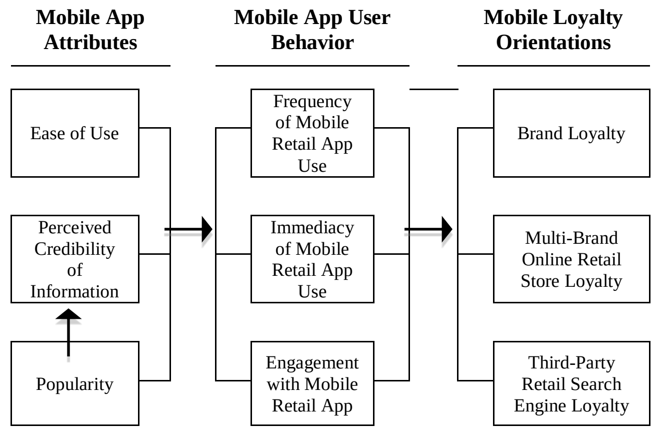

Figure 1. Conceptual Model of the Impact of Mobile Application Attributes and User Behavior

Discussion & Conclusion

It is crucial for marketing managers to understand how consumer use of mobile technology is changing traditional consumer behavior in order to develop the most user-friendly, credible mobile source for their product or service information and create a large, loyal population of users. Our conceptual model lends itself to a comprehensive perspective of the mobile consumer experience and is designed to help marketers better adept their retail apps to attract their target market of mobile users. Future research should investigate the applicability of the conceptual model among other age cohorts, in order to create a more comprehensive model.

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Summary Brief

Should I Strut my Stuff or Hide my Head? A Conceptual Framework of the Influencers of Online Privacy Behaviors

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The authors present a conceptual model that incorporates characteristics of the company and the consumer. The model attempts to delineate the links between company and consumer characteristics and how these links in turn, influence the use and adoption of privacy protection strategies. The primary objective of the model is to explain consumers' privacy behaviors while using social networking websites. Privacy behaviors refer to how consumers control their personal information. A combination of organization and consumer characteristics work together to determine the level of privacy features offered. These features are then made available to the consumer. Finally, the extent of consumer use of the offered privacy features will be determined by consumer characteristics.

Introduction

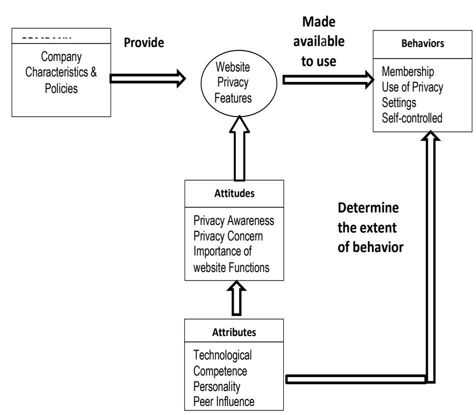
Social networking sites (SNS) are "both a basic tool for and a mirror of social interaction, personal identity, and network building" (Debatin, Lovejoy, Horn, and Hughes 2009). Unfortunately, these technologies are also creating unwanted consequences, especially with respect to invasion of privacy. The existing body of research on privacy in social networks has focused on the loss of personal information, potential damages to reputations, surveillance, misuse of data by third parties, as well as identity theft (Boyd and Ellison 2008). However, according to Iachello and Hong (2007) research also needs to engage in understanding how privacy attitudes and behaviors evolve and reconcile over time. A deeper understanding of motivations and attitudes will enable public policy makers, lawmakers and educators to grasp the nuances of how people view and act on their privacy concerns.

The focus of this conceptual paper is to explain consumer privacy behaviors on social networks. Consumer privacy behaviors are defined as the set of actions consumers take in order to protect their individual privacy. In figure 1, the authors present a conceptual model that incorporates characteristics and policies of the company and the consumer.

Literature Review and Model Development

Privacy behaviors refer to how consumers control their personal information. These behaviors reflect how consumers use or do not use the privacy features that are offered by organizations. It is proposed that an organization's strategic characteristics shape the privacy features offered on the website. In addition to internal drivers of privacy policy, the organization is sensitive to its customers' needs. Hence, it is posited that consumer characteristics will also shape the type and extent of privacy features offered. First, the consumer's attitude to privacy, level of concern and awareness of privacy and technology will determine the level of protection that the consumer desires and therefore, *requests* from the social networking website. Second, consumer attributes such as demographics and prior experience with privacy invasion will *influence* the consumer's attitudes. The combination of organization and consumer characteristics work together to determine the level of privacy features offered. These features are then *made available* to the consumer. However, the mere presence of privacy features is not a guarantee of usage by consumers. The extent of consumer use of the offered privacy features will be *determined* by consumer characteristics. Existing literature is used to elaborate on the constructs of company and consumer characteristics and privacy behaviors.

Figure 1: Influencers of Online Privacy Behaviors



Company Characteristics& Policies

The company factors that affect the level of data privacy and security for the users of a social network are: 1) the business model; 2) the IT framework of the social networking website; 3) ethics as part of the business strategy; 4) security measures; and 5) laws and regulations.

Website Privacy Features

Generally speaking, social online networks make one or more of the following privacy features available to its members: 1) Customer Privacy Settings; 2) Opt-in; 3) Opt-out; and 4) privacy policies.

Customer privacy settings are software based privacy settings allowing users to restrict access to certain information (Grimmelmann 2009). The **opt-in** option "refers to a requirement that a consumer give affirmative consent to an information practice" (Smith 2004, p. 2). **Opt-out** "… means that permission is assumed unless the consumer indicates otherwise" (Smith 2004, p. 2). Finally, **privacy policies** can also be seen as privacy features. They are disclosure statements explaining how websites process personal data (Van Eecke, Truyens and Grønlie 2010).

Consumer Privacy Behavior

The focus is on the observed privacy behavior of consumers. In terms of social networks, there are three behavioral options a user has: 1) Users can decide on whether or not they want to become a member of an Online Social Network; 2) Users have the option to use available privacy settings; and 3) Users can rely on 'self-controlled privacy' related to the information they provide on their social network profile.

Consumer Attitudes and Knowledge

Consumer privacy behavior may also be impacted by attitudes and knowledge because they will determine if and to what extent a user will make use of the available privacy features. Consumer attitude and knowledge relate to: 1) privacy awareness; 2) privacy concern; and 3) the reason for using social networking sites.

Privacy awareness is the knowledge that information is being collected and having methods available to restrict its use (Nowak and Phelps 1992). It is obvious that if users are unaware of the fact that information is being collected, they will not feel a concern or need to change their behavior and adapt privacy settings or even require security features.

Privacy concern is related to "difficulty in controlling the collection, storage and the use of personal information" (Steinke 2002, p. 194). With respect to SNS, privacy concerns also deal with the accessibility of 'unprotected' information that becomes part of the public domain (Peltier, Milne and Phelps 2009). Thus, privacy concern is the fear of misuse of personal information by third-parties and being harmed as a result of this misuse.

Finally, the **reasons for use** of social networks sites also affect the consumer's behavior. The two main reasons people use online social networks are "Identity Management" and "keeping in touch" with others (Richter and Koch 2008). Consumers using an online social network mainly for impression management may have a tendency to be less cautious with the provided information if their main concern is the presentation of the own self, and the way they are being perceived by others.

Consumer Attributes

The use of privacy protection features is influenced by consumer attributes, such as: 1) personality; 2) peer influence; and 3) prior experience. Ultimately, consumer attributes are essential in this framework because they can have a direct influence on consumer behavior.

According to Korukonda (2005) the "big five" model is often used to determine **personality**, because they are broad enough to contribute to a person's behavior. One of these dimensions, extroversion, refers to the comfort level a person experiences in terms of inter-personal relationships, which are a vital part to the idea of a social network. Therefore, it can be expected that higher extroversion scores have a positive effect on a person's willingness to share information and be part of a social network.

Peer influence, sometimes also referred to as network effects, plays a vital role in consumer's behavior and attitude. Lewis, Kaufman and Christakis (2008) state that our direct peers tend to be the strongest source of social influence, and that behaviors, norms and preferences are therefore partially formed by them.

An individuals' **previous online experience** is important for the formation and maintenance of online trust (Yoon 2002). Consequently, experiences, personal or hearing about 'other's' experiences (Debatin et al. 2009), will determine the relationship between the user and the company, as well as the level of involvement and trust (Culnan and Armstrong 1999). Therefore, prior experiences heavily shape consumer behavior, as well as the consumer's attitude to privacy.

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References are available upon request.

Deciding to Give Online to Cultural Nonprofits: Affiliation, Attitudinal, and Demographic Segmentation

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The purpose of this research is to determine for what a potential donor is searching at a nonprofit's website and to determine whether there are differences in online search and donation behaviors as the level of involvement with the organization varies. An online survey using a classical music organization's list of donors, subscribers, and other affiliates was conducted to compare differences in how each stratum made decisions about online gift-giving. Concert subscribers and donors differed from more loosely affiliated respondents in the types of information sources they consulted and the types of information they accessed on websites. There was no difference, however, between the strata in the types of information used for gift-giving. When comparing groups likely and unlikely to give online in the future, there were even fewer differences. This study has important implications for donor management and e-development strategies using technology-mediated communication.

Introduction

Te'eni and Young (2003) state that donors can more easily make charitable contribution decisions due to the Internet and charitable organization websites. In fact, Te'eni and Kendall (2004) cited the online giving response to September 11, 2001—more than 10 percent of $676 million in donations was made through websites—as a demonstration of "the enormous potential of online services" (p. 168). Four years later in response to Hurricane Katrina, large-scale relief organizations, such as the American Red Cross and the Salvation Army, reported that 50 percent of their contributions was being received online (Gardner 2005; Wallace 2005). That nonprofits' website information and services might be linked to their support operations has given rise to the concept of e-philanthropy and e-relationship development strategies (Olsen, Keevers, Paul, and Covington 2001).

While it is well documented that donation behaviors and development strategies have changed due to the Internet (Holt and Horne 2005) and that organizations can benefit from providing this option, what is still relatively unknown is *how* donors use the Internet to transact donations. Even though research has examined the content of websites in the nonprofit (Yeon, Choi, and Kiuosis 2005) and public (Gandia 2008) sectors, again it is still unknown as to *how* donors use the information found at a charitable organizations' websites. In other words, for what is a potential donor searching at a nonprofit's site, and what type of information does a donor deem as important in order to make an online contribution? Could we expect, furthermore, there to be differences in contributors' online search and donation behaviors as their level of involvement or identification with the organization increases or decreases? By using an online survey with a classical music organization's list of donors, subscribers, and other affiliates, the current study addresses these questions. The research discussed here is important for development strategies and especially for those involved in e-philanthropy and e-relationship development.

The authors wish to thank Dr. Seth Finn, Professor Emeritus, Robert Morris University, for his guidance and support for this research.

A Framework for Studying Online Giving

Nonprofits might be separated into two distinct types, which has a bearing on how these supportive services are managed (see Salamon and Anheier 1996 for international classification systems): (a) organizations, such as social service and emergency and relief agencies, that provide services to one community and draw support from another, with a necessarily more affluent donor base, perhaps much smaller in numbers, and (b) cultural and recreational organizations that offer services to clients, the vast majority of whom are also potential contributors. Brady, Noble, Utter, and Smith (2002) have described the latter group as *charitable hybrids*, because they can supplement traditional revenue streams with charitable contributions. For such organizations, every visitor to their websites can potentially be solicited for a donation. Thus, it is in the interest of any charitable hybrid with an Internet presence to examine all its constituencies at varying levels of involvement, not just its loyal donors. A review of the source of online interactions may not only provide the basis for identifying a nonprofit's service-using constituencies, but a systematic review can also provide the basis for constructing a hierarchy of potential donors.

The study reported here attempts to exploit exactly such a situation. We hypothesized that differences in the regularity and depth of interaction that individuals have with nonprofit organizations reflect their level of involvement with the organizations and their potential level of support.

In this study, we stratified the database of a classical music organization into four tiers to investigate group differences. The tiers included from highest to lowest expected levels of involvement: (a) subscriber-donors, who bought both a season's subscription and made an additional cash donation to the organization, (b) subscribers-only, who purchased only the season's subscription, (c) single ticket buyers, who purchased one or more concert tickets online, and (d) online gift buyers, who purchased an item from the organization's online store. This stratification based on involvement is reasonable as previous research has used this approach in relationship marketing and consumer behavior studies (Clark and Maher 2006; Iwasaki and Havitz 2004). Involvement is defined as the activation of extended problem-solving behavior when the purchase/consumption is seen by the decision-maker as having higher personal importance (Engel and Blackwell 1982). High personal importance can be felt when the decision-maker believes the decision may reflect upon his/her self-image, as is often the case in donation behavior. Exchanges of any kind can vary in the extent to which they are personally important/involving. In fact, in nonprofit marketing, exchanges such as voting on trivial public issues and signing petitions have been said to reflect low involvement, while making substantial donations reflects high levels of involvement (Kotler and Andreasen 1996).

The study relies on a model of consumer decision-making that is widely accepted in consumer behavior and has been applied in donation behavior studies. While there are different well-respected models of consumer decision-making (Belk 1975; Bem and Funder 1978; Bettman 1979; Engel, Kollat, and Blackwell 1968; Howard 1977; Howard and Sheth 1969; Kassarjian 1978; Leigh and Martin 1981; Nicosia 1966), each specifies how the consumer moves through a series of steps, including (1) problem/need recognition, (2) information search, (3) evaluation of alternatives, (4) choice/decision, and (5) post-choice evaluation. The amount of information processing that occurs in the information search stage is dependent upon one's level of involvement with the person, object, or thing. This segmentation approach to identifying donors based on cognitive effort has been validated more recently in a qualitative evaluation of consumer responses to a direct mail request (Supphellen and Nelson 2001). The Internet provides a vehicle for potential donors to search a website at various levels of involvement, from simple recognition of the organization to extended information-seeking and analysis, before determining whether the nonprofit organization is worthy of a contribution.

Websites have been investigated in order to encourage donation behavior (Goatman and Lewis 2006; Sargeant, West, and Jay 2007; Wenham, Stephens, and Hardy 2006). What is lacking are studies investigating how potential donors process online information. Relying on the cognitive consumer decision-making approach, the current study examines the following:

1. Upon what sources and types of information do individuals rely in their search for information to make a decision about giving donations to a nonprofit organization?
2. How do individuals evaluate various types of information when making a decision about giving?
3. How might current contributors to a cultural nonprofit differ from others in their disposition to give to a broad range of nonprofit agencies?

As mentioned, our initial analysis compared the differences among the four stratified groups associated with a classical music organization, each denoting a different degree of relational development/involvement. In addition, as a provisional control, a fifth group comprised of members of another nonprofit cultural organization—a museum consortium—was included in the analysis to provide an alternative set of standards for comparison. A second analysis was then conducted by dividing the entire sample into two major groups—likely and unlikely online givers—and comparing their responses.

Methodology

Sample

The sample included (a) 95 of 343 concert subscriber donors, (b) 94 of 719 concert subscriber nondonors, (c) 98 of 1,946 single concert ticket purchasers, and (d) 95 of 3,163 online purchasers of merchandise from the organization's retail store. For purposes of comparison, the museum consortium provided an additional set of 94 randomly selected entries from its total database of nearly 7,500 individuals. These additional entries were cross-checked for overlap with entries from the classical music organization. Two cases were deleted. Of 474 e-mails sent, 61 bounced back or were

Table 1. Oneway ANOVA: Differences among Subgroups in Mean Ratings of Sources of Information about Nonprofit Organizations

Importance of Sources of Information	Entire Sample (N = 164)	Symphony Subscribers (n = 73)[a]	Symphony Customers (n = 62)[b]	Museum Members (n = 29)[c]	Oneway ANOVA Statistics
Organization (Not Website)	3.69	3.75	3.69	3.52	F (2,159) = 0.48, p = .623
Organization (Website)	3.40	2.93[b, c]	3.77[a]	3.79[a]	F (2,158) = 9.89, p < .001
Mass Media Organizations	3.23	3.22	3.36	3.00	F (2,160) = 0.93, p = .397
Friends or Family	3.07	2.75[b]	3.38[a]	3.24	F (2,160) = 4.40, p = .014
Research Organizations	2.68	2.30[b, c]	2.90[a]	3.18[a]	F (2,158) = 7.08, p = .001
Government Agencies	2.15	1.95	2.31	2.34	F (2,160) = 2.16, p = .119
Financial Advisor	1.94	1.73[b]	2.36[a]	1.79	F (2,157) = 4.38, p = .014

Note: For Tables 1–3, the Scheffe's test was used to determine if differences between the means of any two subgroups were statistically significant (p < .05) or approaching it (p < .10). Subgroup column headings are labeled with superscripts *a* through *c.* Superscripts following subgroup means specify statistically significant differences among subgroups.

otherwise deemed undeliverable. A week later, the survey was administered by e-mail using the application Convio. Throughout the following month, nonrespondents were contacted to urge their participation. The final tally included 164 completed surveys, for a response rate of 34.6 percent.

Table 2. Oneway ANOVA: Differences among Subgroups in Mean Ratings of Types of Information Presented on Nonprofit Organization Websites

Importance of Organization Website	Entire Sample (N = 164)	Symphony Subscribers (n = 73)[a]	Symphony Customers (n = 62)[b]	Museum Members (n = 29)[c]	Oneway ANOVA Statistics
Performance Descriptions	3.66	3.26[b, c]	3.95[a]	4.03[a]	F (2,161) = 6.00, p = .003
Financial Information	3.47	3.19[b]	3.68[a]	3.72	F (2,161) = 3.20, p = .044
Gift Tax Deductibility	3.41	3.26[c]	3.35	3.93[a]	F (2,161) = 2.38, p = .096
Mission Statement	3.23	2.88[b, c]	3.39[a]	3.76[a]	F (2,161) = 5.67, p = .004
Methods of Giving	3.07	2.47[b, c]	3.48[a]	3.69[a]	F (2,161) = 15.11, p < .001
Board of Directors	2.71	2.74	2.69	2.69	F (2,160) = 0.03, p = .967
Testimonials	2.49	2.17[b, c]	2.64[a]	2.75[a]	F (2,159) = 5.18, p = .007

Components of the Online Questionnaire

Aside from conventional demographic data (gender, age, education, and income), the questionnaire was designed to gather data on four major topics: (a) respondents' information search prior to making a decision to give, (b) respondents' evaluation of retrievable information, (c) respondents' nonprofit giving priorities, and (d) respondents' estimates of online usage, including previous and possible future online giving. The information search items on the questionnaire concentrated on general sources of information (e.g., news media, government agencies, and friends and family), as well as specific types of information (e.g., mission/vision statements, testimonials, and descriptions of performances). Respondents were asked to rate these items on how likely they were to search for the sources or types of information in deciding whether to give (5 = *very likely*, 4 = *somewhat likely*, 3 = *undecided*, 2 = *not too likely*, and 1= *not likely at all*).

With regard to the choice criteria used in their decisions to give online, respondents were asked to evaluate the importance of various types of information (e.g., mission statement, board of directors, testimonials, and methods of giving appeared in both sets of questions, but administrative costs, advertising, and annual report had been grouped together as financial information and performance descriptions among the information-seeking questions). Values assigned to the evaluative items ranged from (5) *very important*, (4) *somewhat important*, (3) *undecided*, (2) *not too important*, to (1) *not important at all*.

Respondents demonstrated the general outcomes of their search and evaluation (i.e., choice) by rating various organizations in terms of their likelihood of giving to them. Eight types of organizations were specified. Values on the 5-point scale ranged from (5) *already support such organizations* to (1) *not likely [to*

Table 3. Oneway ANOVA: Differences among Subgroups in Mean Likelihood of Making Gifts to Nonprofit Organizations

Importance of Organization Website	Entire Sample (N = 164)	Symphony Subscribers (n = 73)[a]	Symphony Customers (n = 62)[b]	Museum Members (n = 29)[c]	Oneway ANOVA Statistics
Education	4.21	4.50[b]	3.95[a]	4.07	F (2,160) = 5.17, p = .007
Social Service	4.16	4.36[b]	3.82[a, c]	4.41[b]	F (2,158) = 4.84, p = .009
Religion	3.77	4.29[b, c]	3.44[a]	3.17[a]	F (2,161) = 7.52, p = .001
Police and Fire	3.57	3.95[b]	3.21[a]	3.39	F (2,159) = 4.90, p = .009
Health	3.43	3.78[b]	2.94[a, c]	3.62[b]	F (2,161) = 6.69, p = .002
International	3.31	3.51	3.02	3.45	F (2,160) = 2.27, p = .107
Veteran	3.19	3.31	3.08	3.14	F (2,160) = 0.43, p = .653
Animal Welfare	2.84	2.67	3.02	2.90	F (2,160) = 0.82, p = .443

give] at all.

Finally, a question measuring the likelihood of giving online in the future (5-point scale) was included. For analytical purposes, this question was recoded into two groups—likely (*very* or *somewhat likely*) and unlikely (*not too* or *not at all likely*). Undecided respondents were treated as missing cases.

Data Analysis

We conducted a preliminary data analysis with SPSS using primarily one-way ANOVA to compare means among all five subgroups, ranging in size from 37 to 29 participants. We found, however, that we could replicate essentially the same findings and simplify their exposition by combining symphony subscriber donors and nondonors to create the subgroup Symphony Subscribers (n = 73) and single ticket buyers with online store customers to create the subgroup Symphony Customers (n = 62). The fifth subgroup Museum Members remained unchanged as a control group (n = 29).

Results

The data analysis was conducted and accordingly is presented in two parts. The first describes differences in decision-making priorities based on the respondents' degree of affiliation with the classical music organization—Symphony Subscribers or Symphony Customers—along with the 29 control group Museum Members to determine if the classical music cultural affiliation itself had a significant effect on opinions. The second major analysis was a comparison of group differences in decision-making priorities based on the respondents' stated likelihood of making a gift online. In this latter analysis, 27 respondents who indicated that they were undecided about giving online in the future were excluded.

Demographic Differences between Respondents in the Classical Music and the Museum Member Groups

Statistically significant differences occurred among the classical music groups in income and age. Median income for Subscribers was $100,000 or more, while for Customers the median was between $50,000 and $75,000 [$X^2$ (df = 9) = 28.3, p = .001]. The Museum Members' median income was between $50,000 and $75,000 as well. Higher ages were also reported by Subscribers, with approximately 80 percent falling within the 50-to-64 and 65-and-over categories, while the median age for Single-Ticket Buyers was between 40 and 49 and for Online Buyers between 30 and 39 [X^2 (df = 9) = 59.6, p < .001]. The control group Museum Members was also younger—86 percent between the ages of 30 and 49.

Differences in Decision-Making Priorities of Classical Music and Museum Member Group

Beyond these demographic characteristics, the primary focus of this analysis—differences in decision-making priorities of these three major groups—is reported by contrasting mean scores in Tables 1 through 4. Each table is devoted to a decision-making model component. The alternatives are listed in descending rank order by sample mean scores, which ranged from (5) *very important* to (1) *not at all important*. Table 1 compares sources of information, of which the most highly valued source was obtaining information directly from the organization, but through channels other than its website. The organization's website was ranked next highest, followed closely by mass media outlets and friends or family, and then by research organizations and government sources, and finally financial advisors. When comparing the priorities of the three groups, there is a consistent

Table 4. Oneway ANOVA: Statistically Significant Mean Differences in Decision-Making Preferences for Likely and Unlikely Internet Givers

Decision Model Variables Ranked in Descending Order	Means			F-ratio	*df*	Sig.
	Total	Likely	Not Likely			
Sources of Information						
Organization Non-Web Source	3.66	3.50	3.83	3.21	1,133	.075
Organization Website	3.34	3.67	2.98	9.77	1,132	.002
Research Organization	2.63	2.83	2.41	3.91	1,132	.050
Website Types of Information						
Financial Information	3.34	3.57	3.09	4.86	1,135	.029
Gift Tax Deductions	3.30	3.70	2.88	11.95	1,135	.001
Mission Statement	3.19	3.47	2.69	12.09	1,135	.001
Methods of Giving	2.94	3.49	2.27	25.87	1,135	.000
Testimonials	2.40	2.70	2.10	9.43	1,134	.003
Giving Choice Criteria						
Methods of Giving	3.03	3.29	2.76	5.42	1,134	.021
Testimonials	3.61	2.80	2.42	2.97	1,132	.087
Nonprofit Giving Preferences						
Religion	3.77	3.53	4.01	3.07	1,135	.082
Animal Welfare	2.83	3.14	2.51	5.83	1,134	.017

contrast between the Subscribers and the Customers. For every possible source except the organization itself, the Customers valued the sources greater than the Subscribers did.

Ratings of types of information available at the organization's website show a similar distinction between Subscribers and Customers (see Table 2). Symphony Customers rated all types of website information as more valuable than Subscribers did, with the exception of information regarding the board of directors. Four types—performance descriptions, mission statements, methods of giving, and testimonials—in fact were more important not only to Symphony Customers, but also to Museum Members, than to Symphony Subscribers ($.001 < p < .01$), with these mean differences remaining statistically significant in the post hoc analysis. The post hoc analysis also supported statistically significant differences between Symphony Subscribers and Customers regarding financial information ($p = .044$) and differences approaching statistical significance for Symphony Subscribers and Museum Members regarding Gift Tax Deductibility ($p = .104$).

The final set of variables in this first analysis—preferences in giving to nonprofit organizations—exhibited significant differences among the groups' likely priorities, all occurring among the five most highly rated nonprofit types: educational, social service, religion, police and fire, and health ($.001 < p < .01$) (Table 3). The post hoc analysis in differences in means is intriguing. For both educational and police and fire organizations, Symphony Subscribers were more likely to give than Symphony Customers. For social service and health organizations, both Symphony Subscribers and Museum Members were more likely to give than Symphony Customers. For religious organizations, however, Symphony Subscribers were more likely to give than both Symphony Customers and Museum Members. In this last situation, demographic characteristics of the Symphony Subscribers, age (50 or older) and income ($100,000 or more), played a statistically significant role. Post hoc analysis after a one-way ANOVA also revealed that differences in age (65 or older versus 29 or younger) were statistically related to giving to social service ($p = .028$) and health ($p = .005$) organizations.

Analyzing the Likelihood of Online Giving to Nonprofit Organizations

Of the total survey sample of 164 respondents, 70 indicated they were *very* or *somewhat likely* to give online, and 67 were *somewhat* or *very unlikely* to do so. The remaining respondents, who indicated they were undecided, were excluded from the ensuing analysis. In terms of demographic traits, the likely and unlikely online givers were similar in terms of education (more than 60 percent of each subsample had pursued post-graduate education), gender ratios (almost evenly split), and proportion of households with children under the age of 18 (33.8 percent versus 25.8 percent). Age and income, however, were significantly different. About two thirds of the likely online givers were below the age of 50, while two thirds of those unlikely to give online were 50 or older [X^2 ($df = 1$) = 11.8, $p > .001$]. In addition, the majority of future online givers (53.8 percent) earned less than $75,000 a year, while 58.1 percent of the unlikely online givers earned $100,000 or more a year [$X^2$ ($df = 3$) = 10.6, $p = .01$]. A revealing detail of this crosstabular analysis was that only 45 of the 67 individuals who had indicated they were unlikely to give online also responded to the survey income question. By contrast, 65 of the 70 respondents likely to give online did. When it came to Internet use, the two groups varied on just one measure. There was no difference in frequency of Internet use at work nor the type of Internet connection (phone modem, DSL, or cable) at home. The frequency of Internet usage from home, however, was marginally higher for likely online givers [X^2 ($df = 4$) = 10.36, $p = .04$].

The comparison of means for the decision-making model, component by component, is presented in Table 4. Except for the ratings of the values of organizational website information types, there are few statistically significant differences in means. Likely online givers rate the organization website [F (1,132) = 9.77, $p = .002$] and research organizations [F (1,132) = 3.91, $p = .05$] more important as sources of information than unlikely online givers. By contrast, the unlikely online givers rate the organization's conventional modes of communicating information as most important [F (1,133) = 3.21, $p = .075$]. Consistent with these evaluations, the likely online givers rate all types of information on the organization's website more highly than the unlikely online givers. The differences in means for five of them—gift tax deductibility, financial information, methods of giving, mission statement, and testimonials—were statistically significant ($.001 < p < .029$).

When it comes to the decision-point component of the model, only the least two valued items—methods of giving [F (1,134) = 5.41, $p = .021$] and testimonials [F (1,132) = 2.97, $p = .087$]—exhibited differences in means that achieved or approached statistical significance. Similarly, there were only two differences exhibited among the nonprofit giving preferences component. The likely online givers were more prone to contribute to animal welfare groups [F (1,134) = 5.83, $p = .017$], while those unlikely to give online marginally favored religious organizations [F (1,135) = 3.07, $p = .082$].

Discussion

The two major analyses conducted with these survey data were premised on the notion that cultural organizations in general could exploit differences in decision-making priorities in order more effectively to motivate individuals to make gifts online. The resulting priorities of the original four classical music organization affiliates and the broader analysis of likely and unlikely cultural organization online gift givers, however, revealed a different, but more logical, set of circumstances than initially anticipated.

Summary of Classical Music and Museum Consortium Member Findings

First, differences between the Symphony Subscribers, whether they were donors or nondonors, were more superficial than expected, and thus, they were consolidated into a single group for analysis. This was similarly true for single ticket buyers and online store customers, who were also consolidated into a single group, Symphony Customers, for analysis. Comparing the means between these two combined groups, there were many statistically significant differences; the survey data, however, revealed no overall pattern that suggested how to convert Symphony Customers into Symphony Subscribers, let alone donors. Nevertheless, the results did confirm that owing to the growth in Internet use, this specific classical music organization faces an important new environment for communication with potential supporters. For Symphony Customers, the music organization's website was a preferred source of information about the organization itself, and among the several types of information it might communicate, performance descriptions was the most highly valued category and methods of giving was of distinct interest to them. By contrast, Symphony Subscribers showed a preference for the organization's traditional (non-website) modes of communication. They also rated mass media outlets, accessible without computers, higher than the organization's website as their second most preferred source of information.

From the perspective of developing a motivational approach to gift-giving, there was little difference between the Symphony Subscribers' and Customers' decision-making processes. Among the most highly rated choice criteria (administrative costs, advertising costs, mission statement, and annual report), the four classical music groups and the museum consortium group exhibited virtually no difference in their ratings of each of them. This suggests that decision-making rationales are similar. A highly significant pattern of differences does occur, though, between Subscribers and Customers in regard to nonprofit giving preferences (see Table 3). Here the Subscribers indicated statistically significant stronger preferences toward giving to educational, social service, religious, police and fire, and health organizations.

Adding the available demographic data into this mix shows the possible influence of age and income. Higher income levels can account for the higher giving preference values, while greater age may be a factor in the specific preferences for non-Web information sources and the generally lower valuations of types of information available on the organization's website. The most promising aspect of this demographic interpretation is that if classical music organizations sustain or develop their relationships with younger affiliates, as their income and age increases, so might their disposition to make gifts, assuming that increased organizational identification (Brady et al. 2002) and involvement (Hsu, Liang, and Tien 2005) take place over time. The role of age and income was further enhanced with the second analysis of the sample comparing likely and unlikely online givers. The likely online givers like the Symphony Customers, who were characterized by a positive disposition toward online sources of information, were younger with less income than those unlikely to give online.

Limitations and Future Research

While the museum cohort was used as a control in the current study, it is not completely known to what degree this group is similar/dissimilar to the classical music groups. Future research should compare the classical music groups to more general studies of donation behavior to determine how these groups may be similar/different from a more general population of donors for generalizability purposes.

Another limitation of the current study is sample size. Future research should attempt to replicate the study with a larger sample. While techniques to increase the response rate were employed, the results of the study are specific to a smaller convenience sample and the results would have greater generalizability if the sample size were larger.

As this research study suggests, potential donors can be induced by traditional arguments to make a gift and to submit it online. This further suggests that future research may also focus on whether an organization's computer-mediated communication is being used appropriately, such that it is enhancing the organization's other marketing practices (Brodie, Winklhofer, Coviello, and Johnston 2007). An important caveat, however, is that cultural organizations are most often in the business of providing unmediated educational and aesthetic experiences. We must presume, therefore, that there are limits to the extent that mediated communication via the Internet can substitute for direct personal experiences with the organization, and future research should investigate this further.

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Summary Brief
Factors Influencing Consumer Acceptance of Novel Technologies: The Case of Nanofoods

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Introduction

Nanotechnology refers to a field of applied sciences whose theme is the control of matter on an atomic and molecular scale. Materials at this scale often develop unique properties (Buzby 2010). Businesses have begun to understand the value of these new materials and have begun to invest in and develop this novel technology.

The purpose of this paper is to present a study that examines factors that may play a role in consumer acceptance of food produced using nanotechnology. Nanofoods represent a unique substantive context for studying new technologies, thus several variables that consider this novelty amend a basic framework for analysis. First, consumers express very little knowledge about nanotechnology, in large part because it is only now being introduced to consumers; we include a measure to assess the influences on consumer acceptance of an individual's subjective knowledge and of the individual's overarching attitude toward nanotechnology. Second, as nanofoods are anticipated to become broadly available, prior research and theory suggest that less innovative consumers are less likely to accept any new product or technology (e.g., Donnelly and Ivancevich 1974); we thus include a measure of consumer innovativeness in the analysis. Third, perceptions of risk about the inherent properties of any new product may have a strong impact on consumer acceptance. Generally, however, consumers associate more risks with novel food technologies (Siegrist 2008). Therefore, we also add a variable to account for the degree of risk a consumer perceives to be associated with the novel technology.

To examine consumer acceptance, we use a framework derived from the Theory of Planned Behavior (TPB), which has been useful in predicting consumer behavior in dozens of studies (e.g., Taylor and Todd 1995). We augment the basic model with several additional variables in order to better understand consumer responses to very new technologies. After describing specific issues related to nanotechnology, we present the study and its results, following that with implications of the results.

Nanotechnology & Nanofoods

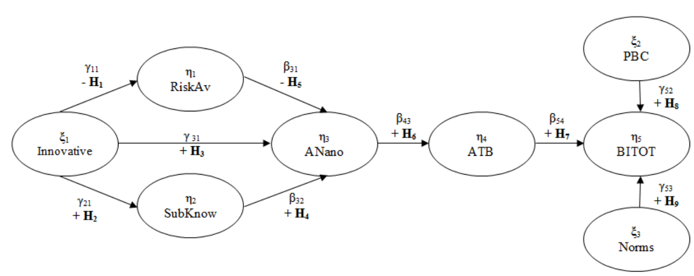
Nanotechnology related products are predicted to comprise over $3.1 trillion in manufactured goods worldwide, representing over 11 percent of all manufacturing jobs (Lux Research 2008). In anticipation of this, government, academic, and private stakeholders are simultaneously assessing models and strategies for future investments in nanotechnology in order to provide sustainable growth and economic impact.

Nanotechnology is being developed and applied at every level of the food chain. The nanofood component of nanotechnology has tripled from $7 billion in 2006 to $20.4 billion in 2010 (Allianz and OECD 2005). By 2015, it is anticipated that nanotechnology will be used in 40% of the world's food industries (Helmut Kaiser 2009). Nanofoods refer to foods that have been cultivated, produced, or processed using nanotechnology techniques or tools, or food to which manufactured nanomaterials have been added (Joseph and Morrison 2006). Manufacturers will begin offering some foods that have specific nano-encapsulated nutrients, flavors, or other properties, or that use packaging that contains nanoparticles that will kill bacteria and thus extend the food's shelf life.

Conceptual Background & Hypotheses

For the present study, we use three primary determinants of intention: attitude toward the behavior, subjective norms and perceived behavioral control (Ajzen 1991). We also add several antecedents (i.e., consumer innovativeness, risk aversion, subjective knowledge, and attitude toward nanotechnology) that are based on the uniqueness of nanotechnology. Anticipated relationships among these variables then form the hypotheses represented in Figure 1.

Figure 1. Structural Model



Analysis and Results

A total of 273 members of a nationwide Internet research panel served as participants (49% female), ranging in age from 17 to 88 years (M_{age}= 39). Latent constructs were all measured using several items. All assumptions of SEM were assessed on the measurement model using AMOS 18. The structural model was organized based on the hypotheses. The structural model showed good fit to the data [Implied X^2 (197) = 245.53, X2/df=1.25, CFI=.96, IFI=.96, TLI=.95, RMSEA=.06]. The squared multiple correlations of the endogenous variables indicate that this model explains 11% of the variance in risk aversion, 17% of that of subjective knowledge, 28% of attitude toward nanotechnology, 49% of attitude toward the behavior, and 52% of behavioral intention.

Path coefficients were used to test all the hypotheses. H1, which suggested a negative relationship between innovativeness and risk aversion, was accepted (β= -.34, t= -4.83, pvalue< .001). H2, which suggested a positive relationship between an individual's innovativeness and subjective knowledge was also supported (β= .41, t= 5.97, pvalue< .001). H3, which suggested a positive relationship between innovativeness and attitude toward nanotechnology was supported (β= .33, t= 4.49, pvalue< .001). H4, describing the relationship between subjective knowledge and the attitude toward nanotechnology, was supported (β= .23, t= 3.72, pvalue< .001) as was H5, which predicted the relationship between risk aversion and attitude toward nanotechnology (β= -.13, t= -2.19, pvalue= .03). Attitude toward nanotechnology was also found to be positively related to attitude toward the behavior, as suggested in H6 (β= .70, t= 13.15, pvalue< .001). H7 was supported, suggesting that attitude toward the behavior is positively related to behavioral intention (β= .42, t= 8.58, pvalue< .001). H8, which suggested a positive relationship between perceived behavioral control and behavioral intention, was supported (β= .13, t= 2.59, pvalue= .009), and H9, which suggested a positive relationship between subjective norms and behavioral intention (β= .51, t= 10.64, pvalue< .001) was also supported.

Discussion and Implications for Marketing and Public Policy

The model developed and tested in this study provides some insight into consumer decision making with respect to a novel technology: food produced using nanotechnology. The value of this research for marketing and public policy is based around the multifaceted interchange of the precursors of attitude toward the behavior. At the core of our model is the overwhelmingly prevalent Theory of Planned Behavior. This study departs from previous studies by demonstrating that the "attitude toward the behavior of consuming" construct is complex for novel technologies. That is, individual traits, including innovativeness, risk aversion, and subjective knowledge, influence attitudes toward the new technology and thus the consumption of the products of that technology.

We have revealed that attitude toward nanotechnology is influenced by an individual's risk aversion and innovativeness. Consumers who are risk averse tend to express less favorable attitudes toward the novel technology, again substantiating results from previous research. Consumers who are more innovative express more positive regard toward the technology, possibly because it is "new." Those study participants who reported higher levels of subjective knowledge about nanotechnology also expressed more positive attitudes toward nanotechnology.

In concrete terms, one significant concern about nanotechnology is that if the Food and Drug Administration does not act quickly to regulate nanotechnology products, consumers may lose confidence in the safety of any product associated with the new technology. Ensuring that the public gets accurate information about nanotechnology is not only important for consumers, but also key for manufacturers as well, because "perceived risks may very well constitute the tipping point that will decide whether nanotechnology succeeds" (Schuler 2004, p. 283). Beyond the primary mission of the FDA in regulating new products and protecting the public health is the responsibility to help "the public get the accurate, science-based information they need to use medicines and foods to improve their health" (FDA 2011).

From a substantive perspective, the present results suggest that certain individual traits, such as risk aversion and subjective knowledge, are those that may be influenced by informational campaigns. When consumers do not have access to impartial sources of information, their subjective knowledge, which they largely gain through controversial and biased media reports (Falk et al. 2002), may increase their perceptions of risk. Factors that might be related to perceptions of behavioral control – product availability, the availability of competing (non-nano) products, prices – all might be included in subsequent studies.

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Summary Brief
The Current State of Marketing Education

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Using course catalogs from a nationwide sample of universities a content analysis demonstrates how the marketing domain continues to evolve. This study compares the marketing courses offered at four distinct time periods encompassing almost four decades. The results demonstrate that more institutions are offering a greater range of marketing courses. Many of these courses did not exist 15 years. However, there is a core set of courses that have remained constant over the years. Numerous institutions are offering narrowly focused marketing knowledge in their course offerings. This specialization reflects the growing body of knowledge produced by an increasing array of marketing journals. The results should help marketing academics better understand where have come from and where we are going.

Introduction

A number of studies over the years have assessed the coursework required to earn an undergraduate degree in marketing as a major (Butler and Straughn-Mizerski 1998; McDaniel and Hise 1984; Ursic and Hegstrom 1985). This manuscript expands upon these earlier studies exploring the current state of marketing curricula in business schools in the United States. The results provide a view of what constitutes the marketing courses offered which provide the framework for our discipline? How has this changed over the past 35 years? Where are we going as a marketing discipline? This study will help answer those questions.

Where Have We Been?

Bellenger and Bernhardt (1977) and Tinsley (1981) suggested that four courses serve as a standard minimum requirement to render marketing as a major (i.e., principles of marketing, consumer behavior, marketing research, marketing management). McDaniel and Hise (1984) found that indeed, this was the cohort required across the United States. Advertising, sales management, retailing, quantitative methods, physical distribution, industrial marketing, distribution channels, principles of selling, international marketing, business ethics, and business writing were the additional courses suggested as complementary offerings in a basket of electives from which students chose to round out a marketing major. Collectively, these courses were consistently offered between 1973 and 1983 in nationwide studies suggesting, at that time, the collective body of marketing knowledge was stable. There was a slight increase in the actual number of courses offered by universities in the marketing area from 10.7 courses in 1973 to 11.8 in 1983.

Butler et al. (1995) found shifts taking place in terms of the degree to which marketing management was being employed as a required class. Butler and Mizerski (1998) advanced our understanding of foundation marketing knowledge by employing a nationwide survey of universities offering either a major or concentration of marketing. They found the number of courses offered significantly changed over the previous twenty years. Courses offered by 10% or more of the universities surveyed rose from 15 to 18 over the twenty year span. New courses were beginning to show up in 1983 and then again in 1994. What constitutes the marketing domain in 2011? The next section addresses this question.

Methods Employed

A stratified sample from all AACSB accredited schools in the United States (AACSB 2011; Butler and Mizerski 1998) was employed. This resulted in a final sample of 110 colleges and universities. All states and regions of the United States were represented. Twenty seven percent of the selected schools were from the Northeast, 25% North central, 30%, and 18% from the West. A combination of large, medium, and small schools in addition to state-supported and private institutions were included in the sample. Current university catalogs were analyzed to determine which courses were being offered to earn a degree in marketing. The results of the current study were then compared with results from earlier studies by McDaniel and Hise (1984) and Butler and Mizerski (1998). Chi square analysis was employed for the courses offered across the time periods studied to determine the extent of significant changes in the courses universities have offered over time.

Results of the Study

There has been a statistically significant shift in the number and range of courses offered over the past 35 years as would be expected. There are over 20 new course categories in 2011 that did not exist in earlier studies. Across the 110 institutions investigated, we found 337 discrete course names and titles representing the 49 courses offered in 2011. This compares to 20, 21, and 23 course offerings in 1973, 1983 and 1994, respectively.

The standard foundation courses suggested by earlier researchers for a marketing degree (i.e., principles of marketing, 100%; consumer behavior, 77%; marketing research, 88%; marketing management, 96%), are still offered by the majority of schools. During the late 1980s and 1990s consumer behavior was increasing in its importance; however the percentage of institutions providing that course has seen a significant drop off from 96% to 77% ($p > .001$). Other courses are now deemed more important as seen in the increased proportion of schools offering personal selling (100%), international marketing (98%) and special topics courses (72%). Only 41% of schools offered personal selling in the previous epochs ($p<.001$). Internships have come from virtually nonexistent in 1973 to somewhat important in 1994, with 26% of institutions offering the course, to 90% offering it in 2011 ($p < .001$). Collectively, these courses meet the calls for students to have applied knowledge useful in a changing global economy. Mirroring the growth of the

Internet and E-commerce as a tool marketers employ, 50% of institutions today are providing that to their students.

Marketing management, which remained steady with 66% of schools offering this course for almost 20 years, has seen virtually all institutions providing this course in 2011 (96%). Many schools are segmenting their curriculum and differentiating their graduates by offering a narrow range of specific courses leading to certificate. These include courses in sports marketing, pricing strategy, the marketing of high technology products, brand management and the marketing of specific segments of the service economy (i.e., leisure, special events and entertainment).

Taken together, the courses which are being offered at institutions in 2011 reflect the development of marketing thought being published in ever expanding print and electronic journals. The newer courses, those not offered by the majority of institutions today, and the more seasoned courses which are diminishing in their luster, demonstrate how far marketing has come since Alderson (1958) and Borden (1964) helped establish the foundation for what we call marketing today. The research noted in this manuscript suggests, marketing as a discipline has a core foundation of courses, yet a cadre of newer courses reflecting the continual changes the world has brought upon us. Marketing has continued to grow and evolve over the past 35 years. The historical trend in the data suggests marketing will most likely continue to create more niche curriculum choices for students to reflect the ever increasing specialties the marketplace demands. A caveat of this study is that specific course descriptions assessed may not reflect what individual professors provide as content in a catalog listed course.

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Summary Brief
Match/Mismatch of the College Business Student Service-Learning Experience: Drivers of Perceived Attitude Change, Satisfaction, and Future Volunteer Intentions

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In this paper, the college-based service-learning experience is examined using the functional approach to volunteering. Drawing upon previous research, a driver model is developed that incorporates the match/mismatch between motivation and experience and considers the college service-learning experience (SLE) as drivers of students' perceived attitude change (PAC), satisfaction, and future volunteering intentions (FVI). This work discusses the practical marketing implications stemming from this work and directions are provided for future research.

Introduction

Nonprofit organizations are increasingly challenged to obtain funding and volunteers to meet the growing needs of the people and communities they serve (Bussell and Forbes 2002). As a solution, many nonprofits are collaborating with colleges and universities to obtain volunteers.

Volunteering with and donating to nonprofits are both recognized as consumer behavior concepts (Pho 2004; Wymer et al. 2006; Wymer and Starnes 2001). Volunteering has been considered a leisure activity (Pho 2004) making it an important area of research with relevance to consumer behavior. In turn, these leisure hours, or the discretionary time, spent volunteering are not spent in traditional consumer behavior activities such as recreational activities, for example golfing and skiing, or other leisure activities, for example going to the movies or the zoo (Fisher and Ackerman 1998).

Service-learning is touted as a means for students to gain hands on application of classroom theories while simultaneously developing citizenship behavior, for example giving of themselves for a greater good, demonstrating pro-social behavior/generosity (Berger 2004). While studies have looked at outcomes of college student volunteering (e.g., Marta and Pozzi 2008), the focus has largely been on reflection, applied learning experiences, and curricula (for a summary, see Astin 2000). Taking a functional approach to college-based service-learning, this study focuses on the importance of managing the (degree of) match/mismatch between students' expectations regarding SLEs and their actual experiences in order to maximize both the pedagogical outcomes and the pro-social impact of volunteering. .

There is a body of research exploring generosity behaviors and behavioral intentions including what motivates people to volunteer (Clary et al. 1998; Davis 2003; Omoto and Snyder 1995; Penner 1998). However, there is much less research on the impact of the SLE on the future generosity behavior of volunteering (Tomkovick et al. 2008).

Hypotheses

Functional Approach to Volunteering

The functional approach to volunteering posits that certain aspects of volunteer work attract certain groups/types of volunteers. Operationalized using the Volunteer Function Inventory (hereafter, VFI), the functional approach examines what volunteers want to get out of their volunteer experiences (Clary et al. 1996). In other words, the VFI explores the extent to which volunteer experiences align with and drive their volunteer goals/motives. As an extension of the VFI, the Total Match Index (hereafter, TMI) measures the match/mismatch between motivation and experience (for an explanation of how the TMI is calculated, see Stukas et al. 2009).

TMI →Future Volunteer Intentions

While previous research has shown that one can predict FVI by considering the extent to which volunteer experiences align with volunteer goals/motives (for use of the VFI, see Clary et al. 1998; Van Vianen et al. 2008), a recent study found the TMI to be a better predictor of FVI than either motives or environmental affordances, that is experiences, alone (Stukas et al. 2009). Based on this evidence,

H1: *The TMI will have a positive impact on students' FVI.*

PAC →FVI and TMI → PAC

In studying the antecedents of volunteering, Omoto and Snyder (1995) found that volunteer motivations predicted volunteers' change in attitude. Using the VFI, Okun and Sloane (2002) also showed volunteer motivations to be a good predictor of attitude change toward volunteering. Since the VFI affects volunteers' change in attitude, and the TMI is an extension of the VFI, the TMI will also be a good predictor of attitude change. The positive impact of attitudes on volunteer intentions is further supported by Okun and Sloane (2002). Hence,

H2a) *PAC will have a positive impact on students' FVI and* ***H2b)*** *the TMI will have a positive impact on PAC.*

Satisfaction → FVI and TMI → Satisfaction

Several researchers have demonstrated that the greater the motive congruence, the greater the satisfaction with volunteering (Clary et al. 1998; Davis 2003; Van Vianen et al. 2008). In other words, the extent to which volunteer experiences align with volunteer goals/motives is a good predictor of satisfaction (Clary et al. 1998) since the VFI impacts satisfaction, the belief is that the TMI will do the same. Drawing upon Marta and Pozzi (2008) who demonstrated that satisfaction with volunteer experiences positively affects FVI, the following is further suggested:

***H3a)** satisfaction will have a positive impact on students' FVI and **H3b)** the TMI will have a positive impact on satisfaction.*

Methodology

The data were collected at a private, northeastern university, which, as part of graduation requirements, requires 30 hours of service-learning volunteer experience toward the completion of their Student Engagement Transcript (SET). To collect the data, a pre- post-experience design is used at the beginning and end (respectively) of the semester. Responses used for this study include only those business students who volunteered during the semester being examined resulting in 156 useable pre- and post-experience survey responses. PLS structural equation modeling using Smart PLS was utilized to test the hypotheses and the results are listed in Table 1.

Table 1: Structural Path Estimates

Independent Variable	Dependent Variable	Standardized Path Coefficient	Standard Error	T Statistics
PAC →	FVI	0.117	0.123	0.950
Satisfaction →	FVI	0.338	0.124	2.719*
TMI →	FVI	0.317	0.058	10.236**
TMI →	PAC	0.669	.0496	13.500**
TMI →	Satisfaction	0.581	0.528	11.004**

*Significant at $p<.05$; **Significant at $p<0.00$ based on a priori one-tailed test

Implications and Future Research

Based on the results presented in this study, in order for universities and nonprofit organizations to drive satisfaction with the SLE and FVI, they should emphasize a match between expectations/motivations and the SLE since this match is positively related to both Satisfaction and FVI. Specifically, messages that address understanding, in which students are provided learning experiences and the chance to exercise knowledge, skills, and abilities. Additionally, messages that address providing the opportunity learn about the specific nonprofit cause; values, which are related to students wanting to help others and in which they can express concern for others; and enhancement, where a student's personal growth and self-esteem can be strengthened.

The TMI significantly predicted satisfaction, attitude change, and future volunteering intentions demonstrating its importance as a construct of interest for future research. However, PAC was not a significant driver of generosity in this study. Future intentions are not driven by PAC. Further, the implied mediated relationships are partially supported with satisfaction serving as a mediator but not PAC.

This research builds a theoretical model that captures the impact of college SLEs as drivers of PAC because of the volunteer experience as well as the impact of the SLE on satisfaction and future volunteering intentions. Since the SLE is an important antecedent to the subsequent decisions made about voluntary behavior, the formative nature of these early experiences are significant for NPOs and NGOs, which rely on volunteers having a sense of community to lead and staff their organizations. Helping these NPOs and NGOs to recruit and retain volunteers, by focusing on the salient functions of volunteer work, is thus an important implication of this research.

From a pedagogical standpoint, institutions of higher education need to align their SLEs with students' motivations, or perhaps their major, to maximize the match/congruence of the experience. This is especially important given that a mismatch with the experience side of SLEs could have long-term, negative implications on future volunteering. For the same reason, faculty involved in service-learning instruction also need to align their course objectives and learning outcomes with students' motivations and service-learning options.

Limitations

As is the case with any research study, there are some limitations. The sample is from one private university that requires a SLE limiting its generalizability. Because of this, a national service organization or geographically dispersed, multi-university study could be considered. For greater generalizability, this study could be extended to include a national sample and/or examine cross-cultural/sub-cultural similarities and differences in terms of college-level SLEs. Institutional-, program-, and discipline-based idiosyncrasies also deserve attention. Longitudinal studies, comparing freshmen and seniors, or even alumni, further adds to the literature.

While the timing of the pre- post-experience surveys was one semester, a longer-term study may better evaluate the temporal nature of the behavioral feedback loop. As with any survey requiring pre- post-matching of surveys, the nature of the participant attrition limited the number of useable surveys since only completed and matched pre- and post-experience survey responses could be used.

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Facilitating Knowledge Transfer in Undergraduate Marketing Education

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It's the 14th of January and Jason Shumate, an A-level student, enters the room of your marketing capstone course. A senior at your university, he has compiled a large quotient of marketing knowledge and confidence, and is nearly ready to tackle the world. Or is he? The work described below is the result of determining that too often the answer to that question is, NO! We propose a knowledge transfer project, with assessment and record keeping, to increase students' retention and transfer of marketing knowledge and skills through their degree program and into the workforce. The process entails measuring the (mis)alignment of students' perception of their knowledge to their actual knowledge, and faculty's beliefs about what they are teaching compared to what students are retaining. Once tested, if found to be effective, the proposed model could be more broadly applied to improve the capability of the business school undergraduate.

Introduction

There are mounting pressures for all businesses to find ways to improve their performance in order to flourish in today's marketplace. This includes institutions of higher learning where the pressure to prove that education adds value for students seems to be constantly escalating. The development of business processes that help augment performance and provide value can be a daunting task, especially in the current environment marred by unstable economic conditions, intensified global competition, and most importantly, a reduction in state funding for colleges.

Additionally, funding reductions for state institutions come at a time when accreditation processes and standards now play an integral role in the assessment of how well college programs are doing in the development of a quality product—knowledgeable and skilled students. The involvement of college faculty is crucial to facilitating this process. Many feel mounting pressure to teach well and provide evidence that their students are learning at a very high level.

With these demands in mind, we began examining our ability, as professors of marketing, to measure the impact we have on our "product", aka students. Given our goal of creating high value teaching and high value learning outcomes, i.e. demonstrably, capable graduates with knowledge and skills needed to solve marketing problems in the world of business, we set out to devise a process for improving and measuring our effectiveness. In the following section, we first discuss the role of learning and its application in marketing and then explain and outline our systemic approach to improving learning through problem-based knowledge transfer.

Learning and its Application to Marketing

Student abilities to obtain knowledge can be a direct result of the type of instruction employed. Vermunt (1996) stated that the majority of learning models that exist can be grouped into two categories, objectivist (behavioral) or constructivist (cognitive). The former presumes that instructors are experts that control the pace and materials used to transfer objective knowledge to students. The focus here is on absorbing rather than interpreting information transmitted, and is typically assessed using questions and examinations. The latter, on the other hand, is more learner-centered instruction that offers a process for students to relate, concretize, and apply course content. Students are provided a framework for discovery and problem solving that allows existing mental models to be further developed, tested, and refined.

The role of marketing can be described as creating value for customers using products, place, pricing and promotions. Some marketing activities, like how customer relations are managed in call centers, require specialized knowledge that can be structured and routinized. Such activities can easily follow an objectivist model of learning. However, the majority of marketing activities, such as how to bring new products to market at the right time and price, require the ability to successfully integrate a firm's marketing tasks with external market conditions. Such unstructured decisions warrant the use of cognitive processing or constructivist models of learning.

Much has been written about the role cognitive learning plays in knowledge creation (Shuell 1986; Wittrock 1968). Researchers have concluded that while individuals can learn by replicating or copying information presented to them, a deeper type of learning takes place by making sense of information as it is processed through mental models where it can be stored, accessed, and reconstructed. Bonner (1998, p. 4) stated, "As knowledge is used many times…small pieces of knowledge are compiled into larger pieces that turn into expertise. Practice is an important activity." Thus, it is paramount that students actively participate in knowledge construction processes in order to facilitate their own learning (Alavi, Wheeler, and Valacich 1995).

Systematic Design

Good education is said to be the function of three things: students' learning efforts, curricula, and the teaching method employed (Meyers and Nulty 2009). First we consider the teaching method; a system is needed within the class to insure that students' efforts are congruent with the goals of the curriculum and faculty. Each course must provide the structure that guides students to increasingly complex knowledge and skills; gradually demanding higher levels of thinking based upon cumulative stores of knowledge earned during the class. The referenced demand is embodied in the assessments conducted during the coursework. If these are scaffolded toward the learning goal, the student is forced to adapt toward that goal and use ever-increasing sets of skills and employ growing bodies of accumulated knowledge (Meuter et al. 2009).

The systematic approach to the teaching of a course is a microcosm of the curriculum, which must also be systematic with similar scaffolding toward a productive end. Consider an analogy, raw materials and component parts are processed in a plant in order to make a product. During the manufacturing, the product passes through stages. At each stage the work-in-process must maintain all of the parts and functionality that has been fabricated and assembled up to that point. If any of the qualities, properties or parts added in previous production steps falls away, the part is rejected, sent back to be reworked. Workers at each station in the assembly process understand the need for the product to retain all previous augmentations. They most do a sound job when the part is in their station so that their work will not be eroded or drop off as the part advances. It is not enough for the product to appear to have all of its parts; the product must also function correctly at each stage before it can be released to the next step. At each stage, the specifications against which the part is measured become longer and more difficult to satisfy as the part and its functioning becomes more complex and closer to completion.

Thus, curriculum is a system, with intricately integrated processes, parts, and measures that must be performed prior to completion and output of a quality product. Elements of the system are known, much like the machines needed to create a product are known. In higher education the elements of the system are: courses, professors and the university infrastructure that supports them. The quality product that will be the "output" of the system is a well-educated, capable, college of business graduate. Much like quality control in a manufacturing plant, the quality of the student—his or her learning—must be measured at each stage of the process before he or she can be advanced to the next stage of development.

The student learning outcomes are the standard against which the product is measured along the way. The student cannot shed the vestiges of the process that came before when passing from one "gate" to the next, he or she must retain that processing, that knowledge and the ability to use the knowledge, when moving on. Assessments should measure the degree to which the student has retained prior learning of both content (the parts) and skill (functioning parts). In their discussion of curriculum design and learning outcomes, Meyers and Nulty (2009) include this by challenging educators to frame assessment programs in terms of the "cumulative nature of the student experience" and their "journey of discovery."

Study Design

Purpose

The purpose of this work is to propose and test a method of facilitating marketing students' knowledge transfer and retention from the principles course, through core courses and into the capstone marketing course. The study was initiated when students entering the capstone course at one Midwestern, metropolitan university routinely failed the opening day quiz assessing basic marketing knowledge and skills. Students were asked to read an article describing basic marketing functions in a supply chain context and instructed to answer questions regarding their knowledge of marketing principles. After noticing the poor, overall performance on the initial evaluation, additional analysis of student performance on three separate instruments, developed to review and refresh those enrolled, revealed equally poor grades. Even students carrying a high GPA as evidence of success in prior marketing courses, often struggled to perform well on these initial assessments during the first weeks of the capstone course.

In order to further explore validity of these initial findings, we asked students (N = 25; M_{AGE} = 23, 64% females, 96% seniors) to rate their level of agreement or disagreement with a series of statements regarding their perceptions and beliefs about marketing, their learning experience, and a marketing career before they completed the opening day assessment quiz (see Table 1 for descriptive and correlational analyses results). Consistent with our earlier discoveries, none of the students who took this assessment quiz earned a grade of A; specifically, 32% of the students earned a grade of B, 20% earned a C, 28% earned a D, and 20% failed the quiz.

Table 1. Means and Standard Deviations for Exploratory Questions and Their Correlations with Quiz Grade

Exploratory question	Mean	SD	r*
In general, I like marketing	6.44	.58	.025
In general, I have learned a lot in marketing courses I have taken at this university.	6.00	.76	-.100
Marketing courses at this university are preparing me well for my career.	5.76	.78	.050
Marketing degree from this university will help me to get a better job within this region.	5.76	.88	-.043
Marketing degree from this university will help me to get a better job within the United States.	5.36	.91	-.202
Marketing degree from this university will help me to get a better job around the globe.	5.12	1.01	-.350
Pursuing marketing career is my dream.	5.52	1.31	.164
It is very difficult to get a marketing job in today's environment.	4.96	1.40	-.002

* Pearson's correlations between exploratory questions and the Assessment Quiz grade. None of the correlations were significant.

We then conducted a series of simple correlation analyses to explore whether any of our exploratory questions were related to how well students did on the opening quiz assessing their basic marketing knowledge and skills (see Table 1). The results did not reveal any significant correlation between assessment quiz scores and our exploratory questions. Regardless of students' generally favorable beliefs about marketing, their learning experiences, and marketing careers, none of these beliefs was related to how well students performed on the assessment quiz in the capstone course. This initial test reveals that students who exhibited evidence of their positive attitude and commitment to a marketing degree still struggled to perform well on these initial assessments during the first weeks of the capstone course.

Together with our earlier observations, these results encouraged us to explore the underlying causes of students' poor performance. The outcome sparked an initiative among the faculty to compare the knowledge and skill set required for success in the current business environment with the ability of the existing curriculum and teaching methods to help garner such requisites. The researchers focused on knowledge retention and transfer when it became obvious that even students who enjoyed good grades and positive reputations as hard workers, and believed that the marketing courses were preparing them well for their marketing careers struggled to achieve better than average marks on the graded review. Understanding why such misalignments exist and how they can be corrected is a critical component of any marketing curriculum that strives to prepare students for their marketing careers. The following discussion outlines a process for curriculum improvement that incorporates project learning as a key mechanism to promote knowledge retention and transfer.

Proposed Method

The first step in the eight-stage research process has already been executed. Marketing faculty members who teach Principles of Marketing (PM), met to identify key concepts, skills, standardize terms and tools that must be included in the course, understood and retained by those enrolled. These were determined based upon the instructors' beliefs about their importance and the need for student retention and transfer to the core marketing (CM) courses. Bloom's taxonomy was used to guide the skill development portion of the list. This mutual understanding and greater sharing of methods was the starting point for the proposed research project.

The goal of the second step is to assess whether the concepts and skills identified by instructors of PM courses overlapped with those identified by instructors teaching subsequent CM courses (Consumer Behavior, Introduction to Marketing Research, Advanced Marketing Research, and Marketing Strategies and Policies).

To accomplish this, an online survey of marketing faculty would be conducted. The survey would elicit information such as courses taught and perception of importance of concepts, skills, terms and tools previously identified by the PM Instructors. In addition, participants would be asked to distribute 100 points among the five skills that were assessed.

Faculty would be asked to indicate what marketing courses they were currently teaching and then to indicate how important or unimportant a given marketing concept was for the quality of students' learning experience in the courses they were teaching on a three-point scale (1-unimportant, 2-neutral, 3-important). Next, we would ask our faculty about what marketing terms, tools, and calculations every marketing student should know very well by the time he or she completed the PM course, using the same scale as in the previous measure. In the next section of the survey, the faculty would review the list of essential skills identified based on Bloom's taxonomy and again indicate how important or unimportant it was that students had those skills upon entering their particular CM course.

The outcome of the previous steps would be analyzed in step three. A series of simple t-tests would be performed comparing PM and CM instructors with the ranking scores as the dependent measure. The analysis would be intended to identify any significant differences between the perceptions of the PM instructors and the priorities and expectations of the CM group. The discovery revealed by this early analysis will be critical to the process; failure to address any differences would result in lost opportunity and could potentially cripple the systematic impact of the curriculum.

