



MARKETING IDENTITY

2013 **SMA** CONFERENCE
Westin at Hilton Head | South Carolina
Oct. 29th - Nov. 2nd, 2013

SMA Society for Marketing Advances

PROGRAM CHAIR

John Branch
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Annals of the Society for Marketing Advances

Volume 2

Kevin J. Shanahan, Proceedings Editor
Jeri L. Weiser, Production Editor

November 2013

Dear Members and Friends:

It has been my pleasure and honor to serve as president of the Society for Marketing Advances during the past year leading up to the 51st Meeting.

I am fortunate to have been surrounded with a group of talented individuals who have given much of their time to help SMA prosper. I'd like to offer a special thanks to our SMA officers for their advice and ongoing leadership throughout the year. Conferences just don't happen. I wish to recognize the following individuals who contributed to the success of our 51st Annual Conference:

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

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

A hallmark of SMA is our long history of promoting and showcasing teaching excellence,

a unique characteristic among academic societies. The Proceedings contain a number of papers that communicate teaching philosophies, innovative classroom techniques, and research that add value to our members' teaching responsibilities and outcomes. Our partnerships with Prentice Hall, Cengage and Access 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 2013 a memorable year. You are the driving force behind our 51 years of success. As SMA begins

our next 50 years, please consider volunteering your efforts to support the good work of the Society. For updates on future conferences, visit our web site: www.marketingadvances.org.

Best wishes,

Christopher D. Hopkins

President-Society for Marketing Advances

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Philip J. Trocchia, University of South Florida, St. Petersburg

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Ethics, Legal & Public Policy

Consumer Ethics of Adolescents: Do Religiosity, Materialism, Love of Money, and Parenting Style Matter?

Laura A. Flurry, Louisiana Tech University

Krist R. Swimbergher, University of Texas at Tyler

Global & Cross-Cultural Marketing

Cultural Influence on Young Consumers' Intentions to Become Brand-Page Fans: Individualism versus Collectivism

Alexander Muk, Texas State University-San Marcos

Christina Chung, Ramapo College of New Jersey

Jonghoon Kim, University of Incheon, Korea

Lamb, Hair, McDaniel Best Paper Award in Marketing Education

The Use of Business Periodicals in the Classroom: An Exploratory Study Examining the Impact on Student Perceptions and Performance

Frank H. Wadsworth, Indiana University-Purdue University, Columbus

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Marketing Research

What Have You Done for Me Lately: Changing Perceptions of Residential Real Estate Agents

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Marketing Strategy

Corporate Social Media Usage: An Examination by Platform, Industry, Size, and Financial Performance

Katherine Taken Smith, Murray State University

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Marketing Activities During Life Transitions: A Multi-Method Investigation of Consumer Response

Charles M. Wood, University of Tulsa

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Marketing Technology

Beyond TAM: Gauging Deep Insights in Consumers' Adoption of a Technology

Juan Meng, Minnesota State University, Mankato

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Effects of Emotional Labor on Job Encouragement: The Role of Mentorship and Network Resources

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Track Chair

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Judges

Brian A. Vander Schee, Aurora University

Barbara Ross Wooldridge, The University of Texas at Tyler

Sam D. Fullerton, Eastern Michigan University

SMA Innovative Teacher Comment

Engaging Marketing Majors with Analysis

Michael A. Levin, Otterbein University

Introduction

In the initial years that I taught the Principles of Marketing course, I followed a familiar pedagogical pattern. Students completed three individual exams, prepared a group written marketing plan and then presented elements of the marketing plan. I worked with students to develop, interpret, and apply a perceptual map as part of their respective group's marketing plan.

In both courses, Principles and Promotions, I noticed a similar behavior arc from students when working with perceptual maps. Initially, students were reluctant to participate in the interpretation of the perceptual map because of the inherent ambiguity in this type of exercise. As students participated in the process of interpreting perceptual maps, they began to argue for their interpretation. By the end of the module, students, regardless of course, reported how much they enjoyed the exercise, and a feeling of connection to the project and to the discipline.

In redesigning the Principles of Marketing, I selected cluster analysis and multidimensional scaling as two topics to implement because students could grasp the concepts and would learn from (and probably enjoy) the ensuing interpretation.

Project Implementation

I set the tone during the first day of class for the semester. During the course introduction, I ask students to turn to a specific page in their textbook and to look at a specific table that displays various segmenting methods. I tell them that in five weeks from this date, they will analyze data to segment the market and to select a segment to target. In eight weeks, I explain how the students will be prepared to write a managerial recommendation based on this analysis. Next, I request they turn to later a page in the same chapter to consider the perceptual map. In nine weeks, I continue to explain, students will be prepared to create their own perceptual map similar to the map shown in the textbook. In 12 weeks, I conclude, the students will be ready to write a managerial recommendation based on their individually prepared map. With the stage set, I launched a survey for the students to complete.

The survey revolves around running shoes, which fits the Principles' course other component, a simulation where students manage a running shoe brand in a competitive market. Students respond to scale items that are needed for a cluster analysis and multidimensional scaling. The survey's included and excluded brand set allow for a discussion of competitors and who determines the competitive set as well as the consumer's consideration or evoked set.

To analyze the data, I incorporate the Marketing Engineering package, because of students' familiarity with Excel, and they can better grasp Marketing Engineering's graphical output for cluster analysis and multidimensional scaling.

We spend four weeks on each module. In the first week, students complete a quiz based on the assigned chapters from the

Marketing Engineering textbook. I show them how to perform the analysis using an old dataset. In the second week, using data from the running shoe survey, we work together to produce an analysis and then discuss possible managerial recommendations. In the third week, we review a case that requires students to analyze the data using either cluster analysis or multidimensional scaling. In the fourth week, students lead the discussion of the case with the corresponding memo submitted for a grade.

Project Contributions

The use of the cluster analysis and multidimensional scaling tied abstract data into a managerial-oriented recommendation, while also allowing students to connect "flat textbook concepts" to "live business decisions." Students learned the importance of analysis in decision making, and improved their critical thinking and writing skills.

Project Results

The number of marketing majors has held steady since the introduction of cluster analysis and multidimensional scaling in the Principles of Marketing course. The number of marketing minors, however, has improved by 300% in that time. Of the increased minors, more than 50% are students from outside the Business department.

Furthermore, top students from the Principles course are more likely to continue their marketing studies by enrolling in the Marketing Analytics course. This past term, for the first semester in the five times since the course was added to the curriculum, a majority of students enrolled in the Marketing Analytics course had earned an A in Principles and boasted a 3.6 GPA or higher.

Future Direction

Marketing Engineering could be added to a Principles course with high capacity or an online course. In a high capacity course, the instructor could randomly check outputs for completeness and correctness. In an online course, depending on available technology, an instructor could lead students through the development of the cluster analysis and/or perceptual map while students respond to questions.

The tools discussed herein: cluster analysis, multidimensional scaling, and the Excel add-in Marketing Engineering, are not traditionally included in an Principles course. The course elements are attracting the attention of non-majors, and preparing all students for future interviews and real-world decision making. All of these course elements contribute to a better educational experience for the students.

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SMA Innovative Teacher Comment

Macro-Space Allocation Projects for the World's Largest Retailer: A Graduate Project with Real World Implications

Deborah C. Fowler, Texas Tech University

Overview

In 2000 my university received the first gift in kind of Intactix Pro/Floor, then Pro/Space software. At that time, I began developing a graduate course in category management. In 1996, I moved to Texas Tech University and brought the software gift valued at \$1.3 million from the company now known as JDA to Tech. At Tech I teach both undergraduate and graduate courses in category management and have written a textbook, *Retail Category Management* published by Pearson.

In February 2009, I visited corporate executives at Wal-Mart to discuss the possibility of a recruiting relationship between Wal-Mart and TTU. Following the meeting, they prepared an initial proposal for a project for students. On April 23, I returned with 19 students to visit with executives and tour store concepts. At the end of the visit, Wal-Mart presented the Hardware and Paint project for two stores, Dumas and Pampa, TX. Wal-Mart executives visited campus on July 14, students travelled to Bentonville on August 10, 2009 to present their projects. The following two projects were focused on the four Lubbock stores, 2010, cosmetics and 2011 Deli. Students in 2010 also travelled to Dallas, TX to visit the Plano store and the Smart Learning Center (Pepsico Frito-Lay) in addition to Bentonville to present. The 2013 project was to develop a grocery store of future based on the prototypes for supercenters.

Innovation

There are two innovative aspects of these projects: The first is the access to data as well as personnel. The data are pulled for the project based upon the topic. The data set is very large and current. Wal-Mart, does not typically release current data for classroom use. In addition, very few programs across focus on a macro space projects, although this is an integral function of major mass merchandisers and grocery retailers.

Description

- 1) Group items from existing modular together and create new categories that group similar items together.
- 2) Create new floorplans for local stores utilizing newly created categories.
- 3) Create new modulars for local stores
- 4) Create Ideal floorplan

Guidelines to Implement

Each semester (SummerI/SummerII), it is a challenge to take the project and modify the syllabus based upon the students in the class. To capitalize the diversity of backgrounds, they worked on teams, typically:

- Market Research/Customer Insights/Macro-trends
- Competitive Analysis/SWOT
- Modular/Department Assessment
- Modular/Store design

I first teach category management and review basic retail concepts including terminology Wal-Mart uses such as modular. Students are required to visit the stores, photograph the areas, conduct research, and analyze the data. Students work as groups for the remainder of the semester. Students prepare their analysis, a PowerPoint presentation and a manual focusing on the fine details of their analysis. Approximately a week before the presentation in Bentonville, students practice for faculty. When students present to Wal-Mart, they present to about 150 people including vice presidents, vendors, my former students, and all people who work in all associated areas of the project (finance, logistics, merchandising, buying, etc.). Each statement they made had to be substantiated by the data set or their research related to macro-trends.

Students typically present, then tour the Wal-Mart offices including the Visitor's Center, the Layout Center, the Home Office, and Sam's Club Home Office. The executives meet with the students giving them feedback and discussing their areas within Wal-Mart (i.e., merchant group and modular development). Students also participate in a series of panel interviews while visiting the home office.

Discussion

This project is challenging and overwhelming, but worthwhile. Having access to data and insights from the world's largest retailer is impressive whenever or where ever they interview. The first year, Wal-Mart/Sam's hired four of the eight students. One of the interesting by-product for the students is they realize they have to present to Wal-Mart executives and be able to prove each point. This is not an ordinary classroom presentation with semi-interested student colleagues. I believe this class prepares them not just for the retail world, but the corporate world where every word and action is analyzed and critiqued.

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Teaching Undergraduate Marketing Students Through Social Media

Melissa N. Clark, Coastal Carolina University

Overview

Social media is more than a trend; it is a fundamental shift in communication. People have always wanted to connect with others and form communities around shared interests. Social media allows people to do this through technology while also broadening the scope to include people all around the world. Since consumers are using social media regularly, it is no coincidence that marketers are interested in it as well. By using social media communications to complement traditional methods of marketing, marketers are able to humanize their companies and communicate with their target market in a unique way.

Today's marketing students must understand the value and uses of popular social media networks to be effective in the marketplace. However, teaching a social media marketing course must be viewed differently than regular marketing courses due to the nature of the subject matter.

Description

Instead of using a standard lecture format for my social media class, I use a discussion format utilizing several social media sites during class meetings to post content. The students contribute to the sites during class as well as outside of class.

I create a class Facebook page that the students must like at the beginning of the semester. The students post articles, thoughts on class discussions, create polls, link their blog posts and advertise campus events on our class page. For Twitter, we use a class hashtag to tag and categorize our tweets. The majority of the posts are made during class regarding our current discussion. I always pull the class Twitter feed up on the screen during class, so that there is a visible live discussion happening online and in person simultaneously. I create a class LinkedIn group that the students are required to join and post to throughout the semester. I do not create a new group each semester, rather I add new students to the same group from the previous semester. That way they already have connections with current and former students that could help network for business opportunities in the future.

The blog writing requirement is always the one they look forward to the least and end up enjoying the most. The students are required to start a new blog. I recommend Tumblr since it is the most socially oriented blogging site, but also allow Wordpress since it is seen as one of the most professional blogging sites. The topic of the blog is up to the student since I want them to be genuinely interested in what they are writing. The students are offered extra credit for attending external blogging workshops.

The topic teaching requirement is one of the best parts of the class. Each student chooses a social media site that is not as well known and does a short 5-10 minute presentation at the beginning of a class meeting to teach the class about the site. They discuss how to use the site, why you would use the site and discuss the marketing implications of the site. I always learn new things from this portion of the class. Collaborative learning has been proven to have a greater impact than a lecture format, so this is my way to incorporate peer teaching/learning into the classroom.

The end-of-semester project consists of a team social media marketing plan and presentation for a local business. The students work together to analyze the company's target market, current social media communications, objectives, and budget for a social media campaign. They make recommendations on each section and devise a realistic plan for implementation. The teams create a prezzi (prezi.com), a creative form of presentation as opposed to a standard PowerPoint presentation, to present their plan. This project helps the students put together everything they have learned throughout the semester, get some real world experience, network with local businesspeople and help a local marketer. It is truly a win-win situation for both parties.

Guidelines on Implementation

This type of course is a continually changing format since social media is an evolving area of marketing. I suggest staying open-minded to new sites, not getting tied to any particular course material, and recognizing that you cannot be the expert on all things social media. You must be willing to learn new things and allow the students to participate in content creation. Finally, provide some guidelines for the students about how many posts are required on each site and what is acceptable or not. Their creativity needs some boundaries.

Discussion

In conclusion, I believe that my method of teaching social media marketing to undergraduate students is innovative because it takes a dynamic subject and provides an enormous amount of experience with multiple networks and platforms in a single semester. The students come out of the class with the knowledge and confidence to create a social media strategy for a business they might be employed by or work with as a consultant. I feel that my method instills creativity and confidence in the marketing students in my course.

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Spaghetti and Marshmallow Towers, Group Formation, Competition, and Enhancing Peer Evaluation Effectiveness

Rex McClure, Marshall University

Several upper-level business course involve group projects. As instructors, we frequently approach group formation in an ad hoc manner without attending to teambuilding or the psychological processes of group formation. Tuckman's model suggests that groups progress through four stages of development: forming, storming, norming, and performing. As is frequently the case, instructors press groups straight into performing, with only superficial attempts to address the earlier stages of formation. This exercise offers a means by which group mates can become familiar with each other in a low-stakes environment, while establishing a teachable moment for basic workgroup principles, and broader market principles as well.

Materials and Instructions

The required materials are readily available at any grocery store. Each group should be given 20 pieces of regular spaghetti (thin spaghetti is too fragile), 36 inches of masking tape, 12 inches of string (a distractor), and one regular marshmallow. The instruction the students receive can be adjusted, expanded, or obfuscated depending on the situation and students. A twenty minute time limit should be imposed, but 15 minutes may be used as well. The core of the exercise is for each group to build a self-supporting tower that supports a marshmallow using only the materials provided. The instructions can also include incentives for the tallest tower, a minimum height requirement, a prize for the group with the most left over material, a huge incentive for any group that build a 39 inch tower, etc. It is important the students understand that the tower must self-supporting, they may not use the walls, the ceiling, or other objects in the room to support their structure.

At the conclusion of the allotted, time instruct the students that they should not touch tower. Before measuring the finished towers wait one minute. This allows the tower to fully adjust to the weight of the marshmallow, and sometimes collapse under its weight.

Debriefing

After the heights have been recorded, the instructor may wish open the discussion with an ambiguous question asking for a broad reaction to the exercise, "So, what do you think?" The class discussion will frequently include the topics of winning, unexpected difficulties, the time allotted either being too short or too long, even the surprising weight of the marshmallow. As the discussion progresses, there will be the opportunity to build on the themes of human nature, group dynamics, and competitive markets. As these topics come forth, take time to elucidate on each one.

Depending on how the instructor chooses to develop the activity and word the instructions, competition can be created directly with a statement to the effect of "the tallest tower gets ten extra credit points." Competition can also be implied by stating

"build a tall tower", or even disregarded by stating "build a tower". Regardless of the wording, ask the students to share their feelings about building the tallest tower, or being beaten. Typically, the students will emphatically state that they wanted to build the tallest tower, and risk building a weak tower to do so. At this point, the instructor can assure the students that the desire to win is part of human nature, and typically groups will be unashamed to show their competitive spirit.

Because group members sense competition and time constraints, some levels of intra-group conflict may develop. Usually the conflict that develops is cognitive and task-related, and hopefully can be resolved quickly and painlessly. None the less, frequently students will be overheard voicing concerns over a structural issue or time management of the group. As a part of the debriefing, the instructor should reassure the students that this type of conflict was expected, and their ability to resolve the issue showed their individual flexibility and adherence to the group's goals.

Additionally, this exercise also demonstrates some basic tenets of marketing. First, there is the creation of a product. Even though it is not intended to be sold, there is a physical object created, with intent of satisfying a target market (the instructor). As the exercise progresses, it is not uncommon for groups to engage in certain forms of market research. This may take the form of asking the target market questions about the final product, or assessing their competitors. Again, during the debriefing the instructor can point out that the groups have displayed a boundary-spanning skill set in the execution of the exercise.

Effects on Peer Evaluations

A total of 64 students participated in tower building with their group in the beginning of the semester and completed peer evaluations at the end of the semester. Comparatively, peer evaluations were given to 72 students over the course of four semesters preceding the tower building exercise. The students could award a total of 50 points their teammates in the form of a questionnaire rating contributions, work ethics, collegiality, and an overall score. The means of the two groups were not significantly different ($\mu = 45.50$ for the tower group, $\mu = 47.22$ for the no tower group, $p = 0.1235$). But surprisingly, the standard deviation for the group that built the towers was almost twice that of no tower group ($\sigma = 8.31$ tower group, $\sigma = 4.18$ no tower group). This suggests that the exercise did not have much effect on the overall scores, but had an effect on the range of scores awarded. In terms Tuckman's model, building marshmallow towers may change the rate at which groups develop. The marginally lower mean, in conjunction with the higher standard deviation, suggests that the groups may be progressing out of the forming stage and into the storming stage.

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Illustrating B2B Marketing Concepts: The Value Chain Game

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Stephanie P. Thomas, Texas Tech University

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Introduction

Within business marketing classes, or any marketing class module that involves business-to-business (B2B) markets, students must extend learned marketing concepts such as the marketing mix (4P's) into the context of a value chain in order to understand how multiple firms cohesively create value for both customers and end consumers. However, traditional undergraduate students often have limited practical work experience in business markets and therefore approach learning from the perspective of consumers. Thus, they may have a limited understanding of the value chain itself, defined as the extended system of value creation that connects a company's supply side with its demand side and stretches across multiple organizations. This lack of a practical reference may lead to difficulties in integrating their existing marketing knowledge (e.g. how the 4P's apply for one firm) to a multi-firm context, and may lead to a superficial understanding of the real-life problems that arise in managing buyer-supplier relationships as well as managing both supply and demand needs.

This problem may be addressed through the Value Chain Game, a high engagement classroom game that can be run in a class session (45-75 minutes) with a class size of 20-150 students.

Learning Objectives and Overview

The Value Chain Game is designed to illustrate the processes and decisions that must occur from raw material sourcing to the end consumer product purchase within an extended value chain. Associated learning objectives are for (1) students to apply the 4 P's concept in a multi-organizational value chain to see how they operate in both a B2B and B2C context, (2) develop strategies to compete in the production and sales of their chosen product, and (3) understand the interconnected nature of the organizations within the value chain.

Within the game, students physically role-play different functional nodes within a value chain, each competing with classmates to efficiently and effectively source, produce, price, sell, transport, and return two possible competing products (a Premium version and an Economy version), each experiencing differential demand, within a common market. The value chain consists of eight different nodes (see Figure 1).

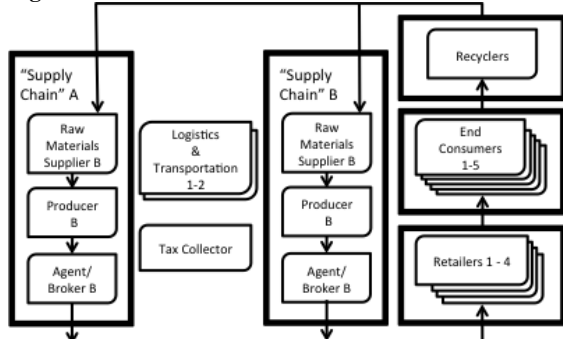
Three functional nodes (Raw Materials Supplier, Producer, and Agent/Broker) are asked to collaborate as a "supply chain" which is pitted against another "supply chain". Each supply chain collectively determines whether to produce a Premium or Economy product, as they can only produce one version at a given time. The three supply chain nodes must utilize the services of Logistics & Transportation Providers who physically move raw materials and finished goods for each supply chain node. The products are then sold to various Retailers who in turn directly sell to various End Consumers, who are incentivized to purchase and consume products by turning them into Recyclers for points. A Tax Collector provides a game mechanism to keep each supply chain's inventory management realistic, as penalties are imposed on supply chains that hoard excess inventory. Recyclers provide a game mechanism to keep goods flowing by breaking products down into raw materials components and also acting as a quality check for products, an important but unanticipated value chain issue for students.

Although students are asked to individually role-play a specific functional node, in doing so it becomes clear within the game that each node's decisions have an impact on other nodes. If each student within each node does not understand how to variously source, produce, price, sell, transport, and return, the entire chain suffers. In particular, product management decisions made by each supply chain impact the availability of product versions for each customer downstream of the supply chain. Pricing decisions made by each functional node (ideally based on cost and demand considerations) impact the End Consumer's final price and the total amount they are able to purchase. Promotions, which often naturally arise in the interactions between various functional nodes, impact the overall rate of flow of goods. The importance of place is illustrated when each node must physically wait for product in order to conduct their business. Finally, each node must figure out how to work with other nodes in the face of competing goals and incentives.

The Value Chain Game provides students with a tactile understanding of the interconnected activities within the value chain, creates a shared student experience that grounds future class discussions in a common understanding, and fosters high student engagement levels. Please contact the corresponding author for additional information including citations and instructor resources.

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Figure 1. Value Chain Game Flow



Walking Students Through Critical Content Analysis

Michael A. Levin, Otterbein University

Introduction

When developing course materials, many faculty members are motivated to enable student learning through engagement. Some students are satisfied by simply going through the motions, especially if the course is not in their major. However, many faculty members want students to learn at a level deeper than simply completing an exam, writing a journal entry, or developing a marketing plan. Bloom's Taxonomy offers a possible solution because it is a systematic way of organizing learning expectations. It is possible to utilize a single assignment, as described herein, to enable students to move through the full range of the six levels of Bloom's Taxonomy. The assignment must be broad enough for students to offer sufficient details for students to recall and understand (levels 1 and 2), while encouraging students to synthesize and evaluate (levels 5 and 6 of the cognitive domain).

Project Objective & Implementation

The objective of the critical content analysis assignment requires students to work through the six levels of cognitive domain from Bloom's Taxonomy. Through a variety of content elements such as reading trade books, watching movies, shadowing industry professionals, etc., students gain an opportunity to not only improve their writing, but also to show a progression of deep learning throughout the term. This assignment has been used in a variety of course settings including a sales course, an independent study course on retail management, and a MBA marketing course. For simplicity, the following project will illustrate the book experience.

The critical content analysis assignment requires students to write an essay that contains three parts: retell, reflect, and revise. In the first part, students provide a brief synopsis of the book. In the second part, students integrate the information from the book with currently held knowledge. They must state an opinion about the book, discuss a theme they agree with, and separately, discuss a theme with which they disagree. Students support their opinions by applying knowledge gained from outside sources such as other courses, from work or internship experience, etc., while utilizing the appropriate citation format. In the third part, students discuss a change in one area of the book. After describing the change, the students must reflect upon how the change would alter the book. The three parts correspond with Bloom's Taxonomy.

Student Submissions

In the initial submissions, students tend to focus more on the retell portion as it is often easier to write and requires less risk taking, while they focus less on the revise portion. For an average student, three pages of retell in a five-page critical content analysis essay are typical and the revise portion is nearly non-existent. Indeed, the average student often proclaims the book, movie,

experience, case, etc. to be perfect. In later submissions, the average student has reduced the retell portion to less than two pages and the revise portion now contains a discussion of an area that could be improved. For a better student, two pages of retell are typical in the initial submission, while the revised submission often contains at least one element, or sometimes, many elements, that should be changed. In later submissions, the better student develops and implements a theme for the essay that is carried through the retell, reflect, and revise portions.

Over time, I added a class meeting devoted to peer editing and to discussion. The peer editing lasts no longer than 15 minutes, as students are reading for content before we discuss the material. Both of these changes helped students create a better-written essay that reflected a stronger sense of what the students learned from the book, movie, or experience.

Project Contributions & Results

The critical content analysis assignment has provided two positive outcomes: improved writing and deeper learning. The rubric and peer editing sessions aided an average student essay more than the better student essay. Average students showed much improvement in communicating content, especially in the reflect section with some improvement in the retell component. However, these students still struggled with more advanced writing techniques.

Students responded favorably to the critical content analysis assignment. In the formal student evaluation, a student wrote that he or she was not surprised that the instructor would find a way to make students think while watching a movie. In the informal student evaluation, students appreciated the opportunity to learn about selling and sales representatives from sources beyond the textbook and the instructor. A student who completed the independent study course on retail management and who was not a business department major, said that the critical content assignment was consistent with critical thinking exercises used in his major's (political science) department.

Future Direction

A colleague teaching marketing capstone course is adding the assignment for students to gain deeper learning related to course readings from Harvard Business Review, Sloan Management Review, and California Management Review. The critical content analysis assignment could be used in on-line environment using either synchronous or asynchronous communication. The tool could work well in a hybrid environment where the discussion is done face-to-face while the essay is submitted online.

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Text Me! Leveraging Student Texting Behaviors in Large Marketing Classes

Jane Lee Saber, Ryerson University

Problem

A major challenge for today's marketing instructor is to provide an enhanced active learning environment when class sizes are large and when student texting (and other unrelated electronic device usage) is ubiquitous. Since 'prohibitions' of these student behaviours are logistically unrealistic, an instructor attempted to leverage texting behaviors by using 'real time' course-related SMS texting in a marketing class. Results tend to support the use of class-related SMS texting as discussed below.

Procedure

In the first class, the instructor polled the class to ensure all students could participate in SMS class texting. Two students did not have SMS capabilities and a procedure was devised for these students to 'share' a cellphone with a willing classmate. A dedicated class cell phone number was provided where students could text concept clarification requests / comments in 'real time' during the lectures. A teaching assistant recorded and monitored the requests and signaled the instructor when clarification was needed. When signaled, the instructor revisited the specific concepts. Bonus points were given for texting participation.

Results

A discussion group of 9 students revealed that the students were 'happy' to text the instructor without the 'embarrassment and apathy' they felt in other large classes. They indicated that texting was more 'convenient and time effective' as compared to the teaching assistant 'racing' to an inquiring student with a microphone. Students felt that the instructor 'really cared about learning' and 'learned more' as compared to other large classes.

Empirical results were compared for the 'texting class', (TEXT, n=167), and a 'non-texting' section of the same course with the same instructor, (NOTEXT, n=154). Students in both classes were evaluated with equivalent examinations and bonus point opportunities. TEXT had significantly higher results for the 19 final examination questions where concepts had been clarified; TEXT: mean= 12.31, NOTEXT: mean=11.38, $t_{(2,319)} = 2.025$, $p=.044$. TEXT also had significantly higher final course grades; TEXT: mean= 66.26, NOTEXT: mean= 63.59, $t_{(2, 319)}=1.972$, $p=.049$. In terms of student perception of the level interaction, on a 5 point scale where 1 indicated 'very low' and 5 indicated 'very high' interaction, TEXT had significantly higher results; TEXT: mean= 3.89, NOTEXT: mean=3.68, $t_{(2, 319)} = 2.185$, $p=.030$. TEXT was also higher in terms of 'satisfaction' with learning in the class, where 1 was 'very dissatisfied' and 5 was 'very satisfied'; TEXT: mean=3.70, NOTEXT: mean=3.45, $t_{(2, 319)}=1.194$, $p=.047$. There were no other significant results. These

results generally suggest that using SMS texting in a large class format may improve student item- specific and final course grade performance and may also improve other student outcomes.

The results of this study may be limited by a number of factors. First, although the TEXT class had improved performance in terms of item- specific learning on the final examination and final course grade, these differences may be attributable to the basic operations of repetition, reduced distraction or the bonus point incentives. Other techniques may also enhance these processes and further research should compare the efficacy of different techniques. Second, students may simply have been reacting to the 'novelty' of this technique and these improved effects could dissipate with use. Third, there may have been variations in the performance of the instructor that confounded the results. Fourth, this method may be less suitable for small (less utility of texting to enrich active learning) or very large classes (too many texts to respond to in 'real time'). Finally, this technique needs to be further tested and validated with varied subject matter, instructors, classes and students. Additional research will be required to refine and support the preliminary findings of this study.

Possible Software Solutions

Subsequent to the completion of this research, the instructor identified a number of commercially available software suites which allow smartphones and other electronic devices (laptops, ipads, etc) to be used for real time polling, quizzes, discussions and other functions. These suites may be preferred due to additional features and ease of use. Examples of these suites include *Celly*, (<http://cel.ly/>) *TopHat*, (www.tophat.com), and *Poll Everywhere*, (<http://www.polleverywhere.com/>). *Celly*, for instance, is a free, web-based, Android or Iphone application which can be moderated. It provides the ability to form groups or 'cells' which can be polled, take quizzes, provide 'real time' feedback (which can be seen by others), coordinate scheduling, projects and other tasks. It includes hashtag functionality and the phone numbers of the members can remain private. *Celly* appears to have the most functional and easily implementable features and can be used with all course materials from all publishers. There are, however, other audience / personal response systems (ARS/PRS) available that may be more suitable depending on the individual needs of the instructor. Irrespective of which system is ultimately chosen, based on the findings of this preliminary study, it appears that using SMS texting has the potential to enrich a number of desirable outcomes for marketing students in the large class environment.

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The F.A.S.T. Project: A Team-Based, Cross-Course Innovation Meeting the Challenges of Professional and Collegiate Sports Marketers

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Introduction

Our relationships with individuals in professional and collegiate sports indicated the need for us to train students to uncover underlying mechanisms of marketing problems, analyze market segments, create plans to solve problems, and provide data driven predictions and results related to specific courses of action. While some sport teams are recognized for their proficiency on the field, many do not possess the human capital needed to conduct some of these key aspects of marketing, namely, target analysis and promotional test marketing (most rely on a costly trial and error approach).

We therefore set out to help students develop these skills across integrated courses in a manner that also serves the immediate needs of sport industry clients. One challenge to this approach in a semester environment, however, is the time needed to provide an in-depth investigation and assessment of a problematic situation, and also provide fully developed courses of action for resolving issues in a systematic and data driven manner.

Solution

Our solution was to develop a client-based project that spans two separate courses in the sports business curriculum: sports marketing and sports promotions. The main premise of this method of instruction and learning is to provide students with a real world topic that will be tackled from multiple angles of strategic sports marketing thought across courses.

The goal of the F.A.S.T. project in the Sports Marketing class (phase one) is to introduce students to the sport organization and some of its marketing professionals through an information gathering and problem statement session. The students spend the remainder of the semester critically analyzing the problem within the unique context of the sport, developing research methods to identify underlying antecedents to the problem, collecting data from consumers, statistically analyzing the data, and finally, presenting conclusions back to the client.

While this approach (phase one) in itself is not necessarily novel, the continuation of the project in Sport Promotions (phase two) allowed the students to spend nearly nine months as a “consultant,” dedicated to the same sport organization and concentrated on helping solve the same problem. In phase two of the F.A.S.T. project, students are tasked with both teaching and learning. In the teaching portion, they are asked to make a short presentation to the class to review the results of the data collected from Sports Marketing (phase one). Next, students meet with the client’s marketing executives to discuss recent developments in the client’s problem, and continue the session by asking relevant

promotions-related questions. Students then develop a promotional incentive idea (using the data from phase one), conceptualize and create an advertisement promoting their incentive, write survey questions intended to gauge affinity and behavioral intentions related to the ad, collect data, analyze data, and again present their findings to the client. Part of this process includes a class session where each group’s advertisement and incentive idea is critiqued by the rest of the class in a constructive format, which includes an anonymous rating and suggestion sheet. This offers students an opportunity to apply course concepts to improve their own group’s work and to collaborate and help other groups improve their ideas and ads as well.

Students conclude the F.A.S.T. project by recommending their promotional idea (if the data is favorable), or making suggestions to improve it. This occurs in a presentation/consultation format with the client.

Implementation

A unique aspect to the F.A.S.T. project is that the two courses are taught by two different instructors. The two instructors coordinate syllabi and share project outcomes from one semester to the next. Thus, organizing the two courses in such a way that client visits for consulting sessions and presentations occur simultaneously is a key concern for a successful project. In addition, streamlining the data collection process between the two courses became critical. Data is collected in one survey that serves both courses, significantly increasing the response rate from previous semesters where the surveys were fielded separately. Implementation also requires teaching a session on basic statistical analysis. Using benchmarking and providing sample projects from previous semesters, the student projects continue to improve. Specifically, benchmarking across semesters has increased student initiative in analytic skill development and presentation quality. Last, we should mention that this project would not be successful without client engagement and commitment.

Benefits

Students are able to connect concepts from one course to another and become engaged in an important and real life sports marketing problem. Students are exposed to sport marketing professionals several times over the course of the project duration and are able to hone their sports marketing acumen. Most importantly, students are being trained how to make data driven decisions in the sports marketing domain.

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CONSUMER BEHAVIOR TRACK

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Captive Relationship Strategies: The Effects on Consumer Commitment and Repatronage

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Consumer relationships are sought after due to their many benefits. Some firms have sought to manufacture the trappings of consumer relationships through the use of captive relationship strategies. This paper seeks to investigate the consequences of such measures on consumer commitment and repatronage. This research sought to explore the consumer hostage experience by using the critical incident technique in an online survey of 87 respondents. Respondents answered questions regarding their feelings and behaviors after firms employed a captive relationship strategy. The findings of this study do not indicate that firms are protected by these strategies. Three-fourths of the respondents terminated their relationships with the offending firm.

Introduction

One important strategy in marketing is to develop deeper consumer relationships. These relationships are sought after due to their many benefits. According to research, consumer relationships yield better profits, more consumer satisfaction, walking advertisers, and more forgiving consumers (Berry 1995; Priluck 2003). In the quest for profitable relationships firms have two choices according to Reichheld & Markey (2006): good and bad profit. They define good profit as occurring when firms delight their consumers so they willingly come back and tell others. They label these consumers as promoters of the firm. Conversely, they defined bad profits as those earned at the expense of consumer relationships. They label these consumers as detractors. Of course, firms want more promoters and fewer detractors and in an effort to achieve this some firms have taken measures into their own hands. Some firms have sought to manufacture the trappings of consumer relationships because creating real relationships with consumers is expensive, time-consuming, and not an exact science. Some companies, in an attempt to stop consumers from jumping ship, utilize contracts with stiff exit penalties. Typically, the contracts require consumers to do business with the firm for a specified period of time regardless of the consumer's level of satisfaction. Many firms put consumers in this position to guard against competitive pressures. While these measures are certainly not new or isolated to one particular industry, what are the costs to the firm in the long run? This paper seeks to investigate the consequences of such measures on consumer commitment and repatronage. For the purposes of this research a captive relationship strategy is any strategy in which the consumer perceives he or she is unable to exit the firm relationship without incurring undue cost. Costs include financial cost, social stigma, and personal time or effort. Several research questions are posed. First, what types of service failures are typically yielding consumer hostages? Do captive relationships protect the firms from the effects of service failures or simply delay it? It is important for marketers to understand how consumers view these captive relationships and what type of value if any is produced. Bell et al. (2005) suggest that more attention

should be paid to the changing nature of preferences as consumers transact with a firm over time especially as part of a strong relationship. However, all relationships suffer setbacks and conflicts and not all relationships are strong. Do captive relationships yield value for the firm? Captive relationships may seem inappropriate or unethical especially to consumers but research supports the potential effectiveness of this strategy. The proper use of a captive relationship strategy can be effective and profitable. For example, firms may work to make purchases easy and quick while product returns may be more difficult and time consuming. This difficulty (real or perceived) creates a barrier and discourages many dissatisfied consumers from returning products.

Prior research confirms that dissatisfied consumers are more likely to switch brands (Hirschman 1970; Richins 1983; Blodgett, Granbois, & Walters 1993; Smith, Bolton, & Wagner 1999). Firms try to reduce the likelihood of switching brands through the use of various switching costs. Researchers have linked switching costs to: higher profits (Beggs and Klemperer 1992), inelastic response to price (Farrell and Shapiro 1988), increased product preannouncements (Eliashberg and Robertson 1988), barriers to market entry and sustainable strategic advantage (Karakaya and Stahl 1989; Kerin, Varadarajan, and Peterson 1992).

In addition, service failures can be intensely emotional experiences for consumers. In some cases consumers are so angry that they seek to get even with offending firms. However, research indicates that the individual's desires for revenge dissipate (Bies, Tripp, and Kramer 1997). So switching costs that are designed to inhibit a consumer from leaving could be very effective in continuing relationships past service failure events. "A desire for revenge is associated with extensive psychological resources in terms of emotions (Bonifield & Cole 2007) and cognition (Ward & Ostrom 2006) and are difficult and costly to maintain over time (Bies, Tripp, & Kramer 1997). Wang (2010) examined the moderating role of switching costs in the relationship between consumer perceived value, corporate image, and loyalty. He defined loyalty as a consumer's intent to stay with an organization (Zeithaml, Berry, & Parasuraman 1996). The results support the importance of building up switching costs so as to retain existing consumers in case perceptions of value dip. In other words it takes a lot of emotional energy to stay angry and over time most consumers find coping strategies to reduce their tension. So if firms can prolong their relationships past negative encounters consumers are more likely to stay.

Literature Review

Dick and Basu (1994) state that the central thrust of all marketing activities is the development, maintenance or enhancement of consumer loyalty. In their research, they detail four types of loyalty. Of particular interest in this research was spurious loyalty. Spurious loyalty involves purchases that are

guided not by a concomitant strong attitude but merely by situational exigencies. True loyalty is dependent upon both attitude and behavior. They also suggest that firms can enhance spurious loyalty by strengthening the consumer perceived value of social bondage contributing to repeat orders.

Colgate (2001) undertook a research project seeking to understand why consumers who seriously considered switching do not switch. The results of this study indicate that apathy and negative effects on consumers were the two most important barriers in the industries examined. In conclusion the author suggests finding more ways to make consumers feel “locked in.” The author cautions that a large number of trapped consumers could be detrimental and likely to lead to more negative word of mouth, lower acceptance of new products, less ability to cross-sell and many other negative outcomes related to having ‘terrorist’ consumers.

As part of the relationship development process consumers often make specific investments in to firm relationships over time. These investments include: search costs, transaction costs, learning costs, discounts, emotional costs, and cognitive effort (Fornell 1992). These investments increase consumer perceptions of the costs of switching between providers. These costs typically fall into three categories: relational costs, procedural costs, and financial costs (Burnham et al. 2003). Hence, switching costs are defined as onetime costs that consumers associate with the process of switching from one provider to another (Burnham et al. 2003).

There is research to support the use of financial switching costs to restrain consumer exit. Jones, Mothersbaugh, and Beatty (2000) conducted a study which examined the influence of core-service satisfaction on repurchase intentions when switching barriers are high. They found switching barriers positively influenced repurchase intentions when satisfaction was low. They concluded that switching barriers increase retention because they help firms weather short-term fluctuations in service quality that might otherwise result in defection. They go on to suggest that firms should build up various switching barriers so as to retain existing consumers despite their lack of satisfaction with core service offerings. However, they too caution against using this strategy long-term. Saying switching barriers that provide no intrinsic benefits and create feelings of entrapment for consumers may do more harm than good in the long run. Sirdeshmukh, Sing, and Sabol (2002) suggest that switching costs may be used to constrain individual choice especially when behavioral motivation exists leaving the consumer unable to exit.

Wang (2010) conducted a study which examined the effects of consumer perceived value and corporate image on consumer loyalty under conditions of high switching costs. The results of the study indicated that high switching costs were critical in reducing the effects of consumer perceived value and corporate image on loyalty. “High switching costs dampen consumer reactions to suboptimal performance by the service provider.” Wang suggest that building up switching costs in an effort to retain existing consumers is a plausible strategy. However, the author warns that such measures offer only short-term protection for temporary dips in consumer perceived value and corporate image. Ongoing issues in these areas will not be effectively masked by financial switching costs.

While research does support the use of captive relationship strategies, managers must be careful to use this tool as a temporary restraint rather than create a hostage situation. “Hostages are stuck. These individuals experience the worst the company has to

offer and must accept it. Many companies operating in a monopolistic environment see little reason to respond to the plight of hostages. After all, these consumers cannot go anywhere. So why bother to correct the problems? There are two reasons why companies should bother. First, if the competitive environment suddenly shifts, these companies will then pay the price. Their consumers will defect quickly and many will become terrorists. Second, hostages are very difficult and expensive to serve. They may be trapped, but they still take every opportunity to complain and to ask for special services. Hostages can devastate company morale, and their negative impact on per unit costs is astounding (Jones and Sasser 1995; p. 97).” So while research does suggest use of a captive relationship is counterproductive long-term, there is little empirical research to bear this out.

Method

Critical Incident Technique

This research sought to explore more deeply the consumer hostage experience by using the critical incident technique (CIT). The CIT consists of a set of specifically defined procedures for collecting observations of human behavior and classifying them in ways which make them useful in addressing practical problems (Flanagan 1954). CIT uses content analysis of stories told by consumers and classifies them into categories based on the outcome or situational factors reported for the event (Bitner et al. 1990). The CIT is especially well suited for identifying critical aspects of service encounters (Chung-Herrera et al. 2004; Hoffman et al. 2003; Bitner et al. 1994; Bitner et al. 1990;Keaveney 1995).

Data Collection

Data collection for this research was conducted online. A web-based survey was employed. Data were collected from 87 respondents. Undergraduate marketing students were used to recruit non-student participants to complete the online survey as part of a consumer behavior course. Twenty-one students served as recruiters. Each student was required to collect four surveys. None of the student recruiters were allowed to complete a survey. Potential participants were provided with the website address where they could go to complete the survey online. Participants were asked to identify their recruiter at the end of the survey.

The study began by asking participants to describe an unsatisfactory service experience where they were unable to change companies due to measures imposed by the firm. Participants were then asked to detail the type of company, the level service failure severity, the length of their relationship with the firm, their commitment to the firm after this experience, and finally did they renew their contract with the firm.

Results

The coding procedure used here was adapted from the techniques suggested by Strauss and Corbin (1998). First, each interview was read and reread in order to familiarize the coder with the data. Second, through an inductive process, the incidents were classified into subgroups based on situations prevalent in experiences. Finally, the behavioral results of were classified. These three areas correspond to the research questions being explored.

In an effort to reduce researcher bias, several steps suggested by Kolbe and Burnett (1991) were taken to improve category and inter-judge reliability. Two coders were trained and given detailed coding instructions. Each coder categorized the sample separately and independently of the other. Coders were allowed to place situations into multiple classifications when necessary.

The incidents described by participants covered a variety of service contexts including: cell phone (40), financial services (12), cable/internet providers (9), utilities (5), rental agencies (4), and others (8). The first research question sought to understand what types of service failures typically resulted in consumer hostages. Table 1 details the types of service failures reported and their subsequent decisions or intentions to continue or terminate the relationships. Respondents overwhelmingly indicated that service failures involving poor service and billing issues typically lead to their hostage situations. Poor service was the most reported failure type. Illustrated by the following comments: *“bad coverage”, “when help for repairs was needed, could not get a hold of anyone”, “Bank system went down often and could not activate card.”* Billing issues were the second most reported failure types. Examples include: *“Insurance rates gradually increased even though the contract that was signed had a fixed rate”, “Extremely high water bill”, “Charged wrongly”, “Too many additional fees added onto original agreed upon price”, “Charged twice for insurance.”*

Respondents reported a litany of service failures which occurred across numerous industries. However, the core issues were very similar. These types of failures represent outcome failures rather than process failures. Process failures deal with the consumer-employee interaction and typically involve problems with how the service was delivered. Outcome failures deal with the performance or contractual elements of a service (Levesque and McDougall 1996). These types of failures involve breakdowns of core deliverables. Although either type of failure could be expected to upset consumers, outcome failures are particularly prone to emotional reactions because they represent promises broken by the firm.

Many respondents reported that after experiencing poor service or billing issues that they became more painfully aware of their lack of choices or alternatives. This discovery created angst and negative feelings for previously satisfied consumers. Respondents seem to indicate that perhaps they had been unaware of their entrapment prior to the service failure. The negative experience appeared to highlight this fact and upset respondents beyond the initial problem experienced.

Table 1: Service Failure Types & Outcome Decisions

Remain	Primary Service Failure Type	Termination
2	Poor Service	25
10	Billing Issue	12
9	No Options	4
5	Key Benefit	0
4	Recovery	0
2	Favors	3
5	Unclear	5

*Some respondents reported multiple issues

The second research question sought to uncover if the use of captive relationship strategies protect firms from the effects of service failures or delay the inevitable exit until the contract expires?

Table 2: Relationship Duration & Outcome Decisions

Relationship Length	Terminated	Stayed
0-6 months	8 100%	0 0%
6months -1 year	10 62.5%	6 37.5%
1-2 years	17 80.9%	4 19.1%
More than 2 years	28 66.7%	14 33.3%
Total	63 72.4%	24 27.6%

Table 2 breaks down the decision/intention to stay or terminate based on the length of the prior relationship. Neither the existence nor the length of the relationship appears to have any bearing on the consumer decision to stay. Nearly three quarters of the respondents terminated (or planned to) their relationship with the offending firm once the impediment was removed. Contrary to research which suggests that prior relationships serve to insulate firms in cases of service failures, the findings of this study do not indicate that firms are protected by these strategies. In fact, respondents who had done business with the firms the longest were no more likely than their short-term counterparts to continue the relationship. However, a larger number of respondents with relationships of greater than two years reported staying than any other group. Unfortunately, this group still terminated their relationship at a ratio of two to one. Therefore, one can assume that the level of protection afforded by the previous relationship was minimal.

The third research question sought to determine if these captive relationships yielded any value. In terms of value, there just does not seem to be enough to warrant continuing the relationships on the part of the consumer. Three-fourths of the respondents terminated their relationships with the offending firm. Not surprisingly, as severity of the failure increased so did the decisions to terminate the relationships. This represents a tremendous loss of value for both the consumer and the firm. However, it was not a total loss. Respondents with relationships of more than two years made up nearly forty-eight percent of the reported sample. These respondents also reported the strongest commitment to the firm even after the service failures. Nearly half of these respondents decided to stay even when the impediment was removed. As the level of commitment reported increased so did the tendency to stay in the relationship. Nearly seventy percent of respondents who reported feeling somewhat committed to the firm stayed. While eighty percent of respondents who reported being strongly committed to the firm stayed.

There were respondents who described situations in which the use of switching barriers were employed appropriately. Five respondents stated that key benefits offered by the firm were their primary motivation for remaining with the firm even after the service failure. This is important for several reasons. First, it is precisely what managers would want to happen. Despite a service failure, the benefit or value added by the firm or its products serves to hold temporarily dissatisfied consumers. This occurrence supports the use of differentiation, relationship marketing, and a strong value proposition.

In addition, four respondents decided to remain after the service failure due to recovery efforts. These situations highlight the perfect use of switching barriers. Perhaps the lack of options or perception of barriers encouraged consumers to complain thereby providing the firm with an opportunity for redress. Although the firms held these consumers captive they did not squander the opportunity for redress and it paid off.

Finally, there were a couple of situations where respondents were dissatisfied with the firms' response to their request for favors or special treatment. In these situations, respondents either tried to capitalize on the previous relationship or service failure itself to garner special treatments. In each reported case the firm denied the respondents' request. The results were mixed.

In conclusion, it appears that many firms were able to extract a great deal of short-term profit out of these captive relationships. However, in many cases it was to their own detriment. Consumers may endure but they do not appear to forget. At the first opportunity, consumers terminated the captive relationships and little goodwill remained thereby leaving the door wide open for new competitors.

Managerial Implications

Respondents in this sample reported poor service and billing issues were the most frequently occurring service failures. These types of failures represent opportunities for firms. These situations are rectifiable and preventable with proper training and processes in place. Perhaps calculating the true value of the consumers lost due to these issues and comparing it to the cost of training or process improvements would make the expenses easier to justify. The most important managerial implication is that commitment and not relationship appeared to be the determining factor in whether consumers decided to remain or leave. The data suggest that as respondents' commitment levels increased so too did their likelihood of remaining with the firm. While relationships and commitment tend to go together, long-lasting relationships are not necessarily indicative of strong commitment. As a result, managerial efforts would be better spent trying to increase consumer commitment.

Limitations & Future Research

The findings of this research must be tempered by several considerations. First, the qualitative nature of the study prevents identification of causal relationships. Second, the wide variety of industries surveyed, does not allow the identification of context-specific relationships. Future research should examine the relationships between commitment and repatronage utilizing a quantitative format.

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Summary Brief

The Role of Customer-Brand Identification in Minimizing Feature Fatigue

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Considering the quandary between fusion product benefits and feature fatigue complications, much effort has focused on how firms may reduce feature fatigue (Chen et al. 2010). The current research is unique by adopting a customer-focused perspective of feature fatigue in view of fusion products. Specifically, this paper considers functional roles of attitudes and identities to understand the underlying conditions that may reduce feature fatigue. Based on the theoretical underpinnings of attitude functions (Katz 1960) and grounded by Social Identity Theory (SIT) (Tajfel 1974), the theoretical model hypothesizes that customer-brand identification yields a moderating effect on the linkages between fusion products and feature fatigue as well as between the symbolic and functional motives for purchasing fusion products and feature fatigue.

Introduction

A fusion product “combines two or more functionalities in a single device” (Chen et al. 2010, p. 326). Despite many advantages that are associated with fusion products, a disadvantage is feature fatigue (Chen et al. 2010; Thompson, Hamilton, and Rust 2005). Feature fatigue is “when using a product, consumers may become frustrated or dissatisfied with the number of features” (Thompson, Hamilton, and Rust 2005, p. 440). Given this quandary, effort has focused on techniques companies may use to reduce feature fatigue (Chen et al. 2010). This paper adopts a customer-focused approach and introduces customer-brand identification as a means to reduce feature fatigue to avoid countering the distinctive benefits of fusion products (Thompson, Hamilton, and Rust 2005). Specifically, the overarching purpose of this paper is to address whether customer-brand identification has a moderating effect on the degree to which fusion product customers experience feature fatigue.

Literature Review

Identification is a process where an individual assimilates with individuals, groups, or objects (Freud 1922). Although several foci and self-related motives for identification exist, this paper focuses on customer-brand identification (Aaker 1997) in terms of the self-expression motive (Ashforth 2001). Customer-brand identification refers to “customer’s psychological state of perceiving, feeling and valuing his or her belongingness with a brand” (Lam et al. 2010, p. 129). The common antecedents and facilitators of customer-brand identification include brand/self-congruity, brand attractiveness and prestige, sharing information, customer satisfaction, and reference group influences. The most common outcomes of customer-brand identification are affective commitment, favorable word-of-mouth, and repurchase intentions (Kuenzel and Halliday 2008).

An interesting aspect of the brand concept is that brands may fulfill intended functional needs or satisfy symbolic needs for self-expression (Park, Jaworski, and MacInnis 1986). However, studies

have concluded that these two dimensions of the brand concept are not necessarily at odds with one another during purchase decisions (Bhat and Reddy 2001). For example, an individual may purchase an iPhone to fulfill a symbolic need of innovativeness as well as for the multi-functional features. Marketing research also suggests that functional branding is a viable research subject for self-expression. For example, Chernev, Hamilton and Gal (2011) reported that there are several mediums for self-expression needs to be satisfied and not all are limited to symbolic brands (i.e., symbolic brands fulfill self-expression needs more than functional brands, yet functional features may serve as communication channels for self-expression).

Considering that the brand concept has yet to be examined in a feature fatigue context, this paper also relies on the implications offered by attitude functions. Specifically, Katz (1960) introduced the attitude functions concept to understand motives for attitudes as well as to identify the appropriate techniques to change attitudes. The attitude functions that are of particular interest in this paper are utilitarian and value-expressive functions. The main premise of the utilitarian function is that individuals seek to maximize rewards and avoid penalties and the value-expressive function is a means for an individual to express their identity and self-concept (Katz 1960).

Hypotheses

Several marketing researchers have found that when given the option between alternatives, individuals prefer products that have a greater number of features (Thompson, Hamilton, and Rust 2005). Nevertheless, post-purchase evaluations of feature-rich products are generally negative (Chen et al. 2010). Consumer behavior research offers insight to explain this paradox, where consumers are willing to forgo long-term utility and ease-of-use for short-lived excitement of purchasing a feature-rich product. Thus, outcomes of purchasing feature-rich products are overall frustration and dissatisfaction with the product (Ariely and Norton 2009; Thompson and Norton 2011).

H1a: The number of product features positively affects the degree to which fusion product customers experience feature fatigue.

Consumers are motivated to purchase products with a greater number of features to signal their identity and social status (Ariely and Norton 2009; Thompson and Norton 2011). Consumers are also motivated to purchase fusion products based on the ability to purchase one product at a lower cost rather than managing several products that are collectively more costly (Chen et al. 2010). Given these symbolic and functional motives to purchase fusion products, there are likely attitude function implications. Specifically, attitude function research suggests that the value-expressive users of fusion products assign less utility to feature-

rich products while utilitarian users of fusion products perceive additional features that support the main functions as value adding (Head and Ziolkowski 2012).