The fourth step would involve assessing student's knowledge at various stages in the marketing curriculum. The goal here would be to test for their skills and understanding of the key concepts identified in the previous steps. The same test instrument developed to evaluate students' abilities and understanding of key concepts, terms, and tools would be administered at three distinct times—at the end of the PM class, at the beginning of an intermediate Marketing Research class (a core marketing class in the curriculum) and at the outset of the capstone marketing (MCAP) course. A series of three measures, rather than one at the end of the curriculum as is traditional, will be used to ensure that if there is a failure to transfer, the point at which the students shed the knowledge is more easily and immediately identified.

A critical next step involves comparing the results of steps three and four. Are the faculty beliefs and understanding about what is critical for students to learn aligned with what they are teaching as well as with students' knowledge and confidence? If they are not, this step, five, will reveal that. If there is a misalignment, the research has identified a problem that must be corrected. As a result, these first 5 steps create a baseline against which change and progress, created by subsequent steps, will be created.

Given the students' weak performance in the MCAP course currently, our belief is that there is too little retention and transfer of knowledge from one course to another, from one time period to the next. Therefore, in Stage 6, we would implement a standardize process of marketing knowledge transfer and retention as a part of the marketing curriculum. We would provide students with a tangible symbol, as well as a strong cognitive framework, to improve knowledge transfer.

The enhancement would come as a result of a set of "transfer" mini-projects that challenge students' ability to apply their understanding of core marketing concepts. These projects, each a subset of a larger marketing plan, are active learning exercises designed to develop deep knowledge of different aspects of marketing and advance skills beyond the level of comprehension. Each mini-project is a stand-alone production that is an integral part of the term project for Principles of Marketing. The output of these "transfer" mini-projects, an electronic and paper summary, will be carried by the student to the next marketing course in the curriculum. For instance, a typical mini-project would include identifying the appropriate segmentation variables to be used for a client's market and subsequently selecting the target audience. The outcome of this work would be required in the successive CM course where it would be further developed. In Introduction to Marketing Research and Consumer Behavior courses, students would augment the understanding of the mini-project output initiated in the PM course. This would serve as tangible evidence of the importance of retaining knowledge gained and emphasize the integration of compiled knowledge that can be applied to new marketing scenarios encountered in other CM courses. Having the students physically carry their work through the program and build their output from small projects into much larger ones is intended to demonstrate to the student how existing knowledge when combined with new, can and does lead to improved depth and breadth of results.

As a final step, we would assess student learning in regard to the concepts, skills and knowledge deemed critical to the marketing domain and then measure each student's level of confidence in the knowledge gained. These assessments would be made after Principles of Marketing, before at least one interim, core course and again at the outset of the Marketing Capstone. The outcomes of this seventh stage would be compared to those obtained in stage four and the results reported. If no gains are reported after stage seven, the project should be evaluated and retooled just as in any other continuous improvement process. If gains are reported and found to be significant, this method of knowledge transfer and retention would be considered for expansion to other majors.

It is important to note that a control group will be integrated into the study as not all Principles of Marketing instructors will participate. As students progress through the program all will be assessed on their knowledge and skills, but not all will be part of the transfer project.

The process would be evaluated through review by external parties, both academic and industry (for relevance of subject and skill). The academic community will have the opportunity to scrutinize the proposed approach through presentation at an international conference and at other stages in the process through peer review journal submissions and publications. Members of the Advisory Board and industry contacts will be consulted as to the relevance of the subject and skills throughout the project. Consideration will also be given to the impact of making much of the students' work publicly available for peer benchmarking via websites developed to chronicle the work of students in the program.

Conclusion

Following Meyers and Nulty (2009), we are proposing a test in an attempt to create better education that impacts students' learning efforts, curricula, and the teaching method employed. We will test our assumption that by identifying, detailing, and prioritizing the key marketing constructs and building faculty consensus around them, the students' course work within their major will be reinforcing. Much like the work-in-process analogy used previously, the students are passing through gates after each phase of processing (their classes). If they are retaining and transferring their knowledge and skills from lower level classes, through the intermediate ones, the compiled base of knowledge should become greater and be reflected in the evaluation at the beginning of the capstone course. Having the mini-projects as part of at least three courses and requiring students to physically transport them, we hope, will encourage ownership and responsibility, thus encouraging retention and application. The misalignment between students' actual knowledge and their personal beliefs about how much they know might be attributable to a simple heuristic: we covered a lot, therefore we know a lot. As we, the instructors, struggle with how much content we effectively cover in PM courses (given the ever-increasing thickness of our textbooks), this study may provide insights into "when less is more". If our premise is correct, the students will enter the capstone course more prepared and better equipped to handle a higher level of challenge and learning during the important last semester of their education. The extension of this will be to provide more able, life-long learners to the workforce.

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Summary Brief
Drama Enactments of Customer-Server Exchanges by Trainees: Live Case Study of "Jessica Serves…Not"

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Drama enactments by trainees (DET) include verbal and contextual exchanges by two or more trainees (e.g., new employees) in customer-server dramas, usually in the presence of trainee observers and trainers (e.g., educators). DETs' objectives include nurturing the conscious decoding of unconscious thinking and action to inform visual, physical, cognitive, and emotional learning of customer-server exchanges done well and badly. DETs provide trainees the opportunity to practice and to notice and correct mistakes. This case study report uses in-class drama enactment encounters between a hotel guest and a receptionist. The drama enactment includes face-to-face conversations among two actors with each other and within (alter-ego) selves. In addition to generating possible improvements in server protocols to achieve high exchange accuracy and customer satisfaction, enactments lead to recommendations on how customers can avoid exchanges with bad outcomes. Student evaluations of the value and enjoyment of performing or observing this DET were very positive.

Introduction

Schank (1995) emphasizes that learning new skills requires practice with opportunities to make mistakes and repeat doing necessary tasks multiple times until the trainee acquires both implicit-tacit-unconscious abilities as well as explicit-conscious abilities to do all steps necessary accurately. Tufte (1997) shows how visual explanation nurture acute clarity and deep understanding. Showers and Joyce (1996) test and support the hypothesis that peer coaching is a highly effective method for achieving accurate execution of routines requiring new skills; modeling, practice under simulated conditions, and practice in the classroom, combined with feedback is the most product training design according to Showers and Joyce (1996).

The present article proposes that a combination of high-levels of all three antecedents (practice, visualizing, and coaching) results in highly effective learning by trainees. "Highly effective learning" refers to accurate knowledge of skills and ability to executive these skills to contexts that are relevant for achieving high customer satisfaction.

Boolean algebra expresses this proposition succinctly: $L = P \bullet M \bullet V$ where L = highly effective learning; P = practice; C = coaching; V = visualizing. The mid-level dot (●) indicates the conjunctive "AND" (Ragin 1997) and L is computed to equal the lowest fuzzy set value (0.00 to 1.00) of the three antecedents as a causal unit. Thus, if P = .8; C = .6 and V = 1.00, L = .6.

This causal recipe is not to suggest that additional paths to highly effective learning are unavailable. The causal recipe states only that if scores for all three antecedents are high in combination, L occurs (i.e., L is also high). Thus, $(P \bullet M \bullet V)$ expresses a sufficient but not necessary condition for L. The $(P \bullet M \bullet V)$ causal recipe informs this exploratory study.

Customer-Seller Face-to-Face Exchanges

The face-to-face buyer-seller interactions may very well be the most important element in marketing communications. Given the exchanges between a customer and a representative of a firm selling a product-service are central to the definition of marketing, certainly such interactions represent a central focus of study for marketing and consumer research.

However, a search for available literature in the behavioral and applied sciences indicates that less than 50 studies are likely to be available that includes reports on natural conversations or treatments of salespersons' messages involving customers and salespersons or customers and servers. Jap, Manolis, Weitz (1999) and Woodside and Reingen (1981) review most of the available studies on face-to-face customer-salesperson interactions in natural environments.

Jap et al.'s (1999) conclusions from their observational study of naturally-occurring professional buyer and seller exchanges may generalize to all customer-salesperson and customer-server contexts. Taylor and Woodside (1978) provide evidence the both the customer and salesperson are able to describe their thoughts to themselves while the conversation is unfolding between the two parties. Consequently alter-ego roles were created for the drama for the main protagonists. An "alter-ego" is a second side to somebody's personality, different from the one that most people know.

Before the drama enactments, the class discussed theory concerning the multiple conversations that occur between people with observers present. The in-class discussion with students participating or attending to the drama enactments included a brief review of propositions relating to unconscious thinking including the proposal that unspoken and spoken thoughts about topics sometimes surface during conversations that are unintended topics prior to the meetings between a customer and server. All students playing the alter-ego roles as well as audience members observing the drama enactments appeared to recognize that subjective personal introspections via alter-egos are an integral part of customer-server conversations. The focus is to present a drama of customer-server face-to-face meetings and to describe students' learning from role-playing.

The Drama: "Jessica Serves…Not"

The drama was written following a participant observation study by the first author in checking into a hotel in Montreal in September 2010:

Arch arrives at the Novotel in Montreal in September and approaches the reception desk with his wheelie luggage and a thick worn briefcase. Time is 12:30 PM. [Arch says to self: "I'm happy to be at hotel early. Maybe I can take a nap this afternoon."]

Jessica looks at Arch and says, "Welcome to the Novotel. May I help you?" [Jessica says to self, "This guy is a bum; clothes are wrinkled and wheelie's cloth is frayed and the wheelie with a broken wheel."]

Arch, "Yes, I have a reservation, the name is, 'Woodside'."

Jessica looks at computer screen and responds, "Check in is at 3 PM. You will have to wait. Sorry. But you can use a computer around the corner in the lobby to go on-line while you wait."

Arch, "That's fine. Thank you." [Arch says to self, "Jessica never acknowledged my reservation; I hope that she noticed that my reservation is for two nights. No big deal about waiting to 3 PM. I can easily kill two hours responding to email messages."]

Jessica, "By the way, your room rate is $125.00 per night and not the $140.00 per night that was quoted to you. Arch, "Great! Thanks." [Arch to self, "Strange that the rate is going to be lower than what I agreed to pay for. Why would Jessica offer a lower rate to me when I already reserved the room and after my arrival?"]

Three computers and chairs are located out-of-sight of the front desk but just steps-away around a wall separating the receptionist desk from the computer area. Arch goes around corner, out-of-sight of reception desk, and sees three computer monitors on a long table with three chairs. He sits at the middle computer and begins to move computer mouse. Screen asks for password. [Arch says to self, "Strange that Jessica would send me to computers that require password without the password. Christ, how annoying!"]

Arch picks up luggage and returns to front desk and waits 5 minutes as Jessica waits on a customer checking into the hotel. Check-in customer is asking for a room with a view. Then Arch speaks to Jessica, "The computer screen is asking me for a password." Jessica, "I'll come right over and log you on." Arch,"Thanks."

Arch returns to the computer to wait for Jessica. [Arch asks self, "Why couldn't Jessica just give me the password number. Maybe the hotel policy is not give-out the password to customers."] Arch waits ten minutes at computer for Jessica while he reads a newspaper. [Arch says to self, "How annoying! Where's Jessica?"]

Arch returns to front desk and waits five minutes as Jessica serves an arriving customer. Check-in customer asks what time is checkout. Customer wants to know where breakfast is served. Arch's turn arrives and stands before Jessica and stares at her and he does not speak.

Jessica tells Arch, "I cannot come to the computers; here is the password for the computers." Jessica writes password on slip of paper and hands it to Arch. Arch responds to Jessica, "Thanks."

Arch returns to computer and types in password. Goes to his workplace website and checks email. [Arch says to self, "What the hell was that? Why couldn't Jessica just give the password to me when I arrived?"]

In-Class Productions of the Drama

Drama productions of Jessica Serves…Not" were completed in the spring semester 2011 at Boston College and Salem State University. Students volunteered for the following roles: (1) Arch, (2) Arch's alter-ego, (3) Jessica, (4) Jessica' alter ego, (5) additional customers waiting in line, (6) director of the play, (7) prop supervisor, and (8) producer. Student participants provided extensive comments about the two drama enactments.

Questions for In-Class Discussion

The use of computer in lobby was a major topic of three separate conversations between Arch and Jessica. Why did Jessica send Arch to lobby computers without the password?

Wait time for Arch to get password in minutes: 10+5+10+5 = 20. Why was Arch not password worthy?

Does this drama suggest changes are necessary in conversation transactions by service workers and customers at Novotel? If yes, describe changes that you might suggest. If not, explain reasons for maintaining conversational protocol in the drama.

Why did Jessica indicate a lower hotel price rate to Arch?

Is Arch likely to return to the Novotel? Explain your answer.

Students' Recommendations

The students provided the following key recommendations to Novotel's management following the two productions of the drama: (1) Arch is unlikely to return to the Novotel; (2) Protocol necessary that all customers with reservations should receive written slip with password for use of lobby computers upon their arrival at front desk; and (3) Why would a hotel reduce the room price when a customer arrives when the customer does not ask for a rate reduction? Hard to justify this action.

Student Evaluations

Written anonymous evaluations of the drama enactment were positive to highly positive consistently. Most students included suggestions for future productions of the "Jessica Serves…Not" and all responded favorable to including the drama in future semester courses. Suggestions included allotting time to memorize lines; creating alternative versions of the drama to show how the meetings could have been done well versus poorly.

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Special Session Abstract
The Integration of Sustainability in the Marketing Curriculum: A Multi-Facet Approach

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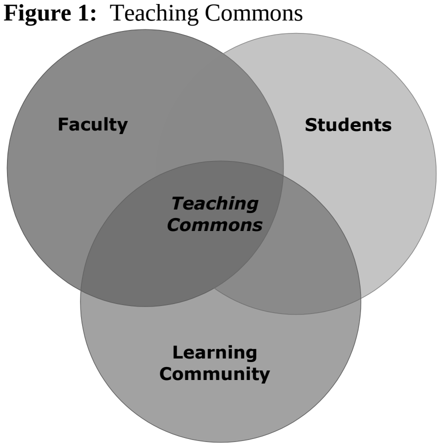
Introduction

Sustainability is an important and evolving issue for many organizations. In fact, this evolution of sustainability is taking central role from many different vantage points. The economic, political, and environmental debates have heightened awareness across business disciplines and academe. The panel discusses integrating issues of sustainability in marketing research and pedagogy and the underlining psychology of human behaviors in adopting/rejecting sustainable behaviors.

Sustainability

For the purposes of the paper, sustainability is defined as the continued support of human life on earth through long-term maintenance of biological resources, productivity of agriculture, and stable human populations. Campus-wide environmental literacy, strategies for teaching environmental literacy beyond the traditional class room, and teaching environmental literacy across campus are the major elements of this presentation (see Figure 1). The presentation is grounded in the notion of a *sense of place* and incorporates perspectives from anthropology, biology, fine arts, and communications. The emerging of pedagogical models for teaching sustainability and practical exercises and teaching tools are presented.

Figure 1: Teaching Commons



The Case of Asbestos

The psychology of sustainability is presented using case studies from the asbestos industry. An overview of the asbestos industry is used to illustrate the promotion of short-term interests at the peril of long-term survival. The case is ripe with meaningful substance and highlights unintended consequences of a product that could have initially been positioned as "green."

Further, the case study includes the necessity of understanding grave strategic challenges that can be faced by firms. While achieving a sense of balance between short-term and long-term interests may be an organizational goal, such a balance can be complicated by convoluted realities. Many interesting questions arise in this case including the following.

1. Is there a propensity for organizational short-term interests to trump long-term wellbeing?
2. Does such decision-making across related organizations foster systemic risks?
3. If so, why does this phenomenon continue given the seriousness of some cases we have seen throughout business and organizational history?

The Psychology of Sustainability

The psychological defenses used to reduce the threats of personal integrity are presented. A model of *separation* is presented to demonstrate the psychological determinants in decision-making. Actual cases offer a template for translating the *separation* model to the business environment. A discussion of psychological underpinnings of why organizational members may make questionable decisions in light of new information is presented. The role of psychological mind-guarding is highlighted.

Special Session Abstract

Integrating Foreign Travel into Course Development Using Multi-Sensory Technology

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Annette E. Craven, University of the Incarnate Word

Introduction

We live in a technology-driven era in which cutting edge media can provide multi-sensory experiences via the split-second touch or swipe of one's forefinger. An individual can use a smart phone to read a book, listen to music, watch a movie, take pictures, record a video, make phone calls, play games, "tweet" with Twitter, or a variety of other activities. New media applications are being used to create experiences that continually engage and require users to create new meaning and modify previously accepted ways of taking in information. Technology has brought the world to each individual, leaving college students with little desire to leave their local environments. How can faculty combine available technology, open source software, and the global environment into marketing curriculum while incorporating the senses of sight, touch, and hearing? Our thesis is that by stimulating the learners' visual, auditory, and tactile abilities, intellectual engagement will begin, and a more powerful, creative learning experience will emerge. This thesis is in direct contrast to Lindstrom's 2005 sensory marketing rationale in which he intimates that humans engage in sensory experiences and are incapable of further intellectual processing. To test our thesis, Dr. de los Santos traveled to China and used digital photography to capture the essence of Chinese storefronts.

Developmental Pedagogy

The preliminary goal was to link the photos to retail globalization. A strategy was developed to take multiple photos of Chinese retail store fronts in different settings and arrange them as part of a PowerPoint presentation for an undergraduate Retailing class. Dr. Craven, co-author, suggested the use of Microsoft PhotoStory as an alternative to the traditional point-and-click PowerPoint. While Dr. de los Santos traveled to China, Dr. Craven developed a set of tutorials divided into five components: (a) selecting, importing and arranging photos; (b) adding titles and captions; (c) creating script and recording the audio; (d) selecting and adding background music; and (e) editing the project. Using the tutorials, Dr. de los Santos developed a storyboard, arranged photos in a logical visual sequence, and created script for each photo. PhotoStory offered smoother slide and sound transitions, the opportunity to use royalty-free background music, and the ability to add captions and plan the desired timing for each slide. As a result, Dr. de los Santos was able to combine her visual abilities in choosing the photos, her auditory skills in selecting background music that would complement the video, and her tactile capabilities in accurately using the technology. The resulting video, *Chinese Storefronts Then & Now*, will be used as a demonstration of multi-sensory technology (PhotoStory) and as a way to bring the Beijing retail environment into the undergraduate classroom.

Into the Retailing Classroom

The applications for the undergraduate marketing classroom are varied. In marketing, for example, students can learn to create an image and emotional link in the customer's mind by presenting a sensory approach to the marketing mix through (a) creative use of PhotoStory's sound and visual capabilities, and (b) their individual technology competency levels. Using Kolb's 1984 four-stage learning cycle to develop the appropriate retailing project assignment that would require students to consider the customer impact of creatively mixing visual and auditory cues, the following curriculum process emerged:

1. Concrete Experience: Retailing instructor presents the *Chinese Storefronts Then & Now* video and explains the use of Microsoft PhotoStory open source software, creating a concrete experience for the students.
2. Reflective Observation: Retailing instructor assigns project which requires students to begin thinking about how they will identify a theme, create photographs, identify background music, create titles and captions, and add script for the audio portion of the video.
3. Abstract Conceptualization: Retailing students engage in small group discussion, individual brainstorming, and classroom discussion to begin conceptualizing the project.
4. Active Experimentation: Students develop project which begins with the creation of a storyboard and the use of the five tutorials to complete for final presentation.

While no marketing educator can accommodate every learning style, he or she can introduce different types of learning activities at different points in Kolb's cycle, stimulating new learning opportunities in the classroom and challenging preferred styles. PhotoStory offers one such opportunity for improving the learning styles that some students and faculty least prefer to develop. Realistically, it would be a challenge for marketing educators to recreate the atmospherics of a Victoria's Secret, Whole Foods, or Dillards in the classroom, but integrating Photostory as a classroom project asks that a sensory experience be reconceptualized, integrating Kolb's learning styles.

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Special Session Abstract
Teacher-Friendly Options for Incorporating Experiential Learning Projects in Marketing Courses

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Introduction

A wide variety of teaching methods are being used in college marketing courses, ranging from traditional lectures to new technologies, such as online simulations and blogging. While no one method is best-suited for all situations, research and first-hand instructor accounts suggest that active or experiential learning, i.e., learning by doing, and methods connected to the real-world tend to be more effective. Furthermore, students tend to prefer active, real-world teaching approaches and find them more beneficial.

While a growing number of marketing instructors are using experiential, real-world teaching methods, this approach presents many challenges, hindering greater use. A major impediment is the amount of time involved in designing and carrying out experiential learning activities, especially real-world class projects. Instructors often must find a willing company to serve as a "client" and manage this relationship.

Such projects also require instructors to provide a great deal of support for students outside the classroom. What's more, it can be difficult to assess individual student learning and performance, as many of these projects are carried out by teams. Online simulations eliminate the need to find clients, but still require considerable advising time, not to mention the time needed to address the inevitable technical problems.

Teacher-Friendly Projects

With so many challenges, it is understandable that instructors might choose less active teaching methods. Fortunately, a number of experiential learning options are available for marketing courses that address these challenges. For example, Coca-Cola, Florida Tourism, General Motors, Google, J.C. Penney, SAP, State Farm and other companies and non-profits have developed comprehensive cases involving actual strategic marketing issues. Students, serving as consultants, conduct primary research, develop recommendations, and present their findings to the client company. Multiple universities can simultaneously utilize the cases, which usually include a competitive aspect, that is, student teams at participating schools compete against one another for recognition, and in some cases, prizes. Some projects also provide students with an opportunity to implement their recommendations.

Another teacher-friendly option are the enhanced online marketing simulations now available. Today's simulations offer flexibility, i.e., they can be adapted to introductory and advanced marketing courses, and a wide variety of teaching resources, including 24/7 technical support and student advisors, and assignments and tests based on the simulation.

About this Special Session

This special session involves a panel of marketing educators discussing proven, teacher-friendly experiential learning projects they have used. The specific projects we will explore are:

- The American Advertising Federation's' *National Student Advertising Competition*. Student teams develop an integrated communications campaign to address a real-world marketing problem facing the sponsoring company or non-profit, and "pitch" it to a panel of judges in regional competitions. The top team in each region advances to the national finals.
- The *Google Online Marketing Challenge.* Student teams receive $200 of Google advertising, and work with local companies or NGOs to create online marketing campaigns. The challenge is open to colleges around the world. Regional winners and their professor receive a trip to a regional Google office; the global winners and their professor receive a trip to Google's world headquarters.
- The *Music2Go Marketing* online simulation developed by SmartSims. Students take over the MP3 player division of a large consumer electronics company, and formulate sales, distribution, pricing, new product development, and promotion strategies, as they attempt to build their firm into the leading player in the market. Students compete against others in their course.
- *Marketing Internship Program (MI),* one of two types of industry-education collaborative programs created by EdVenture Partners. In the *MI* program, students, while enrolled in a for-credit, marketing or advertising class, research the target audience, create an IMC plan, pitch strategies to their client for approval, and actually implement their plan using a budget provided by the client. Students also analyze their results and present their findings to their client.

Our panel will discuss the pros and cons of these projects, offers tips on how to implement them and overcome potential pitfalls, and address important instructional issues, including.

- The type of students the projects are suited for;
- How to adapt these projects for various subjects within the marketing discipline;
- How to integrate these projects into a typical syllabus;
- The instructor's role in these projects;
- Forming and managing student teams; and
- Assessing student learning outcomes and performance.

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Summary Brief
Climbing the Ladder of Abstraction: Assessing the Usefulness of Different Tutorials for Complex Online Questionnaires

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The aim of this paper is to assess the usefulness of different tutorials to assist participants of non-interviewer based online laddering studies. We begin by providing a brief overview of the laddering technique and its application in online environments. This is followed by the description of a study of 243 participants of an online laddering questionnaire in which the effect of four distinct tutorials is tested (text, image, video and screencast). Our findings suggest that the use of "richer" media (e.g. video or screencasts) do not necessarily result in better results and that, instead, a combination of different tutorials might be a more appropriate choice.

Introduction

Conducting qualitative research online and not face-to-face is commonly associated with a variety of benefits, such as visual anonymity and a higher level of private self-awareness, which may lead respondents to reveal more personal information. Consequently, a diverse variety of qualitative research methods have been adapted to the requirements of online environments in recent years that do not necessarily require the presence of an interviewer. One example of such a method are online laddering interviews (e.g., Gruber et al. 2008). Qualitative research methods that do not depend on the presence of an interviewer allow for time and cost savings and also enable respondents to complete the interview in their own time. These benefits, however, have to be seen alongside possible disadvantages, such as the fact that the interviewer is an important source of information for instructing participants at the beginning of the study.

The aim of this research is to assess the usefulness of a range of four tutorials differing in the levels of presentation of the information (i.e., text only, text and image, video and audio, animated screencast with audio) at the start of the study to assist participants of non-interviewer based online laddering studies. The rationale for these four conditions is provided from two streams of literature explaining the usefulness of various media, 'media richness theory' (Daft and Lengel 1986) and research on the use of text, graphics, video and audio in instructional design. We begin by providing a brief overview of the online laddering technique, followed by a description of a study testing the effects of the online tutorials, and a conclusion with implications for qualitative researchers.

The Online Laddering Technique

The laddering method is typically conducted through semi-standardized in-depth interviews aimed at uncovering a product's individual attribute (a) – consequence (c) – value (v) chains by repeatedly asking questions as to why an item is important to the respondent (Reynolds and Gutman 1988).

An alternative to depth interviews is the self completion paper-and-pencil version where respondents generate self-relevant attributes and specify their importance (Walker and Olson 1991). Advantages of this approach include reduction of interviewer bias and ease in management (Botschen and Hemetsberger 1998), while disadvantages include space limitations and the possibility that respondents may find it difficult to reach the value level without the support of an interviewer (Phillips and Reynolds 2009).

Progress in Internet technologies offer opportunities for further development of self-completion forms of the laddering technique. Gruber and colleagues (e.g., Reppel et al. 2007) developed a web-based variation of the paper-and-pencil version. While their online laddering questionnaire addresses some of the disadvantages associated with traditional versions of laddering (such as space constraints), it did not take advantage of additional interactive and visual style elements that can enhance the design and usability of web-based questionnaires.

The Study

The laddering questionnaire used for this study was adapted to an online context by taking advantage of a variety of interactive and visual style elements. Respondents were recruited from an online panel run by a commercial research company and randomly assigned to one (out of four) different laddering tutorials. Each tutorial consists of a series of slides that respondents would page through, the information in each set was exactly the same but differed in the method of presentation and the presence or absence of graphical illustrations. Tutorials provide participants with a step-by-step description to the laddering process and an example of respondent data from a previous laddering study was used to illustrate the process. At the end of the tutorial, participants were automatically redirected to the laddering questionnaire.

Four different tutorials were developed for this study, each one with a distinct degree of media "richness" supplied through differing levels of audible and visual aids: (1) text-based, (2) image-based, and (3) video-based tutorials, supplemented by (4) an animated screencast with the highest media "richness".

In total, 295 people participated in the study and 243 (82%) responses were used for further analysis. A common way to illustrate the results of a laddering study is to show the number of concepts that were identified. Following the practice of previous laddering studies, the following table shows the number and length of ladders identified in this study (Table 1).

Table 1. Number and Length of Ladders for each Tutorial

Tutorial	Number of ladders per respondent	Average number of concepts of meaning	
		per respondent	*per ladder*
#1	3.58	9.7	2.75
#2	3.32	9.1	2.74
#3	3.39	9.5	2.80
#4	3.22	8.8	2.73

A further way of assessing laddering results is to closely investigate the linkages between concepts, such as from attributes to consequences or from consequences to values. Strong linkages between concepts are mentioned more frequently by participants and therefore indicate results that are more stable. While all tutorials lead to a similar number of strong linkages between attributes and consequences (defined as being mentioned at least five times), the numbers differ for the linkages between consequences to values: 1 (out of 7) links for tutorial #1 (text) where classified as strong, in contrast to 5 (out of 5) for tutorial #2 (image), and 1 (out of 6) for tutorial #3 (video).

Discussion

This research aims to assess the usefulness of tutorials differing in the level of media richness when preparing respondents for their participation in a complex online questionnaire. The different tutorials lead to results that are similar in terms of identified concepts of meaning (attributes, consequences and values) and also produce ladders that are similar in number and length (Table 1). Overall, the results do not point to a strong advantage for any one tutorial. A different picture emerges, however, once the linkages between different concepts of meaning are taken into account.

Responses from the different tutorials led to the identification of a similar number of concepts (30, 31, 29, and 25 for tutorials 1-4) and also led to a similar number of linkages (29, 28, 26 and 22 respectively). But as described above, the quality of the linkages varies, especially between the most abstract concepts of meaning. For example, the five linkages between the consequence and the value levels for tutorial #2 (image) are all classified as "strong", while linkages for tutorial #1 (text) are mostly weak. It was mentioned earlier that a common concern associated with the paper-and-pencil version of laddering is that respondents may find it difficult to reach the value level without the support of an interviewer (Phillips and Reynolds 2009). Results from the text-based and image-based tutorials, however, do not support this, albeit in quite different ways. The text-based tutorial leads to more concepts of a higher abstraction, but with weaker linkages. In contrast, the image-based condition results in slightly fewer concepts of a higher abstraction, but many of them with strong links between them. There is, however, no trend apparent that suggests a tutorial using "richer" media leads to more concepts of a higher abstraction. Instead, the video-based tutorial leads to results that are similar to the text-based one; with linkages between them being weaker compared to the image-based tutorial. The screencast-based tutorial results in fewer concepts and weak links.

Conclusion

In sum, these findings suggest that researchers should not rely on a single tutorial for complex online laddering questionnaires and should not assume the intuitively appealing idea that the use of "richer" media leads to better results. Instead, researchers should utilize a combination of different tutorials that activate participants. Although further research is required, the findings also indicate that different tutorials might be useful depending on the type and form of incentives used. If, for example, respondents are eligible for an incentive regardless of whether they complete the questionnaire or not, a tutorial that leads to a higher drop-out rate before the beginning of the questionnaire (as it was the case in tutorials #3 and #4) might not be the preferred option.

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Summary Brief
Likert Scales: A Regression to the Mean?

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This article examines the origin, conceptual framework, and current use of the "Likert scale." The two defining articles by Rensis Likert are discussed, as well as several weaknesses not mentioned in Likert's seminal work. A content analysis of 251 articles in the Journal of Marketing *(JM) utilizing at least one Likert scale is completed. Results show that marketers' usage of the Likert scale has drastically increased since the scale's inception in 1932. The number of scale points used in the Likert scale has also increased. Finally, metric statistical measures such as the mean and standard deviation have been applied to the data resulting from this ordinal (i.e., non-metric) scale.*

Introduction

Rensis Likert changed the way attitudinal research was conducted with his "Likert scale." Although his original intention was not the creation of a new scale, the development of this scale earmarked a shift in how attitudinal research was performed, primarily because of the ease with which a Likert scale can be created and utilized. However, operationalization of the Likert scale has not been codified for researchers and practitioners. Lack of a standard procedure stems from confusion over whether the Likert scale is ordinal (non-metric) or interval (metric) in nature.

The Original Likert Scale

The original idea for the Likert scale came from a 1932 article in *Archive of Psychology* titled, "A Technique for the Measurement of Attitudes." Likert expanded his idea in a 1934 article in *Journal of Social Psychology* titled "A Simple and Reliable Method of Scoring the Thurstone Attitude Scales." According to Likert, he wrote the 1932 article to reflect on and expand the then present knowledge of the procedures developed by psychometrician Louis Leon Thurstone. Likert's work offered a radical departure from Thurstone since it did not require judges. Likert also found that using the simpler method described in his 1932 work yielded similar reliabilities as the Thurstone method with half as many items. In other words, the simpler method, created by Likert, yielded higher reliabilities than the Thurstone method when all items were included.

Likert's 1934 paper was a follow-up to his 1932 publication. That study was done in order to show that the 1932 results can be replicated. He used 10 different scales. After each respondent indicated their level of agreement/disagreement to the statements, the scales were scored using the Thurstone method. As in his 1932 study, the respondents were again male students. Scoring using the simple method occurred by summing every response by each individual creating an individual score. Correcting for the number of items used, the simpler method possessed higher reliabilities than the Thurstone method for all 10 attitude scales. Likert also found that the correlation between the two methods were consistently high "which indicates that the simpler method of scoring is measuring essentially what is measured by the Thurstone scoring method" (Likert 1934).

Major Weaknesses with Likert Scale

Originally the Likert scale was created in order to alleviate the need for the usage of judges when developing scales. However judges may still be needed when creating scales using the simpler or Likert method. All of the scales used when testing this new methodology were scales that had already been tested previously by experts or judges. Therefore it is impossible to state that judges are not needed when developing Likert scales since the scales used to create the Likert scoring technique had previously used the judge rating technique. In fact, Trochim (2001) states the procedure for developing a Likert scale consist of the following steps: generating the items, rating the items, selecting the items, and finally administering the scale. The rating of the items step, according to Trochim (2001), consists of using judges to rate the items on a 1 to 5 scale regarding how favorable the item is to the concept or construct. This rating procedure is similar to the rating procedure utilized in the creation of a Thurstone scale. Thus, although the original scale was created in order to remove judges from the process of scale creation, judges are still needed in a similar fashion as with Thurstone scales.

Another weakness of the original Likert scale is the statement that either a mean score or summated score could be utilized. While the Likert scale is truly ordinal in nature, it is assumed to be on an interval scale with which statistical properties such as the mean can be justifiably used. Operationalizing the Likert scale in this manner is never mentioned in the original 1932 Likert paper and is downright incorrect. Just because a 1 to 5 scale is used to show the level of agreement with a particular scale item and construct does not infer the mean score should be used when conducting statistics on the results. The 1 to 5 are just numbers assigned to labels strongly disagree to strongly agree, respectively. The original scale is ordinal in nature rather than a true interval scale; therefore, using means and standard deviations are incorrect. According to Martilla and Carvey (1975), applying interval scale statistical techniques to truly ordinal scales is a subtle sin in marketing research. The use of 1, 2, 3, 4, and 5 to represent strongly disagree, disagree, undecided, agree, and strongly agree is strictly a coding structure. It is impossible to state that the difference between strongly agree and agree is the same as the difference between agree and undecided. Because of this, assuming the Likert scale to be metric in order to access a wider palette of statistical techniques is improper. Yet this assumption is made quite frequently in empirical research. For ordinal scales such as Likert, the median or mode are appropriate measures of the central tendency of the data. Range, percentiles or inter quartile range should be used to describe variability in the data.

Hypothesis Development

While no formal statistical tests are performed, we posit four basic hypotheses regarding the use of the Likert scale since its inception. These hypotheses are somewhat common-sensical. This is to be expected considering we're analyzing past data and trends. These hypotheses include:

H1: Over time, the number of Journal of Marketing articles referencing Likert's seminal papers decreases.

H2: Over time, the number of scale points included in a Likert scale will be greater than five.

H3: Over time, scale descriptors included in a Likert scale will change from Likert's original set.

H4: Over time, the use of metric statistical measures applied to non-metric data will increase.

Methodology

Several strategies were utilized to identify relevant studies. First, we completed a computer search of articles in *JM* using ABI/Inform. We limited our search to JM for two reasons. First, since Likert's 1932 paper, we want to study changes in the use of the Likert scale in marketing research. Second, only *JM* goes back over 70 years (1936).

Studies containing the term '*Likert'* or *'scale'* in their title, abstract, and/or full text was considered. We decided to add '*scale'* to our search criteria because some studies may have used a Likert scale and not explicitly stated '*Likert'* in the article. There were a total of 98 articles found using the word '*Likert'* as well as 1172 articles using the word *'scale'.* However, not all of these articles met the inclusion criteria shown below. Because of some inconsistencies in the ABI/Inform results, a manual search of *JM* from 1980 to 1991 was also completed.

Findings

Out of 1270 possible articles, 251 articles were deemed relevant for this study. From this reduced set of eligible *JM* articles, 311 independent studies were content analyzed. We calculated 135,488 as our sample size.

Results show support for some of hypotheses evident while others are not supported. We make these inferences without conducting any formal statistical analyses.

None of the 311 studies referenced any of Likert's pertinent seminal pieces. Thus, our first hypothesis is not supported. We pursued several leads as to why. We believe that due to the almost 4 decade gap between the Likert scale's birth and its appearance in *JM*, the scale became commonplace amongst psychologists and other social science researchers. Just as Kimberly-Clark is not paid royalties when someone uses the term Kleenex instead of facial tissue, researchers using the Likert scale in *JM* were not or did not feel obligated to cite either of Likert's 1932 or 1934 papers.

The number of scale points has not remained at Likert's original five. The weighted average number of Likert scale points for the 311 studies was 6.4. Furthermore, 106 studies utilized a 5-point scale while 167 studies used a 7-point scale. Thus, hypothesis 2 is supported.

We thought that our third hypothesis regarding changes in scale point descriptors would be supported (not supported) if our second hypothesis was supported (not supported). Unfortunately, our content analysis did not provide us with enough inferential data. In fact, we found that the vast majority of the articles did not even specify what the scale descriptors were. They just provide descriptors for the anchor scale points as well as the number of scale points. Because of this, we dropped the variable capturing scale descriptors from the study.

In our final hypothesis, we investigate the statistical measures used to summarize the data resulting from the Likert scales. As we stated earlier, appropriate statistical measures of central tendency for ordinal data include the mode and median. As for variability, suitable statistical measures for ordinal data percentile, interquartile range, and range. Unlike interval data which is considered metric, ordinal data is nonmetric. In our Likert scale walk through *JM*, with respect to central tendency, we found only 2 studies that actually listed the median while 167 studies provided the mean. Thus, about 46% of the studies did not provide any measures of central tendency while 54% specified the mean.

We also found that the usage of means to summarize central tendency in Likert data did not become prevalent until about 1993. In fact, 147 out of 167 studies that used the mean as the reported central tendency measure did so on or after 1993. As for measures of data dispersion, no measure of variability for Likert data was provided prior to 1993. Based on statistical measures like mean and standard deviation being used to summarize Likert data being commonplace starting around 1993, we find support for our final hypothesis.

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Summary Brief
The Moderating Role of Religiosity in the Effectiveness of Non-Profit Print Advertising

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Nonprofits need to compete, with other nonprofits, for donations now more than ever. Maintaining a socially responsible reputation, developing ads that are emotional and likable are tactics used to encourage donations. We explore the role of a moderating variable, specifically religiosity and find it to be a continuum related strongly to the individual/collectivism continuum which acts as a moderator in the relationship between antecedents to donation and intent to donate to nonprofits.

Introduction

The marketing literature treats religiosity as either the aforementioned categorical demographic variable or on rare occasion as a direct effect on a dependent variable. Yet, in the non-marketing extant literature both mediating and moderating effects of religiosity on other variables have been tested and shown to exist. If religiosity were to play a similar moderating role on nonprofit advertising, particularly for "sin" products, this would be an important finding for both academic research and practitioners.

Variables Tested in the Model

Several constructs predict increased intention to donate to a nonprofit. These include negative emotional response, social responsibility of the sponsor of the message and attitude toward the advertisement; all of which were tested as predictors of an increased intent to donate to the sponsoring non-profit for anti-smoking and anti-drunk driving advertisements (American Cancer Society and Mothers Against Drunk Drivers, respectively).

Many nonprofits promote pro-social activities to affect positive societal change for the betterment of the public. Why? Because, acting in a socially responsible manner appears to have a positive effect on nonprofit donations supporting a strong link between social responsibility and intent to donate.

Direct Effect of Religiosity on Model

For our study, we focus on one aspect of religious beliefs –theism-- which views religiosity on a continuum from atheist/agnostic to devotional. It seems to be strongly tied to another well studied continuum, individualism/collectivism, where individualism focuses on rights over duties, a concern for oneself and personal autonomy and self-fulfillment. Deeply religious people however focus on community, a concern for others beyond themselves and duty to God; often rejecting self-gratification in favor of abstinence. The core element of collectivism is that groups bind and mutually obligate individuals. Collectivism may refer to a broad range of values and behaviors; well beyond that of the individual.

These descriptions suggest that more religious individuals tend to have a duty to others, are willing to sacrifice to help the greater good (tithing, donating to charity) and will look favorably on the good works of others to mitigate what can be seen as sinful behaviors (smoking, drinking, drug use etc); often identified as being subject to "sin" taxes. Thus we predict that for high religiosity groups there will be a stronger emotional reaction to pro-social change based ads, stronger view of social responsibility in the sponsor who is trying to nudge society in a manner consistent with their beliefs and with a proclivity to donate to those nonprofits.

Moderating Effect of Religiosity

For high religious groups, messages promoting smoking cessation or anti-drunk driving messages resonate strongly based on group beliefs. For low religious groups, that tend to be more individualistic, such messages may be seen as an intrusion of their rights; that they can take care of themselves without others' interference. Because the basic traits of the high religious group are about social obligation, and for some evangelical message delivery, the nonprofit message is familiar and welcome. As such, the link between an ad that is liked, a sponsor that is seen as doing their mission in part and donations to that nonprofit will be stronger than for low religious groups.

Methodology

Governments in many developed countries are increasing their efforts to reduce smoking and the negative effects of alcohol consumption using print media. We created two ads for the purpose of eliminating potential extraneous variation. Two nonprofit organizations were selected as sponsors including the American Cancer Society (ACS) and Mothers Against Drunk Drivers (MADD).

Data were collected via a random sample drawn form a consumer panel owned and managed by Clemson University. Two separate survey instruments were created and distributed randomly to panel members via e-mail solicitation. The questionnaire consisted of five, multi-item measures for 1) overall attitude toward the ad; 2) negative emotional response to the ad; 3) perceived social responsibility of the sponsor; and 4) increased willingness to donate to the sponsor. The moderating variable (religiosity) was measured with a 4 Likert items theism subscale. All multi-item measures were obtained from previous studies whereby their respective reliability and validity had been supported. Additional scales were included to assess the demographic composition of the sample.

Measure Assessment

Assessment of the proposed model was accomplished via structural equation modeling with LISREL 8.51. The initial model demonstrated adequate fit with a $\chi^2 = 321.66$, df = 160, $p \leq .000$. GFI = .93, AGFI = .90, St. RMR = .12, IFI = .98, CFI = .98 and RFI = .94. Testing for the occurrence of common method variance was accomplished via the Harman's single-factor test (Podsakoff et al. 2003). The $\Delta\chi^2 \geq 3.84$; thus implying that common method variance was not a factor.

Each scale proved both reliable and valid. Coefficient alpha values ranged from .91 to .82 while the variance extracted scores ranged from .89 to .75. Convergent validity was assessed via the t-value associated with the ratio of factor loadings to standard error for each item and were all greater than 2. Variance extracted scores for each was greater than .50 supporting a case for convergent validity. Tests for discriminant validity were also supported.

To assess the moderating effect of religiosity hierarchical clustering was used followed by k-means clustering. The procedure called for the mean score for each item to be transformed into squared Euclidean distances which were subsequently submitted to the Ward's method of hierarchical clustering.

Analysis of the dendrogram and stage coefficients associated with the agglomeration schedule suggested that two distinct clusters existed. The data were subsequently submitted to a K-means clustering procedure with two clusters specified. Cluster 1 (high religiosity), consisted of 198 cases while cluster 2 (low religiosity), consisted of 66 cases.

Support for the differences across the two clusters was provided via a single-factor MANOVA test with cluster membership as the single factor and each of the religiosity items as dependents; this model was significant (Wilks' Lambda = .245, F = 245.89, $p \leq .000$). The results of these tests provided support for the notion that the two clusters, and differences relative to one's inherent level of religiosity, existed.

Results

To test the direct effect of religiosity on the model we employed multivariate analysis of variance (MANOVA) tests, with religiosity serving as the single, categorical independent and the scale score for each construct serving as the dependents. Each of the relationships posited that a significant difference would exist in each criterion variable relative to religiosity, with the mean score being greater for the high religious group. The overall model was significant with all of the four posited relationships supported as hypothesized.

To test the moderating effect of religiosity, we performed multi-sample structural analysis, which afforded us the ability to assess the significance of possible differences in causal influence across differing moderating conditions. We tested each possible pair of models (constrained and unconstrained) and then assessed differences in structural parameters via χ^2 difference tests with one degree of freedom.

We first ran a model with the paths under consideration being freely estimated and then ran a model with the hypothesized paths constrained as equal. A significant difference between the two models ($\Delta\chi^2 \geq 3.84$) indicates a differential influence exists, attributable to the moderation effect. Thus, comparison of parameter coefficients delineates under which level of the moderator the causal effect is stronger.

Results indicate that four of the six relationships were as hypothesized. The influence of negative emotional response on perceived social responsibility is significantly different ($\Delta\chi^2 \geq 3.84$; p-value $\leq .05$) and greater for the high religiosity group. This same pattern exists for negative emotional response/overall ad attitude, overall ad attitude/intent to donate and perceived social responsibility/intent to donate parameter estimates. The $\Delta\chi^2$ values associated with negative emotional response and intent to donate and overall attitude toward the ad and perceived social responsibility of the sponsor are not significant.

In summary, of the ten posited relationships, seven were supported. These findings imply that religiosity does moderate perceptions and behaviors towards nonprofit advertising.

Discussion and Limitations

We found strong supporting evidence that religiosity does moderate the relationships. For academics, this means demographic variables cannot simply be relegated to the footnotes of manuscripts, functioning solely as support for the sample diversity. Rather, the results of this study mirror those of the extant literature outside of marketing. For advertising research involving "sin" products, especially for nonprofits, inclusion of religiosity as a moderator seems mandatory. For practitioners, it is important to consider the community in which a nonprofit pro-social ad is being considered. There needs to be a trade-off between a potentially less effective ad (low religion) and literally preaching to the choir. Different types of messages may be necessary based upon the religious make-up of the community.

As with any convenience sample, there are always concerns about generalizability. We make no assertions of generalizability; merely patterns that replicate the extant literature and parallel existing, well established findings in the individual/collectivist literature. Future studies such as testing religiosity in a specific religion (i.e., Catholic versus Baptist) may bolster understanding of this moderating effect; particularly if there are strictures against drinking in one sect and inclusion of alcohol in ceremonies for other sects.

This study only included Christian religions. Given the myriad of other religions, many with large communities in the U.S. it is important to continue this research employing other religious non-Christian respondents. For some of these groups, culture may play an intervening role as well. Both need to be modeled and tested.

Finally, this study focused on religiosity based on the theism subscale, which measures the strength of relationship of the individual with God. Other subscales measure sense of community, place in God's plans etc. Each of these may also play a moderating role and help to further segment the population to assist nonprofits to deliver their messages in a more efficient manner.

Summary Brief
Fuzzy-Set Qualitative Comparative Analysis in Industrial Buying-Marketing Negotiations over Share of Business

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This paper describes the use of fuzzy-set qualitative comparative analysis (fs/QCA.com) in a business-to-business marketing context: buying and marketing industrial components. The method considers alternative paths for gaining large shares of business (SOBs) by a supplier in negotiating with customers. The data analysis method (see fs/QCA.com) is based on Boolean algebra rather than matrix algebra and is in wide-use in political sociology—with a few applications in marketing. The findings indicate that models of high consistency (analogous to a correlation coefficient, r) and high coverage (analogous to r2) are achievable in explaining SOB agreements by customers-marketers.

Introduction

Howard and Morgenroth (1968) illustrate two core principles of decision-making by management and marketing decision-making units. Principle 1: Antecedent conditions form both simple and complex paths leading to one or more alternative outcomes and complex paths almost always precede change outcomes (e.g., adopting a new technology, a price change, hiring a new sales manager).

Principle 2: The conjoining of antecedent conditions (i.e., antecedent paths or "causal recipes") are sufficient but not necessary paths for change outcomes—more simply, multiple routes are available for a price increase or decrease, creating or adopting of an innovation, hiring a new executive, and all other decisions relating to instances "when the firm changes direction" (Huff, Huff, and Barr 2001).

This paper's objectives include achieving two outcomes. First, the paper serves to show the occurrence of alternative decision paths in the negotiation process among customers and suppliers in annual agreements to buy industrial components. Second, the paper describes the use of fuzzy-set qualitative comparative analysis (see fs/QCA.com) in an industrial marketing context. Applications of fs/QCA in consumer contexts (buying an international service; extremely frequent casino gambling) are available in the literature as well (author's citations).

Fuzzy-Set Qualitative Comparative Analysis (FS/QCA)

The fs/QCA method bridges quantitative and qualitative approaches because the methods in this tool kit are simultaneously qualitative and quantitative (Ragin, 2008, p. 82). fs/QCA focuses on analyzing alternative combinations of antecedent conditions that represent causal complexity rather than the analysis of net effects; fs/QCA identifies causal recipes (specific combinations of causally relevant ingredients relating to an outcome) and thereby unravels causal complexity.

fs/QCA builds on set theory and fuzzy sets (Zadeh, 1965) analysis using Boolean algebra rather than matrix algebra. Examining all logically possible combinations of causal conditions makes it possible to construct experiment design-like contrasts (where only one causal condition at a time is allowed to vary) and thus offers a thorough analysis of the effects of relevant causal conditions. In effect, the impact of each cause is examined in all logically possible contexts (the 2^k configurations of conditions, k = number of causal conditions) (Ragin, 2008, p. 125).

An Application of FS/QCA In Industrial Marketing

The manufacturer in this context classifies customers willing to single source 90% plus of their purchase requirements for the category as fully in the membership of customer willing to single source. Customers buying 50% of their requirements from this manufacturer are classifiable as more out than in membership of willing to single source.

Customers aggressively demanding price reductions plus additional benefits (e.g., the manufacturer building storage facilities for the category on the customers' site at no charge) are classifiable as fully in the membership of customer aggressive with respect to price setting. Customers demanding "cost avoidance" objectives (i.e., price increases less than published inflation rates for the category) are classifiable at the crossover point. Customers expressing willingness to pay "market prices" for the category are classifiable as more out than in membership for customer aggressiveness with respect to price. Three common operations on fuzzy sets are set negation, set intersection (logical and), and set union (logical or). Logical and: compound sets are formed by the combination of two or more sets, an operation commonly known as set intersection. Midlevel dots (●) are used to indicate set intersection (combination of aspects) for the three causal conditions (A●B●C). With fuzzy sets, taking the minimal membership score of each case in the sets that are combined accomplished a logical and (a set intersection).

The study includes the fuzzy set scores and the set intersection of their three-way combination (causal recipe) for eleven customers in the study of marketing and buying of industrial chemicals. Note the intersection scores are equal to the lowest score from the three prior antecedent conditions. The numeric intersection value indicates the degree each case is more in or out of the intersection membership.

Negation: a fuzzy set can be negated to indicate the degree that the case is not a member of the set. To calculate the membership of a case in the negation of fuzzy set A (where negation of set A is denoted by ~A), simply subtract its membership in set A from 1.0 as follows: (membership in set ~A) = 1.0 − (membership in set A) or ~ A= 1.0 − A, where "~" indicates negation. Thus, for customer case number 1, its membership in (Not a member of the large customer group) has score equal to 1.0 – 0.9 = 0.1.

Two or more sets also can be joined through the logical or, which is the union of sets. The logical or directs the researcher's attention to the maximum of each case's memberships in the component sets. A case's membership in the set formed from the union of two or more fuzzy sets is the maximum value of its memberships in the component sets. The addition sign is used to indicate logical or, for example the logical or membership for case number 1 for the combination of the three causal conditions equals: A+B+C = 0.9. With fuzzy sets, membership scores in one set (a causal condition or a combination of causal conditions) that are less than or equal to their corresponding membership scores in another set (e.g., the outcome) indicates a subset relationship. The causal recipe membership score for A●B●C are consistently less than or equal to their corresponding membership scores in customer share of business awarded to firm X (the chemical manufacturer marketing the category) in the study—with the exception of customer case number 11.

The plot of the causal recipe of the intersection represents the conjunction of the causal conditions (A●B●C) and the outcome membership of customer share of business awarded to firm X. The pattern of results is consistent with an argument of sufficient causation—an upper-left triangular plot, with the degree of membership in the causal combination of the horizontal axis and the degree of membership in the outcome on the vertical axis, signals the fuzzy set relation. A plot shows sufficiency but not necessity for the conjunction of A●B●C on the outcome membership. Other paths to high membership scores on the outcome condition exist (e.g., firm 5 has a low score for the complex condition A●B●C but nevertheless has a high score on the outcome condition) but this observation does not take away from the finding of sufficiency in high membership scores in the causal recipe resulting in high membership scores in the outcome condition—the argument of "sufficiency but not necessity" informs the occurrence of multiple (different) paths to high scores for the outcome condition.

Consistency, like significance, signals whether or not an empirical connection merits the close attention of the investigator. If findings from the membership analysis are inconsistent with the hypothesized relation, then the hypothesis or conjecture is not supported (Ragin, 2008, p. 45). Coverage, like strength of association in statistical analysis, indicates the empirical relevance or importance of a set-theoretic connection. Coverage estimates assess the proportion of cases following a path to high outcome scores; coverage is a straightforward indicator of the empirical importance of a causal combination (Ragin, 2008, p. 55) and indicates the share of cases with high values on the outcome condition that the specified antecedent condition represents. The evaluation of the set relationships between the causal recipe and the outcome condition indicates high consistency and moderate amount of coverage. The uniqueness of case number 11 merits further attention and its discussion permits extending Gibbert's (2006) observations about "generalizing about uniqueness." Further discussion about customer 11 with the manufacturer marketing the category resulted in confirmation of this customer's unique relationship with this marketer. The manufacturer's sales-manager reported monthly complaints by this customer and continuing attempts to renegotiate prices during the annual contract.

While this sales manager did not use the expression, customer 11 reflects the industrial customer equivalent to van Maanen (1978) "The Asshole," in his study of a distinct but familiar type of person to the police. Thus, unique findings indicate a paradox worthy of further investigation. "Generalizability demands the research findings are not idiosyncratic to the firm or the sample of firms studied" (Gibbert, 2006, p. 124). Thus, the researcher should look for the presence of further assholes or other seemingly unique cases before concluding that adding condition D is relevant for model building and testing.

Creating a fourth causal condition, ~D= "not an Asshole" would place all customers 1 above the crossover point (0.5) except for customer 11. Customer 11's low score on this causal condition (~D = 0.00 for customer 11) shifts customer 11's conjunction score (A●B●C ●~D = 0.00) to the left and results in high consistency for this more complex (causal recipe) explanation of the outcome condition.

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Summary Brief

Strategic Decision Making In Networks: A Simulation Approach

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Previous studies have shown that many different factors influence managers' strategic decision making. While the industrial network perspective emphasizes relational aspects such as cooperation, the traditional strategic management literature is characterized by focusing on competition at the core of strategic decisions. Although extensive research exists in both areas, most studies have examined these effects in isolation. This article shows how simulation methods can be utilized to combine our previous knowledge about drivers of strategic decision making to study them within a complex system and therefore in relation to each other. This paper draws on recent empirical findings from network picture research and suggests a parsimonious model of strategic decision making in business networks, thereby providing a useful technique for studying interactions over time. This provides the input for further systemic models of business networks, including understanding evolutionary processes in business relationships.

Introduction

Understanding how to effectively manage in business relationships has been a central topic for scholars in the area of business marketing (Ford et al. 2003). An important aspect of this issue relates to the way managers make decisions and choose certain strategies to affect business relationships and their position in the surrounding business network. In particular, network picture research has recently aimed at gaining insights into how managers perceive their surrounding business network and thereby underpins their understanding of how managers act in complex systems (Henneberg et al. 2006).

A recent study by Corsaro et al. (2010) empirically established the connection between managerial cognition in terms of managers' perceptions of their surrounding business network, and their subsequent propensity for specific strategic decisions. Tying in with this research, we develop a parsimonious model that focuses on network pictures with varying degrees of perceived power. Out of the four network picture characteristics (power, dynamics, broadness, and indirectness) analyzed by Corsaro et al. (2010), the perceived power position of the focal company within the business network proved to have the strongest association with the networking strategy framework derived from Hofmann (2007), who suggests that companies can choose to manage their business environment according to three main strategies – adapting, shaping, and exploiting.

While this research has been essential in linking network picture research and managerial strategic decision making, it is important to expand this view of networking strategy choices to incorporate other well-established drivers of strategy, e.g. performance. In order to capture the interdependencies among these constructs, we employ *agent-based simulation* which allows us to combine previous findings about network pictures with those on relationship performance.

Conceptual Framework

According to Gadde et al. (2003), the development of business networks and how they evolve over time is primarily influenced by the interactions between the relevant actors. In what direction networks develop and how well actors perform within them is on the other hand contingent on the actors' ability to relate their own strategic actions to those of their business partners. The strategic actions in turn result in the changes of network positions of both the organizations involved in certain strategic actions, as well as those affected by them (Håkansson and Ford 2002; Johanson and Mattsson 1992). In line with the industrial network approach, it is proposed that the constellation of networking strategies followed by two actors on the one hand shape managers' perception of their surrounding business environment, and on the other hand affect the performance of the relationship as a whole and that of each of the actors individually. The impact of how managers perceive their business environment (i.e. their network pictures) on their networking strategy choice has been posited by Ford et al. (2003), and demonstrated empirically by Corsaro et al. (2010). Shifts in network positions perceived by the manager as well as the performance of the relationship motivate managers to rethink and adjust their strategies respectively. This in turn affects the strategy constellation within the relationship dyad and therefore closes a feedback loop describing the constant interrelationship between strategy choice and manager's perceptions about their surrounding business environment as well as relationship performance. Whether a relationship is continued or terminated eventually is determined by its overall performance as well as by how the benefits are distributed between the relationship partners.

Agent-Based Simulation

We employ agent-based simulation to study the interrelationships between networking strategy, relationship performance and network pictures. Agent-based simulation permits modeling the characteristics and decision-making of each agent and to track the interactions between them over time, which provides the researcher with longitudinal insights on how relationships and networks develop (Wilkinson and Young 2010).

While traditional techniques such as cross sectional surveys allow for an understanding of the relationships between key relational constructs, they do not provide insights about the underlying interactions and processes (Wilkinson and Young 2010).

Simulation Design

Following the conceptual framework introduced earlier, the simulation models dyadic business relationships over 100 rounds of interactions. In the simulation, each actor has the ability to evaluate its own network power position as well as the performance of the relationship. Actors are also able to evaluate the distribution of performance benefits between the two actors. At the beginning of the simulation each actor is randomly assigned a high or low power position within the business network. Based on each actors own network position, they chose an initial networking strategy based on a probability distribution derived from Corsaro et al. (2010). Following the conceptual framework, each strategy combination has different effects on both actors in terms of their performance and power position. Therefore, after each round of interaction, both actors evaluate their power position and relationship performance. Whenever an actor recognizes that its power position has changed, the actor selects a new strategy based on Corsaro et al. (2010). Also, if the difference in power between the two actors becomes too large, the disadvantaged actor selects a new strategy. Actors monitor performance of the business relationship in terms of their own performance, the performance of their business partner and the overall performance of the business relationship. Strategy changes are triggered whenever an actor receives zero or negative performance, when the overall relationship performance is too small, or whenever the difference between actors' performances suggests that one relationship partner is taking advantage of the other one. After each strategy change, a certain time period is given to allow the performance or power values to adjust to satisfactory levels. If the performance and power conditions are still not satisfied after this period, the simulation allows one more strategy change before the relationship is terminated.

Results

The simulation was performed for 10,000 business relationships to reveal patterns that would indicate whether certain relationships are more successful than others in the long term. According to the results, many relationships involving exploiting strategies eventually lead to a relationship termination, which is primarily caused by a too large performance difference (in 2,123 cases) or power difference (1,025) between the relationship partners. While exploiting strategies provide a successful strategy in the short term, the constant exploitation of the business partner eventually leads to a non-desirable performance and power imbalance. The results also suggest that when both actors follow exploiting as a networking strategy, the actors constrain each other, causing the relationship partners to suffer from low or even negative overall performance (417). Successful relationships primarily stabilize in strategy combinations where either both partners follow a shaping strategy (3,691), or where one partner follows adapting and the other shaping (2,017).

Conclusion

According to the findings, two primary relationships have been revealed that are successful in the long run. Both of them suggest that the pro-activeness of shaping strategies pays off since it provides benefits for both relationship partners and does not aim at power polarization. The findings also reveal that although exploiting strategies are successful in taking advantage of one's competitive position, the strategy itself, if pursued too long, will start undermining competitive advantages. This is due to the fact that business partners in such relationships do not have enough power to influence their position. They find themselves locked into a one-sided relationship that is characterized by performance and power imbalances; eventually making it undesirable for them to continue the relationship. Although performance is an essential driver of strategy, our findings are in line with the industrial network literature, which suggests the focus of strategy to be on cooperation and coevolution rather than pure competition (Gadde et al. 2003).

Our initial study provides evidence for simulation-based models which reflect relevant theory and provide insights into the interrelationships between crucial strategic constructs which had only been tested previously in isolation from each other. Such models can also potentially provide aid to managers to cope with the complexity of strategic decision making. Although the proposed model only considers the interactions between two drivers of strategy change, namely performance and managers' perception of the business environment in terms of power, many more variables can be included to build a more holistic picture of managerial strategic decision making in networks. Further extensions could aim at expanding the simulation framework beyond dyadic relationships to include interactions in networks with manifold actors.

However, certain limitations apply to such simulation models. Any simulation is only the reflection of its assumptions and underlying conceptual frameworks, and thus essentially represents an artificial world created by its authors. Therefore, it is important that the used assumptions and frameworks are grounded in theory in order to be insightful for research.

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Summary Brief
Consumer-to-Consumer Video Blogs: Leveraging New Technologies in Market Research

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Social networks help shape consumers' perceptions of products and brands, so they are important to market researchers. This qualitative research examines 1033 postings submitted by anonymous followers of an Ustream.TV live broadcast of Shiba Inu puppies. Coded comments are shown to be consistent with McKenna and Bargh's (1999) framework for virtual community participation. Information relevant to marketing is revealed through these comments. Key indicators for each participation motive – and the method used to identify frequently-used words (Wordle™) – are presented, followed by a discussion of how consumer-to-consumer blogs can be evaluated and used in market research.

Introduction

Because of the Internet, the number of options available for business-to-consumer communications has increased. There are also more opportunities for consumers to interact with each other via virtual communities and interactive blogs. These interactions help shape consumers' knowledge and perceptions of products and brands (Henig-Thurau, Gwinner, Walsh, and Gremler 2004), so it is important for marketers to identify methods for examining consumer-to-consumer interactions and obtaining useful information for branding and communications strategies.

The purpose of the study is to understand motives for participation in an online community and examine the interactions that take place. Extant research about virtual communities and motivation for participation is presented, followed by a description of the sample, research method, and representative examples of members' postings. The methodology and findings are discussed, along with their implications for marketing managers and researchers. Opportunities and recommendations for future research are suggested.

Virtual Communities

Virtual communities are comprised of groups of people with "common interests and needs" (Hagen and Armstrong 1997, p. 143) who meet and interact online to achieve personal and shared goals (Dholakia, Bagozzi, and Pearo 2004). For organizations, the significance of such communications is their potential effect on consumer decision making. One type of virtual community is the weblog ('blog'), a website used by individuals to share thoughts and opinions, give advice, and advocate ideas. A recent addition to the blog format is the video blog ('vblog'), which involves posting videos to a website with audience response encouraged. In 2006, Ustream.TV (www.Ustream.TV.com) expanded the vblog concept when it began to broadcast live events and recorded content to anyone with an Internet connection. Broadcast participants can also submit comments and interact during and/or after broadcasts are transmitted.

Motives for Participation

Motivations for participation in face-to-face social groups have been extended to virtual communities. Research also shows that people choose communications methods that help them satisfy an array of needs (Flanagin and Metzger 2001). According to McKenna and Bargh (1999), motivations for participation in online communities are: 1) purposive (give or receive information, influence others, solve problem, advocate idea), 2) self-discovery (formulate and refine preferences/values), 3) interpersonal connectivity (companionship, gain support and friendship, dispel loneliness), (4) social enhancement (increase status, be recognized by peers), and/or 5) entertainment (have fun, relax). Exchange and friendship are common reasons for participation in communities associated with pets (Ridings and Gefen 2004).

Blogs and Market Research

Due to increased Internet consumption and interactive platforms, today's research strategies must employ nontraditional methods. Given the Internet's potential to influence knowledge, attitudes, and behaviors, market researchers need to identify how, why, and where their customers interact, and understand how to leverage these "new, evolving, and/or converging technologies" (Marketing Science Institute 2010, p. 3) in market research, communications, and decision making.

While monitoring and/or participating in socially-oriented communities can be valuable to researchers, such activities also present challenges. Group norms and interests must be understood and awareness of participants' roles and status may be important. Also, the sizeable number of virtual communities can make involvement with multiple groups impractical since the research entails the time-consuming coding and analysis of qualitative data.

One possible approach for examining large amounts of written information is the 'word cloud'. Created by Jonathan Feinberg (IBM), this web-based analysis tool uses algorithms that organize words into visual representations, so that patterns and trends can be readily identified (Berson and Berson 2009). Some word cloud programs can quantify word usage (www.wordsift.com); others are able to identify the context in which a word is used or create images from numerical data and/or maps (www.manyeyes.alphaworks.ibm.com). Wordle™ creates word clouds of the text in which the words most frequently used in the source document appear proportionally larger than those that are used less often (www.wordle.net).

Research Method

Comments posted by anonymous followers of a litter of five Shiba Inu puppies on Ustream.TV (www.ustream.tv/SFShiba) were recorded over a nine-week period, starting on the day the puppies were born, and ending on the day the last puppy left for her permanent home. The website was accessed several times each week, with every ninth blog entry recorded. Nearly 10,000 comments were submitted by 7,657 registered followers of the SFShiba broadcast, with a total of 1033 comments documented for the study. Key participants in the study include the broadcast's initiators (dogs' owners) and viewers ('registered followers'). Although the researcher did not register as a member (required for posting comments), the platform allows full access to broadcasts, videos, and registered followers' comments and profiles.

Recorded comments were coded and categorized into thematic areas by two independent coders, who subsequently met to negotiate and identify key indicators for each theme (Hair, Rose, and Clark 2009). Themes, or motives for participation, were identified and subcategories were noted. Frequencies for each motive were calculated. Finally, postings from each participation motive were copied and pasted into Wordle™, to determine key indicators, i.e., words most frequently in posted comments.

Findings

Postings indicate that followers had fun, made friends, gained knowledge and insight, advocated ideas, and sought recognition. Consistent with McKenna and Bargh's (1999) typology of motivations for participation in virtual communities, the comments suggest distinct participation motives among followers: interpersonal connectivity (n=625), social enhancement (n=261), entertainment (n=202), purposive (n=195), self-discovery (n=11) motives. Within each category, sub-motives were found. Postings categorized as 'purposive' include questions, answers, and attempts to influence; 'interpersonal connectivity' contains comments about friendship, support, and eased loneliness.

In addition to identifying broadcast followers' motives for participation, information about marketing activities can be obtained from the postings. Attitudes toward products and brands are identified. Some comments offer criticism of promotional activities; others suggest ideas for product improvement. Postings also indicate that followers share information with people outside the community and the circumstances under which this occurs. The Wordle™ files were useful in identifying the words most frequently used by broadcast followers. For example, the word cloud for the social enhancement motive identifies words commonly used by followers to enhance social status within the group. The purposive motive word cloud shows that followers often used words to advocate ideas and influence others (Table 1).

Discussion

The study suggests there are opportunities for market research in the modern media environment, and validates video blogs' potential for providing insight about consumers and their attitudes toward products and promotional activities in non-experimental settings. Participation motivated by the social enhancement offers insight into sources of distinctiveness and status within the group, which might be used to identify opinion leaders and enhance communication strategies. The purposive-oriented postings show that immediate feedback can be obtained for advertising and product placement activities.

Word clouds appear useful in market research, due to the relative ease through which important words and concepts can be identified. Similarly, level of involvement and topics that cause certain individuals to participate, as well as bases used by participants to gain social status might be useful for identifying target markets and opinion leaders. While visual representations are not intended as a substitute for quantitative approaches to market research, exploratory research could benefit from their use and might prove particularly valuable in identifying trends and changes in attitudes over time.

Future research opportunities include active participation and measurement, including initiating interactions and evaluating responses. Researchers might also monitor and/or participate in multiple communities, enabling them to assess how, where, and by whom information is disseminated. Although participation in online communities may appear daunting, consumer-to-consumer interactions can be a rich source of data for market research.

Table 1. Example of Postings

Motive for Participation	Frequency	Key Indicators	Representative Postings
Purposive	195	Get Know Like Great Go	The Hachiko movie is great. Go to the American Kennel Club website for breeders in good standing. I would like to buy a deck of cards with the backs full of the pictures you're taking.

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Summary Brief
Cash: A Strategic Decision for Family Physicians

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The following study is an exploratory investigation into the strategic implications and viability of cash-only family physician practices. The current market dynamics suggest that there is sufficient motivation for these practitioners to change their current business model. As an exploratory study, qualitative techniques were implemented as the method for data collection. A series of in-depth interviews were conducted with office managers and physicians of family physician practices. The results were insightful as they highlighted a variety of issues, including barriers to change, strategy issues, and opportunities/benefits. The implications include theory applications, strategic marketing applications, and managerial decision making.

Introduction

While the consumer side of health care continues to be discussed, very few studies have looked at the desire/appetite and ability of providers to participate in a consumer oriented health care environment. More specifically, a cash based delivery system, which is a particularly important decision for family physicians. Is it possible for these small businesses to reinvent an old practice model, that being a cash-only practice? It is a difficult decision considering that contracting with health plans can produce a significant number of patients. But, it can also substantially increase overhead costs and result in deeply discounted fees. The result of this scenario is that family physicians have to see more patients in a day and work more hours just to maintain their income (Fang and Rizio 2008).

Because such research has yet to be conducted in a systemized fashion, a research project was recently begun with participants from the state government, a university, and private businesses. The first stage of the project is reported here. Our goal is to first determine the issues, problems, and opportunities that would be most relevant for a family physician practice that is considering changing to a cash-only business model.

Theory

The family medical practice is fundamentally a small business that requires entrepreneurial initiative, and a discussion of theory should investigate and discuss the keys and explanations for a drive for success as this influences decision making. There are two components that are particularly interesting in regards to entrepreneurial success. First, the concept of attribution is important because it helps to explain how entrepreneurs attribute factors to their success and/or failure. This will be important for understanding how entrepreneurs list the issues of importance that influence their decisions. Shaver et al (2001) proposed a framework and process based on attribution theory which studied the reasons for starting a business. This categorization of reasons among entrepreneurs includes consideration of internal and external issues that will either contribute to or impede success. The resulting evaluation by entrepreneurs would then influence whether they proceeded with the business. Second, the concept of learning is important as it can help to explain how entrepreneurs process and utilize information that is relevant and critical to their success. Experiential learning theory suggests that we learn through our own experiences (Narayanan et al. 2011). There are three components in entrepreneurial learning: career experience, the transformation process, and knowledge as it relates to opportunities and liabilities (Politis 2005). With a desire for success and the ability to learn, it is possible for family practitioners to be successful in a cash-only practice. This can be facilitated by a model that incorporates an abbreviated learning curve, an emphasis on strengths, and thwarts many of the traditional barriers to success.

Methodology

Given the early stages of the research project, qualitative data was deemed most useful. The information was obtained from in--depth interviews with office managers and/or physician owners of 10 small family physician practices (less than 10 employees). The participants were paid $200 to participate in the one hour interview. The sessions were transcribed and audio recorded, while the interviewer facilitated the discussions. The interviews were conducted in a two step process that first elicited general comments/topics regarding the cash-only business model. In the second step, more detailed discussions were conducted in regards to the most prevalent topics. These topics tended to focus on issues that would either impede or enhance the success of cash-only practice (whether actual or perceived). After the interviews were conducted, the transcriptions and audio recordings were cross referenced in order to develop a complete picture of the results. The transcripts were then reviewed in order to determine what types of themes, issues, items might exist in regards to these strategies. The results were interesting because the managers discussed a whole series of issues that they felt were important in terms of general business success.

Results

The overall results of the interviews and subsequent analysis yielded some interesting findings. It appears that there were three primary topics of importance. From a strategic perspective there was a concern for the barriers to change, the acknowledgement for the need of basic strategy decisions, and the potential opportunities and benefits associated with the change to a cash-only business model. The descriptions of each issue listed below, are summarizations of the participants' comments and reflect their interpretation and explanation of the issue.

Barriers

From a strategic marketing perspective, perceived and real barriers to change can be formidable obstacles. Based on the interviews, participants focused on exogenous barriers and mentioned the following issues as being barriers or potential pitfalls to converting to a cash-only business model.

1. Non-compete clauses: Though not common, some of the more restrictive health plans prohibit providers from seeing their members for a certain period of time, after terminating the contract.
2. PPO - Out of Network: While the patient may be able to receive a reimbursement from their health plan, the co-pay and deductible are likely to be higher.
3. HMO – Out of Network: These plans generally provide no reimbursements for services received outside the network.
4. Medicare – Opt Out Status: Paperwork requirements involving affidavits filed with Medicare, and subsequent communication with current patients.
5. Medicare – Opt In: Providers who continue to participate in Medicare must be careful when offering discounts to privately insured or uninsured patients who pay in full at the time of service. Title XVIII of the Social Security Act says a provider can be excluded from Medicare if he/she charges the program "substantially in excess of his/her usual charge" for the same service.
6. Overhead and Cash Flow: This was an endogenous barrier that presented benefits and concerns.

The participants appeared to be concerned about the transition process of moving from a third-party reimbursement scenario to a cash-only strategy. More specifically, how this would affect their patients and potential cash flow. These are certainly exogenous barriers that would influence endogenous barriers such as cash flow requirements.

Strategic Issues

For an organization to initiate a change strategy, it is important to focus both on the needs of the customer and the benefits of innovation. The following list represents some of the strategies issues highlighted by the participants.

1. Market Opportunity
2. Market Demand
3. Services Offered
4. Prices Charged
5. Promotional Tools

In total, the participants had an insightful understanding of various marketing strategies that would help facilitate a change strategy. The discussion of strategies seemed to illustrate an understanding of both market and entrepreneurial orientations.

Opportunities and Benefits

Opportunity discovery appears to play an important role in this particular decision making perspective.

1. Market Potential
2. Financial Satisfaction
3. Professional Satisfaction
4. Personal Satisfaction

The perceived opportunities and benefits certainly provide the motivation for the practitioners to consider a change. They foresaw a market opportunity, and multiple benefits associated with a cash-only business model.

Implications

From a theoretical perspective, it is interesting to note that attribution theory provides a good explanation has to how and why entrepreneurs attributed success to factors that they felt they had control over. Experiential theory also provided some good explanation as to how an entrepreneur builds confidence and success through their own experiences and the factors that they have used. Both theories can be used in future research to establish various propositions and hypotheses which can investigate the relationship between various constructs. The results of the in-depth interviews have also provided a significant amount of issues that can be utilized as the basis for the development of constructs. These constructs can then be utilized in future research to further define the elements that are critical in this forum of decision making.

The implications for strategic marketing were insightful as the interviews highlighted three important and critical elements of strategy development and decision making. It was evident that the practitioners understood the internal and external barriers to change, and that this was critical for strategy formulation. The practitioners also discussed critical marketing strategy issues such as service offerings, pricing, and promotion. Finally, it was interesting to note that the great motivation for potential change was derived by the promise of opportunity.

The managerial implications are interesting, as the results suggest that there is indeed an interest in re-inventing the old practice model of being a cash-only practice. Through appropriate strategy development, there also appears to be an ability to be efficient and effective with this business model. A cash-only business model is an important strategic decision, which may not work in every market, but is deserves consideration by practitioners who are willing and prepared to make fundamental changes in the way they deliver and market their practice.

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Summary Brief
Goal Alignment of Pricing and Salesforce Compensation Strategies: A Study in Reducing Agency Costs

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Abstract

This research prescribes that congruent pricing goals and salesforce compensation goals will reduce the cost of monitoring behavior, measuring outcomes, and transferring risk to the salesforce. In addition to cost reduction, alignment of these goals serves to motivate improved salesforce performance and goal achievement. A boundary condition of this research is that the salesforce has no control over the pricing or the salesforce compensation strategies. Marketing strategies are created in response to both external and internal environments. A firm's pricing strategy is created more in response to the external environment; whereas, salesforce compensation strategies are crafted more in response to internal goals. Evidence of misalignment may be misattributed to other causes besides incongruent pricing and compensation strategies, and thus ineffective solutions may be pursued. On the basis of these propositions, suggestions are made on how to achieve alignment.

Keywords*: price, sales compensation, agency theory, alignment*

Introduction

Salesforce compensation can be based on sales growth or volume, or on gross profit margin. These same growth goals are what drives marketing teams when establishing pricing strategies (Tellis 1986). Accordingly, these two strategies are often not congruent and incongruence causes failure of marketing programs (organized plans), undesirable salesforce behavior, and/or loss of margin opportunity.

Pricing Strategy

The only revenue generating part of the marketing mix (price, promotion, product, and place) price, becomes a key component of sales negotiations, albeit, in this research the pricing decision is not a function of the salesforce.

Pricing Strategy Goals

The pricing strategy is dynamic in that regardless of the term (long or short) it must always be reviewed and can change in response to the goals.

Increase profits. The decision to price a product/line or service that serves to increase the organization's profit margin begins with the organization's current or last year's gross profit margin and concludes with a market price set at a higher profit margin. Pricing strategies that focus on increasing profits will do so through fixed pricing methods which allow for the organization to maintain consistency throughout an extended amount of time.

Grow market share. A market share maximization goal can be a decision based on the environmental uncertainty and competitive intensity for a product/line or service and is typically short term.

Salesforce Compensation Strategy

Salesforce compensation packages are typically based on goal requirements for gross profit margins, or market share growth represented through increased sales volume targets.

Salesforce Compensation Strategy Goals

The salesforce compensation strategy construct includes variables such as the compensation method (fixed/behavioral or variable/outcome); the compensation goal and the communication of these goals by salesforce management; the period of the compensation strategy; the frequency of management sponsored progress reviews; and salesforce tenure.

Grow Market Share. Agency based models that prescribe variable or outcome compensation include organizations where commissions are paid for obtained sales (Cameron et al. 1987). Growing sales is the primary goal with variable compensation and, the more competitively intense the environment, the more costly the variable pay rate.

Increase Profits. Under a profit maximizing compensation goal, Basu et al. (1985) profess that the optimal compensation plan would be the one where the organization pays a specified amount for a pre-specified level of sales or nothing if the sales targets are not met.

Agency Costs

There are three cost concerns identified in agency theory, the cost of measuring outcomes, the cost of measuring behaviors, and the cost to transfer risk to the agent.

Cost of Measuring Outcomes

Agency theorists maintain that determining performance targets is best associated with variable compensation when it is easy to monitor job performance The cost to measure outcomes against the established performance target includes: salesforce commissions (outcome incentive mechanism), the time management invests in evaluating outcomes, and the reports required to evaluate outcomes.

Cost of Measuring Behaviors

Behavior monitoring is more costly in that it requires more extensive levels of managerial involvement, direction, and evaluation (Oliver and Anderson 1995).

Cost to Transfer Risk

Outcome uncertainty involves the cost of shifting risk to and from an agent. When outcome uncertainty is low the cost of shifting risk to the agent are low and outcome-based or variable compensation is attractive; when outcome uncertainty is high the cost of shifting risk to the agent is too high (Eisenhardt 1989). Another way to view the cost of transferring risk is to view it as the cost of motivating the salesforce to pursue the organizations goals in an environment of uncertainty.

Propositions

Alignment of Strategies

This research expands previous pricing strategy and salesforce compensation strategy literature in that we are proposing that the goals of the two strategies, albeit purposeful on their own, must have a congruent relationship in order to reduce monitoring outcome and behavioral costs, reduce risk transfer costs thereby motivating the salesforce to improve sales performance. Those organizations with aligned goals will have more successful goal achievement than those with misaligned goals of the pricing and salesforce compensation strategies; hence it is posited:

> **P_1** When the goals of the pricing and salesforce compensation strategies are aligned (either both profit maximizing or both market share maximizing) goal achievement is positively influenced.

Cost to Measure Outcomes

The inference can be made that the greater the number of generated reports and the frequency of outcome specific meetings would require higher output monitoring costs.

> **P_2** Pricing and salesforce compensation strategy goals that are aligned with a market share growth goal will yield the lowest outcome monitoring costs.

Cost to Monitor Behaviors

An established pricing strategy removes the possibility of a price negotiation allowing the salesforce to invest the effort in selling the features and benefits of the product or service.

> **P_3** Pricing and salesforce compensation goals that are aligned with a profit maximization goal will yield the lowest behavioral monitoring costs.

Cost to Transfer Risk/ Cost of Motivation

In situations where the pricing strategy (variable method) is a response to environment uncertainty or competitive intensity the most economical way to motivate the salesforce will be to use fixed compensation. In environments of uncertainty, it is not realistic to expect firms to maintain a fixed pricing strategy nor is it beneficial for the firm to maintain a variable salesforce compensation strategy therefore we posit:

> **P_4** In environments of outcome uncertainty, where the salesforce compensation is fixed and the pricing method is variable; the organization will experience lower costs to transfer risk.

Motivating Sales Performance

The primary motivator of sales is variable or commission pay as there is a direct connection between sales performance and financial rewards (Basu et al. 1985). This research is suggesting that the pricing strategy is also an effective motivator of the salesforce.

> **P_5** Congruent pricing strategy and salesforce compensation strategy goals (profit maximization or market share growth) will positively influence sales performance.

Managerial Implications

The basic impact of unaligned goals is increased costs to the organization. These costs can be revealed through lost margin opportunity (paying commission on deeply discounted products); unachieved goals, increased outcome monitoring costs (additional monitoring tools required to manage multiple or conflicting objectives); increased behavioral measuring costs (the need to create freight or rebate programs to appease customers as a result conflicting behavioral outcomes such as providing inaccurate ship dates); and a demotivated salesforce (slowing down of the sales process).

Conclusion

The results of misalign goals can be best viewed through the three costs identified in agency theory, the cost to monitor outcomes, the cost to monitor behaviors, and the cost to transfer risk. Multiple or conflicting goals can increase outcome monitoring costs whereby negating gains made by any increase in sales. Incongruent goals serve to create divergent behavioral influences which elevate the cost of supervisory control and other behavioral monitoring costs.

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Summary Brief
The Case of Firm Risk and Shareholder Wealth: The Influence of Official Sports Sponsorship

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Despite the increased interest in the contribution marketing expenditures can make to firm financial metrics, there are few studies examining the changes to those metrics following the adoption of a specific marketing strategy. To shed light on the potential contribution of a specific marketing strategy on firm financial metrics, we examine the influence of the adoption of official sports sponsorship agreements on firm risk and shareholder wealth. Using a sample of 192 official sports sponsorship announcements, we find that following the announcement of the official sports sponsorship agreement, firms experienced a reduction in risk and positive abnormal returns to shareholder wealth at and around the time of the announcement of the sponsorship agreement. It was further found that firms with relatively lower levels of advertising intensity experienced better returns to firm risk than for firms with relatively higher levels of advertising intensity. Managerial and theoretical implications are discussed.

Introduction

Despite a general decline in advertising outlays, a reduction of 4.1% in 2008 (IEG 2009), one specific type of marketing expenditure has garnered increased attention: sponsorship. As sponsorship has become a centerpiece of corporate and brand communications in recent years (Evans 2010), the growth of sponsorship-related marketing expenditures has outstripped that of traditional advertising and sales promotions with expenditures of $44 billion in 2009 and projected expenditures of $46 billion worldwide in 2010 (IEG 2009). This is reflective of the attitude that despite overall declining advertising expenditures, sponsorship is considered such an important marketing medium that spending continues to grow, and firms continue to utilize sponsorship as a viable marketing medium.

Previous research examining the sponsorship medium has heavily focused on consumer-based responses, such as consumer attitudes (McDaniel and Kinney 1998; Pullig, Netemeyer, and Biswas 2006), corporate image (Javalgi et al. 1994; Varadarajan, DeFanti, and Busch 2006), and purchase intentions (Pope and Voges 2000), while investigation of sponsorships in the marketing-finance context has been limited to measuring changes in shareholder wealth at or near the time of the sponsorship announcement (e.g., Cornwell, Pruitt, and Clark 2005). Despite this line of research examining investor-based responses to the announcement of sponsorship agreements, there exists no study, to the author's knowledge, that examines how investors reward (punish) firms which choose to invest in official sports sponsorship agreements through measures designed to capture changes in firm risk. In summary, to gain a better view of investor-based reaction following the adoption of an official sports sponsorship, and the sponsorship's impact on the entire organization, it is important to assess this potential influence on the important financial metrics of firm risk and firm stock price. Consequently, this study seeks to answer the following research questions:

- What is the investor-based response on total risk for firms that adopt an official sports sponsorship?
- What role does advertising intensity play in affecting changes to total firm risk following the adopting official sports sponsorship?
- Do investors reward the firm at and around the announcement of official sports sponsorship agreements through abnormal returns to stock price?

Conceptual Development

Firm Risk

Financial markets are built upon the idea that investors attempt to maximize their returns based upon the evaluation of the market potential for a security relative to its risk, as suggested by Markowitz (1959). The general idea is that an investor has a limited amount of financial resources with which he/she is seeking to invest over a period of time, and will invest in more risky stocks only if he/she has the potential for a higher expected return. The evaluation of the riskiness of the stock the individual wishes to invest in comes from the evaluation of two components of overall risk; market risk and idiosyncratic risk. Risk was measured as the average monthly volatility of the return distributions over periods of t=-1 to t=+12 relative to the announcement of the official sports sponsorship.

Stock Price

Stock price is reflective of the investor's evaluation of all future cash flows associated with the firm. Previous studies have suggested that firm stock price is a viable measure to capture investor reaction to a marketing initiative (Brown and Warner 1985; Cornwell, Pruitt, and Clark 2005) To further investigate the influence of the adoption of an official sports sponsorship on firm financial metrics, we utilize the measure of abnormal returns to stock price at an around the time of the official announcement.

Results

Firm Risk

Using a paired sample t-test to examine the change in firm risk following the announcement of an official sports sponsorship, the results indicate that firms that announce the adoption of an official sports sponsorship experience a significant reduction in firm risk (*t-score* = -2.415, $p \leq 0.017$) between time periods $t = -1$ and $t = +12$. To further examine how marketing expenditures influence firm risk, we examined the role of advertising intensity, calculated by dividing total advertising expenditures by firm total assets, as previously used in the marketing-finance literature (Luo and Bhattacharya 2009), on firm risk. The results indicate that firms with relatively lower levels of advertising intensity experience better returns to firm risk than for firms with relatively higher levels of advertising intensity (0.462, p = 0.001).

Stock Price

To examine the influence of the announcement of an official sports sponsorship on firm stock price, and following precedence from marketing literature (Cornwell, Pruitt, and Clark 2005; Deitz, Evans, and Hansen 2011), event-study methodology was implemented to capture abnormal changes to firm stock price. Results indicate that the day following the announcement of the official sports sponsorship, firms experience positive abnormal returns of 0.42%, showing that the announcement of an official sports sponsorship can influence an important firm financial metric. Further, following Brown and Warner's (1985) advice, various event windows were also examined, showing that the influence of the announcement may extend beyond the announcement date. Results for various event windows are shown in Table 1.

TABLE 1
Cumulative Abnormal Returns for Event Windows

Event Window	Cumulative Abnormal Return	Patell Z	p-Value
(0, +1)	0.50%	2.50	0.006***
(-1, +1-)	0.56%	2.22	0.013**
(-2, +2)	0.81%	2.38	0.009***
(-10, +10)	1.96%	2.48	0.007***

p<0.01,p<0.05,***p<0.10*

Discussion

A question that must be asked by not only marketing managers, but, also by senior firm management as it relates to marketing initiatives is, "Do investors and Wall Street care about the marketing expenditures and the marketing mediums used by firms?" In other words, do those initiatives surrounding firm investments in specific marketing strategies and the supporting marketing budgets used to implement those strategies have an influence on the investment decisions of the investor? This study directly addresses these issues by testing a framework which predicts the impact of the announcement of an official sports sponsorship on firm risk. Using announcements of official sports sponsorship agreements between firms and sponsorship properties; this study shows that those firms that chose to adopt and invest in an official sports sponsorship are able to reduce their risk by decreasing the volatility of their stock market returns. Further, it was found that firms experience positive abnormal returns around the announcement of the sponsorship agreement. These findings support the notion that investments in official sports sponsorship can exert influence on the investor and the important financial metrics of firm risk and stock returns.

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Summary Brief
Beyond 4P‟s: Enhancing Organizational Performance through Strategic Marketing

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Due to increased competition banks are utilizing new approaches and tools in marketing their products and services to their customers. Firms have two choices when it comes to investing in new resources, namely investing in people and investing in infrastructure. Using a banking context, this study researches the role played by people and infrastructure in improving the marketing and operational tactics of the firm which results in increased firm performance. Results indicate that a bank's investment in structural and infrastructural capabilities impact firm performance through marketing strategy and proactiveness. Investing in structural capabilities would increase strategic marketing abilities of a firm and firm proactiveness. Proactiveness and strategic marketing were found to have a direct positive impact on firm performance. Limitations and managerial implications of findings are discussed in the implications section.

Introduction

Over the last five years, efficiency ratio, which is one of the major metric for banks, indicates that for all the major banks, average efficiency ratio has remained flat .To survive in the aggressive marketplace, banks have started to use new marketing plans and approaches to market their services to their customers more effectively. Hence, the purpose of this paper is to examine the role of structural (people) and infrastructural capabilities in determining marketing strategy, proactiveness and service firm performance. In the remaining sections of this paper, after a brief review of the theory behind organizational performance with emphasis on a banking context, we come up with study hypotheses, test a path model of organizational performance and discuss study findings and implications.

Literature Review

Recently the strategy literature has been interested in the conception that capabilities are a major source of competitive advantage (Ethiraj et al. 2005). Conceptualizing capabilities as people based and infrastructure based, Ethiraj et al. (2005) demonstrated in a software industry setting that both capabilities positively lead to firm performance. Firms have two major options of resource deployment, namely structural choices (human resources) and infrastructural (fixed assets) choices (Ethiraj et al. 2005). Firms‟ investment in such choices falls into the "strategic choice school" paradigm of Venkatraman and Camillus (1984). The „strategic choice school‟ paradigm of Venkatraman and Camillus (1984) focuses on the pattern of coordination and interactions among internal elements such as structure, size, and technology. A firm can choose to invest on its resources (structural and infrastructural) strategically to maximize its performance. For example, if firms know that to maximize performance, they need to invest more on infrastructure than on employees, then they will invest more in developing infrastructure than on human resources. Thus, firms have choices for efficient resource deployment. This study classifies such strategic operations management choices exercised by firms as *operational strategies*.

Firms also possess *strategic marketing management choices* or *marketing strategies* in their strategic arsenal. Kotler (1984, p.287) has defined marketing strategy as "a basic approach that the business unit will use to achieve its objectives, and broad decisions on target markets, marketing positioning, and mix, and marketing expenditure levels". This definition indicates that firms use marketing strategy for achieving their goals. Traditionally such strategic means have been viewed as marketing mix that contains of a mixture of four Ps (Product, Price, Place, and Promotion). However, researchers like Szymanski (1993) and McDaniel and Kolari (1987) have contributed to the identification of 10 to 12 additional marketing strategy mixes (elements). Based on a detailed study on the retail marketing literature on banks, this study operationalizes marketing mix strategies as 13 elements namely new product development, customizing products for target market, pricing, point of sale technology, mass media advertising, direct mail advertising, sales promotion, public relations, market research, customer information system, product improvement, location and sales centers.

Study Hypotheses

The following hypotheses were tested in the study under the assumption that firm proactiveness, structural capabilities, infrastructural capabilities and marketing strategy of a firm influence organizational performance.

H1: Marketing strategy of a firm has a direct positive relationship with performance

H2: Infrastructural capabilities of a firm have a direct positive relationship with a firm‟s marketing strategy

H3: Structural capabilities of a firm have a direct positive relationship with a firm‟s marketing strategy

H4:Infrastructural capabilities of a firm have a direct positive relationship with proactiveness.

H5:Structural capabilities of a firm have a direct positive relationship with proactiveness.

H6: Marketing strategy of a firm has a direct positive relationship with firm proactiveness.

H7: Proactiveness of a firm has a direct positive relationship with firm performance.

Methodology

We selected the participant banks from the list of Top 1000 US Banks in the POLK World Bank Directory. The retail-banking manager of each bank was considered as the key informant in this study. After constructing and pilot testing the questionnaires, a mail survey was conducted by following the total design method (TDM) mail survey process (Dillman, 1978). Each retail-banking manager was sent a cover letter explaining the purpose of the study along with the survey and a post-paid business reply envelope. Research packages were prepared and mailed to retail-banking managers. We received responses from 81 retail banks yielding a response rate of 15.6 percent. Study hypotheses were tested by using PLS method. Hypothesis test results indicated that out of seven hypothesis, five were supported ($T>2$, $P<0.05$). H4 and H6 were not supported.

Discussions

Study results indicate that a banking firm‟s investment in structural and infrastructural capabilities impact firm performance through marketing strategy and proactiveness. The predictor variables explain 29% of the variation in bank performance. This indicates that enhancing a bank‟s capabilities will result in enhanced proactiveness and marketing strategy, which will result in considerable improvement in a banking firm‟s performance. Firm capabilities also have a substantial impact on its marketing strategy. The study shows that structural and infrastructural capabilities explain 61% of the variance in marketing strategy. Study results indicate that infrastructural facilities and a firm‟s marketing strategy do not have a significant impact on firm proactiveness. Only structural capabilities have a significant impact on firm proactiveness. Thus firms that are interested in improving their proactiveness should invest their resources in improving their structural capabilities. Infrastructural abilities or marketing strategy do not have an impact on increasing firm proactiveness levels.Investments in human assets produce much impact on dependent variables than investment in infrastructural assets. For example, the study results show that a banking firm‟s investment in structural capabilities has a higher impact on marketing strategy ($\beta= 0.53$, $t= 6.40$) than its investment in infrastructural abilities ($\beta= 0.33$, $t= 3.65$). Similarly, study results indicate that a banking firm‟s investment in structural capabilities has a higher impact on proactiveness ($\beta= 0.52$, $t= 3.82$) than its investment in infrastructural abilities ($\beta= 0.06$, $t= 0.48$).

Study results indicate that structural capabilities have the highest impact on bank‟s proactiveness than either infrastructural capabilities or marketing strategy. Interestingly, study results indicate that marketing strategy of a bank does not have a significant impact on firm proactiveness. This indicates that proactiveness does not mediate the relationship between marketing strategy and bank performance. Rather, proactiveness has a direct impact on firm performance ($\beta=0.30$, $t=3.80$). Similarly marketing strategy also has a direct relationship with firm performance ($\beta=0.32$, $t=3.56$). The study has many academic and managerial implications. This study shows that investment in human assets is important to enhance a banking firm‟s performance, marketing strategy and proactiveness. Thus this study can be a guide to resource allocation for banks. Given the current financial turmoil which banks face, this study results might suggest that they way out to increase bank performance can be possible with increased structural investments. Every study has limitations and ours is no exception. The study was conducted in an American bank sector setting. Further studies across different countries and industries are needed to further validate the results of this study. The sample size was also a limitation.

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Social Marketing & Organ Donation: What Works, What Doesn't & Where To From Here?

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There is a critical need for organ donations. The decision to become an organ donor is not always easy. This paper highlights some of the issues that prevent potential organ donors from becoming organ donors. A review of the literature is presented and based on reasoned action theory a model is developed and propositions are offered.

Introduction

Many people in the United States (and around the world) find themselves with severe health problems that necessitate organ and tissue transplants in order for them to survive and return to productive lives. Having enough organs to meet this need is a matter of life or death. The statistics on organ transplants in the United States demonstrate the severity of the problem. Over 110,000 people are waiting list candidates to date ("Transplant Trends" 2011). As of June 28, 2011 72,348 people are active candidates on transplant waiting lists. Active candidates are defined as being "eligible to be considered for organ offers at a given point in time ("Glossary" 2011). In 2010, there were 14,505 living and deceased donors, which provided for 28,664 transplants. For the first three months of 2011, 3,346 living and deceased donors provided organs for 6,708 transplants.

In addition to the growing number of active candidates, there are multiple factors as to why many of the individuals on the transplant lists are not able to receive the needed organ. The decision to act proactively and register as an organ donor is not a clear-cut or easy decision for all people. To be an organ donor, one should register as an organ donor and inform family members of one's decision. Complicating matters is the fact that donors and patients are not evenly spread out over the U.S.A. and "the nation is divided into 11 transplant regions that have wide variations in patients and available organs, between regions and within them" (Neergaard 2011). Furthermore, the willingness to register as an organ donor varies greatly from state to state. The Donor Designation Collaborative (DDC) was created in 2006 to increase the number of state-registered organ donors. By the end of 2009, DDC had achieved an enrollment of 86.3 million people, which is approximately 37.1% of all U.S. adult residents ("Report Card" 2010, pp. 1, 4-5).

Social marketing's role

To address this need, social marketing is one of the methods that have been utilized to promote the severity of the issue and the need for individual to register as donors. Social marketing as defined by Kotler, Roberto, and Lee (2002, p. 5) "is the use of marketing principles and techniques to influence a target audience to voluntarily accept, modify or abandon a behavior for the benefit of individuals, groups, or society as a whole." The objective of social marketing is to change attitudes, intentions, and ultimately behaviors to act in a manner that is beneficial to society.

Due to the need for a better understanding of the issues faced by organ donation programs, social marketers as well as researchers from varied disciplines over the past 20 years have studied organ donation in an effort to understand the attitudes and behaviors of both deceased donors and non-donors (e.g., Clarke 2007). Despite many successful marketing/promotional campaigns and other changes to the donation procurement/ process, the challenge remains. The need (demand) for organs exceeds the supply of organs. Therefore, continued research in this area is needed.

Relevant Theories & Research Purpose

A number of different psychological and social theories regarding intentions and behaviors have been applied to the study of organ donation, One of the most often used theories is the Theory of Reasoned Action (Fishbein and Ajzen 1975). It was later modified by Ajzen (1991) as the Theory of Planned Behavior. In sum, "these theories posit that behavior change [organ donation] is a function of people's attitudes toward the behavior, feeling that they are actually able to perform the behavior, and their perceptions that their social group supports the behavior" ("Project Summaries" 2011). The theories of reasoned action and planned behavior hold that attitudes drive behaviors.

The purpose of this paper is to provide an overview of research findings drawn from healthcare, mass communications, psychological, sociological and social marketing arenas regarding attitudes, intentions and behaviors regarding organ donation and transplantation, and to propose a model to guide future research endeavors. The model is developed as an extension of the Fishbein and Ajzen's (1975) theory of reasoned action and Ajzen's (1991) theory of planned behavior. Although there are numerous other theories applied to guide the understanding of the behavior of individuals and organ donation these two theories are most often used in the social sciences Furthermore, rather than focus on an individual's decision to become an organ donor, the model integrates another critical decision maker, the donor's family. It is vital that both the potential donor and the family understand and accept that the donor's wishes are implemented. Social marketing is an appropriate vehicle to provide the information to both potential donors and their families.

Literature Review

The issues surrounding organ donation shortage have been discussed from a variety of perspectives over the past 15 to 20 years, with the body of research growing significantly since 2000. Our focus is on summarizing the demographic, situational, media and perception factors that have been identified as impacting people's attitudes, intentions and behaviors regarding organ donation. See Table 1 for a summary of U.S. research.

Demographic characteristics

Demographic characteristics of those with a higher/lower likelihood to agree to become donors have been identified by several researchers. These demographic characteristics (see Table 1) include religious preference, age, level of education, and income. Barcellos, Araujo and da Costa (2005) found that younger adults, higher levels of education, and higher income were demographic factors that affected willingness to donate among Brazilians. Elliott (1999) noted that major world religions (Christianity, Judaism, Islam, Hinduism, Sikhism) approve of organ donation as an act of love. Each of these demographic characteristics help to define segments of the population that if better understood may become a target for social marketing efforts.

Situational Factors

Organ donation is not simply signing a card and upon one's death the organs are harvested for transplant. The wishes of the family members of the potential organ donor come into play. Therefore social marketing efforts should not only target potential enrollees but also the broader population. The general population needs to understand the decision process and be willing to talk with family members about their wishes. Researchers have examined situational factors such as uninformed families and a host of misconceptions that have influenced willingness to donor organs. Lack of information about family members' donation wishes negatively affected willingness. Sanner (2006) identified these six factors that work against donation: illusion of lingering life, protecting the individual's value, medical distrust, the transplant goes against nature, one's body and personality changes with a donated organ, and belief in resurrection or reincarnation. Two factors that work for donation were also identified: altruism (supporting those in distress) and the fact that a corpse cannot feel while a sick person can be saved. She concluded her Swedish study by recommending focus be placed on reducing family anxiety about donation.

Media

Communications researchers have conducted several studies of messaging and media effects on donation behavior. Feeley and his co-authors studied the effect of psychological reactance (i.e., a motivation to reestablish one's free will when one feels threatened or restricted by some factor) on message framing and PSAs. Reinhart, et al. (2007) found that gain-framed donation appeals (emphasizing desirable/positive consequences of being a donor) worked best, while loss-framed appeals (negative consequences of not donating) created reactance and a "boomerang" effect. LaVail, et al. (2010) studied the content and effects of PSAs on donors and non-donors, and found that non-donors tended to perceive PSAs as being manipulative (as did donors), which then created reactance and thus they were less likely to react positively to the PSA messages. However, no such reactance effect was noted for donors. Interpersonal campaigns (grassroots/local focus) may be more effective than mass communication campaigns in reaching both groups.

Morgan and her fellow researchers conducted extensive studies over the past decade of the role/influence of mass media coverage, including TV programs, reality shows, talk shows, daytime serials, movies, and news on attitudes, beliefs, and intentions of Americans regarding organ donation. Morgan, et al. (2008) noted that previous research has provided little "insight about where these ideas [medical mistrust, belief in black market] have come from or how they might be countered" (p. 31). They contend that "the media have long been exploiting our deepest fears about organ donation for entertainment value" (Morgan, et al. 2008, p. 32). Based on their research conducted over several years and reported in several publications, Harrison, Morgan and Chewning (2008) concluded that roughly 90% of the TV programs/episodes studied contained false information about organ donation, thus highlighting the public's fears, and that news media storylines tended to be sensationalized.

Morgan, Movius, and Cody (2009) assessed the impact of TV storylines on perceptions and behaviors of potential organ donors using online surveys and social learning theory. They found that emotional involvement in the storyline and show content influenced people's beliefs and intentions about organ donation. In another study of storyline impact, Morgan, et al. (2010) found that inaccurate storylines negatively influenced attitudes and social norms toward donation among non-donors. However, Quick, et al. (2007) conducted a content analysis over a 16-year period of time of three TV networks and found that in general media coverage was positively associated with organ transplantation rates. Despite the perspective (negative or positive) that television story lines convey about organ donation, it is apparent that they can have an impact on individual inclination.

Individual Perceptions

Hyde and White (2009) studied prototype perceptions of donors, non-donors and transplant recipients in Australia through focus groups and interviews. They concluded that "in general, donors were viewed favorably as altruistic and giving and non-donors were viewed negatively as self-absorbed. Perceptions about transplant recipients, on the one hand, focussed on recipients as unfortunate but, on the other hand, as responsible" (p. 137). Mostafa (2010) found, in a study of Egyptian people, that altruistic values, perceived benefits of donation, and donation knowledge positively affected donation attitudes, which, in turn, positively affected intentions.

U.S. researchers have studied various factors (Table 1) and found that two major reasons why people are not willing to be organ donors are "the fear that doctors will declare death prematurely to procure one's organs, and the belief that organ donation is against one's religion." Other reasons mentioned in the literature include lack of knowledge, perceived social norms against donation/transplantation, medical mistrust, fear of the body being mutilated, and lack of brain death comprehension (Morgan, et al. 2008). One should note that, according to Table 1, the religious reason has conflicting findings: some research indicates it negatively affects donation while other studies indicate it positively affects donation.

Proposed Model

Based upon our review of the literature we propose the model that is shown in Figure 1. Empirical research has demonstrated relationships between various demographic variables, situational factors, media influences, and individual perceptions and organ donation. We integrate these potential drivers of organ donation behaviors into a full model and proposed that these variables lead to perceptions of misconceptions and mistrust. We propose that misconceptions and mistrust will influence attitudes that drive intentions and ultimately direct behaviors.

Misconceptions are formed when an individual is exposed to inaccurate or bias information or incorrectly interpreted information provided. There are ample sources of information that an individual is likely to encounter. Media, both informative and entertainment forms, influence individuals' perceptions of society and social norms. Also, individuals use both forms of media to gain knowledge of topics. Thus the influence of media is likely to influence an individual's perception of social norms about organ donation and knowledge about organ donation. Demographic variables often serve to segment the market and help to identify common traits among subgroups. Situational factors can also lead to misconceptions in that situational constraints can influence ones attitudes (Fishbein and Azjen, 1975).

Trust is often built upon multiple positive interactions with another person, group or entity. Successful interactions facilitate the development of trust whereas negative interactions promote distrust. When an interaction has yet to occur, individuals are required to pull from similar past experiences or from experiences that they have heard of from other sources. For example, an individual may have never visited a particular dentist but his/her best friend has visited this dentist and has had favorable experiences and has shared this information with the individual. Therefore when the individual needs to visit the dentist, there is already a perceived level of trust because of the friend's shared experience. Trust can be developed from information gleaned from media sources. News stories, television programs, family stories, and experiences can influence an individual's level of trust in the medical field and more specifically about feelings about organ transplants and donations.

The proposed relationships in Figure 1 need to be further tested by researchers, especially from the perspective of utilizing social marketing. In particular, the impact of media bias on knowledge and norms needs to be confirmed, given Morgan and colleagues' research findings. We have placed mistrust and misconceptions as mediating variables between demographics, knowledge, and norms on the one hand, and attitudes/ beliefs on the other. These relationships represent the idea that demographics, knowledge, and social norms are potential influences on misconception and mistrust, which then influence attitudes, intentions, and behaviors. These proposed relationships also need to be tested for confirmation.

Future Research

Another issue that is alluded to in Hyde and White's (2009) research but has not to our knowledge been examined is the potential donor's concern about who may receive the organ. An individual may worry that his/ her organs will go to someone that is not worthy, for example, a chronic alcoholic receiving a liver transplant. Furthermore, could there a Darwinian effect whereby individuals are reluctant to give up their organs because they believe that only the fittest should survive? A 2008 movie highlighted such a concept. In Seven Pounds, Tim Thomas (Will Smith), in an act to redeem him, locates worthy donors for his organs and then commits suicide (Internet Movie Database 2011). Modern medicine has essentially negated Darwin's Theory of Evolution with the fittest species surviving and passing on their traits. However, the idea that some donor recipients are weaker and thus should not have survived or will survive with constant complications brings this theory back to the forefront. Also, the fact that some of these recipients are weak because of the way they did not care for their health brings a worthiness of receipt into question. Is this a significant factor relating to low donor registration?

Strategic Implications

Aldridge, Guy and Roggenkamp (2003) proposed using decision making theory to guide the social marketing of organ donation, depending on one of three perspectives (learning, experiential, or behavioral) being used by donor/family. If learning-based, stress the magnitude of the problem through media campaigns and personal selling methods that emphasize information and statistics. If emotional-based (i.e., experiential), emphasize the greater good for society and altruism through personal selling that focuses on imagery and emotions. For those who are neither learning nor experientially-based, "a sensitive, compassionate personal appeal made directly to family decision-makers" at the crucial point in time (situational) may be best (Aldridge, Guy and Roggenkamp 2003, p. 29; Table 1, p. 26).

Hyde and White (2010) noted that social marketing strategies need to consider the role that key groups play in the decision making process. They suggested key groups include family members and friends, previous transplant recipients, and religious groups (p. 181). Improving the knowledge of potential donors and these key groups about organ donation and transplantation is crucial to any social marketing strategy. Reasoned Action Theory provides a springboard for the study of the decision making process as it related to organ donation. Future researchers may want to build on Aldridge et al. (2003) and Hyde and White's (2010) thoughts and study how social marketing may play a role in influencing and changing individuals' misconceptions and mistrust about organ donation.

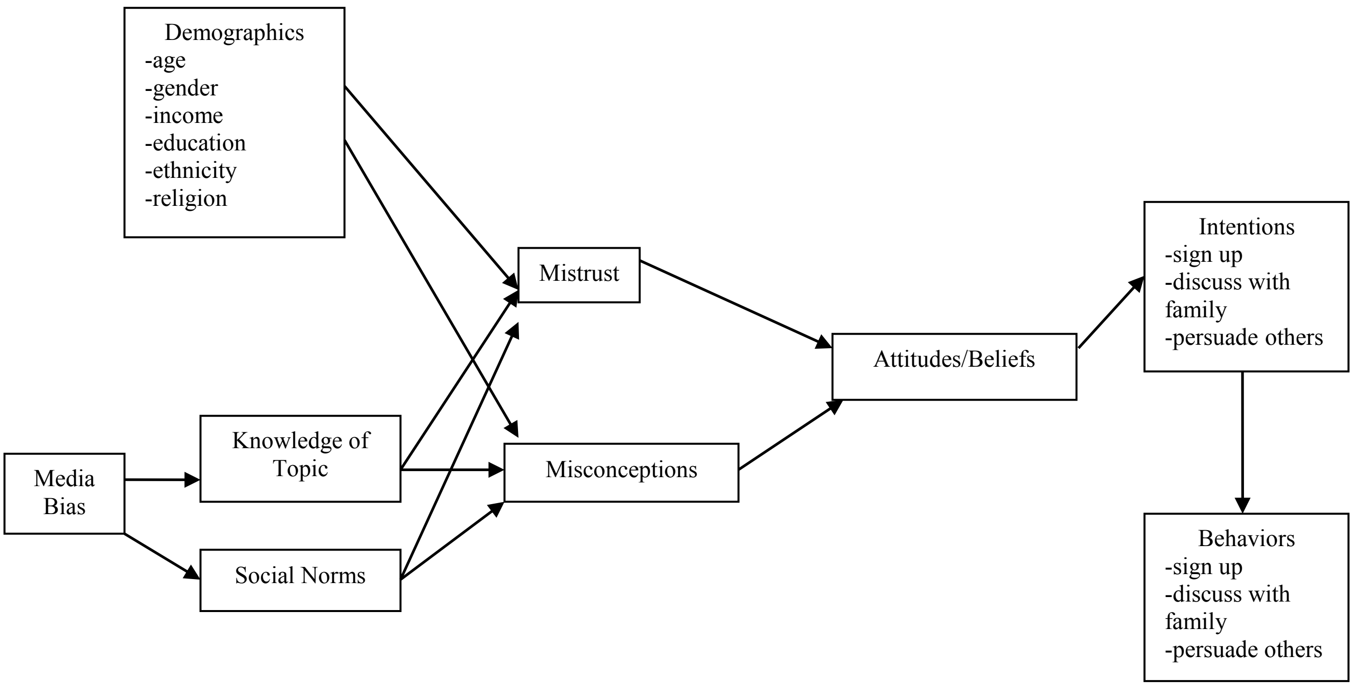
In conclusion, any social marketing strategies developed by organ procurement organizations need to be extensive, going beyond mere public service announcements. A consistent emphasis is needed on public education campaigns to address misconceptions and mistrust such as:

1. What safeguards exist to protect donors (to counter brain death misunderstanding and body mutilation/doctor mistrust fears).
2. The inaccuracies, falsehoods and sensationalism often found in mass media news and entertainment.
3. The importance of following through on the intention to become a donor by actually signing up on state registries, drivers' licenses, or other enrollment measures used by various states and agencies.
4. Finally, the importance of talking with one's family members about one's decision to be a donor, making one's wishes completely known so there will not be any uncertainty at the time of death.

Table 1: American Research Summary

Factor:	Authors	Year	Methodology	Findings
Ethnicity	Durand, Decker, Bruder	2002	Survey, program assessment	African-American Clergy Outreach Program: clergy members distributed self-developed information materials to Houston clergy – survey indicated initial success in changing attitudes of African-Americans; LifeGift's Level 1 Trauma Centers Project: two trained donation coordinators placed in two Houston centers – consent rate increased among African-American families.
Multiple	Exley, White, Martin	2002	Scale development, mail survey	Surveyed donor and nondonor families; families more likely to donate: White, religious, asked by family member, physician or procurement coordinator, gunshot/suicide as cause of death, signed donor card present.
Ethnicity	Fahrenwald & Stabnow	2005	Ethnography	Identified personal and environmental themes that affected Native Americans' attitudes toward donation, including uncertain knowledge, cultural beliefs and healthcare system mistrust.
Ethnicity	Frates, Bohrer, Thomas	2006	Telephone surveys	Assessed the impact of an advertising campaign on attitudes and behaviors of Hispanics in California. Lack of knowledge and fear/mistrust of the medical/healthcare system were key reasons for not donating.
Spiritual beliefs, Gender	Bresnahan, et al.	2007	Scale development, student sample	Distributed surveys to students in USA, Japan & Korea; factor analysis resulted in 2 factors; those with spiritual connection (positive beliefs) had positive attitudes and were more likely to donate organs; those with spiritual concerns (negative) were less likely to donate. Also, connection predicted intention for women and concerns predicted non-donor intent for men, regardless of country.
Knowledge, attitudes, norms	Feeley	2007	Literature review	Analysis of college students' attitudes and intentions; family consultation plays a key role; calls for application of new theories: social normative and self-efficacy.
Norms	Park & Smith	2007	Student sample	Distributed surveys to students in classes; assessed the impact of several types of norms on intention to sign and intention to talk with family; "popularity" norms affected intention to sign while reference group pressure norms affected intention to talk with family.
Multiple	Morgan, et al.	2008	Qualitative, family dyads	78 family pairs discussed 8 questions on their views of donation; three major factors identified as reasons for not donating: mistrust of medical personnel and institutions, belief in existence of black market, and concerns about how deserving the recipient was.
Hospital characteristics	Roggenkamp, et al.	2007	Quantitative analysis of hospital data	Hospitals that are larger, involved in teaching, offer both transplant and trauma services, have higher patient acuity and more ICU beds, and have a high Medicaid/low Medicare mix had higher donation rates.
Gender, knowledge	Boland & Baker	2010	Classes at small women's college in PA	4 case scenarios presented; Donation reasons: save a life, unselfish act, benefits humanity; Non-donor reasons: no expressed wish given, personal reasons. Lack of knowledge, myths and misconceptions are barriers to donation intent.
Culture, subjective norms	Yun & Park	2010	University students in USA, Korea	Americans' attitudes strongly connected to intentions; subjective norms had greater influence on Americans' intention to discuss donation with family members. Both cultures likely to see family discussion as being difficult to do.
Multiple	Aldridge & Guy	2006	Literature review	Studied previous research studies and identified three categories that affected consent rates: family knowledge, beliefs & care, training of the person who makes the request and timing, location & how the request is made.

Figure 1: Decision Impact Model



The need for greater awareness of the demand for organs is high. Individuals understand that there are people who need organs. However, the challenge is not only in educating people of the need, but also gaining the commitment. To gain commitment, the target audience must be reached with a strong message to sign up as an intended donor and make their wishes known to their family. Misconceptions and mistrust by individuals and their families need to be negated. The gap of need versus supply can be closed by solid social marketing strategies.

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Summary Brief
Using Online Product Recommendation Agents: Does Consumer Participation Increase Trust?

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This study was aimed at furthering our understanding of the issue of consumer trust in using online product recommendation agents. An experimental design investigated the impact of consumer participation on trust and behavioral intentions and also tested the trust transference process in this context.

Introduction

Online product recommendation agents (hereafter RAs), like other electronic screening tools and intelligent decision aids, offer many benefits to consumers (Alba et al. 1997). For example, consumers can get product recommendations from RAs when they shop online or simply search for product information on the Internet. RAs can also help consumers screen large sets of product alternatives systematically and efficiently. Because of these important benefits, marketers have become increasingly aware of the criticality of making RAs available to consumers and have started to equip their websites with RA technology.

But do consumers actually incorporate RAs' recommendations into their product choice and purchase decisions? To a large extent, this depends on consumer trust, a particularly critical issue in using online RAs because consumers may suspect them of simply representing the retailers' interests. Although past research into RAs has started examining the role of consumer trust and has provided many insights (e.g., Komiak and Benbasat 2006; Wang and Benbasat 2005), it also points to directions for future research. This study further explores the important role of consumer trust in using online RAs.

Background

Previous research in offline contexts has shown that consumer participation increases consumer trust (e.g., Ouschan, Sweeney, and Johnson 2006). The positive effect of trust on behavioral intentions has received empirical support even in the online context (e.g., Bart, Shankar, Sultan, and Urban 2005; Komiak and Benbasat 2006). Research has also shown that consumer trust is transferred among different trust referents such as when trust in a firm leads to trust in the firm's salespeople (e.g., Doney and Cannon 1997).

Building on this literature, a research framework was proposed to further our understanding of consumer trust in online RAs. The purpose was to investigate the impact of consumer participation on trust and behavioral intentions and to test the trust transference process in the online RA context.

Method

College students participated in this study and were randomly assigned to use one of the two RAs on actual websites (www.myproductadvisor.com and on www.shopping.com). They were asked to perform pre-purchase information search for digital cameras or laptops and allowed to interact with the RAs. Using these two RAs enabled the manipulation of consumer participation with myproductadvisor.com's RA representing the high participation condition and shopping.com's RA the low participation condition. At the end of the interaction with the RA, the participants then filled out a questionnaire capturing the constructs of interest.

Results

A confounding check using GLM ensured that the two different products for which information search was conducted in the experiment did not have an interaction with the manipulation of consumer participation. An independent-samples t-test showed that the manipulation of participation was successful. The participants who used the RA on shopping.com reported a significantly lower mean score of participation (3.16) than those who used the RA on myproductadvisor.com (5.48), t=8.74, p< 0.001.

Results from confirmatory factor analysis showed that the measurement model had a good model fit, χ^2=504.67, df=309, χ^2/df=1.63, CFI=0.90, and RMSEA=0.07. Measurement items loaded onto their intended constructs with substantial factor loadings ranging from 0.56 to 0.91, all significant at p<0.001. Correlations among constructs were between 0.42 and 0.73 and within the acceptable range. Cronbach's alpha value for the constructs ranged from 0.65 to 0.91. These results showed support for construct validity.

Independent-samples t-tests also tested the effect of participation on trust and showed that consumer participation in using an RA had a positive effect on trust in the RA. Structural equations modeling tested the trust transference process and the effect of trust on behavioral intentions. The results strongly supported the trust transference process, i.e., trust in an RA's website was transferred to trust in the RA as well as trust in the RA's product recommendations. Trust in the RA was also transferred to trust in the RA's product recommendations. The results also showed strong support for the positive effect of trust on intentions to purchase the recommended product and to return to the website and reuse the RA.

Discussion

The findings suggest that marketers not only need to build consumer trust at three different levels but also need to prioritize their efforts, and should start the trust-building process by focusing on trust in the website. In addition, marketers should encourage greater participation by consumers when using online RAs. One way to do this is by designing RAs that ask relevant questions regarding consumers' product preferences.

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Summary Brief
An Examination of Market Orientation on Theatres

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As market orientation gains acceptance in not-for-profit settings, some researchers argue that the nature of market orientation should be changed to reflect the setting. This study empirically examines this argument by creating two constructs that are drawn from the market orientation literature and reflect the uniqueness of a specific type of non-for-profit setting, theatres. Consistent with a resource-based theory of competition, a path dependent model is proposed and analyzed using PLS regression. Data were collected from key respondents at theatres that offer a variety of productions. The results support the model that market orientation does affect the theatre's degree of PPI, which influences the firm's financial performance.

Introduction

Market orientation initially drew attention from researchers attempting to understand how information related to customers and competitors could affect the firm's performance (Hunt and Morgan 1995). In this context, most studies rely on for-profit organizations. Recently, researchers have argued that not-for-profit organizations should become more market oriented to improve the organization's performance.

As Voss and Voss (2000) note, the theatre industry provides an interesting context for research on market orientation because, as a not-for-profit organization, a theatre should generate revenue from customers and other sources such as foundations and government agencies. Because of this unique context, the need for market orientation could deviate from the discussion and measurement of market orientation found in research using for-profit organizations. Thus, a different approach toward market orientation could be required to understand how market orientation creates superior financial performance for not-for-profit theatres.

In resource-based theories of competition, management allocates resources to meet the demands of a market segment and, ultimately, achieve superior financial performance. A firm can achieve this outcome if it possesses information about its competency and the market. In the theatre industry, distinct market orientation strategies that focus on internal and external factors could be required to explore Voss and Voss' (2000) argument that not-for-profit theatres require a different approach toward market orientation.

The purpose of this paper is to examine the role of an internal factor, artistic product orientation (APO), and an external factor, theatre market intelligence (TMI), on a theatre's degree of product innovativeness (PPI), and, ultimately, financial performance as measured by ticket distribution and ticket revenue.

Model Development

Resource-based theories of competition attempt to explain why one firm out performs other firms. In resource advantage theory, resources appear as either intangible or tangible entities that allow the firm to produce, efficiently and/or effectively, a market offering that meets the demand of a market segment or segments. Managers must allocate resources to achieve a competitive advantage in the marketplace and, ultimately, achieve superior financial performance. Environmental forces influence firm allocation and performance (Hunt and Morgan 1995).

This theory of competition could be extended to not-for-profit theatres. These firms have access to tangible resources, including human (i.e., directors, actors, set designers, etc.) and physical (i.e., theatre itself), and intangible resources, including financial (i.e., ticket revenue, sponsorship), informational (i.e., intelligence about consumers' demands and competitors' market offerings), and organizational (i.e., embedded strategic orientations). Indeed, ticket consumption and ticket revenue could reflect the theatre's financial performance. Producing new-to-the-world and incremental productions could allow the theatre to maintain or improve its positional advantage. The allocation of resources could be reflected by a competency related to internal (e.g., APO) and external (e.g., TMI) factors.

APO and TMI

APO is defined here as the degree of interfunctional coordination required to stage a production (Slater and Narver 1994). The executive director and the artistic director should work together to determine the upcoming season's schedule. Casting directors and set designers should be involved with planning and executing the season. As one theatre executive explains, an entire season involves every department and almost every person. Thus, APO extends the concept of the product orientation and interfunctional coordination from the market orientation literature.

TMI is defined here as the degree of information collected by managers about consumers' demands and competitors' market offerings (Slater and Narver 1994). An understanding of the customer and competitors remains the dominant theme of market orientation.

PPI

PPI is defined here as "the percentage of new-to-the-world plays produced in the current year divided by the total number of plays produced in the current year" (Voss et al. 2006, p. 298). As the percentage increases, the number of new-to-the-world plays increases relative to the total number of plays produced. To produce a new-to-the-world play, a theatre would need a higher level of APO because the entire theatre has to be actively engaged in the process. Formally,

H1: AP is positively related to PPI.

As theatres learn that competitors are offering new or different market offerings, and/or customers' demand has shifted, theatres would be expected to respond. A possible response includes producing more new-to-the-world plays. Formally,

H2: TMI is positively related to PPI.

Ticket Distribution and Revenue

Ticket distribution is defined here as the total number of tickets distributed through sales, donations to other organizations such as schools, and sponsorship packages. Sales represent tickets that the not-for-profit organization exchanges with consumers in return for money. These exchanges include single ticket sales and subscriber ticket sales. Donations represent tickets that the not-for-profit theatre provides to schools or other not-for-profit organizations. In this scenario, the theatre would not collect revenue from the consumption. This study focuses on tickets distributed due to the nature of the theatre industry. Although theatres sell tickets in exchange for money, they also give out a number of complementary tickets. Formally,

H3: PPI is negatively related to ticket distribution.

Research on not-for-profit theatres little discussion of the relationship between ticket distribution and ticket revenue. It could be that theatres generate higher levels of distribution but little ticket revenue. A relationship should exist, but unlike in a for-profit context, in a not-for-profit context the relationship could be imperfect. Formally,

H4: Ticket distribution is positively related to ticket revenue.

Market Turbulence

Market turbulence is defined here as the degree that managers perceive flux from competitors' offerings and by customers' demands. Given the external focus of TMI, it would be expected that market turbulence moderates the relationship between TMI and PPI. Formally,

H5: Market turbulence moderates TMI and PPI.

Method

To test the associated hypotheses, League of Resident Theatres members were sampled because these theatres (1) are more likely to produce innovative market offerings, (2) are located in similar markets in terms of population and income, and (3) maintain similar organizational structures and sizes. LORT includes 74 theatres located primarily in larger metropolitan areas and represent a good sample because they are likely to (A) have full-time executives and (B) include a variety of market offerings.

Of the 74 theatres in the sample, 24 useable surveys were completed for a 32.4 percent response rate. The response rate compares favorably with other research using theatres as a sample.

Items related to APO, TMI, and PPI were extended from Voss and Voss (2000). Managers provided ticket distribution and revenue data. Items related to market turbulence were extended from Jaworski and Kohli (1993).

Results and Discussion

Because of the small sample size, nonparametric techniques were used in addition to descriptive statistics. The results of the Spearman's Rho correlation and exploratory factory analysis were compared following a parceling technique and are available from the contact author. Results from the analysis compare favorably with previous research. The model was analyzed using partial least squares regression. In the hypothesized model, the mediator has the most predictor variables, with two. Thus, the minimum sample for this model is 20, which is met with 24 respondents. Path coefficients, their statistical significance, and R^2 values are available from the contact author. In summary, the data support all hypotheses.

For a theatre to produce more new-to-the-world plays, management should look for new plays, playwrights, and coordinate efforts between departments to support such activities. Drawing from resource-based theories of competition, management should have a competency in allocating resources associated with internal development of innovative market offerings.

The negative coefficient associated with the moderator, market turbulence remains an artifact of the coding. The finding suggests that as they perceive more turbulence in the theatre market, managers are more likely to gather, share and react to information about customers' preferences and competitors' activities and, in turn, increase the degree of innovative market offerings.

The negative relationship between PPI and ticket distribution offers intriguing insight for theatre managers, and creates a unique dilemma for not-for-profit theatres. Consumers could ask for more new-to-the-world plays as evidenced by the positive relationship between TMI and PPI. However, consumers could be reluctant to support actively through attendance of the actual new-to-the-world play. Managers should weigh the benefits of offering new-to-the-world play with the financial risk that could arise as a result.

Finally, the paper has two limitations. One, the small sample needs to be resolved by conducting a similar study using non-LORT members. Two, additional research from other domains such as a symphony is needed.

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Summary Brief
Business Relationships and Business Strategies: A Configuration Theory Approach

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This study applies a configuration theory approach to understand the interplay between business strategy and business relationship structure, a crucial topic of business marketing practice. It is hypothesized that business relationships make their greatest contributions to both relationship performance and firm performance when the characteristics of a business relationship are aligned with the business strategy of the focal firm. The hypotheses are tested using the data collected from 658 marketing managers of services industries in the US. A profile deviation analysis indicates that the more similar configurations of relationship characteristics are to those of the top performing firms for their given business strategy type, the higher is both their relationship performance and their firm's performance. The covariation conceptualization of fit also confirms the existence of valuable interdependencies between elements of relationship structure and business strategy.