H1b: Symbolic motives positively affect the degree to which fusion product customers experience feature fatigue.

H1c: Functional motives negatively affect the degree to which fusion product customers experience feature fatigue.

The outcomes of identification are behaviors on behalf of the identified foci (Freud 1922). As it relates to this paper, Hughes and Ahearne (2010) reported that employees with brand identification, and when examined as customers of brands they sell, exhibit extra-role behaviors. Thus, it is anticipated that fusion product customers with a sense of brand identification are likely to devote extra effort (e.g., seeking out and utilizing feature usage information) and enjoy learning how to properly use the additional features. Simply put, customer-brand (C-B) identification is likely to encourage behavior that effectively counteracts one of the sources for feature fatigue.

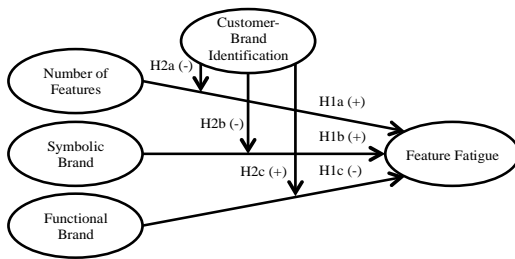
H2a: C-B identification reduces (negatively moderates) the degree to which fusion product customers experience feature fatigue.

The customers motivated to purchase fusion products to signal their identity and social status are subject to brand identification in terms of identity-behavior salience (Ariely and Norton 2009; Katz 1960). For example, an individual that actively communicates to others about applications/tools on their mobile phone (i.e., signal innovative identity) are likely influenced by brand identification in being able to demonstrate those applications/tools. Specifically, in efforts to capture identity/behavior salience, the ability to properly use features is anticipated to have a negative effect on the degree to which these customers experience feature fatigue. In a similar vein, customer-brand identification is expected to strengthen functionally motivated customer's evaluations of added features and encourage information-gathering behavior (Head and Ziolkowski 2012).

H2b: C-B identification reduces (negatively moderates) the degree to which the symbolically motivated fusion product customers experience feature fatigue.

H2c: C-B identification reduces (positively moderates) the degree to which the functionally motivated fusion product customers experience feature fatigue.

Table 1. Proposed Conceptual Model



Conclusion

This paper extends fusion product and feature fatigue research by adopting a customer-focused approach and offers an alternative perspective to mitigate feature fatigue. This research contributes to customer-brand identification by exploring opportunities related to enablers and outcomes of customer-brand

identification (Kuenzel and Halliday 2008) as well as pushes the boundaries of functional branding by identifying functions as a medium for self-expression.

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Summary Brief

Glues Clues: Consumer-Company Identity Congruence

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Consumers look for consistency between what they perceive to be a company's identity and their own identity. If consumers perceive a company identity orientation to be congruent with their own identity orientation, identification occurs. What previous research leaves ambiguous is which specific types of identity orientations are congruent and what these congruencies are based upon. This research investigates a potentially very useful framework for studying identity congruence because it enables us to simultaneously study individual and organizational identity through the same lens. This model suggests that identity congruence is important to identification, but it outlines how the type of congruence or incongruence is also important.

Introduction

We have entered into a new era in the global economy where businesses must develop a new mindset to get customers to love brands by appealing to the “soul” of the customer (Kotler and Caslione 2009). What better way to appeal to the soul of a customer than to understand the driving force in their decision-making, their identity? Consumer-company identification has been described as is the primary glue that creates committed and meaningful relationships that marketers are increasingly seeking to build with their customers (Bhattacharya and Sen 2003). Perhaps finding out what attracts customers to organizations can help us determine how to appeal to the soul of the customer.

Literature Review

Identity orientation is a parsimonious means of capturing wide variations in identity, which is relevant to most individuals and organizations. Each corresponds to different orientations of the self towards others, whether to stand apart from others and be self-serving, to build ties with close others like family members or organizational members, or to build collective ties to a larger group, respectively (Brewer and Gardner 1996; Brickson 2007). An organization with an individualistic identity orientation is viewed by members as an individual entity and is characterized by organizational traits that distinguish it from other entities (Brickson 2005), such as a company that is considered to be the most prestigious. An organization with a relational identity orientation is considered by members to have a more integrated identity and is characterized as having traits that connect it to particular stakeholders (Brickson 2005), such as a company that works towards a partnership with its clients. An organization with a collectivistic identity orientation is viewed by members as being part of a larger community and characterized by its efforts towards maximizing the welfare of a larger group (Brickson 2005), such as supporting the well-being of a city-wide community.

Previous research affirms that matching consumer and company identities can foster identification and that identification can predict consumer purchase behavior. This model suggests that

identity congruence is important to identification, but it outlines how the *type* of congruence or incongruence is also important. Specifically, utilizing the identity orientation framework (e.g., Brickson 2007) this project investigates various forms of identity congruence between perceived company identity and consumer identity and whether such congruency leads to identification with a company, and whether such identification increases purchase intention.

Conceptualization

Based on the review of the literature, we can hypothesize that when a consumer and company have matching identity orientations, consumers are more willing to purchase from the company due to identity congruence. This identity congruence leads to enhanced organizational identification, in turn leading to a willingness to purchase from the company. Along with extant work, we suggest that identity congruence is important to purchase intention. Just as the level of self-identity may serve as an important boundary variable for organizational theory (Lord et al. 1999), so can it serve as an important boundary variable for social processes such as consumption. Unlike previous work, this project distinguishes between distinct types of identity congruence. Therefore, it is hypothesized that:

Hypothesis 1a: Individuals with an individualistic identity orientation choose organizations with individualistic identity orientations more than organizations with relational or collectivistic identities.

Hypothesis 1b: Individuals with a relational identity orientation choose organizations with relational identity orientations more than organizations with individualistic and collectivistic identities.

Hypothesis 1c: Individuals with a collectivistic identity orientation choose organizations with collectivistic identity orientations more than organizations with individualistic or relational identities.

Methodology

An online survey was designed and administered to a random sample of 324 undergraduate university students. Individualist, relational, and collectivistic identities were measured using the Levels of Self-Concept Scale (LSCS; Selenta and Lord 2005). Individualistic identity, which emphasizes one's abilities, performance, and general standing above that of others, was used to measure the individual level ($\alpha = .90$; 'I have a strong need to know how I stand in comparison to my coworkers'). The relational level was measured using issues regarding concern for others, being committed, helping, caring for others ($\alpha = .74$; 'Caring deeply about another person such as a close friend or relative is important to me'). The collective level ($\alpha = .60$) was measured using issues pertaining to group achievement ('I feel great pride

when my team or group does well, even if I'm not the main reason for its success'). Responses for the self-concept scales were made on a 5-point scale ranging from 1 = strongly disagree to 5 = strongly agree.

Following identity orientation questions, vignettes were provided with a description of different organizations. Each paragraph corresponded to a different organizational-level identity. Respondents' likelihood of purchasing from the organization was measured via a 5-point Likert scale anchored by *Extremely likely to shop here* and *Extremely unlikely to shop here*. Manipulation checks were run to determine if paragraph manipulations explaining identity orientation of organizations were valid. Lastly, demographic information was collected.

In order to determine if identity orientation of individuals affects their purchase intentions, linear regressions were run on each identity orientation and likelihood to purchase from each company. Correlations were analyzed as well as coefficients in order to determine which identity orientation affected intent to purchase.

Findings

This research analyzed what creates bonds between consumers and organizations by exploring links between identity theory and organizational theory. The results of this research emphasized the importance of the self-concept in consumer decision-making. This can be seen through the support of some of the hypotheses, where we look at the potential glue between consumers and organizations based on identity orientation.

It was hypothesized that consumers with stronger individualistic identities will increase their purchase intention from companies with strong individualistic identities, rather than companies with strong relational identities or strong collective identities. This research concluded that on average, individualistic individuals were more likely to shop from an individualistic company that projected a prestigious image ($\beta=.21, p=.004$) than from, for example, a relational company ($\beta=-.16, p=.134$). This has great implications for the nature of individualistic identity and implies that the self-enhancement is the strongest motivation for individualistic individuals.

It was also hypothesized that consumers with stronger relational identities will increase their purchase intention from companies with strong relational identities, rather than companies with strong individualist identities or strong collective identities. This research concluded that on average, relational individuals were more likely to shop from relational organizations ($\beta=.29, p=.001$) than from, for example, individualistic companies ($\beta=.01, p=.827$).

Finally, it was hypothesized that consumers with stronger collective identities will increase their purchase intention from companies with strong collective identities, rather than companies with strong individualist identities or strong relational identities. This research concludes that on average, collectivistic individuals were more likely to shop from relational companies ($\beta=.44, p=.000$) than from, for example, individualistic companies ($\beta=-.13,$

$p=.049$). It seems that consumers who have identities closely linked to his/her social group seek organizations that promote relational identities. Results prove further analysis into the conceptual difference between relational and collectivistic constructs is necessary.

Conclusion

Just as congruence between organizations and its members fulfills members' need for self-continuity and promotes identification, so can congruent corporate and consumer identities foster a positive relationship between consumers and the company. Consumers will look to organizations that uphold values that they value and organizations will succeed if they know the needs of their customers and cater to them. This study builds on that knowledge to address multiple identity orientations of consumers and organizations and how congruent identity orientations can foster meaningful relationships and intentions to purchase.

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Summary Brief

A Hermeneutic Approach for Marketing to the Amish

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The objective of the current research is to focus on the marketing challenges of reaching out to that segment of the Amish population which is eager to embrace many of the benefits a modern American lifestyle offers. The author proposes to adopt a hermeneutical approach, which is based on 1) interpreting a series of written monologues and typographic recordings of consumption stories from members of the community and 2) assigning theoretical interpretations to those stories and episodes from the author's and the subjects' perspectives. The author proposes to take a sabbatical and 'live in' the Amish community for a period of up to one year. Funding provisions for the current study are also being explored, and the prospects of the project have raised considerable interest among the local community—both academic and general.

Introduction

The success of any marketing or promotional strategy fundamentally rests on the marketer's ability to reach the target market. Traditional strategies may not work for secluded communities such as the Amish, whose fundamental beliefs oppose profit-making, indulgence, abundance of ownership and conspicuous consumption.

On the other hand, despite the popular belief that Amish people live in the past century, there is a growing segment of Amish people embracing mainstream lifestyle, including technology, professional development, education, healthcare etc. On a broader level, concurrently, the Amish population in the US has flourished.

Given this evolving scenario, the author proposes to investigate the following questions: Do our recent change in outlook and developments as outlined above make the job of the marketer more challenging? How extensive is the Amish's interaction with the outside world? How have Amish products evolved to carve out a niche for themselves in the mainstream society? How can the marketer coordinate its efforts with businesses and places of tourist interest to effectively exploit the mainstream consumers' renewed interest in Amish artifacts? Lastly, do we use traditional or customized marketing tools to reach the 'modernized' Amish people?

Methodology

The author proposes to take a sabbatical and 'live in' the Amish community for a period of up to one year. Funding provisions for the current study are also being explored, and the prospects of the project have raised considerable interest among the local community—both academic and general.

The author proposes to adopt a hermeneutical approach, which is based on 1) interpreting a series of written monologues and typographic recordings (since no audio recorder is allowed in the Amish house) of purchase/consumption stories from members

of the community and 2) assigning theoretical interpretations to those stories and episodes from the author's and the subjects' perspectives. This approach is used extensively for behavior-related research, and has been found to be particularly rewarding in situations where it is difficult to reach the subjects and communicate with them face to face for a long period (Arnold and Fischer 1994; Hermans 1996).

The collected data will then be analyzed for structure and content. Special attention will be paid to the context in which the data was collected. Next, the data will be visually combed for presence of underlying consumption/behavioral themes that might reflect the purchase intention/consumption behavior of the subject. Any proposed underlying themes will be tested for reliability and validity. In addition, the underlying themes will be validated across multiple (at least two) researchers. Any discrepancy or disagreement among researchers will be resolved using discussion and collaboration—failing which, such themes, if any, would be likely discarded.

On completion of the above process, the author will attempt to explain the themes from the standpoint of existing consumer behavior and psychology theories, and how such theories help us understand the evolving behavior of the Amish people. The author will also attempt to segment the underlying themes employing advanced statistical tools (cluster analysis), should the nature and size of data permit the author to do so.

Challenges

The Amish people shun modern society, especially technology (electricity, telephone, television and computers: Dana 2007), working for profit, flashy clothes, public transportation, and exorbitant lifestyles (Kraybill 2001). Collaborating and communicating with the non-Amish is severely frowned upon. Consequently, the traditional medium of communication is virtually non-functional for this community.

Instead, the Amish people value communal interdependence in accomplishing the basic necessities of life, sanctity of married/family-life, growing their own food, and sewing their own clothes. Amish children typically learn farming, furniture-building, and masonry from their fathers. As Dana (2007) notes, "People grow what they eat, and they eat much of that which they grow", and "By milking their own cows, making their own ice-cream, planting their own fruits and vegetables and slaughtering their own cattle, hogs and poultry, the Amish diet is fairly self-sufficient" (Dana 2007, p.149-50). Such lifestyle, therefore, reduces (often eliminates) the community's dependence on external agents—which, in turn, makes the job of the marketer precisely redundant.

Often the baptized Amish person is allowed to transgress the strict boundaries of conservative lifestyle, but only a minuscule percentage (20%) of Amish folks actually choose not to get baptized, while the remaining vast majority decide to join the

church and subscribe to the Ordnung (set of rules for Amish living).

This practice is further buttressed by the older Amish community, which encourages and socializes their younger counterparts to join the church (O'Neil 1997). In other words, the family and social cycles ensure that an Amish cherishes and retains the age-old traditions of abstinence, control, simplicity, and abhorrence to extravagance. As such, from this angle too, the scope of any marketing foray into the Amish society is severely restricted.

Opportunities

The Amish population is splurging, which increased by an estimated 84% between 1992 and 2008 (Young Center 2009), resulting in scarcity of arable land. Consequently, more and more young Amish folks are engaging in non-agricultural ventures, manufacturing products, and/or working for non-Amish enterprises, nonagricultural micro-enterprises (Nolt and Kraybill 1994; Smith et al.1997) and distilleries (Nolt 1995).

We note structural shifts on many other fronts as well: Outsiders are hiring Amish quilters to produce on a commercial basis; several communities organize Amish 'festivals', which benefit both Amish and non-Amish business communities (Hawley 2005); and traditional Amish furniture is paving the way for wooden entertainment centers, even though the Amish do not keep a television at home (Osterhaut 2005). Thus, any change in the outlook of the Amish, requiring them to interact with the outside world, can be considered as a potential opportunity for the marketer.

In contrast to commonly available products, consumers feel that a rarely available product (Amish furniture, food item, quilt) should be preserved as something 'exotic', as a curio or displayed in a museum, rather than 'consumed' in daily chores (Appadurai 1986). The ordinary consumer then acquires an increased desire to possess the 'rare' product, even at considerably higher prices than they would pay otherwise.

It is no surprise that some Amish buggies are exported through non-Amish middlemen (Dana 2007). Similarly, the Amish quilt is 'elevated' to a higher, pristine level in the eyes of the common man, from something that is merely used to keep oneself warm. Under the changing social and economic outlook, therefore, the marketer might try to support the Amish person to more successfully collaborate and coordinate with the outside community. This will aid the Amish community in adapting to the demands of the marketplace, while still being observant of basic Amish religious and social values.

Finally, with the degradation of their traditional culture to one that is marred by violence, selfishness, hyper-consumerism and breakdown of the family structure (Williams 1970), more and more Americans have begun to look for the disappearing old-time, mundane values that the Amish culture stands for (Hawley 2005). This might be another opportunity for marketers to position Amish products as a conduit between the traditional and modern lifestyles. Such marketing efforts might be attractive to both the Amish and the mainstream communities.

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College Students' Perception of Tourism Destination Attributes

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Tourism destination image has profound impact on travelers' perception of tourism image and their decision-making process especially their choice of destination (Echtner & Ritchie, 1991). The main objective of this study is to explore the relationship between travelers' evaluation of tourism destination attributes and their satisfaction of overall travel experience at the destination. Another goal of the study is to profile the emerging travel market of Chinese college students who were born after 1990. Data was collected in two universities in Shanghai, China in 2012. A total of 300 college student travelers completed the survey. A factor analysis of 32 items of destination attributes revealed a six-factor structure, including the factors of activity, local infrastructure, culture, accessibility, international travel and regional travel. The accessibility factor had a significant influence on college student travelers' satisfaction with their overall travel experience.

Introduction

It is well recognized in the tourism literature that tourism destination image has profound impact on travelers' perception of tourism image and their decision-making process especially their choice of destination (Echtner & Ritchie, 1991). Therefore, the main objective of this study is to explore the relationship between travelers' evaluation of tourism destination attributes and their satisfaction of overall travel experience at the destination. Another goal of the study is to profile the emerging travel market of Chinese college students who were born after 1990 (frequently referred as "post-90s generation" in China). Student travelers are a significant part of the traveling population. Due to the increasing number of students world-wide, student traveler market has a great potential to grow (Richards & Wilson, 2003). However, there is a knowledge gap in the research of the student travel market (MacKay & Fesenmaier, 2000).

Literature Review

Pike (2002) showed the more than 142 articles about tourism destination image have been published in the international journals or proceeding of major conferences since 1973 in the field of tourism. The richness of these papers serves as an evidence of the significance and effectiveness of the destination image studies. One of the most recent study by Assaker and Hallak (2013) identified three groups of tourists based on their novelty-seeking tendencies and investigated the moderating effects of tourist novelty-seeking tendencies on the relationships among destination image, satisfaction, and short- and long-term revisit intentions. In the past decade, many researchers recognized the importance the student travel market and started to analyze this unique segment of the travel market (e.g., Kim, 2008; Shoham, Schrage, & van Eeden, 2004). Shanka and Phau (2008) stated that data

collected on campus improve the "ecological validity" of the study as college students are the target market.

Method

Self-administered questionnaires were distributed in tourism elective classes. Students participated in the survey were current college students in two universities in Shanghai, China. The survey consisted of questions on travelers' information sources, preferred types of destination, evaluation of destination attributes, perceived service quality, satisfaction, re-visit intention, and some socio-demographics. All the students had at least one time travel experience in the past three years. Data was analyzed with SAS 9.3.

Results

A total of 300 college student travelers completed the survey. Among these respondents, 94 were male students (31%) and 206 were female students (69%). There were 106 students major in liberal arts, 136 in science and engineering, and 58 in business. About 86% of the liberal arts students were female. More than half of the student respondents traveled with their friends (53%), and about 34% of students traveled with their family members. Most of the trips were financially supported by students' family (64%). Less than 10% of students paid for their own trips.

A factor analysis of 32 items of destination attributes revealed a six-factor structure, including the factors of activity, locality, culture, accessibility, international travel and regional travel (Table 1). An analysis of variance showed that the accessibility factor had a significant influence on college student travelers' satisfaction with their overall travel experience ($p=0.03$).

Conclusion and Discussion

Results of this study show that accessibility is a very important and determinant factor for college students to consider when they evaluate their overall satisfaction with their recent travel experience. Student travelers do appreciate the easiness or convenience of obtaining travel information. They prefer a place where they can relax themselves. They also place a high value on how easy to get to the destination (i.e., the accessibility of travel destination). Travel professionals should reach out to the college student market via multiple channels, including social media. Group tours tailored to the needs of college students should not only provide group activities but also offer opportunities for relaxation. It is also noted that more than two thirds of the respondents are female college students. Results of this study may reveal great opportunities for travel professionals in developing

tours specifically for young women, such as female backpacker soft adventure tour packages.

Table 1. Six identified factors of destination attributes.

Destination Attributes	Factor Loadings	Eigen-value
F1: Activity		5.99
Facilities for kids play and family gathering	0.56	
Offering diverse outdoor activities	0.60	
Having many adventurous activities	0.74	
Having amusement parks	0.72	
Having a welcome center	0.69	
Having public and open space	0.54	
Offering water-based activities and events	0.52	
F2: Locality		2.94
Friendliness of the local residents	0.71	
Safe environment	0.70	
Tasty local food	0.42	
Affordable accommodation	0.70	
Convenience of shopping	0.57	
Selections of lodging facilities	0.50	
F3: Culture		1.96
Local customs and traditions	0.58	
Local cultural and festive events	0.48	
Uniqueness of the local culture	0.81	
Authenticity of the local culture and life	0.80	
F4: Accessibility		1.71
It is easy to get travel information.	0.43	
Accessible transportation and communication	0.76	
It is easy to get to this destination.	0.71	
It has a relaxing atmosphere.	0.71	
F5: International Travel		1.44
Opportunities for education	0.53	
Convenience of customs	0.68	
F6: Regional Travel		1.34
Distance to the destination	0.74	
Special events	0.47	

There are several limitations in this study. First, the convenience sample collected in this study cannot be representative of the general college student body. Secondly, college students who took the survey were taking a tourism course as an elective. The tourism-related knowledge they acquired from that class may possibly cause biases in their answers. Results from

this study can only represent college students who have taken to one or several tourism courses on campus. Future research needs to be conducted to identify moderating factors that may influence on Chinese college students' travel behavior and preferences.

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Summary Brief

Transgression through Dark Carnival: Death Metal and the Spectre of the Abyss

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The rebellious and subversive nature of commercial music (e.g. blues, jazz, rock) has been an integral part of music since its inception. However, most modern interpretations of this unruly aspect of music assume a philosophical subjectivity that stands apart from the socio-cultural structures and underlying linguistic code from which it rebels. Through postmodern analysis of death metal (namely, the band Cannibal Corpse), we explore how this form of dark carnival transgresses not only the subjectivity of the bands and listeners, but also the straining of socio-cultural and linguistic frameworks, revealing the meaningless abyss in which they operate. Rather than standing apart from these structures, the transgression of death metal implicates them in the very dark carnival of which it sings. While some may believe that this forces us into nihilistic despair, death metal actually provides consumers a means of overcoming limits and experiencing fullness of being.

Introduction

Beyond typical socio-cultural critiques of music, which are fundamentally based on ideal visions and forms (Binder 1993), there has been little consumer research that has examined the deeper transgressive nature of commercial music (Foucault 1999), especially as a postmodern product used to destabilize subjectivity, undermine socio-cultural structures through exposure of the linguistic code, and confront us with the abyss of being. The purpose of this paper is to examine this potential nature of extreme transgressive music through critical analysis of death metal, namely artifacts of the band Cannibal Corpse. Insight is cast against Bakhtin's (1984) theory of carnival.

Death Metal

As a sub-genre of heavy metal, death metal distinguishes itself by incorporating extremely morbid, nihilistic and graphic lyrical content along with "brutal" atonal musical forms that embrace carnality and violence, allowing consumers to lose themselves in the infinity of death. As a transgressive product, death metal involves the deliberate testing and/or crossing of a variety of different boundaries that push beyond the relatively simple binary oppositions championed by the structuralists (Saussure 1983) and dwells in the abysmal paradoxes of post-structuralism (Derrida 1978; Foucault 1999). Death metal gives rise to three primary types of transgressions: sonic (e.g. cacophonous distorted guitar, extremely rapid drums, and growling, unintelligible vocals), bodily (e.g. "moshing," head-banging and contorted visages) and discursive (e.g. extremities regarding power, gender, and madness).

Death Metal as Dark Carnival

Examining medieval marketplaces, Bakhtin (1984) proposed a theory of the carnival that accounted for the temporary disruptions, inversions, and transgressions of social order in favor of repressed pleasures of those individuals suppressed within that order. The carnival is characterized by festive laughter, offensive bodies, and bad taste that offer relief from the established structures of everyday orderly life. Similarities between carnival and death metal are replete. Ritualized spectacles include bodily transgressions like moshing, head-banging, and other forms of violence germane to particular acts or songs. Lyrics often provide inversion of social order, full of the profanity and offensive stories that make up the billingsgate of the carnival. Further, the idea of the extremely grotesque body is evident in lyrical and image artifacts.

Transgressive Dark Carnival and Cannibal Corpse

However, death metal represents an even darker carnival than the one proposed by Bakhtin (1984). In particular, the popular works of death metal band Cannibal Corpse serve as an exemplar for this exploration. Utilizing ethnographic content analysis (Altheide 1987), we analyzed 137 songs from Cannibal Corpse's twelve studio albums, surfacing recurrent categories that characterize the data. Three distinct themes emerged that highlight the transgressive nature of death metal through dark carnival: 1) The Uncheerful Death, 2) Defiling the Grotesque Body, and 3) the Transgressive Nature of Authority.

"Shredded Humans": The Uncheerful Death

By nature, Cannibal Corpse and death metal intensely focus on death, the dying and the dead. Highly detailed descriptions of the actual act of death run rampant throughout the music and its effects. In the carnival, Bakhtin (1984, p. 198) argues that a "cheerful death" emphasizing the high value placed on life and, overall, life's celebration is evident. In dark carnival, however, this is replaced by an uncheerful, horrifying death that serves more to dampen the life force and starkly demonstrate just how horrible death can be – not just loss of subjectivity, but its forceful annihilation. Further, conceptualization of the carnival as affirmation of life within officialdom is contrasted with dark carnival's affirmation of the subjective death that awaits us in the nihilistic abyss of meaninglessness.

***“Dismembered and Molested”:* Defiling the Grottesque Body**

The transgressions of the music do not stop at the uncheerful death, but extend beyond them mercilessly. Focus is also on desecration and defilement of bodies both before and after death. Abusive mutilation, necrophilia and cannibalism are common themes. Recurring, vivid violation of multiple social taboos create a swirling dark carnival that cannot be fully processed or understood through the polymorphous linguistic code underlying our socio-cultural structures. The transgressive acts and grotesque bodies in these and other songs are more than just gruesome mockeries of the social order; they are revelations of the spectre of the abyss that lies at the very core of these structures.

***“Living Dissection”:* The Transgressive Nature of Authority**

Lastly, authority and its institutions of dominant social order are often fodder for exploration by Cannibal Corpse and death metal. But unlike typical Marxian critiques of the social order as stifling or corrupting human development, it is often this authority itself that actually serves as the driving influence and legitimating force on the individuals and their transgressive acts. That is, these individuals are not acting *against* society, but rather are simply following the rules to their extreme conclusion: a pathologist enthusiastically experimenting in Frankenstein-like fashion on dead bodies, an autopsy surgeon taking immense hedonic pleasure in dissecting bodies, or diabolical individuals involved in truly heinous acts in the name of their “God.” As well, one of the most commonly examined institutions is the family, whose destruction and defilement by both insiders and outsiders is a common theme. Whereas Bakhtin (1984) sees life within the carnival as that set aside from trappings of officialdom for a temporary moment in time, within the dark carnival of death metal it is the social order itself that manifests these transgressive acts.

Discussion

Many music genres have been depicted as carnivalesque art forms of dis-alienation that allow individuals to become part of a like-minded group in their cultural tastes and ideas of resistance. Death metal seems to directly challenge this modernistic interpretation based on assumptions of philosophical subjectivity by confronting the nihilistic foundations of our secular and ecclesiastical worlds. Far from being a communal refuge, the transgressive dark carnival of death metal does not allow reprieve from emotional consequences of consumer culture but, instead, ceaselessly confronts and aggressively pursues them in horrific ways. Transgression does not stand outside or apart from socio-culture structures, but lies at the heart of them.

In contemporary society where diversity, equality, and quality are upheld as the new “enlightened” forms (Firat and Venkatesh 1995), transgression through dark carnival suggests that that evisceration, mutilation, and molestation must be acknowledged as competing and legitimate narratives. As the band itself argues, their music is no different than the entrenched cultural forms of entertainment and religion. Here, “deviant” forms are granted equitability within marketing logics. This puts contemporary society in a sort of paradox. While the logic of the market appears to co-opt everything in order to increase its power

(whether commercial, scientific, or even academic), the tighter it tries exert this control, the more it centralizes, legitimizes and actualizes deviancy. With death metal, music becomes the voice and the aesthetic manifestation of these maligned practices. Attempts to either co-opt or marginalize only serve to further legitimize (Bernard-Donals 1994).

Conclusion

In the aestheticization of contemporary postmodern consumer culture (Featherstone 1995) in which simulacra reign supreme (Baudrillard 1998), music and other art forms come to play a more prominent role in our relationship to dominate socio-cultural structures. Not simply an entertainment medium used to construct our identity projects, music in particular has the ability to undermine our subjective positions and absorb us into underlying linguistic code. It has the potential to provide various forms of transgression that offer glaring glimpses of the limits of our socio-cultural structures and expose the nature of being. Since these glimpses often take us beyond our conceptual understanding and those structures that give our lives meaning, they will always be somewhat, if not extremely, disturbing, even bordering on madness (Foucault 1999). In the constantly renewing force of music, though, all is not lost. As we swirl around the nihilistic abyss of the dark carnival, we may actually experience what it truly “means” to exist.

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Summary Brief

Would You Prefer Fries or Fruit with That Order?— How Well Are Fast Food Restaurants Satisfying Their Customers?

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As consumers eat out more frequently, many are now demanding healthier entrees, side items, desserts, and beverages from their favorite fast food restaurants. As consumers become increasingly concerned with health, diet, and weight, coupled with the continued increase in food eaten away from home, consumers are putting increased pressure on eating establishments to provide not just value priced menus, but also menus with healthier options and more reasonable portion sizes. However, these same restaurants are still expected to deliver value through fair pricing, appealing locations, convenient hours, and courteous service as well. Are customers happy with the response of the fast food industry to changing social demands regarding fast food consumption?

Introduction

One of the largest changes in American eating habits in recent decades has been the increasing reliance on food eaten away from home, increasing from thirty-three percent of total food expenditures in 1970 to forty-seven percent by 2003 (Binkly 2006). Much of this increase is attributed to life-style changes of American families. Time constraints, dual-income households, and more sedentary jobs have contributed to American families increasingly eating meals outside the home.

As society changes, there are strong social concerns regarding the eating habits of our population. Of Americans aged 20 and over, 33.9% of Americans are considered officially obese. An additional 34.4% are classified as overweight but not obese (2007-2008 figures) (Flegal, Carroll, Ogden, and Curtin 2010). During the same time adults have gained weight, the proportion of U.S. adults consuming low-calorie food and beverages grew from 48% to 60% of the population, and the proportion of U.S. consumers trying to eat a healthy diet grew at a 6% annual rate (Calorie Control Council 2004). Consumer research has labeled the parallel increase in obesity rates and the popularity of healthier foods with lower calorie and fat density as the "American obesity paradox" (Heini and Weinsier 1997).

This paper will explore consumer evaluations of fast food dining experiences in an attempt to determine how pleased consumers have been with recent service encounters. Particular interest will be placed on the importance of healthy menu options and/or concerns, pricing, atmosphere, accuracy, and service. These issues have significant implications for owners and franchisees within the fast food industry and for consumers overall. With consumers increasingly demanding healthier menu options from the casual dining industry, they force competing corporations to offer more information and better choices. Given the changing

lifestyles and continued increase of Americans eating out it is thought that consumers will continue to seek greater value in their menu options, not just through price, but also through greater variety in the side items and desserts. In addition, consumers expect polite and courteous service, accuracy in their orders, and convenient locations and hours.

Background

As previously noted, the American obesity paradox indicated that while the healthiness of the food we eat is more important to individuals, the number of Americans who are obese (both as adults and children) is rising every year as well. Chandon and Wansink (2007) proposed that health claims made by fast-food and casual dining restaurants lead consumers to underestimate the number of calories in their main dishes which inevitably leads to the consumer ordering higher-calorie sides, drinks, or desserts. Kozup, Creyer, and Burton agree with their assertions stating that "consumers now obtain more than one-third of their calories from food prepared outside the home, and because menus often provide little or no information regarding the nutritional value of the items, most consumers have little knowledge about the types and levels of nutrients they are routinely consuming" (Kozup, Creyer, and Burton 2003).

As a result, many restaurant franchisees and owners are finding that consumers regularly target chains that have more than one side item for their combo of choice and have product and health information readily available. McDonald's, for example, downsized the super-sized portions in 2004 to cater to consumers' growing preference for healthier foods (DoVale, Pieters, and Zeelenberg 2008). According to a Quick-Service Restaurant Magazine annual survey entitled, "What America Thinks: 2008," people are paying most attention to trans fats, fat grams, and excessive carbohydrates when choosing a fast food restaurant based on health items. They are also turning to their state governments for help in controlling what restaurants can and cannot do in preparation of their food. After the bold move by New York State banning trans-fats from any restaurant oil (www.qsr magazine.com), many restaurants are following suit before being "forced" to by their state government.

Wendy's announced in 2006 that all of its stores would be switching to non-hydrogenated cooking oil for its french fries and breaded chicken items. This type of oil has zero grams of trans-fat per serving (www.qsr magazine.com). Chick-Fil-A is another example of a company making the switch to trans-fat free oil. Early in 2007, the chain announced its 1500 stores would be switching to trans-fat free 100% refined peanut oil which is used

to cook its chicken and waffle potato fries with a goal for the whole menu to be completely trans-fat free by early 2009. As the fast food industry attempts to respond to changes in customer demand and eating habits, are customers happy with the results? Overall, how do customers rate fast food restaurants that they frequent on satisfaction and performance?

Research Design

A survey, using select items from the Retail Image Scale (Dickson and Albaum 1977), the Health Consciousness Scale (Gould 1988), the Price Perception Scale (Lichtenstein, Ridgway, and Netemeyer 1993), and the ServQual Scale (Parasuraman, Zeithaml, and Berry 1988), is being used to collect data on individuals most recent fast food experience. Data collection has been completed and data will be analyzed throughout the summer with the results, conclusions, and limitations written afterwards.

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Summary Brief

Physical Activity, Athletic Apparel, and Preference for Affective versus Cognitive Advertising.

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This paper looks at how sport apparel companies can reach young individuals in their integrated marketing strategies. Specifically, this paper elaborates on different types of advertising messages appropriate for each segment of sport consumers.

Introduction

Being physically active is not only a part of healthy lifestyle but also about identifying with a group of people with similar values, beliefs and attitudes. Individuals who are physically active have interest different to those who are no physically active. It is also likely that individuals who differ in levels of their involvement in physical activity may differ in reasons for participation and their purchasing patterns.

The purpose of this study was to better understand young individuals' physical activity and athletic apparel purchasing patterns. In addition, the purpose of this paper is to offer suggestions in terms of how young individuals should be segmented with respect to their identification with people who are physically active and their reasons for being active. The focus here is on cognitive versus affective reasons for participation. Finally, the most important purpose of this study from a sports marketing standpoint was to establish different preferences of appeals used in advertising athletic apparel for different segments.

Method

Sample and Measures

A sample appropriate for this study was collected at a large southern university among undergraduate students from different majors and included communication, marketing and sport management. The sample consisted of 941 usable cases, among which 63% were female and 37% were male. Furthermore, 81% were White/Caucasian, 10.3% were Hispanic, 5.1% were Black/African American, 1.7% were Asian and Islander/Native American. Almost 2% (1.9%) indicated option "other".

Analysis and Findings

Segments were classified based on the Cluster Analysis in SPSS 18. Specifically, K-means procedure during which running means were used. The following variables were used to define clusters: frequency of physical activity ("Once a week", "2 to 3 times a week", "4 to 5 times a week", "6-7 times a week", and finally "I am not physically active"), length of activity each time ("Less than half an hour", "Half an hour to an hour", "One to two hours", "More than two hours", and finally "I typically do not workout out at all"), frequency of athletic apparel purchases

("Daily", "2-3 Times a Week", "Once a Week", "2-3 Times a Month", "Once a Month", "Less than Once a Month" and "Never") and finally a quantity of items purchased each time ("One piece at a time", "2-3 pieces at a time", "4-5 pieces at a time", "more than 6 pieces at a time", and "None because I never obtain any sportswear"). Based on analyses, a result of three clusters appeared to be the most reasonable.

First cluster of individuals, called "not-engaged", consisted of 67 cases (48 females, 19 males). Individuals in this segment never or very rarely participate in sports. In terms of purchasing patterns, they rarely purchase athletic apparel but when they do, they purchase one item at a time.

The second cluster, called "somewhat engaged", consisted of 490 cases (155 males, 335 females). These individuals are physically active two to three times a week for about half an hour to an hour at a time. Based on the final cluster centers, these individuals shop for athletic wear less than once a month and buy just over one piece at a time.

Finally, the likely most profitable segment is the cluster of "highly engaged" individuals who are physically active four to five times a week for about one to two hours or more. They shop for athletic apparel about once a month. When shopping, "highly engaged" purchase four to five items at a time or more. This segment consisted of 378 cases (173 males and 205 females).

In terms of group differences in identification (based on ANOVA) with those who are physically active, the "highly engaged" had the highest level of identification ($M=15.11$) which statistically differed ($p < .05$) from both the "somewhat engaged" ($M=12.52$) and the "not engaged" ($M=10.37$). Moreover, similar difference can be found between these groups on the reasons for participation. Highly engaged participate for both affective and cognitive reasons though the mean of cognitive reasons appears to be higher than the affective reasons. The interesting finding, however is that the "highly engaged" individuals claim to respond better to affective appeals in sports apparel advertising than do the remaining segments. There was no statistical difference for the preferences in cognitive appeals in athletic apparel advertising.

Conclusion

The findings suggest that in order to reach a segment of young individuals who are likely to be the most lucrative to the firm that is individuals who extensively participate in physical activities and who identify with the group of other active individuals, athletic apparel companies need to focus on affective appeals in advertising of their products.

Exploring Value, Supply and Demand in the Prescription Drug Abuse Chain

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Prescription drugs are the second most abused substance in the US, behind marijuana (National Institute on Drug Abuse 2012). More than 36,000 people in the US died of drug overdoses in 2008, about two-thirds of which were prescription drugs. In one Kentucky high school, overdose deaths are so prevalent that a critical mass of students has formed an organization for orphans of overdose victims (CNN 2012). Abuse of prescription painkillers alone costs more than \$72.5 billion each year in medical costs (Centers for Disease Control and Prevention 2009), and \$50 billion in lost productivity and criminal justice costs (CNN Money 2012). The Office of National Drug Control Policy reports that most prescription drug abusers get their drugs most often from the medicine cabinets of people they know. The second most common source is prescriptions received as the result of “doctor shopping,” followed by purchases from friends, family or over the Internet (Office of National Drug Control Policy 2012). The intensity of this problem has led the DEA and local law enforcement to establish events around the country at which consumers may return unused or expired prescription drugs for proper disposal and to develop awareness programs that encourage consumers to “monitor, secure and dispose,” of unused drugs in the household. This paper seeks to inform these initiatives by providing a better understanding of the concepts of value, supply and demand in the chain of prescription drug abuse in the US.

First, the discussion explores the supply of available prescription drugs in households, specifically, how prescriptions are acquired and for what purpose. Recent studies suggest that over-prescription, especially of pain medication, is common among US military personnel (CNN 2011). While there has been a rise in chronic conditions that are often controlled by prescription medication, prescriptions per capita in the US have risen from seven to twelve annually per person since 1970 (Guardian UK 2011). Some critics of pharmaceutical marketing campaigns believe such efforts lead doctors to prescribe medications in response to patient requests, with both doctors and patients being influenced. While in many cases, drugs are legitimately acquired through legal channels, in other cases casual prescription sharing among friends and family is becoming more prevalent (Petersen et al 2008).

The second part of the discussion explores why consumers keep a supply of drugs in their homes, often well beyond treatment periods and effective dates. What value do consumers perceive in prescription medication, which prevents them from disposing of unused drugs? We discuss the literature based on early efforts to encourage recycling that focuses on perceived value of consumer goods and choices to keep, donate or dispose of household items.

Further, we discuss literature from consumer culture and public health regarding creation of value, including branding and

advertising such as occurs in direct to consumer advertising campaigns. The value of prescription drugs, especially those with high profile brand names, has risen drastically in recent years. Pharmaceutical companies spent more than \$7 billion each year on direct to consumers advertising of branded prescription drugs, presumably to build patient and physician loyalty to those medications.

Finally, drawing from the review of the literature, we propose potential interventions and future research on the acquisition and possession of prescription drugs from a consumer behavior perspective. While public policy and legislation may serve as interventions to curb or eliminate some sources, social marketing and education campaigns may work to change existing attitudes and behaviors among consumers, potentially impacting the supply in households.

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Summary Brief

Enhancing Veblen's Theory of the Leisure Class: Modeling Positive and Negative Cases of Consumers High in Chronic Need for Conspicuousness and Rarity

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The study here serves to examine customer choice and firm profitability outcomes from the conjoining of four perspectives: economics, fashion, marketing, and psychology. This study describes core tenets of fashion marketing theory (FMT) from the perspective of economic psychology. The study here is unique and valuable in proposing empirically testable hypotheses that follow from FMT and in describing evidence from available literature testing these hypotheses. The core tenets reflect the view that impactful fashion marketing moderates the relationships among price and consumer demand for the firm's offering (i.e., brand) by psychological customer segments, and subsequently firm profitability. Economic psychology related to fashion marketing includes the influences of chronic desire for conspicuous consumption (CC) and chronic desire for rarity (CR) as relative human conditions (e.g., humans vary in CC and CR; consumers very high in these desires are more prone to select conspicuous and/or rare choices whatever the price level of the object or service). Consequently, different pricing points (decisions) that maximize profitability vary considerably for product designs which are positioned high in conspicuousness and rarity directed to customers very high in CC and CR versus product designs which are positioned low in conspicuousness and rarity directed to customers very low in CC and/or CR.

Introduction

The present study contributes to theory by building from Veblen's (1899) views that conspicuous consumption includes wearing expensive fashionable clothing and from the benefits of applying multi-discipline perspectives to achieve a nuanced view of fashion marketing's impact. The study proposes a series of testable propositions that follow from the view that not all consumers respond the same to clothing alternatives positioned to reflect high versus low conspicuous consumption.

Empirical evidence from a literature review supports these propositions. The theory supports the normative view that different price points are acceptable for consumers high versus low in conspicuous consumption; consequently, customer choices and firm profits will vary considerably from the match and mismatch of high versus low conspicuousness/rarity strategies and customer chronic levels of desire for conspicuousness (CC) and desire for rarity (CR) at different price points.

"Without reflection or analysis, we feel that what is inexpensive is unworthy. 'A cheap coat makes a cheap man.' 'Cheap and nasty' is recognized to hold true in dress with even less mitigation than in other lines of consumption" (Veblen 1899,

p. 170). Veblen conjoins economic concepts of price with psychological concepts of perception, status, and reputation. "By further habituation to an appreciative perception of the marks of expensiveness in goods, and by habitually identifying beauty with reputability, it comes about that a beautiful article which is not expensive is accounted not beautiful" (Veblen, 1899, 133).

Table 1: Discipline Interpretations of Brand and Price Relationships

Economics: Price Increases cause demand choice) decreases for a brand.

Marketing: Different customers respond differently to price increases; customers can be segmented by chronic tendency to respond +, -, or not at all to price increases.

Psychology: Consumers implicitly/unconsciously assign higher quality to a product/brand with high vs. low price; consumers use price as implicit marker for quality.

FFashion: Price varies by brand logo visibility via an inverted U-shape relationship so that moderately priced brands have the most visible logos.

EEconomic Psychology: Consumers' demand for brands with brand-visible logos varies by chronic need for conspicuousness and income—very high/very low incomes exhibit less need for brand-visible logos.

FFashion Marketing: Different price points (low, medium, high) are nearly equally profitable for a fashion brand (e.g., Coach) for different designs of the brand planned by the firms for different customer segments.

The relationships among price, demand (choice), design, chronic desire, and/or perception can be explained from the various perspectives in Table 1. Berger and Ward (2010) describe an inverted U relationship between brand logo visibility in marketing images and price. They report that regressing brand identification on price and price squared indicates that, while brand identification increases with price, it is negatively related to price squared. While only 21% of sunglasses under \$50 contained a brand name or logo in this example, existence of a brand logo increased to 84% among sunglasses between \$100 and \$300. But as price increased further, explicit branding decreased: among sunglasses priced more than \$500, for example, only 30% displayed a brand name or logo. The same pattern holds in a similar analysis of handbags. While cheaper bags (i.e., those under \$100) had few logos or brand-related patterns and mid-priced bags (i.e., \$200–\$300) often contained brand identifiers, signal

explicitness decreased among higher-priced bags. Bags more than \$600, for example, had comparable values of signal explicitness to the cheapest bags.

The study here attempts to make two points. First, different disciplines bring valuable unique perspectives to fashion marketing. Second, nuances exist in such conjoining of perspectives. For example, taking into account chronic desires by consumers with manipulated brand designs and price are necessary to achieve sufficiency in explaining consumers' marketplace responses to fashion alternatives. Berger and Ward (2010) describe the nuanced-view in fashion marketing in the conclusion to their study.

Theory

The theory includes 9 propositions: 1. Consumers vary in their chronic desire conspicuousness (CC) and rarity (CR). 2. Consumers highest CC more frequently select brands positioned to be high versus low in conspicuousness. 3. Consumers vary in their chronic desire for uniqueness (CR). 4. Consumers highest in CR more frequently select brands positioned to be high in uniqueness. 5. The negative impact of price increases on choice is lowest for the brand positioned as delivering high conspicuousness among consumers highest in CC. 6. The negative impact of price increases on choice is highest for a brand positioned as delivering low conspicuousness among consumers high in chronic CC. 7. The most profitable price points vary by different combinations of CC and manipulated conspicuousness (MC) whereby a very high price is most profitable for the highest CC when coupled with high MC; a moderate price point is most profitable for a lowest CC coupled with high MC; and a low price point is most profitable for a lowest CC when coupled with high MC. 8. Demand is so low for all three price points among the highest CC or CR coupled with manipulated low conspicuousness or rarity, that no price point is profitable; such consumers are vigilant about avoiding items with low conspicuousness or rarity even when the items are available at bargain prices. 9. For high-end fashion products about the same peak profits are possible with low, moderate, and high prices depending on the recipe of customer segments and fashion marketing designs at each price point. The high-end fashion marketer needs to take care to include the low price in the product design and communication recipe for the price sensitive customer and the high price in the product design and communication recipe for the price insensitive customer. Price sensitive customers have the lowest relative levels of desires for conspicuous consumption and rarity while the price insensitive customers have the highest levels of these desires.

Empirical Support for the Theory

An elaborate laboratory market test by Hwang, Ko, and Megehee (2012) supports several of the nine key propositions. In a between-subjects experiment using photographs of four competing dress designs and four competing shoes—each with unique advertising message—Hwang, et al. (2012) varied conspicuous consumption and rarity at two levels each for one of the dresses and one of the shoes. Participants to their study included female students at a large national (South Korean) level university while they were shopping in an on-campus mall. The 2 levels of conspicuousness and 2 levels of rarity were crossed with three levels of prices. The prices for test treatment shoes were 50,000 Korean won (\$50), 200,000 won (\$200), and 500,000 won (\$500).

The prices for the treatment dress: 100,000 won (\$100), 500,000 won (\$500), 1,000,000 won (\$1,000). Messages and prices for the remaining dresses and shoes were held constant in the experiment. Thus, the complete experiment includes 2 manipulations for conspicuousness, 2 for rarity, and 3 for prices for a total of 12 cells for dresses and 12 cells for shoes with 33 participants per cell (n = 396 total participants).

Each participant in the study was asked to select at least three of six items in a shopping trip for clothing appropriate for attending a friend's wedding—participants did not have to select any dress or any shoes on this virtual shopping trip. If the participant did select dresses (or shoes) "to buy today," she was asked to report the dress (shoes) she would most likely buy, her second choice, and her third choice. Thus, the researchers were able to report willing-to-buy scores (i.e., 4 = first choice; 3 = second choice; 2 = third choice; 1 = fourth choice; 0 = decision to buy a dress or shoes). Following participating in the experiment, each participant completed appropriate scales to measure CC (Marcoux, Filiatrault, & Cheron 1997; Paurav 2008) and CR (Tian, Bearden, & Hunter 2001). Hwang et al. (2012) created quintile groups for analysis: lowest, low, medium, high, and highest CC and CR segments. While findings did not match the predictions of the theory perfectly, they include higher choices at all three prices for the conjunction of highest CC and CR levels and manipulated conspicuousness and rarity. A substantial interaction effect of increasing influence on choice for CR for the high vs. low manipulated rarity indicates consumers vary in responsiveness to uniqueness in fashion marketing communications according to their chronic levels of need for rarity. Hwang et al.'s (2012) findings support the conclusion that participants prefer to accomplish both fame and belonging while avoiding fame and rarity—which may explain the long deliberation time of many women when shopping for shoes.

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Summary Brief

The Impact of Economic Perceptions on Status Consumption: An Exploratory Study of the Moderating Role of Education

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The purpose of this study was to determine if there was a relationship between economic perceptions and consumers' motivation to consume for status and if this relationship was moderated by education level. Based on a stratified random sample of consumers in the southeastern USA, those consumers with a lower level of economic welfare (i.e., see the economy and their family's financial situation as worse this year versus last year) are less motivated to consume for status. Furthermore, this relationship was positively moderated by education. In terms of consumer confidence, no relationship was found between consumer confidence and status consumption. The results suggest that those consumers who perceive themselves to be financially better off this year versus last, particularly those more educated, are more motivated to consume for status.

Introduction

Prior to the recent economic downturn, research suggested that the luxury market was thriving (Han et al., 2010; Husic and Cicic, 2009). Consumers of luxury products come from all different social and income classes and use prestige products because it makes them feel confident and they enjoy wearing well-known brands (Husic and Cicic, 2009). Eng and Bogaert (2010) state there is a direct relationship between economic growth and increased spending on luxuries. Given the current state of the economy, this suggests that interest in status consumption may have changed since the start of the recession (Lahart and Dodes, 2010). The purpose of this paper is to examine status consumption in relation to the economy and to determine how it relates to both consumers' current economic welfare as well as their consumer confidence about how they see the economy in the future. This paper contributes to the literature by relating consumers' status consumption to their views of the economy.

Literature Review

Status consumption is "the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others" (Eastman et al., 1999, 41). It is an individual difference variable that addresses a person's motivation to consume for status. 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, 41).

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 (Veblen 1899; 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). The literature also suggests that ultra-rich or old-money consumers prefer status goods that are not flashy and are noticeable only to others in their group, such as with the use of smaller logos (Husic and Cicic, 2009; Han et al., 2010).

Others suggest that access to luxury is no longer a dichotomous state between the affluent and the excluded, but that excursionists (those ordinary consumers who buy and consume luxury products from time to time or in specific circumstances and for who buying and consuming luxury products is not part of their daily life style) play a major role in the luxury market (Dubois and Laurent, 1996). We offer that for excursionists, economic perceptions could impact levels of status consumption. We operationalize consumer confidence as consumers' perceptions of future business conditions, job availability, and income (Bechtel, 2008), while we operationalize economic welfare as consumers' perceptions of their current financial standing as well as current country and state conditions. Thus, our proposed hypotheses are:

H1: Those with a lower level of economic welfare will be less motivated to consume for status.

H2: Those with a lower level of consumer confidence will be less motivated to consume for status.

H3a: The relationship between economic welfare and status consumption will be moderated by one's level of education.

H3b: The relationship between consumer confidence and status consumption will be moderated by one's level of education.

Methodology

The sample population for this analysis included consumers residing throughout the state of Georgia. The sampling technique employed included a stratified random sample based on the population. The data was gathered using telephone surveys and participant contact information was purchased from InfoUSA. Overall, 295 surveys were completed with approximately a nine percent response rate. The margin of error was 5.7%. Our sample was skewed toward female, white, and older. Specifically, our sample was 59% female, 79.5% Caucasian, 28.3% held a college degree, and the median age category was 46 to 55.

For the purpose of this study, we examined three constructs: (1) status consumption with the scale developed by Eastman et al.

(1999), (2) consumer confidence based on Bechtel (2008), and (3) economic welfare with items adapted from Ludvigson (2004). Each set of items significantly loaded to their corresponding factor. Additionally, total variance explained for each set of items was greater than .58 and Cronbach's alpha surpassed .74 (Economic Welfare = .76, Consumer Confidence = .74, and Status = .84).

To measure status consumption, four of Eastman's et al. (1999) status consumption scale items were utilized, measured on a seven-point Likert scale (from 1 Strongly Disagree to 7 Strongly Agree). The range of the status consumption items was from 1.97 to 2.96 indicating the sample as a whole, was not motivated to consume for status. To measure economic welfare, a three-point scale was utilized ranging from 1 (worse off currently than last year/not kept up with the cost of living) to 3 (better off currently than last year/kept up with the cost of living). The average of these four survey items ranged from 1.77 to 1.88 indicating that the respondents consistently felt their economic welfare was slightly worse than last year. Finally, to measure consumer confidence, the three-item economic confidence measure (Bechtel, 2008) was adapted to look more specifically at the state of Georgia. The three survey questions (measured with three point scales ranging from 1 meaning worse to 3 meaning better) addressed expected changes in the next six months in terms of general business conditions, available jobs in ones' area, and total family income. The mean score for the three survey items ranged from 2.21 to 2.39 indicating that the respondents' consumer confidence was slightly more positive for the upcoming year.

Results

First, a measurement model was created that correlated consumer confidence, economic welfare and status consumption. The results indicated acceptable model fit ($\chi^2 = 92.71$ (41), $p < .001$, CFI = .95, and RMSEA = .065). In support of convergent validity, all items significantly loaded to their corresponding factor. In further support of convergent validity, estimates of average variance extracted were computed. Consumer confidence and status consumption surpassed the recommended criteria of .50, in which average variance extracted equated to .50 and .59, respectively. The average variance extracted for economic welfare was .46, which fell slightly below the recommended guideline. Discriminant validity was assessed by comparing average variance extracted to squared construct correlations; indicating no potential threat to discriminant validity. Next, a structural model was estimated, and, given that there were equivalent degrees of freedom and paths between the measurement and structural models, identical model fit results were obtained.