Introduction

In recent years, relationship management has become a pivotal concern to researchers and managers alike. Scholars argue that the success of firms in meeting their objectives to a great extent depends on how well they are engaged in business relationships with their counterparts within the network, in which they are embedded (Anderson et al. 1994; Håkansson et al. 2009). Despite the plethora of studies on business relationships, the extant literature is limited in at least two interrelated ways: First, it provides little explanation of how the interplay between business strategy and business relationship impacts on the performance of the firm (Johnson 1999). Secondly, current research is dominated by contingency approach and thus is suffering from the absence of a configuration theoretic perspective applied to the conceptualization and hypothesis testing of relationship marketing (Zaefarian et al. 2010). The latter has the ability to overcome the oversimplification problem of the contingency approach by allowing researchers to examine complicated and interrelated relationships among many multidimensional constructs of interest (Meyer et al. 1993).

Therefore, the present study draws on a configuration theory approach to understand the interplay between business strategy and business relationship and to provide some explanation of how well-established business relationships are affected by management strategies, and secondly how they are related to performance outcomes. In doing so, we identify a set of relationship characteristics and select a typology of business strategy. This enables us to analyze the fit between relationship structure, represented by trust, commitment, cooperation, information sharing, and relationship specific investment on the one hand, and different types of business strategy, consisting of prospectors, analyzers, and defenders on the other, and assess their performance implications. From a fit methodology perspective, we review the existing literature to identify and utilize two different but complementary approaches to conceptualizing and assessing business strategy-relationship structure fit and its association with both relationship performance and overall performance.

Hypotheses Development

Initial hypotheses are developed based on a discussion of fit as profile deviation, an approach conceptualized as the degree of adherence to a specified ideal profile. The implication of the ideal profile deviation approach is that deviation from ideal profile is expected to have a significant negative relationship with all relevant performance measures. Accordingly, the following hypothesis is tested, based on profile deviation logic:

H_1: *The more similar configurations of business relationship characteristics are to those of the ideal for its given business strategy type, the higher will be (**H_{1a}**) its relationship performance and (**H_{1b}**) firm's overall performance.*

We also utilized fit as a pattern of covariation among our set of theoretically related characteristics of business relationships and business strategy. We specifically test the following hypothesis:

H2: *A firm's relationship structure and its business strategy co-vary*

Analysis and discussion

We tested our hypotheses with the empirical data collected from a total of 658 marketing managers of services industries in the US. (response rate of 28.6%). The companies involved had been in business for an average of 31 years. The largest group of companies (36.2%) had less than 100 employees, whilst approximately 13.7% had more than 5000 employees.

In testing H_{1a} and H_{1b}, we followed the approach of Vorhies and Morgan (2003) in first categorizing our sample into three groups based on the self-reported business strategy types: prospectors (*n*=210), analyzers (*n*=256), and defenders (*n*=192). Next, we empirically identified high performers within each group to derive the ideal profiles by using the scree plot of relationship performance (for testing H_{1a}) and overall performance (for H_{2a}). We then calculated the misfit through computing the Euclidean distance of each of the remaining firms from the respective ideal profile for their strategic type across the seven relationship characteristics. Using regression analysis, we found significant, negative relationship between these profile deviation scores within each strategic type against relationship performance and overall performance, thus supporting both H_{1a} and H_{1b}. Several tests provide additional support for the robustness of our profile deviation results (Vorhies and Morgan 2003).

In testing H_2, we specified business strategy fit with relationship structure as a second-order coalignment factor in a model where the first order factors were representing the seven relationship characteristics plus the business strategy, all as reflective multi-item constructs. We then linked this conceptual second order factor to both performance measures. Using LISREL, the model produced satisfactory fit indices, supporting H_2.

Our analyses confirm the existence of a unique ideal configuration of business relationship structure for each business strategy type. From a managerial perspective, we provide guidance for managers as to the extent to which they should stress each aspect of business relationships. Based on this knowledge, managers are able to finetune the implementation of relationship characteristics for any given business strategy, thereby potentially improving their performance.

The covariation analyses provided the first empirical support for a relationship marketing theory conceptualization of relationship structure-business strategy fit. The analyses suggest that over a long period of time, relationship structure and business strategy do not change independently of one another. Indeed valuable interdependency exists among different characteristics of business relationships, which suggests *concurrent* and *consistent* attention to them. This is because relationship structure is seen as a set of complex multidimensional constellations of conceptually distinctive and mutually reinforcing characteristics that commonly coalign together.

Limitations and further research

We acknowledge several limitations due to trade off decisions in designing this study. For example, from an ideal profile perspective, the business marketing literature is not sufficiently detailed to consider the fit between types of business strategy identified in the literature and characteristics of business relationships, nor does it provide indications for each aspect of business relationships that can lead to higher performance. Therefore, we used an empirical approach as a proxy to develop ideal profiles.

Also, the configuration approach is new to the business relationship literature. This novelty has limited the flexibility of this research in terms of including other dimensions of configuration, such as environment to the model. As for the relationship structure, this study is also limited to a few well-established and extensively used characteristics of relationships. Thus, additional studies using some other important and complex characteristics of business relationships, and/or other dimensions of configuration could bring further insights to our understanding of business relationships.

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Summary Brief
DTC Coupon Culture and the Pharmacist as Intermediary

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A recent news article highlights the increase in usage of coupons among consumers when purchasing name brand prescription medications for chronic health conditions (CNN 2010). Some believe this practice reduces overall cost to consumers, while others criticize it, claiming that it may lower treatment compliance rates for consumers with chronic conditions. One unique aspect of the exchange process for prescription drug coupons is that, unlike that for traditional consumer goods, includes an intermediary: the pharmacist.

This study seeks to discover the role the pharmacist in a retail setting plays in the process of acquiring and utilizing coupons for prescription drug products. Through initial qualitative inquiry, an analysis of pharmacists' experiences with consumers in the redemption process is presented. In addition, a survey of pharmacists from different retail settings reveals attitudes, beliefs and the perceptions of pharmacists' roles and responsibilities with relation to their employers, consumers, and the health care system.

Coupons and Prescriptions

Coupon redemption by consumers, historically, has been a factor of price consciousness and has been shown to be an effective sales promotion method that encourages product trial, enhances brand loyalty (Shimp 1984; Babakus, Tat and Cunningham 1988) , and increases perceived value of the product by consumers (Raghubir, 1998). However, Bawa and Schoemaker (1987) suggest that, while coupons initially promote brand loyalty, consumers may not be brand loyal once a coupon promotion has been discontinued.

Critics of direct to consumer (DTC) prescription drug coupons cite fears that consumers with chronic conditions may choose only to fill prescriptions that are part of a health management plan when coupons are available and that, in the absence of coupons, they may not comply with their treatment plans (CNN.com 2010.)

Proponents of the practice claim that coupons give consumers the opportunity to save on co-pays for their prescription drugs, especially those for which less expensive generic substitutes are not available (Drugs.com 2010.)

Prescription drug coupons are available from a variety of sources. Representatives of pharmaceutical companies distribute coupons to physicians and pharmacists to pass along to patients. Direct to consumer print advertisements in national magazines often include coupon offers, and television advertisements often direct consumers to product websites, where they may download and print coupons. In addition, a number of websites can be accessed through search engines where consumers may download and print coupons for prescription drugs.

Pharmacists as Intermediaries

The transaction involved in the purchase of prescription drugs, however, is a bit more complex than that of a traditional consumer product. First, the consumer is only concerned with the portion of the cost that they personally must incur, such as a co-pay for an insurance plan. Second, the purchase is more complex in that it involves a physician and pharmacist and insurance company in many cases, as opposed to the traditional retailer.

The nature of pharmacists' roles in this process leaves them in a unique position to influence the final purchase decision of a consumer with a choice to use a coupon toward the purchase of a prescription drug. This suggests several research questions:

- What are pharmacists' attitudes toward prescription drug coupons?
- Are pharmacists dependable intermediaries between pharmaceutical companies and consumers?
- What messages do pharmacists pass along to consumers? Do they reinforce or contradict the intended brand messages from pharmaceutical companies?
- What processes are in place and what do pharmacists choose to do when coupons are presented by consumers?

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Summary Brief
The Impact of Third-Party Sponsored Direct-to-Consumer (DTC) Websites: The Moderating Role of Perceived Risk

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This research examines the impact of a third-party sponsored brand website by proposing and testing the extended theory of perceived risk. Two experiments confirm that in conditions of high perceived risk, consumers evaluate a third-party sponsored brand website more favorably than a firm-sponsored brand website.

Introduction

As increasing number of Americans are looking online for prescription drug information, direct-to-consumer (DTC) prescription drug websites have become a vital and ideal source of drug and health information (Davis 2010). For example, 33% of American adults or 45% of internet users have looked online for drug information (Fox and Jones 2009). Thus, drug companies are putting enormous resources in developing brand-specific websites. With the growth of DTC websites, several concerns regarding the efficacy of these sites have been raised. For example, studies show that information presented in a DTC website is not highly reliable (e.g., Huh, DeLorme, and Reid 2005). Past studies largely focused on the website design and its features. Prescription drug information is also disseminated by non-commercial third-party brand websites. For example, PubMed Health's website, which is produced by the National Center for Biotechnology Information, offers exhaustive facts about drugs. Yet, despite the growing importance of DTC websites, relatively little is known about how consumers evaluate different types of brand websites, especially third-party DTC sites and drug information provided by them. Thus, the current research attempts to address these issues by proposing and testing the extended theory of perceived risk.

Literature Review

Studies that examine the impact of third-party involvement and certification in communicating information suggest that independent organization and government sources are viewed as more credible than commercial sponsors (Kamins and Marks 1991). For example, advertising messages communicated through a third-party website generate more positive responses than a firm's website (Sussan, Gould, and Weisfeld-Spolter 2006). Yet, it is not clear whether a non-commercial third-party sponsored DTC brand website, compared to a firm-sponsored brand website, produces more favorable consumer evaluations. The purpose of this study is to examine this effect. In addition, it explores the role of perceived risk in moderating such effects.

Theoretical Framework

According to the discounting principle of attribution theory (Kelley 1973), a communicator can be perceived as unprejudiced if the recipient can deduce that the message is sponsored by third-parties rather than firms. Applying this in a DTC website situation, non-commercial third-party brand websites should be perceived as trustworthy source of drug information. Thus, we hypothesize that consumers' responses to these sites will be more favorable than firm's brand-specific sites.

H1: Consumer evaluations of a third-party sponsored brand websites will be higher than a firm-sponsored brand website.

Perceived Risk as a Moderator

Perceived risk has received considerable attention from marketing researchers. In our study, perceived risk is defined in terms of physical risk -- the potential physical or health risks associated with products. Substantial research has indicated that in conditions of high perceived risk, consumers are motivated to reduce negative consequences and are likely to become involved in extensive information searches (Gemünden 1985). However, little is known about the effects of different risk situations on various external sources of information (e.g., WOM, advertisements, websites). In this study, we examine a moderating effect of perceived risk in shaping the effects of different types of websites. We propose the extended theory of perceived risk, which suggests that under high perceived risk situations, consumers are motivated to engage in risk evasion or reduction activities. As a result, they not only engage in extended external information search, but also tend to rely on credible information sources (e.g., independent organization and government). Thus, we hypothesize that information presented by a non-commercially linked third-party sponsored brand website should generate more positive evaluations than a firm-sponsored brand website.

H2: The impact of a third-party sponsored brand website (versus a firm-sponsored brand website) on consumers' beliefs and attitudes will be higher when perceived risk is high than low.

H3: When perceived risk is low, there is no significant difference in consumers' evaluations between the two websites.

Methodology

Study 1

The Study 1 employed a 2 (Website: Firm-sponsored vs. Third-party sponsored) × 2 (Perceived risk: High vs. Low) factorial experimental design. Different versions of two types of test websites were created, which were identical to real DTC websites. The third-party sponsored brand website included the name of a third-party (PubMedHealth) at the top-left corner of the home page. For the firm-sponsored brand website, a website associated with the brand name (lubien.com) was created. To avoid the effect of an existing brand's familiarity or liking on evaluations, a fictitious new brand name for a sleep aid (i.e., Lubien) appeared in those websites. To enhance internal validity, both websites used the same content, only slight changes were made to create two different websites. The different versions of websites were examined by a panel of experts to investigate if they met the criteria required for research conditions. One site for each category was chosen as better reflecting the requirements needed for a website to be classified in that category.

An email solicitation with a link containing a website stimulus and a survey questionnaire was sent to each participant. Subjects were randomly assigned to one of two types of websites. Participants were instructed to spend about 5 minutes surfing the website before they completed the survey. The final sample included 128 undergraduate and graduate students from a North-East US university who were familiar with the product category. 54 percent of them were female. The mean age was 26 years.

Results of Study 1

As predicted in H1, multivariate tests confirmed a significant main effect for website type (Wilks' λ=.796, $F_{(4,121)}$=7.771, p< .01). Univariate tests indicated that consumers' evaluations of a third-party's website credibility (F=4.744, p<.05), information credibility (F=4.509, p<.05), and attitude to website (F=23.804, p<.01) were more favorable than a firm-sponsored website. However, the results did not support brand attitude (F=2.146, p>.05). Thus, H1 was partially supported. Proving a strong support for H2, in the conditions of high perceived risk, a third-party website generated more favorable site credibility (F=11.941, p<.01), information credibility (F=14.521, p<.01), attitude toward site (F=5.882, p<.05), and attitude toward brand (F=3.992, p<.05) than a firm-sponsored website. But when perceived risk was low, such differences were not evident for all dependent variables; thus supporting H3.

Study 2

To offer further support for the extended theory of perceived risk and to address the measurement issue regarding the perceived risk scale used in Study 1, we replicated Study 1 manipulating two product types in term of perceived physical risk -- the same prescription sleep aid used in Study 1 was used for a high risk condition (Lubien) and a fictitious over-the-counter sleep aid was used for a low risk condition (Easysleep). Four websites were created with two types of website (Firm-sponsored vs. Third-party sponsored) and two types of product (Prescription vs. OTC). Similar procedures used in Study 1 were employed in Study 2 when designing the stimuli and administering the survey. The final sample included 222 undergraduate and graduate students. 61 percent of them were female. The mean age was 25 years.

Results of Study 2

An examination of the risk manipulation revealed that participants who were subject to a prescription drug website reported significantly higher perceived risk compared with those who were assigned OTC website $t_{(221)}$=43.973, p<.001. In support of the proposed theory (H2), a third-party sponsored site with prescription drug led more favorable website credibility (F=16.609, p<.01), information credibility (F=8.869, p<.01), attitude toward website (F=5.112, p<.05), and attitude toward brand (F=4.578, p<.05) than other conditions.

Conclusions and Implications

In order to address the research gap on website effectiveness as an information source, the current study proposed and empirically tested the extended theory of perceived risk. The results provided strong support for the proposed theory suggesting that under high perceived risk situations, consumers are motivated to engage in risk avoidance or reduction activities. As a result, they engage in extended external information searches and tend to rely on credible information sources. Results indicate that third-party sponsored websites are extremely useful in communicating information about products with high physical risk (e.g., prescription medication). Such a site and its message were deemed trustworthy and further improved consumers' attitudes towards website and brand. Thus, pharmaceutical companies can benefit from disseminating product information through identifiable and trustworthy third-party sponsored websites. From a consumer's welfare perspective, public policymakers should encourage third-party involvement in disseminating information about high risk products.

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The Effects of Pharmaceutical DTC Advertising on Patient Compliance: The Moderating Role of Health Orientation

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The purpose of this project is to empirically test a conceptual research framework that investigates the effects of direct to consumer advertising (DTCA) on patient compliance under the moderating influence of patient health orientation. Eight hypotheses are proposed based on theoretical evidence of causal relationships between DTCA variables and patient compliance, and the moderating effects of patient health orientation on the DTCA – compliance linkage.

Introduction

The purpose of this project is to empirically test a conceptual framework addressing the effects of direct to consumer advertising (DTCA) on patient compliance with patient health orientation as a moderator. The effects of DTCA on compliance are unclear from extant literature. While some research has found the effect to be positive, some others have found it to be negative. Of course, any potential compliance effects of DTCA are likely to be moderated by a complex set of factors that include ad type, content and delivery channel, current regulatory structures, economic effects, and an intricate web of consumer, physician, pharmacist, nurse and drug company stakeholders. The health orientation of patients, conceptualized in terms of health consciousness, health information orientation, health beliefs, and information search, are potential moderating factors in the DTCA-compliance linkage.

Patient Compliance

The compliance problem has been called the 'holy grail' of healthcare marketing (Van der Pool, 2003). A patient's noncompliance with drug regimens can render drugs ineffective. Poor compliance occurs regardless of the severity of the potential consequences, even among patients with kidney transplants and frequent seizures (Cramer, 2001).

Poor compliance is attributed to 125,000 premature deaths each year in the US (Loden and Schooler, 2000). The annual cost of non-compliance to the US economy is estimated at $100 billion (Johnson and Bootman, 1995). Lost sales due to non-compliance have been estimated to cost pharmaceutical companies $15-20 billion annually (Beavers, 1999) and pharmacies $2.8 billion through 140 million unfilled prescriptions (Schering Lab, 1992).

Compliance has been a topic of both tremendous importance and disagreement in the healthcare community (Wosinka, 2005). Non-compliance with physicians' drug therapy recommendations or instructions has been proven to have an enormous impact on both the general health of patients as well as the overall costs of healthcare. The impact of lack of compliance is felt across a wide spectrum of patient illnesses, including those with the greatest potential consequences. Pharmaceutical companies must also contend with numerous barriers and hurdles that prevent greater compliance rates.

Direct to Consumer Advertising (DTCA)

DTCA is viewed by many in the industry as a way for pharmaceutical manufacturers to move beyond their "arm's-length relationship" with the end user and appeal directly to the consumer (Wosinka, 2005, p. 323). DTCA adds the potential for increased patient compliance by allowing pharmaceutical companies to reach out to patients directly through a variety of media outlets. Numerous studies have shown that DTCA creates and/or strengthens the patients' understanding of the drugs' benefits, and thus any potential links to increased compliance are of great interest to pharmaceutical firms (Wosinka, 2005). However, though compliance may indeed prove to be a very real benefit of DTCA, it is but one spoke on a much larger wheel; many have argued that DTC advertising of prescription drugs by manufacturers is misleading, causing current patients, potential patients, and non-patients to get a wrong sense of the drugs' uses and effects. The critics of DTC advertising believe that many advertisements often overstate the effectiveness of the drugs, indicate or suggest uses of the drug, which have not been approved, or create an imbalance of benefits and side effects (Nelligan, 2002). With the ethics of DTCA in question, the perceived benefits of increased compliance may not outweigh the many potential negative health outcomes caused by this form of advertising.

Direct-to-consumer advertising (DTCA) of pharmaceutical drugs is currently legal in only two countries (US & New Zealand), but nevertheless has generated much controversy surrounding its potential benefits and detriments to all facets of consumer health. Principal among the proposed benefits is the idea that DTCA can play a pivotal role in fixing the long-lingering and expensive problem of patient non-compliance with drug therapy regimens.

Effects of DTCA on Patient Compliance

Currently, two landmark studies examining the DTCA – compliance link have shown potential compliance benefits resulting from a "spillover effect" encompassing advertising from all competing medications for the same condition, thus advancing the idea of DTCA as a general reminder for consumers with that particular condition. In one of the studies, a possible negative compliance trigger was also revealed. Further clarity on both the general effects of DTCA as well as the DTCA-compliance link will be gained as more data is collected and methods of study become more advanced. Current studies do not conclusively show that DTCA increases patient compliance, but that can potentially change if ads are formulated to better inform and educate the consumers.

One idea is that the positive imagery depicted in many DTCA ads, especially on television, may trigger an enhanced placebo response among patients, which may in turn lead to increased adherence. Few can debate the power of the heavily studied placebo effect: in one study, roughly one-third of patients reported relief from pain, cough, headache, depression and other conditions after taking a placebo (Almasi, 2006). In this vein, many DTC advertisements are distinctly crafted to stimulate positive emotions from viewers. Consumers can routinely turn on the television and see allergy sufferers frolicking through beautiful fields, or arthritis sufferers painlessly and happily engaging in all their favorite activities (Almasi, 2006). These and similar advertisements may condition patients "to elicit the positive feelings that were portrayed in the advertisement, which could enhance the medication's clinical effect...[and] improve patient adherence and outcomes" (Almasi, 2006, p. 284-285). In addition, the reward-based imagery in DTC advertisements depict highly positive potential payoffs for a patient's adherence to his or her physician's recommended treatment regimen, and patients exposed to such positivity may be more inclined to follow their specific treatment instructions (Almasi, 2006).

Direct-to-consumer advertising of pharmaceuticals may also improve compliance through reassurance. Seeing an advertisement on national TV or in a popular magazine for a drug they are taking can reassure patients that they have made a good health decision in taking that medication (Mahon, 2006). In March-April 1998, Prevention magazine collaborated with the American Pharmaceutical Association to conduct a telephone survey of 1,200 U.S adults to gauge reaction to DTCA (Liebman, 1998). In the study, three out of ten patients already taking medication indicated they would be more likely to take their prescribed medicine after seeing the relevant advertisement (Wosinka, 2005). In addition, 34% of consumers currently taking a medication felt better about taking the drug after seeing it advertised, while 27% said the ad increased the likelihood that they would take their medication (Liebman, 1998).

There also exists a growing belief that the level of informational content that patients can glean from being exposed to DTCA is a key driver of the advertisements' ability to increase compliance and adherence. In a survey seeking to identify preferred drivers of greater compliance, 70% of patients surveyed indicated that being more informed about both their medical condition and what their medication does would drive them to be more compliant with their regimens (Eagle and Kitchen, 2002). Other studies reinforce the importance of the informational utility of DTC advertisement in boosting compliance levels. In fact, the informational utility of DTCA may very well be a key component of a larger paradigm shift within the doctor-patient decision-making relationship. Traditionally, health care decision-making has been a "paternalistic process," with the patient delegating authority to the physician "to make a therapeutic decision in the patient's best medical interests (Deshpande, Menon III, Perri, and Zinkhan, 2004, p.501). Here, patient involvement is limited, in large part due to the unidirectional flow of information from physician down to patient (Deshpande, Menon III, Perri, and Zinkhan, 2004). The physician, as the sole decision maker, is thus the primary target of pharmaceutical manufacturers, leaving the patient out of the information loop and minimizing any potential contributions he or she might bring to the decision-making process (Deshpande, Menon III, Perri, and Zinkhan, 2004).

In recent years, however, the growth in popularity of DTCA has played a significant role in the shift of healthcare to a shared decision-making process (Deshpande, Menon III, Perri, and Zinkhan, 2004). This is based on trust. In the shared decision-making process, patients are equally involved in decisions regarding their health care, working with their physicians to weigh potential risks and benefits of treatment options and together reaching a collaborative decision (Deshpande, Menon III, Perri, and Zinkhan, 2004). The shared decision-making model "may lead to increased patient satisfaction…increased knowledge of the disease and therapeutic options, and better treatment outcomes such as compliance and adherence to drug dosage regimens" (Deshpande, Menon III, Perri, and Zinkhan, 2004, p. 501). A 1979 study showed better adherence to treatment regimens by patients who played a larger participatory role in their therapeutic decision options (Deshpande, Menon III, Perri, and Zinkhan, 2004). Additionally, the initiation of the drug therapy process after high-profile advertising led to more compliant patients, likely due to increased levels of motivation (Wosinka, 2005).

This new, bi-directional information exchange between patient and physician is, in part, due to patients' increased exposure to the informational properties of DTC advertising, but just how much information consumers are obtaining from DTCA is up for debate. DTCA awareness among consumers is near ubiquitous, but whether or not awareness translates into "factual knowledge about the drug that can engender a more informed decision-making process" is not yet proven (Deshpande, Menon III, Perri, and Zinkhan, 2004, p. 503). The actual utility of DTC ads is likely a function of their clarity and ability to convey information that is clear and understandable to the patient (Deshpande, Menon III, Perri, and Zinkhan, 2004). Thus, DTCA comprehension is a key factor. In a 1999 random telephone sampling of 1,205 consumers, more than "40% of sampled consumers [reported] having used DTC ad information in their decision-making process…18.6% used information provided in the ad to discuss a medical condition, and 13.4% requested their doctor for a drug based on an ad they had seen/heard" (Deshpande, Menon III, Perri, and Zinkhan, 2004, p. 509). On the one hand, less than half of the survey respondents used DTCA information when making health care decisions. On the other, positive opinions of DTC ad utility led to a greater usage of DTC information by consumers in their decision-making, indicating that there is still room for greater DTC ad utility to engender increased patient participation and, consequently, motive greater levels of compliance and adherence (Deshpande, Menon III, Perri, and Zinkhan, 2004).

Perhaps most studied is the theory that DTCA works to reinforce compliance by serving as a reminder (Harker and Harker, 2007). When a patient comes across a DTC advertisement for a medication that they are currently taking, the advertisement may remind them to either take their medication according to their prescribed regimen, or to fill or refill their prescription (Mahon, 2006). In the aforementioned Prevention magazine study from 1998, 25% of consumers said seeing an advertisement for their specific drug reminded them to refill their prescriptions (Liebman, 1998). Beyond the benefits of own-advertising, there is also some evidence (reviewed later) that condition-wide advertising by all brands serving that condition type serves to raise adherence levels among patients taking a medication in that category, though not necessarily the most-advertised brand (Wosinka, 2005).

DTCA valence is another important factor. DTCA messages can be subtly one-sided or extreme versus moderate/balanced/two-sided. Balanced messages enhance credibility in consumer communications (Hunt and Smith 1987). Two-sided arguments are more persuasive than positive arguments when the initial attitude of the consumer is neutral or negative (Crowley and Hoyer, 1994).

Amidst the heavy speculation on DTCA's positive effects on compliance, several arguments persist that DTC advertising could potentially decrease compliance. Eagle and Kitchen (2002) assert that "there is, as yet, no empirical evidence that DTC drug promotion decreases compliance" (p. 294). In fact, Eagle and Kitchen point out an increasing amount of empirical date indicating just the opposite. Despite this, some believe that DTCA's heavy focus on advertising only new, profitable drugs actually serves to damage any short-term compliance benefits that were previously gained (Almasi, 2006). Because DTCA is such an expensive medium, all DTCA for a particular drug is likely to cease when the drug's patent expires and the drug consequently becomes less profitable (Almasi, 2006). Once DTCA stops generating a competitive ROI, advertising for that drug is stopped and all compliance benefits gained will likely be lost (Almasi, 2006). DTCA may also adversely affect compliance if patients do not first encounter risk information for the drugs from other sources, a problem exacerbated by the lack of a legal requirement for doctors or pharmacists to discuss risk and side effects with patients (Wosinka, 2005). Increased exposure to risk and side effect information in DTC ads, which patients might otherwise ignore in its "fine print" form on the actual medication, may cause shock in some patients and lead them to temporarily or permanently suspend their treatment regimen (Wosinka, 2005).

The lack of empirical data available to support these or other theories has rendered many claims of increased or decreased compliance purely speculative (Wosinka, 2005). The history of the DTCA/compliance argument, like much of the rest of DTCA's controversial existence, is rife with empty theories and contradictions. In one survey, 72% of physicians were in agreement DTCA promoted patients' adherence to instructions, but a second survey of physicians, funded by the pharmaceutical industry, found that 54% of doctors did not agree that DTC ads increase adherence (Frosch, Grande, Tarn, and Kravitz, 2010). And while 82% of respondents to a nationally representative survey of the public thought that DTC advertisements promoted compliance with doctors' instructions, only 23% of patients recruited from physician waiting rooms gave an indication that they would be more apt to take an advertised medication (Frosch, Grande, Tarn, and Kravitz, 2010).

Hence, the following four hypotheses may be proposed:

H1: *DTCA Information has a positive effect on patient compliance.*

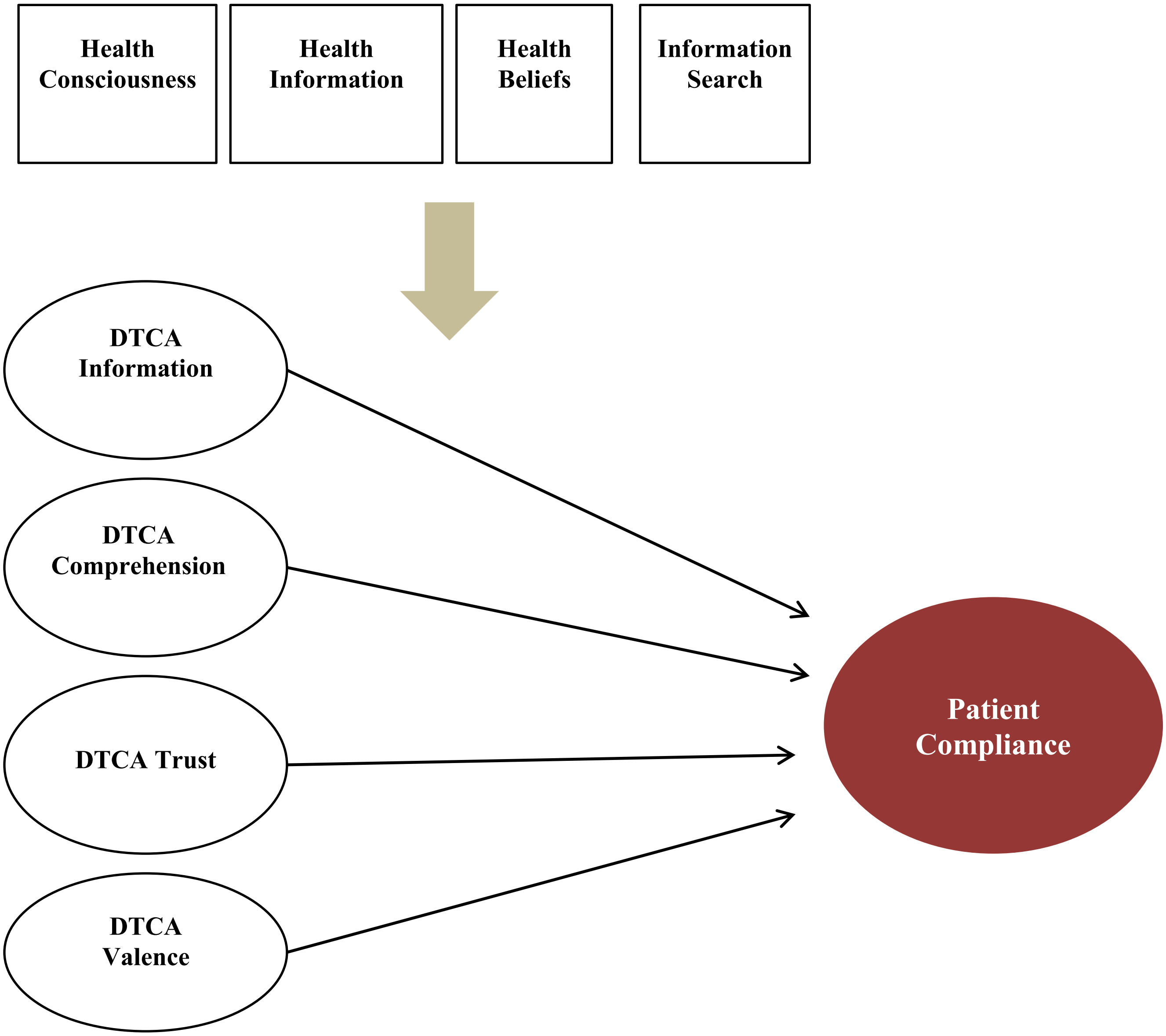
H2: *DTCA Comprehension has a positive effect on patient compliance.*

H3: *DTCA Trust has a positive effect on patient compliance.*

H4: *DTCA Valence has a positive effect on patient compliance.*

The proposed conceptual framework is outlined in Figure 1

Figure 1: Proposed Conceptual Framework



Moderating Effect of Health Orientation

Health orientation is one of the emerging approaches to segment healthcare consumers. Health orientation is a motivational variable that taps into consumer interest in maintaining a healthy life and propels the enactment of health behaviors (Dutta-Bergman, 2004).The attitudinal and motivational differences with respect to health issues describe the health orientation of people. Their motivation to be and stay healthy shows to what extent they are willing to take some certain actions for the sake of their health. The level of motivation is directly proportional to the attention and the comprehension of the person towards that specific topic. There is evidence from past research that consumer participation in issues of personal health and active search for relevant information, in other words, health orientation, is indicated in four different categories namely, health consciousness, health information orientation, health beliefs, and information search.

Health consciousness refers to "the extent which health concerns are integrated into a person's daily activities" (Jayanti and Burns, 1998). These people try to stay healthy not only when they need medical assistance but also they are in favor of taking preventive steps such as exercising and eating right in order to keep their body healthy. Health information orientation indicates the level of motivation of a person in order to seek health information. These people are self-motivated to read and watch stories about their health and eagerly look for various ways to gather information either on remaining healthy or their treatment in case of a medical assistance. Health beliefs refer to the awareness of the individuals about some specific health behaviors such as eating healthy, exercising, maintaining a healthy body weight, not smoking etc. It is rather a general measure that shows the perception of the people towards some particular activities.

Information search is defined as the degree to which consumers involve in their treatment or the medical process by seeking out extra information in addition to what they are told by their physicians. (Dutta-Bergman, 2004) In today's world, it is easy to attain the required information through many media communication tools such as newspaper, television, radio. Furthermore, internet or the people who had experienced the same disease before would be important sources.

Research on the moderating effects of health orientation on patient compliance is rare. In this paper, four additional hypotheses are proposed that discuss the moderating effects of health orientation on the influence of DTCA on patient compliance.

The patients who have health consciousness would be willing to keep themselves healthy and try to comply with healthcare regimen as well as take preventive steps if necessary. Their lifestyle, thus, will make them more concerned about health issues and we hypothesize that it will be easier for them to process DTCA information and improve their compliance. However, we believe for a person who adopts healthy living in a conscious manner, adhering to medication regimen will be easier.

***H5**: Health consciousness positively moderates the influence of DTCA on patient compliance.*

Health information orientation implies the desire of gathering extra information on health issues or a specific treatment in addition to what is provided by the physician. Consequently, we believe a well-informed person will ably comprehend healthcare and medication advice and likewise his/her satisfaction level will be affected proportionally. We assume knowledgeable patients will be more likely to know what they are looking for prior to receiving the treatment or service. As a matter of fact, it will be easier for them to understand DTCA. Therefore, we believe health information orientation has a positive effect on patient compliance. This segment of consumers will be more conversant with new treatment methods and in that sense they will be more aware of what they should be getting in terms of following the regimen. As having the most up-to-date information about a medical process, a patient would easily evaluate the service in the hospital as well as the treatment of the physician. For instance, if there is a newly-developed treatment regimen for a specific disease which is more convenient, most probably a well-informed patient would be looking forward to hearing that from the physician. If she/he is not offered that treatment, trust bounds would definitely be damaged and vice versa.

***H6:** Health information orientation positively moderates the influence of DTCA on patient compliance.*

Health beliefs pretty much go hand in hand with health consciousness. It shows whether the individuals are practicing some specific health activities in a daily routine. In this research we want to prove that for a person who is exercising regularly, eating properly, not smoking or not consuming too much alcohol, it will be easier to evaluate the health service. Since they are already sacrificing for the sake of their health, they will be much aware of what they are looking for. In this research, we hypothesize that heath beliefs of a person will have an influence on their attitude towards DTCA as well as their compliance behavior in the health care situation. We presume that if a person has the self-discipline in his/her daily life, he/she will have a better understanding of the value of the DTCA in compliance.

***H7:** Health belief positively moderates the influence of DTCA on patient compliance.*

Eagerness and the enthusiasm of a person for additional information is also an important element of health orientation. Research shows that it is directly related to how patients evaluate DTCA information to affect their compliance behavior. We hypothesize that information seeking is an important moderating variable in the DTCA – compliance relationship.

***H8:** Information search positively moderates the influence of DTCA on patient compliance.*

Conclusion

Every year, the nagging combination of patient non-compliance with drug therapy regimens and the lack of suitable compliance-boosting actions available to the pharmaceutical industry are responsible for a large sum of avoidable deaths and an even larger sum of unnecessary healthcare expenses. Through this lens, the emergence and prominence of legal direct-to-consumer advertising (DTCA) in the United States and New Zealand has provided drug manufacturers with a potentially potent tool in the battle for greater compliance. Segmenting consumers and patients based on their health orientation, and delivering targeted DTCA messages to highly health oriented consumers might help in alleviating the compliance problems to some extent.

Many in the field are hopeful that this newfound direct feed to health oriented consumers can raise drug therapy adherence in a number of nuanced ways. Advocates of the medium indicate that DTCA can fight non-compliance by reminding health oriented patients to learn more about their medication, reassuring them that it is safe, creating a placebo effect that encourages treatment adherence, and by initiating a paradigm shift that places conscious consumers in the driver's seat for many crucial healthcare decisions.

However, the role of DTC advertising as a compliance aid is not yet a foregone conclusion. As a relatively new medium, it is difficult to reach sound conclusions regarding its benefits and detriments, as well as stakeholder views and reactions and how those might positively or negatively affect involved healthcare outcomes. The current state of DTCA research is a fragile patchwork of myriad small-scale indicators; newer, larger studies continue to emerge daily, often either contradicting or supporting earlier research, and often using more advanced and extensive methodologies of study. Currently, only two studies (on depression and hyperlipidermia) have sought to look deeply for a DTCA – compliance connection. Within these, only certain potential DTCA/compliance linkages were probed, and the resulting conclusions revealed both positive and negative compliance outcomes in the studied patient populations. The sheer infancy of the debate at hand is evidenced in the fact that current research is not yet yielding concrete answers, but rather creating more questions.

If any clear takeaway can emerge from the DTCA – compliance debate, it is that more research is needed. Current and past findings lay a clear groundwork for where the logical next steps can be taken. Specifically, additional studies are needed in three key areas: health orientation of consumers, DTCA content, and medication compliance. A key takeaway from DTCA studies is the massive paradigm shift towards a consumer-driven healthcare decision model. As DTCA ads bypass physicians and pharmacists and reach the consumer directly, understanding the different reactions of consumer segments to these ads and identifying various triggers will allow pharmaceutical manufacturers to tailor ad content for optimal patient outcomes. Secondly, the current content of DTCA ads requires further critical scrutiny before the medium can be seriously considered as a vessel of positive health benefits, including compliance. As seen earlier, DTC ads have been found to lack educational value, which is perhaps why certain studies have shown that consumers do not find the ads informative, effective, or motivating. Nevertheless, health oriented consumers remember the ads and retain the limited information presented, and this combination of lack of pertinent information and consumer retention often results in the formation of misconceptions about both the nature of DTCA and the advertised drugs. Such misconceptions can potentially lead to inappropriate healthcare or compliance behavior. In addition, though the elderly consume the most ethical drugs per capita, they are the least responsive to DTCA, indicating a potential content disconnect that can be likely be rectified through further research and refinement. Finally, more research is needed on all possible compliance-stimulating components of DTCA advertising. Many benefit theories have been proposed, but few have been studied. Does the positive imagery of DTC advertisements trigger a compliance-enhancing placebo effect? If so, where is the ethical balance between choosing imagery that will stem non-compliance but might mislead consumers? In fact, all three areas of recommended research are intertwined; further study in compliance will eventually lead to better DTCA content, which will in turn stimulate more positive consumer health orientation.

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Summary Brief
The State of the Art in Pharmaceutical and Healthcare Sales: Surveying a Changing Healthcare Climate

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We aim to discover the state of the art in selling within the healthcare market, how its practices, customs and adherence to legal protocols have evolved in the past decade as physicians, healthcare providers and insurance companies seek to save and improve the quality of human life while at the same time control costs for the consumers (or patients) and in the case of many of the stakeholders, make a profit.

Introduction

The healthcare market is in a state of flux. The purpose of this working paper is to examine some of those changes through the lens of the pharmaceutical and healthcare salesperson. Salespeople, many who are commission based, have an incentive to closely monitor the marketplace. Oftentimes, they better understand market-based pressures and changes than the physicians and nurses who are busy in the day-to-day service of their patients. In this paper, we choose to view the healthcare market through the lens of the salesperson. Through this lens we hope to glean information about the dynamics of the healthcare market, a market characterized by an active discourse between patients and doctors, insurance companies, pharmaceutical companies, government regulatory bodies and the large institutions which provide healthcare to individuals as well as the medical research which is driving innovation.

The market and the discourse surrounding this market, though complex, has a common thread that has maintained a presence, the salesperson. For almost as long as there were doctors, there were salespeople providing them with stethoscopes. This paper seeks to extend the work of Kay (2009) by analyzing the differing perspectives of healthcare institutions and those of its consumers (the patients) through interviews with salespeople working in the healthcare industry.

Method

This study begins with depth interviews with pharmaceutical salespeople, medical device salespeople, medical insurance salespeople as well as government lobbyists (who also can be considered salespeople). From these interviews, we hope to gain the perspective needed to better understand the market and legal dynamics of the U.S. healthcare market. We aim to discover the state of the art in selling within the healthcare market, how its practices, customs and adherence to legal protocols have evolved in the past decade as physicians, healthcare providers and insurance companies seek to save and improve the quality of human life while at the same time control costs for the consumers (or patients) and in the case of many of the stakeholders, make a profit.

Summary Brief
Engaging BOP Customers in the Pharmaceutical Industry through Strategic Value Creation

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This study applies C K Prahalad's enduring legacies of Bottom of the Pyramid (BOP) and co-creation in developing sustainable value-enhancing strategies for the pharmaceutical industry. Specifically, the study makes a case for more inclusive engagement of BOP communities by the pharmaceutical industry and develops a framework for value-creation and value-enhancing strategies for pharmaceutical companies in BOP countries. A viable value creating strategic process includes an entrepreneurial mindset, innovation through co-creation, multiple developmental pathways, scalable and adaptable logistics, creative marketing through a new price-performance envelope and utilization of native marketing resources and collaboration with local institutions.

Introduction

One of Prahalad's most enduring legacies is the concept of the Bottom-of-the-Pyramid (BOP). The BOP comprises of the poorest 5 billion people who live on less than US$3 per day and form the largest proportion of the world's population. The central argument is that while BOP markets are economically viable, value-creating innovations are inherently designed for western economies. BOP markets for pharmaceuticals can be economically viable with ingenuity and innovation in design, manufacturing and distribution processes among the poor. Value-creating innovations can either be achieved externally by infusing external entrepreneurship or internally, by tapping into local wisdom and native capabilities (London & Hart, 2004). The purpose of this study is to apply C K Prahalad's enduring legacies of BOP and co-creation in developing sustainable value-enhancing strategies for the pharmaceutical industry. The central question is whether innovation through co-creation is a viable strategy by the pharmaceutical industry in BOP communities. Specifically, the study makes a case for more inclusive engagement of BOP communities by the pharmaceutical industry and also develops a framework for value-creation and value-enhancing strategies for pharmaceutical companies in BOP countries. Most western pharmaceutical markets are characterized by cut-throat competition, saturation and in some cases, declining populations. On the other hand, BOP markets continue to thrive in size and per capita income. While the US pharmaceutical market is expected to expand by 3% in the next three years, emerging markets are forecast to grow by 14% (Edwards, 2010). Despite a purchasing power to the tune of five trillion dollars (Prahalad, 2010) many BOP communities are still unserved or underserved by the pharmaceutical industry, especially multinationals. There is clearly a business case for innovative strategies by pharmaceutical firms in BOP markets. Growth trajectories in existing western markets and urban markets in emerging countries are not sustainable. Many BOP markets are in transitory mode with improving economic conditions and higher than average economic growth rates. In their current state, most BOP markets are unique and challenging, but not entirely hopeless. However, multinational pharmaceutical firms need to make strategic and structural adjustments in order to be sustainable in these markets. Prahalad and Hammond (2002) submit that BOP markets constitute 65% of the world's population providing strong economic and political justification for multinational investments. Finally, there is an altruistic rationale to improve the human condition of vulnerable communities in society.

Literature Review

Scholars have written extensively on ways to improve the presence of the pharmaceutical industry in developing countries. While progress has been made pharmaceutical multinational strategy for developing countries has been largely based in accessing selected middle income downstream markets and outsourcing non-core production processes in the upstream. The BOP market has remained untapped and largely ignored in the strategizing process. Some studies have looked at issues confronting the pharmaceutical industry, mainly multinational firms with respect to BOP markets. In a multi-country study, Mytelka (2006) identifies triggers such as health crises and deliberate public policies that have triggered attention to the pharmaceutical industry. Mytelka formulates multiple pathways towards building pharmaceutical systems in these countries. These pathways comprise of learning-linkage formation, investment and innovation within a context of new policies, institutions and private-public partnerships.

Effective strategies to engage BOP markets involve refocusing of all the innovation and supply chain processes, including identifying idiosyncratic diseases, pharmaceutical needs, localized R & D, delivery options and marketing strategies. Yujuico and Gelb (2010) argue that in order for pharmaceutical firms to profit from BOP markets, they must refocus their marketing expertise towards those consumers. While developed markets have only 10% of the world's population, 90% of the the foremost designers are devoted to serving this market, in the process, missing potential $5 trillion in revenues from BOP markets (Polak, 2008).

Peukert and Fuggenthaler (2009) have developed a strategic pharmaceutical model for BOP markets. The triad comprises of a business case for neglected patients involving benevolence to mitigate reputational risks. The second approach focuses on neglected markets with tangible economic benefits and the third approach involves neglected diseases with low margins and high volumes.

BOP Pharmaceutical Strategy

An effective BOP pharmaceutical strategy involves a new entrepreneurial mindset towards BOP markets with an overarching theme of sustaining profitability through volumes rather than margins; co-created innovation and hybrid technologies; new pharmaceutical development pathways that are not necessarily linear; scalable and tropicalized logistics, co-created marketing strategies and collaboration.

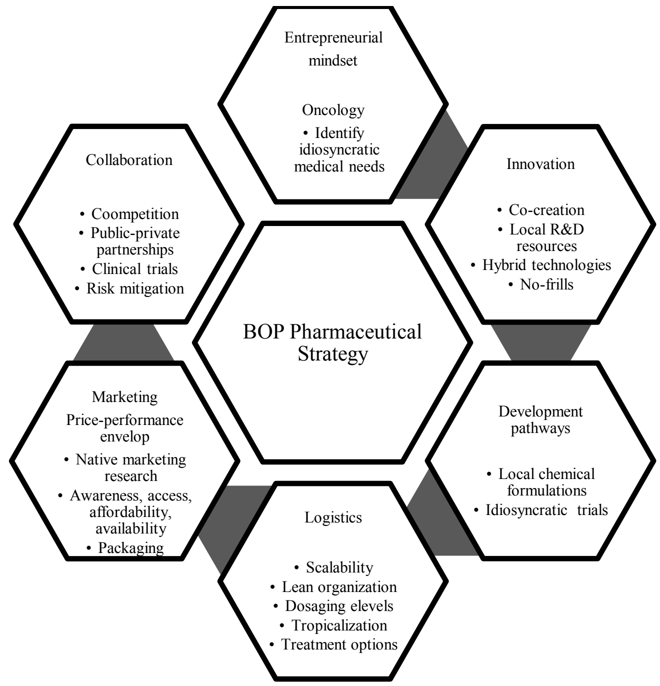
A significant contribution by C K Prahalad is the concept of co-creation (Prahalad and Ramaswamy, 2004). There is substantial rationale and benefits for user involvement in the innovation process as activist consumers, co-innovators, seekers of alternative uses, modifiers and necessary devils' advocates. This is more so in BOP markets where little is known about the interaction of technology and indigenous knowledge. Smitt and Boon (2008) submit that the involvement of users in pharmaceutical markets fills a void created by market failure. The involvement of local patients can save substantial costs of clinical trials and subsequent drug development. Due to differences in genetics, geography and lifestyle, better pharmaco-efficacy can be obtained through such idiosyncratic trials. Users as early adapters or lead users can legitimize marketing efforts while enhancing the market expansion process.

Using the innovation sandbox, the study lays out industry-specific constraints. A significant first-step in strategizing for BOP markets is embracing structural constraints and organizing operational parameters around these constraints. A second major challenge involves organizing downstream markets from chaotic, scattered, unregulated and often indeterminate risk, to viable homogeneous market clusters. The innovation sandbox for the pharmaceutical industry the BOP is grounded on four main variables that must be put into consideration: price-performance envelope; modern technology; quality, safety and ecological sustainability and scale Prahalad (2010). While there is real market potential for the BOP, most potential customers earn less than two US dollars per day. There are also serious conditions of poverty and income inequality. This calls for a new value-proposition that captures affordability and accessibility. A new performance-price envelope for pharmaceuticals necessarily involves a no-frills value-chain process that simultaneously leverages low-cost factor conditions in BOP economies. Despite the greatest potential for the pharmaceutical industry being in emerging markets, R & D in the industry is invariably skewed towards western markets and global product platforms. Unique benefits of price-performance can only be achieved by investing in R & D that aligns with BOP contexts to deliver relevant drugs and auxiliary services.

While one can make a justifiable business case for differential safety and quality standards in other industries such as manufacturing, the same is difficult to justify, if not detrimental, to the pharmaceutical industry. Sustainable quality, safety and ecological standards are morally and strategically beneficial for the pharmaceutical industry.

Most BOP markets are characterized by low margins, high volume, abnormal returns and perverse political/legal uncertainty. These call for rapidly scalable product and technological solutions. Scalable solutions are most effective if they are also adaptable to local conditions. The four dimensions provide a foundation for developing a pharma-specific strategic framework for BOP markets. Within these dimensions there are more specific sub-dimensions that can be developed to align and adapt to local conditions. The pharmaceutical strategic framework for BOP markets is illustrated in figure 1, below.

Figure 1. Big Pharma Strategic Framework for BOP Markets



Implications

Big pharma has made significant efforts towards market entry into emerging economies. However, most BOP markets have been largely ignored, despite having potential. BOP markets require an entrepreneurial mindset and innovation through co-creation. Through co-creation, the industry will need to identify idiosyncratic local pharmaceutical needs, while simultaneously leveraging the utilization of native resources. More efficient drug developmental pathways and scalable logistics will be required to access the expansive and diverse market. A significant component of the new approach involves a new price-performance envelope with an emphasis on volume rather than unit margin. In order to achieve mass adaptation and market power, pharmaceutical firms will need to engage local communities and institutions through collaboration in all aspects of the value creation process.

Summary Brief
Efficacy and Sales Potential of Stem Cell Based Biologics in Southern Wisconsin

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A common problem in the medical device industry is that there is not enough time to cover every prospect in one's territory. Deciding where to focus sales efforts to optimize sales is pivotal to success. We address this problem by analyzing hospital data that are involved in selling a common medical device, stem cell based biologics.

Demographics such as patient volume, median patient age, male/female ratio, and average case charges were gathered and analyzed. The data showed the hospitals that were the most attractive for the sale of biologics were often located in major metropolitan areas. The top five Wisconsin counties that exhibited favorable data and demographics were Milwaukee, Dane, Winnebago, Brown, and Waukesha. The data show that patient volume is the most important factor to consider when prospecting, however knowing other demographics such as median patient age can help to tailor sales plans that are client and hospital specific.

Introduction

Medical device sales is a challenging industry that continues to change rapidly and become more competitive. With back pain and injuries becoming increasingly prevalent this is an industry that will continue to be attractive to healthcare companies and sales reps alike. Medical devices encompass a vast array of products and services but the most competitive segment is hardware and biologic sales in the market serving spinal orthopedic surgery. The hardware that is involved in spine sales consists of different screws and plates to help fuse together vertebrae during spinal fusion. Along with the hardware, there is a large market in biologics that augment the hardware. These biologics consist of various types of bone grafts used to help grow new bone in the space between the two vertebrae where the disk was once located. Most companies complement their line of hardware with a selection of biologics. The mere fact that spine surgery usually requires more physical hardware than most types of surgery makes this industry among the most competitive and potentially the most profitable. Along with this competitiveness comes the need for constant innovation. Innovations often include those to make surgery less invasive and the fusion between the vertebrae stronger and more durable. The combination of intense competition and innovation creates a dynamic environment for sales representatives.

Sales representatives for medical device companies are either employed by the company directly or are independent contractors through distributorships. Sales reps in this industry typically sell directly to surgeons, heads of surgery, and hospital purchasing staff. In most hospitals the choice of which hardware or biologic to use is left up to the individual surgeon, therefore in any one hospital there can be several brands of hardware being used concurrently. Even a single surgery can involve multiple representatives from different companies. With high potential profits and the similarity between competitor's products this industry has become very dependent on relationship-based selling. In the fast-paced atmosphere of a hospital, surgeons want to know that their sales rep will be there when needed and will continue to provide exceptional service. Along with the surgeons, the hospital staff, such as physician's assistants, operating room staff, surgical techs, physician's office staff, scheduling staff, and many others must also be satisfied. A successful sales rep must know why their product is superior and how to tailor their services to the specific needs of particular doctors and patients. Knowing which hospitals and doctors to target to insure the greatest quantity of sales is also a key to success.

This research addresses these main points in depth. By knowing the demographics of product usage and other key information about the hospitals in their territory, a sales rep can tailor their sales plan to meet the needs of each specific region and hospital. Also, by knowing the product development and scientific studies supporting the use of their products, they can implement a sales plan that includes unbiased scientific support for their product to persuade potential customers.

Method and Data Analysis

All hospital data was retrieved from Pricepoint.org which is a division of the Wisconsin Hospital Association. PricePoint.org started collecting data in 2004 under a contract with the State of Wisconsin.

Demographic data pertinent to successful sales targeting such as the number of discharges, average charge per procedure, median age, and male/female patient ratio were collected. The first and perhaps most important information relates to the number of discharges for the 2008-2009 year. Patient volume is important because the more patient volume, the more potential surgeries on which a stem cell-based product could be used. Also, the number of cervical versus lumbar fusions is important to recognize because the disk space in a lumbar case is physiologically larger than a cervical fusion which results in the need for more allograft material. Therefore a hospital with the same overall patient volume as another may have a higher ratio of lumbar to cervical cases making it more attractive. Although patient volume is not the only criterion one should consider it does offer a way to narrow the focus before looking at other data.

The average charge per procedure also provides valuable information, though it presents some anomalies. The average charge for each hospital can vary greatly due to factors such as intensity of care, staffing costs, technology used, payer mix, and facility costs (pricepoint.org). Unusually high average costs may show that a facility takes on more complex cases such as multilevel fusions, which are attractive because they require more allograft material for each additional vertebral space being fused. Also, hospitals with high average charges may use more complex technology that is more expensive which could mean that they are more open to using newer products.

Payer mix affects the average charge greatly because if the hospital receives most of its payment through Medicare it must charge a higher upfront cost to recover the discounted payments made by Medicare. Hospitals that receive a higher number of payments from private insurance can afford to charge less because they know they will get paid what they charge. Staffing and facility costs are less important in the sales world but a higher charge in a particular hospital may be evidence that the hospital has incurred debt from an expansion and a growing hospital may open up new sales leads.

Median age is also an important demographic because patient age can is a factor in what type of graft material a surgeon chooses. As a person ages the risk of poor bone density and diseases such as osteoporosis increases (Figure 4). In cases where there is poor bone density the use of allograft over autograft is preferred due to the fact that an allograft isn't the patient's own bone, therefore allografting is preferable in hospitals with a higher average patient age they should be targeted for allograft sales in preference to a hospital with a younger patient age average.

Finally, data were collected on the male to female patient ratio. These statistics are important because some biologics are billed by volume and male patients have a larger volume of intervertebral disc space than do female patients (Shigeta, 2008).

Results and Conclusion

Based upon the patient volume demographics the top five counties to target are Milwaukee, Dane, Winnebago, Brown, and Waukesha. Milwaukee County was comparable to other counties in all demographics except for patient volume. The patient volume of Milwaukee County was 1384 patients higher than the next largest, Dane County. Within these five counties Brown County had the highest average patient age and Milwaukee County had the highest average charge per procedure.

Some individual hospitals with attractive demographics for sales were Aurora St. Luke's (Milwaukee), Froedert (Milwaukee), Theda Clark (Neenah), St. Mary's (Madison), and the UW Hospital (Madison). Of these five hospitals St. Luke's is the most attractive due to its large patient volume and high average charge per procedure. Some other hospitals that didn't have a large patient volume but offered other attractive demographics were the Aurora Medical Center in Oshkosh due to its high number of male patients. Also, St. Francis Hospital in Milwaukee County had a somewhat large patient volume but also had one of the highest average charges for a lumbar case at $124,295. While the number of cases per hospital was given the most consideration during ranking, other important demographics were considered when hospitals had similar patient volumes.

Although Stem Cell based biologics are most prevalent in spine procedures there are other areas for greater potential use such as, small joint surgery and orthopedic procedures. The overall market research highlighted the assumption that major metropolitan areas perform the greatest amount of surgeries and thus provide the best opportunity for sales. Also, the research found that some smaller metropolitan areas were performing a large number of surgeries compared to local population; this was seen in the Green Bay and Appleton area. Although Stem Cell biologics have some drawbacks, in the future, surgeons will become more accustomed to using the products and technology will develop to ease some of the risks that come along with using the product.

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Summary Brief

Diabetes Rates and Lifestyle Variables: An Empirical Investigation across U.S. Metropolitan Statistical Areas

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The purpose of this research is to determine the effects of lifestyle variables on diabetes rates. This is based on an empirical analysis of data across several U.S. Metropolitan Statistical Areas.

Introduction

Diabetes is an epidemic that poses a big challenge to health care managers and policy makers alike. Diabetes rates have a big impact on the cost and quality of health care across the nation. Thus, understanding the drivers of diabetes rates is very important. This study attempts to understand the key drivers of diabetes rates. The data will include lifestyle variables across the metropolitan statistical areas of the U.S. The results will be of interest to managers, policy makers, and health care scholars.

Diabetes rates

Diabetes is one of the most prevalent chronic diseases in today's world. Diabetes affects 20.8 million children and adults and is the seventh leading cause of death in the United States (Beaulieu and co-authors David Cutler and Katherine Ho). It is a metabolic disease characterized by uncontrolled blood sugars since the body does not produce or properly use insulin. Insulin is a necessary hormone that converts sugar, starches and other food into energy. There are two types of diabetes: Type 1 or juvenile diabetes and Type 2 or adult onset. Type 1 diabetics have an absence of insulin and require insulin injections. Type 2 diabetics produce insulin but are insulin resistant. The treatment of type 1 diabetes is diet, exercise, and insulin. The treatment for type 2 diabetes is diet, exercise/weight loss and hypoglycemic medication and/or insulin. For a diabetic, the biggest challenge is to maintain blood sugars within a normal range. Out-of-range blood sugars lead to short-term problems like high blood sugars and frequent infections. The long-term complications of diabetes are even worse. Its economic burden is also high, since it is linked to other afflictions such as heart and renal disease and blindness. Diabetes is the leading cause for blindness and the cause of more than one-third of the 50,000 annual cases of end-stage kidney disease in the United States. Other complications also include circulatory problems, cardiovascular disease stroke, amputation, and heart disease. The personal and economic impact of this disease is enormous.

One of the most important aspects of this disease is that the medical profession already knows how to treat it. However, inspite of enough available medical knowledge in the profession, just under one-half of identified diabetics in the US do not have their blood sugar under control.

Research Objectives

1. To delineate the significant lifestyle drivers of diabetes across US MSAs.
2. To understand the relative importance of these drivers

Methodology

The data will include life style variables across the metropolitan statistical areas of the US. The data will be obtained from secondary data sources.

Variables:
The predictor variables include

1. Income
   a. Median family income (per year)
   b. Family purchasing power (annual, cost-of-living adjusted)
2. Overall Economic Condition
   a. Job growth % (2000-2008)*
   b. Median home price
   c. Average property taxes
3. Education
   a. Colleges, universities and professional schools (within 30 miles)
   b. Junior colleges and technical institutes (within 30 miles)
   c. Test scores reading (% above/below state average)
   d. Test scores math (% above/below average)
   e. % students attending public/private schools (located within town limits)
4. Quality of Life
   a. Air quality index* (% of days AQI ranked as good)
   b. Median commute time (in minutes)
   c. % population with commute 45 mins. or longer
5. Entertainment
   a. Restaurants (within 15 miles)
   b. Bars (within 15 miles)
   c. Arts funding (Dollars per person of state funds spent on arts)
   d. Movie theaters (within 15 miles)
   e. Libraries (within 15 miles)
   f. Museums (accredited by AAM; within 30 miles)
6. Outdoor Activity

a. Ski resorts (within 100 miles)
b. Public golf courses (within 30 miles)
c. % population walk or bike to work
d. Amount spent on vacations (domestic and foreign, household avg. per year)

7. Weather
   a. Annual rainfall (inches)
   b. % clear days in the area
8. Overall Demographics
   a. Median age
   b. Racial diversity index (100 is national average; higher numbers indicate greater diversity)

Outcome Variable

Diabetes Incidence Rate

The results of the study will be presented with a description of the patient demographics, the factors that impact diabetes, and diabetes metrics. The data will be examined to make sure it is normal, linear, and suitable for further statistical analysis. Regression analysis and structural equation modeling will be employed in order to examine and validate the relationships.

Results and Implications

This research will help in furthering the knowledge of lifestyle drivers of diabetes. Further, it will help in the empirical validation of a model of determinants of chronic disease states. As it is contemporary problem, the results will have relevance for healthcare managers and policy makers while simultaneously advancing knowledge base in that area.

Improving Pharmaceutical Relationship Marketing Leveraging Social Media

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This exploratory paper investigates the relative importance of social media platforms in improving the pharmaceutical relationship marketing. In today's digital environment, the use of social media as part of pharmaceutical marketing mix is a growing imperative that has become a way of life in the 2000s that bodes well with pharmaceutical relationship marketing. Pharmaceutical industry can build and maintain relationships with consumers through social media. Social media is transforming the ways in which firms are connecting, interacting and/or communicating with their health consumers. It is expected to overhaul the traditional marketing communication channels and improve the relationship marketing or the so called one-to-one marketing or customer relationship management. Indeed, it can support relationship building and collaboration between the pharmaceutical C-Level marketing executives and health consumers/patients. The social media platforms can be used as a marketing intelligence post to monitor and listen to the voice of customers regarding the efficacy of a pharmaceutical or its side effects. Pharmaceutical firms who leverage social media to enhance their relationship marketing will be viewed favorably in terms of trust, transparency, openness, and honesty. This exploratory paper employs an analytic approach to support a group decision making of marketing managers improve pharmaceutical relationship marketing.

Introduction

Pharmaceutical marketers and researchers are increasingly interested in the impact of social media on pharmaceutical marketing and relationship marketing in particular. Mack (2005) asserts that "relationship marketing should be a natural for pharmaceutical industry." The relationship marketing concept first introduced by Berry (1983) is based on developing a mutually beneficial exchange between business actors (Sorce, 2002). Morgan and Hunt (1994) describe relationship marketing as encompassing "all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges". Relationship marketing demands personal communication with the consumer (Sorce, 2002) that can help improve marketing productivity (Sheth and Parvatiyar, 1995). Andrews (n. d) argues that "because of its consumer-centric focus and reliance on listening, [pharmaceutical] relationship marketing is a perfect antidote to the layers of distrust that often accompany DTC." Andrews (n. d) further points out that one of the hallmarks of effective relationship marketing is to listen to consumers by encouraging dialogue through patient advisory board and social media, engaging the consumers in the process and gaining deeper understanding of their needs, patient feedback, and market research. Relationship Marketing focuses on developing a valuable relationship between a firm and a customer that bodes well with social media engagement. Social networks are valuable new reservoirs of consumer intelligence for firms that can access and harvest the data (Peppers and Rogers Group, 2009). Indeed, because of social media power is increasingly shifting from the pharmaceutical marketers as well as physicians to health consumers. Essentially, the old ways in which the pharmaceutical marketers controlled their messages are rapidly eroding. This means to thrive and prosper in a networked environment, the pharmaceutical marketers must transform their old marketing model or be made to transform by the ever growing and demanding patient communities.

This paper leverages Saaty"s (1980) analytic hierarchy process (AHP) model for pharmaceutical relationship marketing improvement in which the goal being pursued has multiple, often conflicting attributes. AHP is a multi-attribute, decision making process which enables decision makers set priorities and deliver the best decision when both quantitative and qualitative aspects of a decision must be considered. AHP encompasses three basic functions, including structuring complexity, measuring on a ration scale, and synthesizing. Advantages associated with AHP include its reliance on easily derived expert judgment data, ability to reconcile differences (inconsistencies) in expert judgments and perceptions, and the existence of Expert Choice Software that implements the AHP (Calantone et al., 1998).

This exploratory paper investigates the relative importance of social media platforms in improving the pharmaceutical relationship marketing. Section 2 discusses the growing imperative of social media in pharmaceutical relationship marketing. Section 3 provides some selected relationship marketing studies. Section 4 presents research methodology and the data collection. Section 5 provides discussion on the empirical results. Finally, section 6 presents the conclusions and implications.

Social Media Impact on Pharmaceutical Relationship Marketing

Implementing social media in pharmaceutical industry is important for several reasons: improve relationship marketing, enhance customer engagement, monitor brand, among others. Traditionally, marketing managers spend millions of dollars on marketing research and promotions to understand and influence consumer behavior towards their brands. Given that more consumers are migrating to the social media platforms to seek information and drive their decision making, marketers have an opportunity to sense and respond to changes in consumer purchasing behavior. Social media is a great influencer to consumer buying behavior and the attendant sales. These days a consumer who is wishing to buy say a cholesterol drug will consult with friends, colleagues, co-workers, and relatives to acquire more information about its efficacy and competitive brands. The propensity that a consumer will visit a social media platform and search for a cholesterol drug/brand is certainly high. Patient communities can propagate closed-group communication behavior or the so called group-think which influences a consumer's buying behavior. Health consumers are the ultimate end-users of pharmaceutical and healthcare products and services. In order to have access to these fast growing patient communities, the pharmaceutical marketer must have to eventually get involved in the social media communities because consumers trust each other much better than they trust a firm‟s brand. Peppers and Rogers Group (2009) puts it this way, "people‟s friends and colleagues have always played a role in shaping their opinions. However, social media makes it easier and more convenient than it ever was to access and act on those opinions. This development is putting a nail in the coffin of companies that build their business on a single unique proposition and then throw it out there to see how many people will bite on it. Flexible relationship marketing programs represent table stakes to participate in the economy these days."

Social media is transforming pharmaceutical and healthcare marketing relationship. Pharmaceutical marketers can use social media to sense and shape effective relationship marketing, target, define and engage consumers on a more personal level. With social media marketers can have visibility on how a product is perceived, the demographics of consumers and the interest in the product attributes. Social media as part of an integrated marketing program has been embraced by less regulated industries than the more regulated pharmaceutical industry to enhance their relationship marketing. Because of its operating environment that is characterized by restrict regulatory compliance, privacy issues, etc., the pharmaceutical industry has been reluctant in embracing the social media platforms to enhance its relationship marketing strategies. However, in spite the pharmaceutical industry‟s concern with the social media platforms e.g., Facebook, Twitter, LinkedIn, YouTube, and Blogs), a number of pharmaceutical firms are slowly embracing these platforms to ameliorate their relationship marketing and brand management agenda based on the market intelligence acquired by listening, monitoring and analyzing the end-user generated content. Indeed, the actionable information mined from the social media environment can assist pharmaceutical firms to develop new products, increase pharmaceutical products sales such as the over-the-counter (OTC) pharmaceuticals in the long term, mitigate risk and manage crisis. For example, Novartis is leveraging Facebook and YouTube to improve the sales of its OTC drugs, including Comtrax, Orofar, and Bufferin. Also, Johnson & Johnson, the first-mover to the social media environment used the networking platforms for crisis management when it recalled its Tylenol and Benadryl tablets and to apologize to consumers for irregularities discovered in its manufacturing plant during FDA inspection (http://www.marketsandmarkets.com/ Market-Reports/Pharma-Social-Media-245.html). Some of the benefits that can accrue from social media include sustainment of customer loyalty, new leads, increase sales, improved brand awareness, improved customer service, enhancing operational efficiencies, and efficient sharing of real-time information within and across enterprises.

Relationship Marketing Studies

Sheth and Sisodia (n. d) contend that the purpose of relationship marketing is to improve marketing productivity by attaining efficiency and effectiveness. Physicians and end-consumers are the primary targets of pharmaceutical firms‟ relationship marketing efforts (Clark et al., 2011). Shani and Chashani (1992) defined relationship marketing as integrated to identify, determine, and build up build a network with individual consumers and to continuously strengthen the network for the mutual benefits of both sides, through interactive, individualized and value-added contacts over a long period of time. Relationship marketing is a strategic platform on which marketers can build connections between the pharmacist, physician, patient, family, caregiver and other healthcare providers (Andrews, n. d). Some notable studies that have enriched our understanding of relationship marketing includes channel relationships (Ganesan, 1994; Boyle et al. 1992), services marketing (Crosby et al. 1990; Crosby and Stephens, 1987; Berry, 1983), sales management (Swan and Nolan, 1985), and buyer-seller partnerships (Johanson et al. 1991; Dwyer et al. 1987). Gronroos (1996) points out that the success of relationship marketing depends on direct contact with customers and other stakeholders, a database to store customer information, and a customer-oriented service system. Parvatityar et al (2000) contend that relationship marketing is strategic driven as opposed to customer relationship manipulation. Sheth and Parvatityar (2000) assert that relationship marketing tend to focus on customer retention and customer commitment as well as on share of the customer business rather than the market share.

Factors important in enhancing relationship marketing have been discussed in marketing literature. Relationship quality is important in improving relationship marketing (eg., Storbacka et al., 1994; Holmlund, 1997). According to Gummesson (2000), "…relationships are part of customer perceived quality." Berry (2000) recommends that relationship marketing strategies marketers can consider in the development of a relationship marketing plan include core service strategy, relationship customization, service augmentation, relationship pricing, and internal marketing. Relationship marketing encompasses trust, commitment, a long-term orientation and cooperation (Bagozzi 1995; Gronroos 1994; Morgan and Hunt 1994; Christopher, et al., 1991).

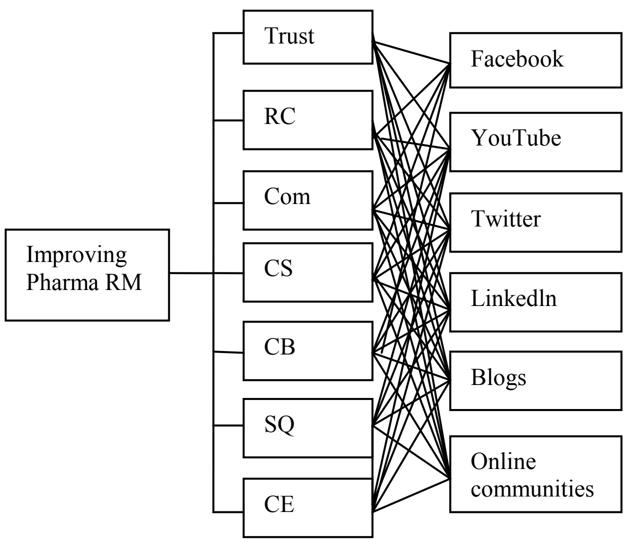
Research methodology

Pharmaceutical relationship marketing represents a typical multi-criteria decision making that entails multiple criteria that can be both qualitative and quantitative. AHP is used to model social media impact on pharmaceutical relationship marketing. AHP is selected because it enables a group of decision-makers to model a complex problem in a hierarchical structure showing the relationships of the overall goal, objectives, and alternatives. Although the positive attributes associated with AHP has been widely reported in the literature, there has been a small number of descending opinions (e.g., Belton and Gear, 1986; Dyer and Wendel, 1985). However, because of its usefulness, AHP has been widely used in research world-wide. For example, it has been used in pharmaceutical supply chain (Enyinda, 2008, Enyinda et al, 2010), and pharmaceutical marketing and management (Ross and Nydick, 1994, Enyinda, et al, 2009). The hierarchy structure for improving relationship marketing in a pharmaceutical firm is composed of three levels as depicted in Figure 1. The top level contains the overall goal of the problem, the middle level contains the multiple criteria that define the decision alternatives, and the lower level contains competing alternative cause of actions.

Applying AHP to Pharmaceutical Relationship Marketing

A typical AHP is composed of the following four-phases. 1) The construction of a hierarchy which describes the problem. The overall goal is placed at the top of the structure, with the main attributes on a level below. The so called „parent" attributes can be sub-divided on the lower-levels. 2) Deriving weights for the lowest-level attributes. This can be accomplished by a series of pair-wise comparisons in which each attribute on each level is compared with its family members in relation to their significance to the parent. However, to compute the overall weights of the lowest-level, matrix arithmetic is required. 3) The options available to the decision-maker are scored with respect to the lowest level attributes. Also, it can be accomplished by utilizing the pair-wise comparison method. 4) Adjusting the options" scores to reflect the weights given to the attributes, and to add the adjusted scores to produce a final score for each optimum (Roper-lowe and Sharp 1990). The hierarchy structure encompasses the decision maker"s goal; major decision criteria (trust, relationship commitment (RC), communication (Com), customer satisfaction (CS), community-building (CB), service quality (SQ), and customer engagement (CE)); and the social media decision alternatives (facebook, YouTube, Twitter, Linkedln, Blogs, and online communities) portrayed in Figure 1.

Figure1. Decision Hierarchy to Improve Pharma RM



Establishment of Pairwise comparison matrix *A*

The relative importance of two elements is assessed using a preference scale on an integer-valued 1-9 developed by Saaty (2000) for pairwise comparisons. According to Saaty, a value of 1 between two criteria indicates that both equally influence the affected node, while a value of 9 indicates that the influence of one criterion is extremely more important than the other. It allows the transformation of qualitative judgments and/or intangible attributes into preference weights (level of importance) or numerical values. The pair-wise comparisons are accomplished in terms of which element dominates or influences the order. AHP is then used to quantify these opinions that can be represented in *n-by-n* matrix as follows:

$A = [a_{ij}]$ (1)

Eigenvalue and Eigenvector

Saaty (1990) recommended that the maximum eigenvalue, λ_{max}, can be determined as

$$\lambda_{max} = \sum_{j=1}^{n} a_{ij} \; W_j/W_i. \qquad (2)$$

Where λ_{max} is the principal or maximum eigenvalue of positive real values in judgment matrix, W_j is the weight of j^{th} factor, and W_i is the weight of i^{th} factor. If A represents consistency matrix, eigenvector X can be determined as

$$(A - \lambda_{max}I)X = 0 \qquad (3)$$

Consistency test

Consistency index (CI) and consistency ration (CR) are used to check for consistency associated with the comparison matrix. A matrix is assumed to be consistent if and only if $a_{ij} * a_{jk} = a_{jk} \ \forall_{i\,jk}$ (for all *i, j, and k).* When a positive reciprocal matrix of order n is consistent, the principal eigenvalue possesses the value n. Conversely, when it is inconsistent, the principal eigenvalue is greater than n and its difference will serve as a measure of CI. Therefore, to ascertain that the priority of elements is consistent, the maximum eigenvector or relative weights/λ_{max} can be determined. Specifically, CI for each matrix order n is determined by using (3):

$$CI = (\lambda_{max} - n)/n - 1 \qquad (4)$$

Where n is the matrix size or the number of items that are being compared in the matrix. Based on (3), the consistency ratio (CR) can be determined as:

$$CR = CI/RI = [(\lambda_{max} - n)/n - 1]/RI. \qquad (5)$$

Where RI represents average consistency index over a number of random entries of same order reciprocal matrices shown in Table 1. CR is acceptable, if its value is less than or equal to 0.10. If it is greater than 0.10, the judgment matrix will be considered inconsistent. To rectify the judgment matrix that is inconsistent, decision-makers" judgments should be reviewed and improved.

Synthesized Matrix

To synthesize the pair-wise comparison matrix in (1), divide each element of the matrix by its column total. The priority vector can be derived by dividing the sum of the rows associated with the synthesized matrix by the sum of the columns. Alternatively, the priorities of the elements can be obtained by finding the principal eigenvector w of the matrix A (Saaty, 1980, 2000). For the priorities of the alternative a_i, the priorities are aggregated as follows:

$$P(a_i) = \textstyle\sum_k w_k P_k(a_i) \qquad (6)$$

Where w_k is the local priority of the element k and $P_k(a_i)$ is the priority of alternative a_i with respect to element k of the upper level.

Data Collection and Analysis

A survey questionnaire consistent with literature and the research objectives were developed and pretested. Essentially, a survey questionnaire was used for gathering relational data to assess the order of importance of the pharmaceutical relationship marketing factors and social media. From the developed hierarchy tree in Figure 1, a questionnaire was developed to enable pairwise comparisons between all the criteria at each level in the hierarchy. The pairwise comparison process elicits qualitative judgments that indicate the strength of pharmaceutical marketing executive and managers‟ preference in a specific comparison according to Saaty‟s 1-9 scale. The questionnaire was administered to a group of pharmaceutical marketing executives/managers within a pharmaceutical firm in the U.S to determine the order of importance of relationship marketing criteria. The pharmaceutical relationship marketing scores were obtained based on the major criteria, including customer engagement, relationship commitment, trust, customer satisfaction, communication, service quality, and community-building. The social media scores obtained were based on the alternative criteria, including Facebook, Twitter, Linkedln, YouTube, Blogs, and online communities. The experts responded to several pairwise comparisons where two categories at a time were compared with respect to the goal as well as the major criteria. The result of the survey was then used as input for the AHP. The final matrix of pairwise comparisons of the criteria provided by the case pharmaceutical firm is shown in Table 2. The data collected were analyzed with the aid of AHP using Expert Choice Software 11.5.

Table 2. Pairwise Comparison Matrix for the Four Criteria

Goal	Trust	RC	Com	CS	CB	SQ	CE
Trust	1	3	1	3	5	1	3
RC	1/3	1	3	1	3	1	3
Com	1	1/3	1	3	3	1	1
CS	1	1	1/3	1	3	1	1
CB	1/5	1/3	1/3	1/3	1	3	5
SQ	1	1	1	1	1/3	1	3
CE	1/3	1/3	1	1	1/5	1/3	1

Results and Discussions

Figure 2 reports on the priority scores associated with the major pharmaceutical relationship marketing decision attributes (top panel) as well as the overall priority associated with the social media alternatives (bottom panel). For the major decision attributes, customer engagement (0.2598) is the most important relationship marketing factor followed by communication (0.1969), trust (0.1845), service quality (0.1211), customer satisfaction (0.1103), relationship commitment (0.0872), and community-building (0.0402), respectively. For the overall priority scores of social media alternatives, Facebook (0.3574) is the most preferred relationship marketing improvement strategy followed by Twitter (0.2357), Linkedln (0.2012), Blogs (0.0916), online community (0.0736), and (0.0405), respectively.

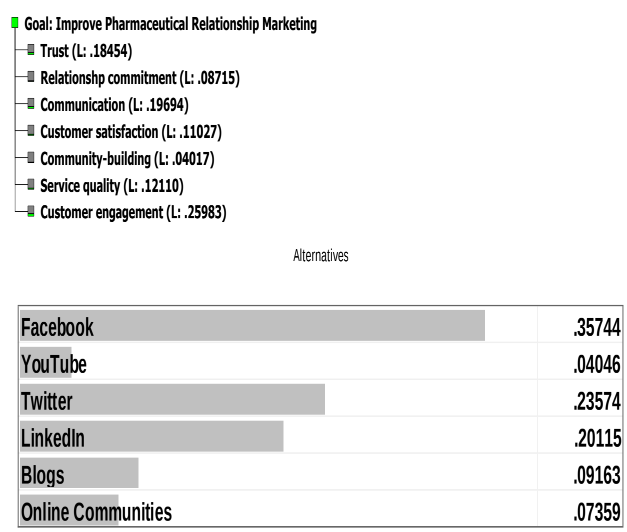
Conclusion/Managerial Implications

The rise in social media presents enormous challenges and opportunities for the pharmaceutical industry marketers. Social media is poised to transform pharmaceutical relationship marketing and information sharing. Social media can be an important tool for pharmaceutical relationship marketing in terms of consumer engagement, monitoring and analyzing consumer generated-content, and building and changing brand perception. Given the fact that consumers are increasingly being empowered and losing trust in the healthcare systems, one of the best ways to reach or connect to them is to deploy relationship marketing-based social media. There is "nowhere in marketing is trust more important than in [pharmaceutical] and healthcare" (Andrews, n. d). (Social media platform tools will ultimately reshape how the pharmaceutical industry conducts its business. Embracing the new social media culture will help firms to cut costs and enable faster and more efficient response to consumers/patients‟ changing demands.

For years, C-level executives in marketing and communications have been using the Internet to attract and retain customers. More recently, social media platforms are slowly and/or consciously been embraced by C-level executives in the pharmaceutical marketing. Social media can be used as a tool to listen to, and engage customers. It can also be used as a way to share content and establish a firm as a thought leader in a specific market. Like any marketing tool, social media can drive sales and build brand awareness.

Customers and potential patients/consumers associate an organization they see is active on the internet with specific services and contact that a firm when there is a need. Consumers in the market for a new pharmaceutical product can ask questions and for recommendations online. By listening to the voice of consumers in the social media environment, potential patients/consumers indentify themselves. Leveraging social media can enable pharmaceutical marketers to target, define and engage consumers better on a more personal level. Also, pharmaceutical marketers must consider implementing social media platforms as they have become key source for consumers and professionals regarding healthcare information.

Figure 2. Pharmaceutical Relationship Marketing Priorities (top panel) and priority score of social media alternatives



References: Available upon request

Summary Brief
Mirror, Mirror on the Wall, Who is the Healthiest of them all? An Empirical Study of Online Health Information Seeking Patterns

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Abstract

Internet sources have become the primary go to place for seekers of health information. In this paper, the authors attempt to understand what consumers look for when they seek online health information. Specifically, the focus is on identifying the types of websites visited, the categories of online health information that are sought most frequently, and how credible people find these information sources. A survey was developed to gather information about the source and frequency of online health information sought, health and fitness behaviors, and the level of credibility associated with health websites. The results indicate that prior health knowledge may be a differentiating factor in the level of credibility attached to online health information.

Introduction

The Internet is accepted as a major venue for retrieving information. According to a survey by Fox and Jones (2009), 74% of American adults use the Internet, making the United States the second highest country for Internet usage (Miniwatts Marketing Group 2010). As the amount of online information continues to climb, the amount of health related information available online has also increased. In 2001, research showed that 40% of computer users who had Internet access went online for health information (Anonymous 2003). Recent data show that 61% of adults use the Internet as a viable source for health information (Fox and Jones 2009). In the face of rising healthcare costs, there has been a big push to the online delivery of private and public health information. Given the predominant use of the Internet as a source for health information, it is important to understand the kinds of health information people seek. For instance, Rainie and Fox (2000) found that the primary use of the Internet for health information is for research and reference. Online sources are not so commonly used to communicate with caregivers and healthcare providers. However, less is known about the specific types of research and reference use. Knowledge of information seeking patterns will help public policy makers and health educators cater to their constitients by tailoring the required information. Against this background, the primary objective of the authors of this paper is to understand the types of online health information that are most commonly sought out and how these sources are evaluated.

A prominent feature of online searches is the chronological difference in the users of the Internet. Over 70% of Internet users who use the web as a source for health information are between the ages of 18-29 (Fox and Jones 2009). In terms of educational classification, 74% of those with at least some college experience and 85% of college graduates use the Internet for health information. Given the dominance of college students as seekers of online health information, this paper focuses on the university student population. This segment is also known to have limited access to healthcare and healthcare insurance because of monetary necessities and lower propensity to illnesses (United States Government Accountability Office 2008.) This population is younger and therefore less prone to diseases. College students would therefore be most likely to benefit from preventive measures such as fitness and nutritional care. As a result, it becomes even more imperative to understand which online healthcare sources are being tapped by university students. This study is designed to obtain a deeper understanding of these issues. Accordingly, the following research questions were identified for this study using university students as the population.

RQ1: What is the current usage level of online health care information?
RQ2: Which healthcare sites are more popular among students?
RQ3: Identify the categories of online health information sought by students.
RQ4: Identify personal characteristics that influence students' evaluations of the credibility of online health sources.

Methodology

<u>Participants (n = 93)</u>

- Students sample
- Eligible participants should have accessed the Internet for online healthcare information

Survey

- Psychdata.com was used to create and administer the questionnaire for data collection
- Snowball sampling method was used

Analysis

- The data were analyzed using SPSS
- Median and percentile were measured for most questionnaire answers
- Correlations were tested between a student's major field of study and his/her perception of credibility and trust

Results

- 96.1% of respondents have used the Internet as a source for health information
- 60.8 % of respondents generally use regular search engines to look for information
- WebMD is the most visited health specific website
- Students tend to search for online health information on general search engines like Yahoo! and Google
- Exercise and fitness, as well as nutrition and diet information are the most searched for health topics by the respondents
- Health Science and Nursing degree seeking students are less trustworthy of online health information than students in other fields of study
- Students seek online sources primarily for health and fitness related material as opposed to illness related information

Discussion

The objective of this paper was to, very narrowly, focus on college students as consumers of online healthcare information. The research questions were designed to explore online healthcare information search behavior. The contribution of this study is to establish that college students use the Internet as their primary source of healthcare information. The analysis revealed that 96.1% of respondents used the Internet as a source of health information. Moreover, they use it chiefly for preventive healthcare measures such as diet, nutrition, fitness and exercise.

This is encouraging because the health care industry is very concerned about the rising costs of healthcare and is trying to encourage the population at large to adopt preventive care. Since students are using online healthcare sites as their information source, educators and public policy makers should develop their materials for online dissemination. Our results indicate that students tend to prefer general search engines (such as Yahoo and Google) to websites tailored to providing medical information. Approximately 60.8% of the participants generally use search engines to look for information. This suggests that educational sites should use search words and terms that will promote these sites to the top of the lists in the popular search engines. There is some preliminary evidence to indicate that healthcare expertise and knowledge can cause a consumer to question the credibility of an online health information source. However, because of inadequate sampling, RQ4 could not be explored thoroughly.

Limitations and Future Research

The sample was restricted to one university and was largely represented by women. Further, the sampling design failed to allow for adequate comparisons of major field of study and its influence on the credibility rating of health information sites. Future research should replicate this work with more universities and purposive sampling to include students from all fields of study. The research instrument should specifically ask for the students' major and measure prior health related knowledge. This study can be extended to explore search strategies used by students, the extent to which they act on the information obtained, and how they evaluate websites.

References

References and data tables are available upon request.

Summary Brief
Health Care Reform and its Impact on Young Consumers

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This study explores the perceptions of college students regarding their views of the Patient Protection and Affordable Care Act. This group of Americans is of particular interest since it is expected that premiums will rise for young adults with the advent of health exchanges. Thus, this is a group that is likely to be adversely impacted economically by the new law compared to the amount they currently pay for insurance premiums. In addition, this study seeks to explore college students' views regarding the marketing of the PPACA, as the need to market the new law has been identified as a key to its success.

Introduction

In March of 2010 the U.S. Congress passed and President Obama signed into law the *Patient Protection and Affordable Care Act* (PPACA). According to Healthcare.gov (2011), the PPACA "puts in place comprehensive health insurance reforms" with the goal of increasing access to affordable health care for individuals, families, seniors, and businesses by "[holding] insurance companies more accountable, [lowering] health care costs, [guaranteeing] more health care choices, and [enhancing] the quality of health care for all Americans." Starting in 2010 and continuing through 2014, the PPACA will be implemented; attempting to give individuals with or without insurance, small business owners with a desire to provide health coverage to employees, and Medicare recipients more control over decisions regarding health coverage.

While the PPACA is only in the initial phases of implementation and its overall success remains to be seen, there is already an effort, particularly by the GOP and the tea-party movement, calling for a repeal of the act which some feel is unconstitutional. In contrast, President Obama (2009) stated that "reform is not a luxury, but a necessity," and although several objections have been raised concerning the legality of the PPACA, even the bill's opponents feel there is a need for reforming the overall health care system in the United States. The disparity here arises in *how* the government should go about making the necessary revisions, and specifically *which entity*, the state or federal government, has the authority to formulate the terms for the health care system reorganization. Further, the PPACA has been challenged as a reform of the insurance industry in America rather than a comprehensive overhaul of current health care system standards.

Though there is much interest and controversy among Americans in regards to the bill's provisions, no research to date has explored the perceptions of college students regarding their views of the PPACA. College students may be impacted by the PPACA in a positive manner by being eligible to remain on their parents' health insurance to age 26; however, younger Americans are likely to face higher insurance premiums once the PPACA is fully implemented.

Overview of the Affordable Care Act

Prior to the passing of the Affordable Care Act in 2010, the federal and state governments shared responsibility for regulation of health insurance. The majority of large firms, as well as self-insured firms, were regulated by the federal government, namely through three federal laws: 1) The Employment Retirement and Security Act (ERISA); 2) The Health Insurance Portability and Adjustment Act (HIPAA); and 3) the Consolidated Omnibus Budget Reconciliation Act. Individually, state governments had the ability to mandate "guarantee-issue rules" whereby they could require insurance firms to offer insurance [policies] to individual applicants (Bernstien 2010). Three methods were used by state governments for regulating insurance rates: 1) Rate band, or using health status information such as age or gender to set rates; 2) Modified community rating, whereby no current health status information may be used in determining rates; or 3) Pure community rating, which provides for one standard premium for all occupants of the state.

The Affordable Care Act, in effect, changed the ways in which federal and state governments oversee insurance regulations, transferring the majority of the decision-making and regulatory power to the federal government. It is important to note that while neither the federal nor state government can force a U.S. citizen to purchase insurance, being uninsured is not a constitutional right, therefore, these lawmaking bodies can impose fees for those who choose to abstain from purchasing health care insurance.

Main provisions of the PPACA

The goals of the PPACA as explained by Healthcare.gov are threefold:

- To establish a modernized and competitive health insurance market
- To ensure accountability by insurance companies
- To stabilize the U.S. budget and economy

Effectiveness of the PPACA

Over a year after the bill was signed into law, Americans are still confused and skeptical about the PPACA. In a public opinion survey by the Kaiser Family Foundation, 52% of the population says that they are not sufficiently informed about the act to make a decision as to if it will benefit them or not. Of those with annual household incomes of less than $40,000, only 38% of people believe they know how the bill will personally affect them.

Additionally, six in ten uninsured people – another primary target market for the PPACA – do not know how this bill will affect them (Health Security Watch 2011).

Furthermore, both supporters and critics are having a hard time swaying the public either way as to the eventual success of the bill. Opposition is nearly completely drawn along party lines with 82% of Republicans opposing the bill and 71% of Democrats supporting it. Additionally, with the exception of the personal mandate requiring all individuals without insurance to pay a fine, which a high percentage of people would like to see repealed, there is no majority support on the individual provisions or on the bill as a whole, even along party lines. For example, Republicans are split as to whether the act should be repealed altogether, undergo extensive amendments, or be appealed and replaced with a version found suitable by Republicans (Health Security Watch 2011). While the PPACA has sparked interest and controversy among Americans in general regarding to the bill's provisions, this study explores the perceptions of college students as they may be faced with higher insurance premiums as a result of the PPACA; however, they may also benefit by being able to remain on their parents' insurance policy until age 26.

Method

One hundred twenty-seven (n=127) college students were surveyed at two different universities, one public and the other a private institution. Most respondents were between the ages of 18 to 25 and were evenly divided between men and women. The respondents also represented a variety of ethnic/racial backgrounds. Answers to questions pertaining to the PPACA were compared between respondents from each institution. There were no significant differences.

Results

Fewer than half (44%) of the respondents had heard of the *Patient Protection and Affordable Care Act.* Even so, more than half (53%) believed that there is a need for such an act; though one-third (37%) did not believe that the PPACA would be beneficial to them and another third (39%) were uncertain whether they would benefit. College students believe that the groups who will benefit most from the PPACA are those ages 26-64 (43%) or 65 or over (34%).

Of the provisions evaluated, the pre-existing condition insurance plan that will ensure coverage for those who have been denied health insurance by private companies was deemed most important (μ=3.97), followed by the ability for parents to insure dependents under age 26 (μ=3.68). The only provision that did not receive strong support was related to extending the Medicare Trust Fund to 2029 (μ=2.90).

Only 9% of college students reported having seen marketing about the PPACA. These college students search for information about health insurance on the Internet (84%), from friends/family (63%), insurance company (43%), doctor (41%), broadcast media (28%), co-worker (18%), magazines (16%), and books (10%).

Conclusion

This study offers the first examination of college students' views of the *Patient Protection and Affordable Care Act.* Overall, college students are generally unaware of the act and do not believe that it will benefit them. Even so, college students are supportive of the PPACA; especially the provisions related to the ability for parents to insure children up to age 26 and coverage for pre-existing conditions. These provisions are likely to be more central for college students who seek to remain on their parents' health insurance policy while they are pursuing higher education; and for those who may have pre-existing conditions that may impact obtaining insurance as they leave college and seek employer health coverage. Thus, these provisions may address the more immediate issues facing this population.

This exploratory study also confirms the need to market the PPACA. Few college students reported having seen marketing for the PPACA, though they believed that modern approaches such as the Internet, as well as traditional media such as television, radio, and newspaper would be effective. The need to market the PPACA is reinforced by those who claim that, without a better understanding of and support for the act, it is doomed to fail (Whitmore et al. 2011). While young Americans, it could be argued, have the most to lose financially from the PPACA they seem not to be aware that they could be negatively impacted.

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Summary Brief
Themed Retailing: New Approach to Retail Atmospherics

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Abstract
Many retailers have failed to differentiate their retail environment from competitors. This is likely due to retailers using a checklist approach to the individual atmospheric elements (lighting, music, etc.) and making decisions regarding the elements based on what is "standard" for their customers, merchandise, and format. Not only does this lead to very little differentiation, it also fails to consider that today's consumer is often expecting a multi-sensory interactive shopping experience. This paper explores a new approach to retail atmospherics, one that considers the experiential perspective and its impact on the consumer-brand relationship. Themed retailers use a brand dictated "theme" to guide the manipulation of the atmospheric elements. This allows retail brands to break free from standard design to create a more interactive and immersive environment, which is expected to have an impact on several relevant consumer outcomes.

Introduction
Studies of the effects of retail store atmosphere on consumer behavior have produced rich and varied literature (Bitner, 1990; Babin, Darden, & Griffin, 1994; Baker, Parasuraman, Grewal, & Voss, 2002; Arnold & Reynolds, 2003; Borghini, Diamond, Kozinets, McGrath, Muñiz, & Sherry, 2009), and the idea that store design contributes to consumer satisfaction is not lost on the masses. Once relegated to the realm of theme parks and high-end casino resorts, retailers are now capitalizing on the experience that shoppers desire by building store brands that extend beyond merchandise and deliver added value through the use of themed retailing (Wikström, 2008). By applying extensive and deliberate attention to store atmosphere, and the critical non-verbal messages that are conveyed, "every day" retailers are beginning to provide shopping experiences that enhance the value of the brand beyond the merchandise offerings. To better understand the move to experiential retailing and the impact on consumer relationship building—and ultimately spending, a new approach to considering retailing cues is needed.

Retail Atmospherics
Atmospherics describes how the design elements of a space are manipulated in order to create certain affective responses (Kotler, 1973; Bitner, 1992) through the enrichment of the consumer's experience, with the intent to extend the current visit and create the intention to return (Donovan & Rossiter, 1982; Sharma & Stafford, 2000; Ailawadi & Keller, 2004; Mayer & Johnson, 2003; Foxall & Greenley, 1999).

Existing research in the area of retail atmospherics generally takes a checklist approach to the individual atmospheric elements (lighting, layout, music, etc.). In practice, this approach leads to very little differentiation among retailers with similar target markets and merchandise mix. Using this approach, retailers tend to look at each atmospheric element individually and determine what is standard for their customers, merchandise mix, and format—and the impact of branding is typically limited to signage. This means that retail stores such as The Limited and Banana Republic, or Charlotte Russe and Forever 21, have almost identical retail environments.

Recently, more emphasis has been placed on experiential retail environments, as consumers today are seeking out multi-sensory shopping *experiences* (Wakefield & Baker 1998; Kim, Sullivan, Forney 2007). This is not likely to be accomplished with the traditional checklist approach—where a customer would be less likely to feel truly absorbed in the shopping experience. Therefore, a new approach to retail atmospherics is warranted—one that allows for the creation of more diverse experiential retail environments which have a more positive impact on the consumer-brand relationship (Kozinets et al, 2002). Instead of determining what is standard for the target market and format, retailers should take a more creative approach to the atmospheric elements—leading to a more immersive branded shopping experience.

A New Approach: Themed Retailing
Recently, researchers have been investigating themed retailing (Hollenbeck, Peters, Zinkhan, 2008; Borghini et al. 2009) where "extreme" branding environments are created—most typically in flagship stores (Kozinets et al. 2002), where the retail "theme" represents the translation of the brand image into the retail environment. Some more innovative retailers (Abercrombie & Fitch; Trader Joe's, Rainforest Café, etc.) are beginning to employ this approach on a larger scale, but it has yet to be examined explicitly in the literature.

A themed retailer is a one that uses a more concrete interpretation of a brand message to dictate the design of the retail atmosphere—where merchandise assortment and the individual atmospheric elements come together to create the unifying theme that evokes a specific physical construct. In themed retailing, the brand guides the development of a theme, which dictates the manipulation of the individual atmospheric elements. For example, Hollister Co. designs their stores around a "beach house" theme and Rainforest Café creates a "tropical rainforest" theme inside their restaurants.

The themed approach creates a more differentiated retail environment as the retailers are "set free" from addressing each individual atmospheric element in a standard way—which would be expected to tap into hedonic shopping motivations (Babin, Darden, Griffin 1994; Arnold & Reynolds 2003), create a more experiential shopping occasion where positive emotions are triggered (Kim, Sullivan, Forney; 2007) and shoppers are more likely to experience flow—where a person feels more active, alert, concentrated, happy, satisfied, creative (Csikszentmihalyi & LeFerve, 1989). A themed retail environment would also be likely to encourage more consumer interaction with the environment, which in addition to leading to flow, is key in "experience consumption" (Wikström, 2008) and relationship development (Fournier, 1998). Therefore the potential value in examining this new approach is clear.

Implications

Theoretically, this research takes a more comprehensive approach to retail atmospherics by considering the effects of the experiential shopping environment on the consumer-brand relationship—both of which are relevant to current trends in marketing research. Managerially, examination of this approach would have direct implications for retail brand managers. In order to stand out from competitors, branding of the retail environment must go beyond signage. By developing a brand directed retail theme, the retailer can create an immersive environment that will provide greater differentiation from competitors, and create an interactive brand experience that consumers expect, and that is integral in facilitating the development of a consumer-brand relationship.

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Summary Brief
The Role of Virtual and Mobile Commerce in Commerce Research

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Commerce is the act of trade between two entities. As technology has improved, both the way trade occurs and what is exchanged has fundamentally changed. Commerce can occur "off-line" in the real world or "online" over the Internet. In the past, all online commerce had been categorized as electronic commerce. However, new forms of commerce using mobile devices and in virtual worlds necessitate a broader conceptualization of commerce. In this regard, we propose a modern typology of commerce to include both virtual and mobile commerce. The rationale for the typology, theoretical justification for different categories of commerce, and exploration into the impact of mobile technology and virtual reality on commerce opportunities are presented. Quantitative data show that consumers' perceptions of commerce fit the proposed typology and perceptual mapping (multidimensional scaling) analyses also establish the distinction among the commerce descriptions. Practical strategies for engaging in mobile and virtual commerce opportunities are offered.

Introduction

The development of the Internet, and accompanying technology that allows for electronic transactions to happen quickly and safely, has fundamentally changed the way that commerce takes place during traditional face-to-face encounters as well as mail-order sales.

E-commerce has become so pervasive that 59% of adult Americans reported that they had made a purchase through a website (Rainie and Smith 2009). According to a JP Morgan 2011 report, global e-commerce revenue will grow nearly 19 percent in 2011 to $680 billion. In the US alone, Internet sales are expected to grow 13.2 percent to $187 billion (JP Morgan 2011).

People can engage in commerce transactions in virtual worlds as well. The number of worldwide registered users in virtual worlds now stands at more than 1.18 billion people (KZero 2011). In virtual worlds, consumers can engage in transactions without buying any "real" or physical-world products.

The unique aspects of m-commerce and v-commerce, and the future economic opportunities afforded by these types of transactions, call for a categorization of such commerce as distinct from traditional and electronic commerce activities. We present and validate such a categorization in a modern typology of commerce with distinct definitions of each type of commerce. We conclude with suggestions for incorporating mobile and virtual opportunities into existing marketing strategies.

Literature and Theory

Mobile Commerce

Beyond merely using mobile phones to send and/or receive messages from other users or companies, subscribers are using their devices for a variety of commerce activities, such as conducting banking transactions, downloading music or games, buying tickets to entertainment events, auction bidding, and making other purchases, such as buying a soft drink from an mobile-enabled vending machine (Nasco 2010). In comparing m-commerce with other types of commerce discussed herein, we focus exclusively on the transactional properties of commerce and define m-commerce as buying or selling goods or services using a mobile device. We propose that m-commerce is unique to e-commerce and traditional commerce, in that it offers both location and time independence; transactions that can occur anytime, anywhere.

Virtual Commerce

Bell (2008) defines a virtual world as "a synchronous, persistent network of people, represented as avatars, facilitated by networked computers" (p. 2). Virtual worlds include SecondLife.com, WorldofWarcraft.com, There.com, and TheSimsOnline.com, and many others (see http://www.virtualworldsreview.com).

Virtual worlds can be visited for purposes of socializing with others, commercial gaming, education, military training, or political expression. The virtual world Second Life (SL) has almost 23 million resident signups to date, with over 575,000 residents logging in weekly (SecondLife Grid Survey 2011). Other forms of virtual reality have also developed user bases large enough to inspire marketing efforts.

Within the virtual world, users communicate, build things, visit places, and pursue goals using their avatars, which are 3D digital representations of the user within the context of the computer-generated environment. In some cases, consumer behavior is the key to inhabiting particular social roles with one‟s avatar. For example, a resident of SL might buy hair for her avatar that is distinct from what comes with the avatar so that she doesn‟t look like a new, and un-socialized, user (Boostrom 2008).

Proposed Typology of Commerce

Choi et al. (1997) offer a three-dimensional view of commerce based on the "physicalness" of a product, selling agent, and purchase process. Their model highlights two different labeled types of commerce – traditional commerce, in which the product, selling agent, and purchase process are all physical, and "the core of e-commerce" in which these three elements are digital. Although this approach is useful, we suggest it is an oversimplification.

We propose a five-group typology, spanning from traditional physical commerce to e-commerce to m-commerce and finally, to v-commerce. Traditional commerce is defined as trade that occurs in traditional retail environments, such as face-to-face or over the phone. E-commerce is trade that occurs over a retail website. Mobile commerce refers to trade that occurs via the use of a web-enabled mobile phone. V-commerce is defined as buying or selling products or services in virtual worlds (Nasco et al. 2010).

Furthermore, v-commerce can take two forms – pure virtual commerce, or the purchase of virtual goods and services for explicit use in the virtual environment; and dual virtual commerce, or purchases that are made in the virtual world and then bought again in the physical world.

We propose three characteristics to differentiate the types of commerce. The first characteristic is the contact with the product in the search phase, similar to Choi et al.‟s (1997) concern with selling agent. The second characteristic used to differentiate these commerce types is the location of the exchange: in the physical world or within a virtual environment. The location of consumption is provided less as a way to differentiate the different types of commerce than to offer a view of the typical activity for consumers.

Method

Data Collection

A survey was administered. The first purpose was to evaluate if the five proposed commerce types the authors identified are also viewed as distinct from each other by consumers. We also wished to see if online purchase behavior led to different perceptions of the shopping scenarios.

One hundred and eighty-four students in undergraduate marketing classes at a Midwestern university were offered extra credit in exchange for participation in an online survey. First, respondents received a table of definitions for the five different commerce types. They were then presented with a list of ten different buying scenarios; two scenarios per commerce type. Respondents were asked to classify each scenario description as one of the five proposed commerce types. Respondents were then provided with all possible pairwise comparisons of the five commerce types and were asked to rate their similarity. Respondents were also asked general questions about their online shopping behavior.

Results

Five respondents were removed because they had no variability in their perceptions of commerce types (all types completely different or all completely the same). Forty-three percent of the sample was female and 57% male. Most respondents (87%) were between the ages of 19 and 24. The majority of respondents (76%) classified their ethnicity as Caucasian/White, 13% classified themselves as African-American, 4% classified themselves as Hispanic/Latin-American, 3% classified as Asian, and 4% reported ethnicity as "other".

The majority of respondents were able to identify the expected commerce category for each scenario. This was evaluated both by looking at the number of respondents that classified the consumption scenarios and by evaluating the differences respondents perceived between commerce types by the use of multidimensional scaling (MDS) analysis. MDS results showed two dimensions that seem to suggest consumers differentiate commerce types based on convenience of the commerce type and the consumer‟s familiarity with the commerce type. Additional analysis suggested that consumers who shop more regularly online were more likely to identify shopping scenarios as the authors proposed.

General Discussion

The results of the study suggest this typology is a useful way to differentiate between consumption scenarios as perceived by consumers. Some commerce types were viewed as being more distinct than others. Results suggest that similarities exist between Internet, catalog, and retail sales. M-commerce shared some similarities with e-commerce, which should be further explored. We recommend that marketers communicate similarities among commerce types to encourage multichannel purchase behavior. V-commerce was seen as most distinct and therefore requires special communication with consumers. Thus, it will be vitally important for marketers to understand how life works within these groups and present a message that shows respect for the community that is being addressed, while maintaining the desired brand identity.

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Summary Brief
Modification of Organizational Directives by Sales Agents

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Salespeople represent an important and challenging set of employees for organizational management. Given frequently high autonomy levels and varied job roles, sales agents have ample opportunity and reason to modify organizational directives. Based on role theory, this research uncovers the varied loyalties that drive salespeople to engage in directive modification behavior as well as some of the implications of these motivations.

Introduction

As a group of employees, salespeople present an unusual challenge to organizational management. First, the sales function involves a great deal of autonomy and flexibility. Although management would likely prefer to monitor and control the salesperson in each of these tasks, this is virtually impossible in most circumstances. Second, sales employees play a rather unique role as a boundary spanner between the employer and external partners, performing a number of tasks such as relationship management and post-sales service (Weitz and Bradford 1999).

These features of the salesperson's job function converge to make sales agents a key unit in the success of organizational strategy. Each strategic initiative that an organization undertakes produces a directive or set of directives aimed at guiding the behavior of particular employees to be more in line with pursuit of that strategy. In addition, sales agents are often the target of organizational directives because they are so highly involved with external partners. Not all directives from the organization necessarily aid the salesperson in achieving whatever goals are set before him/her (whether personal or organizationally-prescribed). Salespeople may frequently modify the directives of organizational management to more effectively accomplish the immediate goals of the sales function.

The purpose of this research is to explore the modification of organizational directives by salespeople. Sales agents are subject to an intricate web of loyalties that motivate their job behaviors. Utilizing role theory, the current research uncovers various motivations for directive modification that can affect multiple parties such as the salesperson, customer(s), and the employer.

Theoretical Background

Role theory holds that individuals have a role to fulfill through their actions and behavior in everyday life (Biddle 1986). Salespeople have a number of parties that create different scripts for them such as self, the employing organization, and external partners (primarily customers). The varying expectations from different parties do not create an issue for the salesperson until they become incompatible, creating role conflict (Behrman and Perreault 1984). Directive modification is proposed as a means for sales agents to relieve this role conflict by capitalizing on the information asymmetries that naturally exist in the sales function.

Overall Motivations

With so many roles and factors surrounding the salesperson's duties, the overall motivation set of the sales force to engage in directive modification can be somewhat complicated. From role theory, we identify the three relevant entities for the motivations of a salesperson. Based on these relevant parties, we assert that salespeople engage in directive modification behavior not only in pursuit of self interests, but also as a means of advocating for the customer or even to protect the parent organization.

Self-interests

Embracing a new directive from the parent organization requires effort from the salesperson. As a result, an equivalent amount of overall effort from the agent most likely leads to less performance because additional effort is now directed toward the directive instead of tasks directly related to production (e.g. selling or following up with customers). This reduced performance level ultimately decreases rewards. If, however, the salesperson can find some way to circumvent the directive, then he/she can devote more effort to core activities, thus creating more rewards and satisfaction for him-/herself and a subsequent motivation to modify organizational directives.

Sales employees spend a good deal of their time and effort making sure that the relationship with valuable partners remains strong (Weitz and Bradford 1999), which can be considered an asset specific investment. Additionally, a critical part of relationship marketing is the commitment that both parties feel toward each other (Morgan and Hunt 1994).

This combination of investment in the relationship with a customer and commitment to that partner imbues a high value on the relationship in the eyes of the salesperson. The likely result of this attitude is that sales agents will be highly protective of their relationships with customers and be motivated to create some form of exclusivity in communication with that partner. Directives that increase the involvement of other parties, particularly the parent organization, in the relationship with a customer would weaken the salesperson's grip on this valuable asset and create directive modification motivation.

Customer Interests

Some directives by the parent organization may be ill-conceived for the unique circumstances of some customers. Part of relationship marketing is being sensitive to partner's needs (Morgan and Hunt 1994). Even if the salesperson is otherwise willing to embrace a directive, full acceptance of that directive may not be possible because doing so would imply a disregard for the customer's situation, thus injuring the relationship. Long-term relationships with partners result in commitment and trust by both parties toward each other (Morgan and Hunt 1994). This commitment and trust between the two parties represents an important long-term asset in the current business environment. Trust and commitment are tied to loyalty, and the loyalty of important customers is a prime asset that the salesperson and his/her employer struggle to own (Palmatier et al. 2007). With this trust from the partner being so valuable, sales employees will be averse to take actions that could violate and/or decrease the customer's trust in the future. Thus, they may seek to modify directives that threaten to damage the relationship between the salesperson and customer.

Additionally, the current job function of salespeople often involves a consultative role toward the customer. In the pursuit of fulfilling this role for the customer, salespeople will necessarily filter out ideas and actions that will not ideally meet that customer's end goals. What the employer perceives as beneficial for customers may not be perceived that way by frontline employees because of their different knowledge and familiarity with the situation. As a result, a sales employee may be motivated to modify a directive of the employer in order to maintain or even strengthen his/her perceived importance to the customer.

Organizational Interests

Along with self-interests and customer interests, salespeople are also concerned with the interests of their employer. At times, the parent organization may introduce a directive that the salesperson believes is not feasible and will cast the organization in a negative light in the eyes of other participants in the industry. Salespeople will be motivated to prevent such an occurrence.

The current research proposes that this motivation to modify organizational directives represents an unconsidered form of organizational citizenship behavior. Because of the unique aspects of their role in the organization, sales employees are sometimes posed with "exception-to-the-rule" situations where their own discretion must be applied. When a directive seems to contradict a boundary spanning employee's desire to express organizational loyalty, that person's individual initiative may motivate him/her to modify the directive. In such an instance, the employee must seemingly choose between complying with the directive and effectively representing the parent organization to external parties.

How a directive affects other employees in the organization can influence the salesperson's directive modification behavior. Successful sales agents not only build relationships with external partners, but they also cultivate interactions with individuals and groups within their own organization (Plouffe and Barclay 2007). Like the relationship built with customers, a salesperson will be motivated to preserve and foster the relationships established with internal partners. If accepting a directive will create problems for an internal partner, the salesperson will be motivated to seek out modified versions of the directive.

Discussion and Conclusions

The current research represents a first step in exploring an important phenomenon that business literature has yet to address. As employees with high levels of autonomy and contact with external partners, salespeople embody a set of organizational agents with both motive and opportunity to modify the directives that stem from their organization's strategic choices. This research holds a number of implications for practitioners as well as researchers. The phenomenon of directive modification behavior signifies an important potential influence on the success or failure of organizational strategy. The actions that organizational management prescribes and the actions that sales employees pursue can be quite different. The outcomes of this difference can have a number of inferences for strategic success, both positive and negative.

Additionally, directive modification behavior should not necessarily be discouraged in all cases. As frontline employees, salespeople have explicit and tacit knowledge to which organizational management may not be privy. Naturally, some of the motivations for sales agents to engage in directive modification stem from pure self-interest. However, in their role as boundary spanner, salespeople may also be motivated by a concern for the welfare of the customer or even the parent organization. Instead of wholly discouraging these behaviors, organizations may be better advised to provide some type of flexibility in which the salesperson can engage in acceptable forms of modification behavior while still pursuing the overall organizational strategy behind the directive.

Also, directive modification behavior represents a phenomenon that has been implied in the extant literature but not explored. In particular, sales and marketing research has yet to investigate situations in which sales employees deviate from organizationally prescribed actions in an effort to help the organization either directly or indirectly by defending the interests of the customer. Directive modification behavior at times represents an intersection of organizational citizenship behavior and workplace deviance.

Directive modification behavior advances our understanding of the sales process by accounting for the sales agent's utilization of his/her autonomy and specific knowledge. In order to better grasp how organizational strategy is translated into action by sales agents, we must acknowledge the myriad of motivations that these unique employees experience. This research endeavors to take the first step in researching this important business context.

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Summary Brief
Sales Managers: Should They Coach or Play? A Salesperson's Perspective

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Research into effective behavior by sales managers has a long history in the marketing literature. Recently, some scholars have asked whether it is better for sales managers to be supportive of or participate in the sales process. The question likely involves other issues such as team orientation of the salesperson and the quality of the sales manager to salesperson relationship. In this paper, relevant theory is reviewed, sales professionals are interviewed, propositions formulated, and a model is suggested.

Introduction

The recent work of Deeter-Schmelz, Goebel, and Norman (2008) uncovered a difference in the way that salespeople and sales managers viewed the efforts of sale managers. Sales managers were convinced that their role was to participate in the sales process while salespeople said the role of the sales manager was to be supportive of the sales process. Deeter-Schmelz, Goebel, and Norman (2008) called for empirical work to solve the paradox exposed by their inquiry.

To help understand more clearly how salespeople and sales managers feel, we asked 6 experienced salespeople, 2 junior salespeople and 1 sales manager at an industrial firm in the central United States about what support and participation mean to them in a brief personal interview at their office. We propose a model of the empirical question of whether sales managers are more effective in a supporting role or in a participating role in the sales process.

Theory

Role Theory

Role theory evolved in the sociology literature to explain the interactions of individuals. Each participant has a role set of expectations about privileges, duties, and obligations that pertain to a particular social role they are playing (Solomon et al. 1985).

In role theory, persons are presumed to operate based on scripts about what is proper for their role. Role incongruency between actors occurs when there is ambiguity or disagreement about what each participant's role entails

Agency Theory

Researchers have found applications for agency theory in all the business disciplines as well as political science and sociology (Eisenhardt 1989). Adverse selection (or hidden information) occurs in the pre-contract phase of the relationship when the agent misrepresents his or her abilities due to the principal's incomplete access to information about the agent. In the post-contract phase, moral hazard (or hidden action) occurs when the agent shirks his or her duty because of the principal's limited ability to observe the agents actions (Bergen et al. 1992).

Agency theory has been used to model economic relationships but it has detractors (Bergen et al. 1992). In this paper we will use agency theory to help define relationship problems, but we will use social exchange theory to seek solutions.

Social Exchange Theory

Social exchange theory (SET) provides a framework that is perhaps better adapted to the messier real world analysis of the principal and agent relationship. Participants believe that the expected value of participation in multiple reciprocal relationships exceeds the cost of the occasional loss to opportunistic betrayals. SET shares space with role theory in explaining interpersonal interaction within the organizational domain (Emerson 1976).

The framework suggested here by role theory, agency theory and SET has individuals filling roles in an environment where opportunism is a possibility but where it is constrained by the value role players attribute to ongoing exchange relationships and by enforcement mechanisms which deter defection (Heide and John 1992).

Propositions

Relationship quality is defined as the degree of respect, benevolence and integrity exhibited in the relationship by the manager (Whitener et al. 1998). Sales manager support is defined as instrumental, emotional, and informational aid flowing from the sales manager to the salesperson, a definition congruent with the sentiments expressed by participants in the qualitative study (Lewin and Sager 2008). In general interviewees thought support came mainly by backing up decisions, obtaining needed resources, and providing political cover. A need for emotional and moral support also surfaced.

As salesperson 1 views sales manager support, "Someone who can break down walls internally so I can get what I need to satisfy my customer's requirements," or as salesperson 2 notes that support is, "… almost political support."

P1*: Sales manager support is positively related to relationship quality.*

Sales manager participation is defined here as involvement in decision making, helping in determination of the sales tactics used, and the sales manager's physical presence during sales calls. Salesperson 4 stated, "My definition is more physical participation." The salespeople interviewed seemed to accept participation better when it was aimed at specific goals.

P2: *Sales manager participation will be positively related to relationship quality.*

Salesperson team orientation is defined by Cravens (1993) as the cooperativeness of the salesperson with those in authority. The social exchange perspective suggests that reciprocity can explain the sharing of information in such circumstances as actors view cooperation as likely to maximize their long term reward (Cropanzano and Mitchell 2005).

P3: *The positive relationships between sales manager support and participation to relationship quality are greater when salesperson team orientation is high than when it is low.*

Sales performance is defined by Evans et al. (2007, p. 448, following the suggestions of Anderson and Oliver 1987) as, "…the extent to which the salesperson meets sales requirements set by the selling organization."

P4: *Relationship quality is positively related to sales performance.*

The control variable for relationship quality is length of relationship. The control variable for sales performance is salesperson experience.

Managerial Implications

Reciprocity is necessary to build successful exchange relationships (Cropanzano and Mitchell 2005). It is certainly the case that both the environment and differences in the individuals impact the amount of reciprocity in a relationship (Gouldner 1960; Perugini et al. 2003). Sales managers can foster reciprocity by selecting individuals with a higher propensity for reciprocity and by creating an environment where salespeople find relationships open and rewarding (Bottom et al. 2006).

Relationship quality is difficult for the manager to measure. It is also a difficult, long term project to build relationships, but one miscue can permanently damage them. Decisions should be made with more than short term budgets and sales goals in mind. A long term approach that consistently demonstrates concern for salespeople as individuals will contribute to relationship quality and performance (Bottom et al. 2006).

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Summary Brief
Reducing Research Problems When Evaluating Sales Training

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Sales management literature stresses the necessity of empirically assessing sales training effectiveness at higher levels: salesperson behavior and performance. This research seeks to improve the sales training evaluation process by analyzing an empirical study of a global firm and the resulting actions that led to evaluation problems. The failure to quantitatively assess sales training can be attributed to managerial attitudes, evaluation restrictions, methodology issues, and lack of empirical evidence. Sales managers and sales trainers are offered recommendations for reducing evaluation problems in future studies.

Introduction

When firms invest significant resources in sales training, programs and outcomes must be assessed to ensure that such investments help firms reach their goals (Attia, Honeycutt, & Leach 2005). However, few firms conduct higher-level sales training evaluations as only 9 and 7 percent, respectively, discern changes in trainee behavior and results (ROI or financial) (Tyler 2002). This research seeks to expand our understanding of sales training evaluation by determining why empirical assessment often proves problematic in order to minimize these impediments in future assessment efforts.

Identifying level three - job behavior that is attributable to sales training is a more complex and time-consuming assessment than measuring lower levels (Kirkpatrick 1960). Measuring individual and organizational results attributable to sales training is the most complex evaluation level to assess (Summy 2007). Objective measures of training program effectiveness, such as sales per trainee or sales to quota per trainee, are often recommended (Phillips 1991). However, these measures are unreliable when sales territories vary, extraneous factors influence sales figures, or data are irregular or seasonal.

Methodology

To identify the training needs, objectives, and content of the training program, meetings were conducted with two groups within the firm. A brainstorming technique was employed at both individual and group meetings that generated the sales training program conducted for trainees. The data were collected from Egyptian sales supervisors from a single global company operating in the soft drink industry. In this firm, the sales supervisor sells the product, solves customer problems, negotiates, closes the sale, and opens new sales accounts. At the time of the needs analysis, the participating company employed 143 sales supervisors who were trained in two phases: five groups in phase one, and four groups in phase two (seven months later).

Participants were tested before and after training, to ensure that the knowledge or skill level transferred through training was maintained. While the researchers requested sales revenue, sales/quota, and current sales/last year sales for all members of the experimental and control groups, myriad administrative and methodological difficulties made it impossible to collect this quantitative data.

Discussion

Fourteen problems were encountered during the data collection process that included:

1. Changing sales territories.
2. Reassigning sales representatives among sales territories.
3. Promoting sales supervisors after completing training.
4. Eleven sales trainees resigned and went to work for the major competitor.
5. Seasonality of data.
6. New distribution centers for which there were no historical data.
7. Decentralization of data among the sales territories.
8. Sensitivity of sales data in a period of extreme competition.
9. Three domestic competitors entered the market, which eroded market share.
10. No formal coordinator between the consulting company and the company.
11. The sales leaders were busier managing their sales territories and sales people.
12. One regional sales manager refused to provide sales figures for his region.
13. The large amount of data requested was a burden for the sales supervisors.
14. Day-to-day business was given priority over training.

The failure to evaluate higher levels of sales training quantitatively in this study can be attributed to four principal reasons: managerial attitudes, evaluation restrictions, methodological problems, and lack of empirical evidence (Attia, Honeycutt, & Attia 2002). Specific recommendations regarding actions managers may take are offered in Table 1.

Managerial Implications

First, the level of difficulty in the data collection process increases when utilizing an experimental design approach to measure higher levels of sales training effectiveness. After training was completed, the host company modified territories, promoted/reassigned sales personnel, data was not centralized, and new competitors entered the marketplace and diluted market share. When such changes occur, researchers should compare efficiency measures before and after for the remaining trainees. This can be accomplished by looking at sales closed/number of calls made or considering another measure tied to training objectives. Also, managers must work in concert to ensure that data are available and the number of territorial and personnel changes is minimized. To achieve this goal, researchers and firms must agree to the data process that will occur prior to beginning training.

Second, managerial attitudes influenced the sales training evaluation process. As often happens, short-term sales revenue generation took priority over conducting and evaluating sales training programs. Sales trainees were late or missed training sessions because their supervisors ordered them to complete a sale or solve customer problems before attending the training program. Researchers can minimize training interruptions by conducting the training program off-site and requiring that all electronic devices be switched off during training periods. Also, one regional sales manager refused to provide needed data and upper management were reluctant to share information because of the highly competitive environment. Managers should agree to provide needed information, on a selective basis or tied to a non-disclosure agreement, prior to conducting sales training and the firm's executives must intervene with lower level managers who refuse to cooperate. Managers must trust that sales data will be shared internally in order to make better decisions.

This post-hoc examination offers evidence of why companies do not assess sales training at the higher levels. That said, it is possible to evaluate sales training programs both quantitatively and qualitatively. Although not a simple process to complete at higher levels, sales managers must assess sales training effectiveness to confirm whether they are receiving a positive return on their sales training investment.

Finally, while it is challenging to collect quantitative sales performance figures to confirm positive results, more extensive efforts by sales managers can lead to successful attempts to assess and administer objective measures. Quantitative measures are easier to analyze when researchers compare the total sales figures for territories that were subject to training (the experimental group) against those that did not receive training (the control group). It is critical for managers to understand the value of evaluating sales training effectiveness. For their part, researchers may need to be more effective salespersons themselves to ensure that sales managers and companies understand the benefits such research can provide.

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Table 1: Ways to Minimize Higher Level Sales Training Evaluation Problems

Categories	Problems	Recommended Actions
Managerial Attitudes	1. Sensitive Data 2. Refusal to Cooperate 3. Day-to-day activities receive highest priority	1. Agree to limited-disclosure 2. Agree up front with executive(s) Seek intervention when needed 3. Train away from office Turn off cell phones and computers
Evaluation Restrictions	1. No data coordinator 2. Sales managers too busy 3. Collecting data a burden	1. Appoint data provider and what data needed 2. Limit sales managers' role 3. Set up data collection process prior to training beginning
Methodological Problems	1. Trainees no longer in position 2. Different territories 3. Data not centralized 4. New competitors	1. Remove trainees from study 2. Evaluate similar territories Agree to data process prior to beginning 3. Look at efficiencies – sales per call
Lack of Evidence	Previous efforts at evaluating have not paid off for firm	Share all evidence with managers at lower levels, but explain the need for higher level confirmation

Summary Brief
A Comparison of B2B and B2C Sales Profession's Utilization of Social Media Technologies

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This study provide insights into understanding the "who" and "how" of social media utilization among professional salespeople. The plethora of social media applications available are theorized to be organized into 15 categories, with multiple applications falling within each category. From a sample of both B2B and B2C markets, utilization rates of social media applications are presented and examined across markets. Interestingly, B2B salespeople utilize social media applications more than B2C salespeople. Further results show that social media tools are used most often during prospecting and follow-up after a sale with mean scores for different stages higher for the B2B salespeople. Implications and research extensions are presented.

Introduction

"Social networks" have become digitized during the past decade and the term itself is now more commonly associated with technological ties, software applications and/or websites used to connect people with friends, family, neighbors, coworkers, and others via the Internet or World Wide Web. Adoption of social media is increasing among organizations as well. The mean number of social media accounts maintained by Fortune 100 companies was 20 in year 2010. IBM, the leader among those firms in terms of sheer quantity, had 76 micro-blog accounts, 21 online video sharing channels, and 80 employee blogs, all utilized to communicate with customers and various other external and internal stakeholders of the firm (Mishra 2011).

Purpose of the Study

The research reported herein examined B2C and B2B sales representatives' use of relationship-oriented social media with four primary purposes in mind. First, we determined what specific categories (e.g., blogs, micro-blogs, video sharing, etc.) of relationship-oriented social media applications are being utilized by salespeople. Note the focus here is on relationship-oriented applications that facilitate interaction or the reciprocal exchange of data or of some kind and information in a conversational fashion. Data exchanged among users are in the form of text, audio, or visual material. Thus, we adopt Ellonen and Kosonen's (2010) delineation of relationship-oriented social media that is encompassed within Kaplan and Haenlein's (2010) overarching definition and congruent with recently introduced schemas (Ahearne and Rapp 2010; Sharma and Sheth 2010). Second, we asked research participants to identify the specific and more popular social media applications used (e.g., Facebook, Twitter, etc.). Open-ended response items were included that allowed respondents to indicate their usage of less popular, proprietary, and/or intra-organizational applications within each category. Third, our objective was to determine the specific stages of the selling process (e.g., prospecting, information gathering, obtaining commitment, relationship maintenance, etc.) wherein salespeople utilize relationship-oriented social media technology. Finally, we assess differences between B2C and B2B salespeople with regard to their usage of relationship-oriented social media application categories, specific tools within categories, and the various stages of the selling processes wherein the tools are employed.

Research Questions

The specific research questions (RQ) addressed in this exploratory study are shown below and are characterized as such, rather than hypotheses, due to the paucity of extant conceptualizations and empirical studies available in the sales and marketing literature. The research questions follow a rather logical pattern. That is, we first sought to determine whether salespeople in general use relationship-oriented social media tools that fall into each of the proposed categories.

RQ1: What categories of relationship-oriented social media tools listed in Table 1 are salespeople currently utilizing?

Second, we examined the degree to which salespeople in general are using the most highly ranked or rated applications within each category (see RQ2). Here, it is important to note that salespeople in general might be using tools within categories that were not included on the list of most highly ranked or rated relationship-oriented social media applications that we provided. An open-ended response item (i.e., "other") was included for each category and space was provided to permit respondents to enter the name of the application if it was not included on the list we provided.

RQ2: What specific relationship-oriented social media software applications within each category listed in Table 2 are salespeople currently utilizing?