Structural paths were examined to determine support for the hypotheses. In support of H1, economic welfare had a positive and direct effect on status consumption (standardized path estimate = .22, $p < .05$). However, the results revealed that consumer confidence had no effect on status consumption (standardized path estimate -0.06, $p > .05$); therefore we found no evidence in support of H2. To assess the moderation predicted in H3, a multi-group analysis was conducted that used education. Specially, participants attaining less than a four-year college degree were considered the less educated group, while those attaining a four-year college degree or more were considered the more educated group. Results indicated good model fit ($\chi^2 = 141.92$ (82), $p < .001$, CFI = .94,

and RMSEA = .05). Interestingly, analyzing the results for the less educated group revealed that both economic welfare (standardized path estimate = .07, $p > .05$) and consumer confidence (standardized path estimate = .07, $p > .05$) had no effect on status. However, the results for the more educated group revealed that economic welfare had a positive direct effect on status (standardized path estimate = .39, $p < .05$), but no significant relationship was shared between consumer confidence and status (standardized path estimate = -.19, $p > .05$). Thus, we find support for H3a, but fail to offer support for H3b.

Our results reveal that economic welfare does have an impact on status consumption, but consumer confidence does not. Thus, perceptions related to one's current standing, rather than perceptions of future well being impact the desire for status related goods. Additionally, we find that the effect of economic welfare on status consumption is pronounced for highly educated individuals; thus offering marketers of luxury or status goods a clearer picture of individual's representative of their target market.

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Summary Brief

A Richer Understanding of Situational Self-Control

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Researchers typically view self-control as a trait, and Baumeister (2002) proposed that self-control failure is likely to occur when people do not have clear behavioral standards, do not monitor their behavior, or do not have the capacity to alter their behavior. While this view is useful for understanding general patterns of behavior, we develop a situation-based process model of self-control based on Baumeister's factors. Further, we develop multi-item measures of perceived standards, monitoring, capacity, and self-control. The process model and developed measures can be used to gain insight into why self-control fails for specific behavioral episodes.

Introduction

Baumeister (1994) defines self-control as the self's capacity to alter its own states and responses. Because lack of self-control is a common, and potentially serious, problem, it is often studied by psychologists and consumer researchers (e.g., Baumeister and Heatherton 1996; Gibbs, Giever and Martin 1998; Baumeister 2002). Self-control research commonly focuses on self-control failure (e.g., Vohs and Heatherton 2000; Vohs et al. 2008), and Baumeister (2002) proposes that there are three potential causes of this failure. First, a person must have behavioral standards; that is, goals, ideals, norms, or guidelines to specify the appropriate amount of behavior. Second, a person must have the mental, emotional, and physical capacity to change or alter her/his behavior. Third, a person must engage in frequent monitoring to keep track of her/his behavior.

Some researchers view self-control as a trait (e.g., Baumeister 2002; Tangney, Baumeister, and Boone 2004). While this view is useful for understanding individuals' general behavioral patterns, it is less useful when the focus is on self-control for specific behavioral episodes (e.g., eating, gambling, or shopping). Consequently, the first goal of our research is to develop a process model of self-control, which builds from Baumeister's (1994, 2002) general view of self-control, that can be applied to distinct behavioral episodes. Such a situation-based process model, with corresponding research, will lead to a better understanding of when self-control is relevant and why self-control sometimes breaks down. Further, researchers have developed and validated measures of self-control based on the view of self-control as a trait (e.g., Maloney, Grawitch, and Barber 2012; Tangney et al. 2004). However, such measures have limited utility when the focus is on controlling a specific behavior (e.g., Roberts and Manolis 2012). Thus, a second goal of the current research is to develop situational measures relevant to self-control. Specifically, using established scale development techniques, we create multi-item perceptual measures of standards, capacity, monitoring, and situation-specific self-control.

Self-Control as a Process

We organize our situation-based process model around the three contributing factors for self-control proposed by Baumeister (2002). We first define these factors as they pertain to specific behavioral episodes. We define *situational self-control* as an outcome where the actual amount of behavior during a given behavioral episode matches the amount of behavior based on a predetermined behavioral standard. A *behavioral standard* is a clear goal, ideal, norm, or guideline that (a) specifies the appropriate amount of behavior and (b) is set prior to the behavior. *Situational capacity* is the emotional, cognitive, or physical ability to monitor progress toward a standard and alter behavior during the behavioral episode. Finally, *monitoring* is the act of tracking progress toward a standard during the behavior.

We assume that a person is contemplating engaging in a specific behavior. The model begins with a behavioral standard. If a person has a clear standard for the appropriate amount of behavior, situational capacity for self-control becomes relevant. Because capacity is often conceptualized as a trait, it is important to note that capacity occurs *during* the behavior for the purposes of this situation-based approach. If adequate capacity does not exist, the person will be less able to monitor and ultimately control her/his behavior. If the person has sufficient capacity, compared to someone with less capacity, he/she is more likely to monitor the progress of his/her behavior against the standard. However, sufficient capacity does not guarantee that monitoring will occur. If the person fails to monitor her/his behavior, self-control may fail. If monitoring does occur, it can be done mentally (e.g., tallying up in your mind how much you have spent) or with the aid of a device (e.g., keeping track of purchases with a calculator). If the person accurately monitors, self-control for that behavioral episode is likely to be successful. That is, the actual amount of behavior will closely match the appropriate amount of behavior as defined by the standard.

This situation-based process model will help researchers better understand self-control, and self-control failure, only if the model can be tested. Thus, we turn to our second research goal – developing situational, perceptual measures of standards, capacity, monitoring, and self-control.

Scale Development

In developing these measures, we followed standard scale development procedures. That is, we (1) generated an initial pool of items for each construct, (2) refined the items based on expert judgments, (3) further refined the items based on responses from a large sample of respondents, and (4) assessed the discriminant validity of the final scales. These procedures led to the items

presented in Table 1. Note that the scales were developed in the context of eating but can be easily adapted for other behaviors.

Table 1 - Items for Measuring Perceived Standard, Capacity, Monitoring, and Situational Self-Control

Perceived standard
Before I began eating, there was a certain amount of food I intended to eat.
Before I ate, I knew precisely how much to eat.
Before I ate, I was certain about how much to eat.
Prior to eating, the amount that I should eat was unmistakable.
Prior to eating, I had a clear idea of how much to eat.
Perceived capacity
Based on the situation...
...I had the ability to monitor my eating while I was eating.
...I was capable of tracking my eating while I ate.
...My ability to monitor my eating while I ate was high.
...I had the capacity to keep track of how much I ate while I ate.
...I feel like I had the ability to focus on my eating while I was eating.
Perceived monitoring
While eating, I kept track of how much I ate.
I checked the amount of food I ate while I ate.
While eating, I was always aware of how much I had eaten.
While eating, I took stock of the amount I had eaten.
While I was eating, I paid close attention to the amount of food I ate.
Perceived situational self-control
I ate more than I should have. (Reverse coded)
I feel like I ate a reasonable amount.
I stopped eating when I should have.
I ate an appropriate amount.
I successfully controlled my eating.

General Discussion

While it may be tempting to adapt existing trait measures to assess situation-based self-control, such adaptations are not always appropriate. Further, a trait perspective does not take into account the variance that may occur in standards, capacity, and monitoring both within and across behaviors. By developing a process model for situation-specific self-control and validated measures for each construct, insight can be gained into when self-control breaks down during a behavioral episode and how a person can get back on track if one of the three factors (standards, capacity, or monitoring) are compromised during the process. Our situation-based process model makes way for numerous avenues of future research, such as the origination of standards (internal vs. external) and whether there are differences in monitoring accuracy (mentally vs. with the aid of a device). To the extent that these questions can be answered, better recommendations can be made for improving self-control.

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Summary Brief

Toward a Theory of Consumer Adoption of Mobile Technology Devices: An Ecological Shift in Life-Worlds

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Historically, new product adoption literature has viewed consumers' adoption of innovations as a decidedly utilitarian, seemingly deterministic, and often narrowly prescribed "event." Closer empirical examination of interaction with mobile technology device, shows that consumers do not merely "adopt" these products, but rather come to live with them over time. This process occurs in an erratic, nonlinear fashion resulting in a profound "ecological" transformation of their life-worlds. Thus, the devices are not just an additive product acquisition, but a totalizing experience. Through discovery-oriented methodology of grounded theory, 20 "majority market" technology consumer life-worlds are explored, with a particular focus on interaction with and acceptance of mobile technology. The results of their social-psychological experiences are understood through the broader theoretical frameworks of media ecology, sociology and anthropology of technology.

Introduction

Meaning matters. Understanding personal, socio-cultural, and situational meanings that consumers ascribe to offerings provides marketers with valuable insight. Meaning matters considerably for technology product consumption, especially given their enormous popularity. Understanding the scope of that meaning calls for an ongoing holistic or "anthropological" understanding that deconstructs the importance of the "social-cultural-economic" context in which technologies are used by consumers (Wind and Mahajan 1997, p. 5). However, most research assumes a decidedly utilitarian, seemingly deterministic, and relatively narrow approach primarily concerned with activities leading up to and including product adoption (Bass 1969; Rogers 1995; Sood and Tellis 2005). Relatively little focus is placed on *ongoing* technology consumption processes. To redress this imbalance, the current research assumes an iterative, exploratory and emergent theory-building approach via grounded theory methodology (Glaser and Strauss 1967). Twenty participants were interviewed. Attempts were made to generalize the essence of consumer meaning-making processes involved in post-acquisition.

Transitioning: Gradual, Fundamental Transformation

"So there it sat. And one day I picked it up and thought 'What is this thing?' And I just ... started using it. I just took to that concept of having that little handheld calendar [in the device]. Then, I thought, well I can do this and I can do this. I just sort of transitioned." (Sheila)

In exploring the data that resulted from conversations with participants in this study about mobile technology devices (MTDS), the core category (Glaser and Strauss 1967) that conceptually ties emergent themes in the data together is labeled here as *Transitioning*. Sheila's excerpt above is indicative of broader participant experience. Notably, no definitive "cutting point" for adoption is indicated. Instead, participants spoke of an ongoing, uneven, and typically gradual "uptake" of the device in "fits and starts." This process of "adoption over time" is an evolving interplay of reluctance and enthusiasm: intermittent learning as well as incremental setbacks and successes. Most important to participants in the study, this process engendered an emerging, seemingly wholesale, and altogether substantial shift in the way they experienced their everyday lives.

Fundamental Shift in Life-Worlds

By *Transitioning*, participants experienced the phenomenon not just of adopting or accepting, but of *living* with MTDs. At first, consumers might understand the device as simply a digital storage device and ascribe primarily utilitarian meaning to it. Alternatively, they might apply and extend prior knowledge structures from experience with other portable electronics, therefore viewing the MTD as "just a mobile phone." But ultimately, a newly evolved consumer emerges while *Transitioning*, one who integrates the MTD into his or her life as a nearly ubiquitous presence and, as participants frequently admitted, a crucial and seemingly irreplaceable part of life. Deborah, who claims that her MTD is her "lifeblood," illustrates the wholly integral nature of this change:

"To me, it's not about the machine itself. The machine does things and you can either like those things or not like those things. But it's how it *lives* with you. You know. That's important to me. You know, and I've never thought about it but this thing *lives* with me ... which is a weird thing to say about a little machine [laughs]." (emphasis original, Deborah)

Technology as Ecological Change

Technology-induced wholesale change has been acknowledged across several academic disciplines. In particular, it is the central focus for media ecology scholars. Media ecologists focus on contemporary, technology-enabled communications not as mere products/objects or idiosyncratic experiences, but as *environments*. Characteristics of media ecology concepts are similar to the individual experiences of participants in the study as they were *Transitioning* to MTDs. Neil Postman (1931-2003), preeminent media ecologist, here expounds on the ecology

analogy, which provides perspective on what participants described as a totality of integration:

“Technological change is neither additive nor subtractive. It is ecological. I mean ‘ecological’ in the same sense as the word is used by environmental scientists. One significant change generates total change. If you remove the caterpillars from a given habitat, you are not left with the same environment minus caterpillars: you have a new environment ... the same is true if you add caterpillars to an environment that has none. This is how the ecology of media works as well. A new technology does not add or subtract something. *It changes everything.*” (emphasis added; Postman 1992, p. 18)

Postman and the media ecology perspective are positioned in a broader lineage of sociological and anthropological perspectives on technology, where scholars have examined the integration of technology into society and its potential to overwhelmingly change life-worlds (McLuhan 1964; Mumford 1934/1963; Ong 1982). Foremost among these scholars is Lewis Mumford (1895-1990), who wrote extensively on the history of human interactions with technology. Mumford was an early critic of his own profession, emphasizing early on the need for engineers and product developers to consider the interdisciplinary aspects of machines and society. Specifically, Mumford (1934/1963, pp. 322-23) argued:

“The possibility that [technology] had become a creative force, carried on by its own momentum, that it was *rapidly ordering a new kind of environment* [emphasis added] and was producing a third estate midway between nature and the human arts, that it was not merely a quicker way of achieving old ends but an effective way of expressing new ends -- the possibility in short that the machine furthered a new mode of *living* [emphasis original] ... The industrialists and engineers themselves did not believe in the qualitative and cultural aspects of the machine.”

Further, the emphasis of technology on “living” and life acutely echoes the statements and sentiment from participants in the research. In particular, Mumford (1934/1963) suggested that technologies were not merely independent, neutral tools, but integrated, dynamic, and value-laden aspects of human life. As he saw it, the problem with the historical understanding of technology was that it assumed utilitarian and deterministic character, as opposed to the “reciprocal and many-sided relationships” that occurred between machines and people. Mumford’s stance is particularly reflective of indicators from the participants. Deborah’s earlier comment that “it’s not about the machine itself ... it’s how it *lives* with you,” neatly mirrors Mumford’s (1934/1963, p. 323) declaration:

“The most durable conquests of the machine lay not in the instruments themselves, which quickly [become] outmoded, nor in the goods produced, which quickly [are] consumed, but in the *modes of life* made possible via the machine and in the machine ...” (emphasis added).

MTDs Represent Unprecedented Ecological Change

Given these perspectives on the data, questions for consumer behavior and market research arise in terms of how, if at all, the

phenomenon of interacting with MTDs is similar to or different than transactions with such objects as household possessions, media forms, or even conventional mobile phones. As mobile technology products become cheaper, smaller and easier to use, they become more popular with and physically proximate to consumers, giving rise to unprecedented possibilities for intimate interaction. This intimacy increases opportunities for consumers to invest increasing amounts of significant aspects of their lives into the devices, spurring the probability of pronounced shifts in their life-worlds. Using methodological approaches that respect the empirical, holistic reality of these interactions, such as interpretive, interactionist, and inductive paradigms, has been established as a need by prominent scholars in the field (Kozinets 2008; Mick and Fournier 1998; Wind and Mahajan 1997). The current research moves toward that end and ideally incites similar approaches in future.

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Summary Brief

Regaining Online Credibility: Product Collaboration and Consumer-to-Consumer Communications

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When consumers desire brand and/or product-related information, they rely less on traditional marketing messages and more on the opinions of their peers. To regain control, some firms have adopted surreptitious tactics to influence online consumer-to-consumer (C2C) conversations (e.g., providing bloggers with free product samples). Given new FTC regulations requiring material connection disclosures, their effect on consumers' attitudes and behavior have diluted and negatively impacted the effectiveness of C2C messages (Sprott, Martin, and Martin 2012). In response, the present research examines a new relationship marketing strategy that moderates these effects by improving how consumers' identify with the firm. A mixed-method (qualitative and quantitative) approach across two studies suggests that involving consumers in a new product's development (NPD) is a powerful way to regain online credibility. Described as consumer collaboration, this unique method of engaging a small group in NPD is enough to provide favorable effects that extend to a greater number of consumers. Together, these results have important implications as firms and consumers respond to changes in the regulatory environment for online communications.

Introduction

A company's competitive advantage fundamentally requires continuous innovation- a resource no longer limited to its employees. Seeking knowledge and creative ideas from consumers is one increasingly popular way to improve processes and performance. Given the pervasiveness of the internet and the ease of sharing information, companies are motivated now more than ever to enter into this communication domain in a way that maintains credibility and promotes engagement. In turn, individuals want to do more than consume: they want to work with companies to share their knowledge and creative ideas (Vivek 2009).

In response, the present research provides the first examination of the influence of collaboration on consumers' evaluations and purchase decisions in consumer-to-consumer (C2C) online communications (e.g., blogs). A mixed-method (qualitative and quantitative) approach across two studies is used to discover the elements and consequences of collaboration most important to consumers (Study 1) and to test how changes in online communication influence trust, attitude, and purchase decisions when collaboration is present or absent (Study 2). Using a national online consumer panel, adult participants with children were tested for these differential effects using a real blog designed for parents. Together, the studies demonstrate that consumers' attitudes, evaluations, and purchase decisions are influenced by a product's collaborative development. Together, these results show

how collaborative NPD provides favorable effects that extend to a greater number of consumers.

Hypotheses

The provision of collaboration information (for others) may be useful in attenuating the harmful effects companies have experienced when entering C2C discourse. However, when companies attempt to influence brand/product discussion in the C2C realm by providing bloggers with product or monetary payment (for example), consumers' responses become unfavorable once the material connection between the blogger and company is disclosed (Sprott, Martin, and Martin 2012). Collaboration, as a unifying strategy for integrating consumers' ideas with a company's resources, may serve as a useful tool for reducing and/or reversing these historically negative effects. More formally,

H1: Consumer collaboration moderates the effect of disclosure blog type on the following consumer perceptions: (a) website evaluations and (b) company evaluations. The effect of blog type on evaluations will be stronger (weaker) for product reviews on a consumer (company) blog.

H2: Consumer collaboration moderates the effect of disclosure blog type on purchase decisions (e.g., purchase intentions and price willing to pay). The effect of blog type on purchase decisions will be stronger (weaker) for product reviews on a consumer (company) blog.

The severity of consumers' distrust of company-influenced product reviews is directly related to type of compensation the blogger receives. Bloggers may be motivated to write a product review for altruistic reasons while others are driven by profit-seeking motives (i.e. economic reasons). Lawrence, Fournier, and Brunel (2012) show that economic motives in an online product review are generally viewed as less credible than non-economic motives. Thus, we predict the following:

H3: The positive effect of collaboration on consumer evaluations and purchase decisions will be greater (weaker) for monetary (product) payment compensation disclosures.

Method

The purpose of Study 1 was to qualitatively identify factors that drive evaluations of consumer collaboration. The exploratory questionnaire with open-ended and rank-order questions was administered to 240 adult consumers obtained through Amazon mTurk. The qualitative responses were coded using QSR International NVivo 9 (Gibbs 2002) and the data were analyzed using the thematic analysis method (Boyatzis 1998) and the following themes that resulted were used to design and structure Study 2: (1) consumer involvement; (2) B2C and C2C

connections; (3) communication; (4) authenticity; and (5) the importance of listening.

Study 2 was a 2 (**collaboration information**: present or absent) X 3 (**disclosure blog type**: consumer blog, product payment; consumer blog, monetary payment; company-owned blog) between-subjects experiment. More than half of bloggers are parents with school-aged children less than 18 years old. In response and based on positive perceptions of opinions from like-minded “others” from Study 1, the context of the present study includes a blog written by a parent. Because 50% of consumers are more likely to purchase toys online (Nielsen 2012), an electronic learning tablet was used for the product review across all conditions. Participants were 216 adult consumers obtained through mTurk. Cell sizes ranged from 49 to 59. Each participant was randomly assigned to one of the six experimental conditions and presented one version of the blog stimuli. The sample had a median income of \$40,000-49,999, and 90% had at least some college. More than one-half of the sample (57%) had a college degree. The majority of the sample was female (66%) and the mean age of the respondents was 33 years.

Results

Perhaps the greatest discovery in Study 1 was made when participants were asked to rank the most important consequences of collaboration. A majority (58.8%) of participants indicated that trust was the primary reward of collaboration. Trust is not only an important factor in driving brand loyalty, but also is a necessary requirement for attracting new customers. While a consumer’s blog disclosure regarding a material connection (i.e., monetary or product payment) to a company traditionally results in decreased perceptions of trust and behavioral intentions, Study 2 tested the role of collaboration as a potential moderator- useful in attenuating these negative effects.

H1 predicted an interaction between disclosure blog types and the provision of consumer collaboration information on website, company, and consumer (i.e. participatory) evaluations. ANOVA results for Study 2 are shown in the table below.

Table 1. Effects of Consumer Collaboration on Evaluations

	Blogger Trust	Company Response	Brand Attitude	Purchase Intentions
Main Effects				
Blog Type (BT)	21.8***	3.61**	4.98***	3.15**
Collaboration (CB)	2.88*	10.1***	15.6***	10.6***
Interactions				
BT x CB	2.48*	6.39**	3.56**	2.84*

Univariate F-values; *** $p \leq .01$; ** $p \leq .05$; * $p \leq .1$

The effects of a monetary payment disclosure are driving the two-way interaction for company evaluations. As suggested by plots of the means, contrasts for brand attitude show significant improvement for the monetary payment condition ($F(1, 148) = 18.0, p < .001$), and company blog ($F(1, 148) = 4.7, p = .03$), but no difference for the product payment condition ($p > .6$). A similar pattern in the results emerges for the effects predicted in H2. Only in the monetary payment consumer blog do purchase intentions significantly improve when collaboration information is provided: $M_{coll_present} = 5.4, M_{coll_absent} = 4.1; F(1, 148) = 13.9, p < .001$. Thus, results offer full support for H1a, H1b, and H2.

Finally, as H3 suggests, in the economic motive conditions where the blogger is compensated with money, contrasts show that the effect of collaboration is greatest ($F(1, 148) = 13.9, p < .001; \eta_p = .09$), but only for purchase intentions. Though smaller, the effect of collaboration on WTP is higher with product payment ($F(1, 148) = 4.8, p = .03; \eta_p = .03$). These results offer partial support for H3.

Summary

The results we offer here have implications for producers, for consumers, and for policy makers. For example, 59% of the sample in the first study said ‘trust’ is the most important consequence of collaboration enhanced through peer discourse (i.e., C2C communication). Through a between-subjects experiment in the second study, collaboration information was identified as a key moderator useful in overcoming the negative effects of a blog’s disclosure (e.g., monetary payment to a consumer blogger) and source (consumer or company-provided) on evaluations and purchase decisions.

Our results across both studies extend previous research by increasing the external validity of our findings with stimuli modeled after actual consumer blogs (i.e. not scenario-based). The role of collaboration information is shown as a useful tool in moderating the negative effects of a blog’s disclosure (e.g., monetary payment) and source (e.g., company-owned) on consumer evaluations. These results apply to a greater number of companies that are unlikely to utilize direct collaboration for all customers. Perhaps the simple knowledge of collaborative NPD may be enough to strengthen one of the most important factors needed for a strong and long-lasting relationship- trust.

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Implications of Erroneous Product Reviews by Product-Enthusiast Communicators

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It is revealed through a between-subjects experiment that “blogger error” produces blameworthiness cognitions as well as specific affective states that together facilitate intentions in offended blog readers to engage in revenge-seeking behaviors directed at the offending blogger. Blogger error represents a negative occurrence to offended blog readers who, depending on the blame they assign and feelings of anger and dissatisfaction they experience, may seek to inflict harm on the offending blogger in the forms of negative word-of-mouth communication and online public complaining behaviors. Word-of-mouth marketing, a growing managerial practice that involves material relationships between consumers and organizations which must be disclosed to audience members, can be harmful to bloggers who, whether intentionally or not, publish erroneous content on their blogs.

Introduction

Motivated consumers seek accurate product information to inform their decisions, develop a knowledge base for potential future application, and perhaps even gain membership in communities of product enthusiasts and experts. In the Web 2.0 era, an increasingly diverse community of information sources attempts to satisfy this information-based market need by disseminating hedonic and utilitarian product claims through a widening array of channels. Blogs and the commercial, quasi-commercial, and non-commercial information sources (i.e., “bloggers”) who write them are key players in the online product information environment. Blogs are frequently updated online collections of the ideas and experiences of bloggers presented in reverse chronological sequence through text, imagery, and audio/video objects.

Structural and blogger-specific characteristics of the blogosphere make inaccurate blog content (i.e., “blogger error”) a realistic prospect. From a structural perspective, a computer, internet access, and a claim to disseminate are all that are needed in order for an individual to write a blog. From a blogger perspective, knowledge bias and reporting bias mean that, either due to perceived inadvertence or perceived deceptive intent, content disseminated by a blogger may fail to accord with external reality. Trust is therefore an essential characteristic of productive blogger-blog reader relationships. Trust is particularly relevant to blogger-blog reader relationships in which the claims of the blogger are experiential in nature. In a product context, it has long been recognized that consumers are wary of claims that either can only be assessed through or after product consumption or that cannot ever be assessed. As with what are termed “experience goods” such as movies, claim recipients can practically only determine the accuracy of an experiential claim by acting on it and judging if it accords with external reality.

If acting on a claim is a manifestation of trust, then it can be expected that blogger error (e.g., a movie review that overstates how entertaining or historically accurate the movie is) may deteriorate trust in the relationship between an offending blogger and its readers. However, studies of the consequences of service failure offer evidence suggesting that the consequences of blogger error may extend beyond decreased trust intentions (e.g., Grégoire, Tripp, and Legoux 2009; Wetzer, Zeelenberg, and Pieters 2007). Direct and indirect revenge-seeking behaviors are steps that offended individuals can take to inflict harm upon or otherwise perpetrate a transgression against a perceived initial transgressor (Grégoire, Tripp, and Legoux 2009; Weiner 2000; Wetzer, Zeelenberg, and Pieters 2007). Direct and indirect revenge-seeking behaviors are subtly distinguished on the basis of whether or not they involve personal interaction between the revenge seeker and the individual or organization from which revenge is sought (Grégoire, Laufer, and Tripp 2010). In the blogosphere, negative word-of-mouth communication is a viable indirect revenge-seeking behavior (Grégoire, Laufer, and Tripp 2010). Online public complaining has been investigated as a type of negative word-of-mouth communication that differs from convention in that it has a mass-public orientation and is capable of reaching a large audience (Grégoire, Laufer, and Tripp 2010).

Literature Review And Hypotheses

Blameworthiness and blogger error

Blameworthiness for a negative occurrence can be defined as the extent to which an offended party perceives the offending party as being accountable for the events that lead to the negative occurrence (Grégoire, Laufer, and Tripp, 2010). When a negative event occurs, offended parties commence an attributional search in order to develop a plausible causal explanation for the event (Weiner, 2000). In this context, blog readers are expected to consider the intangible or latent qualities of the blogger (e.g., character and motives) in order to assess the extent to which the blogger is deserving of blame for the error. It is expected that the content of the erroneous message, as well as the background of the communicator, will be considered during this attributional search.

Prior research distinguishes between utility and hedonism in and deriving from product or service consumption. Utilitarian consumption, or consumption that produces utilitarian value, is outcome based, task related, functional, and instrumental in nature. By contrast, hedonic consumption, or consumption that produces hedonic value, is experience based, non-task related, entertaining, and emotional in nature. Product enthusiasts are typical communicators of product reviews in the blogosphere. Product enthusiasts are characterized by high product-related passion, zeal, enduring involvement, loyalty, and consumption

experience, even if they lack formal subject-matter education, experience, and accomplishments.

Given that movies have both enjoyment-providing hedonic and utilitarian characteristics, two possible states exist in the relationship between a product enthusiast blogger and the movie reviews he or she disseminates. A state of claim-source accordance exists when this particular blogger disseminates claims about hedonic product dimensions (e.g., fun, excitement), whereas a state of claim-source discordance exists when this particular blogger makes claims about utilitarian product dimensions (e.g., historical accuracy). Thus, accordance (discordance) occurs when the content of a product review is matched with the background of the blogger; product enthusiasts are presumed to know more about hedonic than utilitarian product dimensions. Under a state of claim-source accordance (discordance), it is expected that blog readers would hold the blogger more (less) blameworthy for the error, as the blogger would (not) have been expected by blog readers to possess the ability to make accurate remarks about the product. Under a state of claim-source discordance, it is expected that blog readers would hold the blogger less accountable for the error, since the potential for honest inadvertence would be relatively high.

H1: The perceived blameworthiness of the product-enthusiast blogger for an erroneous review of the hedonic merit of the product is greater than for a review of the utilitarian merit of the product.

Blogger blameworthiness is also expected to vary according to whether or not the blogger discloses participation in a word-of-mouth marketing (WOMM) campaign to blog readers. Even though it is recognized that the stimulation of favorable word-of-mouth communication is a key marketing responsibility, emerging practices involve unprecedented “amplification” (i.e., intervention by marketers in word-of-mouth exchanges between consumers; Kozinets et al. 2010). Although the Word of Mouth Marketing Association asserts that WOMM is not about “*creating* word of mouth” (emphasis added), but rather “building active, mutually beneficial consumer-to-consumer and consumer-to-marketer communications” (2007), Kozinets et al. (2010) argue that WOMM involves intentional application of marketing tactics in order to influence word-of-mouth communication among consumers. In the United States, bloggers who receive compensation from companies for reviewing their products or providing product endorsements are required to disclose that material connection to their readers (Federal Trade Commission 2009).

Attribution theory offers a conceptual rationale for expecting disclosed involvement in a WOMM campaign to positively relate to the extent to which offended blog readers blame a blogger for an error it commits, since WOMM would seem to imply the possession of reporting bias. In contrast, the blogger who makes no WOMM disclosure may be perceived to possess a desire to help consumers and to have the freedom to make honest remarks about the product, even if the remarks are negative. By extension, the blogger who does not make a disclosure of its participation in a WOMM campaign may receive a relatively low level of blame for blogger error, with offended blog readers conceivably attributing the error to simple inadvertence or an acceptable difference of the otherwise sincere opinions.

H2: The perceived blameworthiness of the WOMM blogger for the blogger error is greater than that of the non-WOMM blogger.

Anger, dissatisfaction, and blogger error

Negative occurrences are noted for producing emotions of anger and dissatisfaction (e.g., Wetzler, Zeelenberg, and Pieters 2007). Anger is defined as an emotional state characterized by aggressive other-directed feelings, thoughts, and action tendencies (Bougie, Pieters, and Zeelenberg 2003). Anger and dissatisfaction have been found to correlate positively with each other, but dissatisfaction is characterized as a general negative affective state that does not depend on the manner by which a negative event occurred but simply on the perception that an unexpected negative event occurred that was caused by somebody else or by an uncontrollable circumstance (Bougie, Pieters, and Zeelenberg 2003; Wetzler, Zeelenberg, and Pieters 2007).

H3: The perceived blameworthiness of the blogger relates positively to the (a) anger and (b) dissatisfaction experienced by blog readers as a result of blogger error.

Anger and dissatisfaction are also expected to relate negatively to the perceived accuracy of the product review. Irrespective of the cause of the error, low perceived product review accuracy implies risk of loss to blog readers because the experiential nature of the claim means that the error cannot really be known by the blog reader until he or she has invested resources in evaluating the accuracy of the claim.

H4: The perceived accuracy of the product review relates negatively to the (a) anger and (b) dissatisfaction experienced by blog readers as a result of blogger error.

Negative word-of-mouth communication, online public complaining, and blogger error

Blogger blameworthiness is expected to relate positively to the extent to which offended blog readers develop behavioral intentions to engage in negative word-of-mouth communication and online public complaining as a result of blogger error. In this study, negative word-of-mouth communication is conceptualized as negatively valenced communication in a non-public setting (i.e., disseminated to personally known recipients), whereas online public complaining is conceptualized as negatively valenced communication in a mass-public setting (Grégoire, Laufer, and Tripp 2010). Compared to uncontrollable external attributions, Weiner (2000, p. 385) states that “external attributions that are controllable are much more damaging. They do not lead merely to exit and going away from, but rather they give rise to active actions, or going against.” For this reason, it is expected that higher levels of blame will be associated with higher intent to harm the online reputation of the blogger.

H5: The perceived blameworthiness of the blogger relates positively to the intentions of blog readers to engage in (a) negative word-of-mouth communication and (b) online public complaining as a result of blogger error.

In addition, the perceived accuracy of the product review is expected to relate negatively to negative word-of-mouth communication and online public complaining intentions. Such intentions are (not) expected when blog readers attribute the message with low (high) accuracy, since the size of the error (i.e., degree of inaccuracy) is likely to function as a key driver of the extent to which blog readers have something to exact revenge for.

H6: The perceived accuracy of the product review relates negatively to the intentions of blog readers to engage in (a) negative word-of-mouth communication and (b) online public complaining as a result of blogger error.

Finally, anger and dissatisfaction are also expected to relate positively to negative word-of-mouth communication and online public complaining intentions. Prior research shows that affective outcomes of service failure are predictive of retaliatory behaviours in response to negative occurrences.

H7: (A) Anger and (b) dissatisfaction relate positively to the intentions of blog readers to engage in (i) negative word-of-mouth communication and (ii) online public complaining.

Methodology

A 2 x 2 (WOMM disclosure versus no WOMM disclosure; hedonic versus utilitarian product review) between-subjects experiment involving 159 research participants facilitated hypothesis testing. Constructs were measured using seven-point scales on which high values indicate high blameworthiness assignments, feelings of disappointment, anger, and dissatisfaction, as well as negative word-of-mouth communication and online public complaining intentions. Movies were selected as the product category for this research as a pretest ($n = 184$) indicated consumers would be disappointed if a movie review they read overstated the merits of the movie ($M = 4.02$; $S.D. = 1.57$).

Research participants were exposed to a gender- and age-neutral "About Me" statement by a product enthusiast blogger and a favourable movie review. Research participants exposed to the WOMM treatment received the following disclosure statement: "Disclosure: I am compensated with movie tickets, merchandise, and other promotional material by the makers of this movie for writing and posting reviews of its movies on my blog." A movie scenario focusing on a romantic relationship between an American soldier and an Afghan aid worker in an orphanage in Afghanistan was developed for use in this study. The scenario was pretested and assessed (all Cronbach alphas $> .90$) as being realistically exciting, sensual, educational, and appealing (all means > 4.29). Hedonic and utilitarian movie reviews were developed to be similar to those on blogs and related media. Pretests of the strength, quality, understandability, positive valence, hedonic appeal, and realism (all Cronbach alphas $> .78$) of the movie two reviews resulted in moderate-to-high scores (all means > 3.5 , $ps < .05$) that did not significantly differ from each other (all $ps > .1$). Since the "About Me" statement described a blogger with high consumption experience, the hedonic (utilitarian) movie review condition served to provide a state of claim-source accord (discordance) for the purpose of testing H1.

Blameworthiness, anger, dissatisfaction, movie review accuracy, negative word-of-mouth communication intentions, and online public complaining intentions were measured after research participants were advised of the erroneous nature of the movie review. The blameworthiness of the blogger was assessed with four items (Cronbach $\alpha = .97$) adapted from related research (e.g., Grégoire, Laufer, and Tripp, 2010). Blameworthiness assignments were moderate under both the hedonic movie review ($M = 3.14$, $S.D. = 1.76$) and the utilitarian movie review ($M = 3.15$, $S.D. = 1.63$) conditions, with no significant difference observed between them ($F(1,157) = .004$, $p > .1$). Error-induced anger and dissatisfaction were respectively assessed as the extent to which research participants were angry, mad, and outraged (3 items; Cronbach $\alpha = .93$) as well as disappointed, dissatisfied, discontented, and displeased (4 items; Cronbach $\alpha = .93$). Negative word-of-mouth communication (3 items; Cronbach $\alpha = .91$) and online public complaining (Cronbach $\alpha = .96$) intentions measures were drawn from research on the retaliatory responses of

consumers to perceived service failures and trust violations (e.g., Grégoire, Laufer, and Tripp, 2010). Behavioral responses to blogger error were moderate ($M_{Neg. WOM} = 2.96$, $S.D. = 1.78$; $M_{Online complaining} = 2.08$, $S.D. = 1.85$).

Results

Across all conditions, a moderate level of blameworthiness was assigned to the blogger ($M = 3.15$, $S.D. = 1.69$), suggesting the relevance of the blameworthiness cognition as a response to blogger error. H1 predicted that the blameworthiness of the blogger would be higher for its erroneous review of the hedonic merit of the movie than for the utilitarian merit of the movie. H2 predicted that the blogger who made the WOMM disclosure would receive higher blameworthiness ratings than the blogger who did not make the WOMM disclosure. A two-way ANOVA was used to test hypotheses 1 and 2. No evidence was observed of an interaction effect between movie review type and WOMM treatment on the perceived blameworthiness of the blogger ($F(1,155) = .06$, $p > .1$). The ANOVA failed to reveal support for H1, since there was no significant difference between the blameworthiness of the blogger who reviewed the hedonic merit of the movie ($M_{Hedonic} = 3.14$, $S.D. = 1.76$) and that of the blogger who reviewed the utilitarian merit of the movie ($M_{Utilitarian} = 3.15$, $S.D. = 1.63$; $F(1,155) = .01$, $p > .1$).

In contrast, H2 was supported by the analysis. The blogger who made the WOMM disclosure to readers garnered more blame ($M_{WOMM} = 3.54$, $S.D. = 1.69$) than the blogger who did not make the WOMM disclosure ($M_{No WOMM} = 2.74$, $S.D. = 1.61$; $F(1,155) = 9.15$, $p < .01$). This blameworthiness finding implies serious consequences for this particular marketing practice when error occurs. At the same time, however, additional analyses failed to show the WOMM blogger receiving more negative affective responses to blogger error than the non-WOMM blogger ($M_{Difference - Anger} = .41$, $p > .05$; $M_{Difference - Dissatisfaction} = .31$, $p > .1$). Perhaps even more important is that the additional analysis did not show the WOMM blogger receiving higher negative word-of-mouth communication intentions or online public complaining intentions than the blogger who did not make the WOMM disclosure ($M_{Difference - Neg. Comm.} = .26$, $p > .1$; $M_{Difference - Online public complaining} = .39$, $p > .05$).

Bivariate correlations were inspected and multiple regression analysis was used to test hypotheses 3 and 4; regression results are shown in Table 1. Anger and dissatisfaction were examined as two affective outcomes of blogger error and the hypothesized relationships between blogger blameworthiness and these affective outcomes (H3a and H3b) were supported by the analysis. Blogger blameworthiness was observed to possess positive relationships with feelings of anger ($r = .40$, $p < .001$) and dissatisfaction ($r = .33$, $p < .001$) caused by blogger error.

Table 1. Multiple regression analysis results

IVs	Anger		Dissat.		Negative WOM		Online public complaining	
	β	<i>t</i>	β	<i>t</i>	β	<i>t</i>	β	<i>t</i>
Blame	.425.87***		.334.36***		.24 3.27***		.293.89***	
Accuracy	.253.48***	.06	.75		-.22 -3.05**		.07 1.01	
Anger	-	-	-	-	.18 1.83*		.28 2.81**	
Dissatisfaction	-	-	-	-	.23 2.50**		.08 .86	
Adjusted R^2	.21		.10		.29		.27	
<i>F</i> value	21.59***		9.55***		16.94***		15.61***	

* $p < .05$; ** $p < .01$; *** $p < .001$.

The perceived accuracy of the movie review was not observed to possess the hypothesized relationship with anger (H4a) and dissatisfaction (H4b). Perceived movie review accuracy was not significantly related to the feeling of dissatisfaction caused by blogger error ($r = .03$, $p > .1$) and, curiously, was positively related to the feeling of anger caused by blogger error ($r = .21$, $p < .01$). It is apparent that the negative affective outcomes of blogger error derive more from the perceived reasons for the error than from the size of the error.

Negative word-of-mouth communication and online public complaining were assessed as two behavioral outcomes of blogger error in this study. No evidence of an interaction effect between WOMM type and movie review type was observed for either negative word-of-mouth communication intentions ($F(1,155) = .24$, $p > .1$) or online public complaining intentions ($F(1,155) = .002$, $p > .1$). Relationships between blogger blameworthiness, movie review accuracy, two affective outcomes of blogger error, and these two behavioral intentions were inspected. Results are shown in Table 1. As predicted, blogger blameworthiness is a positive antecedent of both negative word-of-mouth communication and online public complaining intentions. H5 was therefore supported by the analysis.

The analysis revealed movie review accuracy to possess a complex relationship with negative word-of-mouth communication and online complaining intentions. As expected, the perceived accuracy of the movie review was found to possess a negative relationship with intentions to engage in negative word-of-mouth communication. H6a was therefore supported by the analysis. In contrast, movie review accuracy was not observed to possess a significant relationship with online complaining intentions. H6b was therefore not supported by the analysis.

H7 predicted that (a) anger and (b) dissatisfaction would positively relate to the intentions of blog readers to engage in (i) negative word-of-mouth communication as well as (ii) online public complaining. Consistent with H7a(i) and H7a(ii), anger was observed to relate positively to both behavioral intentions. H7b(i) was also supported, but H7b(ii) was not.

Discussion

Blogger error and its implications for blog readers and bloggers have not been examined in prior research. The blameworthiness implications of WOMM are among the important contributions of this study. Indeed, the anger and dissatisfaction produced by blogger error appear more related to how the error occurred than to the size of the error. Bloggers and the

organizations that enlist them in a WOMM capacity must recognize that, in the context of blogger error, offended readers appear relatively unwilling to accept inadvertence, uncontrollable factors (e.g., a technical glitch), or a legitimate opinion difference as plausible causes of the error in the WOMM condition as compared to the non-WOMM condition. As this research indicates, blameworthiness is an essential cognition for its relationships with both the affective and behavioral responses to blogger error. Anger, dissatisfaction, negative word-of-mouth communication intentions, and online public complaining intentions were all observed to relate to the extent to which offended blog readers found the blogger worthy of blame for the error.

Based on these results, bloggers may be tempted to take precautions against receiving blame in the event of blogger error. However, WOMM bloggers should not conceal the material connections that join them to their corporate sponsors. In general, precautions should be taken so as to minimize the probability of blogger error in the first place.

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Summary Brief

The Malleable Role of Social Consensus in Shaping Attitude Certainty

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People often reflect on the opinions of others and express greater attitude certainty when they perceive their attitudes to be shared by others (high attitude consensus). The present research tests the possibility that either high or low attitude consensus can increase attitude certainty depending on people's salient social identification needs. In particular, high attitude consensus with a target group is found to be more validating when people seek to belong to the group, as this identification motive promotes a search for similarities between themselves and the group. In contrast, low attitude consensus with a target group is found to be more validating when people seek to be unique from a group, as this identification motive promotes a search for dissimilarities between themselves and the group. Two experiments support these hypotheses, offering insight into the intra-personal motives that alter the diagnostic value of social consensus information.

Introduction

A truism of social behavior is that individuals look to others to validate their attitudes (Festinger, 1954). Moreover, it is well-documented that individuals receive greater validation—in the form of heightened attitude certainty—when others in turn share their attitudes. Indeed, such *attitude consensus* is considered a hallmark antecedent of attitude certainty (Tormala and Rucker 2007). Yet it is unclear whether individuals are always motivated to share their attitudes with others. In fact, one could argue that individuals may under certain circumstances actually desire attitude dissimilarity (i.e., low consensus). The purpose of the present research is to explore one such factor that may moderate the validating impact of attitude consensus—namely, individuals' social needs.

At a broad level, social groups are critical to how we construe our identity (Tajfel 1978). Yet a fundamental benefit of these social groups is that they allow us to satisfy even our most basic social needs (Baumeister and Leary 1995). To illustrate, Optimal Distinctiveness Theory (Brewer 1991) argues that we are in constant pursuit of balance between the competing needs for uniqueness and belonging. Activating one need, therefore, leads us to act in ways that satisfy the need in an attempt to return to this balanced state of optimal distinctiveness.

Given these competing social needs, we explore the possibility that the desire for belonging and uniqueness alters the validating impact of attitude consensus. In particular, we propose that high consensus is more validating and fosters greater attitude certainty when people seek social belonging, whereas low consensus is more validating and fosters greater attitude certainty

when people seek social uniqueness. This hypothesis is tested across two experiments.

Experiment 1

Purpose

We manipulated individuals' social needs with—and consensus feedback from—the same target group. Our expectation was that individuals with a need for belonging (uniqueness) to a target group should express more certainty in their attitudes after receiving information that their attitude is shared (not shared) by other members of the group. Moreover, we expected these increases in attitude certainty to manifest in stronger attitude-behavior intention correspondence (Tormala and Rucker 2007).

Method

100 undergraduates completed a personality survey before being presented with false feedback that their personality was extremely dissimilar (need for belonging) or extremely similar (need for uniqueness) to other undergraduates at their university. They were then informed of a new identification card policy ostensibly being considered on their campus and received feedback that 89.37% (high consensus) or 10.37% (low consensus) of other university students agreed with their attitude. Participants indicated their level of certainty in their attitude toward the policy as well as how willing they would be to help promote the policy in the future.

Results

The attitude certainty index revealed a social need × consensus interaction ($F(1,96) = 12.44, p = .001$). Those with a need for belonging reported greater certainty in the high (versus low) consensus condition ($F(1,96) = 6.03, p < .05$). Conversely, those with a dissimilarity mindset condition reported greater certainty in the low (versus high) consensus condition ($F(1,96) = 6.48, p < .05$).

Additionally, for those seeking belonging, attitude-intention correspondence was greater following the high ($r = .47, p < .05$) rather than low ($r = -.05, p > .83$) consensus feedback ($z = 1.70, p < .05$, one-tailed). For those seeking uniqueness, attitude-intention correspondence was greater following the low ($r = .58, p = .001$) rather than high ($r = .07, p > .77$) consensus feedback ($z = 2.05, p < .05$, one-tailed). Higher correspondence, then, was observed when certainty was high.

Experiment 2

Purpose

While experiment 1 offered initial support for our hypothesis, experiment 2 sought to offer evidence that social needs influence the validation of consensus feedback by altering the value of similarities or dissimilarities between individuals and the target group. Specifically the need for belonging (uniqueness) to a target group is predicted to beget a focus on information that is similar (dissimilar) to the group. We therefore induced participants with a mindset prime to heighten the diagnosticity of similarities or dissimilarities before presenting them with high or low consensus feedback.

Method

120 undergraduates initially generated four similarities or differences between themselves and other members of the student body to induce either a similarity or dissimilarity mindset, respectively (Tormala and Clarkson 2007). Participants then completed the same consensus manipulation as in Experiment 1 before reporting their attitude certainty and their willingness to make phone calls and write letters to other students informing them about the policy.

Results

The attitude certainty index revealed a mindset \times consensus interaction ($F(1,116) = 9.45, p < .01$). Those with a similarity mindset reported greater certainty in the high (versus low) consensus condition ($F(1,116) = 4.52, p < .05$). Conversely, those with a dissimilarity mindset condition reported greater certainty in the low (versus high) consensus condition ($F(1,116) = 4.95, p < .05$).

Accordingly, in the similarity mindset condition, attitude-intention correspondence was greater following the high ($r = .46, p = .01$) rather than low ($r = .04, p > .85$) consensus feedback ($z = 1.68, p < .05$, one-tailed). In the dissimilarity mindset condition, however, attitude-intention correspondence was greater following the low ($r = .60, p = .001$) rather than high ($r = .24, p > .18$) consensus feedback ($z = 1.66, p < .05$, one-tailed).

Discussion

Two experiments demonstrated that need for uniqueness (belonging) leads to greater validation following high (low) attitude consensus. The reversal of the classic consensus effect emphasizes the importance of social identification needs on the dynamic impact of consensus feedback on individuals' attitudes. Consequently, practitioners need to be aware of the identity needs that their brands evoke, as promotions that either tout the popularity or distinctiveness of the product might be more or less effective depending on whether the consumer is seeking greater belonging or uniqueness.

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Summary Brief

The Role of Moral Centrality on Review Honesty and Helpfulness

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Consumer online reviews have been playing important role in helping consumers to make purchase decisions, as well as in improving sellers' performance. Using three studies, the current research examines how will consumers' moral identity affect their possibility to provide honest and helpful reviews. This research also aims to provide guidance for managers to increase the accessibility of people's moral identity, in order to improve the helpfulness of the reviews. Theoretically, this research is the first to incorporate the concept of moral identity into eWOM literature.

Introduction

In the past few years, consumers' online product reviews have dramatically affected consumer decisions and product market performance (Zhu and Zhang, 2010). More retailers (e.g., Amazon, Bestbuy, and Walmart) are utilizing online reviews to help consumers in their purchase decisions and improve sales. Recent study show that 24% of Internet users read online reviews before paying for a service delivered offline. Also, consumers are willing to pay 20% more for a 5-star product (Comscore.com 2007).

Despite the popularity of using online review platform as a marketing channel, important gaps remain in the online review literature. Online review research has yet to study how to motivate consumers to review products online, especially, how to motivate consumers to provide honest and helpful reviews. The purpose of this research is to identify influential socio-psychological factor (i.e. moral identity) that facilitates unbiased and helpful online product reviews. The authors develop and test a theory-based model that incorporates moral identity into online review motivation mechanism.

The conceptual model of this research was among the first to introduce moral identity into e-WOM literature. The core construct of this research is Self-Importance of Moral Identity (SIMI). This construct is defined as the level of importance of moral identity to an individual (Aquino and Reed 2002). Drawing on self-concept maintenance theory, this research argues that, Self-Importance of Moral Identity (SIMI) promotes moral reviewing behavior such as intend to review, intend to provide honest and helpful reviews. The key premise of self-concept maintenance theory is that, people's internal value system works as a major drive for their behavior. Compliance with such system generates positive rewards (i.e. psychological well-being), whereas noncompliance results in negative rewards (i.e. psychological dissonance) (Mazar, Amir, and Ariely 2008). Salient or self-important moral identity motivates moral behavior, which is consistent with the self-concept of moral consumers, and increases their psychological well-being (Aquino & Reed 2002).

Also, this research proposes that moral identity can be primed to exert control over moral reviewing behavior. According to prime paradigm, identity primes can readily influence the behavior as the original identity does.

Further, this research argues that expertise materialism has a negative effect on people's intention to provide online reviews. It also has a negative effect on people's likelihood to provide honest or helpful reviews. This is because when people devote psychic energy in achieving material success, they give less intention to other goals, such as helping others (Csikszentmihalyi 1999, Cummins 2010). Further, this research argues that moral identity moderate the effect of materialism on review behaviors, such that these negative effects will be dampened.

Finally, this research draws on cognitive process literature and argues that people who write a helpful review will see a positive (negative) product experience less positive (negative). People who write helpful reviews for positive (negative) product experiences have lower (negative) repurchase intention than those who write less helpful reviews. This is because analytical thinking and writing about an event increases the understanding of it (Lyubomirsky et al. 2006; Penebaker 1997). By understanding positive (negative) events, individuals feel less intense positive (negative) emotions, and their emotional responses to the events will be dampened (Boals and Klein 2005; Lyubomirsky et al. 2006).

Method

This research will use three studies to investigate the value of SIMI in motivational mechanism of moral review behavior. Study 1 will include two sub-studies. Study 1a is a survey that will examine the relationship between SIMI and moral review behavior. Study 1b will be an experiment that will examine whether moral identity can be primed to motivate moral review behavior. Study 2 will be an experiment that assesses the role of consumers' materialism in motivating moral review behavior. It will also assess whether moral identity can weaken the relationship between materialism with moral review behavior. Study 3 will use an experiment to examine the effect of consumers' moral review behavior on their evaluation of product experience, and repurchase intention.

Theoretical Implication

Theoretically, this research is among the first to incorporate the concept of moral identity into e-WOM literature. This research identifies the social psychological factor that facilitates helpful reviews. Further, this research extends the understanding of

individuals' cognitive process by examining the effect of storytelling on storytellers.

Managerial Implication

Managerially, this research aims to provide a useful guide for managers to identify reviewers who write helpful reviews. Identification of helpful reviewers will help managers to effectively reward and motivate moral review behavior, which in turn improves sales performance.

This research also suggests that managers can leverage moral identity by priming the moral identity. For example, moral appeals such as "share your product experience to help others" can be used as prime stimulus when inviting people to review a product online.

Further, this research tested several major features of helpful reviews proposed by previous research. These features will help managers form strategies to help increase review helpfulness. For example, when inviting consumers to review a product, companies can ask reviewers to write both pros and cons of a product, and to explain why or why not they like a product. Strategically, this research show that if by using moral appeals to motivate review writing, reviewers' relationship with the reviewed company could be enhanced, hence reviewer's loyalty to a product or brand can be improved.

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Summary Brief

Ritualized Practices and Online Community Engagement

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Structural Ritualization Theory is used to investigate online community engagement. Important rituals are identified using ritualized symbolic practices to identify rituals in terms of their salience, repetitiveness, homologousness, and resources using both netnography and in-depth interviews of Facebook participants. Ritualize symbolic practices are effective in identifying daily ritualized behaviors of online community participants during different stages/types of engagement and phases in the participants lives.

Introduction

Recent studies investigating communities have described social networks as the strongest form of online community, and yet some community sites are struggling to survive while other sites are flourishing (Chmielewski 2009; Fournier 2009; Fullick 2011; Mathwick, Wiertz, and de Ruyter 2008). The willingness of consumers to join these sites and continue their engagement in them may depend on the extent that their community behavior becomes ritualized into daily life.

Research on communities suggests that rituals may be a critical component in building and maintaining community growth (Muñiz and O'Guinn 2001). To date the consumer behavior literature has focused primarily on the construct of ritual rather than drawing from theory that specifically examines the meanings and structure of the ritual practices themselves (Knottnerus 2010; Rook 1985; Tuncay and Otnes 2008). A theoretical understanding of how consumers come to ritualize specific aspects of their daily behavior in online communities and those aspects that facilitate prolonged engagement is needed.