Third, we sought to determine whether there are significant differences between B2C and B2B salespeople with regard to their utilization of the various categories of relationship-oriented social media (see RQ3).

RQ3: Are there significant differences between B2C and B2B salespeople with regard to their utilization of each of the relationship-oriented social media categories?

Fourth, we examined whether there were significant differences between B2C and B2B salespeople in their utilization of the most highly ranked or rated relationship-oriented social media applications within each category (see RQ4). An open-ended item was included to address applications not on the list provided here as well.

RQ4: Are there significant differences between B2C and B2B salespeople with regard to their utilization of specific relationship-oriented social media software applications within each category?

Fifth, we wanted to determine where in the selling process salespeople in general are using relationship-oriented social media tools. See RQ5.

RQ5: For which stages of the selling process are salespeople utilizing social media?

Finally, we assessed differences between B2C and B2B salespeople with regard to their utilization of relationship-oriented social media tools during various stages of the selling process. See RQ6.

RQ6: Are there significant differences between B2C and B2B salespeople in their employment of social media for each stage of the selling process?

Methodology

An online survey instrument via Qualtrics was created which incorporated multiple questions assessing social media usage. Specifically, participants were asked to provide responses to questions assessing their use of a given social media category and then the specific software applications within said category on their jobs. In order to analyze participant sample characteristics, frequency distributions were created. Then, to address research questions 1-4, multiple chi-square tests were incorporated. Tests were first undertaken for category usage and then separate tests were undertaken within each category to assess specific software usage, the primary differentiating variables within each model being usage frequency and consumer base served (B2B/B2C). Research questions 5 and 6 were assessed via a series of six t-tests with the usage of social media for a specific task within the selling process serving as the continuous level dependent variable and the consumer base served (B2B/B2C) serving as the dichotomous independent variable. Results of these tests follow.

Discussion and Conclusions

The purpose of this article was to report an exploratory study that examined the extent to which salespeople are utilizing relationship-oriented social media tools. In addition, we compared consumer (B2C) and industrial (B2B) salespeople with regard to their utilization of relationship-oriented social media tools to accomplish the objectives of various stages of the selling process. As such, this exploratory study responds to previous calls for research regarding social media and contributes to filling the literature gap while providing additional foundation for future studies regarding sales and social media.

A primary contribution of our research is a proposed definition of relationship-oriented social media, which can serve as a starting point. "We define relationship-oriented social media as software applications or web sites that facilitate two-way conversation-like exchanges, either synchronously or asynchronously, among users."

As one might expect, some of the highest percentages of usage among sales professionals were for web-based email services (85.5%) and Instant Messaging services (48.3%) such as those provided via the Google, MSN, and Yahoo web portals. Social and Professional Networking sites (65.9%), Unmoderated Web Communities (49.9%), Online Conferencing/Webinars ($46.8%), and Video Hosting/Sharing/Storage sites (34.4%) are also used by a substantial proportion of salespeople. Live interactive broadcasting was used by the smallest proportion (17.6%) of salespeople.

It is clear that salespeople are using relationship-oriented social media to accomplish the objectives of various stages of the selling process as well. When asked to rate their usage of relationship-oriented social media within stages of the selling process (i.e., prospecting, initial contact, sales presentation, handling objections, closing, and follow-up and after sales services) on a seven-point scale that ranged from never-to-often, all means fell above the midpoint indicating at least a moderate or greater frequency of utilization. The greatest mean scores for salespeople as a whole are for prospecting (4.93) and follow-up and after sales service (4.76) followed by establishing initial contact (4.14).

However, there are some significant differences with regard to utilization of the 15 categories of relationship-oriented social media. A greater proportion of B2B salespeople utilize professional networking sites (i.e., LinkdIn) as opposed to B2C salespeople who tended to use social networking sites (i.e., Facebook and Myspace). Likewise, a significantly greater proportion of B2B salespeople utilize blogs, photo sharing/storage sites, RSS and RSS feed live interactive broadcasting, online conferencing/webinars, social bookmarking, and presentation sharing/storage sites. At the same time, B2B salespeople utilized relationship-oriented social media significantly more often for prospecting, handling objections, and follow-up and after sales service.

The 15 categories of social media tools assessed in this study were relationship-oriented. Prior research in the sales arena consistently documents the fact that B2B salespeople are more likely to engage in relationship-oriented selling practices. Moreover, connections with professionals in prospect and other organizations tend to be viewed as more valuable by B2B salespeople explaining their significantly higher proportion of usage of professional networking sites. B2C salespeople, on the other hand, place a higher value on connections with individual consumers explaining their reliance on social networking sites where hundreds of millions of individual consumers maintain accounts. The higher frequency of usage of social media technology for prospecting and follow-up and after sales activities by B2B salespeople is also likely due to the greater level of importance of these stages to relationship-oriented selling. This relationship-orientation of B2B salespeople may be a result of generally higher levels of education and the nature of the customer base.

Summary Brief
Surveillance Technology and the Salesperson

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From GPS to e-mails, sales managers today can track every move of the field salesperson. To what degree, however, does this ability to electronically monitor a decentralized sales staff hurt or help? To answer this question we examine two streams of research: sales force automation (SFA) and electronic-performance monitoring (EPM) streams. The synthesis of these two bodies of literature suggests four conditions under which field sales managers' use of surveillance technology may hinder or enhance outcome.

Introduction

Sales managers today have the ability to monitor every stage of the personal selling process. Pre-call planning can be captured using screenshot recording software (e.g. SpectorSoft products). Even follow-up communications can be monitored and repeatedly surveys indicate this is a common practice (ePolicy Institute 2008; Needleman 2010). As salespeople increase their use of SFA tools, so too does his or her manager (Onyeham, Swain & Hanna 2010). What, then, may be the effect of electronically monitoring the field sales force?

SFA and Surveillance Technology

A few studies have examined monitoring and technology in the personal selling arena –and they do seem to suggest managerial monitoring is not scaring salespeople away from using this technology (Eggert and Serdaroglu 2011; Moutot and Bascoul 2008; Onyeham Swain and Hanna 2010). Beyond this positive relationship, however, a cloudy picture of e-monitoring exists today. SFA studies seem to assume that (1) monitoring is a consistent part of a control system and (2) e-monitoring has the same effect as any other form of monitoring. Both of these assumptions may be questionable. Monitoring is not consistently used as part of a control system thus we cannot be sure of the effect of monitoring alone (Onyemah and Anderson 2009). Unlike more traditional forms, e-monitoring provides voluminous data about multiple dimensions of performance and can be pervasive. Comparative studies have shown e-monitoring effects are more varied than other forms of monitoring (Aiello 1993; Aiello and Svec 1993; Stanton and Weiss 2000. Because sales management studies tend to examine monitoring as part of as part of a systematic control method –and make no distinction between conventional and the new more sophisticated form of e-monitoring, we make not be fully understanding its impact.

EPM and the Field Salesperson

Meta-analytical studies of electronic performance monitoring (EPM) of employees repeatedly show e-monitoring can have both positive and negative effect on job outcomes (Carroll 2008; Sewell and Barker 2006). EPM can provide continuous, timely and detailed information about the actions of the sales person. This can lead to the perception by the employee that EPM provides more accurate performance reviews (Chalykoff and Kochan 1989). The ability of the salesperson to access that same data being monitored adds to the transparency of the evaluation process (Onyemah and Anderson 2009). This same transparency can lead to less constructive outcomes if the salesperson finds managerial use of this data to be intimidating and hostile (Nussbaum and duRivage 1986). Adopting this reaction, it may be likely salespeople will alter the inputs and alter their sales call reporting activities (Moutot and Bascoul 2008). EPM can result in more data and more current data. Potentially this can result in more accurate and well-received performance evaluations. Equally likely, unfortunately is the possibility the professional salesperson will resent this intrusion. Thus one condition which may predict this outcome can be the basis and type of psychological contract. When the psychological contract between salesperson and manager is based on the expectation that managers will act with due care and diligence to protect the information gathered about the employee and conduct monitoring for good purposes, then the outcomes should be positive. If, however this psychological contract has been breached, EPM would carry negative ‗internal' outcomes.

E-monitoring may help or hurt salesperson's interactions with customers. Arguments in favor of e-monitoring surround its ability to empower the salesperson and protect the firm. E-monitoring can be a major tool in compliance with ethical standards (Bush et al 2007; Harris and Ogbonna 2006). E-monitoring (with its resultant transparency) may allow-even empower- the salesperson to provide higher service levels (Hartline, Maxham and McKee 2000). Two recent studies which examine this issue from a more aggregate level (i.e. between two firms rather than between employee-employer), suggest the effect of e-monitoring may rest with the orientation of the selling firm. It may depend on the degree to which a firm uses information to the betterment of their customers (Jayachandran et al 2005; Grewal, Chakravarty and Saini 2010). If for example a firm is customer oriented, and have trained their sales force in the development of the customer-service capabilities, one would expect monitoring these capabilities will build both the skills and the outcomes associated with being customer oriented. Conversely sales orientation should have the opposite effect.

Pointing to the panoptic effect of e-monitoring, theorists propose managers should expect employees to be both empowered and more productive (Findlay and Newton 1998). The surveillance theory based on the panoptic effect contends that when employees are constantly and openly monitored they alter their behavior and become self-disciplined. This panoptic effect (i.e. openly and constantly monitored) diffuses disciplinary power (Findlay and Newton 1998). In their study of service sector, Shell and Allgeier (1992) found EPM combined with an incentive system does result in a higher level of service quality to customers. In laboratory settings Nebeker and Tatum (1993) compared monitored to non-monitored workers and found the increases in performance did not come at the expense of reduced quality. This trade-off between quantity and quality of performance has been a point of contention with EPM opponents.

Critics of EPM claim it may achieve quantity of performance but at the cost of quality. Kiker and Kiker (2008) tested task difficulty as a moderator and found a negative correlation. There may be some support for this differential effect (i.e. short vs long term focus, simple vs complex task, quantity vs quality) in the work of Mallin and Pullins (2009) who found monitoring *activities* will not have the same effect as monitoring *capabilities*. Motivation theories such as self-determination would claim the negative effects of EPM on performance are caused by salesperson attributions (Deci and Ryan 1989). When the salesperson believes monitoring is occurring for the purposes of helping them develop, motivation is enhanced. When, however, monitoring serves the purpose of compliance or control, then motivation is reduced. The purposes behind surveillance may explain either positive or negative effects. The degree to which e-monitoring is serving two purposes will determine the degree to which it favorably affects sales performance. When the primary purpose of e-monitoring is developmental, overall sales performance levels will be higher than when the primary purpose is control or compliance.

Conclusions

Sales managers are struggling to find a way to make e-monitoring productive (Bush, Bush and Orr 2010). When we identify the conditions under which e-monitoring helps or hurt the field sales force, research efforts can certainly be valuable. Both EPM and SFA studies repeatedly point to the importance of the salesperson-manager relationship. Thus we offer the first condition as the state of psychological contract between salesperson and management. The second condition turned from the internal relationships to those between the customer and salesperson. The context or dominant philosophy held by the sales firm and suggests differential outcomes will occur in sales versus customer oriented firms. Finally self-determination theory claims the dominant managerial purpose behind surveillance will have differential effects.

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Summary Brief
An Empirical Examination of Time Management's Influence on Salesperson Work-Family Conflict

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Time management is described in the popular press as a tool capable of enhancing managerial effectiveness (e.g., Blanchard, 2009; Gleick, 2000; Kramer 2000; O'Keefe and Berger 1999). Despite its intuitive appeal for sales researchers and managers, scholarly research focused on the direct relationship between time management and work-family conflict is limited. This study attempts to fill the gap in the literature by providing an empirical examination of the influence time management behaviors have on salesperson work-family conflict. The researchers additionally offer theoretical insights and empirical support revealing that all three distinct time management behaviors of (1) setting goals and priorities, (2) mechanics of time management or task scheduling, and (3) preference for organization have a significant negative relationship to salespeoples' perceptions of work-life conflict.

Introduction

Time management is defined as employee behavior that makes optimal use of time in the performance of purposeful activities. A growing number of sales and marketing people work in environments characterized by flattened hierarchies with less supervision, telecommuting or other forms of remote work, which make a self-regulatory skill like time management critically important as an increasing number of employees such as marketers are required to plan, organize and control how they perform their own work (Frayne & Geringer, 2000).

Time Management

The time management behavior scale (TMBS) developed by Macan, et al. (1990) is a process model of time management that focuses on the influence of three distinct time management behaviors of (1) setting goals and priorities, (2) mechanics of time management or task scheduling, and (3) preference for organization that, in turn, promises to influence work-related outcomes such as job performance when mediated by a person's perceived control of time. The factor structure of the TMBS has been studied frequently by time management scholars, and despite weaker than desired reliabilities for some of the dimensions, has been adopted as the default standard for time management research in a multitude of studies (Adams & Jex, 1999; Francis-Smythe & Robertson, 1999; Macan 1994; Mudrack 1997).

To better understand how the process model of time management works, people who possess time management expertise are equipped with competencies for (1) setting personal goals and prioritizing their tasks, (2) relying upon careful task scheduling, and having (3) a preference for an organized work environment (Macan, 1994). A review of the literature by Claessens, et al. (2007), found very few studies actually involving non-student samples, and none of the studies focused on sales people. In response, this research attempts to fill a void in the sales literature by focusing on the direct influence of salesperson time management behaviors on work-family conflict.

Work-Family Conflict Relative to Time Management

Greenhaus and Beutell (1985) characterize work-family conflict as a type of inter-role conflict wherein an individual perceives responsibilities arising from the work domain as being to some extent incompatible with responsibilities arising from the family domain. More succinctly, work-family conflict occurs to the extent that demands of work are seen as interfering with family responsibilities. The effects of work–family conflict on organizational outcomes have been well documented in the management and psychology literatures; however, the emphasis in marketing and specifically sales has been surprisingly limited (Darrat, Amyx, and Bennett 2010). Changes in the composition of the sales force, with more members of dual career households and single parents, increase the potential for work-family conflict. The boundary aspect of the outside sales job sets the sales force as a population that is particularly prone to such conflict (Frone, Russell, and Cooper 1992).

Time-based conflict is a key aspect of work-family conflict (Greenhaus & Buetell, 1985). Time-based conflict will occur when the time demands involved in participation in one role, say a work role, interferes with participation in another role, in this case the role of family member. It is logical to expect the amount of conflict one perceives will rise as the proportion of time the employees perceive themselves expending on a work role rises relative to that allocated to the family member role. A connection between work-family conflict and time management behaviors exists because of time demands. Time management behaviors conceivably can allow a salesperson to allocate more time to family because of managing time better at work. Ultimately, effectively managing time can reduce the salesperson's perceptions of conflict between family and work.

A body of research examining proposed antecedents to work-family conflict finds that the amount of time devoted to work or family roles and the scheduling of that time determine work-family conflict to a significant extent (Gutek, Searle, and Klepa 1991). The variable of interest in each of these studies was time demands (i.e., amount of time spent at work and at home). So researchers know that less available time for family demands implies greater work-family conflict perceptions and vice versa. Yet it is uncertain to what extent time management behaviors mitigate perceptions of work-family conflict.

The expectation is that greater use of TMBS by salespeople lessens their perceptions of work-family conflict in that time management allows salespeople to perceive themselves accomplishing tasks associated with the sales job while simultaneously managing to set aside a greater proportion of time to spend with family leading us to hypothesize:

H1: Salespersons' TMBS of setting goals and priorities relates negatively to perceptions of work-family conflict.

H2: Salespersons' TMBS of mechanics for time management or task scheduling relates negatively to perceptions of work-family conflict.

H3: Salespersons' TMBS of preference for organization relates negatively to perceptions of work-family conflict.

Sample and Procedure

The study's sample consisted of full-time salespeople employed by 23 automobile dealerships located in the southeastern/southwestern U.S., and salespeople from two divisions of a national specialty chemical company who were attending a sales conference in the southwestern US. Survey instruments were distributed by the researchers to the salespeople from these 24 firms of which, 98 completed and usable surveys from the auto dealership and 103 completed and usable surveys from the chemical company were received. The average age of the respondents was 40.74 years of age with a standard deviation of 10.25. The gender of the respondents sampled was split 80.9% male and 19.1% female. The average number of years experience as a salesperson amounted to 13.77 with a standard deviation of 10.18, and the mean tenure with one's existing employer amounted to 7.37 years.

Work-Family Conflict was assessed using a measure developed by Burke, Weir, and Duwors (1979) that was employed to assess impact of one's job on home activities It taps effect of work demands on physical and mental states at home, available time to meet home responsibilities and social activities, and the quality of family relationships. This current study produced a satisfactory coefficent alphas of $a = .80$.

Time Management was assessed using the Time Management Behavior Scale (TMBS) developed by Macan, et al., (1990). This current study produced satisfactory coefficent alphas of $a = .82$, $a = .69$, and $a = .70$ for the above noted dimensions.

Control Variables of sales experience in "years worked" were included due to the ability of experience on the job to influence a variety of factors (Schmidt & Hunter, 1998). Additionally, to control for potential variations in the differences among the three sample groups (the auto dealership salespeople and the sales people representing two sales divisions at the specialty chemical company), two dummy variables of D1 and D2 were created.

Results and Discussion

Hypotheses 1, 2, and 3 suggesting that TMBS associate negatively with perceptions of conflict between work and family, were supported. Based on frequency of use by salespeople, preference for organization (similar to long term planning) was the most often used time management dimension (mean = 4.05) followed by mechanics (mean = 3.46), and setting goals and priorities (mean = 3.32). All three distinct time management behaviors of (1) setting goals and priorities, (2) mechanics of time management or task scheduling, and (3) preference for organization showed a significant negative relationship to salespeoples' perceptions of work-life conflict. Goal setting and prioritizing had the strongest negative relationship with work-family conflict perceptions ($r = -0.29$, $p<.01$), followed by mechanics ($r =-0.26$, $p< .05$), and preference for organization ($r =-0.24$, $p < .01$). Results suggest that goal-setting and prioritizing TMBS tie most closely to work-family conflict perceptions, followed by mechanics, and preference for organization.

Study results have implications for salespeople, and for those who recruit, train, and manage salespeople. Results can be used to convince skeptical salespeople that how they set goals and manage time can positively influence the non-work aspect of life. That is, specific behaviors can help ameliorate perceptions of time scarcity. Relative to a cycle of ongoing recruiting and training of new salespeople, the alternative of altering salespeople's perceptions of how they manage their time on and off the job offers a most positive alternative.

This study suggests that time management has direct relationships on salespeople's perceptions of work-family conflict. This is an important managerial finding as increased perceptions of work-family conflict have been shown to significantly affect multiple types of salesperson deviance (Darrat, Amyx, and Bennett 2010). Additionally, this study's results hold indirect utility with regard to training applications. Because research has found that time management training influences the allocation of time that participants spend on various time management behaviors or practices (Hall and Hursch 1982; Maher 1986; Orpen 1993), results from this study offer insights for those developing training programs.

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Contact Quality of the Salesperson and its Impact on Customer Delight

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In this era of intense competition it is difficult for the companies to maintain a sustainable relationship with the customers by ensuring mere satisfaction of the customers. A large body of research on customer satisfaction has demonstrated why customer delight is what companies should strive to achieve rather than settling for customer satisfaction. This paper proposes research to the customer delight literature by illuminating the effectiveness of a particular role of the salesperson, contact quality that potentially will contribute in enhancing customer delight. The research identifies potential antecedents of the contact quality of a salesperson and explains how such factors might impact customer delight through contact quality.

Introduction

Customer delight is defined as extraordinary high satisfaction coupled with emotional responses such as joy and surprise (Fuller and Matzler 2008). Sales and post sales interactions between the customer and the salesperson have important implications for enhancing customer delight. As Sujan (1986) mentions, customer reactions to the sales interaction influence processing of product related information. Quality of the salesperson"s contact with the customer in both acquisition and retention processes can have substantial influence on customer delight. Forms of salesperson-customer interaction can be either face-to-face meetings or communications over the internet or the phone. Although prior research has examined the interaction of customer and salesperson in personal meetings, very little effort has been exerted in examining the salesperson-customer interaction over phone and the internet. This study attempts to fill this gap by examining factors affecting such salesperson-customer interaction and its impact on customer delight.

Among the roles of a sales representative, an important component is that of providing solutions for the customers, often over phone and over the internet. Sales representatives conduct specific customer needs analysis with solutions for the customer perhaps such as the provision of an existing service or describing a new promotion. Among the alternate modes of communications, a phone call to the customers, email communication, instant messaging, private blogs and other social media can be more convenient and quick in providing solutions. For this proposed study we refer to quality of such contact methods as contact quality. Phone calls and e-communication to customers can be classified into two broad purposes: a) acquisition and b) retention. The retention types of such communications can be classified into sub categories including: a) complaint management, b) regular service, c) proactive information communication etc.

As Weitz (1978) observes, effectiveness in sales interactions is related to the salesperson's ability to develop accurate impressions of customer beliefs about product performance. In this proposed study we examine the influence of certain attributes of the salesperson, both behavioral and demographic, that might enhance the salesperson"s contact quality and enhance customer delight through contact quality. Such attributes include coping strategies, creativity of the salesperson, knowledge level, empathetic concern, sportsmanship, age, experience, listening and intrinsic motivation of the salesperson. Thus we have a twofold research question:

- What are the antecedents of contact quality of a salesperson?
- How such antecedents have impact on customer delight through contact quality?

Also, we seek to develop a metric for contact quality of salesperson considering the elements of our proposed model.

Theoretical Framework

First we identify the potential antecedents of contact quality and then illuminate the impact of contact quality on customer delight. As per our model in figure 1 we have identified nine factors as antecedents of contact quality of the salesperson. The factors were identified based on previous research findings on potential antecedents of the performance of salespeople. In a meta-analysis Churchill et al. (1985) found that the variables those are determinants of the salesperson"s performance can be classified in to six categories: 1) role variables, 2) skill, 3) motivation, 4) personal factors, 5) aptitude and 6) organizational/environmental factors. In this study we addressed antecedents those are pertinent in enhancing contact quality of the salesperson.

Salesperson Knowledge (KN) and Contact Quality (CQ)

Weitz, Sujan and Sujan (1986) used categorical model of memory as a foundation for studying salesperson knowledge. Categories comprise of two types of knowledge: declarative and procedural (Larkin 1979). Declarative knowledge provides a data-base for understanding and interpreting the selling domain while procedural knowledge indicates what should be done (Weitz, Sujan and Sujan 1986). The knowledge structures of more effective salespeople are more fully developed, better established and contain more information units within categories (Leong, Busch and John 1989). Moreover, the more experience salespeople gain, the stronger the relationship between procedural knowledge and performance becomes (Matsuo and Kusumi 2002). Finally, salesperson"s firsthand knowledge of the customer, the market, and the competition makes their creativity a unique and valuable source for organizational innovation (Wang and Netemeyer, 2004). The above discussion leads to development of the following propositions:

Proposition 1a): Higher levels of both declarative and procedural knowledge impacts customer delight through enhancing contact quality of the salesperson.

Proposition 1b): Job experience of the salesperson moderates the relationship between knowledge level of the salesperson and contact quality of the salesperson.

Proposition 1c): Both declarative and procedural knowledge level of the salesperson enhances salesperson‟s creativity.

Listening Skill (LS) of Salesperson and Contact Quality

There are three stages of listening such as sensing, evaluating and responding (Ramsey and Sohi 1997). Sensing indicates receiving and attending the message. Evaluating comprises of the cognitive process that allows the message receiver to assign value to the message. Finally, responding is mainly concerned with the message that the salesperson sends back to the customer in response to his/her message (Ramsey and Sohi 1997). Effective listening occurs when there is a high degree of correspondence between the sender‟s original message and the listener‟s reaction to that message. Effective listening is a complex behavior that allows the salesperson to better understand customer needs and as such satisfy them more successfully and develop a relationship with the customer (de Ruyter and WetZels 2000) which is the ultimate purpose of contacts with the customer. Moreover, effective listening may enhance creativity of the salesperson since it enables the salesperson to manage diverse situations through proper understanding and analysis. The above discussion leads to development of the following propositions:

Proposition 2a: Effective listening skill of the salesperson enhances contact quality of the salesperson and thus enhances customer delight.

Proposition 2b: Effective listening skill of the salesperson enhances creativity of the salesperson.

Empathetic Concern (EC) of Salesperson and Contact Quality

Empathetic concern is an affective dimension of empathy in which an individual experiences feelings of concern for the welfare of the others. Without empathy neither the sender nor the receiver in a communication dyad can accurately predict how the other will interpret the various symbols shared (Lewis 1987). Therefore, empathetic concern adds to the effectiveness of a salesperson-customer contact over the internet and phone calls since the salesperson have appropriate understanding of the customers‟ situation. Moreover, such empathetic concern may add to the creativity of the salesperson since it enables the salesperson to establish a link between buyers‟ feelings and his/her experiences on various occasions. This leads to the following propositions:

Proposition 3a: Empathetic concern of the salesperson can enhance contact quality of the salesperson and thus have a positive impact on customer delight.

Proposition 3b: Empathetic concern of the salesperson enhances creativity of the salesperson which in turn enhances contact quality and customer delight through contact quality.

Sportsmanship (SP) of Salesperson and Contact Quality

Sportsmanship is defined as a salesperson‟s willingness to tolerate less-than-ideal circumstances without demonstrating negativism (Ahearne, Jelinek & Jones 2007). Sportsmanship refers to demonstrating good social judgment and professionalism during client interactions. It includes behaviors such as patiently waiting to meet the customer, accepting setbacks in a good-natured manner, and not speaking badly about competing firms or sales representatives. Thus, the sportsmanship of a salesperson establishes a positive impression about the salesperson in a customer‟s mind during contacts. The above discussion leads to the following proposition:

Proposition 4: Sportsmanship of the salesperson impacts customer delight through enhancing the salesperson‟s contact quality.

Intrinsic Motivation (IM) of Salesperson and Contact Quality

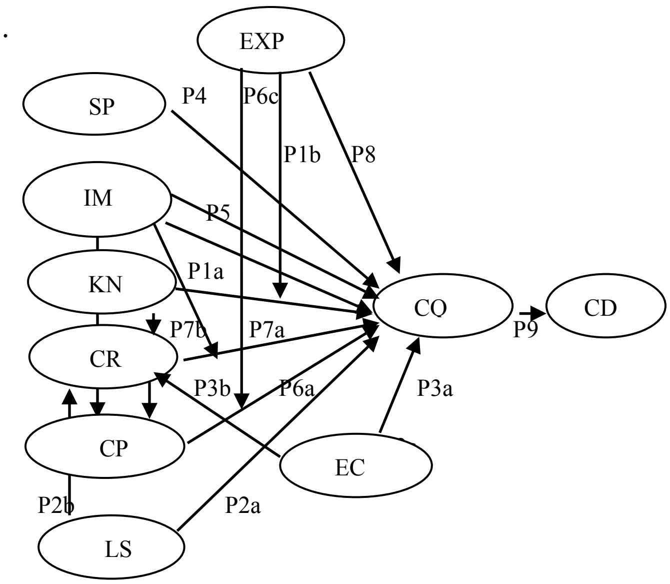
Intrinsic motivation involves engaging in an activity for the pleasure and satisfaction derived from it (Pullins 2001). Intrinsic motivation exerts a significant negative impact on emotional exhaustion and thus adds to the salesperson‟s coping resources. Previous research suggests that intrinsic motivation of the salespeople enhances their interests in mastering their selling techniques and motivates them to search for new and more effective ways to complete their jobs (Weitz, Sujan, and Sujan 1986). Therefore, intrinsic motivation may enhance contact quality of the salesperson among other improvements in his/her performance. The above discussion leads to the following proposition:

Proposition 5: Intrinsic motivation of the salesperson enhances contact quality of the salesperson and enhances customer delight through contact quality.

Coping Resources (CP) of Salesperson and Contact Quality

A salesperson‟s coping strategies have the potential to attenuate the detrimental effects of work related stress and employee burnout (Wilk and Moynihan 2005) and therefore, among other improvements, facilitate the interaction of the salesperson with customers over the internet and phone. Coping processes are believed to be fairly stable over diverse stressful situations and so overtime they affect outcomes (Folkman and Lazarus 1985) and thus may affect the contact quality of the salesperson. The strongest effects of coping appear to be associated with intrinsic motivational orientation. More intrinsically oriented people reported lesser perceived role conflict; less perceived role ambiguity and greater job satisfaction (Keaveney and Nelson 1993. Thus, active coping strategies of the salespeople might enhance contact quality along the lines of improving other performances through reducing job related burnout. Moreover, job experience helps the salesperson cope emotional burnout (Goolsby 1992). Therefore, we may develop the following propositions:

Figure 1. **Contact Quality of Salesperson, its antecedents and customer delight**



Proposition 6a: Active coping strategies of the salesperson enhance contact quality of the salesperson and enhance customer delight through contact quality.

Proposition 6b: Intrinsic motivation of the salesperson enriches his/her coping strategies which in turn enhances contact quality and customer delight through contact quality.

Proposition 6c: Job experience moderates the relationship between coping strategies and contact quality of the salesperson.

Creativity (CR) of Salesperson and Contact Quality

Tasks such as finding new prospects, identifying the real needs of customers and seeking tailored solutions to customer problems all require creative thinking and problem-orientation (Wang and Netemeyer, 2004). Successful creative thinking should enhance salesperson‟s knowledge so that he/she will be able to adapt more effectively in future when a similar problem or situation arises (Wang and Netemeyer, 2004). Such abilities are supposed to enhance the contact quality of the salesperson in different circumstances. Moreover, an intrinsically motivated salesperson tends to be cognitively flexible, prefers complexity and novelty and seeks higher level of challenge and mastery experience (Zhou, 1998). Finally, it is possible that a creative salesperson finds different means in coping with stressful situation which might enrich his/her coping resources. This leads to the following propositions:

Proposition 7a: Creativity of the salesperson enhances contact quality of the salesperson and enhances customer delight through contact quality.

Proposition 7b: Intrinsic motivation of the salesperson moderates the relationship between creativity of the salesperson and his/her contact quality.

Proposition 7c: Creativity of the salesperson enriches his/her coping strategies which in turn enhances contact quality and customer delight through contact quality.

Job Experience (EXP) of Salesperson and Contact Quality

Within the context of a job, experience entails the accumulation of job-specific knowledge from action, practice, and perception of the tasks and duties associated with a specific job (Struman 2003). The explanation could be that experienced salespeople have encountered different types of customers, have been in a variety of selling situations, and have tried multiple selling strategies. Thus an experienced salesperson can better craft his/her contacts with the customer over the internet or over phone. This leads to the following proposition:

Proposition 8: Job experience of the salesperson leads to improved contact quality.

Impact of Contact Quality on Customer Delight (CD)

From a service provider‟s perspective the most common method of attaining customer delight could be service quality (Cronin Jr and Taylor 1992). Dube and Menon (2000) finds that observed salesperson response that positively disconfirms customers‟ normative expectations will lead to greater customer satisfaction, across positive (joy, Delight) and negative emotions (anxiety, anger). The provision of information and the act of problem solving while being in contact with the customer either over the internet or over phone might have emotional impacts on the customer. A quick and effective solution can make the customer joyful while non professional approach can hinder customer satisfaction and relationship with the salesperson. Therefore, understanding customer needs and providing effective solutions accordingly precedes contact quality of the salesperson and thus might enhance customer satisfaction up to the level of customer delight. This leads to the following hypothesis.

Proposition 9: Better quality e-communication and over phone interaction of the salesperson and the customer stimulates customer delight.

Research Methodology

To measure contact quality we will undertake to develop a scale comprising of items that capture domain elements of contact quality. First a pre-test will be carried on to examine the types of calls or communications carried over the internet and over phone. Call recordings of salesperson customer interaction will be carefully examined to identify the factors influencing the quality of the calls and they will be mapped with the hypothesized model. The initial step of the scale development process for contact quality will be the generation of potential scale items. Both the customers and salespersons will be interviewed following a dyadic approach. For example, customers will be interviewed and asked to think back the last time they contacted a salesperson or were contacted by a salesperson either over phone or the internet and indicate whether the salesperson could effectively deliver the required solution or information and whether he/she was convincing enough to influence a purchase decision. These consumers will then be asked about the reasons behind their feedback. Their feedback will be evaluated and the items mentioned will be included in the initial scale. Other constructs of interest in this study can be measured using the scales found in extant literatures.

Expected Results, Discussion and Conclusion

All the antecedents of contact quality are expected to impact contact quality positively and therefore have a positive impact on customer delight through contact quality. The strengths of impacts of the antecedents might vary. For example we expect salesperson‟s knowledge, creativity and listening skill to have greater impact on contact quality relative to other antecedents. The rationale might be more important roles these factors play than the others in enhancing effectiveness in communication. Also, we expect contact quality of the salesperson to show a strong positive impact on customer delight.

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Fake It To Make It?
Stretching the Truth in a Shrinking Job Market

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From 2006 to 2009, unemployment rose substantially, placing greater pressure on potential sales candidates to find a job. One possibility that could result from such a situation is an increase in exaggeration of ability and knowledge in order to win the position. When testing potential candidates, such a possibility can result in a biased result on a selection test. This paper examines a comparison of impression management scores from 2006 and 2009, and finds that the proportion of candidates who exaggerate by claiming knowledge of sales "facts" that actually do not exist increases proportionately. Managers are encouraged to use multiple methods to explore a candidate's potential. The method used to identify exaggeration also has implications for improving research regarding salespeople by accounting for impression management and possible social desirability response bias.

Introduction

Today's job-seekers face hot competition in a ruthlessly cold job market. But, are they more likely to stretch the truth in order to land a position?

Identifying and acquiring high-level sales candidates is one of the most important and persistently challenging endeavors facing sales organizations, even (or perhaps especially) when economic times are tough. High unemployment rates elevate the number of candidates available, but difficult economic conditions make sales force composition particularly important as more production is often expected from fewer sellers when purchasing activity in general is seriously depressed. To cope, sales executives may increase dependency on a variety of tools to improve the likelihood of salesperson selection accuracy. A wide assortment of tools is currently available that claim to help sales managers and human resources practitioners improve sales selection. These range from social observation (consensus) formats such as assessment center protocols adapted to assess sales ability to performance forecasts from handwriting, biodata, and blood type (Randall and Randall 1990) and an indeterminate number of tests, rating scales, surveys and questionnaires based largely on self-report (Tanner, Honeycutt, and Errfmeyer 2010)

Psychological and other mental measurement techniques for selecting salespeople have enjoyed wide-spread, if not controversial, use for decades (Tanner et al. 2010). Most personality-based assessments used to assess sales ability rely on scored responses to "self-report" questions which are based entirely upon self-descriptions provided by the test-taker. To interpret results from self-reports practitioners must presume at a minimum that item content reflect some kind of meaningful scale, that individuals answering the questions read and understand the instructions necessary for compliance with the requirements needed for standardization, agree to follow those instructions, are sufficiently literate to understand the questions asked, and sufficiently motivated to respond to those questions as candidly and thoughtfully as they can. Other factors can also influence candidates to respond in ways that can limit the accuracy and subsequent utility of their results.

One factor that can inhibit accuracy is socially desirable responding (Crowne and Marlowe 1960), or providing responses to self report items according to what is believed to be needed to obtain or avoid some outcome. Socially desirable responding (SDR), a pattern of answering characterized by a tendency to consistently respond to test questions with overly positive self-descriptions, has been the subject of considerable theoretical focus (Paulhus 2002), and has been found to have an influence on personality measures administered in work specific settings (Shilobod and Raymark 2003). Structurally, SDR is thought to consist of (at least) two dimensions: 1) self-deceptive positivity and 2) impression management (e.g. Paulhus 1984). Impression management, or *intentional* over-claiming in order to present one's self in the most favorable light, has been argued to attenuate, moderate, or even create spurious relationships between variables studied using self report measures (Ganster, Hennessey and Luthans 1983) and to degrade construct validity. Alternatively, self-deceptive positivity is thought to be an honest but overly favorable self-portrayal, the effects of which are probably inadvisable to remove in basic research (Fisher 2000).

Socially desirable response bias has long been regarded as an important issue in survey research (e.g. Fisher 1993). Researchers confirmed that tests based on self-reports are particularly vulnerable to biased forms of responding that have little or nothing to do with the questions asked (e.g. Nogami 1996). The widespread use of tests to evaluate sales candidates (e.g. Tanner et al. 2008) underscores the practical need to better understand impression management. The widespread potential for systematically biased responding due to social desirability, has been recognized in marketing research (Fisher 1993, p. 303), but insufficiently studied. King and Bruner (2000) noted after reviewing twenty years of marketing research that "social-desirability bias has been consistently neglected in scale construction, evaluation, and implementation" (p. 79). This comparative lack of attention is unfortunate because studies have confirmed that self-report personality scales similar to those commonly used for selecting salespeople can be particularly problematic as candidates can substantially distort their scores (Brown and Harvey 2003). Among the many issues associated with the use of mental tests in employee selection, socially desirable responding remains one of the most frequently cited criticisms of personality testing (Shilobod and Raymark 2003). Dudley, Goodson, and Bryant in a multi-nation study (2003) reported, for example, that sales candidates who engaged in SDR also inflated the number of referrals they could work, telephone contacts they could initiate with prospective buyers, and group presentations they could make. Information skewed with a positive bias, however intended, could influence sales managers pressed to identify top sales talent to make poorer selection decisions then they would have otherwise.

A variation of SDR involves the tendency of some candidates to exaggerate what they know or can do in order to appear more knowledgeable or competent than they really are. Using false knowledge items, "foils", to study this phenomenon may be best known through the theoretical work of Paulhus and his colleagues (e.g. Paulhus and Bruce 1990). However, this approach was anticipated by Phillips and Clancy (1972) and through parallel research, independently integrated into an applied psychometric application specifically for assessing salespeople by Dudley and Goodson (1982). While considerable literature exists arguing the presence, structure (including social role and personality trait theory) and the influence of SDR on scale scores and interpretations, comparatively little has been done to identify specific conditions that might introduce the pressures producing SDR.

While the effects of an important impression target (the hiring manager) and a desired outcome (the job) are well known, this study examines temporal conditions that may influence SDR. Specifically, the economic conditions that combine to make jobs scarcer and candidates more available should yield greater incidence of exaggeration, or claiming false knowledge.

The Study

Responses from 3,003 US sales applicants who completed the Sales Preference Questionnaire® (SPQ) in 2009 as part of a job selection process were compared to 3,859 sales applications with the same instrument in 2006, also as part of a job selection process. The jobless rate was 4.63% in 2006 when employment was more available, compared to 9.61% in 2009 (www.miseryindex.com 2010) when fewer positions were available and unemployment reached over 10% in some localities. These two time periods were selected for comparison purposes due to the large differences in unemployment rates that are hypothesized to affect impression management in the form of SDR when applying for a position.

The 2006 sample was comprised of 2,116 men (74%) and 1,743 women (26%). The 2009 sample consisted of proportionately more women, as 2,072 were men (69%) and 931 women (31%). All subjects completed the SPQ as part of an application process for a sales position.

To identify whether the candidates exaggerate their knowledge, they were shown sets of 9 to 15 terms (proper names in the case of the role models item; words and concepts in the remaining cases), one term of which was non-existent. For example, an item might read "Salespeople are taught a number of sales techniques. How many of the following methods for handling objections are you familiar with?

"Feel-felt-found
Magic Eraser
Compensation
Twister"

Items were scored "1" if the respondent indicated recognition of all of terms and "2" if the individual recognized some or none of the terms. Each of the objection-handling methods listed above are actual methods taken from a current university level sales textbook (Castleberry and Tanner 2011), with the exception of "Twister." The SPQ is a "locked" diagnostic assessment which, like other locked psychological tests, means that its actual content is proprietary, as is the case with personality profiles (e.g. Myers-Briggs®; reported in McIntyre et al. 1995) and ethical issues measures (e.g. Defining Issues Test®; reported in Weeks et al. 2006), and reproducing the actual content is prohibited by the owner. Consequently, this example does not include actual terms used in the study but closely parallels item structure, format and presentation. The items used in the SPQ have been inserted and sequenced to appear at the beginning, middle and near the end to control for non-content related influences such as memorization and response fatigue.

SPQ scales demonstrate good test-retest stability, averaging r=.75 over all scales (18 of the 21 scales were significant at p<.01, the remainder at p<.05). The stability of the Brake score, the overall diagnostic measure, is r=.91 (p<.01). Cronbach's alpha, one estimate of internal consistency, for the Brake Score is r=.84. Multiple empirical studies have shown consistent associations with objective contact criteria in hypothesized directions (e.g. Dudley, Goodson and Bryant 2003).

Results

To examine the influence of a situational factor on impression management, exaggeration rates for candidates in 2009 were compared to job-seekers in 2001.

Previous examinations of data from very large multi-nation studies have found that approximately 6.2% of all tested applicants exaggerate on all impression management items while also claiming to have answered forthrightly, regardless of economic conditions and job availability (Dudley and Goodson 2010). The proportion of sales candidates falsely claiming knowledge 100% of the time remained unchanged in this study, at 6% for the two periods.

Of the 3,859 applicants in the 2006 sample, 44% exaggerated 80% of the time which, as a U.S. base rate, is high enough to remind users of rigorously constructed psychological instruments like SPQ and especially less formally crafted tests, questionnaires, rating scales and surveys to use results within the context of adequate corroboration.

In 2009, 49% of the 3,003 applicants in the sample posted high exaggeration scores (claiming false knowledge 80% of the time). The difference between the proportions for the two years is significant (chi square test, p<.0001).

The percent of applicants exaggerating increased more for women than for men.

- The rate for women went up nearly 6%, from 41.1% in 2006 to 46.8% in 2009.
- In comparison, men only had a 4% increase, from 45.2% in 2006 to 49.4% in 2009.

This difference is significant (p<.05), though the difference is not large. Since the sample is so large, the statistical power is such that even a small difference may be statistically significant.

Discussion

Exaggeration rates are high, indicating a significant portion of the population is engaged in impression management. How should these be handled, both in research and in the interview process?

First, is all SDR is undesirable? Researchers generally agree that self-deceptive positivity does not negatively affect research (e.g. Fisher 2000), so the question focuses on intentional falsification of responses, or impression management. Studies of the relationship between SDR and performance using actual adults in work settings where objective criteria are available seem rather scarce, making the question difficult to answer. Further, most studies examine the influence of SDR on response patterns of a scale, important to researchers but of little value in determining the impact of such impression management on future behavior (e.g., sales performance).

Specifically for sales candidates, we hypothesize that a non-linear, inverted u-shaped function may actually fit the functional relationship between varying levels of impression management and should be the subject of future research. As impression management increases, so does sales performance up to a point where the performance can no longer be supported. The upward portion of the curve can be supported by identity theory (Hogg et al. 1995), suggesting that individuals will expend additional effort to achieve or fulfill impressions given others. At some point, however, the extra effort will not compensate, nor is there any interest in achieving the very high level of performance. The purpose for the exaggeration was to simply get the job; there may never be an expectation that an employer might expect a correlation between the impression provided during hiring and the actual results once hired. This curvilinear relationship should be the focus of future research.

The sales manager, though, should consider triangulating observations through a variety of methods and not rely solely on testing. This caveat is particularly important when evidence of exaggeration is provided by the test results.

The inference is that the situation of high unemployment influenced exaggeration. What should be considered is whether the situation led to more exaggerators applying for sales jobs (do exaggerators see sales as a desirable profession relative to other positions?) or whether the situation led candidates to exaggerate more than they would otherwise. Future research should control for the degree to which exaggerators apply for sales positions.

Researchers must address the influence of impression management when observed. When over-claiming does occur, the researcher is left with the challenge of how to respond: a) delete subjects who persistently over-claim, b) include the impression management variable in any model and assume that the rate of over-claiming is consistent with its effect on dependent variables, or c) test for differences between over-claimers and those who do not exaggerate, then determine a response (Borkenau and Ostendorf 1992).

Results from all selection procedures should be subjected to cross-method corroboration. If a candidate for a sales position is observed to have exaggerated on a selection test, then subsequent interviews could determine the nature and influence of such exaggeration, for example. However, the interviewer should be aware that SDR is not limited to responding to questions on a test.

Some SDR may be due to trait level predisposition and not responding to situational stressors or other cognitive pressures emanating from the environment. The 6% who exaggerated at every opportunity are likely to be trait-bound socially desirable responders, though this inference needs further study.

Limitations

One primary limitation is the nature of the impression management measure. Over-claiming of false knowledge is a method of measurement that is particularly appropriate to this setting, but would not be appropriate to all settings. For example, a study of parenting behaviors could make use of false claiming because the behaviors are desired. Identifying the impression management bias introduced when measuring attitudes toward a high status product, though, may require a different approach. Thus, this method should be carefully considered in the future.

Another limitation is that, while the data were collected for applicants of sales positions, the specific position was not captured in the data set. Nor was the nature of the position or positions held previously – while subjects were asked the question, most put the industry (if they answered the question) and few put the actual position. As a result, the influence of position type being applied for or past experience as a salesperson cannot be considered in this study.

In a study of salespeople from many countries, Dudley and Goodson (1982) found that patterns of exaggeration plotted against claimed sales competencies were consistent across countries. Another future study of importance would be to consider the influence of external factors, such as unemployment rates, on rates of exaggeration across countries. This study is limited in generalizability to sales candidates in the United States, though the Dudley and Goodson (1982) work seems to indicate that the limitation may be slight.

Summary

This study makes several contributions. The first is that the results clearly demonstrate a situational cause of response bias related to the nature of an impression target (the hiring manager) but more likely due to external factors such as the economy and the unemployment rate. From a research perspective, this means that even scales that are found to be unaffected by SDR in one study may have externalities influencing response bias in another study, even if the impression target is the same.

The second contribution is the recognition of the degree of exaggeration occurring in employment situations involving testing. This study illustrates the need for multiple sources of information regarding candidates and serves as a warning for over-reliance on self-reporting through testing.

Finally, several fascinating opportunities for future study are proposed that can take advantage of false claiming measurement as a way for capturing impression management. While the SPQ*Gold may be locked, the method is certainly available for use by others and should be verified. It is our hope that this paper will spur that type of work in the sales field.

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Summary Brief
Competitive Intelligence Diffusion in the Buyer-Seller Exchange Process: The Influence on Product Competitiveness, Customer Satisfaction, and Brand Preference

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This study explores the use of competitive intelligence (CI) within the buyer-seller exchange process and its influence on salesperson performance. The authors propose and empirically test a conceptual framework suggesting that the quantity and quality of customer-supplied CI influence product competitiveness which in turn impacts customer satisfaction and brand preference. Novel findings suggest that intelligence must be examined differently than general market knowledge, and that firms can leverage CI to their tactical advantage at the salesperson-customer interface if managed effectively.

Introduction

Over the past several decades, there has been a great deal of investigation on the topic of competitive intelligence. Both conceptual and empirical models have offered various perspectives of CI and its role within an organization. Although there has been diversity in the approach to CI, one area that is agreed upon is that employees play a critical role in the CI process. It has been suggested that as much as 90% of the intelligence needed by an organization is in the possession of its employees. Stemming from frequent contact with customers, vendors, and other individuals present in the supply chain, a company's sales force has been regarded as a company's single best internal source of information concerning market, customer, and competitor information.

With this in mind, this research aims to examine CI at the individual-level of analysis. We review the relevant literatures and then develop a model of CI influence which is grounded in information theory as well as social network and environmental scanning literature. Notably, we treat CI as both an outcome of the salesperson – customer interaction and as a product or instrument that can be used by salespeople to influence customer response during sales activities. More specifically, we explore the extent to which the quantity and quality of competitive intelligence collected by sales personnel impact product competitiveness and brand preference, along with other factors that may strengthen or weaken these relationships.

Hypotheses

The first set of hypotheses investigates the factors related to the quantity, or volume, and the quality, or value, of information shared by the customer with the salesperson. Contrasting CI quantity and quality is important since gathering not only large amounts but also useful information in the marketplace would seem to make a difference in the salesperson's ability to address customers' needs and expectations.

Next, we present the hypotheses related to the consequence of CI quantity and quality on product competitiveness. Business success and sales performance depends on product differentiation and competitiveness. Product competitiveness involves the customer's assessment of the utility and value of the firm's product or service relative to competitive alternatives, and incorporates the firm's ability to fulfill the customer's needs and purchasing constraints. Previous research indicates that high-performing salespeople command and demonstrate a high level of knowledge concerning their products, customers, and competitors.

Our third set of hypotheses outlines the outcomes of competitive intelligence usage by the sales force. Specifically, we examine the effects of CI on product competitiveness, customer satisfaction and brand preference. We also investigate the inter-relationships among these constructs.

Methodology

Sample and Measures

The research setting for this study was a logistics firm charged with assisting companies in the management of all transportation needs and shipment of all goods. All 67 salespeople were surveyed for this research and usable responses were received from 48 different respondents (71.6%). Thirty customers were contacted for each individual salesperson responding to the survey for a total of 1440 customers. There were 686 customer responses that were collected for the 48 different salespeople representing a 47.6% response rate.

In order to gain greater insight into issues of causality, this study adopted a lagged design wherein measures were collected in subsequent time periods. Measures were gathered from salespeople regarding their network quality in time period 1, as was the customer's sharing of CI and the salesperson's level of experience. Approximately three months later the customer's perception of product competeviveness was collected and then a third data collection effort was undertaken three months after the time period 2 survey. In the third survey, the customer's satisfaction was collected and their overall brand preference. Once all responses were collected, data were matched to create a two-level data structure.

All scales (excluding brand preference and salesperson experience) were Likert-type, multi-item scales that were adopted from previous research and anchored at '1' strongly disagree to '7' strongly agree.

Analytical Strategy and Results

Considering our data came from two unique sources, the most appropriate analytical technique to empirically examine this model is hierarchical linear modeling. In addition, HLM is particularly well-suited for estimating the type of cross-level interactions hypothesized here. Therefore, we employed HLM version 6.0, which reports both generalized least squares (GLS) standard errors as well as robust standard errors. Given the Level 2 sample size, we report only the parameter estimates based on the more conservative GLS estimates.

To ensure measurement fit, we employed structural equation modeling where two separate models were estimated to determine relative fit and properties of validity. First we modeled the salesperson level variable of network quality as a first-order latent variable while treating experience as observed. Considering all of our latent constructs had reliability scores that exceed .70 and average variance extracted that is greater than .50, we deemed it acceptable to continue with our analyses.

We next estimated a series of linear effects models in which we test the a priori hypotheses. The HLM results across the separate models indicated that the quantity of information shared does have a significant influence on the quality of information garnered (H1: $\gamma = .06$; $p < .01$). We then included the quadratic term for quantity of information shared and uncovered an inverted U-shaped relationship with quality of information shared; thus supporting our second hypothesis (H2: $\gamma = -.02$; $p < .05$).

Using the baseline and main effects model described above for H1, we then examined the interaction of network quality on the cross-level interaction with the quantity of CI shared. Results suggest that the network quality does positively influence the relationship between the quantity of information shared and the quality of that information (H3: $\gamma = .03$; $p < .05$). This relationship suggests that salespeople who have a closer network of customers will get a higher quality of CI from the same quantity of CI than those salespeople with weaker customer networks.

We next investigated the predictors of product competitiveness. Surprisingly, we uncovered that the quantity of CI shared (H4: $\gamma = -.08$; $p < .01$) has a significant negative effect on product competitiveness. However, the quality of CI shared (H5: $\gamma = .42$; $p < .01$) exhibited positive, significant main effects with product competitiveness.

We argue that salesperson experience will allow salespeople to better leverage the intelligence amassed and incorporate this information into their sales calls. Our findings suggest that this is the case when considering the quantity of information provided. Results show that salespeople that are high on experience can actually reduce the negative influence of the quantity of CI provided to the customer to product competitiveness (H6: $\gamma = .02$; $p < .05$) (figure 5). It appears that greater levels of experience enable the salesperson to perhaps discuss or leverage this large amount of information in a better manner. We did not find a significant moderating effect of experience on the quality of the information shared (H7: $\gamma = -.01$; $p <$ .ns) to the product competitiveness. Apparently high quality CI is instrumental to salespeople irrespective of experience.

The final portions of our model investigate the outcomes of product competitiveness. As expected we find that product competitiveness influences both customer satisfaction (H8: $\gamma = .53$; $p < .01$) and brand preference (H9: $\gamma = 3.78$; $p < .01$). We also find that customer satisfaction has a significant influence on brand preference (H10: $\gamma = 4.37$; $p < .01$). Together, these variables and their interactions, accounted for 2% of the variance (pseudo R2) of the quality of CI shared, 16% of the variance in product competitiveness, 23% of the variance in customer satisfaction and 9% in brand preference.

Discussion and Implications

The proposed theoretical framework is intended to encourage academicians to extend this line of thought and to focus their interest on individual level CI use. This study suggests that researchers should not only concentrate on the link between the salesperson and customer, but also address the question of how competitive information can weaken or strengthen this link. Moreover, the salesperson's utilization of CI may provide the opportunity to bring in the much needed angle of 'competitor' to the salesperson-customer-competitor triangle.

Recent literature and advancements in social network theory suggest that competencies and distinct competitive advantages may be acquired when strong social networks are present. For example, recent work subscribes to a social network paradigm in suggesting that a small business's network relationships can influence the flow of local business information, and the ability to obtain relevant, timely and accurate information. This information then leads to increased levels of marketing competence. Following a similar pattern, our research supports the idea that a higher quality network of customers enables a salesperson to collect better CI which then influences the salesperson's level of product competitiveness.

Second, the finding that the quantity of CI provided by the customer has a significant negative relationship with product competitiveness provides insight on the potential negative effects of CI if mismanaged. As we discussed earlier, environmental scanning on behalf of the salesperson may facilitate the discovery of desirable information for situational interpretation and modify decision-making. However, there also appears to be a dark-side associated with this excessive scanning. A poorly managed scanning effort can lead to negative outcomes such as information overload, confusion and disorientation, and high costs in lost opportunities.

Summary Brief
Explanations as a Service Recovery Initiative: The Amount of Information and by Whom it is Provided

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This research considers two aspects that are likely to contribute to the success of a verbal account of why a service failed: the amount of information and source of the information provided. In Study 1 we find an interaction effect that suggests that the most positive outcome is when the manager (vs. the front-line employee) provides a full explanation (vs. limited explanation) of the mishap. Results from Study 2 indicate that source credibility and excuse making are in play. Managers are considered higher in source credibility and less likely to be making up an excuse. These results suggest that service recovery initiatives are best received when the manager provides the customer a full account of what went wrong.

Introduction

Compensation is an oft-used recovery strategy (Smith and Bolton 1998). However, quickly turning to compensation may not be in the best interest of the firm.

It is our contention that providing information to the consumer relative to the cause of the failure is one way to effectively overcome the negativity of the failure. While the impact of explanations has been investigated previously (e.g., Grewal, Roggeveen, and Tsiros 2008), a potentially important question that remains to be studied is how much information needs to be provided. We also investigate the degree to which differences based on who provides the information, the frontline employee or the manager might exist and why that is occurring.

Study 1

Amount of Information

The positive outcomes of providing explanations were shown by Tax et al. (1998) who found that when the firm takes responsibility for the failure and provides information to assist in understanding the service failure, consumers can be expected to express favorable feelings. But what constitutes a good explanation? A series of three experiments conducted by Bies and Shapiro (1987) found that a causal account of mitigating circumstances is not in and of itself sufficient to enhance perceptions of interactional fairness. Rather the causal account must be perceived as being adequate. Adequacy is determined to the extent to which the explanation is clear, reasonable and detailed. In other words, there appeared to be a threshold below which the explanation had no positive impact on the outcomes. This leads us to:

> **H1:** A detailed account (vs. little information) of the cause of the service failure results in higher (a) satisfaction and (b) repurchase intentions.

Source of Explanatory Information

The provision of a causal account would likely fall to either the frontline employee or the manager. The source of the information is a potentially useful cue to making sense of the situation. Several studies have suggested that the frontline employee should be responsible for redressing service failures due to their physical involvement in the service encounter (Boshoff and Allen 2000). The front-line employee is the face of the organization and if properly trained and empowered has the ability to resolve the issue (Sparks and McColl-Kennedy 2001). If this is indeed true then you would expect that if the information provided by the server is the same as that provided by the manager, then who provides the information would not be a factor.

> **H2:** No difference in (a) satisfaction and (b) repurchase intentions will be found based on the party delivering the information (front-line employee or manager).

Results

A between-subjects 2 (information: low vs. high) X 2 (employee: server vs. manager) experimental design was used. Data were collected from adults (n = 108) and students (n = 41). The service failure was slow service and different levels of information were provided to explain the failure. The scenario also specified that the information was provided by either the server or the manager. Satisfaction and repartronage intentions were both measured with 3 items (α = .85 and .94 respectively).

An analysis of variance (ANOVA) performed on satisfaction as a function of information and employee showed no main effects however a significant interaction did emerge, $F(1, 147) = 7.274$, $p < .01$. Follow-up tests showed that while in the server only condition satisfaction was higher when less information was provided, the opposite was found for the manager. In the manager only conditions, more information led to greater satisfaction (partial support of H1). In contrast to H2, the person providing the information did matter. Satisfaction was greatest when either the server provided little information or the manager provided high information relative to the cause of the failure. Similar results were found for repatronage intentions where post-hoc analysis showed that the influence of increased information was most effective in the manager condition.

Study 2

Source Credibility and Excuses

To better understand the importance of who provides the causal information we undertook a follow-up study. Any number of factors including source credibility and excuses could account for the differences. Source credibility refers to the perceived ability or motivation of the individual to provide accurate and truthful information (Kelman and Hovland 1953). Individuals are often viewed as being high or low in source credibility based on their perceived expertise and trustworthiness. Perceived expertise is the extent to which the assertions made are deemed valid. Trustworthiness refers to confidence in the communicator's intentions. When source credibility is low, attribution theory suggests that consumers will discount the arguments in a message (Eagley and Chaiken 1975). If the manager is thought to be higher in source credibility this might explain why the information conveyed by the manager was more persuasive.

> **H3:** In a service recovery the information provided by a manager (vs. front-line employee) is deemed to be higher (vs. lower) in source credibility.

In a similar vein, it is possible that consumers view the content of the arguments differently based on who provides them. If provided by the front-line employee the arguments might be considered excuses. Excuses are defined as explanations in which the employee admits the outcome was unfavorable but denies full responsibility by citing some external cause of mitigating circumstance (Shaw, Wild, and Colquitt 2003). Whereas when the information is provided by the manager the information is viewed as being highly valid. The manager is higher in credibility which reduces the appearance of excuse making.

> **H4:** In a service recovery the front-line employee (vs. manager) is deemed to be higher (vs. lower) in excuse making.

Results

Data were collected from adults (n = 134). Since the only objective of this study was to assess differences in source credibility and excuse-making between the manager and server, a simple between-subjects experimental design was used where only the source of the information provided (manager vs. front-line employee) was manipulated. The "high information" scenario used in Study 1 was used and respondents were randomly assigned to one of the two conditions. The two dimensions of source credibility (expertise and trustworthiness) were measured with 7 point semantic differential scales (Ohanian 1990; expertise a = .77; trustworthiness a = .88). Excuse making was measured with a single item.

Consistent with H3, a t-test performed on expertise and trust as a function of employee type revealed significant differences suggesting that the manager is deemed higher in source credibility. Consistent with H4, a t-test revealed that front-line employees were considered to be higher in excuse making.

Discussion

Results from Study 1 indicate that in fact an explanation can have a positive impact on those outcome variables under certain circumstances. A significant increase in the outcomes occurred consistently when the additional information was provided by the manager. Our results demonstrate that although the information provided was the same, the evaluation of the information was different. Respondents had higher overall evaluations when the manager provided a lot of information relative to the cause of the service failure or in the case of satisfaction when the frontline employee provided little information. These results are consistent with the source credibility and excuse making. Study 2 revealed that the manger is deemed to be higher in source credibility and lower in excuse making. This seems to indicate that training employees to provide explanations may be unjustified. Instead, it appears as if the firm would be better served by simply getting the manager to address the situation directly with the customer.

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Summary Brief
The Impact of Employee Identification on Job Engagement

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This brief presents a model that integrates social identity theory in an organizational context to investigate the influence of employee-customer identification and organizational identification on customer orientation and job engagement. Utilizing a sample of 297 employees, the findings reveal that a person's identification with one's customers positively affects job engagement.

Introduction

Employee job engagement has surfaced as an intricate concept in research vital in motivating positive outcomes at both the employee and firm level (Harter et al., 2002). Engagement is seen as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (Bakker et al., 2007, p. 274).

Although job engagement has been found to yield promising results for companies in search of growth, getting employees engaged at work is not an easy task. According to the 2008 Gallup Engagement Index, 67% of employees surveyed were found to be either disengaged or not actively engaged at work, while only 33% of employees surveyed were believed to be engaged at work (Gallup Consulting). These findings have generated widespread interest on the topic, particularly areas tailored to finding alternative ways of regaining job engagement. Agreeably, quite a number of studies have addressed these same issues. However, the 2006 article by Cartwright and Holmes called explicit attention to the potential impact of meaningful work, workplace identification and leadership trust on engagement. Of specific interest to the present study is the role of workplace identification.

In the organizational literature, the popular thread among researchers regarding the role of workplace identification pertains to organizational identification and its influence on workplace behaviors and attitudes (Van Dick et al., 2006). Rarely has the discussion been placed on the identification that takes place between employees and customers. Studies for instance have found that individuals with strong levels of organizational identification will exhibit greater customer orientation (Wieseke et al., 2006). Equally, researchers have demonstrated that employees who are highly customer oriented display behaviors reflective of increased engagement levels (Bakker et al., 2004). This in turn implies that the effects of identification on customer orientation should eventually affect engagement. Nevertheless, of the few studies that have integrated social identity in an organizational context to explain how identification contributes to engagement (see Blader and Tyler, 2009; Tyler and Blader, 2000), none is yet to examine the role of customer orientation or the impact of employee-customer identification. Given these gaps in the literature, the present study explores two lines of inquiry. First, the study examines the impact of firm and customer identification on customer orientation and engagement. Second, the role of customer orientation in the model is examined as a consequence of identification, in addition to, an antecedent of engagement.

Literature Review

Linking Organizational Identification to Job Engagement

Organizational identification is classified as a form of social identification that describes "the degree to which a member defines him/herself by the same attributes that he or she believes define the organization" (Dutton et al. 1994, p. 239). Here, the relationship between organizational identification and engagement is positioned within the theoretical process of social identity theory. The theory posits that a person's willingness to integrate his/her self-concept with those of a group (i.e. the firm) facilitates a like mindedness between the person's views and those of the group. As a result, the individual begins to comply to group norms in a way that makes him/her reform an internal sense of him/herself to match up with the group's sense of self (Blader and Tyler, 2009; Tyler and Blader, 2000). This, according to Tyler and Blader, influences voluntary actionable consequences on the part of the employee to conform to what the organization wants and how the organization expects him or her to act. If an individual's social identity is thus derived from the firm, only then will the person harness attitudes and behaviors that advance firm goals through dispositions of job engagement.

H1: *Employees who strongly identify with their organizations will display greater job engagement.*

Linking Employee-Customer Identification to Job Engagement

Subsumed under the assertion of relational identity and relational identification, employee-customer identification is defined as the extent to which employees see or perceive themselves as having self-defining characteristics with customers. Seeing that employee-customer identification focuses on role relationships, this study argues that the more employees identify with customers, the more they engage in behaviors that facilitate the welfare of the relationship. Employee role-based identities may entail engaging in behaviors stipulated to promote customer satisfaction, service quality, citizenship behaviors, helping customers, etc. These behaviors may be arrived at in part through their cooperation with the firm and interdependent associations with customers to engage in behaviors that create value for group members. Parallel to this notion, we assert that employees who identify with their customers will particularly put more of an effort into the task at hand if they were sure it would certainly benefit customers with whom they possess a common identity. Based on our knowledge that no research effort has been made to assess the impact of employee-customer identification on job engagement, the following relationship is structured as an exploratory relationship.