The purpose of this research is to investigate online community rituals and the role that ritual experiences play in building and sustaining online communities. Specifically we explore: (1) What are the meaningful rituals occurring in these online communities? and (2) Which ritualized practices are most important in developing ongoing community affiliation for community members? We draw on structural ritualization theory (Knottnerus 2010) to study the ritualization of online interactions and experiences. Qualitative methods are used to explore the effects of ritual experiences on consumers involved in Facebook. Facebook participants were chosen given the robustness of the community. Similar to past community research, both in-depth interviews and netnographic methods were used (Luedicke 2006; Muñiz and Schau 2005).

Conceptualization

Structural Ritualization Theory (SRT) introduces a framework for understanding the ritualized actions that occur in collectives such as communities. SRT is based on the basic assumption that rituals are a fundamental component of human

behavior and the social processes which shape group interactions. The ritual practices performed within communities become part of the members' individual scripts that tell the member the proper behavioral patterns within the community's social environment (Knottnerus 2010). SRT focuses the ritualizations of social actors in their daily social lives.

Ritualized symbolic practices (RSPs) refer to standardized social practices of the group that are regularly engaged in, and are action repertoires that are schema driven. Four key aspects of these RSPs are salience, repetitiveness, homologousness, and resources (as shown in Table 1). These four dimensions are used to understand what behaviors exhibit ritualized practices and to what extent rituals may change at various stages of community membership.

Table 1. Ritualized Symbolic Practices

	Description	Example
Salience	The degree to which RSPs are conspicuous, prominent or noticeable and how central the RSPs are to an act, action sequence, or bundle of interrelated acts.	Place of prominence at beginning/end of the day and during free time. Desire to know how the most important people in their lives are.
Repetitiveness	The frequency and or degree with which ritualized behavior is repeated.	Frequent use, always on, behavior described as habitual and addictive.
Homologousness	The perceived similarity among different RSPs.	Similar process to email, chat, scrapbooking, videoconferencing, texting, micro-blogging.
Resources	Materials or skills needed to enable participation in RSPs	Use of cell phone apps, personal computers, cameras, photo albums, music, games, hobbies, and travel/maps using the computer, internet, and smartphone.

Methods

In-depth interviews were conducted with 28 college students who were active users of Facebook (member for > year, posted within the last week). Informants ranged in age, level in college, major, and gender. Of these 28 informants, 10 active users were selected to be observed as part of a netnography and were friended and followed on Facebook for a period of two months.

Ritual themes were identified in both the coding of in-depth interviews and netnographic analysis of Facebook pages (Flick 2006). In addition to SRT and the RSPs, which determine the importance or rank of the rituals, we adapted a classification system for identifying ritual experiences in terms of the rituals' common behavioral elements (see table 2) (Levy 1978; Rook 1985). This allows for the rituals to be both ranked and classified by type.

Table 2. Behavioral Stages and Ritual Themes

Ritual Theme	Description
Freedom From Constraints	Displays freedom of expression and lack of oversight leads to sharing and speaking without much forethought.
Network Expansion	The process of forming new social connections with others both familiar and unfamiliar in order to expand ones network.
Collective Sharing	Documenting and sharing ones stories and activities with others in the community.
Social Support	Engaging in social support seeking and relationship maintenance behaviors to escape social isolation and obtain and maintain access to other community members.
Utilitarian	Engaging ones community for utilitarian purposes as a resource.
Entertainment	Involves viewing, reading, chatting, listening and connecting with others for entertainment purposes through observation and sharing during ones free time or downtime.
Network Control	Users engage in maintenance behaviors to control access to them.
Reflexive Identity	The process of redoing or removing posts when the user second guess the post due to lack of peer support.

Findings and Discussion

In this analysis we identify and rank the rituals occurring in the online community of Facebook using SRT. Community members expressed (and we observed) elements of salience, repetitiveness, homologousness, and resources in their ritualization of daily online behaviors (see table 1 for a partial listing). Based on SRT, ritualized practices are present in online communities and several rituals rank more prominently in connecting the members to the online community.

In addition to the ritualized elements of SRT, three behavioral stages that users passed through during the course of

their membership are identified as young cliques, social debuts, and regulative linkers.

Specifically, ritual themes (see Table 2) of freedom from constraints, network expansion, collective sharing, social support, utilitarian, entertainment, network control, and reflexive identity emerged during three distinct stages in the Facebook community.

Finally, we observed in the analysis that some of these online community stages correspond to different transitional phases of young adults lives. In our informants, these stages tended to reflect altered stages of community engagement, or reasoning associated with that engagement, as well as reflects altered norms and online practices of their cohorts.

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College Students' Usage of Mobile Phones

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A modified version of a questionnaire originally utilized in a 2003 study of mobile phone usage and etiquette was employed in the present study, which focuses on patterns of present day cell phone usage among college students. Some of the most frequent uses for mobile phones were found to be text messaging, time-keeping, wake-up/reminder functions, phone book, wireless Internet access, and receiving and transmitting photographs. Some interesting and potentially important differences between male and female market segments were noted. Recommendations for future research to assist marketers of mobile phones and marketing educators are provided.

Introduction

The use of mobile phones around the world continued to increase rapidly over the past dozen years or so. According to the wireless industry's CTIA website, as of June 30, 2012, there were 321.7 million wireless connections in the USA and its territories (Guam, Puerto Rico and U.S. Virgin Islands), up from 134.6 million at the end of June 2002. This represents a wireless penetration rate (per person) of 101% versus 47.4% in 2002. As of June 30, 2012, 35.8% of all USA households were wireless only, up from 10.5% in 2007 ("Wireless Quick Facts" 2013).

Such growth has resulted in the use of the technology in more places than usual, ranging from business meetings and other work settings to public places like restaurants, mass transit, and streets. Consumers' usage of mobile phones has been increasingly studied by both academicians and the media and trade groups. For example, CNN did a month-long series on "Our Mobile Society," in which they noted: "In the UK, it is called a mobile, in the U.S. cell phone, in Latin America celular, in Japan keitai (portable), in China shou-ji (hand machine), ..., and in Germany a handy"(Canton 2012). The purpose of this paper is to report on the behaviors of college students at one Southern university regarding their use of mobile phones.

Literature Review

The use of mobile phones in more public situations, such as while driving, in libraries, churches and fitness clubs, and in schools and universities, has created concerns about public safety (e.g., Khan and Stark 2011; Nasar, et al. 2007; Lowy 2013), general rudeness (Adrian, et al. 2012), cheating (Campbell 2006) and addiction (Gibson 2011). This is not limited to the United States. In Japan there is a strict "manner mode" and "using a mobile in public is frowned upon ..." while in Spain and Italy, people "are not averse to discussing their personal lives in public" (Canton 2012).

One first must understand how technology is accepted before studying technology usage. There are several models available for use; however, probably the most popular one is the Technology Acceptance Model (TAM). It was developed by Davis (1989) and has been modified since then by many academicians. It is

considered to be a derivative of the Theory of Reasoned Action (Fishbein and Ajzen 1975). TAM was designed "to provide an explanation of the determinants of computer acceptance across a broad range of end-user computing technologies and user populations (Davis, Bagozzi, and Warshaw 1989)" in Head and Ziolkowski (2012, p. 2332). "More recently, it has been extended to include subjective norms (SN) to explain PU and usage intentions in terms of social influence and cognitive instrumental processes (Venkatesh and Davis 2000)" in Choi and Totten.(2012, p. 1526).

Mobile phone usage behavior has been reported in the national press and trade media outlets. For example, a 2011 study by the Pew Research Center found that 83% of Americans had some kind of cell phone. They were used for quick information retrieval, emergency situations, entertainment, text messaging, picture taking, sending pictures and accessing the Internet (Smith 2011). Nielsen found that usage differed by "market and demographic groups." Smartphones are the preferred device for consumers in Australia (65%), China (66%), South Korea (67%), the UK (61%) and the USA (53%), whereas feature phones are preferred by consumers in India (80%) and Turkey (61%) (Nielsen 2013). In terms of how long people talk, Indians average 346 minutes a month (due in part to low rates) and Finns average 257 minutes a month, versus only 46 minutes a month by folks in Malta (Canton 2012).

In the spring of 2003, a seven-state study was launched by two authors from a southern state (Totten, et al. 2005). Due to some timing problems data from four states were received. A detailed questionnaire that addressed mobile phone usage (situations, frequency, features used, locations used) and etiquette was developed by the first two authors, pretested, and then used at all four schools. Higher usage while driving and at work were significantly different for students in the Southern state vs. students in Colorado, North Dakota and Connecticut. As an indication of how times change, roughly 57% of all responding students said they never used their phones for text messaging. Ten years later that percentage is probably closer to 100%. Students reported greater use of the following features: social interaction, timekeeping, reminders, and for emergency purposes (Totten, et al. 2005).

A number of recent articles have dealt with mobile phone usage related to students' personalities, classroom usage, and social networking skills (e.g., Angster, et al. 2010; Baker, et al. 2012; Guo, et al. 2010; Hakoama and Hakoyama 2011; Junco, et al. 2010; Stubblefield, et al. 2010). Hanson, et al. (2011) looked at the amount of time students spent on classes versus personal activities and found that students averaged a little over 12 hours attending classes and a little less than 12 hours studying for classes. In contrast, they spent over 14 hours sending text messages on their phones (p. 26). Head and Ziolkowski (2012) studied the concept of "feature fatigue" by using three statistical methods (conjoint, cluster, and SEM analyses). They identified

“two distinct segments of university student consumers of mobile phones: (i) *instant communicators*; and (ii) *communicators/information seekers*” (p. 2337). The first segment heavily values text messaging and the alarm clock feature; whereas the second segment also values text messaging and alarm clock but also value e-mail and web browsing apps (p. 2335).

Mak, et al. (2009) surveyed over 1,000 students in five countries about their usage of mobile phones in public places and found that age and country significantly affected usage attitudes. For example, Turkish students viewed usage in restaurants as highly favorable but frowned upon usage on public transportation, and younger students were more accepting of usage in public places. Women students used mobile phones more often than did men (p. 321). Kuzmanovic, et al. (2013) used conjoint analysis to segment Serbian students according to attributes/features of mobile phones. Two distinct segments were generated; the first segment (not given a name) valued the conversation billing interval (i.e., are seconds counted or are they rounded up into minutes for billing purposes?), the mobile phone operator, and the quickness in getting account balance (i.e., minutes) updates (p. 172). The second segment values the possibility of transferring unused minutes to the next month, free Internet access provided by the contract, and availability and quality of tech support (p. 173).

Methodology

The original questionnaire used by Totten, et al. (2005) was available. A group of marketing research students in the spring 2011 class was interested in mobile phone usage and etiquette, so the author loaned them the questionnaire. The student group proceeded to modify the questionnaire, updating the features to reflect the technology changes that had occurred since 2003, and collected data from other students on the campus of a regional state university. A total of 250 usable questionnaires were collected by the convenience sample, then edited, coded, and entered into SPSS version 18. The lead author went back in 2013 to their data file, re-ran the statistics, and ran other pertinent statistics. The focus of this manuscript is on the usage section of the survey data.

Results

Overview of Findings

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

Table 1. Profile of Respondents

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

The demographic variables were subjected to crosstabulations and chi square analysis to determine if there were any significant relationships among them. Some degree of cell size problem (CSP) was found, even after recoding. Significant relationships at the $p \leq .05$ level are reported. Those who are unemployed relied on scholarships and loans, while those who were employed part-time relied on their families ($\chi^2 = 22.827$, $df = 8$, $p = .004$, 33%). Younger students (18 or 19) tended to rely upon themselves or scholarships/loans, while 22 year olds relied on family and/or scholarships/loans. Those between the ages of 24 and 30 tended to rely on themselves, while older students (>30) relied on themselves and/or scholarships and loans ($\chi^2 = 49.649$, $df = 28$, $p = .007$, 52.5%). Turning to age, female participants tended to be between the ages of 18 and 20 or older than 30, while males tended to be 22 or between the ages of 24 and 30 ($\chi^2 = 14.798$, $df = 7$, $p = .039$). Older students (24 plus) tended to be employed full-time while 18 and 19 year olds tended to be unemployed ($\chi^2 = 38.367$, $df = 14$, $p = .000$, 33.3%).

Respondents were given six locations and an “other” choice and asked to indicate where they usually used their mobile phones. A summary of their responses is provided in Table 2. The most popular locations were at home and at school. Students were then asked to rate the importance of seven attributes on a five-point scale, where 1 = “Not Important At All” and 5 = “Extremely Important.” Descriptive statistics are provided in Table 3. The most important attributes are convenience, coverage and unlimited text messaging.

Table 2: Locations Used

Location	Frequency
At home	245
At school	228
Stores/malls	211
In your car (not driving)	196
At work	182
In your car (driving)	182
Other	051

Students were then asked to indicate how frequently they used 17 features or purposes for their mobile phones, using a five-point scale where 1 = “Never” and 5 = “Very Frequently.” Descriptive statistics are summarized in Table 4. The six most frequently used features/purposes were text messaging, to keep track of time, wake-up/reminder alarm, phone book, wireless Internet access, and to take and send pictures. The least used features were to keep track of children, to download music, news and sports scores, and voice reminder/memo.

Table 3: Descriptive Statistics for Attribute Importance

Attribute	Mode	Median	Mean	S.D.	N
Convenience	5	5	4.668	0.619	250
No house phone	5	4	3.386	1.688	249
Status symbol	1	2	2.360	1.348	247
Unlimited text messaging	5	5	4.389	1.005	247
3G data speeds	5	4	3.875	1.327	247
Coverage	5	5	4.597	0.713	248
iPhone availability	5	3	3.092	1.635	249

Scale: 1 = Not Important At All; 5 = Extremely Important.

After the etiquette questions, respondents were asked three final questions before demographics. First, they were asked about satisfaction with their current service. The modal response was "satisfied" (58.1%, 144/248) and the mean was 3.847 (S.D. = 0.936). Students were then asked to allocate 100% between landline and cell phones. The modal response was 100% for cell phones (56.5%, 139/246) and 0% for landlines. The mean percentages were 94.48% and 5.52% respectively. Finally, they were asked to approximate how much they spent monthly on their mobile phones. The bi-modal response was \$60 and \$100 (11.2% each, 25/223), with the mean expenditure equaling \$85.29 (S.D. = \$49.775).

Table 4: Descriptive Statistics for Feature Frequency

Feature:	Mode	Median	Mean	S.D.	N
Text messaging	5	5	4.623	0.789	249
Social network apps	5	4	3.536	1.486	248
Stimulation (relieve boredom)	5	4	3.644	1.347	247
Playing games	2	3	2.727	1.387	249
Wake-up alarm	5	5	4.438	1.131	249
Calculations	3	3	3.442	1.220	249
Reminder/memo	1	2	2.321	1.338	249
Emergency availability	5	4	3.416	1.514	250
Directions (GPS)	3	3	2.936	1.418	250
Planner/calendar	5	4	3.464	1.342	250
Wireless Internet access	5	5	3.964	1.476	250
Keep track of time	5	5	4.522	0.912	249
News & sports scores	1	2	2.544	1.462	250
Keep track of children	1	1	1.593	1.187	248
Download music	1	2	2.129	1.341	249
Phone book	5	5	4.036	1.290	250
Take and send pictures	5	4	3.960	1.184	227

Scale: 1 = "Never;" 5 = "Very Frequently."

Significant Differences

A few significant relationships were found through crosstabulations of locations by demographics. Students employed part-time tended to check using mobile phones in the car while driving ($\chi^2 = 10.016$, $df = 2$, $p = .007$). Management and marketing majors tended to check using phones in the car while not driving ($\chi^2 = 8.618$, $df = 3$, $p = .035$). General business majors were the only ones who did not check using cell phones at home ($\chi^2 = 10.312$, $df = 3$, $p = .016$).

Independent t-tests were run on the importance and features questions by gender. Women tended to rate two attributes as being

more important: convenience (mean = 4.79 vs. 4.51; $t = 3.483$, $df = 204.141$, $p = .001$, equal variances not assumed) and unlimited text messaging (4.60 vs. 4.12; $t = 3.71$, $df = 202.022$, $p = .000$, equal variances not assumed). Female students indicated more frequent usage of the following features than males did: text messaging (4.72 vs. 4.5; $t = 2.097$, $df = 232.886$, $p = .037$, equal variances not assumed), social networking apps (3.76 vs. 3.26; $t = 2.636$, $df = 245$, $p = .009$), stimulation (relieve boredom; 3.84 vs. 3.39; 2.681, $df = 244$, $p = .008$), calculator (3.71 vs. 3.11; $t = 3.955$, $df = 246$, $p = .000$), emergency availability (3.75 vs. 2.99; $t = 4.033$, $df = 247$, $p = .000$), planner/calendar (3.62 vs. 3.26; $t = 2.089$, $df = 247$, $p = .038$), and taking and sending pictures (4.16 vs. 3.72; $t = 2.80$, $df = 224$, $p = .006$). Men rated news and sports scores as being more frequently used than women did (3.07 vs. 2.12, $t = -5.241$, $df = 210.227$, $p = .000$, equal variances not assumed), while rating as "never" using their phones to keep track of children (1.37 vs. 1.77; $t = 2.77$, $df = 241.242$, $p = .006$, equal variances not assumed).

The Kruskal-Wallis nonparametric test was used to analyze differences among the attributes, features, and the last three questions by three demographic variables: age, major, and employment status. Analysis of Variance tests were also conducted as backup to the Kruskal-Wallis tests. Starting with employment status, one attribute, convenience, was statistically significant at the $p \leq .05$ level. Students employed full-time rated this attribute as being extremely important (mean = 4.9024) versus those employed part-time (mean = 4.5903; KW $p = .008$; $p = .017$, homogeneity of variance problem). Four features were significantly different: text messaging (part-timers reported higher usage vs. full-timers, 4.7203 vs. 4.4146; KW $p = .043$; $p = .049$, homogeneity of variance); calculator (those employed indicated higher frequency of use vs. those unemployed, 3.5804 and 3.561 vs. 3.0667; KW $p = .026$; $p = .018$); emergency availability (unemployed students reported higher usage vs. part-time employed students, 3.8333 vs. 3.2569; KW $p = .025$; $p = .037$); and phone book (full-time employed respondents indicated highest usage vs. those unemployed, 4.4146 vs. 3.8167; KW $p = .028$; $p = .071$). Finally, a significant difference with regard to amount spent per month for mobile service was found, with full-time employed students spending \$107.32 vs. unemployed students spending \$77.16; KW $p = .014$; $p = .006$).

With regard to major, no attributes were found to be significantly different. However, three features were identified as being significantly different: social networking apps (non-business majors had higher usage than did general business majors, 3.7375 vs. 2.8125; KW $p = .019$; $p = .02$), news and sports scores (management/marketing and general business majors reported moderate use whereas accounting/finance majors reported little usage, 2.84 (both) vs. 2.155; KW $p = .032$; $p = .035$), and taking/sending pictures (management/marketing and non-business majors reported higher use vs. general business majors, 4.11 and 4.15, respectively, vs. 3.50; KW $p = .016$; $p = .025$). Finally, there were significant differences for time allocation to a mobile phone (accounting/finance and non-business majors reported over 95% allocation for mobile phones compared with landlines, vs. 91% reported by general business majors; KW $p = .007$, ANOVA not significant) and how much was spent monthly (non-business majors spent \$100 a month vs. only \$69.70 by accounting/finance majors; KW $p = .027$; $p = .007$, homogeneity of variance problem).

Looking at age, one significant difference was discovered for the attribute, unlimited text messaging (20 year olds reported the highest level of importance compared with those 26 or older, 4.7714 vs. 3.9375; KW $p = .015$; $p = .012$, homogeneity of variance problem). The following four features were significantly different by age: text messaging (20 year olds reported the highest frequency of use vs. those between the ages of 26 and 29, 4.9429 vs. 4.1875; KW $p = .027$; $p = .009$, homogeneity of variance problem); and wake-up alarm (22 and 23 year olds reported the highest usage vs. those 30 or older, 4.78 and 4.714 vs. 3.588; KW $p = .01$; $p = .001$, homogeneity of variance problem). An interesting split was identified for the third feature, emergency availability, as the youngest student (18-19) and the oldest (30+) both reported high usage vs. 22 year olds (4.381 and 4.294 vs. 2.776; KW $p = .000$; $p = .000$, homogeneity of variance problem). A reversal was found for keeping in touch with and/or tracking children, as the oldest students (30+), who are more likely to have children, reported moderate use of this feature vs. 22 and 23 year olds (3.118 vs. 1.388 and 1.370; KW $p = .001$; $p = .000$, homogeneity of variance problem).

Discussion

It is important to first acknowledge the limitations of the current study before discussing any conclusions and suggesting recommendations for marketers and educators. The revised questionnaire was not pretested before data collection occurred. The sample was drawn as a convenience sample of college students at one regional state university instead of at four schools in a wider geographic range. The students incorrectly coded some of the data, so the lead author had to clean up the coding mistakes before running the analyses. As noted in the discussion of the paper on etiquette, presented elsewhere, with regard to use in the car while driving or not driving, there could be a history effect (bias) in that whether the state legislature was considering banning or restricting the use of mobile phones in vehicles as other states were doing, may have affected students' responses to these questions. Therefore, the discussion that follows is at best exploratory in nature of student mobile phone etiquette perceptions.

The results provide an interesting and potentially useful snapshot of college student mobile phone usage and generally support the ubiquitous nature of such devices on college campuses. Specifically, it is important to note that college students in the present sample indicated that they spend a not inconsiderable amount on cell phones on a monthly basis with a mean expenditure of \$85.29. The fact that college students represent a significant market for mobile devices and supportive services is not lost on advertisers of such products as a casual observation of television advertisements indicates. It might be useful for marketers of such services to focus specifically on this important market segment by creating special discount packages specifically for college students. Such bundling would include some of the most frequent uses indicated by respondents in the present study- text messaging, time-keeping, wake-up/reminder functions, phone book, wireless Internet access, and receiving and transmitting photographs while avoiding the inclusion of lesser utilized features such as downloading music files, voice reminder/memo and the like.

Market segmentation on the basis of gender might also be considered as the present results indicated statistically significant usage differences between men and women. Specifically, women

reported more frequent use of such features as text messaging, social networking, stimulation, calculation, emergency availability, planner/calculator, and taking and sending pictures. Men on the other hand indicated more frequent use of keeping up with news and sports.

The research should be expanded to include a wider range of college students from more geographic regions of the USA and across ethnicity, marital status, and even religious preference demographics. The research should also be expanded in terms of age to include perceptions of Americans of all generations (Millenials, Gen-X, etc.) as well as to teenagers. The human subjects documentation is more burdensome for surveying high school and middle school children, but worth the effort.

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Summary Brief

The Structural Value of Memory Networks

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This research explores consumers' responses to the activation of certain network structure patterns in memory, rather than the activation of specific nodes. This research suggests that the activation of certain network patterns, specifically focal word betweenness centrality, serve as a peripheral processing cue that influences key consumer behavioral intentions.

Introduction

Memory activations, generated by an image or advertising slogan, can provide a temporary boost to the perceived importance or desirability of a given product or service (van Osselaer and Janiszewski 2012). For instance, fluctuations in memory activations have been shown to influence goal pursuit (Bargh et al. 2001), the valuation of goal facilitating means (Forster, Liberman, and Friedman 2007), and product choice (Sela and Shiv 2009). However, information stored in memory is not activated in isolation. Rather, an entire network of interrelated concepts is activated along with the focal memory (Balota and Lorch 1986). Despite decades of knowledge detailing the phenomena of memory spreading activations (Anderson 1983), research has primarily focused on who is connected to whom, rather than how concepts are connected to their surrounding networks.

Network Theory

Few entities exist in isolation. Rather, most are members of a larger system of interconnected relationships (Borgatti and Foster 2003), much like concepts in memory. For instance, social capital describes the opportunities and benefits available to an individual based on his pattern of relationships with others (Brass 2011). Memory activations may also possess a similar type of associative capital, generated by their pattern of connections with other concepts in memory. Thus, the activations of certain network structures may provide consumers with evaluative information that operates somewhat outside of explicit conscious awareness, much like primes (Sela and Shiv 2009).

For example, the words friend and partner may evoke similar concepts in memory. However, the pattern of interconnections surrounding each node may differ, thereby producing a distinct consumer response. Perhaps friend serves as a critical mediator to others concepts in memory, whereas the concepts directly connected to partner are more peripheral and share many interconnections to each other. Thus, friend enjoys a relatively high betweenness centrality (i.e., providing mediated access to other concepts in memory via the shortest path). That is, friend is more centrally connected to different or distinct parts of its surrounding network than partner is. Focal nodes with greater betweenness centrality values may generate perceptions of prestige and power derived from being in the middle of things (Van Den Bulte and Wuyts 2007). As such, the structural network patterns surrounding the word friend may activate a sense of

desirability or importance, increasing the probability of favorable consumer responses to products that utilize the word in advertising.

However, deliberative and systematic information processing, derived from product interest, may allow consumers to overcome their initial default reaction to focal word betweenness centrality, attenuating its effects (Evans 2008). As such, consumers with higher levels of product category involvement may be less affected by the betweenness centrality of words in advertising, due to a propensity to analyze the informational content and merits of the message, rather than depend on peripheral cues to inform their judgment.

H1: The betweenness centrality of a focal advertisement word influences consumers' key behavioral intentions, such as willingness to pay and word of mouth.

H2: Under low involvement, consumers will display higher word of mouth intention when focal advertisement word betweenness centrality is high (versus low).

Experiment 1

This study examines the degree to which the structural properties and connection patterns (betweenness centrality) surrounding a focal memory node influence consumer willingness to pay and word of mouth intentions.

Method

Forty-six respondents evaluated a health insurance print advertisement with the word friend prominently displayed in its slogan. Respondents then constructed a memory network for friend, including direct and indirect ties following standard procedures (John et al. 2006). Qualitative pre-tests and an online word association database (Nelson, McEvoy, and Schreiber 2004) were used to develop the word bank for the experiment. Respondent memory networks were analyzed in terms of strong ties via the UCINET software package (Borgatti, Everett, and Freeman 2002). Willingness to pay and likelihood to recommend (7-point scale, where 1 = strongly disagree and 7 = strongly agree) served as the key dependent variables.

Results

Regression results indicate that focal word betweenness centrality significantly predicted willingness to pay (β .31; $t = 2.14$, $p < .05$) and word of mouth intentions (β .38; $t = 2.73$, $p < .01$), providing initial evidence for H1.

Experiment 2

This experiment explores the unique variance focal word betweenness centrality provides to the prediction of key behavioral intentions, controlling for consumers' direct attitudinal rating of the word. Additionally, the advertising context is

expanded and the moderating role of consumer involvement is also examined.

Method

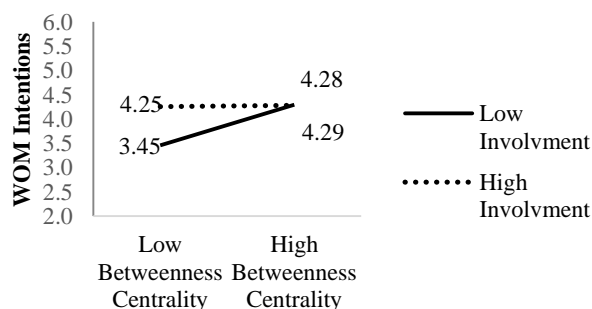
Two hundred twenty-six respondents participated in a 3 (focal word: friend, partner, neighbor) x 2 (advertisement: health insurance, online backup storage) mixed factor design, where advertisement presentation order was randomized. To lessen ceiling or floor effects, willingness to pay was collected via a numeric opened ended question. This experiment otherwise replicates experiment one.

Results

A hierarchical regression was performed to predict willingness to pay with focal word attitude (7-point scale, where 1 = very negative and 7 = very positive) in the first block and betweenness centrality in the second. Focal word betweenness centrality added significant explained variance to predict willingness to pay for both employee contributed health insurance $\Delta R^2 = .021$, ($\beta .15$; $t = 2.21$, $p < .05$) and online backup storage $\Delta R^2 = .018$, ($\beta .14$; $t = 2.04$, $p < .05$), beyond focal word attitude, replicating the pattern of results in experiment one.

The predicted two-way interaction, controlling for focal word attitude, was discovered between focal word betweenness centrality and product category involvement (three item scale, α Insurance = .84, α Backup = .85), for both the health insurance ($\beta -.13$; $t = -2.08$, $p < .05$) and online backup ($\beta -.14$; $t = -2.33$, $p < .05$) advertisements to predict word of mouth intentions, providing initial support for H2. Spotlight analyses (continuous variables graphed at ± 1 SD) indicate (see figure 1 for example) that word of mouth intentions for consumers with lower product category involvement are more likely to be influenced by the focal advertisement word betweenness centrality than consumers with higher product category involvement, suggesting that word betweenness centrality is most meaningful during peripheral information processing (Evans 2008).

Figure 1. Spotlight Analysis: Health Insurance Ad - Word of Mouth Intentions



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Summary Brief

New ‘Thinking’ on Optimal Consumer Decision Making

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A new theoretical perspective that examines how consumers can improve their decision making by changing the way they think about decisions is introduced. New insights into conscious (“careful deliberation”), unconscious (“sleeping on it”), and intuitive (“going with your gut”) processing suggest that consumers can make superior decisions by using different modes of thought than they currently use. Across four studies, empirical evidence demonstrates that consumers can make significantly better decisions by thinking more about routine choices, using their intuition for occasional purchases, and using unconscious thought before making major purchase decisions.

Introduction

It is widely recognized that consumers process information in either a fast, automatic manner, or a slow, more deliberative manner (Evans 2008). Many scholars have attempted to describe and understand these fundamental approaches to thinking (e.g. Ambady 2010; Bettman, Luce, and Payne 2008; Dijksterhuis 2004; Gladwell 2005; Kahneman 2011). Yet, surprisingly little research has examined when each of these modes of thought may improve choice. This research provides a new perspective of consumer thought, suggesting that consumers should think more about routine choices, use intuition for occasional purchases, and use unconscious thought for major purchases.

After information search is complete, there are three ways consumers can think before making a decision. Consumers can use conscious thought, which is the explicit, deliberate consideration of information. Consumers can also use intuition, which involves quick decisions based on salient information and emotions. Lastly, consumers can use unconscious thought. Here, the consumer occupies their conscious thinking and allows their unconscious to process information. These modes of thought are analyzed across an encompassing taxonomy of consumer decisions.

Routine Decision Making

Conventional wisdom suggests that consumers only need to think minimally and use heuristics before making routine choices. However, it is suggested here that conscious thought should be beneficial given its openness to information. The more an individual consciously thinks before making a choice, the more likely they are to consider additional information they would typically ignore (Levav and Zhu 2009). More alternatives are compared across more attributes in an effort to identify an optimal choice. This is beneficial in routine settings, where choice is often based on limited information.

H1a: For routine decision making, consumers utilizing conscious thought are significantly more likely to make an optimal choice.

H1b: For routine decision making, the relationship between conscious thought and optimal choice is mediated by increases in openness to information.

Occasional Decision Making

Occasional decision making involves infrequent purchases such as clothes and shoes. Intuition is argued to optimize choice here. Rather than attempting to integrate information from past experience into the current choice, intuition selects a subset of information to make evaluations. This process is known as thin slicing (Ambady 2010), as attention is focused on the limited, relevant details of the decision. Intuition avoids problems associated with information recall (Kardes, Posavac, and Cronley 2004), and instead focuses attention on the important attributes that are diagnostic of optimal choice in the current decision.

H2a: For occasional decision making, consumers utilizing intuition are significantly more likely to make an optimal choice.

H2b: For occasional decision making, the relationship between intuition and optimal choice is mediated by increases in focused attention.

Major Purchase Decisions

Research remains unclear regarding whether consumers should think carefully before making these choices (e.g. Bettman et al. 2008) or rely on unconscious thought (e.g. Dijksterhuis 2004) before making major purchase decisions. It is suggested here that unconscious thought should improve choice, but not due to capacity or weighting explanations provided by Dijksterhuis and Nordgren (2006). Rather, unconscious thought engages in associative thinking which recognizes patterns and consistencies within a set of information (Claxton 1997). Individuals will automatically group related sets of attributes in memory and evaluate alternatives across those attribute groupings. The benefits of associative thinking are well-documented when individuals lack experience in a domain (e.g. Yang et al. 2012). These benefits should here as well given that consumers typically have less experience making these decisions.

H3a: For major purchase decisions, consumers using unconscious thought are significantly more likely to make an optimal choice.

H3b: For major purchase decisions, the relationship between unconscious thought and optimal choice is mediated by increases in associative thinking.

Method

Pretests identified products for each decision and identified the importance of various attributes. Four fictitious products were created, and one was manipulated as superior based on weighted attribute scores (following Rey, Goldstein, and Perruchet 2009). In

each study, participants viewed the four products randomly followed by a mode of thought manipulation. Conscious thinkers were given time to carefully think before making a decision. Intuitive thinkers were told to make quick decisions based on their gut feelings. Unconscious thinkers were given a word solving task to occupy their conscious thinking and allow their unconscious to process information. Participants then selected the best brand and completed process measures related to each mode of thought.

Study 1

Study 1 examined the routine decision of grocery choice. Results found that conscious thinkers were significantly more likely to select the optimal brand of frozen pizza (67.7%) relative to intuitive (40.9%, $p < .05$) and unconscious (38.1%, $p < .05$) thinkers. Furthermore, openness to information mediated this effect, such that greater openness to information was positively related to selecting the optimal brand. Additionally, time to consciously think was positively correlated to selecting the optimal brand ($r = .31$, $p < .05$), thus ruling out alternative explanations related to minimal processing.

Study 2

Study 2 examined the occasion decision of buying athletic shoes. Intuitive thinkers were significantly more likely to select the optimal brand (50%) relative to conscious (22.1%, $p < .05$) and unconscious (24.1%, $p < .05$) thought. Furthermore, focused attention mediated this effect, such that greater thin slicing was positively related to selecting the optimal choice.

Study 3

Study 3 examined the major purchase of buying a tablet PC. Unconscious thinkers were significantly more likely to select the optimal brand (71.4%) relative to conscious thought and intuition (50% each, $ps = .05$). Furthermore, associative thinking mediated this effect, such that greater associative thought was positively related to selecting the optimal choice. Additionally, alternative explanations of capacity of unconscious thought and effective attribute weighing (Dijksterhuis and Nordgren 2006) were empirically ruled out.

Study 4

Study 4 manipulated the decision setting across a common product (shirts). Results replicated previous studies, as conscious thought improved choice when the decision was framed as routine, intuition improved choice when the decision was framed as an occasional choice, and unconscious thought improved choice when the decision was framed as a major purchase decision.

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Summary Brief

Blind Faith: The Influence of Information Form on Consumer Choice Confidence

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Choice-related information can be presented in different forms including verbal and numeric. Since marketing practitioners significantly influence the form of information available in the marketplace, it is important to understand whether and how this variable influences choice confidence. Evidence from the present research demonstrates both positive and negative consequences of employing verbal (vs. numeric) information to describe choice alternatives. Findings from this research add to the growing body of inquiry into the antecedents of choice confidence and hold implications for marketing practice and policy.

Introduction

The nature of choice-related information significantly influences consumer choice confidence. Choice confidence reflects the clarity with which the consumer understands his or her preferences and the extent to which those preferences are believed to be correct (Heitmann, Lehmann, and Hermann 2007; Peterson and Pitz 1988; Tsai and McGill 2011). Prior research has shown that greater quantities (Peterson and Pitz 1988), more extreme (Griffen and Tversky 1992), and more diagnostic (or useful) information (Tsai and McGill 2011; Yoon and Simonson 2008) leads to greater choice confidence. While prior inquiry has demonstrated the influence of information quantity, extremity, and diagnosticity, questions still remain regarding the effect of information form, specifically verbal vs. numeric information.

The present research augments investigations into the antecedents of consumer choice confidence by examining the differential influence of verbal vs. numeric information. Given that marketing practitioners, policy makers, and even consumers must decide whether to communicate information in words or numbers, findings from this investigation hold important implications for marketing communications strategy.

Numeric vs. Verbal Information

Prior research has demonstrated differences in consumer response to verbal vs. numeric information. Numeric information is argued to be more concrete than verbal information (Huber 1980; Viswanathan and Childers 1996) and to facilitate discrimination among choice alternatives (Huber 1980). While verbal information is believed to be more abstract than numeric information, it is also imbued with more inherent meaning (Viswanathan and Childers 1996). In other words, verbal information directly conveys meaning while numeric information must be converted into meaning before it can be applied to the choice task.

Its greater inherent meaning is likely to result in verbal information producing higher choice confidence than numeric information. Such a proposition is supported by recent evidence

that verbal descriptions of a product's attributes (i.e., "completely free") yielded higher perceptions of product quality than did equivalent numeric descriptions (i.e., "100% free") (Gleim et al. 2013). An experimental study was conducted to evaluate this hypothesis. The results of this investigation are reported in the next section.

Empirical Study

Participants and Methodology

One hundred ninety-one people participated in an online study. The study focused on selection of a digital camera. The cameras were identical on three attributes: weight, warranty, and price. Ratings on four additional attributes (accessory kit, battery life, ease of use, and flash range) varied by camera. All information was presented in a matrix.

Three conditions of information format were employed. In the dominant-numeric condition one camera was rated better than the other two on four of the seven attributes. In the nondominant-numeric condition no camera was rated superior on any attribute. In the dominant-verbal condition, cameras were described via summary labels of "Good", "Better", and "Best" rather than numbers. Thus, the dominant-verbal and the dominant-numeric conditions contained information to make the correct choice more transparent (Tsai and McGill 2011).

Dependent Variables

Two measures of choice confidence were employed that were similar to those used in prior research (see Heitmann et al. 2007) and were aggregated for analysis. The measures were "I felt absolutely certain I knew which camera to select." and "I felt completely confident in making a selection."

In an effort to determine the factors that may underpin choice confidence, four measures were employed to assess participants' evaluation of the presented information. The measures indicated the extent to which the information was (a) perceived to be adequate for the choice task, (b) facilitated discrimination between choice alternatives, (c) aided predictions of camera performance, and (d) clarified the participant's preferences. The confidence and evaluation measures were assessed via seven-point, Likert-type scale items anchored by "(1) Strongly disagree" and "(7) Strongly agree".

Additionally, performance expectations were assessed via three measures that reflected beliefs about the clarity, sharpness, and color of the pictures that the selected camera would take. The items employed an 11-point Likert-type scale that was anchored by "(1) Below average" and "(11) Excellent" and were aggregated for analysis (Spreng and Olshavsky 1993). These measures were also used to aid understanding of the reported choice confidence.

A dichotomous indicator of camera ownership served as a proxy for expertise and was included as a covariate in the analyses.

Results

ANOVA revealed a significant influence of information form on performance expectations ($F(2, 187) = 11.30, p = .001$) and on choice confidence ($F(2, 187) = 5.87, p = .003$). Dominant-verbal information yielded higher expectations ($M_{Exp} = 9.46, p = .001$) and higher choice confidence ($M_{Conf} = 5.84, p = .001$) than did dominant-numeric ($M_{Exp} = 8.65; M_{Conf} = 4.92$) or nondominant-numeric information ($M_{Exp} = 8.30; M_{Conf} = 4.90$). The differences between the dominant-numeric and nondominant-numeric conditions were not significant.

MANOVA was conducted to determine how information form influenced perceptions of the information. The analysis revealed a significant multivariate main effect of information form on participants' evaluation of the information, Pillai's Trace = .240, ($F(8, 370) = 6.30, p = .001$). Participants in the dominant-verbal condition reported lesser ability to discriminate between choice alternatives ($F(2, 187) = 14.14, p = .001; M = 4.15$) than did participants in the dominant-numeric ($M = 5.66, p = .001$) or the nondominant-numeric conditions ($M = 5.39, p = .001$). Participants in the dominant-verbal condition also reported lesser ability to predict outcomes ($F(2, 187) = 13.70, p = .001; M = 3.65$) than did participants in the dominant-numeric ($M = 4.81, p = .001$) or the nondominant-numeric conditions ($M = 5.42, p = .001$). The differences between the dominant-numeric and nondominant-numeric conditions were not significant.

A multiple mediation analysis was conducted using the PROCESS command in SPSS (Hayes 2012). The analysis revealed that the influence of information form on choice confidence was mediated by performance expectations, ability to predict outcomes, and ability to discriminate between alternatives.

Discussion and Future Research

This research demonstrated that the form in which information is presented has a significant effect on consumer choice confidence. In line with the hypothesis, verbal information yielded higher choice confidence than did numeric information. Somewhat surprisingly, verbal information was also associated with a lesser ability to discriminate between choice alternatives or to predict choice outcomes. This relationship may reflect the greater relative concreteness and specificity of numeric information (Huber 1980). Use of verbal labels appeared to produce a form of "blind faith" in the external information that buoyed choice confidence despite the lack of objective justification for the choice decision. These findings are relevant to current efforts of marketing practitioners and governmental agencies to provide consumers with information that will foster better choice decisions. Providing matrices of numeric information may produce more knowledgeable, albeit less confident, consumers.

This research into the influence of information form on choice confidence is ongoing. Future efforts will further

investigate the manner in which verbal summary labels enhance choice confidence despite their lack of specificity. Since recent research has shown that dispositional consumer traits can alter the influence of information quantity on choice confidence (Andrews in press). Further investigation will also determine whether this moderation effect holds true for verbal vs. numeric information.

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Summary Brief

From Gucci to Green Bags: Conspicuous Consumption as a Signal for Pro-social Behavior

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Conspicuous consumption, or the intentional public display of expensive goods to indicate status to others, has been traditionally confined to the luxury goods domain. This paper extends the application of conspicuous consumption into the context of pro-social behavior as manifested in the purchase of visible cause-related goods. It is argued that the purchase and display of conspicuously pro-social goods serves as an assertion of belonging to a socially desirable group in the same way that display of expensive possessions asserts belonging to the wealthy elite. Conspicuous pro-social behavior is explained through social identity theory which maintains that people define themselves by the groups to which they belong and will engage in behaviors congruent with this identity.

Introduction

Humans perceive their possessions, among other things, to be a representation of their identity or self. Display in the form of possessions, attire, or actions represent a person's perceived or actual place in the society in which he/she exists, be it related to character traits, religious affiliations, professional associations or even wealth and social standing.

One of the recognized phenomenon of display as a representation is conspicuous consumption. The economist Thorstein Veblen (1899) coined the term in late 19th century and defined it as the intentional display of expensive goods by the nouveau-riche to indicate financial status to others. The concept has since been inextricably linked with luxury goods but conspicuous displays, whether of wealth or other affiliations, are a way of signaling belonging to any social group (Ashforth and Mael 1989) or possessing certain individual qualities (Connelly, Certo, Ireland and Reutzel 2011).

Both individuals and organizations strive to be associated with groups and traits that are held in high regard by the society in which they exist, be it financial success or philanthropy. Studies in the corporate social responsibility (CSR) literature give examples of companies engaging in social welfare projects to convey to consumers that they are helpful members of society. On the other hand, consumers signal their socially responsible behavior by purchasing goods sold by companies that engage in CSR.

William James (1890) says that "we have as many selves as distinct groups whose opinions we care about", introducing the idea of role salience, whereby our identities are made up of multiple selves, or role identities and we place varying degrees of value on each. Since role identity salience is a social object it is visibly manifested in behaviors and actions (Callero 1985). Hence, people engage in behaviors that validate their salient role identity. For example, we would expect a person for whom social standing

is salient to engage in conspicuous consumption of luxury goods but someone who sees himself/herself as a pro-social person to visibly engage in acts of charity.

Research also indicates that people with a high need for status (Han et al. 2010) or a high concern for appearances (Basil and Weber 2006) care more about the visibility of their possessions and their actions. It is possible that the purchase of visible luxury items and that of items visibly associated with a social cause are both motivated by similar mechanisms of an attempt to be seen as belonging to a desirable social group.

The purpose of this paper is to extend the application of conspicuous consumption, manifested in the purchase and display of objects, outside the context of luxury goods and into the context of pro-social behavior. We argue that the purchase and display of conspicuously pro-social goods serves as an assertion of belonging to a socially desirable group in the same way that display of expensive possessions asserts belonging to the wealthy elite. Additionally, we explore the phenomenon of pro-social actions, which has been typically studied at the firm level in the form of CSR and cause-related marketing (CRM), at the consumer level and reveal the drivers of conspicuous pro-social behavior using social identity theory.

Contributions

The first contribution of this study is the application of conspicuous consumption to the pro-social behavior context as a lens through which to examine consumer purchases of visibly labeled pro-social goods. In earlier literature on conspicuous consumption has almost exclusively been associated with the acquisition of luxury goods, the public display of which serves to show wealth (e.g. Bagwell and Bernheim 1996, p. 349; Han, Nunes, and Drèze 2010, p. 15). This study will extend conspicuous consumption beyond the realm of luxury good (or status based on wealth) and apply it to pro-social behavior and cause-related goods. This application has been explored to a moderate extent in the fields of psychology, which has looked at conspicuous consumption in terms of visible donations to charities through signaling theory (e.g. Griskevicius et al. 2007, p. 85) and economics (Glazer and Konrad 1996). However, even in these studies motives are linked with display of wealth. We seek to add to the marketing literature by extending the work begun in psychology and ultimately serving to enrich the field's understanding of conspicuous consumption as a phenomenon which is not confined to the luxury market alone.

The second contribution of this study is to marketing literature concerning cause-related marketing and corporate social responsibility. Existing literature deals primarily with motivation

for CRM from the perspective of firms which enter into partnerships with charitable causes or engage in activities which help their communities and seeks to examine firm benefits and strategies (Becker-Olsen et al. 2006). From a consumer-centric perspective, the Marketing literature has mostly been focused on consumers' reactions to the use of Corporate Social Responsibility (CSR) by a firm (e.g. Carringer 1994) and customers' attitudes and purchase intentions towards CRM (Gupta and Pirsch 2008). Little is known about the motivations behind consumers' choice to support CSR efforts of firms and whether this support is driven by altruism, desire for recognition, or both. This study will make a contribution towards filling this gap in our knowledge of consumers' motives behind purchasing conspicuous cause related products.

In summary we argue that the purchase and display of conspicuously pro-social goods serves as an assertion of belonging to a socially desirable group in the same way that display of expensive possessions asserts belonging to the wealthy elite. Conspicuous pro-social behavior is explained through social identity theory which maintains that people define themselves by the groups to which they belong and will engage in behaviors congruent with this identity.

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PRODUCT AND BRAND MANAGEMENT TRACK

Track Chair

Kesha K. Coker, Eastern Illinois University

A Consumer Personality Approach to Brand Constellation Formation

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This research seeks to extend the cobranding and brand constellation literature by taking a closer look at consumer traits that define the consumer's self-image. A clustering technique based on 24 Consumption Emotion Set items was used to analyze data from 287 observations. Results reveal four unique clusters (Sad and Unhappy, Passionate, Happy and Content, and Balanced Middle) with unique brand constellations and differing degrees of brand attachment.

Introduction

The branding literature has traditionally focused on 'singular brands.' However, in reality consumers regularly evaluate a 'plurality of brands' (Jevons, Gabbott and de Chernatony 2005). "Single brands are often chosen together with other brands from complementary product categories" (Lange 2005, p. 465). Thus, the consumer's branding landscape or brandscape (Sherry 1986) is a complex amalgam or blend of individually distinct components that become blended to reflect complex 'brand constellations' (Jevons et al. 2005, p. 300). Despite the maturity of this literature, there is little understanding of brand constellations "through the lens of consumers (i.e., a consumer-based perspective)" (Chaplin and Lowrey 2010, p. 758). Our research examines brand constellations as they reflect the consumer's self-image. Our research answers the call of Solomon (1988, pg. 234) to identify "sets of consumption stimuli" used by consumers. Our goal is to employ personality traits to construct and test brand constellations, which are described by demographics and consumer behavior constructs.

Conceptual Background

Brand and Consumption Constellations

Product constellations are said to be "clusters of complementary products, specific brands, and consumption activities used by consumers to define, communicate, and enact social roles" (Solomon 1988, p. 235). According to Englis and Solomon (1996), consumption constellations may be used to enact social roles publicly (i.e., for impression management) or privately (i.e., for self-perception). Relevant products are "positioned within an aspirational group's consumption constellations and against an avoidance group's consumption constellation" (Englis and Solomon 1996, p. 185). Chaplin and Lowrey (2010, p. 758) define basic consumption constellations as "a collection of complementary products, brands, consumption activities, and other image-rich descriptions that consumers may use to construct, signify, or perform a social role, including, but not limited to, personality traits, demographics, and psychographic descriptions."

Consumption constellations also reflect a consumer's "affiliation with a desired reference group" (Solomon and Englis

1994, p. 58). Given evaluations at the product level (i.e., product typicality) and brand level (i.e., brand attitude) consumers are more likely to choose brands from typical product categories and that are favorably evaluated (Lange 2005). Therefore, brands with popular followings are likely to fall into the constellation network of other popular brands.

To form consumption constellations, consumers organize an associative network in their minds (Lowrey et al. 2001). Associations represent intersections between brands, and there need not be a congruent association between the firms which produce the brands (Jevons and Gabbott 2005). "Brands cohere into systems that consumers create not only to aid in living but also to give meaning to their lives. Thus, consumers do not choose brands, they choose lives" (Fournier 1998, p.367). The meaning of a given brand relationship is a function of the other relationships a consumer has across all other products. The question we may ask is what motivates the consumer to emotionally adhere to certain brands?

Self-Image Congruency

Self-congruency theory (Sirgy 1982) holds that consumers compare their self-concept with the image that a brand projects and prefer brands that are consistent with their self-concept (Sirgy 1982; Parker 2009). Many studies have found supporting evidence for this user-image congruence effect (e.g., Dolich 1969; Erickson and Sirgy 1989, 1992). Consumers have also been shown to prefer products that they feel possess personalities that are similar to their own (Arora and Stoner 2009; Linville and Carston 1994; Phau and Lau 2001). When consumers use self-congruent brands, it is likely an extension of their self-image, supporting Belk's (1988) assertion that products may be viewed as a means of self-expression. Finding this to be the case, Coolson and Kumashiro (2009) determined that self-image satisfying brand choices support both negative as well as positive ideals of one self.

Connecting Human and Brand Personality

Consumers seek to assign meaning to products through a collection of prior experiences that form a unique prism through which they look. By doing so, consumers attach emotion and feelings to inanimate products through cues such as brand imagery, names, logos, distinguishing packaging, color schema, advertising, product placement, price and other similar product elements which result from a coherent organizational and marketing approach (de Chernatony and McDonald 2003). People assign human traits or properties such as personality to consumer goods (Belk 1988; Fournier 1998) and advertised brand characters (Olson and Allen 1995).

Research Questions

People and the composition of their identity is complex, involving intricate cognitive structures that determine thought and behavior through reasoned action (Fishbein and Ajzen 1975). Mandel (2003) suggests that the perception of one's ideal self is a multifaceted composite of distinct features which collect to form one's identity. This uniquely formed identity then fosters many distinct and strong associative links creating the complex-self model (Monga and Lau-Gesk 2007; Linville 1987; Triandis 1989). Moving forward, we propose that individuals self-select brand groupings that reflect their self-image. We employ congruency theory and the aforementioned literature in formulating three research questions: RQ1: Do distinct brand constellations form around consumer clusters based on personality? RQ2: Do consumers vary their level of attachment to brands given the brand constellation they follow? RQ3: Do brands with popular followings fall into the constellation network of other popular brands?

Methodology

Measures

To measure personal traits, 24 emotions were drawn from Richins (1997) Consumption Emotion Set (CES) representing eight broad emotional clusters: love, anger, hope, worry, joy, sadness, excitement, and romance. In the exploratory factor analysis, all eight CES subscales met the minimal acceptable reliability threshold ($\alpha = 0.70$, Churchill 1979), with the smallest being 0.77 and an average of 0.80. Additionally, all items loaded on their respective factor at 0.63 or above (average loading of 0.81) and no item cross-loaded onto another emotional factor at more than 0.40.

After scale-item psychometric properties were assessed, construct composite scores were created by taking the average of each scale item. In all, 20 items were used to measure four distinct latent constructs. Among all the items the lowest factor loading was 0.66 and the average for all twenty items was .80 with no cross-loadings greater than 0.40.

Brand innovativeness was measured using an adapted scale following Raju's (1980) Exploratory Tendencies in Consumer Behavior Scale. This five item sub-scale ($\alpha = 0.90$) was modified to include the word 'brand' where relevant so that a measure of specific brand-related exploration tendencies could be taken. The average factor loading was 0.82, the lowest being 0.77.

Brand loyalty was measured using Lichtenstein et al.'s (1990) five item scale ($\alpha = 0.86$). The scale is intended to capture an individual's likelihood to remain loyal to a particular brand even if other options exist. Therefore, respondent resiliency and ability to resist temptation were captured. The average factor loading was 0.79, the lowest being 0.74.

Price consciousness was used to measure how price knowledgeable the respondent is as well as how informed they are concerning the products for which they shop. To operationalize price consciousness, a five item scale ($\alpha = 0.85$) was used following original work from Wells and Tigert (1971). The average factor loading was 0.79, the lowest being 0.66.

Marketplace knowledge was used to understand how aware the consumer is of the shopping environment. It suggests the degree to which consumers are conscious of the commercial world around them. To measure market knowledge the original three-item scale was used following Mangleberg and Bristol (1998). In

addition, a fourth item (I am a confident shopper) was added as a precaution and attempt to account for the historically low reliability of this scale. The resulting scale reliability (α) is 0.82. The average factor loading was 0.79, the lowest being 0.73.