***H2:** Employees who strongly identify with their customers will display greater job engagement.*

Linking Customer Orientation to Job Engagement

According to Babakus et al. (2009), employees high on customer orientation have the natural disposition to flaunt positive emotions which may involve engaging themselves on work-related tasks without depleting resources that cause stress and burnout. Interestingly, while several studies have examined performance as a consequence of customer orientation, much remains to be learnt concerning the relationship between customer orientation and engagement. Based on this, the following is hypothesized:

***H3:** Employees who are high on customer orientation will display greater job engagement.*

A review of the marketing literature shows that organizational identification fosters in employees a natural drive to propel the organization to greater heights through increased workplace productivity and customer orientation (Wieseke et al., 2007). Homburg et al. (2009) also found that employees who possess attributes similar to an organization's self-image become positively inclined to meet the needs of their external customers. Similar to earlier research findings, the following is hypothesized:

***H4:** Employees who strongly identify with their organization will display greater customer orientation.*

Korschun (2008) explained that the extent to which employees socially identified with their customers influenced the degree to which employees engaged in behaviors focused on fulfilling customer needs. One can argue that employees with stronger identification with customers will engage and dedicate more effort to any task beneficial to customers due to the firm's customer-centric marketing strategies. Employees who socially identify with their customers vitiate the boundaries that misalign their identities and prevent them from forming any common identity (Korschun, 2008).

***H5:** Employees who strongly identify with their customers will display greater customer orientation.*

Methodology

To test the proposed relationships, employees working for a Cooperative Extension System located in the Midwestern part of the country were asked to participate in the study. A total of 1,015 employees received the email invitation accompanied by an attached link to the actual survey screen. Three hundred and fifty six respondents started the survey, of which 319 of them were fully completed. After listwise deletion, 297 respondents were left. Data analysis was carried out using structural equation modeling in Amos 18.0.

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Summary Brief
Positive Affectivity as an Antidote to Work-Family and Family-Work Conflicts

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This study investigates the role of positive affectivity as a buffer against the detrimental effects of interrole conflicts on frontline hotel employees' job performance and turnover intentions. Data collected from a sample of frontline hotel employees in Turkey serve as the study setting. Results and their implications are discussed and directions for future research are offered.

Background

Today's demanding work environment blurs the boundaries between job and home lives and heightens the potential for work-family (WFC) and family-work (FWC) conflicts where participation in one role makes it difficult to participate in the other. Given the detrimental effects of interrole conflicts on the well beings of the employees and the organizations, managing work-life balance is a managerial imperative. Against this backdrop, the purpose of the present study is to investigate the relationships among interrole conflicts and frontline employees' job performance and turnover intentions, and the buffering role of positive affectivity in this process.

Method

Data for the study were gathered via self-administered questionnaires from 620 full-time frontline employees of three-, four-, and five-star hotels in Ankara, the capital city of Turkey. These respondents were employed as front-desk agents, bell attendants, food and beverage servers, concierges, guest relations representatives, door attendants, and bartenders and had frequent face-to-face or voice-to-voice interactions with customers.

Multiple item indicators from well-established scales were used to operationalize the constructs of the study. Work-family conflict and family-work conflict were measured via five (5) items from Boles, Howard and Donofrio (2001) and Netemeyer, Boles and McMurrian (1996). Positive affectivity was measured via three (3) items from Agho, Price and Mueller (1992). Job performance was measured via five (5) items adapted from Babin and Boles (1998) and turnover intentions via three (3) items from Singh, Verbeke and Rhoads (1996). Responses to all these items were elicited on 5-point scales ranging from 5 (*strongly agree*) to 1 (*strongly disagree*). Composite scores were generated by adding items comprising each construct. Because of the scoring method used, higher scores consistently indicated higher levels of each construct (e.g., higher work-family conflict, positive affectivity, turnover intentions). With the exception of the family-work conflict construct ($\alpha = .66$), all internal consistency reliability coefficients exceeded the .70 benchmark.

Results

In examining the relationships among interrole conflicts and job performance and turnover intentions and, whether positive affectivity moderates these relationships, a two-step procedure was followed. In the first step, two regression models were run by using work-family conflict and family-work conflicts as the independent, and job performance and turnover intentions as the dependent variables. Both models proved to be viable (marginally significant in the case of job performance). The independent variables collectively were more effective in explaining the variance in turnover intentions ($R^2 = .08$). A closer scrutiny of the results showed that work-family conflict was the only significant predictor of job performance. In the case of turnover intentions, family-work conflict was the only significant predictor.

In the second step, we used sub-group analysis (Kohli 1989) to determine whether positive affectivity moderates the interrole conflict-outcome relationships. Sub-group analysis which examines significant differences in regression coefficients across sub-groups (Arnold 1982) depicts the pattern of results more clearly than would be the case in an examination of interaction effects in analysis of variance. Specifically, we repeated ordinary least squares regression analysis in sub-groups reflecting low and high scores on the moderator variable (positive affectivity). In forming a pair of sub-groups representing low and high sub-groups, the respondents were arrayed according to their positive affectivity scores and the two sub-groups were then formed by selecting approximately the top and bottom quartile of the cases. The accepted procedure in sub-group analysis is to drop the middle cases from subsequent analysis so as to increase the contrast between sub-groups (Arnold 1982; Kohli 1989). As a result, 165 respondents were classified into the low and 136 respondents into the high positive affectivity groups. The Chow test (Dougherty 2007) was then performed to establish the significance of the difference in the form (intercept and slope) of each regression model across the two sub-groups.

A statistically significant Chow test would suggest that the estimates of the structural parameters corresponding to the two data sets (i.e., high positive affectivity and low positive affectivity groups) are different and, therefore, positive affectivity is a moderator. The Chow tests of the individual regression estimates for high and low positive affectivity groups were statistically significant in the cases of both outcome measures (turnover intentions: F=264.04, p=.0000; job performance: F=298.29, p=.0000) showing that positive affectivity is a significant moderating variable. Further, independent samples t-tests confirmed that the turnover intentions of low positive affectivity employees and job performances of high affectivity employees were significantly higher than their counterparts.

Discussion

This study examined the relationships among interrole conflicts and frontline employees' job performance and turnover intentions, and the buffering role of positive affectivity in this process. Results of the study revealed that positive affectivity can be a potent antidote to the detrimental effects of interrole conflicts on frontline employees' job performance and turnover intentions. An immediate implication of our results is that managers should consider the level of affectivity of the candidates during employee selection and hiring. Candidates high in positive affectivity should be given priority in hiring since such employees can better cope with interrole conflicts. Screening of candidates with positive affectivity can be facilitated by objective and standard tests that utilize dispositionally based factors and variables. In addition, the extent of positive affectivity of employees can be considered in periodic appraisals.

Management should also consider devising proactive strategies to keep employees high in positive affectivity in the organization. On one hand, retention of suitable employees (e.g., those with high positive affectivity) enhances the reputation and image of the organization and attracts other high-performing employees to the organization (Redman and Mathews, 1998). On the other hand, employees depicting positive affectivity can help create a positive work environment, may serve as role models to their colleagues and generate a demonstration effect among existing employees with negative affectivity.

Although this study expands the knowledge base, it has limitations that future research can address. First, the study focuses on a single service sector in a single country. Replications of the study in the same sector in the same locality as well as other service sectors and countries would expand the data base for generalizations and also show if the propositions tested here are viable in other contexts. Second, the single-source nature of the data makes the construct measures vulnerable to common method bias. Future studies could benefit from collecting information from alternate sources (e.g., performance data from supervisors). Third, the cross-sectional nature of the study does not allow causal inferences. Longitudinal studies could enrich the findings and generate a deeper understanding.

Fourth, the marginally significant finding in our study pertaining to interrole conflict-job performance relationship can be partially attributed to the nature of our performance measure which operationalizes performance relative to coworkers. Therefore, better job performance measures are needed in the future. Fifth, in this study, we showed that positive affectivity can serve as a buffer against the detrimental effects of interrole conflicts on job performance and turnover intentions. Investigation of the possible roles of other variables (e.g., self-esteem, self-efficacy, locus of control, agreeableness, proactive personality) as antidotes to the detrimental effects of interrole conflicts not only on in-role job performance and turnover intentions but also on other organizationally valued job outcomes (e.g., organizational commitment, extra-role performance) would enrich our understanding. Thus, we culminate with a call for additional research on these intriguing issues.

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Special Session Abstract
Disservice: Deploring the Dysfunctional Deeds that Doom Delight

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Overview

The marketing literature is full of service articles, but virtually no one is exploring the issue of disservice. This special session examines the phenomenon of disservice with input from a panel of marketing academics who each bring a unique perspective and experiences to bear. This special session is very relevant to this year's SMA Conference theme of "Sensory Marketing." Disservices are the dark side of "sensory marketing." Essentially, they are the embodiment of service delivery that is the reverse of doing it right. Indeed, disservices often generate a sense of disdain or disgust, and are sometimes so severely bad that they create sensory overload.

Five questions pertaining to disservice will be posed to the panelists. To maximize discussion, a question will be asked and each member of the panel will answer before addressing the next question. The order in which the panelists will respond will be rotated for variety in the discussion of the five questions.

Ultimately, the goal of the session is to introduce new thoughts and/or provide a re-examination regarding the domain of dissatisfying service delivery. The hope is to generate audience participation through question and answer opportunities and insights. To that end, each question will be addressed for approximately 10 to 15 minutes, followed by audience participation.

Panelists' Questions

1. From your perspective, what types of actions represent expressions of disservice by an organization?

2. Do you think the incidence of disservice is increasing, decreasing or holding steady? Why?

3. Where does the blame reside for disservice: the service provider, the management, the service employee, unrealistic customer expectations, etc.?

4. Are there ways to safeguard against the expression of disservice?

5. Beyond its impact on a current service encounter, are there broader implications created by acts of disservice?

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Summary Brief
Exploring the Desired Attributes of Professors in Service Recovery Encounters in Higher Education: Should Professors Treat Students Differently Based on Gender?

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This paper explores the nature of service recovery encounters, particularly the qualities and behaviors that male and female students expect from professors in personal service recovery encounters. For this purpose, semi-standardized laddering interviews were conducted in order to gain a deeper understanding of student expectations and the values that drive these expectations.

Introduction

Increasingly, higher education (HE) institutions are realizing that higher education could be regarded as a business-like service industry and they are starting to focus more on meeting or even exceeding the needs of their students. Teaching being a service is not immune from service failures but surprisingly relatively few studies have been conducted to explore service recovery when a service failure occurs in a classroom setting. Examples of service failures include the professor not coming to class or not being available during posted office hours, ambiguous exam questions, grading errors and refusal to respond to student questions related to course material (Frankel, Swanson, and Sagan 2006). Thus, it would be beneficial for educational institutions and particularly professors to understand how they can effectively recover from service failures (Swanson and Davis 2000).

Despite this, extant literature offers surprisingly little guidance about what student expectations are regarding professors‟ qualities and behaviors during these „critical moments of truth‟. Both higher education institutions and professors should be interested in understanding how to respond when students are dissatisfied. Like regular firms in the business sector, there are advantages associated with successful recovery in the HE sector. Previous research has found that increase in student satisfaction from recovery encounters results in loyalty and positive word-of-mouth communication. Studies by Swanson and Davis (2000) and Iyer and Muncy (2008) showed that understanding students‟ recovery expectations could result in effective recovery by professors leading to greater student satisfaction.

Gender Differences

Several research studies have already demonstrated that male and female customers have different preferences, information processing and decision-making styles (e.g. Iacobucci and Ostrom 1993). In a service recovery context, McColl-Kennedy, Daus, and Sparks (2003) found that male and female customers have significantly different preferences regarding how companies should handle service recovery. Due to the lack of studies comparing service recovery expectations of male and female students, the current study seeks to fill this gap in literature by extending on the studies of Swanson and Davis (2000) and Iyer and Muncy (2008) and exploring the desired attributes of professors in service recovery encounters in higher education and whether gender of students plays a role. If differences in expectations exist, professors should be sensitive towards such differences in order to increase satisfaction and provide a better learning experience to students. Knowing what students regard as satisfactory and dissatisfactory attributes helps professors improve the service recovery experience either by improving interpersonal skills or by just having a better understanding of the student‟s perspective. Gained insights can then be used to be more responsive to students during student-professor service recovery encounters without compromising integrity.

The Study

In line with research done on similar topics in the business-to-consumer area, a laddering technique was used. Laddering reveals the relationships which exist between the attributes of products, services or individuals ("means"), what consequences these attributes represent for the respondent, and the personal values or beliefs, which are strengthened or satisfied by the consequences ("ends") (Reynolds and Gutman 1988). Laddering usually involves semi-standardized personal in-depth interviews, with the interviewer asking probing questions to uncover attribute-consequence-value chains (i.e. "ladders"). Cognitive concepts are summarized in a graphical representation of a set of means-end chains known as a Hierarchical Value Map (HVM). A HVM, which is the key outcome of a laddering study, consists of nodes representing the most important attributes/consequences/values (conceptual meanings) and lines, which indicate links between concepts. The study was carried out amongst postgraduate students at a large university in the UK. Laddering interviews were conducted with 40 postgraduate students: 20 male (X=24.8 years) and 20 female students (X=24.1 years).

Results and Discussion

The resulting HVMs revealed that female respondents exhibited greater emotional needs through mentioned attributes like „Show Concern‟, „Reassuring‟ and „Build Relationships‟ which is unique to this gender as assurance or the like was not mentioned or alluded to by male respondents. An explanation for this can be found in numerous studies in the literature which report that women are more concerned with emotional responses, are more benevolent and socially perspicacious (e.g. Bern 1974). Female respondents also expressed a desire to „Build Relationships‟. It is interesting to note that the psychology literature (Carlson 1971) has characterized women as „communal‟ or socially-oriented who seek to be more interpersonal and more involved in an interaction compared to men who are „agentic‟ or goal-oriented. The consequence of „Being Informed‟ is also unique to women. The strong link between „Explanation‟ and „Be Informed‟ indicates that they are keen to be involved in the process and want to be updated about the developments. This corresponds with Gruber, Szmigin, and Voss‟ (2009) findings that women were more involved with the process. Women were also found to have greater „Well-Being‟ and „Security‟ needs than men. Male respondents desire a „Personal Approach‟ from professors which corroborates findings by Gruber et al. (2009). They also want professors to be „Proactive‟ in order to correct the mistake as soon as it occurs. Male respondents also stated that they would feel more confident but, female respondents did not mention the concept at all. One reason can be that men have been found to be more confident than women and hence it is a value more commonly felt by men than by women. On the other hand, women cited „Achievement‟ as a significant value. Fiorentine (1988) notes that through years, there has been an increase in women‟s desire for achievement which he terms as „status-attainment‟ goals which accounts for the desire to feel motivated to achieve more in life in terms of career, at the same time, he points out that there has been no decrease in women‟s „domestic-nurturant goals‟. The presence of these two goals explains the desire in women to achieve and yet maintain interpersonal relationships and stress on communal factors previously discussed.

Conclusion

Service failures are inevitable in service process and will occur occasionally. However, as Iyer and Muncy (2008) pointed out, the failure itself is not important, it is what is being done about it matters more to students. The study results show that gender differences in expectations exist in a recovery encounter. Men and women signify different elements in a recovery encounter. Being sensitive to those will ensure effective recovery and maximise satisfaction in students. Since female respondents want professors to be reassuring at the time of encounter professors can have a more comforting, gentle approach with female students when they report the problem and be open to cultivating a student-teacher relationship as that induces a sense of self-worth or self-esteem in female students which increase their satisfaction. With male students, it is likely that an open discussion with a quick problem resolution will tend to satisfy their higher order goals. These research findings have several implications and strongly suggest further research and debate into the service implications of gender in higher education.

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Summary Brief
Student Financial Capability and the Role of Parents: Insights from the UK and Ireland

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Good financial capabilities are key skills for all consumers but particularly for those such as students who may be financially less experienced and knowledgeable, and hence more vulnerable. The role of parental influence in developing students' financial capability throughout their college years has received scant attention. Against a backdrop of rising university fees and student debt in Ireland and the UK, this study investigates the importance of parents in shaping students' financial context and orientation and in socializing them towards financial capability. While parents have been incorporated into primary and secondary school financial education programs in Europe as elsewhere, they are often not directly included in initiatives at higher education level, a stage when students are arguably most exposed and susceptible to credit and debt. A joint parent-student financial capability program for higher education is called for to leverage this important generational influence.

Introduction

While predatory lending and aggressive marketing tactics have abated in Europe as elsewhere, the far-reaching consequences of the "credogenic" environment (Szmigin and O"Loughlin 2009) have become evident through widespread bankruptcies, mortgage defaults and house repossessions. This study draws on capability theory (e.g. Sen 1993) which assesses a person"s environment and the opportunities available to that person as well as their internal capabilities (Johnson and Sherraden 2007). Assessing and improving people"s financial literacy and capability has become a major issue for developed nations with particularly low levels evident among young people in Europe and elsewhere (e.g. Lusardi, Mitchell and Curto 2010). Financial capability skills and knowledge including making ends meet and choosing products (Atkinson, Kempson and Collard 2006) are particularly important for certain groups such as students who may be less experienced and knowledgeable financially and who may be vulnerable in terms of overall financial literacy and capability. Students are also currently facing higher financial burdens in the form of rising student fees. In 2012 UK university fees will rise to between £6,000 and £9,000 while in Ireland, in response to the EU/IMF bailout, fees will rise to €2,000 from September 2011. With the exception of a number of UK studies, European research investigating the financial socialisation by parents of their college-going children is scant. Conversely, in the US, the concepts of financial relationships (Norvilitis and MacLean 2010) and financial parenting (Sereido et al. 2010) have been explored which show how parents" teaching and modelling of financial concepts has a direct effect on student debt behaviour. Despite a wide range of educational initiatives, financial capability among young people in Europe and particularly Ireland and the UK remains weak and there is conflicting evidence regarding program outcomes and success (e.g. FSA 2008).

The Study

The focus of our research is UK and Ireland where the financial crisis has hit hard and where financial capability, especially among students, has never been so important. Using a qualitative inductive approach, the study focused on a particular consumer behaviour issue relating to the role and influence of parents as socialisation agents in building student financial capability. This was achieved through in-depth individual interviews with a purposive sample of 20 students, 10 from the University of Limerick, Ireland and 10 from the Universities of Bath and Birmingham, UK. A range of demographics, and mix of degree course, levels and disciplines were included in the sample.

The research indicated that parental support is a key issue for students with parents playing an important role in shaping students" financial attitudes, decision-making and financial capability. Also the level of financial assistance parents provided was influential on the financial experience and lifestyle of students during their college years. While most students were significantly funded by their parents, a few reported little or no financial support from their parents. For some students, dependence on their parents was extreme, being fully supported in terms of funding accommodation, tuition fees, credit card bills, and even additional items like laptops. Other participants received additional allowances from parents and sometimes early inheritance from grandparents. One student described herself as "spoilt" and did "not know how normal people cope" without the total support of her parents (Female 2, UK). In some cases this complete parental support provided a licence to students to incur debts knowing their parents would pay them off. Some parents automatically topped up accounts if they ran into debt. Such cases reflect previous research which identified a "mothered generation" by (FSA 2004a) of young people who are allowed to defer financial responsibility to their parents. Several participants referred to debt as part of student life and acknowledged that if their parents didn"t work or earned less money, they would have "a very different lifestyle" (Female 5, Ireland). This supports the proposition that, for many, parents play a key role in shaping their children"s perception and experience of spending and borrowing to achieve the aspired lifestyle. Considering the increasing concern regarding young people‟s financial capability, we suggest that such behaviour does not represent responsible financial parenting nor encourage student financial independence.

Most students in the study were strongly orientated towards their parents as financial advisors, who represented role models in terms of shaping attitudes and behaviour to spending, borrowing and saving. One student described how he viewed being careful with money as a "family trait" (Male 1, UK) while another student highlighted how her parents had instilled in her the principle of saving. Such proactive involvement by parents can directly lead to a sense of financial capability and independence. Some participants, however, described parents as less competent financially who sometimes borrowed from their children and actively encouraged them to take on credit. Other students even distanced themselves from one or both of their parents in terms of their orientation because they perceived them as too impulsive or spendthrift or poor at managing their finances. One student described her mother as "not particularly good with money" (Female 3, UK), while another described her father as someone who "buys stupid stuff… very impulsive" (Male 3, UK). The research therefore suggests a range of different parenting styles and behaviours, and levels of parental influence on student financial capability.

Conclusions and Policy Implications

In the aftermath of the phenomenal surge in personal credit and debt, the issue of financial capability and its implications for consumer welfare have never been so crucial. While levels of parental financial support varied across student cases, more important was the nature of parental involvement accompanying the financial support in teaching their children the important skills, knowledge and responsibilities involved in developing into independent financial consumers with an adequate level of financial capability. Given parental support is such an important factor in the student‟s environment directly affecting financial capability (Sen 1993), we suggest that it is incumbent upon parents to couple their financial support with the necessary financial advice, mentoring and role modelling to socialise and enable students to manage their finances capably and independently. While parenting styles may vary, what appears to be crucial is the development of a close "financial relationship" (Norvilitis and McLean 2010) between parents and their children before and during their years at college, a stage when they are most likely to be exposed and tested as financial consumers. Furthermore, in light of the evidence in this study, parents continue to represent key role models, advisors and even decision-makers in regard to their adult children‟s finances. Hence, in terms of future financial education initiatives, a "whole family approach" (Chodkiewicz Johnston and Yasukawa 2005) is recommended where parents should be included and directly incorporated into financial education programmes and initiatives rather than aiming them at young adults alone. This approach would formally acknowledge the role already played by many parents, lead them to taking an active role in their children‟s financial behaviours while also aiding those parents who lack sufficient financial knowledge to provide children with sound financial advice (Lusardi Mitchell and Curdo 2010). An additional aspect to this proposed programme is the recognition that the "one size fits all" model based on informational methods alone for all students may not be optimum approach.

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Summary Brief
Fashion Businesses and their Responsibilities: A Harm Chain Approach

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Europe is currently witnessing advocates' disillusions with the labor and marketing practices of fashion brands (see Siegle 2011). This has been coupled with increased consumer boycotts of apparel brands, and growing consumption of ethical fashion in markets such as the UK. Yet, little attention has been given to a systematic analysis of the responsibilities of fashion businesses within the marketing literature. Using Polonsky, Carlson, and Fry's (2003) 'harm chain', and the extended harm chain analysis later developed by Previte and Fry (2006), this conceptual paper examines the potential for value creation by addressing the harmful outcomes linked to fashion marketing activities. Our conceptual findings help to redress the knowledge gap in relation to negative and positive value creation within the context of the marketing of fashion brands.

Introduction

Fashion brands such as Gucci enjoy high profiles worldwide, and have a reputation as leaders in the fashion marketing industry through their excellence in quality and design. However, European critics suggest that fashion brands are laggards when it comes to conducting their business in a socially and environmentally responsible manner, and targeting those European consumers that form part of an affluent, well-educated elite that is concerned with social and environmental issues (Bendell and Kleanthous 2007). Further, a growing expectancy for all companies operating in Europe (particularly in the UK) to become socially responsible, is forging a new role for the business firm as a political actor (Scherer and Palazzo 2007). Therefore, this paper explores the potential for value creation by reducing harmful outcomes linked to fashion marketing activities. A research perspective that considers the harms associated with the marketing of fashion brands is beneficial to our understanding of this field, since excellent social and environmental performance are now central to both competitive advantage, and sustainability (Thøgersen and Crompton 2009). In so doing, this article redresses the knowledge gap in relation to negative and positive value co-creation, broadens the debate around CSR by exploring transactional and transformational behavior, and reconfigures research into fashion products by considering CSR in the context of the marketing of fashion brands. The authors conclude by proposing how these harms may be addressed by fashion businesses.

Stakeholder Value and the Harm Chain

Porter"s (1985) value chain has been widely used by marketers to conceptualize the positive value created by a firm for its customers, and for a range of organizational stakeholders. However, Polonsky, Carlson, and Fry (2003, p. 346) argue that these exchanges may also result in the generation of harm, and therefore propose the concept of „the harm chain," which permits „firms and public policymakers to consider fully all who are harmed, as well as those who can address harm throughout the harm chain." The harm chain proposes four stages within the marketing exchange where harm may occur: pre-production, production, consumption, and post-consumption. Within these stages there are often complex interactions between stakeholders. Thus, a solution suggested by Polonsky, Carlson, and Fry (2003) is to categorize stakeholders within them according to those who cause harm, those who are harmed, and those who can assist in addressing the harm. By identifying those players and the consequences of their actions, they suggest it is possible to manage relationships to create strategic advantage by generating positive organizational value through marketing activities.

More recently, the marketing literature characterized a transition from value in exchange to one of value in use; Vargo and Lusch (2004) argue further that when consumers „use" a product, they become an operant resource (i.e., a co-producer) as opposed to an operand resource (i.e., target), and therefore are inherently involved in the co-creation of value. Peñaloza and Venkatesh (2006) propose value creation to incorporate both meanings and values in exchange and use, thus viewing the market as co-construed by both consumers and marketers. Therefore, following Previte and Fry"s (2006) enhancement of Polonsky"s harm chain to incorporate the nature of co-creation, this extension enables our analysis to fully encapsulate the symbolic aspects of the fashion industry.

By using Polonsky, Carlson, and Fry"s (2003), and Previte and Fry"s (2006) harm chain as a frame, it is possible to systematically consider those negative externalities associated with the marketing of fashion brands, which are potentially damaging to the overall reputation of the industry, and the firms within. Some of the harms linked to the marketing activities of fashion brands are now critically evaluated below.

Pre-Production and Production Harms

New European trends in ethical consumption and corporate responsibility are presenting significant challenges to the organization of global supply chains, many of which have invariably encompassed exploitative business practices that cause harm to a number of stakeholders. These include animal cruelty derived from inhumane factory farming of animals for fur coats, environmental degradation as well as workers" health damage resulting from the use of unregulated pesticides for cotton production, low employee wages coupled with excess working hours, and health and safety neglect in apparel workshops. While some brand owners distance themselves from responsibility for practices throughout their supply chain, consumers do not make such a distinction.

Consumption and Post-Consumption Harms

Additional issues are model size, digital manipulation of models" photographic images, and the societal impact this has had in terms of establishing beauty and aesthetic ideals both within the industry, and among European consumers. Moreover, the fashion industry has for many years been accused of racial discrimination, stemming from its predominant use of Caucasian models in advertising campaigns, magazine editorials, and on the catwalk. Such behavior and the harm it generates has implications for social responsibility as well as the effectiveness of marketing communication efforts, given the substantial buying power that exists within populations of diverse ethnic backgrounds in Europe. Also, one of the side-effects of increasingly fast fashion cycles aimed at affordably emulating the elusive aesthetic ideals of Haute Couture is the progressive obsolescence and waste this creates. Despite the harms identified above, the fashion industry has particular strengths that can allow them to address their social responsibility.

Discussion and Conclusion

There has been a long running debate that socially-responsible consumption is an expensive business; a luxury that few Europeans can afford given the higher pricing associated with some ethical products (Clarke et al. 2007). However, some fashion consumers are already willing to pay high prices, and it is unlikely that any reasonable „eco" mark-up on their favorite brands will act as a purchase dissuader. Also, the reduction and regulation of harm within the fashion industry requires what Smith, Palazzo, and Bhattacharya (2010, p.631) refer to as a „new institutional logic" that challenges accepted behavior while suggesting alternative points of reference. They suggest this requires that efforts down the supply chain are linked to behavioral transformation up the supply chain. If we consider the harm caused by sweatshops, a more favorable route to their eradication is to recognize the network of stakeholder relationships that exist, and leverage those relationships to motivate change. The „multi-stakeholder approach" brings together the corporate sector, NGOs, trade unions, and national government as a formal organization to engender more responsible business, which in turn engages those who create harm, those who are harmed, and those who regulate harm (Polonsky, Carlson, and Fry 2003). The Ethical Trade Initiative (ETI), set up in the UK in 1997, is one of the most prominent multi-stakeholder organizations in Europe with the aim of delivering best practice for ethical trade. Despite fashion firms holding considerable power to create positive change, few fashion brands have signed up to the ETI. Leveraging stakeholder relationships to facilitate change for good might involve worker education, lobbying governments to raise legal working conditions, as well as communicating with, and inspiring customers to take an interest in the provenance of the products they buy (Smith, Palazzo, and Bhattacharya 2010). Operational efficiencies can be gained from corporate social responsibility, namely enhanced employee resources and motivation, greater innovation, and higher productivity. Local communities are more likely to welcome and accommodate responsible organizations; connections with regulators, voluntary organizations, and non-governmental networks will be enhanced, and brand trust and reputation will be protected. Finally, there is increased evidence of the growing importance to the investment community of ethical performance on the part of public companies, particularly given the rise in the emotional and financial value of (fashion) brands. This paper"s analysis has shown that, in the fashion industry, value can be conceptualized not only in terms of the positive value generated throughout value chains, but also in terms of the negative harms that are co-created by stakeholders at different stages of the fashion supply chain. Further research into this area, invoking the harm chain as a tool of systematic analysis, may prove revealing. This, in turn, would open up the opportunity for self-regulation aimed at improving the negative impacts of the industry as a whole.

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Summary Brief
Testing the Effects of Negotiation Strategy on Knowledge Sharing in Buyer-Supplier Relationships

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Negotiations are an essential element of buyer-supplier relationships that form the foundation of modern supply chains. Research has identified two common types of negotiation strategies used in buyer-supplier negotiations. A win-win strategy attempts to maximize mutual gain while a win-lose strategy focuses on obtaining a disproportionate share of benefits. This study investigates the relational costs of adopting a win-lose negotiation strategy in terms of adverse effects on knowledge sharing in buyer-supplier relationships. A between subjects scenario based experiment is used to test a priori hypotheses developed from literature and the theoretical underpinnings of Social Exchange Theory and the Norm of Reciprocity. Results of the experiment indicate that employing a win-lose negotiation strategy may decrease information exchange, communication quality, and operational knowledge transfer between buyers and suppliers. The findings inform managerial aspects of supplier management and extend negotiation literature to consider longer term effects of a common negotiation strategy.

Introduction

The negotiation process is an essential element in exchange relationships between buyers and suppliers. Research in negotiations often focuses on economic outcomes such as profits or social-psychological outcomes like satisfaction (Mintu-Wimsatt and Graham 2004). Unfortunately, these outcomes limit the scope of buyer-supplier research by treating negotiation interactions as discrete events rather than part of an ongoing relationship (Dwyer, Schurr, and Oh 1987). Most buyer-supplier negotiation research views negotiations as isolated incidents instead of a continuing contribution to the relationship development process. In order to increase understanding of buyer-supplier relationships, it is important to learn how discrete events like negotiations can impact longer term aspects of exchange relationships.

The purpose of this research is to empirically test the impact of a win-lose negotiation strategy on knowledge sharing variables such as information exchange, communication quality, and operational knowledge transfer. This study makes a contribution by extending the scope of negotiation research beyond limited outcomes of discrete events to include common collaborative behaviors associated with ongoing buyer-supplier relationships. Prior research has advocated the use of win-win negotiation strategies in order to build buyer-supplier relationships. However, little research has addressed the potential problems associated with adopting a win-lose negotiation strategy. This research empirically tests the consequences of choosing a win-lose negotiation strategy.

Literature Review and Hypotheses Development

Negotiation strategies are defined as "interaction patterns used by parties in conflict to achieve resolution" (Ganesan 1993, p.184). Buyers and suppliers choose a strategy to use during the actual negotiation interaction. Two common types of negotiation strategy are win-win and win-lose.

A win-win negotiation strategy has been labeled by a number of terms such as integrative, cooperative, problem-solving approach, and collaborative (Campbell et al. 1988). Win-win negotiators seek information from their counterparts to consider the needs and preferences of all parties involved in the negotiation rather than attempting to exploit differences (Mintu-Wimsatt and Graham 2004).

A win-lose negotiation strategy is defined as the attempt to resolve conflicts through the implicit or explicit use of threats, persuasive arguments, and punishments (Ganesan 1993). Characteristics of a win-lose negotiation strategy include behaviors that are competitive, individualistic, aggressive, and persuasive (Mintu-Wimsatt and Graham 2004). Win-lose negotiators often force an opposing party to make concessions in order to achieve more profitable outcomes. Win-lose negotiation strategies will serve as an independent variable in this research.

Prior research suggests that dependence is an important part of understanding supply chains, because, to some degree, all members of a supply chain depend on each other (Stern, El-Ansary, and Coughlin 2001). Mutual dependence between buyers and sellers is described as interdependence. The concept of interdependence recognizes that how much one firm depends on another is relative to how much the other firm depends on it (Jambulingam, Kathuria, and Nevin 2011). Interdependence has been divided into different groups with varying degrees of symmetry. This study focuses on high and low levels of mutual symmetric interdependence.

Knowledge and information sharing are essential drivers of efficiency, effectiveness, and overall supply chain performance (Mentzer, Myers, and Stank 2007). Negotiations are a key ingredient in the ongoing interactions of firms in a supply chain. The knowledge sharing dependent variables used in this study are information exchange, communication quality, and operational knowledge transfer. The goal of this research is to determine the impact of a win-lose negotiation strategy on these knowledge sharing variables in buyer-supplier relationships.

The Norm of Reciprocity (Gouldner 1960) suggests firms will mirror the actions of others in exchange relationships. Based on the tenets of the Norm of Reciprocity, it is hypothesized that an increase in levels of interdependence leads to an increase in knowledge sharing between buyers and suppliers.

The Norm of Reciprocity (Gouldner 1960) suggests that buyers and suppliers will reciprocate the actions of others, potentially invoking retaliatory sentiments. A win-lose negotiation strategy may be appropriate for transactional relationships that are focused purely on cost or profit. However, in ongoing, interdependent buyer-supplier relationships, a win-lose strategy is hypothesized to have relational costs, resulting in a decrease in knowledge sharing.

Social Exchange Theory (SET) (Thibaut and Kelly 1959) suggests an interaction may exist between the level of interdependence in a buyer-supplier relationship and the type of negotiation strategy utilized. Influenced by differing levels of interdependence, a win-lose negotiation strategy may violate the profit seeking motives of SET as relational costs start to outweigh the benefits. Therefore, it is hypothesized that a win-lose negotiation strategy leads to a greater decrease in knowledge sharing in higher interdependent relationships than in lower interdependent relationships.

Methodology and Results

A 2 (interdependence: high vs. low) x 3 (win-lose strategy: high vs. low vs. control) between subjects scenario based experiment was used to test the hypotheses. All measures were adapted from existing multi-item scales. As hypothesized, main effects of interdependence and negotiation strategy were observed. An interaction effect between interdependence and negotiation strategy was also observed.

Discussion and Implications

Based on the theoretical foundations of SET and the Norm of Reciprocity, the results of this experiment indicate that adopting a win-lose strategy in buyer-supplier negotiations has a negative impact on knowledge sharing in buyer-supplier relationships. Buyers and suppliers who utilize the win-lose negotiation strategy must understand the relational costs of decreased information exchange, communication quality, and operational knowledge transfer. This finding is especially salient given that prior research has shown that win-lose negotiators will often beat win-win negotiators by gaining a larger portion of monetary benefits in a negotiation (Graham, Mintu, and Rogers 1994). When viewed as a discrete event, it would seem that firms should use win-lose negotiation strategies in their negotiations. However, given the findings of this research, utilizing a win-lose negotiation strategy seems somewhat short sighted. This research contributes to our understanding of buyer-supplier relationships and shows that negotiations are not only discrete events, but a continuing part of ongoing exchange relationships thus informing the boundary conditions of SET and Reciprocity.

From a managerial perspective, it may appear prudent to pursue win-lose negotiation strategies. Many organizations have incentive programs that support the use of short-term, cost-focused tactics. By developing an awareness and understanding of the longer term relational costs of using a win-lose negotiation strategy, firms have better information to assess the cost/benefit trade-offs associated with negotiation strategies. This research begins to provide managers a more complete understanding of potential relational costs of win-lose negotiation strategies that look beyond mere dissatisfaction with a specific negotiation.

Future Research

This research makes an initial attempt to understand the longer term relational effects of negotiation strategies in buyer-supplier relationships. Given the study results, it seems that future research is warranted to investigate negotiations as part of ongoing exchange relationships rather than discrete isolated events. The impact of negotiation strategy on other relational variables, such as trust, cooperation, and joint investment should be considered. Qualitative research may be needed to understand the nuances of negotiation strategies and their effects on buyer-supplier relationships. Although this study developed hypotheses based on existing theory and established dependent variables, there are likely other aspects of the phenomenon that need to be explored in depth. Such insights will continue to inform essential aspects of buyer-supplier negotiation management.

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Modeling Risk Management in a Grocery Retail Supply Chain

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Supply chains that are adaptable, agile, flexible, and risk averse are imperative in today's challenging and disruptive global marketplace environment. Grocery retailers are facing a number of challenges on many fronts, including the need for greater shopper-centricity, shopper changing demographics and spate in expectations, economic downturn, declining customer purchasing power, global supply chains, rising level of risk and uncertainty, pressure to reduce cost and improve efficiency, and grow margins. To meet these challenges, hyper-efficient grocery retail supply chain logistics management is imperative. However, the same grocery retail supply chain logistics is increasingly facing portfolio of risks and vulnerabilities. Thus, for grocery retailers to survive and thrive, the mandate is clear: they must leverage predictive risk management approach to mitigate supply chains that are fraught with new and emerging risks and vulnerabilities.

Introduction

The grocery retail industry represents one of the most essential industries in the global marketplace, with supermarkets and grocery stores acknowledged to be among the most popular and diverse businesses (Kourouthanassis et al, 2002; Food Market Institute, 2001). Grocery retail supply chain encompasses retailers, produce suppliers, haulers, merchandisers, and other stakeholders make it more vulnerable to disruptive influences. The US retail grocery industry encompasses approximately 65,000 supermarkets and other grocery stores with total annual revenue of approximately $465 billion. The top retail grocery firms include Kroger, Safeway, Supervalu and Public Supermarkets. (http://www.firstresearch.com/Industry-Research/Grocery-Stores-and-Supermarkets.html. "The grocery landscape has changed dramatically over the last few years as consumers grapple with rising food prices, volatile fuel costs, a declining economy and an uncertain job market. These changes have forced senior executives in the largest grocery [firms] to alter their [business models] to respond to these challenges [to save cost and improve profit] " (http://www.progressivegrocer.com/progressivegrocer/images/pdf/ GroceryIndustry.pdf. Also, to tame high cost of grocery retail supply chain operations and improve margin, retailers implemented initiatives such as just-in-time supply chain management, efficient consumer response, and quick response system. Although these initiatives helped retailers to reduce cost and improve margins, they equally made their supply chains more vulnerable to disruptive influences. Christopher & Lee (2004) contend that inordinate ambitious endeavors to create value to customers through cost conscious supply chain practices can cause disruptions. Christopher et al. (2002) also argue that the more firms rely on cost containment initiatives such as outsourcing, single sourcing, and lean manufacturing, the more they are exposed to risks. This reliance can cause firms billions of dollars in business loses. Recent global disruptive events underscore the brittleness and vulnerability of modern logistics and supply chain.

Risks, uncertainties, and vulnerabilities are the quintessential part of business operations. All types of risks exist within supply chains (Lee et al. 1997) and organizations face them whenever they seek goods and services to meet their goals and objectives (Zsidisin et al. 2004) and when there is a high propensity that an event can take place and result in a significant disruption (Hallikas et al. 2002; Shapira 1995). March and Shapira (1987) and Buehler and Pritsch (2003) contend that risk assumption is ultimately a fact of running a business. Therefore, the ability to assume and manage risks is what organizations need in order to produce profits and shareholder value (Buehler and Pritsch 2003).

The analytic hierarchy process (AHP) developed by Saaty (1980) is used to model risk management in a grocery retail supply chain in which the goal being pursued has multiple and conflicting criteria. The risk factors to manage are both qualitative and quantitative in nature and selecting alternative risk management responses is equally conflicting. Indeed, AHP as a multi-criteria decision making process help decision makers or a group of decision makers to set priorities and deliver the best decision when both quantitative and qualitative aspects of a decision must be considered. The following are AHP advantages, including its reliance on easily derived expert opinion data, ability to reconcile differences (inconsistencies) in expert judgments and perceptions, and the existence of Expert Choice Software that implements the AHP (Calantone et al. 1998).

The rest of this paper is organized as follows. Section 2 presents literature review on sources of supply chain risks, grocery retail supply chain risks, and supply chain risk management strategies. In section 3, the research methodology is presented. Section 4 discusses the case study, data collection and analysis. Section 5 presents the empirical results and discussion. Finally, section 6 provides discussion on the conclusion and managerial implications.

Supply Chain Risks

Although supply chain management has been acknowledged as an important source of acquiring competitive advantage, improving financial performance, and creating shareholder value (Chopra and Meindl, 2001), firms can no longer guarantee the past achievements because of today"s risks, uncertainties, and vulnerabilities. In recent years, the importance of risks in supply chain has received attention from academics and practitioners (e.g., Cavinato 2004; Kleindorfer and Saad 2005; Peck 2006; Christopher and Lee 2004; and Spekman and Davis 2004). However, in spite of the fact that uncertainties and risks in today"s supply chains have been receiving attention and the urgent need to implement proactive risk mitigation strategies, C-level executives in many grocery retail firms have not done enough and/or unprepared to effectively manage and mitigate the ever growing portfolio of risks.

To proactively and effectively manage and mitigate risks, it is imperative to identify and categorize the sources of risks in the logistics and supply chains. Harland et al. (2003) advocate that to manage and mitigate the propensity of supply chain risk exposures, it is necessary for firms to identify both individual risks as well as the potential risk sources at every link across the supply chain networks. Organizations can successfully manage and mitigate risk when they understand the sources of risks and practice proactive purchasing management (Zsidisin et al. 2004; Smeltzer and Siferd 1998). Kleindorfer (2000) argues that to mitigate risks in supply chain one must first identify the underlying sources of risks. Supply chain risks can come from various forms (Harland et al. (2003), including environmental, organizational, or network-related factors that cannot accurately be predicted and can impact the supply chain outcome variables (Norman and Jansson 2004; Juttner et al. 2003). Manuji and Mentser (2008a, b) point out that the risks in global supply chains consist of supply risks, demand risks, and operational risks. Aon Corporation (2009) emphasized that "recent events remind us that threats to organizations increasingly come from all directions and in many different forms."

Sources of Retail Supply Chain Risk

Rapana (2009) identified retail logistics and supply chain risks facing five retail firms in Italy, including supply risk, demand risk, among others. For a comprehensive list of risk mitigation strategies recommended for each risk category identified, readers are referred to Rapana (2009). Oke and Gopalakrishnan (2009) examined the types and management of risks faced within the supply chain of a large US retailer. The different risks identified include supply risks, demand risks, and miscellaneous risks which include increasing gas prices, global consumption, regulations, etc. For a comprehensive list of risk mitigation strategies, readers are referred to Oke and Gopalakrishnan (2009).

Aon Corporation (2009) reported that top ten risks confronting the retail industry are economic slowdown, damage to reputation, distribution or supply chain failure, business interruption, increasing competition, regulatory/legislative changes, weather/natural disasters, and theft. AMR Research identified the top three retail supply chain risks, including rising energy costs, rising transportation costs, and lower consumer spending (Tohamy and Sirkisoon 2008). Hillman and Keltz (2007) indicate that risk factors facing retail firms in order of importance are supplier failure, strategic risk, natural disaster, regulatory risk, logistics failure, and intellectual property infringement.

Consistent with the literature reviewed, the identified risks facing the grocery retail supply chains and used in this paper include economic downturn, demand, supply, inventory, legislation/regulations, competition, green/sustainability mandate, theft, and product recalls.

Supply Chain Risk Management

Although there is no one best way of defining supply chain supply chain risk management, it is a process in which supply chain partners collaborate and apply risk management process tools to manage and mitigate risks and uncertainties caused by, or impacting on, logistics-related activities or resources to enhance supply chain effectiveness and financial performance (Tang 2006; Norman and Jansson 2004). Risk management has been examined in SCRM (e.g., Manuji and Mentzer 2008a, b; Norman and Jansson 2004; Christopher et al. 2002; Hallikas et al. 2000; Smeltzer and Siferd 1998). Adams (1995) posits that the formal treatments of risk and uncertainty in game theory, operations research, economics and management science require that the odds be known, assigning probabilities and magnitudes of likely outcomes. Hillman and Keltz (2007) assert that risk management strategies can entail transference of risk to another party, risk avoidance or mitigation (reduction), and channel risk sharing.

Kleindorfer and Saad (2005) asserted that continuous coordination, cooperation, and coordination among supply chain partners are imperative for risk avoidance, reduction, management and mitigation such that the value and benefits created are maximized and shared fairly. Peck (2006) puts it that the primary goal of risk management is to identify and quantify the potential sources of risks, control and reduce specific narrowly defined risks. Zsidisin et al. (2004) assert that it requires continuous communication, gathering and analysis of relevant information to develop appropriate risk management strategies. Christopher and Lee (2004) argued that one key factor in any strategy designed to manage and mitigate supply chain risk is to improve end-to-end information visibility which in turn can help to improve supply chain "confidence" for shareholders.

The review of relevant literature was valuable and insightful. However, the present research differs from past studies in terms of empirical approach and risk management strategies deployed. Unlike past studies, risk management strategies considered in this paper include risk avoidance, risk sharing, risk reduction, risk retention, and risk exploitation (i.e., aggressively or actively seeking out risk in order to gain competitive position).

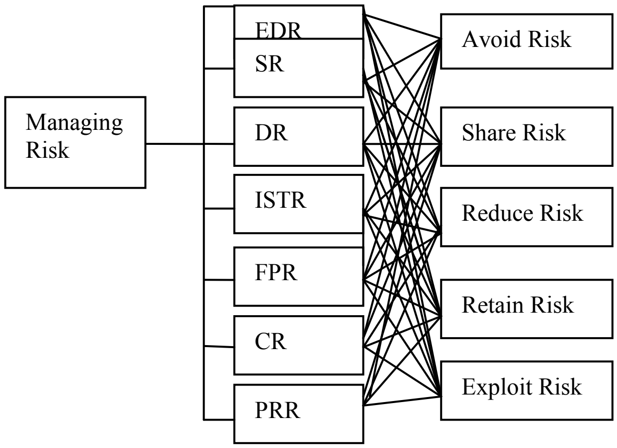
Research Methodology

Evaluation and management of a retail logistics and supply chain risk is a typical multi-criteria decision making problem that involves multiple criteria that can be both qualitative and quantitative. The AHP is an example of multi-criteria decision making selected to model risk management in a retail logistics and supply chain. We propose AHP because it allows decision-makers to model a complex problem in a hierarchical structure showing the relationships of the overall goal, criteria (objectives), and alternatives. Due to its usefulness, the AHP has been widely used in research. Studies that have used AHP include supply chain management (e.g., Gaudesi and Borghesi 2006), marketing (Dyer and Forman 1992), and pharmaceutical supply chain risk management (Enyinda et al. 2009).

Applying AHP to Grocery Retail Risk management

A typical AHP is composed of the following four-phases. 1) The construction of a hierarchy which describes the problem. The overall goal is placed at the top of the structure, with the main attributes on a level below. The so called „parent" attributes can be sub-divided on the lower-levels. 2) Deriving weights for the lowest-level attributes. This can be accomplished by a series of pair-wise comparisons in which each attribute on each level is compared with its family members in relation to their significance to the parent. However, to compute the overall weights of the lowest-level, matrix arithmetic is required. 3) The options available to the decision-maker are scored with respect to the lowest level attributes. Also, it can be accomplished by utilizing the pair-wise comparison method. 4) Adjusting the options" scores to reflect the weights given to the attributes, and to add the adjusted scores to produce a final score for each optimum (Roper-lowe and Sharp 1990). The hierarchy structure is consist of the risk factors (demand risk (DR); supply risk (SR); inventory shrinkage and theft risk (ISTR); fuel price risk (FPR); competition risk (CR); economic downturn risk (EDR); and product recall risk (PRR). The risk management alternatives include risk reduction, sharing risk, avoiding risk, and exploiting risk as shown in Figure 1.

Figure 1. Decision hierarchy to manage grocery retail supply chain risk



AHP steps

1. Define an unstructured problem and determine the overall goal. According to Simon (1960), the methodology of decision making process encompasses identifying the problem, generating and evaluating alternatives, designing, and obtaining actionable intelligence. The overall goal of the focal grocery retail firm is portrayed in the first level of the hierarchy shown in Figure 1.
2. Build the hierarchy from the top through the intermediate levels (criteria on which subsequent levels depend on) to the lowest level which usually contains the list of alternatives.
3. Construct a set of pair-wise comparison matrices for each of the lower levels. The pair-wise comparison is made such that the attribute in row i ($i = 1,2,3,4 \ldots n$) is ranked relative to each of the attribute represented by n columns. The pair-wise comparisons are done in terms of which element dominates another (i.e. based on relative importance of elements). These judgments are then expressed as integer values 1 to 9 in which $a_{ij} = 1$ means that i and j are equally important; $a_{ij} = 3$ signifies that i is moderately more important than j; $a_{ij} = 5$ suggests that i is strongly more important than j; $a_{ij} = 7$ indicates that i is very strongly more important than j; $a_{ij} = 9$ signifies that i is extremely more important than j;

Establishment of Pairwise comparison matrix *A*

The pair-wise comparisons are accomplished in terms of which element dominates or influences the order. AHP is then used to quantify these opinions that can be represented in *n-by-n* matrix as follows:

Eigenvalue and Eigenvector

Saaty (1990) recommended that the maximum eigenvalue, λ_{max}, can be determined as

$$\lambda_{max} = \sum_{j=1}^{n} a_{ij} \, W_j/W_i. \qquad (2)$$

Where λ_{max} is the principal or maximum eigenvalue of positive real values in judgment matrix, W_j is the weight of j^{th} factor, and W_i is the weight of i^{th} factor.

$$A=[a_{ij}]=w_i/w_j = \begin{bmatrix} w_1/w_2 & w_1/w_2 & \ldots & w_1/w_n \\ w_2/w_1 & w_2/w_2 & \ldots & w_2/w_n \\ . & . & . & . \\ . & . & . & . \\ . & . & . & . \\ w_n/w_1 & w_n/w_2 & \ldots & w_n/w_n \end{bmatrix}$$

If A represents consistency matrix, eigenvector X can be determined as

$$(A - \lambda_{max} I)X = 0 \qquad (3)$$

Consistency test

Consistency index (CI) and consistency ration (CR) are used to check for consistency associated with the comparison matrix. A matrix is assumed to be consistent if and only if $a_{ij} * a_{jk} = a_{jk} \ \forall_{ijk}$ (for all *i, j, and k*). When a positive reciprocal matrix of order n is consistent, the principal eigenvalue possesses the value n. Conversely, when it is inconsistent, the principal eigenvalue is greater than n and its difference will serve as a measure of CI. Therefore, to ascertain that the priority of elements is consistent, the maximum eigenvector or relative weights/λ_{max} can be determined. Specifically, CI for each matrix order n is determined by using (3):

$$CI = (\lambda_{max} - n)/n - 1 \qquad (4)$$

Where n is the matrix size or the number of items that are being compared in the matrix. Based on (3), the consistency ratio (CR) can be determined as:

$$CR = CI/RI = [(\lambda_{max} - n)/n - 1]/RI. \qquad (5)$$

Where RI represents average consistency index over a number of random entries of same order reciprocal matrices shown in Table 1. CR is acceptable, if its value is less than or equal to 0.10. If it is greater than 0.10, the judgment matrix will be considered inconsistent. To rectify the judgment matrix that is inconsistent, decision-makers‟ judgments should be reviewed and improved.

Synthesized Matrix

To synthesize the pair-wise comparison matrix in (1), divide each element of the matrix by its column total. The priority vector can be derived by dividing the sum of the rows associated with the synthesized matrix by the sum of the columns. Alternatively, the priorities of the elements can be obtained by finding the principal eigenvector w of the matrix A (Saaty, 1980, 2000). For the priorities of the alternative a_i, the priorities are aggregated as follows:

$$P(a_i) = \textstyle\sum_k w_k P_k(a_i) \qquad (6)$$

Where w_k is the local priority of the element k and $P_k(a_i)$ is the priority of alternative a_i with respect to element k of the upper level.

The Case Study, Data Collection, and Analysis

The supply chain of interest is a grocery retail supply chain. The case firm operates thousands of stores in most part of the US. It is one of the largest grocery retail firms in the US as measured by total annual sales. It also operates a number of food manufacturing facilities and distribution centers. The majority of products offered include perishable foods**;** nonperishable foods**;** and nonfood items**.**

To achieve an in depth knowledge of disruptive influences in a grocery retail supply chain, a case study methodology was used. Yin (1994) popularized the use of case study methodology. Indeed, a case study can be a relevant approach to investigate a phenomenon in its own natural environment where complex links and underlying meanings can be pursued as well as enabling the researcher to study the entire supply chains (Miles and Huberman, 1994; Yin, 1994). According to Oke and Gopalakrishnan (2009), a case study is also relevant "where existing knowledge is limited because it generates in-depth contextual information which may result in a superior level of understanding."

Data were collected through literature review and validated by interviews with a group of supply chain managers to determine grocery supply chain risk sources were carried out between September 2010 and February 2011. Also, to identify the type of risks the firm and the entire supply chain have been exposed to or perceived as potential risks and the risk management responses that exist to deal with those risks, and the effects of risks that the firm and the entire supply chain have suffered in the past (Oke and Gopalakrishnan, 2009). A survey was then used to capture supply chain managers" judgments and/or opinions. In effect, we used literature, interview, and questionnaire methods to collect data in order to evaluate the order of preference of the grocery retail supply chain risk factors. The questionnaire was then developed from the hierarchy tree to enable pair-wise comparisons between all the risk factors and risk management alternatives at each level in the hierarchy.

Goal	EDR	SR	DR	ISTR	FPR	CR	PRR
EDR	1	1	1	3	1	3	2
SR	1	1	1	3	1	2	1
DR	1	1	1	5	1	1	3
ISTR	1/3	1/3	1/5	1	5	3	3
FPR	½	1	1	1/5	1	1	3
CR	1/3	½	1	1/3	1	1	1
PRR	½	1	1/3	1/3	1/3	1	1

Results and Discussions

Figure 2 (top panel) reports on the priority scores associated with the major grocery retail supply chain decision criteria. For the major decision criteria, coincidentally demand and fuel price (0.1846) are the most important grocery retail supply chain risks followed by competition (0.1730), supply (0.1689), economic downturn (0.1440), product recall (0.1029), and inventory shrinkage and theft (0.0419), respectively. Figure 3 (bottom panel) reports on the priority scores of risk management response alternatives. With respect to the overall priority scores of risk management response alternatives, risk reduction (0.3424) is the most preferred risk management response followed by risk avoidance (0.3191), risk exploitation (0.1419), risk sharing (0.1165), and risk retention (0.0801), respectively.

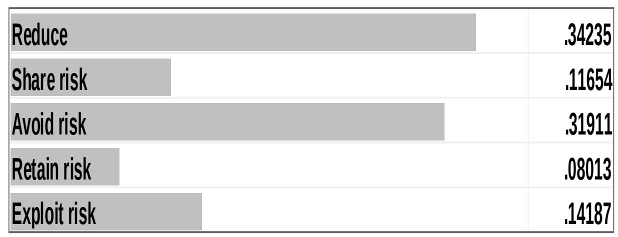
Model Name: Risk Mgmt in a Grocery Retail Supply Chain

Figure 2-top. Priority scores with respect to Risk Factors. Figure 3-bottom. Priority Scores of Risk Management Alternatives

Treeview

- **Managing Risk in a Grocery Retail Supply Chain**
  - **Economic downturn risk (EDR) (L: .14400)**
  - **Supply risk (SR) (L: .16892)**
  - **Demand risk (DR) (L: .18460)**
  - **Inventory shrinkage and theft risk (ISTR) (L: .04194)**
  - **Fuel price risk (FPR) (L: .18460)**
  - **Competition risk (CR) (L: .17302)**
  - **Product recall risk (PRR) (L: .10291)**

Alternatives



Conclusion and Managerial Implications

Just like risks facing other supply chains, grocery retail supply chains are not immune to new and emerging portfolio of risks. Grocery retail supply chain executives face a wide variety of risks and vulnerabilities that threatens successful performance and margins. The grocery retail supply chain risks that keep executives up at night include economic downturn, supply, demand, inventory shrinkage and theft, fuel price, competition, and product recall. This paper examined risk management in a grocery retail supply chain in the US. For grocery retailers to achieve sustainable success in today"s consumer market-centric and risk prone environment, predictive supply chain risk management is more than ever imperative. To compete and win in today"s global marketplace requires the ability of firms to identify and understand risk sources and mitigate them.

The ability for grocery retail firms to configure supply chains that are adaptable, nimble, flexible, sustainable, cost effective, and risk averse have become more than ever essential given today"s global disruptive influences associated with rising fuel prices, uncertainty of supply and demand, and changing customers" value expectations. Indeed, grocery retail firms that execute this vital business process well will be poised to gain competitive advantage and grow margins. Further, for forward looking firms, coping with today"s challenges requires the ability for C-level executives to plan and simulate numerous scenarios before committing to a course of action.

References: Available upon request

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Summary Brief
Mandated Innovation in the Supply Chain: A Firm Capabilities and Relational View Perspective

Sara Liao-Troth, Georgia Southern University

Firms that are mandated, or coerced, to innovate through adoption of RFID technology often take an economic or technological approach to the adoption decision. In contrast, a conceptual framework rooted in the relational view is proposed that addresses a firm's capabilities with respect to their ability to successfully innovate. The innovation literature yields several determinants that have been empirically shown to lead to differential innovation outcomes. We juxtapose two determinants into the conceptual framework: (1) organizational innovativeness, which addresses a holistic evaluation of a firm's internal innovation capabilities; with (2) network competence, which addresses a firm's ability to manage their supply chain partnerships.

Introduction

In recent years, large global retailers and governmental agencies have made demands on their suppliers to support supply chain-based initiatives such as radio frequency identification (RFID) chips. Both Wal-Mart and the US Department of Defense mandated their largest suppliers to begin tagging all goods delivered to their warehouses starting from January 1 2005, with the remaining suppliers following within one year. In this situation, suppliers are being asked to innovate; to bring a new problem solving idea or technology into use in an organization.

The challenge of RFID adoption bears similarities to previous buyer initiated mandates for supplier adoption of inter-organizational technology such as electronic data interchange (EDI). Overall, the adoption of inter-organizational technologies has thus far been analyzed from three main perspectives: economics, diffusion of innovations, and organizational science.

The economics perspective assumes that financial incentives are major determinants of innovation adoption. Organizations make rational choices about whether they should adopt based on return on investment (ROI) analysis. The diffusion of innovations perspective posits that attributes of the innovation determine the rate of adoption. Therefore, a technology's relative advantage, compatibility, complexity, trialability, and observability impact the speed at which firms will adopt the new technology. Finally, the organizational science perspective perceives adoption to require organizational resources such as financial readiness or technical readiness and involves multiple organizations.

Each perspective considered singly makes assumptions that may not apply to situations of mandated innovation. The economics perspective focuses the decision on when profitability can be expected based on capital outlay and time but may not capture hard to quantify firm capabilities such as learning orientation. The diffusion of innovations perspective assumes a free choice model, in that potential adopters will evaluate the merits of a technology based purely on its internal characteristics. However, free will adopters and coerced adopters may perceive different values for characteristics of the same innovation, which may also negatively impact a rational evaluation of the costs and benefits of adoption. Finally, while the organizational science perspective addresses financial or technical readiness of a firm, it does not address other resources that might impact a firm's successful innovation adoption where there are strong external pressures to comply.

While mandated adoption of RFID has been mentioned as the contextual justification for recent articles on RFID adoption (e.g. Wu et al. 2006), the research has not necessarily incorporated a direct consideration of the mandate context. Given the literature, there is a gap with regard to mandated innovation; specifically of understanding innovation success in a high pressure supply chain context. We ask; what factors should suppliers consider beyond ROI, technology characteristics, and financial or technical readiness that may help balance strong external pressure to adopt? Are there firm capabilities that have been shown to impact successful innovation that should be considered as part of the adoption decision?

Following, we propose a conceptual framework rooted in the relational view, which considers a firm's capabilities with respect to their ability to successfully innovate.

Conceptual Framework

Both internal and contextual factors affect a firm's ability to produce innovation outcomes (Becheikh et al. 2006), such as the successful adoption of new technologies. Firms must possess internal resources; whether strategic, behavioral, market, product, or process; and be able to utilize the resources in order to produce and capture value from innovation outputs. Additionally, when considering the supply chain context, the importance of a firm's network competence, or the ability to manage its inter-relationships, is vital.

Therefore, a conceptual framework for successful innovation is proposed along two continuums, *organizational innovativeness* and *network competence,* to capture the interaction between internal firm factors and the firm's interaction with its external environment.

Successful Innovation Requires Organizational Innovativeness Capabilities

The successful adoption of RFID technologies can be viewed as an innovation output; however, achieving successful adoption of RFID is contingent on the process of innovation; the ability of a firm to bring a new problem solving idea or technology into use. The ability of a firm to produce innovative outputs through its internal processes therefore requires firm specific resources, or capabilities. In particular, a firm's capability to innovate has been conceptualized in the literature as *organizational innovativeness*. Several studies have empirically investigated organizational innovativeness (e.g. Hult et al. 2004) and have determined that significant and positive antecedents to firm innovativeness were market orientation, learning orientation, and entrepreneurial orientation. Accordingly:

P1*: A firm's degree of organizational innovativeness - consisting of learning orientation, market orientation, and entrepreneurial orientation - represents the ability of a firm to implement innovations successfully.*

P2*: Firms with a high degree of organizational innovativeness will produce more innovation outcomes than firms with a low degree of organizational innovativeness.*

Mandate Pressures Requires Network Competence Capabilities

Pressures from supply chain partners to adopt new technologies also impact an important contextual determinant of innovation success: network interactions.

Dyer and Singh's relational view (1998) help to explain why network interactions are so important in successful innovation. Firms that are able to tap into critical resources outside of their firm boundaries have a competitive advantage over firms that cannot. Networking interactions that help a firm to bridge gaps in its information, scientific knowledge, resources and competencies have a positive effect on innovation outcomes (Becheikh et al. 2006). Networking between firms is not only a determinant of successful innovation, but it is a dimension at the heart of supply chain research as a firm's ability to manage inter-organizational relationships helps the firm in realizing the benefits of successful supply chain partnerships.

The complexity inherent in supply chains/networks makes management of the networks both important and challenging. As firms differ in their ability to manage networks, a firm's capability to manage their network of relationships effectively has been conceptualized as degree of *network competence* (Ritter and Gemunden 2003).This measure incorporates both the possession of necessary knowledge, skills, and qualifications to effectively manage a firm's network relationships as well as the ability to use those knowledge, skills, and qualifications effectively.

Network competence has been shown to have a significant positive impact on innovation success. Its four antecedents are access to resources, network orientation of human resource management, integration of communication structure, and openness of corporate culture. Therefore:

P3*: A firm's degree of network competence - consisting of access to resources, network orientation of human resource management, integration of communication structure, and openness of corporate culture - represents the ability of a firm to successfully manage their supply chain partnerships.*

P4*: Firms with a high degree of network competence will produce more innovation outcomes than firms with a low degree of network competence*

Interaction of Organizational Innovativeness and Network Competence

The interaction between organizational innovativeness and network competence results in four separate quadrants with high or low firm capabilities. In mandated innovation situations, the interaction effect between organizational innovativeness and network competence may hold promise for firm regarding successful adoption of RFID technologies. According to the relational view, a weakness in either capability may be balanced by strength in the other capability to help a firm successfully innovate. Therefore, with regard to the interactions of the two constructs:

P5*: Interactions between different levels of organizational innovativeness (low vs. high) and network competence (low vs. high) will produce differential innovation outcomes.*

While this framework captures the current assessment of a firm's innovative capability in relation to its network competence, there is also a dynamic element. As the framework incorporates two continuums, it suggests that firms can move from a less desirable quadrant to more desirable quadrant by investing in resources that affect one, or both measures.

Future Directions

Innovating successfully in the face of extensive external pressure and radical technological changes requires a consideration of factors beyond ROI, technology characteristics, and financial or technical readiness.

Future research can empirically test the conceptual framework and its propositions. While both organizational innovativeness and network competence have been shown individually to impact innovation outcomes in disparate literature streams, they have not been studied in tandem. The findings may yield insight into whether investment of limited resources in supply chain relationship factors versus internal organizational factors would result in differential innovation outcomes.

Managerially, a future direction may be to incorporate consideration of organizational innovativeness and network competence along with ROI, technology characteristics, and financial or technical readiness into a holistic decision model for successful mandated innovation.

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Summary Brief
The Effects of Absorptive Capacity, Lean Manufacturing Practices on Organizational Performance

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Introduction

Lean production, total quality management, new product development, etc. constitute innovative managerial strategies that helps companies reap competitive advantage by effectively identifying and responding to unpredictable environmental change (Koufteros et al., 1998, Cooper and Kleinschmidt, 1994 and Golhar and Stamm, 1991). Cohen and Levinthal (1990) view absorptive capacity as a strategy that managers should use to help firms learn and assimilate new technology and practices. The authors state that absorptive capacity is formed under the cumulative effect of continuous learning. Absorptive capacity opens a specific and optimistic opportunity for research on the relationship between information technology and effective innovation (Boynton et al. 1994).

The main purpose of this study is to advance a conceptual model that illustrates hypothesized relationships between absorptive capacity and implementation of lean manufacturing practices as well as the relationship between implementation of lean manufacturing practices and organizational performance.

Literature Review

Absorptive Capacity (AC)

Cohen and Levinthal (1990) suggest that an organization's absorptive capacity is an organizational learning concept that tends to develop cumulatively, is path dependent, and builds on prior investments in its members' individual absorptive capacity. Zahra and George (2002) recommend a reconceptualization of AC as a dynamic capacity that facilitates knowledge creation and utilization, thereby supporting a firm to reap sustainable competitive advantage. In the current study, AC definition proposed by Tu et al. (2006) is adapted since it takes into account both external and internal source of knowledge and this construct is validated through empirical analysis.

Lean Manufacturing

A review of extant literature shows that lean manufacturing is most frequently referred to as reduction of waste created in the organization's operations as excess capacity or excess inventory, therefore effective application of lean manufacturing enables the organization improve the effect of variability in supply, demand or processing time (Shah and Ward 2003; de Treville and Antonakis 2006). Shah and Ward (2003) view lean manufacturing as a combination of manufacturing practices that integrate one another to form a high quality and effective production system. In the current study, definition of lean manufacturing from Shah and Ward's (2003) is adapted as this definition captures key aspect of lean manufacturing including just-in-time (JIT), total preventive maintenance (TPM), total quality management (TQM), and human resource management (HRM).

Hypotheses Development

Absorptive capacity has four dimensions (Brown 1997): *Prior relevant knowledge* represents the extent to which the workers and managers in a firm understand management practices, technology and job skills; *Communication network* is viewed as the scope and structure connections that enhance flows of knowledge and information across different organizational units; *Communication climate* is perceived as the atmosphere within an organization that might influence the communication process; and *knowledge scanning* shows an ability of firms to identify and obtain external and internal information, knowledge and technology. Extant research shows that the higher each component of AC, the more facts and ideas people possess that affect the process of innovation *(*Cooper and Kleinschmidt, 1994; Newgren et al. 1984; Smith et al. 1991). Formally, there is a positive association between prior relevant knowledge (P1), communication network (P2), communication climate (P3), knowledge scanning (P4) and implementation of lean manufacturing practices. In addition, there is a positive association between implementation of lean manufacturing practices and organizational performance (P5).

Discussions and Implications

Superior performance is a goal for which many organizations strive. Achieving superior performance helps organizations yield competitive advantage (Day and Reibstein 1997). However, not all the organizations that set that goal are able to achieve it. In a rapidly changing environment, it is even harder since an organization's ability to improve organizational performance is contingent upon the organizational competence of acquiring, sharing and processing knowledge like AC. This paper has identified four main dimensions of AC including prior relevant knowledge, communications network, communications climate, and knowledge scanning. The finding of the study emphasizes the role of human factor in ways that wise investment in workers and managers as well as management practices has a positive influence on the dimensions of AC, which are critical determinants of the organizational level of implementation of lean manufacturing practices.

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Summary Brief
An Empirical Investigation of Global Sourcing Patterns of U.S. Firms: The Role of Organizational Factors

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This exploratory study examines business firms' decisions to use foreign outsourcing vis a-vis domestic outsourcing. This study examines the interaction between an organizational factor such as firm size and business outsourcing and strategic alliance decisions. This research will ascertain which type(s) of global sourcing is sought by the participating business organizations, and explore their decision to select an international subsidiary for partnership over an alternate option(s) such as a source(s) of supplies.

Introduction

The global business environment is changing. In the past ten years, the New Economy has seen the proliferation of strategic business alliances, as a sourcing option (Murray et al., 2009; Kim and Parkhe, 2009; Thomas and Stormer, 2001). This phenomenon has been experienced at the national level and across-borders. Firms increasingly are pooling their resources, costs, risks, and benefits in international alliances that have emerged as major competitive strategic tools (Murray, 2001; Parkhe, 1998).

Objectives & Methods

This exploratory study examines business firms' decisions to use foreign outsourcing vis a-vis domestic outsourcing. This study examines the interaction between an organizational factor such as firm size and business outsourcing and strategic alliance decisions. A questionnaire was developed on the basis of existing literature to assess the research goals that examine global sourcing and the phenomena of the formation of strategic alliances, (e.g., Murray et al., 1995; Murray, 1995; Dyer, 1996) as well as to gather input from purchasing managers of various firms. The population under consideration is comprised of the mailing lists of purchasing managers from firms representing diverse industries such as the manufacturing and chemical sectors, etc. from the Midwest region of the U.S. The method was a stratified sampling. The systematic, random sampling of purchasing managers generated 450 names. The mailings resulted in 157 returned and usable questionnaires. The findings in this exploratory study are relevant to both practitioners and academicians in the U.S. and other world regions.

Results & Discussion

Responses from purchasing managers representing diverse industries are summarized in what follows. In evaluating the types of strategic alliances that are formed, findings indicate that there is a relationship between firm size and the formation of specific types of strategic alliances.

Additionally, this empirical and exploratory study assesses the alternate options of global sourcing used by the surveyed firms. Findings demonstrate that the most used option of sourcing is foreign suppliers located outside the U.S. Supplies located outside of the U.S. is the second most used option. A company's subsidiary is the third. Finally, the remaining respondents reported that they used other types of global sourcing to meet their supply and material needs.

According to the Richmark Group, the current business trend of increasing reliance on partnership(s)/sourcing and its significance to businesses will continue. The need to establish sound guidelines and take necessary and careful steps is crucial to ensuring the success of alliance partnerships (Navigator 1995). In its April 2004 report, McKinsey Global Institute, explained outsourcing as part of a bigger process of global industry restructuring, or firms becoming global entities so that their customer base no longer is mainly 'national with a little bit of export on the side.' (Marshall and Heffes, 2004). Outsourcing, however, is not easy. Firms seeking to outsource face real challenges, such as defining what they want to accomplish, choosing the site, and calculating transition and setup costs. In addition, overcoming cultural and communication issues also are formidable challenges (Kim and Parkhe, 2009).

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Summary Brief
Logistics Framework for Private Response in Disaster Recovery

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Natural disasters have increased exponentially over the last 100 years primarily because of population increase in disaster-prone areas. The public and humanitarian agencies which typically respond to these disasters to relieve suffering and rebuild do not have the capacity to meet the growing needs. Private company responses to disasters have typically been separate from the governmental and non-governmental organization (NGO) responses. However, many operational processes have been successfully applied by private companies to alleviate their own suffering and speed their own recovery. These private responses to disaster recovery are studied and organized into frameworks. Logistics experts from the private and public sectors both rate and comment on the viability of four potential frameworks to be applied toward disaster recovery. Results and conclusions are drawn.

Summary

Natural disasters reported from 1900-2008 have increased from 50 disasters to over 500 per year (Emergency Events Database 2008). Some of the developing areas of the world are increasingly susceptible to natural disasters due to population growth and the resulting density in disaster prone areas (Brown 1979). The capacity available to respond to this increased frequency of natural disasters is inadequate. The current United States response system has antiquated logistics systems and is under-staffed. The Senate report on Katrina in 2006 concluded, "FEMA's logistics failure during the Katrina crisis was no surprise." In contrast, many private responses to hurricane Katrina were successful and beneficial. Lessons can be learned from the private sector to improve disaster recovery in the future.

Inadequate government response has been blamed partly on the aid sector's regard for logistics as a necessary expense, rather than as a strategic component, and the lack of operational knowledge (Beamon and Kotleba 2006). A public policy framework is needed to accommodate and facilitate institutional response to improve the response rate and success during disaster recovery. The humanitarian logistical response that is required after a natural disaster to sustain life and return a community to normal is enormous and rarely seen in similar magnitude in commercial logistics; however, commercial logistics can provide operational processes that have been proven successful and that can be applied to disaster recovery (Tomasini and Wassenhove 2009; Wright et al. 2006).

Extant research has proposed that concepts that have originated in commercial logistics will benefit disaster recovery operations. Any framework for industry response must be driven ultimately by the wants and needs of the end user of the products and services, as well as support the prioritization of resources that are important to each community. This is not always the case because of inadequate information, lack of communication, lack of coordination, political agendas, corruption, and many other possible causes of diversion. The framework should span the differences between commercial and humanitarian logistics and promote collaboration and mutual development (Kovacs and Spens 2007). With these thoughts in mind the authors offer four operational frameworks for institutional response in disaster recovery logistics.

The logistical processes needed to support a disaster recovery have been described as "Push and then Pull" (Long and Wood 1995). Immediately following a disaster, critical items such as water and medical supplies are delivered (pushed) into affected areas not knowing exactly what is needed. Later, damage area assessments are more complete and actual needs can dictate exactly what should be delivered (pulled) into the affected areas. An example of a process in commercial logistics that utilizes the push and pull concept is a new product release. The application of this type of operation is the subject of the first framework.

The second framework utilizes market segmentation, targeting techniques, and tools that can be utilized to minimize resource allocations problems. Inventory allocation algorithms based on primary objectives take the emotion out of decision-making and maintain rapid throughput (Klein and Huang 2007). Types of allocation processes include distributing available inventory evenly across consumers, distributing inventory in a pro-rated amount relative to order quantity, and allocating inventory by consumer priority or size.

The third framework involves final distribution to the consumers. Retail stores are often at the forefront of distribution following a disaster due to several reasons. Primarily, retailers are designed to deal with consumers and are located close to consumer populations (Guion 2007; White 2010). Furthermore, retailers have reduced transportation needs and are likely to fulfill the dietary requirements of the regional population for a short period of time (Kovacs and Spens 2007). Additionally, the operations at the consumer-facing locations can utilize warehouse methods to increase efficiency.

The fourth framework involves the study of transportation operations. The pickup and delivery drop points during a disaster recovery operation are not fixed. After a disaster the infrastructure can be severely altered. Roads, railroads, and airport runways may not be available. Also, traditional nodes such as warehouses, consolidation points, stores, and hospitals are often damaged. Transportation services in this environment must be flexible because decisions are often reactionary and driven by on-scene management. An example from commercial logistics that parallels this disaster recovery scenario includes transportation dispatch operations.

The four above-mentioned frameworks are rated by logistics experts. Also, open-ended comments by the experts are compared with the humanitarian logistics literature. Findings suggest that elements from all four frameworks can improve institutional response, with the "push and then pull" framework rated as the most applicable to disaster recovery.

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Summary Brief
Walking the Tightrope: Balancing Inventory and Maintenance Costs in Critical Supply Chains

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Abstract

Production firms face challenging decisions to maintain equipment at required in-commission levels to meet productivity goals. Setting a maintenance schedule can have major impacts to production as well as profitability of the firm.

Overmaintenance reduces output, increases spares inventory costs, and increases overhead costs. Conversely, undermaintenance leads to equipment failures at critical times, increases maintenance costs, and may actually require additional spares inventory than the overmaintenance approach.

This study simulated two maintenance strategies and measured the cost required to meet a given level of production in terms of spare part inventory and maintenance required.

Summary Brief
A Comparative Study of Alternative Production-Sales Policies for New Products: An Agent-Based Modeling and Simulation Approach

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Mike Racer, The University of Memphis
Mohammad Nejad, Fordham University

Applying Agent-Based Modeling and Simulation (ABMS) methodology, this paper analyzes the impact of alternative production-sales policies on the diffusion of a new product and the generated NPV of profit. The key features of the ABMS model, that captures the marketplace as a complex adaptive system, are: (i) supply chain capacity is constrained; (ii) consumers' new product adoption decisions are influenced by marketing activities as well as positive and negative word of mouth (WOM) between consumers; (iii) interactions among consumers taking place in the context of their social network are captured at the individual level; and (iv) the new product adoption process is adaptive. Conducting over 1 million simulation experiments, we determined the "best" production-sales policies under various parameter combinations based on the NPV of profit generated over the diffusion process. The key findings are as follows: (1) on average, the build-up policy with delayed marketing is the preferred policy in the case of only positive WOM as well as the case of positive and negative WOM. This policy provides the highest expected NPV of profit on average and it also performs very smoothly with respect to changes in build-up periods. (2) It is critical to consider the significant impact of negative word-of-mouth on the outcomes of alternative production-sales policies. Neglecting the effect of negative word-of-mouth can lead to poor policy recommendations, incorrect conclusions concerning the impact of operational parameters on the policy choice, and suboptimal choice of build-up periods.

Multiple-Sourcing Strategy for Supply Chain Configuration of New Products: An Integrated Optimization Approach

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Haitao Li, University of Missouri - St Louis

Configuring a supply chain for new product is a challenging task due to the lack of historical demand data and dynamic/uncertain nature of the new product diffusion process. An integrated supply chain configuration (SCC) and new product diffusion (NPD) model is developed to explicitly account for the impact of demand dynamics during new product's diffusion on optimal supply chain configuration. Our hybrid NPD-SCC model allows a manufacturer to source from multiple suppliers, vendors or modes for its supply chain functions. Such a multiple-sourcing approach not only helps the manufacturer to diversify its pool of suppliers and maintain bargaining power, but also builds redundancy into the supply chain to hedge against potential demand surge and supply disruption during the new product life cycle.

Through a case study and a comprehensive computational study, we find that although the single-sourcing solution is able to achieve lower unit-manufacturing cost (UMC), the multiple-sourcing approach is superior to single-sourcing on the overall supply chain performance in the environment with random supply disruptions. By building-in redundancy as multiple suppliers and modes, the resultant supply chain has less chance to be disrupted and achieves higher overall profit on average. We also draw several other managerial insights closing the gap between some supply chain operations and marketing strategies.

Summary Brief
Resort Tourist Segmentation and Marketing Implications: A Study Conducted in Goa, India

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Mervyn Jackson, RMIT University, Australia
Filipe Rodriques e Melo, Rosary College, Goa, India

This summary brief reports the findings of a study conducted in Goa, India, with the objective of segmenting resort visitors based on demographics. Four distinguishable segments are identified: relaxing regulars, tasters, honeymooners, and exploring novices. Noticeably, these segments also provide vital insights into resort tourist motivation. Differences among the segments are identified and recommendations for resort marketing are provided.

Introduction

Segmenting tourists is a practically useful way of conceiving, designing, developing, and delivering tourism products to various clientele groups (Dodd and Bigotte 1997). Segmentation informs the marketer what the customer want and hence is a key component of customer relationship management as well. Researchers like Haywood (1986) consider segmentation as a way to give predictive power to resort area life cycle models which are generally criticized to be mere descriptive models.

Demographic segmentation has the unique advantage of ease of segment identification and targeting, notes Inbakaran, Jackson, and Troung (2005).The present research attempts to segment and profile resort clientele on the basis of demographics, length of patronage, length of stay and locational preferences.

The Study

Location

The study was conducted in Goa, India. Despite its small size, Goa boasts of many resorts: a Google local search result by us has identified at least ten tourist resorts. However, only a couple of them are all inclusive type. Goa is the smallest State of India in terms of area (3,702 km2 / 1,429.4 sq mi) but richest in terms of per capita income. Goa still exhibits the cultural influence of the Portuguese, who first landed in the early 16th century as merchants, and conquered it soon thereafter.

Data Collection

Data for the present study was gathered from various resort front offices using self-administered questionnaires: given the difficulty to find willing respondents, convenience sampling technique was adopted. Research assistants waited at the resort front offices and requested respondents if they would participate in the study as they walked by. This sample of 286 individuals who participated in the study was dominated by males who constituted 71.3% of the sample. The average age was 32.6 years with a range of 18 to respondents aged over 70 years. The sample had an average education level, with 59.1% having attained a tertiary qualification. About one quarter of the sample were single, the couple were equally distributed across all stages of the life cycle (from no children to adult children no longer living at home). About one third of the sample were international visitors and nearly three quarters of the sample were visiting resorts for the first time.

Research Instrument

Based on an extensive review of literature, industry expert opinions, and qualitative interactions with many resort tourists, a preliminary research questionnaire was developed with six well-delineated sections. The first five sections focused on resort visitors' reasons for resort selection, individual levels of satisfaction, opinion about resort vacationing, clientele preference on resort, and clientele preference for tourist behaviors. In these five sections, the statements were associated with a five point Likert Scale (from strongly agree to strongly disagree). The sixth section was devoted to the personal information of the clientele including demographics and reasons for the current visit.

Data Analysis

The collected data was coded into an SPSS data file for segmentation using a K-means Cluster. The clustering base included gender, age, education, lifecycle, domestic versus international origin of the visitor, duration of resort patronage, and reasons for destination choice. A four cluster solution appeared to be the most appropriate one. This solution gave good separation among the groups on the clustering base variables (10 statistically significant group differences out of thirteen), acceptable cluster sizes (range 13.6% to 43%), and allowed a meaningful and consistent interpretation. Cluster group differences were compared using Chi-square analysis (for nominal data) or One Way ANOVA (for interval and ratio data).

All the major reasons for visiting resorts are seen to be above average, with the strongest three reasons being family relaxation, then safety and security and third, accommodation and facilities.

Discussion

Based on the variables that constituted each of the four clusters, we named the clusters as: *relaxing regulars, tasters, honeymooners, and exploring novices.* Each of these clusters had certain dominant characterizing features as described below:

Cluster #1 (Relaxing regulars)

Cluster #1 is the second largest cluster (25.5%), has a gender balance reflecting the sample population, contains the oldest membership and has the second highest percentage of tertiary educated individuals. This cluster has a significant number of overseas visitors. Cluster #1 has the highest percentage mature age people, both singles and couples with adult children. Their major reason for choosing a resort destination was the opportunity to relax. Their rankings of others reasons were consistently lower than the average of the total sample indicating a lack of interest in resort facilities (including accommodation), active recreation, scenery and tranquility, family issues, and issues of safety and security. Cluster #1 is made up of mature age people without families who are not interested in being active or adventurous, but are wishing to rest and relax.

Cluster #2 (Tasters)

Cluster #2 is the smallest cluster (13.6%), has equal numbers of males and females, average age in the mid to late 30s, and includes a large proportion of couples with dependent children of all ages. They are the highest in repeat visitors to the resort and rank highly all the following reasons for choosing this destination: scenery, tranquility, safety and security, accommodation and facilities and combining adventure tourism with normal tourist activity. This group appears to be focused on what the resort has to offer families in terms of facilities and utilities.

Cluster #3 (Honeymooners)

Cluster #3 size is small (17.8%), is the youngest on average (23 .6 years) but has membership of young singles or young couples without children. They have the lowest education level (but may still be studying) and have the highest percentage of first time visitors to the resort. For reason of choice, this cluster group gave the lowest rank to the resort providing a good place for the family to relax and rejuvenate, but above average rankings on scenery and tranquility, safety and security, opportunities for active recreation, .and accommodation. Cluster #3 indicated low rankings for combining adventure with normal tourist activity while in the resort.

Cluster #4 (Exploring novices)

Cluster group #4 made up nearly half (43%) of the resort population, had the highest percentage of males, was the second youngest group and was below average in education. The membership included young couples and young to middle aged families. This cluster was average in terms of re-visitations and overseas visitors. While they ranked resort holidays highly on convenience and recreational opportunities, they were below average in their ranking for safety and security reasons and accommodation and facilities.

A dilemma for resort managements is whether to strive to become everything for each of these identified segments or to focus more on the benefits sought by only one of these segments. In fact, segmentation effort will become largely useless if we do not employ it as a basis of targeted marketing. Equally important are questions such as: whether a particular market segment is sizeable and lucrative enough to target; how far in time the demand from this segment would sustain; how inimitable the products sought by this segment are; how much new investment would be required; among others. Another key issue for existing resorts that decide to focus on the well-defined needs of particular market segments is on how best to utilize the generic resources and facilities already possessed by them: some of these resources and facilities might have incurred significant investments and resort owners-stockholders are unlikely to accept the scenario of abandoning them just because the selected customer segment does not want them (Palmer and Mathel 2010).

Conclusion

Generally speaking, the leisurescape ambience and the combined recreational activity spectrum are some of the major determinants of visitor satisfaction and continued patronization of resorts (Borrie and Roggenbuck 2001). In order to build a large pool of loyal clientele, resort management should pay more attention to the specific motives and quality expectations of particular customer groups (Petrick 2004). To achieve this, resorts need to group their customers on the basis of attributes that can help predict customer attitude and behavior. Thus, segmentation becomes an important tool in the hands of the resort marketer.

The segments identified in the present research are not universal. However, given the fact that these segments are the outcome of a clustering process based on empirical data rather than a set of a priori criteria, it has got more meaning for local action. The demographic basis of segmentation that we achieved makes it easy for practicing managers to identify customer groups without processing complex and largely intangible psychographics.

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Summary Brief
A Proposed Moderated Model of Sport Tourism as Economic Development

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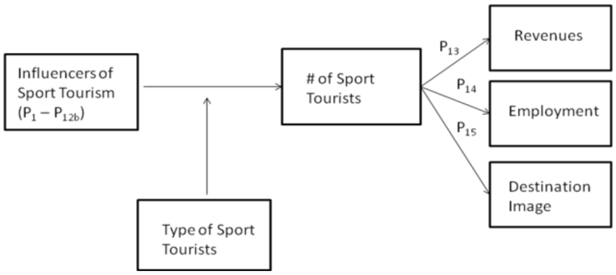
This paper proposes a moderated model of sport tourism as an economic development generator from a destination marketing perspective. The model, supported by extant literature, presents sport tourist types as moderating a variety of influencing factors that determine sport tourists' interest in visiting a destination and the resulting economic outcomes for a destination. The model provides a contribution to tourism researchers by providing a comprehensive view of factors that influence destination choice for different types of sports tourists and the possible economic outcomes that can result.

Introduction

The single largest industry in the world is tourism, and its fastest growing segment is travel associated with sports or physical activities (Priestley 1995). In the United States alone from 1994 to 1999, over 75 million adults attended some sort of sporting event while traveling (TIA 1999). Contributing factors to the growth of sport tourism include: expansion in the number of participants in a variety of professional, intramural, and leisure sport leagues; the increased popularity of sports world-wide; an increase of travelers who plan vacations around sport events; and the growth in popularity of „active lifestyles‟ (Green and Chalip 1998).

Sport Tourism Defined and Segmented

Sports tourism is defined as travel to participate in a sport activity, travel to observe sport, and travel to visit a sport attraction. This definition highlights three distinct segments to better define tourists‟ motivations and needs: "watching sporting events, visiting sports related attractions and active (sport) participation" (Gibson 1998, p. 156). The proposed model suggests that these segments may respond differently to factors that impact sport tourism; and that both the sport tourist segment and the influencing factors that motivate travel to a destination may have varying economic impact on a destination.



Influencers of Sport Tourism

Cost is a significant contributor to the decision to travel to sporting events (Pan and Gabert 1997; Zhang et al.1995).

P_1: Cost will have an impact on the number of visitors who travel to a destination.

Weather‟s influence on the decision to attend sporting events is also confirmed (Hansen and Gauthier 1989).

P_2: Weather will have an impact on the number of visitors who travel to a destination.

Hospitality/friendliness is a key attribute affecting destination image (Mohan 2010).

P_3: The perceived friendliness of residents will impact the number of visitors who travel to that destination.

Safety is a key attribute found to influence attendance at sporting events (Chen and Funk 2010; Mohan 2010).

P_4: The level of perceived safety associated with a destination will impact the number of visitors who travel to that destination.

Sport tourists seek an overall pleasant experience at a sporting event and destination. The value sport tourists put on sports related attractions/activities at a destination is significantly higher than non-sport tourists (Chen and Funk 2010). Special sport experiences are also effective ways to encourage visitors to increase spending outside of events and enhance destination experiences for visitors (Smith and Stewart 2007).

P_{5a}: The availability of attractions in and around a destination will impact the number of visitors who travel to that destination.

P_{5b}: The availability of sport related attractions/activities in and around a destination will impact the number of visitors who travel to that destination.

The quality and proximity of accommodations to a sports venue can be important factors in the decision to travel for sport (Chen and Funk 2010; Mohan 2010).

P_{6a}: The quality of accommodations in and around a destination will impact the number of visitors who travel to that destination.

P_{6b}: The proximity of accommodations to a sport venue will impact the number of visitors who travel to that destination.

Hansen and Gauthier (1989) affirmed the importance of accessibility to sport venues/facilities.

P_7: Accessibility to the destination, sports venue and other attractions will impact the number of visitors who travel to that destination.

Perceptions of the quality of the sport facility can affect intention to attend a sporting event (Kelley and Turley 2001).

P_8: The quality of the sports venue will impact the number of visitors who travel to that destination.

The quality of food is an important attribute for a city/venue (Chen and Funk 2010).

P_9: The quality of the food will impact the number of visitors who travel to that destination.

Population size has a positive effect on sport event attendance (Siegfried and Eisenberg 1980).

P_{10}: Population size will impact the number of visitors who travel to that destination.

Joint marketing strategies, joint sponsorship for the event, and joint supplier strategies can help amplify the effectiveness of efforts meant to attract event/sport visitors (Ritchie and Adair 2004).

P_{11}: The use of joint marketing efforts will impact the number of visitors who travel to that destination.

The number and type of sporting events offered in a destination has an impact on the number and type of tourists who will travel to attend these events (Gratton et al. 2005).

P_{12a}: The number of sporting events held in a destination will impact the number of visitors who travel to that destination.

P_{12b}: The type of sporting events held in a destination will impact the number of visitors who travel to that destination.

Destinations Benefits of Sport Tourism

The economic impact of sporting events is well documented and varies by the type of sporting event, the average length of stay, and the type of sport tourist attracted to the destination (Delpy 1998). Yet, in general, more tourists represent increased revenues.

P_{13}: The more sport tourists who travel to a destination, the greater the revenues generated.

In addition, the monies spent by tourists create a need for more workers who, in turn, are likely to spend their earnings in the local community.

P_{14}: The more sport tourists who travel to a destination, the greater the employment created.

Besides the economic benefits of sports events, broader strategies can also be aimed at increasing awareness of the destination or improving the image of a city/destination (Gratton et al. 2000).

P_{15}: The more sport tourists who travel to a destination, the greater the awareness and image of the destination.

Conclusion

The proposed framework offers a number of opportunities for future research. The proposed model should be empirically tested in order to examine the propositions explicated in this paper. Future researchers should also explore whether these factors differ based on the type of sporting event, region in which the destination is located and/or the demographic characteristics of the sports tourist. If city officials and tourism marketers better understand the factors that influence destination choice for sport tourists and the economic impact generated by different types of sports tourists, then these factors can better be managed and promoted in order to increase the number and type of visitors, the revenue generated, and the long-term economic impact on the area in terms of job creation. Thus, the proposed model of the economic impact of sport tourism offers a unifying framework for tourism researchers, location marketers, and city officials alike.

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Summary Brief
National Brands and the Internet: Insights from Central America

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Nations have brands and a portion of that brand is reflected in government tourism websites. This study looks at seven Central American governments' official tourism websites using a content analysis approach. We find that some countries communicate far more specific messages than others, in a way that allows the personality of the country or the national brand to shine through the website's clutter; others are currently failing to communicate distinctly. We illustrate a powerful, but simple and relatively inexpensive way for tourism marketers to examine their brands as they are communicated online.

Introduction

Advances in Internet and e-commerce technologies have had a profound impact on the marketing and management of the travel and tourism industries (Pitt et al 2007). Web-based campaigns permit the development of brands and the integration of branding strategy, the gathering of customer information, the improvement of customer service, and the streamlining of online reservations (Baloglu and Pekcan 2006).

National brands have received much attention in the marketing literature. Countries can be viewed as marketing entities like products and services (Kotler and Gertner 2002). This paper takes the theoretical and methodological frameworks developed by Pitt et al (2007) and applies them to the Central American case. Through a content analysis of the official tourism websites of Central American countries, key differentiating themes emerge that has implications for tourism and marketing managers. Moreover, this paper provides a contribution to the national branding literature by analyzing how countries are marketing themselves on the Internet.

Brands Of Central American Nations

Location branding of places, towns, cities, regions and countries is now a common phenomenon (Kotler and Gertner 2002). Olins (2004, p. 150) contends that „„„national branding is one of the most contentious political concepts of our time"""". A lot of research in this area has focused on cities and towns, and, the success of campaigns such as Glasgow"s „„„smiles better"""" or New York"s „„„I Love NY"""" are well documented (Ward 1998).

Central American countries" national brands have yet to be studied. Therefore we have chosen this region as the focus of this study. The national brands studied are the ones portrayed by official government tourism websites. We will look at seven countries: Belize, Nicaragua, Costa Rica, El Salvador, Guatemala, Honduras, and Panama.

Method and Sample

There are billions of words of text on the Internet, and even single sites can contain many thousands, all in the form of news, journals, comments, instructions, and information pieces. For most users this makes it difficult or impossible to read, let alone comprehend, all the information. Leximancer is a data mining and visualization tool than can be used to extract useful information from, and give meaning to, vast amounts of text. The text is analyzed, and then displayed visually by means of a „concept map" that portrays the main concepts and their relationships with other concepts. A growing number of scholars utilized this tool to develop their contributions (e.g. Campbell et al, 2011; Bal et al, 2010).

We chose to define our units of analysis as the textual information derived from the websites" main portals and to all levels down in the hierarchy of information as long as this allowed us to remain within the same domain name. We first copied all textual information from the main portal into a text document; we then clicked all links on the main portal and copied all information available from such links into the same document. This systematic procedure produced a considerable amount of textual information from each country"s website, although this differed dramatically between the websites of the different countries.

Results

Due to space limitations, we could not include the actual resulting maps, however a description of them follows. The result of the Leximancer analysis of the seven websites is shown as maps in Figure 1. Thematic groups of concepts – represented by circles - are automatically pulled from the textual data by the Leximancer software without any user input.

The Belize case has four clear concept themes are apparent in the map. First, there is Belize the country, which is tangential to Belize City, the city. A second strong theme is that of passengers and visitors and travel, and the information, which is available, and this obviously overlaps with the information that is available on Belize the country. The third theme is that of "variety", which includes an extensive amount of text that talks about the variety of options available to tourists, especially to do with its "tropical" environment. The fourth theme is that of "located" or location, and describes the physical location of Belize in miles as well as some of the natural surroundings. Less prominent themes on the map include "diving", "options", and "water".

The textual information for Costa Rica is not very rich and contextual at all. Only two clear themes emerge: first "Costa

Rica" the "country", and second a theme consisting of tourists and tourism, and rural, local and national development.

The map for El Salvador shows seven distinct themes emerge, beginning with the "country", El Salvador. The second theme is that of "people" and "world", which has to do with the people of El Salvador, and how they fit with the "people of the world". The third theme is that of "products" – interestingly the El Salvador website prefers to talk of tourism "products". The fourth theme is that of the "tourist", and this includes references to tourists and their choices, as well as requirements for tourists. Then there is a theme of "tourism" with especial reference to the private sector in its role of tourism services provision. The sixth theme is an unusual one – that of "trademark" – the website makes a great deal of the fact that El Salvador is attempting to "trademark" its tourism brand. A final and somewhat less distinct theme is that of "destinations", which highlights all the possible destinations for tourists visiting El Salvador.

While the themes for Guatemala are less distinct than in the other maps, they are interesting nonetheless and it is obvious that the Guatemala tourism website focuses on tourist attractions rather that on infrastructure or tourism bureaucracy. The three most prominent themes are Guatemala"s "Mayan" heritage; "Guatemala" and its "culture; and "Kayak" and "Lake Atitlan" which refers to taking kayaking trips on this beautiful lake. Less distinct themes concern Guatemala"s claim to be "Central America" in concentrated form, its "colonial" heritage", the many "beautiful" places to visit, and the beautiful colonial city of "Antigua".

Honduras represents four themes. First there is the theme of "located", which concerns finding restaurants, food, beaches and also special offers. The second theme is that of "local" and "area". The word local appears in the text no fewer than 107 times, and it is used to describe everything from government to cuisine, currency to Coca Cola. Overlapping the theme of "located" is the third theme, that of "town", which generally refers to roads and services that are available. The fourth theme is that of "island"- the website refers extensively to the many beautiful small islands that are part of Honduras.

Nicaragua turns out to be the most unusual of the seven maps produced. The website actually talks very little about tourism. As can be seen there is only one theme to the map, "signed". Much of the text on the website refers to the singing of a range of tourism contracts and agreements, by the president of the country. A weaker them in the map is that of "intur" which is simply the name of the government tourism institute, and the concept of "ciudad", the Spanish word for "city".

Finally, the Panama map has only three weak themes, namely "Panama City", which refers to the country"s capital; "clothing" – the website consistently reminds visitors to wear light clothing; and "average" – the website informs readers of the average temperature in many places. This seems rather redundant, as the average temperature is 79 degrees Fahrenheit!

Managerial Implications

Regardless of any notions of similarity between Central American countries, there are definitive differences between the countries in terms of the themes their websites are communicating. Tourists are apt to notice such differences and plan their trips accordingly, avoiding those countries that either fail to meet their travel needs or simply fail to provide a compelling reason to visit. The most important implication then, for managers, is to be aware of what themes their website is projecting.

Beyond merely being aware of their own set of themes, tourism officials need to be aware of the themes their direct competitors are espousing. The same software can be run against the websites of competing tourist destination to gauge the underlying themes inherent in the text. Then, armed with output, officials can chart the relative differences between their country and its rival destinations. With such information, the country could decide on an appropriate strategy to compete. In any case, knowing where a country"s website stands relative to competitors can only aid in refining a website.

Limitations And Future Research

We acknowledge that there is a diverse range of online guides, message boards, and blogs from which to glean travel advice and many tourists find information from these sources integral to planning a trip. Books, particularly those such as Lonely Planet and other guides, are similarly popular for planning. None of these resources were examined in this study since we were only interested in the officially communicated brand message. Future research could fill this gap by examining such sites and comparing the themes they are espousing to the website of the country"s official tourism bureau. By gauging these alignments tourism officials can better understand exactly how tourists view their country, where such perceptions are emanating from, and how best to either cultivate or counter them. As the cost of creating and storing vast amounts of text falls, tools to simplify the understanding of such reams of data are important. The paper provides a means of producing succinct, easy to interpret, and yet incredibly powerful maps of textual information.

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Summary Brief
Authenticity and International Travel Destinations

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Perceived authenticity is an increasingly important factor in many purchasing decisions. This is particularly true in the context of tourism destinations. Travelers seek out locations that allow them to experience the local culture and escape from their everyday lives. The research presented below suggests that the presence of a well known global brand has a negative effect on the perceived authenticity of a tourism destination. These findings highlight the need for governmental organizations to develop policies to manage the effect of global brands on local tourism resources.

Conceptual Review

Globalization is a key driving force behind modern business decisions (van Birgelen, de Ruyter, and Wetzels 2000). The marketing function in particular is concerned with expansion into foreign markets to combat growing problems such as competitive intensity and market saturation at home (van Birgelen, de Ruyter, and Wetzels 2000). For example, Wal-Mart has over 8,000 stores in 16 countries, Starbucks has over 15,000 shops in 32 countries, and McDonald's has over 31,000 restaurants in 119 countries. Such moves create a variety of benefits for firms, such as greater economies of scale, higher margins, and brand recognition (van Birgelen, de Ruyter, and Wetzels 2000). However, a dark side of globalization is also proposed, wherein a muddying of cultures and brands vanquishes pure experiences and depletes value chains by reducing perceptions of authenticity (Nakata and Sivakumar 2001).

Consumers value authenticity because it provides a certain level of uniqueness, resulting in higher perceptions of quality. Global brands are often epitomized as icons of commercialization and blamed for rampant capitalization at the expense of diversity and good judgment (Smith 2009). As global brands multiply, authentic experiences become rare and thus potentially more valuable as opportunities to increase differentiation and bolster quality perceptions. With regard to the effects of global brands on authenticity, the following is hypothesized:

> H1**:** The presence of a global brand in a global destination city decreases perceptions of a) physical environment authenticity, b) experiential authenticity, c) personage authenticity, and d) intentional authenticity.

Method

The present research consisted of a 2(global brand: present, absent) x 2(location: Shanghai, Giza) design. The experimental manipulations comprised images of Shanghai, China and Giza, Egypt. In the "global brand present" condition, the Shanghai image featured a temple and a marquee containing the logo of a global brand. The Giza image featured an image of the pyramids through a store window featuring a global brand logo. Both images were modified to remove the logos for the "global brand absent" conditions.

Four questions designed to assess differences in authenticity perceptions from a service quality perspective included among the original 35-item service quality scale. Specifically, items from the primary dimensions of service quality offered by Brady and Cronin (2001) were reworded to include authenticity. The first question pertained to physical environment authenticity from a physical environment based service quality perspective (I feel that Shanghai/Giza would provide an authentic Chinese/Egyptian physical environment). The second questions addressed experiential authenticity from an outcome based service quality perspective (I feel that I would have an authentic Chinese/Egyptian experience if I went to Shanghai/Giza). The third question assessed personage authenticity from an interaction based service quality perspective (I feel that I would meet many authentic Chinese/Egyptian people in Shanghai/Giza). The fourth question covered authenticity intentions by providers from an outcome based service quality perspective (I believe that the Chinese/Egyptians truly care about providing tourists with an authentic Chinese/Egyptian experience in Shanghai/Giza). All questions were coded on a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree).

Analysis

Factorial ANOVA was used to evaluate the data resulting from the above design. As hypothesized, there was a significant main effect of global brand presence on perceived authenticity (M_{absent} = 4.95, $M_{present}$ = 4.57, F(1,307) = 5.54, p <.02). The interaction of global brand and location was insignificant (F(1,307) = x.xx, p >.23) indicating that the effect of global brand on perceived authenticity did not vary across the locations explored in this study.

Discussion

This research examines perceived authenticity of tourism destinations where global brands are present or absent. The results have implications for public policy makers, global brand managers, and managers of businesses located near global brands. Specifically, the results suggest that global brands are potentially detrimental to perceptions of authenticity. For public policy makers, the findings suggest not only how the presence of global brands potentially detracts from perceptions of authenticity, but also that such determinations are important to perceptions of service quality. Many destinations already employ covenants and restrictions to limit the impacts of commercial presence on tourist experiences. For example, Hilton Head Island in South Carolina has a tree ordinance that prevents the removal or obstruction of trees by businesses or business signage.

For managers of national firms, the results suggest that collocating or co-branding with global firms may be detrimental to perceptions of their brands. Specifically, global brands may detract from the attractiveness of certain venues or even transfer perceptions of lower authenticity to nearby businesses. This notion is consistent with managing brand portfolios, corporate image, and brand redeployment following mergers and acquisitions, whereby the actions of one brand may negatively impact related brands.

Appendix1: Sample Manipulation

Global Brand Present

Global Brand Absent

References

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Summary Brief
The Honeymooner and Honeymoon Destination Satisfaction

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This study examined the honeymooner and honeymoon destination satisfaction. Tourism literature was reviewed that was relevant to the variables examined in this study, which was followed by an appropriate hypothesis or hypotheses. A questionnaire was designed and administered to those respondents who had been married or were currently married. The resulting sample description revealed a rather complete profile of the honeymooner in terms of demographic characteristics and honeymoon destination search behavior. The t-test analysis showed that honeymooners that had a high attitude toward honeymoon destination advertising, sought advice from friends and family, used the Internet, had a low cognitive age, were highly involved in the honeymoon destination decision process, had a high self-concept toward the honeymoon destination, and valued the honeymoon destination, were satisfied with the honeymoon destination decision. Finally, implications for the honeymoon destination marketer were presented, followed by limitations of the study.

Hypotheses

H_1: Honeymooners with a high overall attitude toward the honeymoon destination advertising were more satisfied with the honeymoon destination.

H_2: Honeymooners that sought advice from friends and relatives had higher levels of satisfaction with the honeymoon destination.

H_3: Honeymooners that use the Internet were more satisfied than honeymooners who do not use the Internet.

H_4: Honeymooners with a lower cognitive age experienced greater satisfaction with the honeymoon destination than honeymooners with a higher cognitive age.

H_5: Honeymooners with higher levels of involvement in the honeymoon destination decision making process were more satisfied with their decision.

H_6: Honeymooners that perceive a higher self-image toward the honeymoon destination were more satisfied.

H_7: Honeymooners with a higher perceived value of the honeymoon destination were more satisfied with the destination.

Methodology

Respondents

The sample for the study consisted of 28% male (72% female). The age group best represented was 43-61 (Baby Boomers, 44%), followed by 29-42 (Generation X, 26%) and 18-28 (Generation Y, 25%). Approximately 21% of the sample had an income in the $30-50,000 range and 81% of the sample was married. The majority of the sample (77%) consisted of white Caucasians (white). Nearly 30% had at least completed a college degree and 92% of the sample was employed (of which more than 44% of the sample was working for a company or a business).

Further analysis of the sample yielded the following profile. The honeymooner spent about one week planning the honeymoon. The honeymooner (respondent) and spouse paid the honeymoon expenses. Price was the biggest factor in the attraction of the destination, with about 5-6 days spent at the destination. The honeymooner is an Internet user, purchases using the Internet, and browses for products and services using the Internet. The honeymooner purchases online about once a month, accesses the Internet daily, and has used the Internet for over five years. However, the honeymooner did not use the Internet to make honeymoon reservations. Abbreviated information on the sample description is in Table 1.

TABLE 1: Descriptive Information of Sample

Items		**%age (n)**	**No Resp (n)**
Gender	Male	28% (141)	n/a
	Female	72% (355)	
Age	Matures	5% (23)	<1% (3)
	Baby Boomers	44% (217)	
	Generation X	26% (128)	
	Generation Y	25% (125)	
Income	0-10k	2% (10)	13% (63)
	10,001-30k	14% (68)	
	30,001-50k	21% (106)	
	50,001-70k	19% (93)	
	Above 70k	31% (156)	
Marital Status	Married	81% (402)	2% (10)
	Single	3% (13)	
	Living with another	2% (9)	
	Widowed	2% (11)	
	Separated	1% (5)	
	Divorced	8% (42)	
	Rather not say	1% (4)	

Race	White (Caucasian)	77% (384)	1% (4)
	African American	16% (81)	
	Hispanic American	2% (10)	
	Pacific Islander	1% (3)	
	Asian American	<1% (2)	
	Native American	<1% (2)	
	Other	2% (10)	
Education Completed	GED	2% (11)	2% (8)
	High School	30% (147)	
	Undergraduate	27% (136)	
	Graduate	24% (117)	
	Professional Degree	8% (39)	
	Technical	5% (23)	
	Other	3% (15)	

All measures were established scales that were modified for use in the study. Reliability coefficients were computed for each of the scales, all of which were 7-point Likert-type scales, including the semantic differential scale measuring overall attitude toward the advertising of the honeymoon destination. All alpha values were well above the 0.70 value recommended for satisfactory consistency. Table 2 presents the coefficient alphas for the current research.

TABLE 2: Reliability Coefficients

Scale/Statements	Coefficient Alpha
Satisfaction	0.97
Attitude toward the Advertising	0.94
Seek Advice from Friends and Family	0.89
Cognitive Age	0.94
Involvement	0.80
Self-Concept	0.96
Value	0.95

Analysis and Results

Independent samples t-tests were used to test the hypotheses; the results are summarized in Table 3. The variables assessed with satisfaction were grouped as dummy variables, except for the Internet Use variable, which was dichotomous. The results supported all seven hypotheses.

TABLE 3:
Honeymoon Destination Satisfaction t-Test Results

Variable	Means (n)	SD	t-Statistic	Sig
Attitude toward the advertising	4.80 (80) 5.94 (414)	1.54 1.14	-7.66	0.00*
Seek advice from friends and family	5.58 (296) 6.02 (198)	1.39 1.06	-3.82	0.00*
Internet Use (yes = 1, no = 2)	6.08 (126) 5.63 (358)	1.05 1.35	3.36	0.00*
Cognitive age	5.89 (213) 5.61 (242)	1.31 1.28	2.26	0.02**
Involvement	5.25 (218) 6.16 (275)	1.43 0.99	-8.37	0.00*
Self-Concept	5.05 (181) 6.17 (312)	1.47 0.95	-10.30	0.00*
Value	3.86 (74) 6.09 (419)	1.15 0.99	-17.43	0.00*

*$p < 0.01$
**$p < 0.05$

Discussion

This study provided a profile of the honeymooner and analyzed salient variables in terms of honeymoon destination satisfaction. Although the honeymoon is a relatively short-lived period for consumers, it is a time when they are highly involved in the destination decision. Although price is an important factor in the destination decision, they are willing to spend a considerable amount to make this brief time memorable as they begin new lives together as newlyweds. The honeymoon destination marketer should attempt to communicate how his or her particular destination can satisfy the needs of the honeymooner seeking that special location.

Customer Satisfaction in Service Companies: The Case of the Restaurant Industry

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Abstract

The services industry has experienced a change during the past few years to become an important line of business in the economy of Latin American countries. This is due not only to the performance of industries in this sector, but also to the fact that all sectors in these economies began to add different services to their products aiming at increasing their product value and setting themselves apart from their competitors.

When it comes to loyalty to and preference for restaurant services, customer satisfaction makes a difference. It is something that the industry requires from businesses for them to be successful. It goes without saying that offering an excellent quality product is also essential to be able to stand out in this industry.

The purpose of this research study is to establish the determining factors of consumer satisfaction in the restaurant industry and to provide them with a tool that allows identifying the most important factors for achieving customer satisfaction.

Introduction

As years go by, gastronomy has become a more and more important issue for people. It could be said that it has evolved almost hand in hand with the evolution of human beings. From the basic need of feeding ourselves an entire industry has emerged which is increasingly gaining strength worldwide day after day (Mogelonsky 1198).

Today we find restaurants offering foods of any specialty and country that we can imagine. Consumers are becoming more and more demanding, but also increasingly open to living out new experiences under the guidance of the best chefs in the world.

The "gastronomic boom" in Latin America has been passed on to other countries that have seen development not only of their cuisine, but also of the taste buds of those who visit the restaurants day after day. There are all kinds of restaurants from different countries for different tastes and budgets.

Colombia could not fall behind in this global trend in gastronomy. Gastronomic development in this country has evolved at a greater pace in recent years. The birth of new schools engaged in training future chefs, waiters, bar tenders, bakers, and sommeliers is a clear indication of a growing need for qualified personnel to provide an excellent service at restaurants in this country.

All these considerations awakened our interest in determining the level of customer satisfaction in restaurants where a lack of good service could hinder growth of the restaurant industry.

This study is aimed at providing a tool that allows restaurant owners and those who engage in this industry to identify where they stand within a range of possibilities. Additionally, the tool should enable them to identify not only their weaknesses, but also a set of solutions for them to measure up to other restaurants in Colombia and even to the finest restaurants in Latin America.

Background

Various authors from different countries around the world have done research regarding the topic of customer satisfaction with restaurants (Stevens 1995). The restaurant industry in Colombia has gained great importance to its domestic economy in recent years. It has also encouraged similar research studies to those conducted in other countries. This research has been primarily based on studying customer satisfaction with restaurants and determining the key factors that make a restaurant financially stable and successful.

Several authors such as Szymanski and Henard (2001) and Bearden and Teel (1983) have been concerned with identifying the relation between customer satisfaction and customer loyalty. Customer loyalty is of the essence for the performance of a restaurant. Thus, identifying the different variables that somehow have an impact on customer satisfaction in a restaurant is extremely important. This would allow making the necessary changes to achieve the much desired customer loyalty. Andaleeb and Conway (2006) determined three following factors that could affect customer satisfaction in a restaurant. These factors are service quality, product quality, and product price.

In their work, Andaleeb and Conway (2006) argue that there is controversy as to whether customer satisfaction is a precedent or a consequence of service quality. To resolve this conflict, these authors take Zeithaml and Bitner (2003) as a reference and quote: *"Satisfaction is viewed as a rather general concept; service quality is one of the components of satisfaction."* They also take Bitner and Hubbert's (1994) proposal, claiming that there are two different ways to look at satisfaction. On the one hand, there is satisfaction with the service encounter such as, for example, satisfaction or dissatisfaction with the specific service experience, and on the other hand, there is general satisfaction, which is based on multiple encounters or experiences.

To Andaleeb and Conway (2006), this would mean that small satisfaction based on each service encounter leads to general service satisfaction. To be able to measure service quality, this study is based on the DINESERV scale (Stevens 1995) which, in turn, is based on the SERVQUAL scale (Parasuraman, Zeithalm and Berry, 1988). However, not all dimensions of this scale are applicable to measuring restaurant service quality because, unlike other services where the tangible portion is either very small or simply inexistent, this is a business that involves a combination of both product and service. The DINESERV scale is used for measuring service in restaurants. In using this scale, we suggest the following variables for measuring service quality: i) reliability, which is considered the most critical variable; ii) quality of food which is associated with freshness and temperature; iii) serving food without errors as ordered the first time; and iv) the response capability, which refers to the employees' willingness to help customers and provide a smooth and rapid service. The greater the level of these variables, the higher the customer satisfaction. Different qualitative research studies were completed in order to prepare a 29-statement survey, the answers of which are rated using a Likert scale ranging from "strongly agree" (7) to "strongly disagree" (1). These 29 statements are divided into the five original components of SERVQUAL. 10 of them reflect tangibility; 5, reliability; 3, response capability; 5, certainty; and 5, empathy. Andaleeb and Conway evaluate product quality taking into account two aspects which are quality of food (as discussed above) and the place where food is served. This is the reason that their model includes the positive influence of the physical design and appearance of a restaurant on customer satisfaction. Having applied the model, the results showed that this variable was not significant for the model, so they concluded that it is not one of the fundamental aspects for achieving customer satisfaction.

Despite this, there are other authors who have been interested in writing about the way in which the physical environment of a location where a service is provided has an impact on people's feelings. Bitner (1992) emphasizes the fact that, when it comes to services, these are produced and used at the same time. Hence, customers are inside a "factory" which can have a strong impact on the consumer's perception of service experience in general. Bitner (1992) also showed how the location affects the employees' satisfaction, motivation, and productivity. Both customers and employees interact with each other in a restaurant where the ambience of the place has an impact on their social interaction. Bitner (1992) refers to the studies by Milliman who found that background music affects customer rotation and the size of the bills at restaurants. Companies must be concerned with inducing certain behaviors in both their employees (i.e. encouraging a feeling of affiliation, exploring, desire to stay longer, commitment, and motivation to achieve the company's objectives) and their customers (desire to go to the restaurant, staying, spending money, and loyalty).

Bitner (1992) is of the belief that the physical environment is a factor that allows customers to categorize a company. In the case of restaurants, there are two kinds of environments that distinguish a fast-food restaurant from a fancy restaurant. An important consideration for restaurants is the way in which the physical environment affects customers psychologically. The customer's physical reaction to a place has an influence on whether or not they stay and enjoy a given environment. The seat comfort has a great influence on the customer's decision to stay or leave. This is the reason that fast-food restaurants use hard seats for people to leave rapidly. Therefore, Bitner gives a great deal of importance to the place where service is provided and believes that this detail should not be overlooked.

Andaleeb and Conway also incorporated price into their model. To them, the price can either attract or repel customers, and it also influences customer's expectations. This means that if the price is high, then high quality is expected, and if it is low, then the ability to deliver the product and provide a quality service is questioned. Because of competition in the restaurant industry, customers may set an internal reference price to compare the prices offered by different restaurants. Therefore, the price offered by a restaurant must be consistent with the expectations of the market. The research work completed by these authors in the United States revealed that price is in fact a significant variable for the model, so it has an influence on the level of customer satisfaction with restaurants in that country.

Jones, Passer and Earl (1995) are concerned with determining an acceptable level of customer satisfaction for a company. They find that a level below "satisfied" and "completely satisfied" could be deemed acceptable. "*´Products and services are not perfect, and some people are difficult to satisfy"* (Jones, Passer and Earl 1995). They contend that there is a very significant difference in the level of loyalty of satisfied and completely satisfied customers in markets where competition is strong. These authors classify customer loyalty into two kinds: true long-term loyalty and false loyalty. There are different kinds of situations that make customers seem loyal when they actually aren't. They only remain loyal when they are completely satisfied. Attracting customers who are part of a target market is very important for these authors because, according to them, when you attract people who are not part of your target market, satisfying their needs is very difficult and brings a lot of problems to your organization. Jones, Passer and Earl affirm that the customer satisfaction level is a good indicator of service quality, but to go from "neutral" to "satisfied" or from "satisfied" to "completely satisfied", we need to take into account the four following factors that influence customer satisfaction: i) the basic elements of the service provided by any company; ii) the basic supporting services such as providing customer assistance and monitoring orders to make service more effective and easy to use; iii) a recovery process to follow when bad experiences occur; and iv) personalized services. As shown above, these authors mention elements that are different from those of other authors discussed earlier. This may be due to the fact that not all these elements would apply to the restaurant industry directly.

Bearden and Teel (1983) focus on the way in which unsatisfied consumers complain. In 1983 they came up with a model that showed different kinds of behaviors that customers display when they are not satisfied with the service they are being offered. According to them, consumers may not take any action, but if they do so, action such action may be either public or private in nature. A private action may be in the form of warning their family, friends or others, or as simple as deciding not to purchase again. A public action, on the other hand, might be, for example, seeking reparation from the company or factory, filing a complaint with a government agency, a private company or a business, or taking legal action seeking reparation.

All of this shows the importance of keeping customers satisfied, especially in the restaurant industry where information is communicated via word of mouth or disclosed in reviews in public articles. It is important to bear in mind each of the above mentioned factors in order to obtain the best measurement possible of customer satisfaction. This will thus allow achieving true specific results for the benefit of the restaurants included in this study.

Hypothesis

With the aforementioned background in place, a decision was made to conduct this research study considering the following variables for measuring customer satisfaction with restaurants: service quality, product quality, and price.

Service quality

As stated earlier, the service quality variable should be understood as: product quality or reliability and response capability. This is the reason that these two factors were included in this research work as determining factors of consumer satisfaction with restaurants and representative of service quality. Reliability was measured in terms of quality of food, and the following hypotheses were formulated:

$H1_a$. The more reliable the service at a restaurant, the greater the level of customer satisfaction.

$H1_b$. The higher the level of quality of food, the greater the level of customer satisfaction.

The response capability refers to the willingness on the part of employees to help and provide an impeccable service to the customers. In this respect, the hypothesis is formulated as follows:

H2. The higher the response capability of the service provided by the restaurant, the greater the level of customer satisfaction.

Product quality

Product quality is evaluated taking into account the product (food) as such and the place where it is delivered or physical location. This research study considered the variables for measuring product quality: food quality and physical design (Andaleeb, Conaway 2006). Since the quality of food is also considered a variable of reliability, the hypothesis has already been formulated in service quality. With regard to physical design, the following hypothesis is proposed:

H3. The better the physical design and appearance of the restaurant, the higher the level of customer satisfaction.

Price

As stated above, price also has an influence on customer satisfaction in restaurants. In this respect, the hypothesis was formulated as follows:

H4. The lesser the extent to which current price meets the expectations, the lower the level of customer satisfaction.

Research Methodology

Research design

The research study was designed based on the DINESERV scale (Stevens, 1995) after conducting research on customer satisfaction and gathering information from restaurant owners.

Measurement

Face-to-face interviews were performed among individuals of different ages and sexes in the city of Cali, Colombia. During the interviews, respondents were asked to evaluate the service they received at the last restaurant to which they went. In evaluating service, they were asked to identify their perception of the service using a Likert seven-point rating scale. The answers in this scale ranged from 1, which referred to the statement "I totally disagree", to 7, which referred to the statement "I totally agree".

To measure each of the factors and general satisfaction, a set of several questions was also used. Service quality (response capability), product quality/reliability, physical design, price, and general satisfaction were measured by making a set of seven, four, four, two, and four questions, respectively.

Two demographic variables were established: gender and age group (youths, adults, and seniors). A screening question was also asked for rejecting respondents who had not been to a restaurant within the last month.

The survey was conducted among individuals selected at random in the streets of Cali, Colombia. In total, 240 surveys were conducted.

Analysis

The factorial analysis was conducting using a Varimax rotation to determine which of the selected factors fit in with the expected construct. This analysis resulted in four different factors (see Table 1). The sum of the square saturations is greater than 1. The total accumulated variance accounted for by the analysis factor was 63.08%. The results obtained were as expected. Service, assistance, punctuality, appearance, understanding customer´s needs, cordial treatment, and knowledge of the menu ewere under Response Capability factor. Order accuracy, error-free order, freshness, and proper temperature were put together under the food quality/reliability factor. Lighting, cleanliness, decoration, and parking space are in the same physical design group. And finally price includes the questions about this matter

Table 1. Factorial analysis of independent variables using a Varimax rotation and Kaiser (method of extraction: analysis of major components)[1]

	Response capability 1	Food quality/reliability 2	Physical design 3	Price 4
Service	0,786	0,125	0,121	0,216
Assistance	0,813	0,213	0,033	0,140
Punctuality	0,775	0,140	-0,018	-0,046
Appearance	0,405	0,584	0,206	-0,054
Understanding customer's needs	0,873	0,126	0,095	0,109
Cordial treatment	0,804	0,298	0,119	-0,008
Knowledge of the menu	0,678	0,210	0,280	-0,162
Order accuracy	0,268	0,861	0,087	-0,021
Error-free order	0,255	0,848	0,021	0,060
Freshness	-0,041	0,352	0,092	0,012
Proper temperature	0,128	0,568	0,425	-0,083
Proper lighting	0,104	0,119	0,715	0,044
Adequete parking space	0,235	0,205	0,419	-0,069
Cleanliness	0,244	0,132	0,796	-0,033
Attractive decoration	0,133	0,129	0,735	0,258
High prices	0,103	0,119	0,047	0,873
Paid more than they had planned to.	0,002	-0,033	0,000	0,862

Table 2. Explanation of total variance

[1] Rotation converged in 6 iterations.

Sums of square saturations of each extraction			
	Total	Variance %	Accumulated %
Factor 1	6,07	35,70	35,70
Factor 2	1,68	9,86	45,55
Factor 3	1,52	8,94	54,50
Factor 4	1,46	8,59	63,08

RESULTS

The multiple regression analysis involved using four factors (i.e. response capability, quality of food/reliability, physical design, and price) as independent variables for measuring customer satisfaction (Table 3). The model was found to be significant using statistical F ($p<0.000$). R^2 indicates that 58% of the variability in satisfaction is accounted for by the model - which is a high value. Three out of the four factors had a significant impact on customer satisfaction on a significance level. These factors were: response ability, quality of food/reliability, which turned out to be significant for the model at a 1% significance level; the physical design, which was significant for the model at a 5% significance level; and price, which did not turn out to be significant for the model not even at a 10% level of significance

Based on its standardized beta coefficient (0.673), the response capability is the factor that has the greatest impact on customer satisfaction. Quality of food/reliability and physical design were also significant for the model and had an impact on customer satisfaction in the same order according to their standardized beta coefficients (i.e. 0.317 and 0.158, respectively).

Table 3. Multiple regression results (dependent variable: satisfaction)

Variables	Non-standardized coefficients	Typical error	Standardized coefficients	t	Significance p<
Constant	7,46956E-17	0,061		1,23029E-15	1,000
Response capability	0,673	0,061	0,673	11,042	0,000
Food quality/reliability	0,317	0,061	0,317	5,203	0,000
Physical design	0,158	0,061	0,158	2,597	0,011
Price	0,030	0,061	0,030	0,489	0,625

Notes: F = 38.997; p<0.000; R square = 0.58

Discussion

The results of this research study have led us to come to the conclusion that three out of the four study factors have a remarkable influence on customer satisfaction. Restaurant owners should focus on strengthening the three following aspects: service quality, food quality, and physical design. The price factor turned out to be not significant when it comes to measuring consumer satisfaction. The results of the analysis show that consumers feel they are paying a fair price for the service they are getting.

The results also indicate that service quality (response capability) is the most important factor for customers. Consequently, restaurant owners should make an effort to provide training to their employees. We are aware that, because of the lack of training centers specialized in this industry, it is difficult to achieve this in Colombia, but employees at the restaurants could at least receive training in the most important aspects. Knowledge of the menu, for example, is one of the factors that restaurant managers should reinforce. Knowledge of the menu, assistance, punctuality, understanding, and politeness are, in this order, the most important items to be reinforced.
Business owners should measure their employees' performance on a regular basis to ensure that the standards of quality do not decline or harm the quality of service offered to customers. Overall, this factor was rated high by the respondents.

The second set of most important factors was comprised by food quality and reliability. This was a somewhat surprising finding because at first there was the thought that food would be the most determining factor of customer satisfaction. We believe, however, that this can be the result of poor service quality that tarnishes the quality of food. The quality of the offering has improved as the industry has grown. Assuring customers that they are getting the best food is no longer an advantage over the competition. It has become something that customers take for granted. Restaurant owners must continue to keep high standards of product quality in an industry where innovation can make a difference.

The third most important factor is the physical design of the restaurant, and it may be due to the fact that customers associate it with reliability. Overall this was rated high by respondents. This shows that the current physical design of restaurants is well accepted by their customers, and managers should continue to manage this aspect in the same way they have done thus far. Apparently part of what customers look for when they go to eat at a restaurant is to feel comfortable in a different and aesthetically pleasant setting.

Price, which was initially thought to be a determining factor, did not turn out to be significant. It is worth noting that this research study revealed that customers are satisfied with the prices at the restaurants in Cali. This shows that, in this respect, business owners have proceeded correctly in that they are providing customers fair service and quality for the money they pay.

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Summary Brief
Service Fairness, Consumption Emotions, Satisfaction and Behavioral Intentions

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Being designated a World Heritage Site is often regarded as a means of increasing tourism by tourism practitioners (Li, Wu, and Cai 2008). Since returning travelers matter a great deal for the survival and growth of a heritage tourism destination, this study attempts to develop a comprehensive model that illustrates the relationships among heritage travelers' perceptions of service fairness, consumption emotions, (un)satisfaction, and behavioral intentions (e.g., revisiting a destination and/or spreading word-of-mouth). This study makes two main contributions in the tourism and service marketing literature. Specifically, it highlights the essence of service fairness and further classifies consumption emotions into the positive and negative emotions in the tourism service context. Second, this study suggests that service fairness is an important antecedent to a tourism destination's visitors and that a satisfied visitor is more likely to revisit the destination and spread positive word of mouth.

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