Finally, as the focal point in this study, respondents were asked to provide data concerning their personal attachment with a series of 66 different brands. Using the same design as a recent comparative advertising campaign (Mac versus PC), we asked respondents to indicate on a five-point Likert-like scale the degree to which they identified with each brand. For example, in response to the statement "I am a Pizza Hut," individuals that feel they embody the likeness of Pizza Hut™ might agree or strongly agree, while those that don't will disagree. For the purpose of this research we called this variable brand attachment. We use this variable similarly to Malär et al. (2011, pg. 36) who define emotional brand attachment as a reflection of "the bond that connects a consumer with a specific brand and involves feelings toward the brand."

Product categories were chosen based on informal consumer interviews by the authors. Specific product categories were chosen based on familiarity to most consumers. Product categories included athletic footwear, automobiles, food, and services. Specific brands were then selected based on market share data within each product category (Market Share Reporter, 2009).

Sample

Using the snowball sampling method (Zinkhan et al. 1983), participants were recruited through contact information provided by upper division university students at a medium-sized university in the Midwestern US. As a measure taken to dampen a potential selection bias, potential subjects were carefully sought from a diverse age range. In addition, 12 survey participants were randomly selected and contacted by the authors as a validity check, ensuring the voracity of the data. The average age for the sample is 31.2 years (S.D. = 14.19). The sample is well educated (34% hold a bachelor's degree) and 59% have household income that exceeds \$70k per year. After eliminating 13 responses due to incomplete responses, 287 valid observations remained.

Results

A k-means cluster analysis was performed on the 24 CES tendencies. The appropriate number of clusters based on membership size and centroid distance is four. The analysis revealed unique clusters. The Sad and Unhappy cluster scored highest on negative emotions (anger, worry, and sadness) while they scored lowest on hope, joy, excitement, and romance. They demonstrate the least brand loyalty and market knowledge, while scoring the highest on price consciousness. The Passionate cluster is the most innovative and by far the youngest with an average age of 26.9, scoring on the extremes in love, hope, romance and excitement, while also scoring high on anger and worry. The Happy and Content cluster is generally happy like the Passionates but scores the lowest on all the negative emotions. This group is the oldest ($M = 32.2$ years) and likely more committed, scoring the highest on brand loyalty and least on price consciousness indicating a willingness to eschew price for devotion to brand. Finally, the Balanced Middle cluster is neither remarkable nor distinctive by any measure. They would be an average consumer who fails to reach an extreme position in any emotional category. They also hold the distinction of being least brand innovative.

To identify a unique brand constellation for each cluster, an analysis of brand attachment was performed at both the brand and product category levels. An average attachment score was calculated for each brand. The brands were then ranked within their product category and the most preferred brand for each cluster was identified. The result is a group of 16 preferred brands (one for each product category) for each cluster.

Beyond brand identification we also wanted to identify the relative importance of each product category by cluster. To accomplish this we calculate each cluster's average attachment score by product category. Not surprisingly the Passionates on average demonstrate the greatest attachment across all categories ($M = 2.68$) being significantly ($F = 4.06$, $sig. = .008$) higher than the least attached cluster, the Sad and Unhappies ($M = 2.38$). Meanwhile the middle two positions are predictable occupied by the Happy and Content (2.44) and Balanced Middle (2.48).

Finally, to analyze the impact which market share might have on brand attachment by cluster, we measured the correlation between attachment score and market share for each brand by cluster. Interestingly, the correlation across groups was strikingly different with the Balanced Middle's attachment score being most correlated with product market share ($r = 0.29$), followed by the Happy Content ($r = 0.25$) and Passionates ($r = 0.20$). Finally, the Sad and Unhappy cluster shows the smallest correlation at 0.12.

Discussion

The purpose of this research is to extend the cobranding and brand constellation literature closely examining consumer emotions. We pose three specific research questions. To answer these questions we look to the results of our study. First, we identified four distinct clusters based on emotional clusters from our sample of consumers. Then, we examine the typical brand to which cluster members attach themselves across 16 different product categories. We find unique brand constellations per cluster and that in 10 of the 16 categories brand choice is different. In the categories in which brand choice is the same across clusters (athletic footwear, chocolate bars, cookies, home improvement retailers, search engines, and wireless phone service), the chosen brand is either first or second in market share and on average, holds 29.5% market share. We conclude that yes, brand constellations can form based on consumers emotional traits.

Next, we examine whether or not consumers vary their level of attachment to brands given the brand constellation they follow. To address this question we measure overall brand attachment across a full spectrum of brands and determine the average level of attachment each cluster possesses. We find that degree of attachment does indeed differ by cluster membership. Passionates attach to brands the most averaging 2.68 on a five point scale across all categories. Sad and Unhappies attach the least at 2.38.

Finally, we ask if popular brands are likely to form constellations together. The answer found in this study depends largely on cluster membership. Some consumers such as the Balanced Middles clearly show a greater likelihood to attach when market share is high. That is among this market segment, market leaders will be desired. Conversely, the Sad and Unhappy crowd is significantly less likely to do so.

Conclusion and Limitations

In conducting this research we examine the consumer and demonstrate that the composition of personal traits plays a role in

forming brand constellations. We further suggest that the sum of these personal traits reflect the consumer's self-image and they act as "sets of consumption stimuli" (Solomon 1988, pg. 234). This research is important because it provides evidence that people self-select brands which reflect their personality across multiple product categories. From a practical sense this is relevant because it can help a firm identify cobranding opportunities based on consumer-driven psychometric measures rather than rudimentary demographic or geographic means.

With all research, certain limitations are present that cause appropriate concern when interpreting results. This research suffers from potential bias created by the snowball sampling method. As a non-probability form of sampling the general concern is that the respondents may not represent the general population. This issue was minimized though our follow-up procedures, however it is impossible to fully know the effect of this bias. Also, we are concerned that the respondent is the sole provider of both their self-described emotional condition as well as their brand attachment. The bias presumed by single source data is noted and appropriate tests will be taken.

Future research in this area should continue to establish consumer characteristics to form consumption clusters. The underlying notion that consumers form brandscapes (Sherry 1986) suggests that a complex web of relationships come together to form a picture from the consumers point of view. Therefore, it is incomplete to form brand relationships based on brand characteristics or personalities. As such, brand managers should not necessarily look to cobrand with brands that share a perceived personality trait. Rather, they should identify brands that share consumers with similar psychometric traits.

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Summary Brief

“Accounting “for Brand Equity – Value Relevance and Reliability: A Marketing and FASB Dilemma

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Brand equity is one of the most valuable assets many organizations possess. Previous research has shown that brand equity can impact financial performance and, concurrently, increase the firm’s valuation. However, the Financial Accounting Standards Board (FASB) does not allow the reporting of brand equity as “value relevant” in financial statements (Beckman 1998). The purpose of this paper (presentation) is to review the attempts made to date to provide relevant and reliable measures of brand equity that fit FASB’s criteria of relevance.

Impact of Brand Equity

Strong brands impact business performance through their influence on current and prospective customers, employees, and investors. This impact manifests into customer choice and loyalty, higher retention rates, motivated employees and lower cost of capital (Interbrand 2012). Previous research has shown that high brand equity helps stabilize financial returns and reduce share price volatility (Johansson, Dimofe and Mazvanchery 2012). Further, Verbeeten and Vijn (2010) found a significant relationship between brand equity measures and current (and future) business-unit performance.

Brand Equity an Intangible Asset?

FASB classifies brand equity as an intangible asset which does not allow firms to “recognize” or capitalize this firm asset, especially if it is an internally-generated intangible asset, i.e., the firm grew the brand organically versus obtained the brand via acquisition. FASB defines an intangible asset as an asset that is not physical in nature (corporate intellectual property items such as patents, trademarks, copyrights, business methodologies; goodwill; and brand recognition are all common intangible assets, Lev and Daum 2004). Although not physical in nature, Coca-Cola would not be nearly as valuable if not for its brand name recognition (awareness), a component of brand equity that helps drive global sales.

Hence the dilemma as FASB states that, “the objective of financial reporting is to provide information to investors and creditors that are useful to them in assessing the potential future cash flows associated with their investment and credit decisions”. Few would argue that the brand equity of Coca-Cola, Apple, BMW and others does not impact future financial performance of their respective businesses. Also, as Beckman (1998) argues, today’s corporations rely heavily on intangible assets like brand

equity to generate income; whereas, in the past companies relied more on tangible assets such as property, plant and equipment. Krstic and Dordevic (2010) further state that the modern knowledge-based enterprise bases its value generation and sustainable competitive advantages on intangible assets: “they (intangible assets) become one of the key determinants of entrepreneurial value.” Consequently, the provision of relevant information about intangible assets is one of the preconditions needed to determine the real and financial position of the enterprise (Krstic and Dordevic 2010).

Kaplan and Norton (2004) have called the ability to measure the value of intangible assets as the holy grail of accounting. Customer relationships, IT systems, employee training and skills and organizational culture are worth far more to many companies than their tangible assets. Unlike financial and physical ones, intangible assets are hard for competitors to emulate, making them powerful sources of sustainable competitive advantages. Lev and Daum (2004) found that the book value of corporations has been constantly shrinking in relation to market value. This residual, regarded as the capital market’s view of a corporation’s intangible assets, thus was clearly rising. From 1982 to 1992, the value of intangible assets for the average S&P 500 firm increased from 38 to 62 percent. In addition, Lev and Daum (2004) argue that, “The importance of intangible assets is the distinguishing feature of the new economy. By and large, existing financial statements recognize those assets only when they are acquired by others, e.g. FASB allows for the intangible asset value of Burger King (recently acquired) but not McDonalds. Consequently, it has been suggested that accounting standard-setters should develop a basis for the recognition and measurement of internally-generated intangible assets (Petkov 2011).

Value Relevance is the Key

There have been few studies that attempt to show that brand equity or brand valuation can provide relevant and reliable measures of a firm’s valuation. Verbeeten and Vijn (2010) found some association between brand equity and current business unit financial performance. Consequently, brand equity measures may complement historic accounting information in explaining business valuation. Kallapur and Kwan (2004) found that brand assets are value relevant, i.e. a positive correlation existed between stock price and the announcement of brand capitalization. However, differences existed in results for firms with “low

contracting incentives” versus those with “high contracting incentives”, i.e. firms can increase their valuation/assets with brand recognition (contracting incentive) which can improve their debt/asset ratio and eliminate key barriers to acquisition in the UK. Several marketing studies have also shown that strong brands have a “significant positive impact” on financial performance and, indirectly, on a firm’s valuation (Johansson, Dimofe and Mazvanchery 2012).

Given the support above for “accounting” for brand equity, why is FASB reluctant to take the necessary steps to provide this seemingly critical financial information? Relevant and reliable measures of brand equity would allow greater transparency, comparability and harmonization with international accounting standard boards, e.g. IFRS and International Accounting Standard 38. In addition, doing so would meet the needs of today’s knowledge-based firm and correct the growing residual between book value and market value, etc. Accounting professionals argue that subjectivity and arbitrary decision making in the use of brand measures for valuation does not provide the valid and reliable measures they require for relevant firm valuation. Other factors arguing against the use of brand equity in firm valuation including absence of verifiable costs, inability to verify a certain transaction or series of transactions (lagged effect of advertising), and uniqueness of each intangible brand and resulting difficulty in establishing criteria for relevancy and reliability.

Marketing’s Challenge

Marketers are challenged with providing relevant and reliable measures. We have had mixed results in developing brand measures that have strong associations with financial performance and, indirectly with firm valuation. The study by Johansson, Dimofe and Mazanchery (2012) found significant results while using customer-based measures of brand equity; however, they did not find similar results when using financially-based measures (Interbrand related measures). Marketing researchers need to develop measures that are consistent across aggregation levels, i.e. brand level, SBU level versus firm level, determine appropriate lag times to assess marketing efforts affecting brand equity and subsequent impact on financial performance. The issues above will likely be resolved with the relevant use of firm-level measures of brand equity (Interbrand) vs. consumer-level measures of brand equity (Equitrend).

As the saying goes, it is difficult to manage what you cannot measure.

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Exploring and Conceptualizing Brand Interestingness

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This research is exploratory and introduces the concept of brand interestingness (BI). A basic model of antecedents and consequences is proposed. Guided by insights from the field of psychology, we propose that BI is a function of functional and symbolic brand novelty and a consumer's perceived ability to cope with this brand novelty. Results from empirical data collected for different consumer brands, confirm this conceptualization. It was also found that BI results in purchase intentions. Based upon the findings, we conclude with a definition of the construct.

Introduction

Interesting applies to anything: movies, art, people, social or personal situations, news, products, etc., and is characterized by curiosity and an impulse for action. It captures attention and focuses energy spontaneously; people feel the need to get closer to what is interesting (Silvia 2008). Despite its pervasive nature, the definition of interesting is elusive (Schraw and Lehman 2001). In fact, most people cannot explain what they call interesting.

If a brand is perceived as interesting, it will draw a customer's attention naturally. There will be an attraction toward that brand, not because the consumer was persuaded or satisfied, but as a result of his/her intrinsic curiosity inspired by BI. Conversely, if a brand is perceived as boring, it may convey a negative meaning and be ignored intentionally.

Review of Interestingness

The research on interestingness in marketing is sketchy and applies mostly to advertising. Interestingness is a better predictor of purchase intent than ad likability (Stapel 1994). Ad interestingness predicts strongly ad viewing time (Olney et al. 1991). The interestingness of TV commercials impacts the attitude toward the commercials (Alwitt 2000).

Silvia (2005a, b) proposed and confirmed empirically a two-component structure of interest. The first condition of interest is *novelty* and the second condition is coping potential, or whether a person perceives he/she can understand the novelty.

Two other theories further illuminate the concept of interestingness. The first is the theory of flow, or the level of immersion into a task, (Csikszentmihalyi 1988; Novak 2003). Flow is state that is function of a challenge and the degree of skills a person possesses to manage the challenge. When skills match the level of the challenge, a person is in a state of flow, which is characterized by a deep emersion into the task. When the skill level is above the level of the challenge, people feel bored; and when the skill level is below the level of the challenge, people feel anxious.

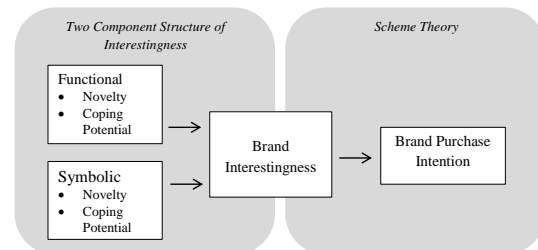
A similar but a more encompassing view is provided by the scheme theory (Eckblad 1981), which suggests that assimilating the environment results in a range of affective states. People assimilate the external environment by matching it to cognitive schemas. Assimilative resistance (AR) refers to difficulty of

assimilation; it represents the discrepancy between the cognitive maps of a person and the situational landscape being assimilated. As AR increases from low to high, the subjective experiences progress through several affective states: easiness, pleasantness, interestingness, challenge, and difficulty, which gradually change and peak at different AR levels. When AR is low, it is easy to assimilate the environment, and when AR is high it is difficult to assimilate the environment (Vitterso 2004). At a moderate level of AR the affective response of the environment assimilation is interestingness. The last two theories reveal that the skill level in the theory of flow and AR in the scheme theory correspond to coping potential, and the challenge to be evaluated corresponds to novelty (Silvia 2005a, b).

Theoretical Framework

We test a simple framework of brand interestingness, which includes purchase intention as a consequence, and novelty and coping potential as antecedents of BI. This relationship is portrayed graphically in Figure 1.

Figure 1: Conceptual Model of Antecedents and Consequences of Brand Interestingness



An analysis of the outcomes of the schema theory on purchase intention will allow for a comparison of the relative importance of interestingness to the other affective states. If the effect of interestingness on purchase intent is comparable to, or greater than, the effects of other affective states on purchase intent, then it would support BI as an important factor for further pursuit in the field of marketing. If a person finds a brand interesting, it is logical to feel attraction to it and be inclined to purchase it.

H1: Brand interestingness positively affects purchase intent.

We speculate that novelty and coping potential are the key antecedents to BI, but extend the model by suggesting that there might be more than one source of novelty along with corresponding coping potentials in a brand. A brand can be processed from the perspective of its overall image, how it satisfies different needs, how it performs its main functions, etc. To demonstrate, we considered two sources of novelty in a brand,

functional and *symbolic*, which correspond to utilitarian and hedonic aspects of products. The following hypotheses were developed.

H2: The greater (a) the functional novelty and (b) functional coping potential, the greater the brand interestingness.

H3: The greater (a) the symbolic novelty and (b) symbolic coping potential, the greater the brand interestingness.

Methodology

The data for empirically addressing the hypotheses were collected from a convenience sample of students at a Midwestern university. A series of questions were collected for four brands familiar to the respondents: HP, Apple, Nike, and Adidas. Because there were no existing measures for novelty and coping potential for the functional and symbolic aspects of a brand, new measures were created using the classic procedure for construct development.

To test the first hypotheses, we regressed purchase intent on the five affective responses suggested by scheme theory for all brands. The results reveal that for Apple, Nike, and Adidas, from the five predictors (i.e., easiness, pleasantness, interestingness, challenge, and difficulty) interestingness is the only significant predictor of purchase intent, and pleasantness is the only significant predictor of purchase intent for HP.

To test the second and third set of hypotheses, we combined all brands into a single sample. Examining a single factor structure revealed that there was no evidence for common method bias. BI was regressed on the functional and symbolic novelty and coping potentials. The results confirmed that functional novelty and symbolic novelty positively affect BI, and also that the effects of functional and symbolic coping potentials on BI were positive.

Definition of Brand Interestingness and Conclusion

Two key findings emerged from this exploratory investigation into BI. First, interestingness is an affective response to a brand that translates into purchase intent. Second, we found evidence that novelty and coping potential are antecedents to BI. In addition, insights from the presented literature suggest that interestingness occurs when the difficulty of assimilation is perceived to be at a moderate level. Based upon the presented evidence, we offer the following preliminary definition of BI:

Brand Interestingness is the power of intrinsically attracting and holding a consumers attention. This power is evoked by a brand's perceived functional and symbolic novelty along with the consumer's perceived capability to assimilate the brand (i.e., coping potential). Interestingness occurs when the assimilation capability is viewed as moderate.

Although further research is needed to understand BI better, the definition we provide is actionable. It suggests that to make a brand interesting, some desirable features of the brand should be achievable with moderate difficulty, rather than making it too easy or too difficult for customers. The results also help understand why moderate novelty is not perceived as interesting, but most importantly, why brands offering radical innovations may be at potential disadvantage.

Future research should identify which sources of novelty and coping potential are the most important in a brand. Novelty may be based on brand image, functionality, relevance, shapes, sounds, etc. Difficulty may be based on understanding functionality, price, cognitive effort to make a choice, etc. One way of increasing BI could be achieved by clearly communicating desirable benefits, but making it moderately difficult for customers to acquire it.

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Summary Brief

Something to Share with My Social Network Site Friends

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Industry research shows that the most important reason why social network site (SNS) users decide to become members of a particular online-brand social community is to receive promotional offers (e.g., vouchers and discount coupons). Accordingly, this paper proposes the investigation of what factors influence SNS users who recently received a promotional to share information regarding a particular brand's promotional offers with their SNS friends (e.g., post information on their Facebook News Feed). The proposed conceptual framework is based on the integration of social exchange, impression management, and social identity theories. This paper ends with the expected theoretical and managerial contributions.

Introduction

The growing popularity of social network sites (SNSs) (e.g., Facebook and Twitter) has attracted numerous marketers to promote their brands via online-brand social communities. As SNS users log on to their account frequently throughout a day, to communicate with other SNS users, update their personal profile, and invite their friends to join, online-brand social communities enable marketers to gain the information useful for target marketing and brand communication (Shang, Chen, and Liao 2006; Ellonen, Tarkiainen, and Kuivalainen 2010). This raises an important issue for marketers on how to maximize numbers of online-brand social community members via information sharing among SNS users. Industry research shows that the most important reason why SNS users decide to become members of a particular online-brand social community is to receive promotional offers (e.g., vouchers and discount coupons) (ExactTarget 2010).

Accordingly, the objective of this paper is to propose the investigation of what factors influence SNS users who recently received a promotional offer to share information regarding a particular brand's promotional offers with their SNS friends (e.g., post information on their Facebook News Feed).

Conceptual Framework

Social exchange theory (Emerson 1976) posits that social interactions are the results of exchange processes and individuals weigh the potential benefits and costs of social relationships. When the benefits outweigh the costs, they will participate or maintain the social relationship. On the other hand, when the costs outweigh the benefits, individuals will terminate or abandon that relationship (Emerson 1976). In an SNS context, one can expect that SNS users weigh the benefits and costs of information in their decision regarding whether or not to share information about the sales promotion they received with their SNS friends. Impression management theory (Tedeschi 1981) postulates that individuals often engage in behavior that is designed to create or avoid particular images to portray the self in a socially positive light. In an SNS context, the researcher contends that SNS users are often

concerned about sharing only certain information with their SNS friends. This is because certain information tends to convey positive impressions; while other information may even convey negative impression.

Based on social exchange and impression management theories, the researcher proposes that price discount size and brand image will influence SNS users' likelihood to share information regarding promotional offers with their SNS friends. Specifically, the researcher predicts that SNS users will most likely share information with their SNS friends for a promotional offer featuring a large-discount size offered by a strong-brand image merchant. The logic behind this prediction is that the information regarding large (vs. small) discount and strong (vs. weak) brand image tends to be more valuable and useful for typical SNS users, and subsequently positively enhance positive impression.

Furthermore, the researcher proposes that self-construal (interdependent vs. independent) will moderate the interaction between price discount size and brand image on SNS users' likelihood to share information regarding promotional offers with their SNS friends. Social identification is the extent to which individuals perceive that they are connected with a group (Oyserman 2009) and relates to any self-view that involves consideration of others (Brewer and Gardner 1996). The information processing relevant to social identification is governed by individuals' self-systems, which can contain multiple, and possibly hierarchically ordered- social identities (Markus and Wurf 1987).

In an SNS context, a self-construal represents one form of social identity that reflects SNS users' general disposition to adopt an interdependent construal emphasizing group (SNS friends) relationship, or an independent construal emphasizing their individuality (Brewer and Gardner 1996). As such, the researcher predicts that interdependent construal (i.e., the desire to share a good deal with SNS friends) will intensify the interaction between price discount size and brand image on SNS users likelihood to share information regarding promotional offers with their SNS friends. In contrast, independent construal (i.e., concerned about getting a good deal for themselves) will attenuate the interaction between price discount size and brand image on SNS users' likelihood to share information regarding promotional offers with their SNS friends.

Conclusion

This paper is expected to generate certain theoretical and managerial contributions. For theoretical contributions, this paper adds to the literature in brand management by discussing the important role of online-brand social communities as important channels for brand communication. It also points out the issue of how marketers can maximize the number of online-brand social community members. Based on the three theoretical frameworks, social exchange, impression management, and social

identification, this paper proposes that price discount size, brand image, and self-construal will influence SNS users' likelihood to share information regarding promotional offers with their SNS friends. In other words, this paper highlights the need to integrate promotional offer and brand factors with social factors when investigating SNS users' information sharing decision-making.

For the managerial contributions, marketers of existing online-brand social communities and/or potential online-brand social communities can use this paper as guidelines for their brand communication strategies. For example, this paper suggests that strong brand image merchants who offered a promotional offer featuring a large discount size will gain the maximum benefit from information sharing among SNS users. As such, marketers of weak brand image merchants should also consider other factors rather than only promotional discount size. For example, as individuals may hold more specific social identities, such as "cause-related identity" that reflect their level of identification with a particular charity, donation-based incentives (specifically the relevant charity or identity-congruence) might be more effective for weak brand merchants than promotion-based incentives.

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Summary Brief

Consumer Perceptions Regarding Luxury and Aspirational Brands: A Cross-Generational Investigation

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There is limited research in marketing concerning the distinction between the terms “luxury” and “aspirational” in regards to brands, both conceptually and empirically. In this paper, we attempt to fill this gap by asking a sample of 452 consumers to provide examples of brands that they consider to be either luxury, aspirational, or both, which are then compared between two generational cohorts – Baby Boomers and Millennials. Our study indicates that both generations conceptualize and assess an “aspirational brand” as being a distinct construct from a “luxury brand.” The research results provide strategic implications for marketers targeting the luxury and aspirational goods sectors with new insights into characteristics of current consumers and future markets.

Introduction

Luxury goods and luxury brands are widely used terms to represent categories of exclusive, high priced, often extravagant goods and services. Luxury goods, originally termed “conspicuous waste” (Veblen 1899), are measured in terms of their functionalism, experientialism, and symbolic interactionism (Vickers and Renand 2003) and often possess elements of quality and prestige. A low ratio of functional utility to price and a high ratio of intangible utility and symbolic value to price have been proposed to be a formula for luxury (Nueno and Quelch 1998). Vickers and Renand (2003) reason that luxury products have upward sloping Engel curves; indicating that consumption of luxury goods increases with consumer income. Vigneron and Johnson (1999) argue that luxury brands are the highest level of prestigious brands encompassing several physical and psychological values including perceived conspicuous value, unique value, social value, hedonic value, and quality value.

In contrast to luxury brands, which have been studied rather extensively in the scholarly literature, aspirational brands have received relatively sparse attention by the academic community. Morrison (2001) and Aspara and Tikkanen (2007) briefly refer to aspirational brands in the context of business-to-business companies but do not define the term. In the consumer academic literature, Wigley, Moore, and Birtwistle (2005) and Evans, Price, and Blahut (2005) refer to aspirational brands, but neither defines the concept or places it within the context of other types of brands in order to understand where aspirational brands fit within the universe of brand-types. The term has been used, however, by marketers and has taken on meaning by consumers and appears to be a relatively common phrase in the English vernacular.

Given the potentially overlapping definitions of luxury and aspirational brands, one goal of this research effort is to more

clearly establish whether consumers view these two constructs distinctly. In addition, if consumers hold these two branding concepts differently, we seek to determine which brands are more likely to be cited as luxury and which seen as aspirational, from a cross-generational perspective, between Millennials and Baby Boomers.

Research Questions

In accordance with the introduction above, the following research questions are offered for investigation:

RQ1: Is there a difference between what consumers consider to be luxury brands and aspirational brands?

RQ2: Is there a difference in terms of how Baby Boomers and Millennials conceptualize luxury brands?

RQ3: Is there a difference in terms of how Baby Boomers and Millennials conceptualize aspirational brands?

Methodology

Surveys were distributed to undergraduate students to gather quantitative data in eight sections of business classes at a large southern university in return for quiz grade points. A total of 487 surveys were collected and analyzed. Invalid and incomplete responses were eliminated, and students and parents that fell outside of the age range for the Millennial and Baby Boomer generations respectively were excluded from further analysis. The final valid responses total 452, with 131 male and 140 female Millennials; 77 male and 104 female Baby Boomers.

Median Millennial age among respondents was 22, while median parent age was 52. Both students and parents were asked to describe a) brands they considered to be luxury and, b) brands they considered to be aspirational. Chi-square tests were conducted to determine whether or not the differences in the answers provided by the two groups are statistically significant in RQ1, RQ2, and RQ3.

Results

The top twenty brands cited as luxury by all of our respondents were compared with the top twenty brands cited as aspirational. Because four brands did not overlap, 24 brands were included in the analysis. Chi-square test results indicated that thirteen of these 24 brands showed significant differences in terms of numbers of cites as either luxury or aspirational brands ($\chi^2 = 108.2$; $df = 23$; $p = .000$). Three brands - Audi, Apple, and Range Rover - were significantly more likely to be cited as aspirational brands rather than luxury brands among our respondents. Ten

brands - Cadillac, Coach, Gucci, Lexus, Louis Vuitton, Mercedes, Prada, Ralph Lauren, Rolex, and Rolls-Royce – were more likely to be cited as luxury than as aspirational.

For RQ2, the top twenty brands cited as luxury by Baby Boomers were compared with the top twenty brands cited as luxury by Millennials. Because three brands did not overlap, 23 brands were included in this analysis. Of the 23 brands, seven showed significant differences in terms of Millennial and Baby Boomer designations as luxury brands. Results of Chi-square tests ($\chi^2 = 47.38$; $df = 22$; $p = .001$) indicated that five brands were significantly more likely to be referred to as luxury brands by Millennials than by Baby Boomers at the .05 confidence level - Apple, Bentley, Gucci, Louis Vuitton, and Michael Kors. Conversely, two brands were significantly more likely to be cited as luxury brands by Baby Boomers than by Millennials - Cadillac and Ritz Carlton.

Additionally, the top twenty brands cited as aspirational by Baby Boomers were compared with the top twenty brands referred to as aspirational by Millennials. Because six brands did not overlap, 26 brands were included in this analysis. Of the 26 brands, six showed significant differences in terms of Millennial and Baby Boomer designations as aspirational brands. Results of Chi-square tests ($\chi^2 = 62.5$; $df=25$; $p=.000$) indicated that five brands were significantly more likely to be referred to as aspirational brands by Millennials than by Baby Boomers at the .05 confidence level. These brands were Apple, Armani, Audi, Christian Louboutin, and Michael Kors. On the other hand, only one brand was more likely to be cited as aspirational by Baby Boomer than Millennials -Tiffany.

Discussion

The concept of luxury brands is entrenched in our culture and shaped by extensive marketing campaigns. Aspirational brands, on the other hand, seem to pertain more to personal ideals, goals, and resources. We conceptualize aspirational brands as those that are desired and for which consumers possess an intention to purchase upon reaching some goal or achieving a positive change in status and/or financial resources. This distinction appears to be supported in that 333 luxury brands were mentioned in our study, compared to 548 aspirational brands, or 63 percent more. This lends credence to the idea that consumers' ideas about what brands are aspirational are more personal than their ideas about what brands are luxury.

Overall, about two-thirds of each individual's identified brands were not cross-listed as both luxury and aspirational. This indicates that consumers recognize these two constructs as distinct and provides corroborating evidence that aspirational brands exist in the minds of consumers and merit future academic inquiry.

Further, previous conceptualizations of luxury items included fourteen categories (Dubois 1992), none of which were technology-based. However, our results did find Apple to be significantly more likely to be cited as a luxury brand by Millennials than by Baby Boomers, indicating technology as an emerging category to be included in the luxury brand typology. Further, Apple was more likely to be cited as a luxury brand than such stalwart luxury brands such as Tiffany, Prada, and Armani. A more comprehensive study on luxury brands may be in order.

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Summary Brief

Non-Native American Minority Reaction to Use of Native American Iconography in Branding

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In branding, there are many examples of corporate entities possessing ethnically stereotypical iconography at the center of logo design. Prominent examples of this phenomenon exist in sport mascot branding where stereotypical Native American imagery is embedded in a host of teams' logo design at all levels of competition. While the use of these brands and corresponding imagery have been protested and challenged by Native American groups based on claims of overt offensiveness, the literature has not identified if non-Native American groups also perceive these brands as offensive. This research investigates which factors induce non-Native American minorities to perceive Native American mascots as offensive. Particularly, this research identifies that a minority's sense of felt discrimination during their lifetime may make them more apt to perceive offensive depictions outside their ethnic group.

Introduction

Research focusing on established brands using Native American iconography has demonstrated that such imagery runs the risk of offending and otherwise negatively impacting members of this minority group (Fryberg, Markus, Oyserman and Stone 2008). Generally, controversy persists around the use of "stereotypical" Native American imagery in branding. Such imagery is embedded in brands such as Land O Lakes butter and Nestle's Eskimo Pies. This type of branding is also present in the mascots for many sports teams (e.g., Atlanta Braves, Chicago Blackhawks, Cleveland Indians and Washington Redskins). Yet, after decades of protests and challenges by members of the Native American community on the use of these brands (e.g. the Blackhorse v. Pro-Football, Inc. originally filed in 2006 and the Pro-Football, Inc. v. Harjo originally filed in 1992), many of the brands and corresponding iconography are still in use. These brands and iconography are also aggressively defended by management in organizations using the brands as they generate revenues in excess of one billion dollars per year (Hughey 2004; King 2002). It is important to emphasize these brands are established brands embedded in the cultural lexicon. Brand managers developing new brands probably would attempt to avoid intentionally provoking controversy.

While the research on these brands has understandably focused on Native Americans as the group directly impacted by these brands, there is also the potential for outgroups to see these brands as controversial and offensive. This research is an attempt to understand which factors drive minorities self-identifying as non-Native American to view these brands as offensive. If properly targeted by Native Americans, these "other" minorities could potentially become a coalition intent on driving societal rejection of branded stereotypical Native American depictions. This research proposes that as non-Native American minorities

develop a heightened sense of personally felt ethnic discrimination in their everyday lives they come to believe certain brands leveraging stereotypical Native American iconography are offensive. It is further proposed that this effect is mediated through a sense of racial privilege (i.e., a component of perceived colorblindness that measures beliefs that minorities have the same opportunities as Whites in the U.S.) where personally felt discrimination is inversely related to racial privilege.

Method

For this study data were collected in two separate sessions. During the first collection period, 148 respondents reported their sense of racial privilege ($\alpha = .73$; Neville, Lilly, Duran, Lee and Browne 2000; note higher scores on this scale indicate a belief that racial privilege does not exist or a certain degree of colorblindness) and personally felt discrimination ($\alpha = .89$; Krieger, Smith, Naishadham, Hartman and Barbeau 2005). The presentation order for the measures was randomized between subjects.

Two weeks after the first data collection period, 121 of the original 148 respondents completed the second data collection. Of these, one respondent self-identified as White and one identified as a non-US citizen. Both were excluded from analysis leaving 119 minority respondents, mostly African American (111), who were randomly presented 38 team names and logos spanning the gamut of professional and college sports. Fifteen of these names and logos leveraged Native American connotations, seven with artistic Native American characters. While viewing all of these logos individually, respondents were asked, on a 7-point semantic differential scale (not at all offensive:extremely offensive) how offensive they perceived the name and logo to be collectively.

Brands were grouped with use of exploratory (direct oblimin oblique rotation – factor with loadings $\geq .50$ retained) and confirmatory factor analysis where three factors emerged explaining 63.27% of the variance. One factor contained eight team names linked to an image of an ethnic character (seven Native American characters – e.g., Washington Redskins, Cleveland Indians, Chicago Blackhawks - and a non-Native American character – Notre Dame Fighting Irish). The second factor contained five team names and imagery possessing no Native American/ethnic characters or connotations (e.g., West Virginia Mountaineers, Vancouver Canucks). The third factor contained six teams with both Native American and non-Native American names but no Native American characters (e.g. UTEP Miners, Central Michigan Chippewas, William & Mary Tribe). All factors had good convergent validity (AVE $> .5$). However, factors two and three lacked discriminant validity, and the third factor was dropped because a model using the first two factors

produced the best fit statistics ($\chi^2(64) = 116.05, p < .01; CFI = .95, RMSEA = .08, SRMR = .06$).

Personally felt discrimination significantly predicted perceived offensiveness of brands containing an ethnic character ($\beta = .65; SE = .20; t(118) = 3.18, p < .01$), but it did not predict perceived offensiveness of logos possessing no Native American connotation or character ($\beta = .08; SE = .15; t(118) = .51, p > .61$). Further analysis was conducted with the ethnic character brands to understand any indirect effects.

Direct and indirect predictive relationships of perceived offensiveness were analyzed with a bootstrapping method (Preacher and Hayes 2004). Personally felt discrimination maintained a significant inverse relationship with the proposed mediator, perceived racial privilege ($\beta = -.43; SE = .10; t(118) = -4.18, p < .01$). As individuals perceive being discriminated against, they view minorities as having fewer opportunities than Whites. Felt discrimination ($\beta = .45; SE = .21; t(118) = 2.12, p < .04$) and perceived racial privilege ($\beta = -.46; SE = .18; t(118) = -2.53, p < .02$) significantly predicted perceived offensiveness of ethnic brand/character combinations when modeled together. There was also a significant indirect effect of felt discrimination predicting perceived offensiveness through racial privilege ($\beta = .19; SE(\text{bootstrap}) = .09; 95\% \text{ C.I. LL} = .04, \text{UL} = .38$). The relationship between felt discrimination and perceived offensiveness is shown to be partially mediated through racial privilege.

Discussion

These findings identify a couple of important issues related to how ethnic minorities perceive their social surroundings. First is the suggestion that everyday felt discrimination makes minorities less colorblind. Consequently, minorities seem to become more sensitized to instances tied to ethnicity that can be construed as offensive. Of note here is the notion that the identification of offensiveness is not tied to the observer's own ethnicity, rather offensiveness perceptions center on themes of particular interest to an outgroup. A question raised by these findings is what factors will drive minorities that perceive offensiveness tied to brands leveraging Native American characters to 1) voice their disapproval and/or 2) put forth an effort to see that the offending stimuli is altered and subsequently removed from society's collective consciousness. Subsequent studies are planned to see if these effects are identifiable.

This research has further implications for managers, particularly those with brands that can be construed as offensive. There were several brands presented with Native American-based

names but without an associated stereotyped character (e.g., William & Mary Tribe, Golden State Warriors, Central Michigan Chippewas). All of these brands have stylized text to serve as the brand's imagery. Even though these brands did not form a retained factor in the analysis, post hoc analysis revealed these brands and associated imagery were generally viewed as not offensive. Ultimately, controversy surrounding brands utilizing Native American iconography, at least outside of the Native American community, may be mitigated if managers retire logos containing characters giving deference to some other less stereotypical imagery. Further studies are planned to see if additional support for hypothesized notions can be found. Finally, future research should also investigate how a majority group may come to see offense associated with ethnically stereotyped brands.

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Summary Brief

A Perspective on Program Branding in an Education Institution: One Growing University's Experience with Branding Its Programs

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Like many private universities, The University of Tampa, a medium-sized, growing private university, the brand policy requires the institutional name and brand mark to be the primary focal point of marketing communications, with specific program or unit identities as secondary. While positioning the institutional brand as the dominant identity is a commonly accepted practice among universities, establishing the connection between target populations and the programs designed to serve them is an increasingly important branding goal. This study explores the issues relevant to institutional sub-branding in colleges and universities. This is an early-stage investigation, with the first phase of the study focusing on two of the University's programs, one branded and one unbranded. In addition to isolating key considerations for program/unit branding, the completed manuscript will propose a protocol for effectively balancing the master institutional brand and the identities of targeted programs and operating units.

Introduction

The University of Tampa recently established strict rules of identification and brand imaging. In this process, the administration required some programs to abandon long established and well-recognized institutional sub-brands and constrained branding initiatives for new programs targeting specific constituencies with uniquely positioned new and existing service offerings. While this approach is not uncommon, the researchers' intention is to identify best practices for balancing an institutional brand with a program's distinctiveness through a review of the branding literature, followed by a study of select university programs -- branded and unbranded.

From this point forward, the authors refer only to the program, but suggest that this discussion is equally relevant for separate academic units within a university community. Since the literature on service industry sub-program branding is sparse, subsequent phases of this project will explore the subject in context beyond The University of Tampa.

Research Question

What should the relationship be between the university brand (primary brand) and the program brand (sub-brand)? If a program brand increases the likelihood that stakeholders will view the program positively, does that positive perception translate into favorable outcomes, such as higher enrollments, greater community/alumni support, and higher rates of program completion?

These are complex questions and definitive answers may be elusive. However, exploring the relationship between a primary university brand and a program sub-brand will provide insight for university administrators who must make important strategic decisions that affect program viability and perceptions of the institution as a whole. Because a preliminary literature search uncovered little research focused on the relationship between primary brands and sub-brands for universities, and no reports on best practices in the context of educational institutions, this study will contribute to filling a literature gap.

Two recent manuscripts did study similar questions. Brewer and Zhao (2010) explored the relationship between reputation and brand awareness in a higher education context. They examined the impact that a pathway approach (i.e. a college that has an established relationship with a university to serve under-prepared students to bring their skills up to the university standards prior to admission) had on the established reputation of a leading university in Australia. Specifically, Brewer and Zhao considered how this relationship influenced students' decisions and perceptions about pathway initiatives by measuring preference, brand awareness, opinion of college brand, and perceived reputation.

Priporas and Kamenidou (2011) addressed the importance of UK business schools' brand reputations to Greek university students choosing a graduate institution. By exploring student perceptions, they identified the university's brand name and level of recognition as two of the most important considerations in developing the B-school brand's reputation.

Although not focused on higher education, Spiggle, Nguyen and Caravella (2012) introduced a new construct -- brand extension authenticity (BEA). The authors showed that BEA measures perceptions of brand extension legitimacy and cultural congruity, dimensions that complement the widely accepted brand extension measures of fit as similarity and fit as relevance. Furthermore, Spiggle and colleagues identified four dimensions of BEA that appear to relate directly to a university branding context: maintaining brand standards and style, honoring brand heritage, preserving brand essence, and avoiding brand exploitation.

Academic researchers have begun to pay more attention to how the structure of the brand name selected for a brand extension influences subsequent evaluations of the parent brand. The results have been mixed, but a recent study suggested that sub-branding (e.g. Quencher by Tropicana cola), as opposed to family branding (e.g. Tropicana cola), can mitigate parent brand dilution due to differences in the way consumers process the information related to the two brand extension variations (Sood and Keller 2012).

Again, this study appears to fit well into the university context since universities use standardized branding protocols in an effort to reduce denigration of the parent brand image.

The authors propose that the brand extension literature in general will offer a rich body of knowledge to help explain the brand extension implications for a university brand and its branded programs. The studies described above represent a shallow dive into the relevant literature at this point in this early stage, incomplete work. As the study progresses, more brand extension literature will be reviewed to determine its possible application to a higher education context.

Research Objectives

Consistent with the identified studies, the present study explores preferences, brand awareness, attitudes toward the brand, and perceived brand reputation among university constituents. Four research objectives will determine:

1. stakeholder attitudes toward a branded program versus an unbranded program at The University of Tampa,
2. influence of the existing attitude held toward the University on the attitude held toward the two programs (branded and unbranded),
3. likelihood of positive outcomes in a branded program versus an unbranded program, and
4. preferred brand architecture between a university brand and the program brand.

Initial Propositions

Exploring the following preliminary propositions will address the study's objectives:

1. Stakeholders are likely to have a more positive attitude towards a branded program.
2. Stakeholders who have a positive attitude towards the university will identify more closely with a branded versus a non-branded program with positive university attitude being transferred to the specific program.
3. Students are more likely to enroll and stay enrolled in a branded versus a non-branded program.
4. The university brand should dominate, but the program identity should be distinctive yet consistent with the university brand.

As the study unfolds, these initial propositions may alter somewhat based on exploratory research and additional literature review.

Approach

The study examines The University of Tampa's experience with branding strategy. Having altered its branding policy within the last few years, this university presents an investigative opportunity. A combination of qualitative and quantitative research techniques will assess the assumptions set forth by the

propositions. Participants self-select into the designated programs, so control groups composed of individuals who are eligible, but who have not enrolled in the programs, will be identified as subjects. The university stores a wealth of quantitative secondary data for both the branded and unbranded programs being examined, including GPA (for both incoming and outgoing students), gender, declared major, in-state vs. out-of-state primary residency, enrollment patterns, and percent completing the program. Qualitative information is expected to be especially revealing and will include structured interviews with program participants, program administrators, university-level branding decision-makers, and selected community leaders.

At the time this Summary Brief was prepared, the researchers had enlisted graduate students to help conduct depth interviews and focus groups with the University's students. The objective of these focus groups is investigative to guide decisions on survey content and the need for additional qualitative research. Other exploratory efforts will include: 1) depth interviews with selected members of the Tampa Bay community who do not have ties with The University of Tampa; 2) focus groups with select students currently enrolled in a branded University program; and 3) an electronic focus group with adult, part-time students enrolled in a non-branded program. Empirical research will survey various groups regarding their perceptions of branded versus unbranded programs. These groups will include Tampa Bay area college graduates and The University of Tampa's students and alumni.

The authors plan future research on this subject that will expand the investigation to include other universities' experiences with branded and un-branded programs. Ultimately, the goal is to develop a model that identifies the antecedents of sub-brand loyalty that will result in positive program outcomes while complementing the parent brand's reputation.

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Summary Brief

The Relationship between Nutrition Claims across Products and Firm Value: Simplicity or Sophistication?

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This research focuses on how the presence of nutrition claims on product packages affects the firm's financial performance. We examined a model in which the average number of nutrition claims has an inverted U-shaped relationship with firm value. The average ratio of nutrition claims to all product claims has a negative relationship with firm value and the variation of number of claims across a product portfolio has a U-shaped relationship with firm value.

Introduction

From the familiar heart-healthy symbol and the “natural” and “organic” claims to the “low sugar,” “low fat” assertions, all are essential aspects of the marketing of food and beverage products. According to the FDA survey's findings released in 2010 (FDA 2010), more than half of consumers in the United States often take the nutrition label into consideration when buying a product for the first time.

While the featuring of nutritional and health benefits claims by food manufacturers continues to increase, the degree to which these claims actually improve a firm's performance has rarely been examined. Although prior research has measured consumers' perceptions and purchase intentions in reaction to package claims, there is a scarcity of research as to how the presence of nutrition claims on package labels actually creates financial returns. Nutrition claims are increasingly considered by investors as an essential driver of a company's financial value. R&D in the areas of health and nutrition is now considered to be one of the top criteria used by investors to assess the sustainability of food manufacturers for the Dow Jones Sustainability Index (Patton 2005). Nutrition claims not only reflect the firm's innovations in nutrition, but they are also used as a form of advertising. With widespread theoretical and empirical discussions regarding the effects of innovation (e.g., Sorescu and Spanjol 2008) and the impacts of advertising on firm value (Srinivasan et al. 2009), we believe that nutrition claims can affect a firm's stock market value through product innovation and advertising communication.

The goal of this research is to examine the link between the use of nutrition claims and the firm's financial performance. We will contribute to the literature by focusing on the nutrition claims across multiple products introduced by a firm and exploring their impact on company-wide profitability, whereas prior research only examined the effects of a single nutrition claim (Wansink and Chandon 2006) or the effects of multiple nutrition claims on a single product (Ford et al. 1996).

Hypotheses

We expect that the addition of nutrition claims to package labels has had a positive effect on the manufacturer's stock market

value; however, this positive impact will be diminished after reaching the inflection point. While too little information on the products' packaging leads people to form unfounded conclusions (Ross and Creyer 1992), excessive information on the label is distracting. When compared to too few claims or too many claims, firms that place an intermediate number of nutrition claims on each product may achieve better perceived accuracy and believability. Moreover, nutrition claims can make the product less appealing, because consumers believe that unhealthy foods are tastier than healthy ones (Ragunathan 2006).

The effectiveness of nutrition claims can be determined not only by their absolute number, as stated in the first hypothesis, but also by the relative ratio of nutrition claims to all product claims, such as “fair trade” or “double trademark” labels. We expect that the average ratio of the number of nutrition claims to the number of all product claims per product has a negative relationship to a firm's stock market value. When the nutrition claims constitute a large percentage of the total claims, their effectiveness may decline, because labels overwhelmed by nutrition claims could create a confusing message and may make it difficult for consumers to believe all the assertions on the label. Additionally, overwhelming nutrition claims leave insufficient space on the package for other important product information and may increase consumers' expectations to the extent that they would be less tolerant of gaps between nutritional promises and product performance.

Some products within a firm's portfolio have only one or two claims on the labels, while other products carry more. We hypothesize that the variance in the number of nutrition claims forms a U-shaped relationship with the firm's performance for two reasons. First, a firm must overcome the downside of increased label variety, such as complexity in management and difficulty in coordinating resources (Koka and Prescott 2008) and then reap the benefits when the diversity accumulation surpasses the thresholds. Second, companies with a medium level of variance in the number of nutrition claims for their product portfolios might be less advantageous for both sides. This scenario would be more confusing and more costly compared to firms with a small variance in nutrition claims. Furthermore, it would not provide enough variety in nutrition claims to meet the needs of all the market segments compared to the firms that have a large variance.

Measurements and Results

We collected nutrition claims data from new product labels from 41 U.S. companies in the food industry from 1999 to 2007. We used the market-based measurement of Tobin's Q as the dependent variable to investigate the influence of nutrition claims on a firm's stock market value. For the independent variables, we created the average number of nutrition claims per product, the

average ratio of the number of nutrition claims to the total number of product claims, and the variance of the number of nutrition claims across the firm's products. Several other factors that can influence the relationship between nutrition claims and firm value are employed as control variables, including firm size, advertising expenses and number of products. To analyze the 10-year data, we used the GMM estimation system that includes lagged Tobin's Q to control for endogeneity and unobserved heterogeneity.

All three hypotheses are supported by the results. First, our findings suggest that nutrition claims can increase a firm's stock market value; however, overstating them can have a marginally negative effect. We found that the optimal number of nutrition claims is 4.7 per product. Additionally, managers need to consider eliminating unnecessary nutritional information, because our results suggest that nutrition claims have a greater impact on increasing a firm's stock market value when they constitute a smaller percentage of the total claims on the product package. Third, we found a curvilinear relationship between the variance of nutrition claims and firm performance, which suggests that establishing a focused positioning strategy for the products' nutritional features or a diversification strategy that appeals to different market segments is better than an intermediate strategy.

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Does Cognition Matter more than Emotion in Creativity in New Product Development with Communities ?

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Companies increasingly tap into their customers' knowledge to stay innovative. This activity is fostered by the influence of social networks and technologies. To fully understand the factors at stake in a company's creative process, an interpretative, qualitative study is performed with innovation experts. Results show that there are two underlying dimensions at stake in a co-creation process: a cognitive dimension and an emotional dimension. The cognitive aspects identified by experts include the design of a web platform to facilitate creative engagement, an incentive policy and the skills of contributors. On the affective side, aspects such as the role of imagery, the role and expression of emotions, empathy and creativity tools are mentioned.

Introduction

The co-creation phenomenon is widely implemented in companies' new product development process (NPD). Research has proven that the first stage of NPD, the "fuzzy front-end", is one of the most critical stages (Hauser, Tellis and Griffin, 2006). Managers have to contend with two main issues. The first issue relates on the firm's capacity to attract the most creative customers into their virtual community and incite them to participate in idea generation contests. The second issue relates to inspiring novel and useful ideas. Specifically, how do you motivate, interact with and train people in the community to become more creative? Practitioners have established many different scenarios. Some companies choose to have very little interaction with the community, whereas others solicit and encourage comments by community members. Managers give more or less informational and technological support to participants in an idea competition to achieve better results. Other companies prefer to organize idea challenges among their own employees to guarantee confidentiality. In summary, there are many factors at stake with regard to generating creative ideas.

Consequently, consumers are invited to actively participate in idea generation for new products by developing new ideas and evaluating those of their peers. These tasks are facilitated by web tools that allow the user to transfer explicit and implicit knowledge (Füller, 2010). Very little research focuses specifically on co-creation in an innovation context, with the exceptions of von Hippel and Chesbrough. Research by von Hippel focuses on identifying the personality traits of lead users (von Hippel, 1986), whereas the work of Chesbrough builds an "open innovation" framework based on a

systemic approach, where the innovation process extends beyond the company boundaries (Chesbrough, 2003). These findings are relevant in terms of organizing innovation, but they contribute very little insight to the topics of fostering creativity and interaction with communities. Co-creation and creativity are sometimes incorrectly used interchangeably; however, these issues

are slightly different constructs. It is important to define both constructs.

In our opinion, the most convincing definition of co-creation is the one delivered by Piller and Ihl (2009): "The co-creation process with consumers stems from an active, creative and social collaboration between producers (retailers) and consumers (users) facilitated by the company."

Creativity has been conceptualized in many different ways in different fields: (1) as individual personality traits that facilitate the production of new ideas (Hirshman, 1980); (2) as the process of generating new ideas; (3) as the outcomes (products) of the creative process (Burroughs and Mick, 2004); and (4) as environments that are conducive to engaging new ideas and behavior (Amabile, 1996).

The purpose of this study is to assess how practitioners understand the role of these different factors in the creative process and to determine which of these factors are dominant and which ones are subordinate for making managerial recommendations. We begin with a review of the literature. We will then describe our methodology and present our major findings and discussion.

Literature Review

Creativity as an Individual Process

From the stream that analyzes consumer creativity as an individual process, we can distinguish two main views: the personality trait view and the psycho-social view. The personality trait view assumes that consumers have stable, measurable personality traits and that creativity depends on those traits. One example of this view is Hoffmann, Kopalle and Novak's (2010) study on the scale of *Emergent Nature*, which posits that the best consumers to include in the NPD process are those who can visualize how concepts might be further developed to match consumer needs. (This scale outperforms the *Lead User* and the *Innovativeness* approach, according to the authors). The *Emergent Nature* consumer has unique personality traits and information processing abilities that include openness to new experiences and ideas; the ability to synergistically apply both an experiential and rational processing style; the ability to process information both verbally and visually; a high level of creativity; and optimism. Personality traits are not the only possible factors that influence consumer creativity.

According to the psycho-social view, researchers postulate that individual consumers are information processors who are influenced by their psychological, social, and other contextual factors. The creative capacity of consumers is strongly related to these factors. Cognitive complexity, positive affects, and intrinsic motivation (Amabile, 1996) are examples of such factors.

Creativity as a Collective Process

Creativity as a collective process is a key point to study because co-creation strongly depends on communities. Kozinets, Hemetsberger and Schau (2008) claim that online communities enable the creation of more original ideas, allow for more efficient selection of the best ideas and solutions, and, in some cases, permit these ideas to be implemented more easily.

Many studies have analyzed the process of how individual consumers develop their knowledge and skills and how they contribute to a collective project. The creative task remains an individual work, but it is transformed by the interaction between the community and the contributor. This approach also examines how individual consumers express themselves individually and collectively, their problem-solving processes, their motivation to share creative ideas, and the cultural meanings that consumers experience during such activities. Nevertheless, due to the community dialogue, integrating the consumer into the NPD process is a complex task and is a process that should be clarified. (Sawhney, Verona and Prandelli, 2005). One way that companies can collaborate with consumer is to organize an innovation challenge or contest (Boudreau, Lacetera, and Lakhani, 2011). This form of collaboration has gained notable acceptance among consumers. An explanation advocated by scholars is *customer empowerment*; the customer is involved in NPD in two basic dimensions: customer empowerment to create ideas for new product designs and customer empowerment to select the product designs to be produced.

Many scholars have studied the motivations that drive consumers to engage in creative activities (Füller, 2010) and have discovered to two main motivation types: intrinsic and extrinsic. Extrinsic motivations refer to partaking in an activity for its instrumental value (e.g., monetary rewards), whereas intrinsic motivations refer to pursuing an activity for its own sake (e.g., task enjoyment). The theory upon which this distinction is based has been conceptualized by Deci and Ryan (1985) and posits that consumers have multiple, contradictory motivations. One argument for this view is that a combination of both intrinsic and extrinsic motivations drives individuals to engage in collective creative activities. A paradox noted by many researchers in creativity literature states that extrinsic motivations have a detrimental effect on intrinsic motivations, and thus creativity (Amabile, 1996). Therefore, why is it that companies that are hoping to foster creativity offer monetary rewards for most of their innovation challenges? However, the creativity process is still an area where scholars generally have limited insights with regard to the “ideal” process (Poetz and Schreier, 2011).

Methodology: Semi-Structured Expert Interviews

The objective of this research is to discover emerging themes that are related to co-creation in an innovation context to assess how practitioners understand the role of the different factors affecting the creativity process. Because of its exploratory aspect, we chose a qualitative approach to probe more in-depth information and to gain a better understanding of companies’ creativity generation. Thirteen innovation experts were selected and interviewed. The interviews took place in two main phases: first, participants were informed about the main rules of the interview, and second, participants were questioned about how they decide upon and prepare co-creation projects. The interviews

were conducted in the firm’s office to make respondents feel more comfortable. The interviews were conducted between March and July 2012 and lasted from 40 minutes to one hour and 10 minutes. Due to the high responsibility levels of the participants, we choose the informants based on the researchers’ personal acquaintances or by snowball sampling. It was critical for the participants to have participated in a co-creation project and/or to have launched such projects. Therefore, 13 innovation management experts were interviewed.

Findings

Two main themes have been identified: the design of the co-creation process and creativity.

Design of the Co-Creation Process

Regarding the **design of the co-creation process**, four different themes emerged: creative engagement, the incentive policy, the design of the web platform and contributors’ skills. Regarding **creative engagement**, interviewees mentioned the difficulty in attracting users to their web platform.

We supposed that creativity wouldn't only come from passionate users but also from designers and engineers, and we had to overcome the lack of interest in bicycles in order to attract these people. (Btwin Lab)

They mentioned that one way to solve this problem was through providing an enjoyable component to the co-creation tasks.

We think that web surfers join the platform because the Rally Fighter design is seen quite sexy and the co-creative tasks are enjoyable, playful and fun. We definitely need to propose new projects to maintain a high level of community engagement. (Local Motors)

The **incentive policy** is a major issue for companies. Monetary rewards are largely used by firms, but with the risk of affecting the spontaneity of the community’s behavior.

Next week we are going to launch an internal competition in a collaborative mode. We are not giving a prize to the best idea at the end. We hope that at the end we will obtain innovative ideas based on the collaboration of the community members. (Peugeot)

Many other rewards are mentioned, such as “social rewards (peer recognition)” or “knowledge improvement”.

In our workshops we hardly try to include the first and most active contributors on our platform. They meet the designers and the engineers, which raises their self-esteem and corresponds to a nice reward for them. (BTwin Lab)

The combination of extrinsic and intrinsic rewards seems to be at stake. Research shows that monetary rewards undermine intrinsic motivation and thus reduce creativity (Amabile, 1996).

We would have loved web users to devise new ideas based on one another’s contributions but the platform ergonomics prevented it. The comments were practically invisible. (SFR)

Creativity

Concerning **creativity**, four themes emerged: the role of imagery, emotions, empathy and creativity tools. Regarding the role of **imagery**, some experts use images to boost creativity.

We organize visual creativity workshops, where we invite participants to draw their ideas on a paperboard. (Cabinet G. Mangin)

Other experts invited participants to visit *inspirational spaces* on web sites where images and ideas were posted by the community manager. The role and expression of **emotions** is also an emerging theme, as experts find it difficult to assess the emotions felt by web users who rarely have the opportunity to express them.

What we are trying to do is to summarize our ideas or the issues we wanted to solve (in a visual and emotional way). (ST Microelectronics)

Empathy is another important factor regarding how consumers could apply ideas. Consumers often express their need to visualize the end user using the idea.

What we really seek in a community is firstly creative insights and secondly empathy, which is the ability to imagine the end user with your new contribution. (E-Yeka)

Finally, **creativity tools** are mentioned as an important theme. Many tools belong to the engineering, world such as "TRIZ" or "Concept/Knowledge" methods. These tools are used to find solutions to technical issues in product design. Some additional classic tools such as "mind mapping" or "brainstorming" sessions are also cited.

Discussion and Implications

The **cognitive** aspects of co-creation have been largely studied by authors such as Füller (2010), who have shown that consumer motivation determines the expectation of the virtual co-creation design and that differently motivated consumers differ with regard to personality. In line with Füller's findings, we found in our study that if the task is oriented to problem-solving, companies should interact with reward-driven consumers; however, if the task is more creative, intrinsically oriented consumers are highly qualified due to their knowledgeable and creative personalities.

Another interesting cognitive aspect underlined in our study is the key role of interactions. We argue that feedback valence (positive or negative) and origin (brand or peers) do not have the same impact on consumer motivation. Managers and Community Managers should pay attention to avoid negative feedback and should delete deleterious comment threads because encouraging comments enhance creative engagement.

To conclude regarding the cognitive aspect of our findings, we must consider the paradoxical role of rewards. Most experts acknowledge the importance of monetary rewards as being the best driver for participation and creativity, but such rewards are not sufficient to motivate all community members, especially those who are intrinsically motivated. Managers must pay particular attention to other rewards such as non-monetary rewards (reputation, feedback, and tokens) if they want to motivate all types of consumers.

The **affective** part of the creativity process remains rather mysterious for the interviewees; even when they emphasized the enjoyable and playful aspects of the experience, they expressed some difficulties in assessing their emotions. The ideation process is basically an online activity in which the interaction between brand and consumer is a factor of success; thus, communicating emotions in this environment is complex. Our findings are in line with the *flow state* theory, which has been studied in many fields such as web surfing, sports and creativity. This theory posits that a person "feels more active, alert, concentrated, happy, satisfied and creative, regardless of the task being performed" (Csikszentmihalyi and LeFevre, 1989). Pleasure, enjoyment, and

fun are emotions that were mentioned regularly in our interviews, which is congruent with the literature and with flow state theory. Designing compelling co-creation experiences is an important challenge for community managers to motivate community engagement. One way to achieve this goal and to avoid boredom is to propose renewed challenges to the community each time.

Conclusion and Limitations

Due to its exploratory nature, this research has a number of limitations, which provides a platform for the undertaking of further empirical and theoretical research in this emerging area. The first limitation concerns the lack of time on the part of many experts, which resulted in reduced insights in some cases. Another limitation is the impossibility of organizing focus groups with experts from different fields due to the confidentiality obligations of most of the managers interviewed. Moreover, most of the companies work with consumers to generate new ideas, but many others also interact with employees, which impacts the design of the co-creation platform in terms of incentives and functionalities. One way to address this drawback and to raise external validity is to interview experts with the same concerns (crowdsourcing¹, or co-creating with internal communities).

This study creates several avenues for future research. The first avenue relates to the ideal reward combination that innovation contests should propose. Reputation rewards represent an unaddressed topic in management literature. To our knowledge, very few studies deal with reputation. Wasko and Faraj (2005) determined the helpfulness of answers to legal questions based on an interpretation of response messages and found that the only motive, desire for reputation, has a positive effect on quality. Jeppesen and Frederiksen (2006) measured the self-reported innovativeness of contributions and concluded that striving for firm recognition increases the innovativeness of contributions.

Finally, more theoretical findings are needed, especially to assess the issue of which consumer to integrate in the NPD (lead users, emergent nature, innovative). Further theoretical research should integrate other relevant theoretical perspectives, such as consumer behavior theories that address individual and/or social identity (Kozinets, Hemetsberger, and Schau, 2008). Consumer engagement in virtual communities provides an important avenue for research as it leads to empowerment, emotional bonding, trust and commitment (Brodie, Biljana and Hollebeek, 2011).

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¹ Crowdsourcing is a [process](#) that involves [outsourcing](#) tasks to a distributed group of people. This process can occur both online and offline (Howe, 2006)

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MARKETING ETHICS, LAW & PUBLIC POLICY TRACK

Track Chair

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Summary Brief

The Role of Product Sustainability Disclosures in Promoting More Socially Desirable Choices

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Despite an increase in consumers' interest in sustainable and environmentally friendly products, a limited number of studies have examined effects of package-based disclosures of sustainability levels for consumer packaged goods. To address consumers' responses to sustainability disclosures, we assess effects of disclosure levels across multiple brands within and outside of consumers' category-level latitudes of acceptance. Two experiments address the boundary conditions of effects of product sustainability on consumers' evaluations and choices. We offer implications for consumer welfare and policy, as well as manufacturers and retailers investigating sustainability labeling options.

Introduction

Without considerable actions by business, government, and consumers, there are direct and indirect negative consequences associated with unsustainable consumption, including issues related to consumer health and changes to biological systems. As sustainability life cycle analyses for products are becoming available, combined with concern about the environmental consequences, increased sustainability information directed to consumers is expected in the near future.

Based on the actual variation in sustainability levels among brand options, these brand-level differences potentially may impact consumer choices at the retail shelf. Indeed, the provision of positive brand-level sustainability information at the point-of-purchase could create "sustainability utility" for products. Akin to Thaler's (1985) definition of transaction utility, *sustainability (dis)utility* is defined as the difference between a specific brand's level of sustainability (i.e., provided externally at the shelf) and category-level perceptions of sustainability (i.e., an internal sustainability reference point), and suggest that this (dis)utility (negatively) positively influences product perceptions. Results from two experiments that address the impact of category level disclosures and boundary conditions for effects of disclosed sustainability levels on consumer evaluations are presented.

Hypotheses

Drawing from assimilation-contrast theory, sustainability disclosures and their relationship to category-level reference points should potentially influence consumer evaluations of products if external information is assimilated. In these cases, consumer evaluations should increase (decrease) when higher (lower) brand-based sustainability levels (*vis-à-vis* category reference points) are disclosed, creating sustainability (dis)utility.

When compared to conditions in which no brand-level disclosures are provided for the category (and consistent with current retail environments), we predict that the provision of sustainability information for all brands within a category will influence product evaluations and purchase intentions. Hence, we expect a two-way interaction between the presence (absence) of sustainability disclosures for multiple brands in a category and the brand-level sustainability ratings, as follows:

H₁: Relative to a no disclosure control, the provision of a lower (higher) level of sustainability through a package disclosure will decrease (increase) consumers' (a) purchase intentions and (b) perceived quality.

We further examine the underlying information process driving sustainability (dis)utility by incorporating perceived consumer effectiveness (PCE), the specific belief that individuals' efforts can make a difference in the environment (Ellen et al. 1991) in product usage evaluations. In addition, we examined the potential self-enhancement that could arise in pro-environmental behaviors (Luchs et al. 2010). Generally, individuals with high PCE behave sustainably because of their belief in the benefits to be gained from addressing environmental issues (Ellen et al. 1991). Conversely, individuals with low PCE are expected to rely more on peripheral cues to derive product evaluations. Hence, compared to high PCE consumers, consumers with low PCE are more likely to be influenced by sustainability information and the context of the purchase (i.e., public vs. private). Further, given that low PCE consumers are less likely to believe in the usefulness of their efforts to change the environment, their behaviors may be driven by the desire to self-enhance. The differences across perceived effectiveness levels are expected to increase when the sustainability levels are very low or high (outside the latitude of acceptance) rather than moderate (within the latitude of acceptance), enhancing the salience of information.

H₂: The effects of latitude of acceptance and context are moderated by consumers' perceived effectiveness. When disclosed levels are above (below) the latitude of acceptance, consumers with low perceived effectiveness will report higher [lower] (a) purchase intentions and (b) product performance in a public (vs. private) context. The effects of latitude of acceptance and context are less pronounced for those with high perceived effectiveness.

Prior findings suggest that consumers often associate more sustainable products with reduced effectiveness and quality (Luchs et al. 2010). However, these studies have not considered the latitude of judgmental continuum to determine when sustainability utility may emerge for products with strength-related attributes. Specifically, we predict that high (low) brand-level disclosures that fall *within* the category-level latitude of acceptance yield

sustainability (dis)utility, increasing (decreasing) product quality evaluations, which in turn increase (decrease) purchase intentions. Thus:

H₃: Product quality mediates effects of the moderating and direct influence of the disclosure on purchase intentions.

Empirical Studies

The purpose of study 1 was to examine H₁ predictions regarding the influence of sustainability disclosures on consumers' product evaluations and choices. Notably, this study was conducted in a retail laboratory setting where product options within a category were displayed on retail shelves. The experimental study was a 3 (sustainability levels: low, moderate or high) × 2 (provision of product category disclosure: absent (control) or present) mixed experimental design. Sustainability levels (presented for multiple brands) were the within-subjects factor and the provision of the disclosure was a between-subjects factor. Both the brand names and sustainability levels were rotated across detergents and dish soap brands.

Results from study 1 support H_{1a} and H_{1b}. Relative to the control condition, which provided no sustainability information for any brands, the disclosure of sustainability levels across two product categories created sustainability utility, influencing both product evaluations and choices made in a retail store environment.

Study 2 is concerned with product evaluations following the use of sanitizing wipes with different disclosed sustainability levels. The study was a 2 (brand-level sustainability rating: low vs. high) × 2 (latitude of judgment: within vs. outside) × 2 (context: private vs. public) mixed experimental design with perceived consumer effectiveness as the measured factor. Sustainability ratings were a within-subjects factor, while the latitude of judgment and context were between-subjects factors. The brand levels 1 and 9 were considered outside the latitude of judgment whereas 4 and 6 were within, based on a pilot test. The sustainability levels were labeled on the lid of the sanitizing wipes. For the context manipulation (cf. White and Peloza 2009), participants were told that all of the responses will be completely anonymous and confidential in the private condition. The two-way mirror located in the lab was covered with dark fabric to make it invisible to participants. In the public context condition, participants were told that all of the responses will be observed by the experimenter behind the two-way mirror.

Overall, findings suggest that when sustainability information falls outside the category latitude of acceptance, self-enhancement moderates whether the information is assimilated or contrasted. However, the manner in which the information is processed differed across PCE levels. When the tendency to self-enhance is considered, low efficacious consumers evaluated high sustainable sanitizing wipes more favorably. Conversely, highly efficacious consumers are less influenced by the context, as their views on the environment and effectiveness of their actions drive their product perceptions and purchase intentions. These results support H_{2a} and H_{2b}. In addition, the bootstrap (n = 5,000) analysis indicated that

product performance mediated the moderating effects on purchase intentions, supporting H₃.

Conclusions and Implications

Given that there are major retailers and manufacturers considering potential systems to disclose product sustainability levels on consumer packaging in the near future (Sustainability Consortium 2013), the primary purpose of this research was to address effects of labeling factors on product evaluations across different product categories. Overall, we suggest that disclosures used in the studies are capable of educating consumers about the sustainability or lack of sustainability of product alternatives in the retail setting and there are potential effects of the disclosure.

These findings provide important implications that should be of interest to researchers, retailers, CPG firms, and policy makers interested in sustainability and disclosure options. From policy and research perspectives, this paper highlights the potential importance of the provision of sustainability disclosures that must be disclosed to achieve effects on evaluations. The implementation of effective sustainability labeling would give individuals an opportunity to more easily behave in a pro-sustainable manner. Effects at the consumer level, in turn, should encourage companies to make changes to the supply chain process to improve sustainability levels disclosed to consumers. Additionally, if companies comply with sustainability principles and use sustainability disclosures similar to those examined here, consumers will have a better understanding of the environmental impact associated with their purchases. Given benefits to society from more sustainable consumer choices, information disclosures are a prime example of moving a step closer to mindful consumption that can have a long-term impact on society.

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Summary Brief

Employing Numerical Appeals to Generate Affective Response in Nonprofit Advertising

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Number appeals are treated by the extant literature as a cognitive process. In this study, the authors test numerical appeals and the effect on negative emotional response, believability of the ad, attitude toward the ad, perceived social responsibility of the sponsor and intent to donate to the sponsor. Results show that not only do numerical appeals generate an emotional response, but they also improve donation intent to a pro-social change sponsor; in this case the American Diabetes Association.

Introduction

Public policy makers attempt to use resources in an efficient manner to help the public (Lu 2013). From a public policy perspective, obesity is a crisis demanding time, public funds and placing an incredible stress on health care resources. Despite the dangers to health and associated risks receiving extensive media coverage obesity continues to be a serious health concern. Eighty percent of health care costs are related to lifestyle choices with obesity amongst the worst offenders; increasing Americans' health costs on average \$1723 per year per person (Stafford 2013). One in four American adults, or 66 million people, is defined as obese, with one in ten suffering from Type 2 diabetes (Stafford 2013). The purpose of this study is to test this ability of numerical appeals to generate an emotional response in anti-obesity ads.

Protection Motivation Theory

Media saturation on unhealthy lifestyles, including obesity, primes obese people for anti-obesity ad appeals. In other words, obese people are at some level aware their lifestyle is likely not healthy. Thus, obese people have a personal relevance in information about obesity, particularly when exposed to negative consequences associated with obesity such as developing Type 2 diabetes. The argument for more elaboration by obese persons is strengthened by Protection Motivation Theory which suggests people protect themselves based on severity of a threat and the probability of occurrence or vulnerability (Rogers 1975). Mooreman and Matulich (1993) find that health motivation positively influences consumer preventative health behavior.

Variables and Hypotheses

When using cognitive appeals, advertising raises awareness but does not induce fear or anxiety (Singh, Prescott, Guy, Walford, Murphy and Wise 1994). However, Singh et al. (1994) did not employ numerical claims. The literature suggests otherwise for

audiences of personally relevant ads. To measure negative emotional response, the authors turned to the extant literature involved nonprofit public service announcements. Shanahan and Hopkins (2007) discuss Protection Motivation Theory in anti-drunk driving PSAs. Negative emotional response includes such measures as alarmed, worried, frightened and fearful; exactly the type of response to shocking numbers about amputations when presented to an obese individual. Given the following is posited:

H1: Negative emotional response to the ad will be greatest for the obese group when numeric information is included in the ad message.

H2: Believability of the ad will be greatest for the obese group when numeric information is included in the ad message.

H3: Overall attitude toward the ad will be greatest for the obese group when numeric information is included in the ad message.

H4: Perceived social responsibility of the sponsor will be greatest for the obese group when numeric information is included in the ad message.

H5: Intent to donate to the sponsor will be greatest for the obese group when numeric information is included in the ad message.

Research Methodology

Procedure

The posited hypotheses were tested via a 2x2 between-subjects experimental design consisting of two main effects and five criterion variables. The two independent main effects consisted of numerical versus non-numerical ad message content and obesity (obese/non-obese). The five criterion variables studied were negative emotional response to the advertisement, overall attitude toward the ad, perceived social responsibility of the sponsor, ad beliefs and intention to donate to the sponsor.

Data was collected on a convenience basis via a consumer panel. Two separate survey instruments were created with *Qualtrics* and distributed randomly to panel members via e-mail solicitation. This procedure resulted in a total of 287 usable responses with 148 respondents for the numeric ad treatment and 139 for the non-numeric ad treatment. Based on the CFA results, all indicators associated with each latent construct were retained and all construct level measures proved both reliable and valid.

Hypothesis Testing – H₁-H₅

Hypotheses 1-5 were tested via multivariate analysis of variance (MANOVA) tests, with ad treatment (numerical/non-numerical) and obesity (obese/non-obese) serving as the categorical main effects and the scale score for negative emotional response, ad beliefs, overall ad attitude, perceived social responsibility of the sponsor and intention to donate serving as the dependents. Each of the hypotheses posited that a response to the criterion variable will be greatest for the obese group (as opposed to the non-obese group), when numerical information is included in the ad. Support for these hypotheses can be discerned via examination of the interaction effects between ad content and obesity. Noting the results presented in Table 2, hypotheses 1 and 4 are not supported as both interaction effects are not significant ($f_{(1)} = .063$; $p \leq .802$ and $f_{(1)} = 1.49$; $p \leq .224$ respectively).

Discussion

Currently, 25.8 million children and adults in the United States, 8.3% of the population, have diabetes. According to the American Diabetes Association, the estimated total economic cost of diagnosed diabetes in 2012 was \$245 billion, a 41% increase from a previous estimate of \$174 billion (in 2007 dollars). Over the next 25 years, the cost of treating diabetes in the United States is expected to triple to \$336 billion per year, including \$171 billion in Medicare spending alone. This information highlights the substantial burden that diabetes imposes on society and the implications for public policy. This study has attempted to possibly aid in helping to stem the growth of this epidemic by gaining insights into effective print ad content. Specifically, the role that numerical ad content usage and respondent obesity play in affecting message outcomes including negative emotional response, beliefs, overall attitudes, perceptions of sponsor social responsibility and intention to donate to the sponsor (ADA). What follows are the practical and theoretical implications of the study's findings.

Practical and Theoretical Implications

The study hypothesized that negative emotional response, ad believability, ad attitudes, social responsibility of the sponsor and intention to donate to the non-profit would be greatest for the obese segment when numerical information was included in the print advertisement. Of the five hypotheses, three were supported; those being for ad believability, ad attitude and intention to donate. These findings offer interesting insights for the non-profit that desires to make an impact on a potentially threatened target group. The ads characterized herein are all targeted at the obese group of individuals, thus, one may infer that the utilization of numerical statistics with the ad message do well to reach this group. Given the significance of ad believability, it is likely that such an ad, utilizing numerical claims, could have a significant impact in augmenting potentially destructive behaviors. It is further interesting to note that the target group had the highest overall attitude toward the ad, this is encouraging to the non-profit in that potentially threatening information was not viewed negatively by the target group but rather, appears to have been somewhat

embraced. Looking at the relationship herein associated with intention to donate, the non-profit is urged to use caution in applying what is found herein. While the obese group may have overwhelmingly been more likely to donate, the non-profit is advised to consider if this group is their primary target when their objective is to raise funds. Thus, a clear cut objective for non-profit ad campaigning is recommended such that the appropriate response be forthcoming.

Finally, there were no significant main or interaction effects relative to perceived social responsibility of the sponsor. This finding would suggest that regardless of the content utilized and/or the group who is targeted; degradation in positive affect associated with the sponsor does not appear to materialize.

Conclusions

This study has attempted to extend our knowledge and understanding of how individuals respond to differing non-profit ad content formats. With the utilization of numeric versus non-numeric ad formats across a sample of both obese and non-obese individuals it was found that the use of numerical claims increases ad believability, overall attitude and intention to donate. It is hoped that application of some of the lessons learned herein can serve to stem the epidemic growth of diabetes and further relieve the future pressure on an already overburdened healthcare system.

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Summary Brief

Consumer Ethics of Adolescents: Do Religiosity, Materialism, Love of Money and Parenting Style Matter?

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Adolescents represent a lucrative marketing segment. American youth are shopping and spending in record numbers. Perhaps due to this, they have been characterized as the most materialistic generation in history. It has yet to be examined whether this growing materialism and love for money has any effect on their consumer ethics. In answer to a call to examine explanatory factors of consumer ethics, this research examines the effects of family religiosity, youth materialism, love of money and family parenting style on adolescents' consumer ethics. Findings indicate that age, materialistic values, a love of money, and parenting style all aid in explaining adolescents' consumer ethics.

Introduction

Adolescents are a growing and increasingly important consumer segment. In the United States there are about 25.6 million teens whose discretionary spending topped 208.7 billion in 2012 (www.marketingcharts.com). Not surprisingly, American youth are richer and more money conscious than ever before. It is unknown whether this growing love of money and materialism has a detrimental effect on teens' consumer ethics. Thus, there is a need to better understand what factors contribute to ethical (and unethical) teen consumer behavior. This study attempts to address that need by examining five key factors likely to affect teens' consumer ethics: materialism, love of money, parenting style, religiosity, and age.

Consumer Ethics

Consumer ethics represent the "moral principles and standards that guide behavior of individuals or groups as they obtain, use, and dispose of goods and services" (Muncy and Vitell 1992, p.298). In the literature, consumer ethical beliefs are represented as a five factor structure: actively benefiting from illegal activities, passively benefiting from illegal activities, actively benefiting from deceptive practices, no harm/no foul and doing good. Research with these factors has shown that the degree to which consumers consider a behavior to be ethical is dependent on whether the consumer was actively engaged in the said behavior (versus passive participant), whether the action was illegal, and whether there was any harm done to the other party (i.e., the seller). Consumers actively benefiting from illegal activities were perceived to be the most unethical, whereas, consumers engaged in deceptive practices were thought to be less unethical than passively benefiting from illegal activities. These findings indicate that actively engaging in illegal activities is clearly perceived as wrong, whereas passive participation or engaging in actions not deemed legally prohibited were not thought to be as wrong. Scant research has explored the ethics of

adolescent consumers (Rawwas and Singhapakdi 1998). This research explores five factors likely to aid in the understanding of teen ethical beliefs: religiosity, materialism, love of money, parental style and age. The hypothesized relationships of these factors to the five dimensions of consumer ethical beliefs are shown in Table 1.

Table 1. Hypothesized Direction of Relationships

	Active/ Illegal*	Passive*	Question*	No Harm*	Do Good**
Intrinsic Religiosity	-	-	-	n/s	n/s
Extrinsic Religiosity	n/s	n/s	n/s	n/s	+
Youth Materialism	+	+	+	+	-
Adolescent Love of Money	n/s	+	+	+	n/s
Authoritarian Parenting Style	-	-	-	-	+
Authoritative Parenting Style	-	-	-	-	+
Permissive Parenting Style	+	+	+	+	-
Adolescent Age	-	-	-	n/s	n/s

*+ Adolescents with greater level be less likely to view unethical behaviors as wrong; -Adolescents with greater level will be more likely to view unethical behavior as wrong

**+Adolescents with greater level will perceive good behaviors as not wrong or desirable; -Adolescents with greater level will perceive good behaviors as wrong or undesirable

Methodology

Research Design, Data Collection and Sample

The research design was a cross-sectional survey with random sampling. The survey population was defined as parent-adolescent (aged 12-18) pairs selected from a nationwide online panel. Two hundred fifty pairs were analyzed for this study (n=500), resulting in a 14% response rate.

Measures

The dependent variables for analysis were the five dimensions of consumer ethical beliefs (Vitell et al. (2007). The independent variables were the adolescents' age, materialism (Goldberg et al. 2003), love of money (Tang 2006), religiosity (Worthington et al. 2003), and parental style (Carlson and Grossbart 1988).

Results

Results of the five multiple regression analyses are shown in Table 2.

Table 2. Regression Analyses

	β	t-value	Sign.
Active/ Illegal			
Constant		8.785	.000
Adolescent Age	-.194	-3.588	.000
Youth Materialism	.368	6.229	.000
Importance of Money	-.044	-.705	.482
Intrinsic Religiosity	-.058	-.625	.532
Extrinsic Religiosity	-.040	-.444	.657
Authoritarian Parenting	-.210	-3.194	.002
Authoritative Parenting	-.107	-1.675	.095
Permissive Parenting	-.054	-.833	.406
R ²	.310	F-value	13.511
Adjusted R ²	.287	Significance	.000
Passive			
Constant		11.187	.000
Adolescent Age	-.121	-2.409	.017
Youth Materialism	.047	.864	.388
Importance of Money	.178	3.035	.003
Intrinsic Religiosity	-.179	-2.082	.038
Extrinsic Religiosity	-.169	-2.017	.045
Authoritarian Parenting	-.131	-2.141	.033
Authoritative Parenting	-.474	-7.981	.000
Permissive Parenting	.105	1.750	.081
R ²	.404	F-value	20.445
Adjusted R ²	.385	Significance	.000
Questionable			
Constant		13.077	.000
Adolescent Age	-.152	-3.062	.002
Youth Materialism	.126	2.335	.020
Importance of Money	-.010	-.181	.856
Intrinsic Religiosity	-.169	-1.991	.048
Extrinsic Religiosity	-.247	-2.984	.003
Authoritarian Parenting	-.204	-3.368	.001
Authoritative Parenting	-.454	-7.728	.000
Permissive Parenting	.080	1.351	.178
R ²	.419	F-value	21.728
Adjusted R ²	.400	Significance	.000
No Harm			
Constant		10.890	.000
Adolescent Age	-.106	-2.055	.041
Youth Materialism	.079	1.391	.165
Importance of Money	-.042	-.696	.487
Intrinsic Religiosity	.099	1.119	.264
Extrinsic Religiosity	.121	1.404	.162
Authoritarian Parenting	-.113	-1.791	.075
Authoritative Parenting	-.436	-7.124	.000
Permissive Parenting	.020	.329	.743
R ²	.367	F-value	17.452
Adjusted R ²	.346	Significance	.000
Doing Good			
Constant		3.013	.003
Adolescent Age	-.021	-.410	.682
Youth Materialism	.143	2.570	.010

Importance of Money	.459	7.750	.000
Intrinsic Religiosity	-.028	-.324	.746
Extrinsic Religiosity	.016	.192	.848
Authoritarian Parenting	.051	.823	.412
Authoritative Parenting	.020	.324	.746
Permissive Parenting	-.203	-3.357	.001
R ²	.391	F-value	19.318
Adjusted R ²	.370	Significance	.000

All five dimensions of adolescents' consumer ethics were significant models, with adjusted R² values ranging from 29% to 40%.

Discussion

The findings of this research identify several variables which are significant determinants of adolescents' consumer ethics. First, age is an important determining factor. Younger consumers tend to see unethical behaviors as less wrong. As they mature, consumers begin to acknowledge the inherent "wrong" of both actively and passively benefiting from unethical behaviors. In addition, age brings an awareness of those behaviors which should be considered unethical, but which may not cause harm.

Materialism and love of money are also significant determinants of adolescents' consumer ethics. In this study, materialistic youth were more likely to be accepting of illegal and questionable behaviors and were also more likely to recognize the expected "right" in doing good. It may be that adolescents with high self-esteem are more likely to recognize unethical behaviors as wrong, but this has yet to be explored. It also tends to suggest that materialistic adolescents may be more susceptible to engaging in unethical behaviors when they have low self-esteem. This certainly suggests an interesting avenue for future research.

Those adolescents with a higher love of money were more likely to consider passively benefiting from unethical behaviors to be less wrong and to acknowledge the good in societally acceptable behaviors. Thus, while they may recognize those behaviors which are "right", adolescents who value money and consider it necessary for happiness are more willing to take advantage of opportunities to financially gain (e.g., incorrect bill, too much change) and may then be more likely to condone unethical behaviors which enable material gain.

Findings herein further indicate that religious values and beliefs are only instrumental in affecting adolescents' perception of questionable and passive behaviors. These are the behaviors that represent the "middle ground" on a virtual continuum of ethical behaviors. This would indicate that all adolescents, regardless of their levels of religiosity, may recognize the wrong in illegal activities, whereas only those adolescents with exposure to a religious upbringing also make the distinction of the wrong in unethical, but legal activities.

Fourth, the findings of this research indicate that parenting style is an important consideration in explaining adolescent consumer ethics (i.e., standardized beta weights). Children of more restrictive parents were more likely to recognize the wrong inherent in unethical behaviors. Future research should consider other aspects of socialization which may have profound impacts on the development of adolescents' ethics.

References available upon request

Summary Brief

I Quit: The Influence of Graphic Picture Warnings on Consumer Evaluations of Tobacco Brands

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Research examining graphic pictorial warnings suggests that picture graphicness linearly affects smoking cessation outcomes and that this relationship is mediated by evoked fear (Kees 2010). The negative affective reaction engendered by graphic picture warnings, then, should transfer to the brand (Mitchell and Olson 1981) and prompt negative consumer evaluations of the brand. Thus, similar to smoking cessation outcomes, evoked fear should mediate the relationship between graphic pictorial warnings and consumer evaluations of a tobacco brand.

Introduction

Tobacco use is the number one cause of preventable death in the United States, claiming more lives every year than AIDS, alcohol, car accidents, murders, suicides, illegal drugs and fires combined (Tobacco-Free Kids 2010). Despite millions of dollars spent on antitobacco campaigns as well as legislation to reduce tobacco advertising and promotion, cigarette usage in the United States has remained relatively stable for both adults and high school students for the last decade. Graphic picture warnings, warnings that depict the health consequences of smoking in a pictorial and textual manner, have been approved by congress and are currently being drafted by the Food and Drug Administration for use on cigarette packaging and advertising with limited regard to how these warnings may impact tobacco manufacturers.

Research examining graphic pictorial warnings suggests that picture graphicness linearly affects smoking cessation outcomes and that this relationship is mediated by evoked fear (Kees 2010). The negative affective reaction engendered by graphic picture warnings, then, should transfer to the brand (Mitchell and Olson 1981) and prompt negative consumer evaluations of the brand. Thus, similar to smoking cessation outcomes, evoked fear should mediate the relationship between graphic pictorial warnings and consumer evaluations of a tobacco brand.

Organic labeling has been shown to positively affect consumer perceptions of product healthfulness and safety for food products (cite). I suggest that a similar occurrence may exist for cigarette products. That is, consumers will perceive organic tobacco cigarettes to be healthier than nonorganic cigarette

products. This transmission of a healthy attribute (i.e., organic tobacco) to assumptions that an unhealthy or standard product is healthy is deemed the “health halo-effect” and has been found to affect consumer perceptions of high calorie fast food meals (Wansink and Chandon 2006). I predict, then, that the advertising theme enacted by a tobacco brand (organic versus nonorganic) will moderate the mediating effect of evoked fear on the relationship between graphic pictorial warnings and consumer brand evaluations.

Results of a 2 (graphic pictorial present or absent) x 2 (tobacco advertisement: organic versus flavor) experiment suggests that the relationship between graphic pictorial warnings and brand attitudes is mediated through fear and that this effect is neutralized when cigarettes are advertised as organic.

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Corporate Associations and Consumer Product Evaluations – A Comparison between Value-creating CSR and Conventional CSR

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This study shows that CSR image (i.e., consumer judgments on the moral aspect of the company), can spill over to product attributes evaluations, including “product innovativeness” and “product social responsibility”, which, in turn, translates to purchase willingness. We explicitly show that this direct effect of the CSR image on perceived product innovativeness is only restricted to “Value-creating CSR”, and not to the conventional CSR. It confirms our theorization that firms have the potential to improve their corporate brand and in turn their product evaluations by putting a stronger emphasis on the social responsibility components of their image, and placing this at the core of their strategic agenda.

Introduction

In line with the recent suggestions made by leading thinkers in strategic management (e.g., Aaker, 2004; Porter and Kramer 2011), this paper examines the possibility that firms improve their corporate brand and in turn its product evaluations by putting a stronger emphasis on the social responsibility components of their image, and placing this at the core of their strategic agenda. Specifically, we study two categories of CSR endeavors that are widely practiced by today’s companies: Value-Creating CSR and Conventional CSR.

The term “Value-creating CSR” is used based on Porter and Kramer’s (2006; 2011) connotation of CSR as a means of creating “shared value”. In this regard, CSR programs are undertaken to expand the total pool of economic and social value (Porter and Kramer 2011), and thus to create tangible and intangible customer and stakeholder value (Peloza and Shang 2011). In comparison with Value-creating CSR, are Conventional CSR, which includes the more frequent CSR practices such as philanthropic CSR (Austin 2000) and promotional CSR (Pirsch et al. 2007). With the ultimate goal of increasing publicity and/or encouraging the purchase of products, these practices are often seen by consumers as being peripheral and exploitative (Dean, 2002; Rifon et al., 2004), while being relatively limited in producing any significant social benefits (Pirsch et al., 2007).

We provide evidence in this paper to show that, due to the different nature of the two above mentioned CSR categories, they will generate differential consumer responses when it comes to consumer product evaluations. Table 1 summarizes the two CSR categories.

Table 1 CSR Activities Categorization

CSR Categories	CSR Practices	Description
Conventional CSR	Philanthropic CSR	One-way donor-recipient relationship without exchange.
	Promotional CSR	Designed to leverage marketing promotion effectiveness.
	Social Alliance	Long-term strategic alliances to accomplish core strategic goals
Value-creating CSR	Value-creating CSR	Creating social value through daily operations of the company’s value chain system.

Method

The research design includes a two hundred and seventy-four undergraduate students were randomly assigned to 8 conditions of 2 (corporate competence: high vs. low) × 4 (CSR type: philanthropic CSR, promotional CSR, social alliances, and value chain CSR).

Participants were informed in the cover page of the questionnaire, that we were interested in their opinions of a convenience food company—the Golden Circle, and its newly introduced healthy product brand. They were told that an impartial industrial consulting agent provided all the information that they were about to read, and that they should read it carefully.

Firstly, the company’s status of corporate competence (i.e., corporate ability association) was provided. Next, participants read a paragraph describing a social challenge the company is facing due to its business operation. Following this, the four different CSR types embedded in the same cause context were presented. At last, the respondents were asked to provide their brand evaluations and then the corporate level evaluation. We assessed all measured variables on seven-point scale measures anchored by one and seven, with one for “strongly disagree” and seven for “strongly agree”.

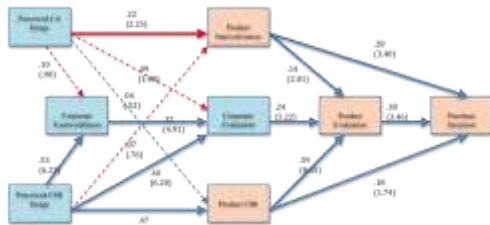
Findings

We implemented multiple group path analysis (Hayduk, 1987) to test whether the overall baseline model would differ when the model was applied to Value-creating CSR conditions in comparison with the other two Conventional CSR (i.e., philanthropic and promotional CSR) conditions. An overall baseline model was first established (Chi-square=37.86, df=10, P.<.001; BBNF=.968; BBNNFI=.932; CFI=.988; RMSEA=.110). The overall group was then divided into Conventional CSR (n=116) and Value-creating CSR (n=116).

Conventional CSR Model

For Conventional CSR, no association is found between perceived CSR Image and perceived product innovativeness ($\beta=.07, t=.82$). In other words, Conventional CSR does not signal to consumers any product excellence, confirming the findings from previous scholars (e.g., Brown and Dacin 1997; Keller and Aaker 1998).

Figure 1 A Structural Equation Model for Conventional CSR

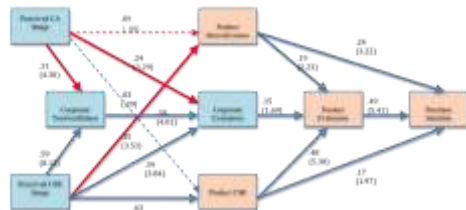


Note: The paths in red are ones that are variant from Value-creating CSR group Model; the paths in solid lines are significant while paths in dotted lines are insignificant.

Value-creating CSR Model

As shown, different from the Conventional CSR case, there is a significant path from perceived CSR Image to Product Innovativeness ($\beta=.35, t=3.53$). The result further confirms our conjecture that CSR programs, when involves joint value-creation, do lend strength to consumers' perceived product innovativeness.

Figure 2 A structural Equation Model for Value-creating CSR



Note: The paths in red are ones that are variant from Conventional CSR group Model; the paths in solid lines are significant while paths in dotted lines are insignificant.

Discussions and Conclusion

In this study, we demonstrate a finding that CSR image, in the case of the Value-creating CSR, can spill-over to product attributes evaluations, including assessment of product innovativeness and product social responsibility, which, in turn, translates to purchase willingness. The evidence is divergent with previous findings (Brown and Dacin 1997; Keller and Aaker 1998; Madrigal 2000; Berens, van Riel, and van Rekom 2007), which show that a company's CSR is less likely to enhance consumer product evaluations, particularly on CA-based product attributes (i.e., product innovativeness and quality) (Brown and Dacin 1997). As we point out, previous experimental work investigating this issue rely predominantly on bipolar manipulations of CSR practices (bad versus good) (e.g., Brown and Dacin 1997; Berens, van Riel, and van Rekom 2007) rather than bringing the many shades of CSR into consideration. . By incorporating the different

CSR strategic orientations, the current research shed light on the potential implications that certain types of CSR practices have on product perceptions, which have not been captured by previous studies.

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For-Profit Universities: A Resource-Advantage Theory Perspective

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There has been a great deal of recent attention paid to for-profit post-secondary educational institutions by their consumers, the popular press, as well as governmental authorities. For-profit universities (FPUs) differ from traditional public and private universities in the sense that they are run by profit-seeking businesses, and several of these institutions are publicly traded entities. Although driven by a profit motive, FPUs provide educational services to approximately a tenth of all current college students. Despite their growth in popularity as a postsecondary educational alternative, many facets of FPUs have come under critical review in recent years. The following essay addresses some of these key issues from a public policy marketing perspective. Specifically, it explores the current scrutiny of FPUs and, subsequently, sets up a theoretical framework for addressing policy through the framework of resource-advantage theory. The main objective of this conceptual analysis is not to take an ethical or legal stance on the contentious issue of FPU educational provision. Rather, the authors seek to set up a conceptual perspective for explaining a facet of the FPU industry within a marketing framework. Implications for public policy are also discussed and future research suggested.

Introduction

For-profit universities (hereafter, FPUs) are often subsidiary businesses of larger, for-profit parent companies, such as Apollo Group, Career Education Corporation, and DeVry Incorporated, among many others. According to Fried and Hill (2009), historically post-secondary education in the United States was initially dominated by religiously-affiliated colleges and for-profit, vocation-specific colleges. When publicly funded higher education was expanded through the Morrill Acts of 1862 and 1890, “for-profits declined in significance, as they had difficulty competing with the state-funded colleges that combined liberal and practical education.” (p. 35) However, in recent years, we have seen the emergence and prolific advertising of many FPUs that seem to be serving a set of consumers who, presumably, perceive that they are gaining benefits not accessible to them by traditional public and private non-profit universities. In the United States, there are hundreds of FPUs that have both local and national presence at their physical and virtual classrooms, with FPU students comprising approximately a tenth of all American post-secondary students (U.S. Senate 2012).

Marketing is a discipline that is concerned with the activities, institutions, and processes for the effective and efficient creation, distribution, and provision of products. The current discourse on the educational products of FPUs reveals grievances from a segment of their stakeholders, particularly government as a representative of society at large and students as a segment of the consumers of FPU products, concerning the activities of FPU

firms and outcomes of FPU education consumption. As such, marketing is in a unique position to contribute to this dialogue in so far as it can provide a framework to explain the ways that FPU consumers’ needs are assessed and fulfilled by the industry. This paper attempts to offer an initial step towards doing so by proposing that resource-advantage theory can be applied to the analysis of the issues surrounding the current competitive advantage of FPUs, and the following sets up a theoretical framework for the discussion.

The remainder of this article is organized as follows. First, there is a brief review of the background and current issues surrounding the scrutiny of the FPU industry. Next, a review of the existing, although sparse, academic research on FPUs, public goods theory as it pertains to the consumption of private goods, and the marketing literature on resource-advantage theory is presented. The FPU industry is then assessed from the perspective of public policy marketing and, in particular, resource-advantage theory. Next, implications for business and public policy are discussed. Finally, ideas for future research are provided.

Background and Current Issues

Despite their growth in popularity as an educational alternative for a significant proportion of American students as well as obtaining national accreditations (Kim 2013), many facets of FPUs have come under critical review in recent years. Questions, such as whether public income, in the form of federally subsidized student loans, should be used to subsidize services that result in private shareholder returns and whether the positive externalities that are created for society, in general, by educational services are worth such a public subsidy, even if private profit is being created in the process, have been raised. Moreover, as for-profit institutions, many of which are publicly traded, FPUs presumably have the main objective of maximizing profits which include shareholder wealth through the educational services that they provide (e.g. Sundaram and Inkpen 2004; Strine et al. 2010), rather than serving the social welfare objective of a more educated populace. Indeed, the sixteen largest FPU companies generated \$2.7 in profit in 2009 (U.S. Senate 2012).

Critics of FPUs argue that the goal of increased profits may provide incentive for them to partake in unethical or anticompetitive business practices (e.g., Lewin 2012b; Sridharan 2012), even arguing that such practices are on scale with the unethical marketing practices that contributed to the subprime-mortgage crisis of the past decade (Eisman 2010). A 2010 report by the U.S. Government Accountability Office (GAO) found several, widespread business practices of FPUs that they deemed anticompetitive or unethical. The report states that FPU admissions officers are generally compensated on a commission that is based on how many students they recruit in their programs.

This is likely the root incentive for the GAO's findings of false accounts of accreditations, inflated claims of graduation rates, inflated claims of post-graduation salaries of their alumni, and undervalued estimates of actual tuition costs. Moreover, some FPU staff allegedly encouraged students to misrepresent financial information on federal aid applications. It is notable, thus, that the largest proportion of FPU students seek information about their program of interest directly from the FPU (with four of the top five information-seeking methods being direct contact with the educational institution and their promotional materials), and half of all online students used general Internet search engines to find their educational programs (Aslanian and Clinefelter 2012).¹ Senator Tom Harkin, one of the authors of a 2012 government report on the FPU industry as well as a vocal proponent of increased regulatory oversight of it, claimed that unethical marketing practices are commonplace for FPUs: "They are systemic throughout the industry, with very few individual exceptions" (Lewin 2012b).

Some of the information not being disclosed by FPU recruiters included the fact that there is a more than fifty percent dropout rate among FPU students (U.S. Senate 2012). With such a disproportionately large number of FPU students using federal financial aid for their tuition, it follows logically that there would also be a wide disparity between the default rates for FPU students paying back their federal student loans, as compared with other college students. Indeed, approximately a quarter of former FPU students are in default, as compared with approximately a tenth of former students of traditional postsecondary educational institutions (U.S. Department of Education 2012), an observation that seems to be aligned with findings that FPU students are unemployed longer after graduation and earn less than their counterparts in not-for-profit schools (Deming et al. 2012). Thus, even though society benefits a great deal from an educated populace, and therefore, it is appropriate for government to support educational attainment, high default rates on loans by FPU students imply that society may not be experiencing a net benefit from the additional students educated by FPUs.

It is this concern that has led to recent federal scrutiny of the FPU industry. The most recent comprehensive report on the FPU industry was released in July 2012, studying thirty FPU companies and concluding that \$32 billion in taxpayer dollars were spent towards FPUs (U.S. Senate 2012). In mid-2011, new "Gainful Employment" regulations were passed by executive order, which amend the Student Assistance General Provisions under the Higher Education Act of 1965. It was implemented by the U.S. Department of Education immediately, and was scheduled to go into effect in July 2012. The new regulations primarily affected the career college portion of the FPU industry and maintained that a FPU must produce gainful employment results in order for its students to continue to be eligible for federal financial aid. The U.S. Department of Education stated,

A program is now considered to lead to gainful employment if it has a repayment rate of at least 35 percent or its annual loan payment under the debt-to-earnings ratios is 12 percent or less of annual earnings or 30 percent or less of discretionary income. (U.S. Department of Education 2011, p. 34, 388)

A day before the Gainful Employment rules were to go into effect, a federal court overturned the legislation, arguing that there

¹ Interestingly, a recent report found that 17 percent of online students did not know if their school was a for- or not-for-profit institution (Aslanian and Clinefelter 2012).

was no clear basis for the "35 percent" standard. However, the court upheld some of the other facets of the regulation that concerned disclosure of information in FPU marketing (Lewin 2012a), and regulators have indicated that they plan to legislate modified Gainful Employment rules to replace the ones overturned by the federal court (Blumenstyk 2012). Under current regulations, a FPU may still receive up to 90 percent of their revenue through federally subsidized financial aid. For example, in 2010 University of Phoenix obtained 86 percent, or \$5.4 billion, of its revenue from federal aid (Rosenthal 2012).

It is infrequent, although not unique, that certain businesses should be held accountable for the indirect external effects resulting from their customers' utilizations of their products. In the United States, manufacturers of guns have been held legally responsible for the destructive outcomes of their products towards those other than the consumer of the product. The Gainful Employment regulations would have, in essence, also been holding responsible the FPUs for the costs placed on society as a result of their customers failing to optimally consume their product after purchase. That is, FPUs would be held liable for the unsuccessful financial outcomes of their students and its subsequent effect on third-party members of society, and not just the direct attributes of their educational product in and of themselves.

However, is it appropriate for the federal government to impose such regulations on FPUs? In President Obama's 2011 State of the Union Address, he reaffirmed a goal of his office to realize a current postsecondary enrollment of U.S. students of 21 billion students, with an increase of fifty percent over the next four years. Currently, the combined capacity of traditional postsecondary universities and two-year community colleges alone would not be able to accommodate such an increase in enrollments (Kim 2013), making it even more pertinent and timely to consider the potential role that FPUs may have in the future of U.S. postsecondary education. The current research intends to evaluate the FPU market using a resource-advantage theory perspective, which may have implications for answering this question. The main objective of this conceptual analysis is not to take an ethical or legal stance on the contentious issue of FPU educational provision. Rather, the authors seek to set up a conceptual perspective for explaining a facet of the FPU industry within a marketing framework.

It should be noted that a great deal of heterogeneity exists in the FPU industry, from small vocational schools ('career colleges') to massive global initiatives that offer a range of postsecondary and graduate degrees. In this conceptual examination, we are considering the latter as our unit of analysis—the FPUs that are often subsidiaries of large global parent corporations and compete with traditional, non-profit university education.

Literature Review

The relevant academic literature includes a review of business and policy studies concerning the FPU industry as well as marketing's contributions to addressing the FPU policy issues. In particular, a review of resource-advantage theory (hereafter, R-A theory) is necessary in order to address how it can deepen our understanding of the issues and the proceeding analysis. Also, there needs to be a brief discussion on public goods theory in order to reconcile the appropriateness of the public funding of FPUs, which deliver both private and public benefits and costs.

Academic Literature on FPU

Using U.S. longitudinal data, Chung (2012) studied the circumstances of student choice in selecting FPU enrollment. She found that FPU selection for postsecondary education is associated with a student's lower socioeconomic background, lower non-cognitive skills, lower parental involvement in schooling, and higher absenteeism as well as the external circumstances of community college tuition and concentration of FPU in the student's county. A study by Cellini (2010) analyzed the impact of the federal Pell Grant and California's Cal Grant programs, as well as the G.I. Bill (officially, the Servicemen's Readjustment Act), on the proliferation and attendance of FPUs. The author finds that increases in governmental loan awards encourage entry into FPUs, particularly in areas of high adult poverty levels, but the gains to FPUs do not come at the expense of gains to public community colleges. Both types of institutions experience enrollment gains as the availability of public student funding increases. Alternatively, Sav (2012) found evidence that entry into the FPU industry is weakly but positively correlated with greater inefficiency in public colleges. From a managerial perspective, Sav (2013) determined that 32 percent of FPUs were operationally efficient in a recent four-year period, compared to only 8 percent of public sector colleges.

Although the context of this present analysis is solely on the U.S. market for post-secondary education, research by Sinclair (2003) showed that for-profit provision of education in Australia "holds the most promise [...] for bringing about more publicly beneficial outcomes" when compared to state-owned, public post-secondary education. Analysis of the social impacts of FPU education in the U.S., however, is critical. Taylor (2010) advocates tighter regulation of FPUs in order to mitigate the costs to society of some of the detrimental, widespread business practices the author found in her analysis. Indeed, Deming, Goldin, and Katz (2012) found that FPU students would have a lower rate of meeting the thresholds required in the new Gainful Employment regulations than would traditional postsecondary students, but the authors also caution against stifling innovation from productive FPU outlets. At the time of this writing, the most prominent market analysis of the FPU industry is a four-volume federal government report that found that, despite poor student completion and employment outcomes, FPUs were highly profitable companies that obtained several billion dollars in income from taxpayer dollars (U.S. Senate 2012).

To date, the most rigorous empirical academic study concerning the costs of FPUs to society has been conducted by Cellini (2012). The author found that community colleges actually cost tax payers, in dollar terms, more than FPUs. However, when considering the social costs of both types of institutions, including dollar costs and future employment gains to students, the net overall costs to society of FPUs are higher. The author finds that graduates of community colleges must obtain employment that pays returns of 5.3 percent in order to offset the costs incurred for their education. For FPU graduates, this figure is 8.5 percent, but considering that the per-student cost of an FPU education is roughly 60 percent higher than that of a community college education compounds the difficulty of that objective.

Public Goods Theory for Private Goods

Head and Shoup (1969) published one of the earlier economic arguments on the ambiguity of the public goods status of certain goods. The authors find that an alternative view of

public goods can be found in the context of collective-consumption goods, which differentiates public from private consumption according to whether the cost of provision increases with the addition of consumers. From this perspective, FPUs would be considered to be a public good that is more efficiently provided through private markets. Similarly, Cornes and Sander (1984) provide a model of privately marketed good that produces both public and private externalities, reconciling the fact that private goods can produce these joint effects at benefits or costs to society.

The expansion of marketing and other business disciplines into the area of public policy theory has also produced some literature on public goods and private consumption. For example, Cadeaux (2000) found that the private consumption of goods can yield benefits for other individuals in society. The author finds that consumption of different, substitute products can yield the same or a similar set of external benefits. Although, as of this writing, there has been no academic studies published on whether the substitute of an FPU education for a traditional university education fits into the framework, Cadeaux's findings have obvious implications for this issue. Hawker (2002) maintains that since business law is based on experiences and marketing directly studies the experiences of businesses that, thus, marketing tools should be used in the formulation of public policy. Although the author was not directly addressing the current issue of FPUs, Hawker believes that business law "should reduce its reliance on the abstract logic of price theory" (p. 259). Indeed, several years earlier, marketing scholars Bass, Cattin, and Wittink (1978) found that there exist shortcomings in the industrial organization economics stream of research upon which the Federal Trade Commission relies in order to analyze anticompetitiveness and create business related public policy.

Resource-Advantage Theory

Marketing espouses R-A theory as a way of explaining how firms can maintain competitive advantage in their respective markets. In essence, if a particular firm has exclusive access to resources that are valuable, rare, and difficult to imitate, then it can maintain its advantage within a market. FPUs provide educational services to a portion of the college market that perceives traditional college education paths to be less preferable to their needs. For example, for-profit colleges can provide flexible timelines and schedules for acquiring education, as well as a great deal of customer service in customizing an educational path, including obtaining the loans necessary to fund it. These customer-oriented skills are resources which for-profit colleges use to attract customers/students away from their traditional public and non-profit private university competitors, as well as from the alternative of working or performing some other activity rather than obtaining college education. Moreover, such resources are available because of the specific for-profit business model chosen by such schools. This leads to the following two propositions that will be explored further in subsequent sections of this article and could be used as a foundation for empirical testing in future research.

Proposition 1: There exist a specific set of resources and competencies that can account for the sustained competitive advantage demonstrated by the FPUs that experience superior financial performance.

Proposition 2: There exist a specific set of resources and competencies that can account for the increased growth and superior financial performance of the FPU industry as a whole.

Evidence corroborating Proposition 2, in particular, would have profound implications for the current public policy of blanket regulation of the entire FPU industry. The resources and skills referred to in the propositions may include those in the financial, innovative, promotional, access, and legal contexts, just to name a few, and may or may not be deemed ethical or legal by current according to current institutional standards for educational business practices. Moreover, some of them, particularly those resources in the legal domain and concerning access to potential customers, may change in light of the current regulatory environment.

R-A theory has its background in economics and management concepts. Resource-based theory, which is used to identify and apply the strategic resources that contribute to a firm's competitive advantage, is traced back to the works of Penrose (1959) and Wernerfelt (1984). Barney (1991) continued to build on a resource-dependence model, with two key assumptions of heterogeneity in access to and possible immobility of firm resources, in order to explain why some firms are able to sustain their competitive advantages. He concludes that the variables of resource value, resource scarcity, resource imitability, and resource substitutability are determinants of whether or not a resource produces sustained competitive advantage. Since then, many other marketing scholars have built upon resource-based theory in order to develop marketing's R-A theory including, for

example, Hunt and Morgan (1995), Hunt (2000), Wensley (2002), Hult (2011), and Hunt (2011).

Hunt (1997) provides an overview of R-A theory as an evolutionary theory of competition, but acknowledges, "The public policy implications of R-A theory are as yet unexplored" (p. 74), although Hunt (1995) and Hunt and Morgan (1995) noted that the implications of RA theory reconciles, in part, the collapse of command economies in the past century. Hunt (1999) addressed the conflict between business scholars, who maintain the objectives of R-A theory as pragmatic, and neoclassical economists, who view sustained competitive advantage as anticompetitive and generally detrimental to social welfare. It is this conflict that parallels the current issues with FPUs that is being played out on the federal regulatory stage at the time of this writing. The following will develop the implications of R-A theory towards public policy, and especially views of anti-competitive business practices, addressed by Hunt (1999) in the context of the current debate surrounding FPUs.

FPU Industry and R-A Theory

Hunt and Morgan (1997) laid the groundwork for the nine assumptions underlying R-A theory. We can examine each individually in the context of FPUs in order to provide a preliminary confirmation of its appropriateness for this analysis. Table 1 summarizes the assumptions of R-A theory, as laid out by Hunt and Morgan, and the corresponding characteristics of FPUs side-by-side.

Table 1. Comparison of R-A Theory Assumptions with FPU Industry Characteristics

Resource-Advantage Theory	Hunt and Morgan (1997)	For-Profit University Industry
1. Demand is:	...heterogeneous across industries, heterogeneous within industries, and dynamic.	In general, FPU consumers are older, tend to be working full-time, have past experiences in higher education, and from a lower socioeconomic background as compared to traditional university students. FPUs also have a higher ratio of undergraduate to graduate students than not-for-profit schools, with many FPUs specializing in a specific region or vocational interest of consumers.
2. Consumer information is:	...imperfect and costly.	Prospective students often rely on FPU representatives and advertisements for information about tuition costs, projected future salaries, and graduation rates, among other pertinent information that cannot be gathered practically in a direct manner. Critics of FPUs argue that competitive advantages have been maintained, in part, due to unethical and illegal promotional practices that exploit this feature.
3. Human motivation is:	...constrained self-interest seeking.	Consumers are interested in investing in their human capital, within the constraints of their personal circumstances. FPUs are seeking superior financial performance within the constraints of competitors, regulators, and consumer demand.
4. The firm's objective is:	...superior financial performance.	Many FPUs are subsidiaries of publicly-traded parent companies that must generate gains for shareholders.
5. The firm's information is:	...imperfect and costly.	FPUs must estimate and adjust to the learning demands of consumers and their heterogeneous circumstances, as well as a volatile competitive and regulatory environment.
6. The firm's resources are:	...financial, physical, legal, human organizational, informational, and relational.	FPUs have generated superior financial resources, as compared to traditional universities, that provide superior generation of physical, legal, human, informational, and other operational resources. As a service product FPU education is inherently relational (Vargo and Lusch 2004).
7. Resource	...heterogeneous and imperfectly	As network businesses, FPUs must balance multiple consumer types

Resource-Advantage Theory	Hunt and Morgan (1997)	For-Profit University Industry
characteristics are:	mobile.	(students & recruiters) where the value to each depends on the amount of participation from the other side. Intangible innovations are protected under intellectual property laws.
8. The role of management is:	...to recognize, understand, create, select, implement, and modify strategies.	FPU's must recognize, understand, create, select, implement, and modify strategies to maintain a product that is an attractive substitute to traditional postsecondary education. Critics of FPU's argue that competitive advantages have been maintained through the unethical and illegal marketing strategies have been executed in these processes.
9. Competitive dynamics are:	...disequilibrium-provoking, with innovation endogenous.	Access to and pricing of FPU products vary greatly with volatile growth rates and market shares of individual firms. FPU's have contributed to the current innovation and proliferation of distance learning, including online courses and classrooms.

Having demonstrated that the FPU industry has the potential to fulfill the underlying criteria for R-A theory analysis, it should also be justified that R-A theory is an appropriate framework for the proposed analysis. That is, although we *can* use R-A theory, *should* we? As observed by critics and proponents of FPU's alike, the industry has witnessed sharp growth in recent years. In the past decade alone, the FPU industry has tripled in size. If R-A theory is to account for the superior financial performance of FPU's then it should be able to be shown that these firms are implementing a marketing strategy that involves tangible or intangible resources that are (1) valuable, (2) imperfectly mobile, and (3) very costly to imitate.

The fact that the FPU industry has grown so rapidly and so profitably is testament to the reality that they are providing a product that is perceived as valuable by its consumers. This perception certainly comes from the valuable resources that they possess, namely faculty, technology for innovative learning platforms, and custom-tailored educational programs, to name just a few. The educational product is an intangible resource, and so the mobility of it after consumption is an arbitrary point. However, despite the surge in online education consumption, access to the product still seems to be significantly linked to physical considerations. For instance, a report found that 35 percent of online students are enrolled in such classes at for-profit universities and most live within fifty miles of the institution they 'attend' (Aslanian and Clinefelter 2012).

Due to regulations protecting intellectual property, a FPU's educational programs may not be imitated and disseminated legally. It is also costly and difficult to substitute for their superior financial resources that are potential¹ sources of superior academic resources, as compared with general traditional universities. While there is crossover with some FPU faculty also working in traditional universities, many FPU programs tout unique learning experiences with, for example, industry professionals and executives. The innovative networks and technological resources acquired and created by FPU's are also costly for traditional universities to imitate. While we are beginning to witness the emergence of distance-learning programs at traditional

¹ In practice, however, FPU's, on average, had lower faculty salaries and institutional assets, and only slightly higher expenditures on instructional support (Sav 2013). The industry's general prioritization of expenditures on marketing and profit generation, especially in comparison to the lack of major spending on academics, are a major source of federal criticism (U.S. Senate 2012).

universities, especially in business departments (business administration dominates as the primary area of study for online students; Aslanian and Clinefelter 2012), FPU's already have a well-founded supply of software and curriculums that have been using such learning technology well before traditional universities sought to develop their own.

Most importantly in creating a resource advantage is, perhaps, the customer focus of FPU's. Opponents of current FPU regulation tout the belief that they provide educational access to many individuals who have, historically, not been well served by traditional college institutions. Indeed, one of the special abilities of FPU's is providing customized learning packages that suit the educational and scheduling needs of their students. They accomplish this through a combination of the utilization of distance-learning technology, sophisticated virtual classrooms, and acquisition of accommodating instructors. Market research shows that the average online student is female, has the primary goal of a promotion or salary increase, and has a full-time job. Comparing students enrolled in for-profit and not-for-profit online programs, for-profit online students are older and more likely to be from African-American or Hispanic backgrounds (Aslanian and Clinefelter 2012).

FPU's also are able to provide support services for students that are not usually present at traditional universities, especially very large ones. In particular, FPU recruiters have adopted the widespread practice of providing personalized services in filling out student applications for federal aid. While a traditional university certainly provides federal aid applications and some guidance, many FPU's have staff members who actively participate in the application completion process with, or even for, the prospective student. Such a high degree of personalized customer service would certainly be a costly, if not impossible, endeavor for traditional universities to imitate.

FPU's potentially possess and utilize the valuable and non-imitable resources described above to differentiate themselves from traditional universities. It is these resources, especially the accommodating and personalized approach to their students' needs, which are frequently publicized by them. FPU's realize that their business model relies on exploiting such customer-focused resources for their educational services to gain a competitive advantage over traditional university education. And, as we have already seen through the growth of the industry and the profitability of FPU firms, it has worked.

So, if the success of the FPU industry can be explained through R-A theory, are the federal regulations targeting them

appropriate? This section, up to this point, has attempted to delineate some of those resources that seem to be independent of unethical practices. However, there undoubtedly exists unethical and anticompetitive behavior throughout many firms within the FPU industry, and the critical issue for research is whether marketing theory can explain the industry's superior financial performance and competitive advantage independent of any such alleged behavior or whether some of the unethical and illegal practices brought to light in the current regulatory environment have also provided valuable resources in producing superior performance for FPUs. The pervasiveness of the observed unethical and anticompetitive practices in the FPU industry should not be ignored as simply an issue for legal research. The R-A theory framework does not weight resource advantages in terms of their ethical or legal contexts. Certain promotional and pricing practices of FPUs that are now coming to light as allegedly unethical or illegal may have also served as sources of competitive advantage for competitors in this industry, and these resources can and should be considered in explaining the production of superior industry performance. In fact, would it not be the case that any for-profit business, not simply those in the FPU industry, would have the potential to gain a temporary competitive advantage through anticompetitive behavior? Indeed, there already exist regulations and federal monitoring agencies, such as the U.S. Federal Trade Commission, U.S. Department of Justice, and U.S. Securities and Exchange Commission to enforce against anticompetitive behavior in any for-profit firm. The lack of enforcement of these existing regulations (Eisman 2010) may have also served as a source of resource advantage for FPUs.

Potential Policy Implications

The authors acknowledge that there exist serious and urgent problems in the current promotion and provision of FPU education. As mentioned previously, the objective of this conceptual analysis was not to take an ethical or legal stance on the contentious issue of FPU educational provision. However, R-A theory seems to reason that the competitive advantage of FPUs should have been predictable, given the wealth of potential legitimate as well as unethical/illegal sources of this advantage. The issue for regulators and policy analysts is whether the anticompetitive and other illegal practices of FPUs should not be regulated in the existing legal framework for anticompetitive businesses, in general, or within supplementary new regulations that can effectively prevent such practices that are specific to FPUs, in particular.

The FPU industry is evidently appealing to a large population of post-secondary students, which may or may not include reasons that are independent of anticompetitive and unethical promotion and other marketing strategies. It is this point that is essential to clarify, in particular, if public policy marketing analysis is to make a practical contribution to this pertinent social issue in the United States. If valid and reliable analysis within the conceptual framework of R-A theory can demonstrate that FPUs have sustained their competitive advantages outside of illegitimate marketing practices, for example through the legitimate valuable resources that they have innovated, then it may be the case that blanket federal regulation of the industry is inappropriate. In this case, blocking access to the FPU educational services, generally, of potential students who anticipate value from those services would be an inefficient solution that will suppress the legitimate innovation that has been produced by this industry. Deriving

hypotheses that identify and test the "set of resources and skills," as indicated in the propositions above, is an important first step for researchers seeking to reconcile this debate.

However, if it is the case that the competitive advantage of FPUs is not associated with a unique "set of resources and skills" that are legal and socially acceptable marketing practices, but rather, is founded on the exploitation of a vulnerable population that feels either disenfranchised from traditional post-secondary education or is subjected to unethical promotional strategies, then targeted industry regulation would be an appropriate use of federal authority. Indeed, some industry critics claim that regulation is overdue and was hindered in the prior presidential administration due to appointments of former FPU lobbyists in federal regulatory positions (Eisman 2010).

This conceptual analysis has sought to add some understanding of a facet of the FPU issue from the perspective of a generalized marketing theory. The current analysis shows that the FPUs have a unique set of resources that enables them to outperform traditional universities. However, there is a great deal of opportunity for relevant continued conceptual and empirical research in many marketing academic domains. The following section will discuss ideas for some of them.

Future Research

Research on FPUs as well as the consequences of federal regulation of them is timely and important across several disciplines, including marketing, especially towards applied, empirical research. In terms of R-A theory, more effort should be made to delineate the sources of competitive advantage in the FPU industry, and thus, derive specific and empirically testable hypotheses from the propositions presented above. Some of the obvious legitimate resources may include the industry's innovativeness, recruiting budgets, and ability to customize their educational product, just to name a few. However, it is likely that certain anticompetitive or unethical factors have also served as valuable resources for producing competitive advantage in this industry, and those should be analyzed further, as well.

There is also a great deal of potential public policy marketing contribution outside of the R-A theory framework. In terms of assessing social welfare more research should be conducted to assess the financial impact of the current and past state of affairs in the FPU industry. Cellini (2012) has begun this effort with an analysis comparing the cost to taxpayers and students of community college versus FPU educational attainment. However, there are several other stakeholders to this industry including both the supply side (FPUs, traditional postsecondary colleges) and the demand side (students, employers of college graduates, society at large). Claims that increased scrutiny by regulators and the popular press have had negative effects on the FPU industry (e.g. Kim 2013) should be investigated further, including indirect financial effects on other stakeholders.

There is also a great deal of potential for relevant supply-side research in the areas of promotion, pricing, and branding of FPUs. It would be interesting to learn, for example, whether any potential stigma of having a for-profit business model in the higher education industry has led to re-branding efforts for particular FPUs or any general changes in promotional strategy. Also, it is also timely for researchers to study if the current Gainful Employment regulations will cause FPUs to "tighten their admission standards and devote more resources to student job placement" (MacQueen 2012, p. 330) as well as instituting any

changes in FPU pricing schemes in order to alleviate the burdens caused by the new regulations.

In terms of research on the demand-side, consumer behavior researchers should study perceptions of the FPU industry. So far, evidence of a negative stigma concerning FPUs is largely anecdotal. However, interesting potential research questions arise, such as why students of FPUs are willing to settle for perceived lower quality education at higher prices, if it is in fact the case that these perceptions are pervasive and consequential. It is important for the industry and its stakeholders, including policymakers, to realize potential determinants and consequences of reputation for the industry and particular FPUs.

Finally, research to aid practitioners of higher education marketing in the non-profit industry should also be conceptualized and existing research updated, especially considering that traditional universities are now competing against for-profit counterparts that have realized growth that is up to ten times the rate of theirs (Eisman 2010). For instance, there needs to be research and subsequent recommendations on ways in which traditional universities can provide the similar benefits that incite students to procure FPU education. Indeed, many traditional universities have developed distance-learning and online educational programs to compete with those of FPUs. Cellini's (2010) research, for example, showing that FPUs do not tend to take away enrollment from traditional universities, implies that the latter must compete with FPUs, through superior and accommodating educational services, in order to attract prospective students towards their programs and away from FPU programs that may not be in their best long-term interests.

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Summary Brief

A Credits-Maximization Approach to Faculty Promotion and Tenure

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Tenure-track/tenured faculty at higher education institutions are expected to teach, research and serve as part of their promotion and tenure process, the relative importance of each component varying with the position and/or the university. However, based on feedback received from several colleagues, the author notes that there is considerable concern among many faculty members as to what 'should' be the optimal mix of the different components of evaluation.

In the light of such uncertainty, the author presents a cost-benefit utilitarian model using which, the faculty member can objectively allocate his/her limited resources, such as time commitment and effort, among teaching, research and service activities. With the goal of maximizing returns on tenure activities, the author believes that such a blueprint will prove to be a critical tool for the tenure-track candidate.

Introduction

Tenure-track and tenured faculty at higher education institutions are expected to perform teaching, research and service as part of their promotion and tenure (P&T) process, the relative importance of each component depending on the position of the faculty and/or the university. However, based on feedback received from several colleagues at higher education institutions, the author notes that there is considerable concern (if not confusion) among many tenure-track faculty members as to what 'should' be the optimal mix of the different components of evaluation. This may be either due to lack of clearly defined P&T requirements at the incumbent's institution, or misinterpretation of word of mouth P&T guidelines.

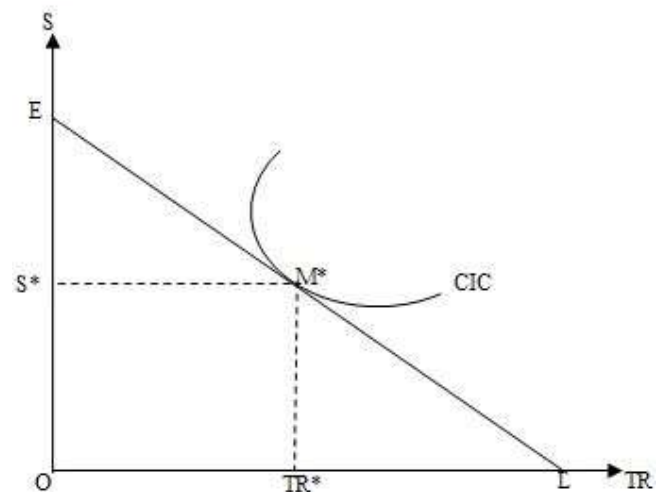
Relevant research literature suggests that policy makers have grappled with this problem for quite some time. While Hopkins (1974) prescribes a mathematical model that can be used to change retirement age, extend service time etc. for tenure and non-tenured faculty, Saaty and Ramanujam (1983) suggest a hierarchical solution. Tierney (1998), on the other hand, discusses several perspectives on productivity and P&T guidelines. Such attempts have been mostly academic, posing challenges of operationalization. At the same time, lack of clear direction and P&T guidelines and prevalence of an antiquated system are quite predominant, irrespective of the size and reputation of the institution. Hence, there is undoubtedly a need to address this problem.

The goal of this research is to present a cost-benefit utilitarian model based on an indifference-curve analysis (Pindyck and Rubinfeld 2010) commonly used in microeconomic theory. The fundamental premise of our model is that, the faculty member's resources (time commitment, effort) are limited. Therefore, the goal is to allocate such scarce resources among the three most common components of P&T activities: teaching, research and service.

The model shown in figure 1 is the basis of the current research:

1. Services (S) are measured along the Y-axis and Teaching/research (TR) along the X-axis.
2. Faculty derives same level of tenure credit at any point on the 'credit indifference curve' CIC.
3. Faculty's effort (e.g. 40 hours/week) is constrained, as reflected by the 'Effort Constraint Line' EL.
4. Effort can be expended (and corresponding tenure credit earned) either entirely on S or entirely on TR, or on a combination.
5. Faculty derives optimal tenure credits by maximizing Return on Tenure Activities (ROTA, which is a function of S and TR) subject to the effort constraint: Max ROTA (S,TR) s.t. $E = E_S + E_{TR}$, where E = total effort, E_S = effort required to produce unit service and E_{TR} = effort required to produce unit teaching/research.
6. Equilibrium (i.e. optimal allocation of effort between S and TR) occurs at M^* (intersection of CIC with EL) corresponding to which, faculty performs S^* units of Service and TR^* units of teaching/research towards fulfillment of tenure credits.
7. At equilibrium point, the ratio between marginal credits from services and from teaching/research (slope of CIC) equals ratio between efforts required to produce one unit of service and one unit of teaching/research (slope of ECL) respectively: $MC_S/MC_{TR} = E_S/E_{TR}$.

Figure 1. Credits-Maximization Subject to Effort Constraint



Implications/Future Research

1. Decision to emphasize services, teaching or research depends both on faculty's credits indifference curve and effort constraint line.
2. For non-tenure track faculty, typically services are relatively more important than for tenure-track faculty
3. As faculty gets tenured, services gain more importance, and the equilibrium point shifts in northwest direction

To the best of the author's knowledge, this approach is a unique attempt to apply the laws of economics to faculty P&T guidelines. Specifically, the model fills the gap for a nifty tool using which, faculty can optimally allocate their resources between the two most important components of P&T i.e. teaching and research on one hand, and service, on the other.

As a result, universities can attract more qualified tenure-track faculty, who can presumably become more productive and objective during their tenure years. At present, many tenure-track faculty members get stressed out having to deal with the uncertainty and confusion of P&T guidelines and expectations. If properly executed, eventually such a framework can lead to more faculty members getting tenured.

Moreover, the current research opens up avenues for further investigation in this field. The implications are noteworthy not just because this research fills a major void in extant literature, but also

because this model provides a handy tool both to the faculty member and the administrator. On one hand, it gives the faculty member a better picture of how to allocate his/her resources between teaching, research and services. On the other hand, the administrator can use this tool to more objectively evaluate the faculty member's standing when it comes to granting tenure to him/her. Thus, there is more transparency in the P&T system, and less vulnerability on the part of the faculty member.

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Summary Brief

Marketing as a Policy Resource: Understanding the Use of Marketing Tools from the Perspective of Policy Workers

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This research draws from elite interviews with key informants from federal agencies to better understand the ways in which marketing strategies and practices are conceptualized, constrained, and utilized around the problem of obesity and obesity disparities. The findings illuminate inherent challenges that policy workers face as they attempt to apply marketing strategies related to the marketing mix, competitive analysis, market segmentation and targeting, and marketing research to address public health issues.

Introduction

Marketing tools are increasingly used by government agencies to address public health concerns such as obesity (Grier and Bryant 2005; Rothschild 1999). Public sector marketing takes place whenever the government develops a “product” – ranging from physical products to ideas to services – which is then promoted and distributed to a targeted audience to provoke some form of exchange (Madill 1998). In the United States, federal agencies work independently to develop strategies to address obesity and must market these ideas, programs, and services to a variety of stakeholders, both internal and external to the federal government. Despite the embeddedness of marketing concepts, practices and institutions in the policy and program development process, limited scholarly attention has been paid to issues surrounding the use of marketing by government agencies.

Applied to public health, social marketing techniques are used by government agencies in the development of programs aimed at managing the behavior of its citizens and to deliver health-related products to the population and particular priority segments of the population (Kotler and Lee 2007; Rothschild 1999). In the present research, we investigate how government policy actors understand and apply the use of marketing tactics as applied to the evolving public health response to the obesity epidemic. Obesity is a critical health problem in the United States that poses a major economic and health threat to society. Disparities in the context of obesity also present a serious challenge to policymakers as they work to identify appropriate and effective interventions (IOM 2012).

Method

We conduct elite interviews with key informants from federal agencies to better understand the ways in which marketing strategies and practices are conceptualized, constrained, and utilized around the problem of obesity and obesity disparities. The research presented here involves semi-structured depth interviews with informants in federal agencies who could discuss the range and nature of marketing activities being used in response to the

obesity epidemic. Specifically, we investigate how policy workers understand the marketing mix, competitive analysis, market segmentation and targeting, and marketing research and strategic planning as applied to the public health response to the obesity epidemic.

We interviewed 18 people across federal agencies involved with the issue of obesity including the National Institutes of Health (NIH), the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA) and the United States Department of Agriculture (USDA), as well as people involved with the National Collaborative on Childhood Obesity Research (NCCOR) which brings together key federal agencies and research funders (CDC, USDA, NIH and the Robert Wood Johnson Foundation or RWJF) to address the problem of childhood obesity in America. We recruited a variety of professionals including policy specialists, program managers, division directors, health scientists, program implementers, and agency researchers, working at different levels in the organizations. The interviews started with broad questions assessing informants’ professional activities and their interactions with marketing and obesity. The remainder of the interview covered informants’ impressions of marketing as used by the agency in general and to address obesity, factors that influence the use of marketing, and the role of specific marketing strategies. We used broad, open-ended questions as prompts that allowed our informants to engage in wide-ranging discussions about the topic of obesity and what agencies are doing to address this issue (Aberbach and Rockman 2002; Drumwright 1996).

Findings

Based on a qualitative analysis of the interview data (Miles and Huberman 1994; Strauss 1990), our findings illuminate inherent challenges and constraints that policy workers face as they attempt to apply marketing strategies to address the public health issue of obesity. We describe how marketing strategy related to the formulation of the marketing mix, competitive analysis, market segmentation and targeting, and marketing research is uniquely understood and applied in the context of policy work to address obesity. Our findings not only highlight how government agencies use marketing, but also how the marketing of programs is used as a resource to address health concerns.

Our findings also demonstrate how policy workers use marketing tools to address social challenges through public policies and interventions. Although marketing is often considered as a way to achieve health and social goals that is distinct from public policy (Goldberg and Gunasti 2007; Rothschild 1999), we

show how marketing is used *within* the development of policy and programs to achieve public health goals. Marketing not only informs the various regulatory approaches but actually serves as the means through which policies and programs may be implemented. This is especially important since these actions help to shape the overall environment in which self-regulatory, regulatory and public health interventions occur (Andreasen 2006; Goldberg and Gunasti 2007; Rothschild 1999).

Conclusion

Broadly, our results challenge policy makers, researchers and public health professionals to examine public sector marketing practices, including those related to intermediaries and partnerships, and to identify ways in which they can be harmonized towards effective action to reduce obesity and related disparities. Overall, our conclusions contribute to a more complete understanding of the role of marketing as a policy resource.

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Summary Brief

License, Not Sale: The End-User License Agreement as a Subversion of Antitrust in Content-Related Markets

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Conflicting enforcement of laws that protect intellectual property rights and consumers through competitive markets promotes neither innovation nor consumer choice. This conflicting enforcement has allowed for licensing activity that resembles tying arrangements. This paper reviews antitrust law and intellectual property law, including an example of Apple's use of end-user license agreements or EULAs in computer software licensing, and discusses potential policy solutions to protect both consumers and intellectual property owners.

Introduction

The liberal interpretation of copyright holder protections by the Ninth Circuit joined with the reinforcement of the first sale doctrine by the Supreme Court provides ever greater encouragement to copyright holders to license, not sell, their work. This embrace of license over sale should be examined in light of the goals of intellectual property protections. Those goals include the protection of rights and profits to the creator, but within the larger goal of promoting innovation. This expansion of the use of licenses also allows copyright holders to potentially subvert antitrust laws intended to promote consumer choice.

The recent Supreme Court ruling in *Kirtsaeng v. Wiley* underscores the struggle of copyright holders to control consumer use of intellectual property (2013). The reinforcement of the first sale doctrine by the Court provides further encouragement to copyright holders to exercise protections afforded by licensing.

Review of Literature

Intellectual Property

Copyright protection provides a unique opportunity to control consumer behavior through the use of the End-User License Agreement or EULA. Licensing agreements typically permit the copyright holder to make any demands upon the licensee and the courts have upheld this right, even for licensing agreements that are considered binding upon the breaking of shrink-wrap and not the actual informed consent of the licensee (*ProCD v. Zeidenberg* 1996; *Monsanto v. McFarling* 2004). This latitude in licensing permits copyright holders to construct restrictions that inhibit use. This inhibition could create an anticompetitive market as reflected by the lack of technological innovation, competition, and/or choice. Ultimately, these licensing restrictions created by the EULA could result in increased consumers' deadweight loss, which could be grounds for an antitrust investigation.

Antitrust

Public policy makers' focus centers on the protection of consumer welfare (Hovenkamp 2005; Peritz 2002; Schleicher 1997) but accepts imperfections in the market (Levin and McDonald 2006). These imperfections in the market extend to cases involving the legality of bundling activities. Bundling refers to the creation of a product from grouping two or more products. Tying is the requirement to purchase a less desirable product in order to gain the second, more desirable, product.

Tying represents a form of a contract that requires the buyer to purchase a secondary product in order to gain a primary product and represents a per se violation. In a per se violation, public policy makers evaluate the contract according to four conditions as established by *Jefferson Parish Hospital District No. 10 v. Hyde* (1984, p. 12-18). One, at least two independent products must be involved in the transaction. Two, the accused firm must actively prevent buyers from using the primary product absent the secondary product. Three, the tying arrangement must involve "a significant amount of interstate commerce" (Weinstein 2002), p. 274). Four, the accused firm must maintain a sufficient degree of dominance in the marketplace where the tying arrangement occurs. If an accused firm runs afoul of all conditions, then they are guilty regardless of their reasons or intentions (Carstensen and Roth 2000).

Although *Jefferson Parish* (1984) establishes tying as a per se violation, the interpretation of these four conditions remains open to the interpretation by each federal district court (Economides and Lianos 2008). However, most public policy makers appear to favor bundling arrangements where the buyer has an opportunity to purchase the products independently. If law such as copyright law or patent law protects the product, then the product is considered the market (*Jefferson Parish Hospital District No. 10 v. Hyde* 1984, p. 19).

The issue of market power, a cornerstone of antitrust investigation and enforcement, is problematic because no single definition exists. Indeed, different Supreme Court interpretations have relied on differing theories in regards to market power (Hunt and Arnett 2001). Recent interpretations have focused more on harm to consumers (Lande 2001), but have yet to address a tying arrangement resulting from intellectual property protection.

Application

The Macintosh Operating System EULA

The EULA for the Macintosh operating system defines how the consumer can use the software. Restrictions in the EULA have, over time, expanded to constrain customer choice to the

extent that if the operating system were sold with these restrictions, and not licensed, the result would be a tying arrangement. The EULA now prevents the consumer from installing the Macintosh operating system on any non-Apple branded computer (Apple 2011), thus requiring the acquisition of an Apple-branded computer in order to use the purchased operating system.

Without the restrictions in the EULA, consumers could, in the abstract, purchase, install and use the Macintosh operating system on other computers provided those computers offered an Intel processor chip. A consumer could purchase from a retailer such as Best Buy or Staples a copy of the Macintosh operating system independent of the computer hardware and install the software on computer hardware branded from Lenovo, Sony, Toshiba, or other producers of Intel-based market offerings.

Section I of the EULA for the Macintosh operating system requires consumers to agree to a license that, in effect, bolts the software to the hardware. By comparison in *Microsoft*, the company argued that it bundled two independent products. The government demonstrated the consumer's experience was harmed by the removal of Internet Explorer. The U.S. Court of Appeals for the District of Columbia Circuit's (2001) ruled that a tying arrangement occurred because Microsoft "bolted on" Internet Explorer to Windows through the "comingling of code." The Court ordered Microsoft to revise Windows by removing the offending software code (*U.S. v. Microsoft*, 2001).

Intellectual Property-Defined Market

The issue of the market remains relevant for consideration of antitrust action in relation to intellectual property rights. The legal protection afforded intellectual property rights create an inherent monopoly. However, this argument appears problematic given the Supreme Court's changing views on how to determine market dominance (Grengs 2006; Levin and McDonald 2006).

Given the Supreme Court's willingness to treat information as a resource (Grengs 2006) and the inherent legally sanctioned monopoly status afforded by intellectual property (*Jefferson Parish*, 1984), public policy makers should treat intellectual property as the basis of a market.

Potential Harm to Market

The Macintosh operating system EULA creates definable harm to customers and collaborators. The tying arrangement between the Macintosh operating system and Apple branded hardware could result in a deadweight loss through diminished (1) consumer choice, (2) retailer ability to bundle products and engage in promotional activities, (3) collaborator potential to develop innovative technology, and (4) a forced division of the market.

Recommendation

Antitrust public policy makers should take a greater interest in the area of intellectual property rights because these rights are (a) anti-competitive in this practice, (b) create harm in the market, and (c) are becoming increasingly common. Similar to the issue of contracts and tying arrangements, a Rule of Reason test – similar to the test used for contracts – can and should be developed. This standard would ensure that market

competitiveness along with its attending outcomes of technological innovation and choice is preserved.

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Summary Brief

The Impact of Consumer Religiosity on Consumer Perceptions of Risk

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This brief provides the conceptual background of current research aiming to improve the understanding of the relationship between consumer religiosity and social and psychological risks associated with adopting new products and technologies. This project includes two main studies framed by Hunt-Vitell's General Theory of Marketing Ethics and Theory of Moral Potency. Using scenario based experimental 2x2 design, two research questions will be answered upon the completion of the project: what is the nature of the relationship between consumer religiosity and perceptions of psychological and social risk? What is the role of moral potency in the relationship between consumer religiosity perception of psychological and social risk?

Introduction

Religion remains a significant influence on many people's lives, a demarcation of moral standards, thoughts, judgments, attitudes and actions. In previous research, religion has been shown to effect consumer decision making, ethical beliefs and judgments (Schneider, Krieger & Bayraktar, 2011; Swimberghe, Flurry & Parker, 2011). However, measuring the influence of religiosity on consumer behaviour remains problematic due to the sensitive nature of the subject; and so therefore the construct remains under-researched. There is also a need to develop a theoretical explanation of how individual religiosity may affect consumer behaviour (Vitell, 2009). Likewise, a gap remains in being able to fully comprehend the impact of religious rules on decision making processes and product evaluations across different contexts.

Background

We see examples of the influence of religion on consumer decision making in Islamic societies. Muslim consumers, cautiously adopt new products and technologies at a slower rate of penetration than western, secular cohorts (Muhamad & Mizerski, 2013). During introductory phases, Islamic scholars often critique these new products or technologies, alleging the use of such products affront basic religious values. However, with the passage of time, these products become largely popular even among religious scholars themselves. Technological advances, such as the introduction of the telephone to Saudi Arabia (El-Tahri & Smith, 2005) and more recently today's social media trends, such as Facebook and Twitter (Alarabiya., 2012; Kraidy, 2009), have all been broadly adopted (El-Tahri & Smith, 2005; Ibahrine, 2008), after consumers were initially dissuaded from using. These phenomena indicate that there may be religiosity-based factors

relating to the perceived risks surrounding the adoption of new products and technologies.

Perceived consumer risk can come in many forms, so when religious leaders advise followers not to use certain products, consumers may perceive higher levels of psychological and social risk if they choose to adopt. Consumers may believe that taking up these new products will negatively affect their relationship with their God, and therefore experience increased psychological risk. Consumers may also believe that their use of banned products will negatively affect their image with other members of their immediate society, and therefore perceive increased social risk.

Conceptual Framework

This research aims to provide a deeper understanding of the relationship between religiosity and consumer's perceived social and psychological risk surrounding the adoption and use of new products and technologies. The study is theoretically framed by Hunt-Vitell's General Theory of Marketing Ethics, which proffers religion as a significant factor that influences ethical judgment, attitude and behaviour; and suggests that the strength of religiosity may result in differences in a person's decision making process (Hunt & Vitell, 1993). The theory relies upon both deontological and teleological ethical traditions in moral philosophy (Vitell, 2009). Accordingly, it can be argued that a person with a high level of religiosity will tend to adhere more to an absolute religious law, or 'deontology', and be less concerned with situational influences, or 'teleology', than the person who has a lower level of religiosity (Hunt & Vitell, 1986, 2006; Reidenbach & Robin, 1990). However, explaining the link between religiosity and risk perception will only describe consumers' beliefs about what is right and wrong and will not indicate whether they are going to act as they believe.

To investigate whether individuals act as they believe, the concept of moral potency and its components: moral courage, moral efficiency and moral ownership may play a significant role (Hannah & Avolio, 2010; Hannah, Avolio & May, 2011). Therefore, we propose that moral potency may moderate the relationship between religiosity and the perceived risks.

Methodology

The methodological approach proposed involves two quantitative studies. A scenario based, experimental 2x2 (Popular product vs. Unpopular product) × (Warning from religious scholars vs. No warning from religious scholars) design will be employed in both studies in order to investigate the effect of

religiosity on consumers' psychological and social risk perception in different situations. Each factor is represented by two fictional scenarios with different products. The project will be focusing on Muslim consumers because the phenomena have been indicated in Muslim context (Saudi Arabia), and there is lack of research explaining the consumption process of Muslim consumers (Schneider et al., 2011; Swimberghe et al., 2011). To control for cultural effects, the target sample will be Muslims in two culturally diverse countries, Australia and Saudi Arabia.

In Study One, 1000 respondents will be asked to answer a series of questions measuring their level of intrinsic and extrinsic religiosity, measured by intrinsic and extrinsic primary motivations (Allport, 1950). Then respondents will be randomly assigned to two scenarios representing one factor from the 2x2 design. Each scenario is followed by questions measuring the levels of social and psychological risk perception. In Study two, questions measuring level of intrinsic and extrinsic religiosity will again be presented to 400 respondents, and then a series of items designed to measure levels of moral potency. This group will then be randomly assigned scenarios followed by the measures of the level of perceived risk. The results of these two studies will go towards explaining the nature of the relationship between consumer religiosity and perception of psychological and social risk as well as the role of moral potency in this relationship. The two research questions that drive this research are: what is the nature of the relationship between consumer religiosity and perceptions of psychological and social risk? What is the role of moral potency in the relationship between consumer religiosity perception of psychological and social risk?

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Summary Brief

Does Anyone Read the Fine Print?

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Consumers are concerned about privacy/security protection on the Internet. However, not all of them read privacy/security policies that are specifically intended to address consumers' privacy/security concerns. Why? This research took preliminary steps, aiming to shed light on this important question. Results show that consumers read privacy/security policies because they want to be informed, to protect themselves, or to prevent bad past experiences from happening in the future. On the other side, reasons as to why consumers choose not to read privacy/security policies converge on four major categories: content and format of the policy, consumer trust, situation-dependent, and self-prevention. Implications of these results as well as future research are discussed.

Introduction

Research shows that privacy/security is a concern for Internet users and consumers who shop online (e.g., Milne and Culnan 2004; McCole, Ramsey, and Williams 2010; Tsai, Egelman, Cranor, and Acquisti 2011). Furthermore, privacy/security concerns have become major barriers to the growth of e-commerce. For example, studies have found that perceived risk in online shopping is positively associated with concerns about privacy/security protection on the Internet and that privacy concern is a most frequently cited issue (Forsythe and Shi 2003; Miyazaki and Fernandez 2001). Privacy/security concerns also cost marketers opportunities to gather consumer information, one of the most important strategic assets of a firm (Xie, Teo, and Wan 2006).

According to Bart et al. (2005, p. 135), privacy refers to “the protection of individually identifiable information on the Internet,” whereas security indicates “the safety of the computer and credit card or financial information.” Research shows that most websites contain some type of privacy/security statement to alleviate consumer concerns about privacy/security (e.g., Milne and Culnan 2002). Even though many consumers have great concerns that their personal information might be stolen or sold and shared with unknown parties on the Internet, two questions remain: Do consumers actually read privacy/security policies on websites? Why do some consumers read privacy/security policies but others do not? This research intends to explore these important questions.

Data Collection

Data were collected by an independent research company that specializes in recruiting participants for Internet market research. Participation was voluntary and respondents were paid for their participation in the online survey. Among other questions, the survey asked participants to indicate whether they normally read privacy/security policies when on the Internet and using websites

and to provide reasons why they do or do not read privacy/security policies. A total of 234 participants completed the questionnaire. More than half of respondents were male (55.1%), Caucasian (72.2%), had an income less than \$50,000 (57.9%), and some (38.9%) had a college degree. The ages of the respondents were varied: 20.1% were younger than 24 years of age, 33.7% were between 25 and 44, 29.4% were between 45 and 64, and 16.7% were older than 65 years of age.

Preliminary Results

The respondents were Internet savvy with 92.8% of the respondents reported having at least five years of Internet use experience. A total of 58.5% of the respondents reported that they do read privacy/security policies when visiting websites. Reasons indicated for reading the policies fall into three major categories: 1) to be informed, 2) self-protection, and 3) bad past experience. The first category, to be informed, was derived from comments specifically about reading the policies to be informed of what the policy is and wanting to know how the company will use personal information. The self-protection category arose from various comments such as to ensure that personal information is protected and would not be sold or shared with other companies, to avoid losing control of personal information, and to alleviate concerns about spam and junk emails. The third category contains comments mainly about negative past experiences that respondents had with identity theft on the Internet, personal information being stolen, and personal computers being hacked.

Of the 41.5% of respondents indicating that they do not read privacy security policies, four themes emerged from the reasons given why the policies are not read. They are 1) content and format, 2) trust, 3) situation-dependent, and 4) self-prevention. For the first category, content and format, respondents described policies as lengthy, wordy, complicated, confusing, and boring. Some mentioned that privacy/security policies are written in legal terms, difficult for average consumers to understand, that policies are not easy to see and find on websites, that they are often in small print and difficult to read, and that privacy/security policies seem to be all the same. The trust category of responses arose from respondents who mentioned having “blind trust” or that their nature is “to simply trust people.” Other respondents wrote about the futility of completely protecting information on the Internet (e.g., “There is nothing you can do: No server is hack-proof and putting information out on the web is a chance you take.”). The third, situation-dependent category, deals with consumers who read the policies only under some situations. Here, respondents said, for example, that they would read “only when buying something,” “only when giving out information,” and “when the website appears to be trustworthy.” The final self-prevention

category of responses came from consumers who created their own defense strategies to prevent potential negative consequences of not reading privacy/security policies. These strategies include, for example, "Provide as little information as possible," "Use computers that have programs that alert consumers of unsafe websites," "Look for the lock on top of the webpage," "Only shop at familiar and known websites," and "Provide information without using real names and addresses."

Concluding Thoughts

Preliminary results from this research show that although consumers are concerned about privacy/security protection on the Internet, not all of them read privacy/security policies that are specifically intended to address consumers' privacy/security concerns. An examination of the reasons of why consumers do or do not read privacy/security policies reveals several interesting themes that were detailed above. These findings, albeit preliminary, have potentially important implications to policies regarding the content, readability, design, and delivery of privacy/security policies on websites. The next step for this research is to examine how consumers who do read privacy/security policies differ from those who do not, especially with regards to trust. Previous studies have established the strong positive link between privacy/security protection and trust in websites (e.g., Bart et al. 2005; Schlosser, White, and Lloyd 2006). Moreover, it would be interesting to test whether the strength and/or direction of the link between privacy/security protection and trust will change between those who read privacy/security policies and those who do not.

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Abstract

The Impact of Visual Metaphors on Consumers' Understanding of Prescription Drug Benefit and Risk Information in Advertisements.

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In the context of direct-to-consumer prescription drug advertising (DTCA), this study explores consumers' propensity to imagine as it relates to their reactions to visual metaphors involved with comprehension of drug benefit and risk information, as well as attitude toward ad and brand. The study combines and furthers research conducted on DTCA (e.g. Myers, Royne, and Deitz, 2011), and metaphors in advertising (e.g. Phillips and McQuarrie 2009; Gkiouzepas and Hogg 2011). Results will help marketers and policy makers better understand how the research variables can be utilized for safer and more effective communications with consumers.

Prescription drug advertising influences consumers' behavioral intentions (Singh and Smith 2005) and is related to an increased consumption (Mintzes et al. 2003). The topic has been the subject of recent research in policy (Sony and Frosch 2008) as well as strategy (Wilfred and Chuan 2009). The nature and content of the direct-to-consumer advertising (DTCA) has drawn interest of public policy researchers given that these advertisements can potentially impact the lives of millions of Americans (Bonifazi 2002, Weissman et al. 2004). Some researchers estimate that promotional expenditures are almost double research and development expenditures in the U.S. pharmaceutical industry (Gagnon and Lexchin 2008). Therefore, it is important for advertisers and policymakers to fully understand advertising tactics that have been proven effective for promoting products and brands in this context. We focus on how the advertising tactics involving visual metaphors may have unintended effects on consumers' interpretations of prescription drug advertisements.

Visual metaphors, tactics commonly used in DTCA of pharmaceuticals (Riska and Hägglund, 1991), have been examined in terms of conveying information about a brand (Phillips and McQuarrie 2009) as well as acting as stimuli to elicit information processing (Maclnnis, Moorman and Jaworski 1991), yet, to our knowledge, no research has examined effects of metaphors on consumers' understanding of warning label and drug usage instructions in the specific context of DTCA of pharmaceuticals. In this context we incorporate well-established research involving metaphoric cues (Scott, 1994; Phillips and McQuarrie 2009) as previous research shows that these cues elicit a high level of elaboration (Gkiouzepas and Hogg 2011).

Accordingly, we incorporate this aspect into our research by measuring consumers' imagination propensity. During consumption, consumers can generate fantastic imagery that uses a great deal of imagination (Martin 2004). Therefore, some consumers are prone to imagine more than others (see Gleason, Jarudi, and Cheek 2003; Lynn and Rhue 1986), and this could

affect interpretation of metaphors' elicitation of elaboration. When metaphors are employed in advertising, existing consumer beliefs that match up to make the metaphor salient will be enhanced while beliefs that do not match the metaphor will be masked (Phillips and McQuarrie 2009). This supports the idea that highly imaginative consumers would likely have a stronger elaboration with a metaphorically enhanced advertisement.

Research has demonstrated the significance of consumers' drawing on imagination rather than memory in visualizing costs and benefits of an offering. Individuals that were primed to imagine (vs. memory recall) visualizations focused more on major product benefits rather than drawbacks such as learning costs (Zhao, Hoeffler, and Dahl 2009). Expanding on that notion, when consumers draw largely on imagination to process prescription drug advertising information, they would tend to focus on benefits more than drawbacks (i.e. side effects).

Previous research (Gaeth and Heath 1987; Phillips and McQuarrie (2005) advises that pictorial images may potentially mislead consumers who tend to process certain images in such a way that leads to the formulation of spontaneous inferences about advertising claims. Research concludes that images should be supplemented with verbal information to help consumers to understand complex images (Phillips 2000; Phillips and McQuarrie 2005). These researchers identify public policy issues that need to be explored further, providing the basis of our further exploration of the way consumers process figurative imagery and pictorial metaphors in prescription drug advertising.

Furthermore, current research involving the concept of combined visual and verbal communications (e.g., Salomon & Perkins 1989) has resulted in a somewhat ambiguous conclusion. While some scholars take the perspective that visual and verbal communications are processed simultaneously (Roberts Braden) others contend that the two forms of communication are processed independently (Moriarty 1996), and therefore, should be studied separately (e.g., Messaris 2003) because the communications are processed in different ways (Gardner 1993).

According to Gkiouzepas and Hogg (2011), similar metaphorical objects that are synthesized together elicit higher levels of elaboration than mere juxtaposed metaphorical objects. Therefore, our experimental design incorporates realistic but fictitious print ads including synthesis as well as juxtaposed metaphors in separate treatment groups. We measure the independent variable of consumers' propensity to imagine across all subjects. Dependent variables include comprehension of drug benefits, risk information, as well as traditionally researched aspects of metaphorical ad messages, namely attitude toward the

ad and brand. Consumers subjected to the control group advertisement will not be exposed to a metaphor. The drug used in the advertisement will be a depression remedy since this category of drugs involves mental processing and holds three of the top five spots in the most prescribed psychiatric medications (Grohol 2011).

Our results are expected to show that visual metaphors can not only cause higher elaboration, especially in highly imaginative consumers, but that visual metaphor presence may lead to

consumers interpreting additional information (compared to control) when the metaphor is added in the print ad. Results should be more significant for synthesis metaphors than for juxtaposed metaphors and results will be measured in terms of subjects' accurate interpretation of benefit and risk information. We expect to replicate findings of previous research regarding attitude toward the ad and brand. Limitations and future research will be addressed.

References available upon request.

Summary Brief

Transgenic Foods: Animal versus Plant Product Consumer Perceptions

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The concern of consumers and public policy advocacy groups in the U.S. is the lack of labeling requirements for foods that have been genetically modified (GM). With the push for governmental regulation on labeling of GM foods and foods containing GM ingredients, media attention and public confusion has continued to grow. For example, California's proposition 37 in late 2012 attempted to mandate labeling, yet the bill did not pass despite early predictions favoring its success. It seems it is only a matter of time before mandatory labeling legislation will come into practice. In response, our research attempts to investigate changes in consumers' attitude, preference, and behavioral measures for labeled GM products across food types and consumers' level of trust in food technology. Drawing from the diffusion of innovation theory, we experimentally test changes in our measures of interest that have newfound relevance due to the pending introduction of the nation's first GM animal food product.

Introduction

Since its introduction into the American food supply in 1994, Genetically Modified (GM) foods have created controversy for manufacturers, marketers, public policy makers, and consumers. Genetically modified foods are derived from genetically engineered organisms most commonly known as GMOs. The Food and Drug Administration (FDA) regulates GM food products within the United States (US) and defines genetic engineering as: "the name for certain methods that scientists use to introduce new traits or characteristics to an organism. For example, plants may be genetically engineered to produce characteristics to enhance the growth or nutrition profile of food crops" (FDA 2012, page 1).

Many studies have shown that consumers are largely unaware of food produced using biotechnology (see Radas, Teisl, and Roe 2008). Remarkably, though, most of the food products Americans consume already contain one or more GM plant-based ingredients. Ten years ago, the Grocery Manufacturers Association estimated that 60 – 70% of formulated food products contain some ingredients from genetically engineered crops. "Today that number may be more like 70 to 80%" (personal communication with Dr. Jeffrey Barach, November 3, 2010). However, the newest food product available for sale (pending FDA approval) is an animal-based product from AquaBounty. This product, an Atlantic salmon, was designed to address production constraints and illustrates the first non-plant GM food product to enter the market.

Hypotheses

Extant research reports that in a food consumption context, any disclosure indicating technological modifications (e.g., genetic modification or the use of nanotechnology) is likely to have a directly inverse relationship (i.e., negative or unfavorable) on consumers' attitude and behavioral responses (Huffman et al. 2003). Generally, the use of technology to modify food products is considered unsafe and unproven. The benefits of such innovative practices are misunderstood or altogether absent. When the novel category of animal-based GM food products are considered, consumer responses are expected to become more unfavorable when compared to plant-based alternatives.

H1: A GM label disclosure will reduce consumers' (a) opinions, (b) purchase intentions, and (c) price willing to pay.

H2: A animal-based GM food product will reduce consumers' (a) opinions, (b) purchase intentions, and (c) price willing to pay.

While the presence of a disclosure may generally have a main (negative) effect on perceptions and purchase intentions, a disclosure (in the form of a GM product label) is predicted to reduce such effects more for an animal-based GM food product. Additionally, individual differences in trust toward the use of GM technology are expected to moderate the effect of a disclosure (Eiser et al., 2002). More formally:

H3: The moderating effect of a GM label will attenuate the negative effect of (a) an animal-based GM food product and (b) low trust in GM technology on consumers' opinions, purchase intentions, and price willing to pay.

Method

A 2 (**food type**: animal-based or plant-based) X 2 (**GM disclosure labeling**: present or absent) between-subjects experiment was conducted. Participants were 130 adult consumers obtained through MTurk. Cell sizes ranged from 29 to 32. Each participant was randomly assigned to one of the four experimental conditions and shown a plant-based food (grapes) or an animal-based food (salmon) with the presence (or absence) of a GM label. The sample had a median income of \$50,000-59,999, and 88.5% had at least some college. More than one-half of the sample (61.5%) had a college degree. The majority of the sample was female (63.9%) and the mean age of the respondents was 32 years.

An instructional manipulation check (Oppenheimer, Meyvis, and Davidenko 2009) and a self-report question were used to measure the effectiveness of each manipulation independent of our measures. These embedded questions were included after responses to our dependent measures had been recorded. In order to check our manipulation of the GM label, participants were

asked to recall if the GM label had been seen. A two-way contingency table analysis was conducted to determine the significance of those participants who correctly identified their experimental condition. For example, 92% of those who were shown the GM label answered correctly while 81% of those who were not shown the GM label also answered correctly ($\chi^2 = 62.2, p < .001$, Cramer's $V = .71$). The high significance and large effect size confirm the effectiveness of our experimental manipulations.

Results

Given the significant correlation across measures, a MANOVA was performed to test our hypotheses. There was a significant main effect of food type across all measures. For example, overall opinion was more favorable for the plant-based product ($M = 3.8$) than the animal-based alternative ($M = 3.2$; $F(1, 112) = 8.6, p = .004$) as was purchase intention ($M_{\text{plant}} = 3.4, M_{\text{animal}} = 2.4$; $F(1, 112) = 21.9, p < .001$). There was a similar pattern for the effect of a GM label. For example, consumers' opinion became more favorable when a label was absent from the package ($M = 3.9$) than when present ($M = 3.1$; $F(1, 112) = 13.0, p < .001$). These results offer full support for H2 and partial support for H1. For patronage and the price willing to pay, main effects were qualified by significant interactions. For example, when an animal product was shown, the likelihood to patronize that product significantly improved for those products with a GM label ($F(1, 112) = 5.02, p = .03$). The effect of a GM label also increased patronage likelihood more for those with low trust in technology ($F(1, 112) = 1.83, p = .05$). Results offer full support for H3a and partial support for H3b.

Table 1. Effects of GM Label and Food Type on Evaluations

	Opinion	Patronage	PI	WTP
Main Effects				
GM Label (GM)	13.0***	6.18*	2.5	.833
Food Type (FT)	8.62**	21.2***	21.9***	154.6***
Tech Trust (TT)	.947	1.20	1.16	.972
Interactions				
GM x FT	.003	5.02*	.293	3.85*
GM x TT	.978	1.83*	.992	.647
TT x FT	.560	1.84*	1.02	1.22

Univariate *F*-values; *** $p < .001$; ** $p < .01$; * $p < .05$

Summary

The results we offer here have implications for marketers and public policy makers. Historic precedents for biotech legislation are currently being set. In response, a better understanding of consumers and their concerns towards not only labeling of GM foods but how they differ between plant and animal products will allow marketers to effectively communicate with consumers on the issue. In order to implement effective regulatory policies such as labeling, public policy marketers must have a clear understanding of the consumer's perspective. Also, if legislation mandated labeling for GM foods, such a solution might be an effective way to remedy the dissonance food producers have about this approach.

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Summary Brief

Increasing Trusting Beliefs? The Effects of Consumer Privacy on Online Trust

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This research investigates the impact of Consumer Privacy Bill of Rights upon consumers' online trust. On February 23, 2012, the U.S. White House proposed "Consumer Privacy Bill of Rights" to provide guidelines to consumers in the Internet environment, which explicitly addresses seven aspects. This study examines the impact of the bill on three trusting beliefs (ability, benevolence, and integrity) via privacy concern and statements. Findings suggest that consumer privacy bill of rights is perceived to possess positive privacy statements. These positive privacy effects are generally stronger with high trusting integrity, but not trusting ability or benevolence.

Introduction

During the past decades, manufacturers and e-retailers are paying increasing attention to consumer online behavior, including privacy concerns (Awad and Krishnan 2006). Since the Internet has become an integral part as both a marketing channel and information medium to many firms, consumers are concerned about their data privacy (Milne and Culnan 2004). For example, data from online tracking firms and behavioral targeting are commonly used for personalization and custom marketing.

Extant research has started to explore the relationship of online trust (Schlosser, White, and Lloyd 2006) and privacy concern (Awad and Krishnan 2006) as they examine website characteristics. Literature review reveals that the research on incremental effects of privacy concern and statements under an actual policy release on online trust is limited. Hence the current study focuses on Consumer Privacy Bill of Rights (hereafter, the bill) and examines its impacts on consumers' online trust (Schlosser, White, and Lloyd 2006).

The Study

With the growing awareness of consumer privacy, understanding the degree and impact of the newly released Consumer Privacy Bill of Rights has become a critical puzzle. On February 23, 2012, the U.S. White House proposed "Consumer Privacy Bill of Rights" to provide guidelines to consumers in the Internet environment. The bill applied to any personal data and addresses seven aspects:

1. Individual control: consumers have a right to exercise control over what personal data companies collect from them and how they use it;
2. Transparency: consumers have a right to easily understandable and accessible information about privacy and security practices;
3. Respect for context: consumers have a right to expect that companies will collect, use, and disclose personal

data in ways that are consistent with the context in which consumers provide the data;

4. Security: consumers have a right to secure and responsible handling of personal data;
5. Access and accuracy: consumers have a right to access and correct personal data in usable formats, in a manner that is appropriate to the sensitivity of the data and the risk of adverse consequences to consumers if the data is inaccurate;
6. Focused collection: consumers have a right to reasonable limits on the personal data that companies collect and retain;
7. Accountability: consumers have a right to have personal data handled by companies with appropriate measure in place to assure they adhere to the Consumer Privacy Bill of Rights.

After the release of the bill as guidelines to online consumers, both practitioners and researchers wonder its impact to consumers' perception of privacy and trusting beliefs.

Traditionally, the analyses of privacy discuss domestic versus international regulatory. During the past decade, scholars have addressed the important needs of looking into online privacy issues, and proposed various factors which may influence consumers' online privacy (Awad and Krishnan 2006; Milne and Culnan 2004). Following the research stream of Schlosser, White and Lloyd (2006) by separating the three trusting beliefs (i.e. ability, benevolence and integrity) and trusting intentions, our study is motivated by a recent announced Consumer Privacy Bill of Rights to examine its effects on online trust.

The following are the research questions for this study:

Research question 1: Is the bill perceived to possess negative privacy concern?

Research question 2: If yes to RQ 1, will the negative effect of the bill on privacy concern be greater for a high level of trusting ability, benevolence or integrity?

Research question 3: Is the bill perceived to possess positive privacy statements?

Research question 4: If yes to RQ 3, will the stronger effect of online privacy statements be greater for a high level of trusting ability, benevolence or integrity?

Method and Results

A quantitative research design was created for this project. The study is based on a recent Internet survey data from a large eastern university. The survey focuses on privacy concern, privacy statement and three trusting beliefs of ability, benevolence and integrity. The survey was provided pre and after the release of the bill to examine how effective it is serving as guidelines to online consumers.

All constructs together with their items were adopted from previous studies (for example, Milne and Culnan 2004). They were asked using 7-point Likert scales. All constructs in our study were calculated with a difference of post and pre measurements. The average age of the sample was 22 years old. All respondents have made at least one online purchase. This was probably due to the fact that the survey was distributed to both undergraduate and graduate students in a large university. The survey takers did come from diverse ethnicity backgrounds with the majority being white Americans.

Based on estimation and statistical test results, research questions are answered. The first research question was to evaluate whether the bill was perceived to possess negative privacy concern. The results showed that it was not supported. Because the answer to the first research question is no, it follows that the second research question is not supported.

Research question 3 about the positive effect on privacy statement as a positive signal was found to be supported. Finally for research question 4, the stronger effect of online privacy statements was found greater for a high level of trusting integrity, but not trusting ability or benevolence.

Summary and Discussion

In summary, Consumer Privacy Bill of Rights was not found to possess negative privacy concern. There is evidence that the bill is perceived to possess positive privacy statements. These positive

privacy effects are generally stronger with high trusting integrity, but not trusting ability or benevolence.

The findings contribute to both marketing scholars and managers. This study extends prior research on privacy policy and consumer online behavior. Many firms hope to gain more trust from consumers in the online environment. A recommendation for managers to increase online trust after the release of the bill is to champion the development of comprehensive and explicit privacy statements.

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GLOBAL& CROSS-CULTURAL MARKETING ISSUES TRACK

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Summary Brief

Brand Concept's Effect on Consumer Brand Perceptions: Does Country Image and Type of Line Extension Strategy Matter?

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This research explores how the interplay among country of manufacture image, brand concept and vertical-downward versus vertical-upward line extensions affects brand evaluation when new products in an existing category are introduced.

Introduction

Research confirms that category-specific favorable country image positively affects brand evaluations (Roth and Romeo 1992). The fact that most of the new products introduced in the global marketplace are brand extensions with majority being line extensions (Ogiba 1988) continues to persist today. While already considerable amount of research is available with regards to brand extensions, pure line extensions studies are somewhat limited. The purpose of this work is to enhance our understanding on how country of manufacture image and brand concept associated with new vertical line extensions can affect brand evaluation.

Conceptual Framework

Brand extensions are new products in new category under an existing brand name, while line extensions are new products introduced in an existing category under an existing brand name (Aaker and Keller 1990; Keller and Aaker 1992). With regard to line extensions, studies already started to address the success determinants of two different extension product types: vertical introductions into different quality/price levels versus horizontal introductions within the same quality/price levels (Draganska and Jain 2005).

Since the existing brands under which the new line extensions are introduced are conceptually different, differentiating between prestige versus non-prestige or functional brand concepts (Monga and Roedder-John 2010) and their products are often manufactured in different geographical locations, it remains to be answered whether country of manufacture image and brand concept can affect the success of the two types of line extension strategies with respect to the overall brand evaluation. This research focuses on vertical line extension strategy only, differentiating between quality/price upward versus quality/price downward extension moves. Brand evaluation effects of country of manufacture image and brand concept when undertaking upward versus downward vertical line extension strategies are examined.

Building upon the knowledge from line extension and assortment choice literature streams, it is suggested that when a brand introduces new vertical line extensions, it affects consumer's overall perception of the brand due to the change of

the brand's assortment in the category. First, while arguments could be made why quality/price downward line extension strategy could benefit a brand, quality/price upward line extensions have been shown to be more relevant for brand evaluation than downward extensions (Heath, DelVecchio, and McCarthy 2011). Second, assortment choice research tells us that consumers try to minimize the costs and maximize the benefits involved in the choice making decisions (Chernev and Hamilton 2009). Hence it is hypothesized that any incongruent vertical line extension strategic moves that a brand undertakes with regard to the two other factors (brand concept and country of manufacture image) are expected to increase the cognitive burden on the consumer and therefore decrease the favorability of focal brand evaluation.

Method

The questionnaire (n = 154) consisted of three sections. In the first section the participants were asked to evaluate the main effects of country of manufacture image and brand concept variables on four dimensions: innovativeness, design, prestige, and workmanship (Roth and Romeo 1992). In this section the participants were also asked a question that investigated interactions between the country of manufacture image and the brand concept variables. In the second section of the questionnaire participants were asked to respond to a real brand's (Timex versus Rolex) hypothetical new product (watch) scenario, which introduced the participant to a vertical line extension strategy (price-upward versus price-downward) across the country of manufacture image (low versus high) and brand concept (prestige versus functional) variables. Since this was a 2x2x2 factorial design (country of manufacture image x brand concept x vertical line extension strategy), total of eight possible scenarios existed. Participants were randomly assigned to only one of the eight scenarios. Descriptions of scenarios are easily envisioned by simply going through combinations of all possible outcomes of the 2x2x2 factorial design. The third section of the questionnaire asked demographics questions.

Results

Preliminary results of this study suggest that consumers value upward vertical line extensions more favorably than downward vertical line extensions, countries which are seen as producers of reliable, durable products with strong craftsmanship, and brands which can introduce new innovative products that use new technologies and engineering advances. Out of the three possible

two-way interactions effects among our three factors, brand concept and country of manufacture image interaction offered significant results for both factor and dimensions layer of analysis. Contrary to the study's expectations, the three-way interaction showed no significant results.

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Summary Brief

Cultural Influence on Young Consumers' Intentions to Become Brand-Page Fans: Individualism versus Collectivism

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International marketers publish brand pages on social media to interact and communicate with their brand followers. To gain a better understanding of the effects of branded content on social media, a cross-cultural approach helps identify important factors that influence global consumers' perceptions of brand pages. This study investigates the effects of consumers' cultural orientations on brand pages and selects American (individualist) and Korean (collectivist) consumers for comparison because of their distinctive cultural differences. Theory of reasoned action (TRA) serves as the theoretical underpinning to investigate the relationships between consumer-related variables specific to the social media context. The findings reveal that intra-cultural effects do influence young consumers' intentions to join brand pages in both countries. The interdependent-self has a stronger impact on both attitudes and social influence than the independent-self.

Introduction

Social media create a new online community for consumers to participate in discussion of different marketing topics ranging from product reviews, consumer complaints to brand advocacy. On social media advertisers interact and communicate with their customers via online delivery platforms like blogs, content-sharing communities and social-networking sites (Mangold and Faulds, 2009).

Social-networking sites allow marketers to publish brand pages to interact and communicate with consumers. Brand pages are a form of online brand community sponsored by the advertisers. Companies post branded content (brand posts) on their pages that can be shared and consumed by their brand followers. In the U.S. and Korea, advertisers have published brand pages on social media. Recent research reveals that 47% of Korean consumers regularly check brands' social media pages compared to only 35% of the U.S. consumers do (Emarketer, 2013).

Consumer research shows that a nation's cultures influence its consumers' attitudes and behaviors directly or indirectly through their shopping patterns and exposure to certain types of media (Gregory et al., 2002). This study employs the theory of reasoned action (TRA) to examine factors that may influence young consumers to become fans of brand pages. Ajzen and Fishbein's (1980) theory of reasoned action has been recognized as a robust model for predicting behaviors.

To gain a better understanding of the effects of branded content on social media, a cross-cultural approach may help identify important factors that influence global consumers' perceptions of brand pages.

This study selects American (individualist) and Korean (collectivist) consumers for comparison because of their distinctive cultural differences as well as their propensities to join brand pages. Joining a brand page is a social pursuit that national cultures might not fully represent the intra-cultural variations among consumers. To address this concern, this study investigates the effects of individual-level cultural orientation: individualist (idiocentric) vs collectivist (allocentric) (Triandis et al., 1990).

Literature Review

Theory of Reasoned Action

The TRA suggests that two factors influence a person's intention to perform a behavior: the personal factor (personal interest) and the subjective norm (social influence). Attitudes toward behaviors are internal reasons that an individual chooses to do something. In this instance, a person's intention to act is determined by his/her beliefs about the consequences of engaging in the behavior and his/her evaluations of the consequences. While subjective norms are external reasons that influence a person's decision making. These are determined by normative beliefs that one thinks someone else wants him/her to do or act and is his/her motivation to comply with this person's request or suggestion.

Attitudes and subjective norms are functions of beliefs (Ajzen and Fishbein, 1980). The personal factor, attitude toward brand pages on social media reflects the person's positive or negative evaluations of becoming a member of a brand page. The social factor, the subjective norm, refers to the person's perception of the social or peer pressure to join a social media brand page. These two factors provide this study the theoretical framework of behavioral intentions to define the linkage between beliefs about attitudes toward social media brand pages, social influence and the intentions to join brand pages on social media.

Influence of Cultural Orientations

Consumers' adoption of an innovative product is subscribed to the individual countries' cultural orientations. Culture is a set of established values and beliefs that is shared among people within the same nation. As suggested by Hofstede (1997), values are the principal components of culture that differentiate one national culture from another and the cultural components embedded in people's value systems influence the way they behave. Hofstede's individualism/collectivism remains as the basis for a significant proportion of cross-cultural consumer research.

Research investigating individualism vs. collectivism at the individual level identifies that within a homogenous culture some

people may display more individualist tendencies (idiocentrics) while others may have more collectivist inclinations (allocentrics) (Triandis, et al., 1990). Since consumers may not always act in a strict individualist or collectivist manner, national cultural effects on accessing brand pages on social media might not fully represent the substantial variations within a national culture. Therefore the individual level cultural orientation is a better alternative to examine the relationships between the proposed constructs in the social media context. Purchase intention is regarded as the likelihood of consumers' willingness to make a purchase of a product or service. In order to understand the impact of intentions to join brand pages on purchase intentions, a purchase intentions variable is added to the model.

Research Questions

RQ1. How do advertising beliefs and social beliefs influence American and Korean consumers' attitudes toward brand pages and their intentions to join them?

RQ2. Are there any differences in the structural relationships among the constructs between the two countries?

RQ3. How intra-cultural effects moderate attitudes and subjective norms in the social media context?

Research Methodology

Using a web survey, data were collected from two U.S. universities and one Korean University. The Sample consisted of 244 U.S. and 252 Korean college students with 53% females and 47% males. All respondents were between 18-28 years old.

Findings

A confirmatory factor analysis was used to test the overall model analyses and indicated a good model fit. The χ^2 statistics are 804.99 ($df = 284$, $p = .00$) with a CFI of .95, a RMSEA of .06, and a TLI of .94. All loading estimates were significant ($p < .001$) with the lowest being .5 and the highest being .85. Further, the construct reliability estimates are all adequate ranging from .75 to .95. Metric invariance between the two countries was examined and the significant results suggest that the relationships observed in the U.S. sample were different than the relationships observed in the Korean sample.

Structural equation modeling (SEM) was run to examine the overall theoretical model specification. The one group model SEM results indicate that the χ^2 for the measurement model is 948.13 ($p < .001$) with 291 df . The fit indexes are CFI = .94, RMSEA = .07, and TLI = .93. Using the country classification variable to test moderation of culture, the two-group SEM results show that full metric invariance was not achieved. In this case, a country's culture does moderate the relationships between the constructs and there are differences in relationships between the U.S. sample and the Korean sample.

The SEM structural paths show that not all constructs are positively related in both samples. The relationship between independent-self and social influence is not significant in the U.S. sample but has a negative relationship in the Korean sample. No

significant relationship between independent-self and attitudes is detected in both countries. However, the interdependent-self is positively related to both attitudes and social influence in both samples. In addition, a positive relationship between intentions to join and purchase intentions is also detected. Connecting consumers through brand pages can positively impact their purchase intentions.

Conclusion

The findings of this study provide some initial evidence to answer the three research questions. The results show that intra-cultural effects do influence young consumers' intentions to join brand pages in both countries. Within a country's culture the moderating effects of the interdependent-self on attitudes and social influence social media are detected.

Initial evidence from this study reveals that cultures do influence young consumers' decisions to join brand pages and both attitudes and social influence are moderated by the cultural orientations at the individual level. The findings also suggest the relative effects of social influence on affecting consumers' perceptions of joining brand pages. Besides functioning as a branding device, a brand page can also serve as a sales outlet. The theoretical framework of the measurement model provides an empirical evidence for explaining young consumers' intentions to become fans of brand pages on social media. This study discovers the potential of a new research area in social media marketing, presents a theoretical framework for its investigation and suggests the significance of constructs according to the findings.

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Summary Brief

The Visual Presentation of Women in Global Fashion Advertising

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As opportunities for Western advertising agencies become more plentiful in China, it becomes more imperative for marketing researchers to understand how advertisers design such ads across cultural boundaries. This study aims to investigate the nature of transnational advertising, particularly the presentation of women in transnational fashion advertising and how it is utilized differently in competing nations. Through a content analysis, the study found that there are similarities and differences in visual presentation of women between Chinese and U.S. fashion ads.

Introduction

The modern advertising industry, a mature industry within the Western world, is relatively recent phenomenon in China. Since the adoption of the open door policy, remarkable changes have been taken place in the Chinese advertising industry and advertising began to appear in a variety of media vehicles (Zhang and Gelb 1996). By the 1990s, there were about 8,000 different periodicals that contained advertising, and advertising has become one of China's fastest growing industries (Lou 1995). Seeing this potential, many Western agencies have entered the Chinese advertising market to pursue new opportunities (Zhang and Gelb 1996).

As opportunities for mass advertising become more plentiful for Western agencies, it also becomes more imperative for marketing researchers to understand how advertisers design such ads across national boundaries. As such, this study aims to investigate the nature of transnational advertising, particularly the presentation of women in transnational fashion advertising and how it is utilized differently in competing nations. Specifically, the primary goals of this study is (1) to validate the presentation of women in women's fashion magazine ads; (2) to use content analysis to compare the prevalence of various presentation of women in the same set of magazine ads in the U.S. and China; and (3) to examine the cultural and social factors that underlie similarities and differences in the presentation in the two countries.

Gestalt Theory

As the focus of the study is to examine the presentation of women, the theory of gestalt serves as conceptual base. According to the gestalt theory, with respect to the visual recognition of images, individuals understand external stimuli as whole rather than the individual parts (e.g., Bruce and Goergeson 1996). As such, advertisers often strive to communicate with the audiences by creating a visual gestalt (Englis, Solomon, Ashmore 1994). For instance, a model wearing a bikini and riding a bike on a beach may be described as an outdoorsy and athletic woman whereas the same model, presented in the same bikini on the same beach but

shown relaxing in the hot sun with a drink by her side may be described as an exotic or sexy woman. In essence, the presentation of women is guided by the principles based upon the purpose and context, such as professionalism, sophistication, etc.

Methodology

In order to study the presentation of women, a projective method (word association) was used to validate the typology of women presentation, based upon Solomon, Ashmore, and Longo's (1992) initial study. The findings suggest that there are seven basic types in fashion magazine ads. For instance, exotic/sensual looks tend to be sexually attractive in a classic way. On the other hand, girlish looks appear youthful and childish.

After the validation, a content analysis was used to study the frequency of various types. This particular method served as the approach to derive valid inferences from the images (Krippendorff 1980) and provided "a scientific, quantitative and generalizable description of communications contents" (Kassarjian 1977, 10). In the content analysis, transnational magazines such as *Cosmopolitan* were chosen as carriers, as they provide prescriptions for women presentation in a global context (Englis et al. 1994). The dates of the issues were restricted to the summer and range from June 1st to August 1st, as three months data collection were considered adequate in previous research (Al-Alayan and Karande 2000), and there were not any significant seasonal influences during these months (Hung, Li, and Belk 2007). Ads were selected based upon criteria used in previous research (i.e., Hung et al. 2007; Huhmann and Brotherton 1997; Ford, Voli, and Casey 1998). In addition, four coders were hired to code the ads independently. Finally, Perreault and Leigh's (1989) index was used to calculate the inter-rater reliability.

As a result, a total of 1146 ads were chosen for the study, of which 581 were from U.S. magazines and 565 were from Chinese magazines. As some of the ads contained more than one female model, 1337 models were coded, of which 673 models were from the U.S. edition and 664 models were from Chinese edition.

Results and Implications

The results indicate that the proportion of the nurturer type in Chinese ads (1.7%) is the same as in the U.S. ads (.6%; $\chi^2(1)=3.40$, $p>.05$). However, the proportion of the professional type in Chinese ads (.6%) is less than in the U.S. ads (2.2%, $\chi^2(1)=6.31$, $p<.05$). The results also suggest that there is not a difference between the U.S ads (24.8%) and Chinese ads (26.8%, $\chi^2(1)=.41$, $>.10$), regarding portrayals of the trendy type. In addition, the exotic type of female appeals in Chinese ads (5.0%) is less than in the U.S. ads (14.4%, $\chi^2(1)=33.96$, $p<.001$) and the proportion of classic looks in Chinese ads (49.7%) is greater than

in the U.S. ads (29%, $\chi^2(1)=60.19$, $p<.001$). Further, the proportion of girl-next-door looks in Chinese ads (3.3%) is less than in the U.S. ads (11.9%, $\chi^2(1)=34.87$, $p<.001$).

The results also show that Caucasian models dominate in the U.S. ads (84.3%). In China, there are 55.4% of Caucasian and 42.2% of Asian models. Additionally, there is a pattern between the races of the models and the various types of women images ($\chi^2(7)=47.76$, $p<.001$). In China, for instance, black models are only used in trendy types and Asian models are often used to promote girlish looks. The variation may be due to cultural preferences.

In conclusion, this study provides insights on how Western agencies operate in a foreign market. For example, nurturer looks do not appear frequently in both countries, indicating the portrayal of women as inferior is uncommon in global fashion advertising. The study also finds the frequency of the exotic type has decreased, compared to previous findings (e.g., Solomon, Ashmore, and Longo 1992). The result suggests that agencies might have been avoiding the prevalence of the inferiority and sexuality in recent advertising. Furthermore, this study shows Caucasian models are prevalent in Chinese magazines and "Tokenism" is still common practice in Western advertising industry (Szybillo and Jacoby 1974).

The study has several limitations. Further research may examine how consumers respond to each of the beauty types from cross-cultural perspective. In addition, it might be worthwhile to investigate how beauty images change over time. Examining the differences between international and local magazines across national boundaries can be an intriguing research topic as well.

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The Critical Problems of Hispanic Entrepreneurs in Decision Making: Strategic Implications

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This paper deals with the critical issue of increasing number of Hispanic consumers and their need for special services by Hispanic entrepreneurs. The study findings are based on a survey of Hispanic entrepreneurs in Jacksonville, Florida. The survey findings indicate that there is significant difference between seasoned entrepreneurs who have been reasonably successful and entrepreneurs recently entering the marketplace who are relatively inexperienced. The practices, skills, and needs of these two groups are noticeably dissimilar. However, both groups point toward an educational support system to develop strategic skills which is necessary not only for entrepreneurs but also for successful management of their Hispanic clientele.

Introduction

Although there may be numerous thinkers and practitioners who hold the possibility of one global culture, this certainly is not the reality of current marketing practices (De Mooij 2005). In fact, there is not enough uniformity among countries that have similar products, services, and strategies. This may be attributable to cultural differences which play a very important role (Ammi 2007). It is important to articulate that these differences in marketing practices within countries are caused by existing subcultures. In such cases entrepreneurial practices differ. This paper deals with this extremely critical area of exploration of its population.

Currently, the U.S. is experiencing diversity and multicultural growth in its composition. As the fastest growing minority ethnic group, the Hispanic-American community is an important market

that deserves attention and scrutiny. In 2002 there were approximately 1.6 million Hispanic enterprises (See Figure 1. U.S. Fluctuations in Population and Business Ratios). According to the most current U.S. Census Bureau Survey of Business Owners (SBO), this number increased to 2.3 million in 2007. In 2007, Hispanic-owned firms accounted for 8.3 percent of all businesses in the United States and 1.6 percent of total employment (U.S. Census 2007 released September 21, 2010). It has been established that the Hispanic proportion of the U.S. population will be approximately 17.8% in 2020 and 20.1% in 2030 (U.S. Census population projection February 8th 2008). This increase is expected to accelerate further.

In order to understand the number of Hispanics for each Hispanic business, the Hispanic population was divided by the number of Hispanic enterprises. In 2002, this number was 23. The same calculation for non-Hispanics showed 11 people per enterprise. Five years later, in 2007, these ratios have not fluctuated considerably. Two key issues must be considered here. First, there are greater opportunities for Hispanic entrepreneurs. In fact, twice as many opportunities on the basis of the sheer population numbers. Second, there is a deficiency in the number of Hispanic enterprises for the size of that population. This underrepresentation of Hispanic-owned private enterprises in proportion to the whole American population is obviously an unexploited opportunity for potential Hispanic entrepreneurs (Shinnar and Young 2008). This is an opportunity to create many businesses in the near future.

Figure 1. U.S. Fluctuations in Population and Business Ratios

2002	Total U.S. population 282 million Non-Hispanic population 245 million Non-Hispanic population per business: 11 people Hispanic population 37 million Hispanic population per business: 23 people <i>Hispanic population per Hispanic business to Non-Hispanic population per Non-Hispanic business ratio = 2:1</i>	Total U.S. businesses 23 million Non-Hispanic businesses 21.4 million Hispanic businesses 1.6 million
2007	Total U.S. population 297 million Non-Hispanic population 252 million Non-Hispanic population per business: 10 people Hispanic population 45 million Hispanic population per business: 20 people <i>Hispanic population per Hispanic business to Non-Hispanic population per Non-Hispanic business ratio = 2:1</i>	Total U.S. businesses 23.8 million Non-Hispanic businesses 21.4 million Hispanic businesses 2.3 million

(U.S. Census, 2002 - 2007)

Assuming an inclination on the part of the Hispanic population to frequent Hispanic enterprises, the numbers already cited indicate a significant lack of Hispanic enterprises. There is a shortage of Hispanic enterprises. Also, as Tienda and Riegen (2004) have indicated, Hispanic entrepreneurs' performance is relatively weaker in comparison to Asian (primarily Korean) and other non-Hispanic entrepreneurs. Therefore, more research is needed to remedy this situation (Robles and Cordero-Guzmán 2007).

The objective of this paper is to identify key strategic tools that may contribute to better Hispanic business performance. More importantly, in order to critically evaluate the successful behavior of Hispanic entrepreneurs, we present the strategic posture of these enterprises that have survived the initial challenge of operating a business. Their practices are compared with those that are just starting.

Literature Review

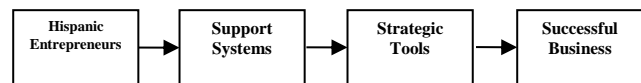
The shortage of Hispanic enterprises is caused by at least two factors. First, there is not enough effort to train potential Hispanic entrepreneurial talent (Chrysostome 2010). Secondly, only 48% of new enterprises are managing to survive for longer than five years, and this percentage is continuously falling slowly after the five year mark (Stangler 2010). This relative lack of success is considered to be at least partially due to skill deficiency on the part of Hispanic entrepreneurs (Temponi and Cui 2008). In addition to skill deficiency, Hispanic entrepreneurs are dealing with a very difficult Hispanic market. Hispanics primarily come to the U.S. searching for a better life. They have difficulty making adjustments to adapt to a completely different culture. Furthermore, at least initially, they resist acculturation pressures placed on them by the mainstream American culture. Thus, the acculturation process is significantly delayed (Livingston 1992a; Livingston 1992b; Dolinsky and Feinberg 1986; Valentine 2001). As a result, Hispanics particularly at the beginning of their stay in the U.S. would prefer a continuation of their previous life and hence frequent ethnic businesses owned by Hispanic entrepreneurs. They also become members of Hispanic enclaves (Bohon 2000; Dyer and Ross 2000; Greene and Butler 1996). Hispanic entrepreneurs therefore are in the middle of extension of Hispanic culture and introduction of the American culture which raises the question of how much acculturation, when, and what is its impact. Additionally, these entrepreneurs are at a loss in terms of their merchandise mixes and the changing consumption needs of their clientele (Wallendorf and Reilly 1983; Heller 2007; ACNielsen 2007; Eastlick and Lotz 2000).

In order to determine the seriousness of these issues and the responses of Hispanic entrepreneurs, the current study was undertaken. It first presents a theory of strategic model and then it is connected to a local survey.

A Strategic Model

Exhibit 1 illustrates a basic model that the authors believe would be appropriate for Hispanic entrepreneurs to follow. Although it is very general, it has specific implications that are more appropriate for Hispanic entrepreneurs.

Exhibit 1. A Standard Strategic Model



Hispanic Entrepreneur

Hispanic entrepreneurs (as implied earlier) have multiple problems. First, typically their immediate customers are suffering from language barriers, cultural incompatibility, discrimination, and sentiment against immigrants' self-segregation (Chaney 2010). Secondly, Hispanic entrepreneurs don't know how much the second generation of their clientele would be acculturated into the mainstream American culture. The key issue for them therefore is to decide if they should put more emphasis on the current clientele or change the strategic orientation to accommodate the degree of acculturation that might take place among their clientele in the future.

Hispanic entrepreneurs catering to the Hispanic segment have demonstrated certain particular characteristics that are tailored to this subculture. Strategic location is the starting point of any business startup. Hispanic enclaves are a fertile ground for ethnic businesses (Bohon 2000). Although enclaves could be fruitful, they also create problems for Hispanic entrepreneurs to become too tied down to an enclave and not making enough provisions for prospective changes. Furthermore, over attachment to enclaves may create difficulties for Hispanic entrepreneurs limiting their abilities to cater to a prospective non-Hispanic clientele. Ethnic entrepreneurship is significantly different from mainstream entrepreneurship. Integrating the two may be quite complicated (Aguilera 2009).

In order to endure competitive marketplace pressures, Ndofor and Priem (2009) identified three types of resources that are necessary for business survival; these are financial, knowledge, and being able to cope with the environmental pressures (Bates 1990; Autio, Sapienza, and Almeida 2000; Venkataraman *et al.* 1990). Hispanic entrepreneurs may fall short in each of these three areas (Temponi and Cui 2010). Furthermore, because of the above described complexity of issues, there appears to be a less than adequate number of Hispanic entrepreneurs. Hispanic entrepreneurs need certain support systems.

Support Systems

There are at least two types of support systems. One is for having proper information for startups and the second is for the profitable sustainability of entrepreneurial activity. In both cases the accessibility of information from the Hispanic entrepreneurial perspective is related to the availability of information and their ability to use this information. The practical implication of having support systems is that Hispanic entrepreneurs can be helped to ensure their success (Temponi and Cui 2010).

Strategic Tools

Hispanic entrepreneurs whether they are beginning or ongoing, must be able to put together at least six strategic tools. These six tools would be their general game plan for success:

1. Entrepreneurs' communication capabilities with their current (or prospective) bicultural customers. In other words, the ability to speak Spanish and English

accordingly to exhibit cultural compatibility (O'Guinn & Meyer 1983; O'Guinn *et al.* 1985; Keefe 1980; Padilla 1980; Wilson 2007; Torres and Briggs 2005; Torres and Briggs 2007; Donthu and Cherian 1994; D'Andrea *et al.* 2006).

2. Entrepreneurs' perception of their customers' changing needs. Here the entrepreneurs understanding of the cultural characteristics and the resultant needs for certain products and services are similarly important strategic tools (Wallendorf and Reilly 1983; Heller 2007; ACNielsen 2007; Eastlick and Lotz 2000).
3. Entrepreneurs' ability to assess the degree of acculturation and the impact that it poses on their particular businesses. This very critical tool would enable entrepreneurs to decide what kind of adjustments they would have to accommodate to cope with the acculturation process if any (Wallendorf and Reilly 1983; Heller 2007; ACNielsen 2007; Eastlick and Lotz 2000).
4. Entrepreneurs must have the capability to deal with non-Hispanic clientele as well. However, in Hispanic enclaves this particular tool might be rather secondary since there will be sufficient Hispanic clientele (Palumbo and Teich 2004).
5. Entrepreneurs' skills and knowledge to run their businesses effectively for all customers. Here, over, and beyond language and cultural features, entrepreneurs need for information to run businesses effectively becomes an issue. It must be pointed out that this tool is not readily and automatically available (Raijman and Tienda 2000; Tienda and Raijman 2004; Shinnar and Young 2008).
6. Entrepreneurs' responsibility to create or take advantage of existing external support systems would provide them with additional skills and information. Certainly, this particular tool is not only related to entrepreneurs' willingness to learn, but also the availability of existing support systems to train them (Dyer and Ross 2000; Greene 1996; Bohon 2001; Humphreys 2004; Wesley *et al.* 2006).

From a strategic perspective, Hispanic entrepreneurs might be overly occupied with their present or prospective enclaves. And hence, they may be, to a certain extent, reactive in their strategic orientation rather than proactive. In other words, they may not be quite equipped to foresee expected changes in their immediate and prospective enclaves. They may not be quite equipped to generate information from the enclaves and connect that information to future activities (Dyer & Ross 2000; Raijman and Tienda 2000, 2004). Thus, they need skills and support to generate futuristic plans.

Successful Business

Despite multitudinous problems and risks, some Hispanic entrepreneurs have been reasonably successful (Aguilera 2009). It will be important to determine and collect data pertaining to the strategic movements and the degree of success Hispanic entrepreneurs may experience. Such information can be, and in fact should be, passed to future Hispanic entrepreneurs.

The Study

Jacksonville, Florida has an approximate total population of 837,964, of which, non-Hispanic persons make up 94.3%, and persons of Hispanic or Latino origin compose a calculated 5.7% or 47,786 (U.S. Census Bureau, American Community Survey 2006). Based on the literature search and Exhibit 1, the authors constructed six hypotheses that formulated the research process. These six hypotheses are as follows:

H₁ = Entrepreneurs are in touch with their customers in different ways.

H₂ = Entrepreneurs are cognizant of their customers' changing needs.

H₃ = Entrepreneurs consider acculturation as a necessity.

H₄ = Entrepreneurs to a certain extent, are ready to deal with non-Hispanic clientele as well.

H₅ = Hispanic entrepreneurs have the skills and knowledge to run their businesses most effectively.

H₆ = Hispanic entrepreneurs feel they could improve performance with additional support systems dealing with enhancing their skills and providing them with information.

These six hypotheses were embedded in a questionnaire. This particular questionnaire was pretested so that it would be functional for the project. In order to test these six hypotheses, the survey instrument was based on 12 questions to be responded by a 5-point Likert scale questionnaire (and three open-ended questions). For the convenience of the prospective respondents, the questionnaire was presented both in English and Spanish. Additionally, Likert scales are very commonly used in marketing studies when attitudinal measurements are required (McDaniel & Gates 2007; Schiffman and Kanu 2007). During pretesting, the study instrument was also shared with the First Coast Hispanic Chamber of Commerce (FCHCC) representatives to consider their suggestions. And finally, it was mailed to the list of entrepreneurs.

The FCHCC provided assistance to generate a list of 141 local entrepreneurs. Most of the entrepreneurs on the list are self-started Hispanic businesses. A 24% response rate or 34 fully usable responses were obtained. The study findings are based on the information received from these 34 participants. Although 34 is not a large number, the authors assume that they are reasonably representative of the Hispanic entrepreneurial society of the city.

The major purpose of this research project was to communicate with the sample of currently operating Hispanic entrepreneurs. The study was based on the general model which was designed around six key hypotheses.

Study Findings

Table 1 illustrates how the respondents communicate with their customers. Although they are in touch with their customers, their reliance on word of mouth (39%) may be questioned since the respondents are functioning in a large metropolitan area. It appears that they are relying a little more than necessary on the ethnic enclave. However, in a general sense, they are communicating with their customers and that satisfies the first hypothesis.

Table 1. Communication with Customers

Communication with Customers*	
26%	Advertising
39%	Word-of-mouth
13%	Internet
7%	Direct mailing
15%	Other (non-traditional)
100%	

*Some of the respondents selected more than one response

Table 2 reflects that respondents are cognizant of the changing needs of their customers. Over 26% of the respondents indicated that their customers require different products most of the time. An additional 26% of the respondents indicated that their customers requested new products some of the time. Nevertheless, not all of the respondents indicated this particular position. This may be the difference between customers with less acculturation and others with more acculturation. Thus, the second hypothesis can only be accepted partially.

Table 2. Customers require different products and services over time

Customers require different products and services over time	
26.47%	Most of the time
26.47%	Some of the time
20.59%	Neutral
23.53%	Seldom
2.94%	Never
100%	

Table 3 indicates a strong response on the part of the respondents regarding acculturation of their customers. Over 62% indicated that acculturation is either very good or good. It appears that they feel acculturation is a natural activity. Additionally, this can be, to a certain extent, predicted. Therefore hypothesis three is also accepted.

Table 3. Attitude concerning customer acculturation

Attitude concerning customer acculturation	
25.00%	It is very good
37.50%	It is good
31.25%	Neutral
6.25%	Not very good
0%	Totally bad
100%	

Table 4 reveals that the respondents are almost exclusively involved in catering to the needs of their Hispanic clientele, therefore, it may be said that they are not quite ready to deal with non-Hispanic clientele as adequately as it is needed. Thus, hypothesis four is rejected.

Table 4. Hispanics are your primary group of customers?

Hispanics are your primary group of customers?	
15.63%	Strongly agree
31.25%	Agree
21.88%	Neutral
18.75%	Disagree
12.50%	Strongly disagree
100%	

Table 5 deals with the necessary skills that entrepreneurs must possess. As seen in the table, the respondents feel that they definitely or quite likely are capable of running their businesses effectively (combined 86%). In other words, they feel that they have the necessary skills. Thus, hypothesis five is accepted.

Table 5. Do you have the skills necessary to cater to the needs of your customers?

Skills necessary to cater to the needs of customers	
53.33%	We can definitely
33.33%	We are likely to
13.33%	Neutral
0%	We may have some difficulties
0%	We cannot
100%	

Despite the fact that the respondents feel basically they have the necessary skills to run their business properly, they are also cognizant of their needed additional skills to improve their performance. Table 6 is not based on a Likert scale but an open ended question in the survey instrument inquiring what additional skills the respondents feel they need to improve business performance. As can be seen in table 6, their most important needs are various aspects of business education and marketing (combined 70%). However, they are aware of the need for additional skills and therefore hypothesis six is also accepted.

Table 6. Skills needed for better performance

Skills needed for better performance	
30%	Marketing/Advertising
40%	Business Education (Logistics, Accounting, Finance, etc.)
10%	Employee Management
7%	Understanding Consumer Behavior
13%	Improvements to Business' Physical Structure
100%	

Discussion

The study findings indicate that the responding Hispanic entrepreneurs are not only cognizant of the particular knowledge that their businesses require, but also are acknowledging their need for additional knowledge to improve performance. However, the study findings also indicate that Hispanic enclave attachment may be, at least partially, a deterrent for their progress and expansion.

In order to clarify the respondents' thinking and the information they have provided, an attempt was made to differentiate between those who have been in existence less than five years and those who have been in existence over five years. The reason for this division was to determine if the less experienced entrepreneurs and the relatively more experienced successful entrepreneurs that have been in existence longer, think the same way and also have similar needs.

Table 7 presents the differences between these two groups. As can be seen, those that have been in existence over five years have rated themselves substantially more successful (47%) than those that have been in existence less than five years (32%). Although both groups indicated the fact that they were enthusiastic about starting their own business, the more experienced indicated

stronger motivation. Curiously enough, the less experienced utilized more advertising than the more experienced. One of the most significant findings illustrated in table 7 is the fact that those who are more experienced claimed to have better knowledge of what the customers require than those that are less experienced. Although both groups considered acculturation being good and necessary, the more experienced respondents exhibit stronger approval. Customer loyalty appeared to be one of the secrets of more experienced entrepreneurs. They rely more on catering to their loyal customers than the inexperienced ones. As a result, the more experienced respondents indicated a higher customer retention rate than the inexperienced participants.

It may be concluded that the respondents with less experience have an issue with lower customer retention rates. This task of retaining customers is not only extremely taxing, but also presents the challenge of trying to fulfill the changing needs of their changing clientele. As has been mentioned earlier, Hispanic enclave is more of an influencer on the less experienced respondents. In other words, Hispanic entrepreneurs operating in an enclave are more committed to satisfying their Hispanic customers in the short run versus implementing a strategy that would cater to a diverse customer base and fulfilling their changing consumption patterns.

Table 7. Differences Between Less Experienced and Mature Entrepreneurs

Characteristic Measure	Five Years or Less	Over Five Years
Success rate	32%	47%
Preference in starting own business	92%	100%
Communicating with customers	29%	19%
Customers require different products	16%	40%
Acculturation is good	33%	43%
Customers loyalty	11%	27%
Customers rotation rate	28%	15%
Capable of fulfilling change	19%	7%
Comfortable working with more Hispanic customers	28%	0%
Highest priority: Business education	37%	47%
Support from Hispanic community	33%	21%
Additional types of assistance needed (general education)	14%	50%
Assistance that would like to receive from First Coast Hispanic Chamber of Commerce: Business and Education	11%	31%
Need for Advertising	33%	13%

chi-squared Stat 115.7
df 13
p-value 0
chi-squared Critical 22.36

The more experienced respondents placed higher priority on business education (47%) as opposed to those who are less experienced (37%). It is implied that the more experienced entrepreneurs expect more changes in and out of enclaves than the less experienced ones.

Whether appropriate or not, the less experienced respondents receive more support from the Hispanic community, which may or may not create a strong hold by the enclave. The less experienced respondents reported (33%) strong support as opposed to (21%) reported by the experienced respondents.

One of the remarkable responses to the survey was that the experienced respondents indicated much stronger need for more general education (50%) than the less experienced respondents (14%). In terms of receiving support from the FCHCC, the experienced respondents indicated greater need of different types of assistance (51%) as opposed to less experienced respondents (11%).

Finally, as indicated earlier, less experienced respondents rely on much more advertising than the experienced respondents (33% vs. 13% respectively). A chi square test revealed that these two groups are quite different and therefore their reactions should be considered as two separate entities. It may be stated further that, the response of the more experienced study participants must be considered more critically significant since they have been in existence longer than the less experienced group. However, it may be also argued that the less experienced entrepreneurs need different activities and support to become experienced and successful.

Conclusion and Future Research

It has been dramatically obvious the demand for Hispanic entrepreneurs is much more excessive than their supply. Thus, there is much need for highly qualified Hispanic entrepreneurs not only to cater to a very fast growing Hispanic clientele, but also to a much larger non-Hispanic demand. In the final analysis of this study, it may be concluded that there appears to be much more desire to start Hispanic ventures, however there also seems to be not enough information and education support for potential Hispanic entrepreneurs. This study indicates that successful Hispanic entrepreneurs may be much more dependent on Hispanic enclaves at the beginning of their venture but they would have to broaden their perspectives so that they will not be exclusively ruled by these Hispanic enclaves.

There is much need for detailed research on the behavior of Hispanic entrepreneurs as the Hispanic community grows and becomes more acculturated. Should Hispanic entrepreneurs be ahead of this acculturation process or should follow it, the critical issue here is the degree of being more futuristic or catering primarily to the present market.

In general, this study indicates that much research is needed to determine the skills and knowledge base of successful Hispanic entrepreneurs and what is needed for potential Hispanic entrepreneurs. Clearly, the more capable these entrepreneurs, the greater the satisfaction of their clientele would be. This goal would lead to higher quality of life for the Hispanic population and it would also be very desirable by this society as a whole. References are available upon request. For a complete list of references and supporting documentation contact Diego F. Molina at diego.molina@unf.edu.

Summary Brief

How Chinese Feng Shui Culture Shapes Consumer And Business Decisions: A Conceptual Framework

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Feng Shui (pronounced 'fung shway') is a philosophy of Chinese origin in which the central belief is that the conditions of the physical environment shape people's affairs. Feng Shui practices are deeply embedded in Chinese culture and are perceived to enhance safety and protection, good health, and financial success. However, no attempt has been made thus far to conceptualize these practices as cultural phenomena or to examine their impact on the behavior of Chinese consumers and business people. A comprehensive framework of Feng Shui practices is proposed to understand how they influence Chinese people's private and business decisions. The proposed framework provides a practical road map that can enhance the interaction of Western companies with Chinese consumers and businesses.

Introduction

According to Tsang (2004a, p. 92), "Feng shui (pronounced 'fung schway') literally means wind (feng) and water (shui) and refers to the ancient Chinese art of creating harmony between inhabitants and their environment." It has been conceptualized as a superstitious, supernatural, religious, or philosophical Chinese belief system (Tsang 2004a; Tsang 2004b; Hill 2007; Chang and Peirchyi 2008; Huang and Tend 2009). Leung (1996) characterized Feng Shui as a supernatural belief system that significantly influences the behavior of the Chinese people. Tsang (2004a; 2004b) stated that Feng Shui comprises superstitious practices widely adopted by Chinese business people.

Whether Feng Shui practices result from superstitious, supernatural, or religious beliefs, they have shaped the day-to-day decisions of Chinese consumers, government officials, and business professionals for decades (Emmons 1992; Bourassa and Peng 1999; Tsang 2004a; Tsang 2004b; Chang and Peirchyi 2008). Its values, practices, and symbols touch almost every aspect of daily financial activities, from consumers' purchase decisions about products and real-estate properties to business decisions about investment, branding, and advertising (Bourassa and Peng 1999; Tsang 2004a; Tsang 2004b; Chang and Peirchyi 2008).

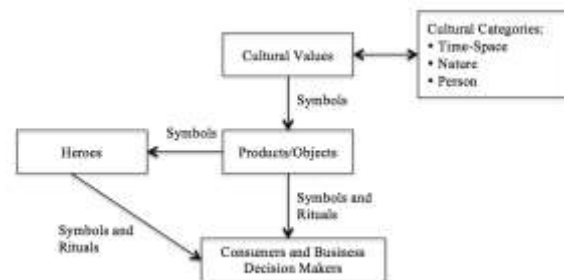
In recent years, although Feng Shui has been receiving more attention from researchers, it has remained part of the superstitious belief system of the Chinese people (Tsang 2004a; Tsang 2004b; Block and Kramer 2009; Huang and Tend 2009). For example, in Huang's (2009) study, the superstitious belief scale includes Feng Shui as one of its components. However, Feng Shui has deep roots in East Asian religions, particularly in Taoism and Confucianism, and it is structured around a robust value system of rituals and symbols (Hill 2007). It is widely practiced in China and other

Chinese societies, such as Taiwan and Hong Kong, and is profoundly interwoven into many aspects of Chinese life (Emmons 1992; Jen 2001; Chang and Peirchyi 2008). Therefore, the first two goals of this paper is to establish Feng Shui as a cultural phenomenon and then propose an integrated conceptual framework.

Conceptual Framework

The suggested framework is presented in Figure 1. It is grounded in Hofstede's (1998) conceptualization of culture, which addresses four cultural indicators—values, symbols, rituals, and heroes. Based on these cultural characteristics and other existing theoretical models, a comprehensive cultural framework is introduced. McCracken's (1986) "cultural categories" are included in the proposed framework to enhance Hofstede's (1998) concept of cultural values. Because symbols and rituals revolve around products and objects in Feng Shui practices, the latter were also added to the framework proposed here, thus mirroring McCracken's (1986) conceptualization.

Figure 1: Conceptual Framework



Another significant addition to Hofstede's (1998) cultural indicators is the inclusion of consumers and business decision makers as the recipients and assimilators of Feng Shui values. Consumers are included in numerous cultural frameworks (McCracken 1986; Luna and Gupta 2001; de Mooij and Hofstede 2011). Studies have repeatedly demonstrated how cultural values influence business decisions (Hofstede 1998; Hill 2007; Kilic, Miller, and Vollmers 2009). Thus, the literature provides ample support for adding consumers and business decision makers to the proposed cultural framework.

Heroes represent cultural values and communicate them to their subjects, thereby influencing their decisions and behavior (Luna and Gupta 2001). Feng Shui experts, represented by heroes

in the proposed framework, play a significant role in Chinese culture and heavily affect consumers' and businesses' decision (Leung 1996; Tsang 2004a; Tsang 2004b). Decisions such as individuals' real-estate purchases and companies' investments are often based on recommendations made by Feng Shui experts. However, research on how heroes contribute to the practice of cultural values has been limited (Luna and Gupta 2001). The proposed framework adds to the existing literature by investigating how Feng Shui experts serve as cultural heroes in their recommendations and practices.

Business and Consumer Decisions

The impact of Feng Shui practices on Chinese consumers and businesses has not been examined from a cultural perspective. Therefore, the second goal of this paper is to demonstrate how cultural elements delineated in the Feng Shui framework affect the behavior and decisions of Chinese consumers and businesses. Examples are presented in Table 1. These are only a few examples of how cultural values, cultural categories, and Feng Shui practices affect consumer and business decisions.

Table 1: Feng Shui Values, Cultural Categories, and Business and Consumer Decisions

Cultural Values	Cultural Categories	Impact on Business and Consumer Decisions - Examples
Harmony	Nature; reciprocal relationship between nature and people	Object rearrangements to increase harmony in people's homes and work places
Yin/Yang dialectic interaction	Time and Space; a belief in a cyclical process	Yin/Yang balance to establish in people's living and work spaces
Moral and artistic/aesthetic emphases	Person; maximization of self-improvement goals such as prosperity, status, and longevity	Experts advising consumers and businesses on where/when to build/buy a private house or a commercial building

Researchers have been adapting Western conceptual frameworks to explain and predict the behavior of East Asian consumers and businesses (Hofstede and Bond 1988; Lee 1990). The proposed framework attempts to add to this effort by examining the role that Feng Shui values, symbols, rituals, and heroes play in influencing Chinese consumers and business decision makers.

Many Western companies entering China are unfamiliar with the Feng Shui tradition embraced by local consumers and businesses. The proposed framework could provide a road map for Western companies when they interact with Chinese businesses and consumers.

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Summary Brief

Children's Implicit and Explicit Understanding of Advertising and Product Placement.

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This study evaluates and compares the children's understanding of advertising and product placement examining the influence of age and the differences between explicit and implicit understanding of these marketing techniques. Results show the relevance of the age in increasing the understanding of both advertising and product placement. Nevertheless, it is important to notice that children have a more sophisticated understanding of advertising than placement. Finally, this piece of research contrasted the implicit and explicit understanding of both tools, detecting a better implicit understanding of them in all the ages examined in this study.

Antecedents

The study of children advertising has attracted significant attention in the literature. Since the 1970s several pieces of research have been carried out to examine how children understand, are affected by, and process ads. These studies have consistently demonstrated that age is positively correlated with a better understanding of the advertising characteristics and purposes (Gunter et al., 2005; Kunke, 2001).

In contrast, only few studies have explored the case of other promotional actions (such as placement, or sponsorship) on children, which represent an increasingly relevant part of modern communication campaigns. In fact, only one study has systematically analyzed these alternative promotional tools (Owen et al., 2009)¹. This piece of research examined the understanding of different kinds of tools in 7 and 10 year old children, showing that children have a more sophisticated understanding of television advertising in comparison to the rest of techniques. Moreover, they also compared the differences in the explicit (verbally expressed) and implicit (cued) understanding of these promotional tools. They detected that the implicit understanding was higher than the explicit one in all the promotional tools examined (see also Owen et al, 2007; Pine and Veasey, 2003).

Following this line of research, this paper seeks to analyze and compare the explicit and implicit understanding of advertising and placement in children (and adolescents), but examining those from 9 to 15 years old. These ages are relevant because they represent groups which have not been examined by prior research (cued processors (8-9), and early (11-12) and late (14-15) strategic processors).

¹The recent study published by Grohs et al (2012) could be considered another paper in this line, because this examines, among other things, the understanding of sponsorship.

Hypotheses

H1: The understanding of advertising and placement (implicit and explicit) will increase with age.

H2: Advertising will be better understood than placement in all the children ages.

H3: Implicit understanding of advertising and placement will be better than the explicit understanding of them

Method

The study individually interviewed 138 children (43% females), divided into three age groups (8-9, 11-12 and 14-15 years old). The measures and procedure were those proposed by Owen et al. (2009) for the analysis of the explicit (open-ended question) and implicit understanding (pictorial prompts) of the advertising and non-spot advertising. ANOVA model was used to detect the effect of the independent variables and to determine significant differences in the scores.

Results

Open-ended responses were initially recoded into one of the following categories, which represent an increasing level of sophisticated understanding. These categories are the same that we used in the pictorial prompts (Owen et al., 2009, Owen et al., 2007).

Advertising	Placement
0. No understanding	0. No understanding
1. A break from the program	1. To make the film look real
2. To enjoy	2. To enjoy
3. To show us what's in the shops	3. To show us what's in the shops
4. To sell things	4. To sell things
5. To get us to buy things	5. To get us to buy things
6. For companies to make money	6. For companies to make money
7. So the TV stations get money to make programs	7. So the TV stations get money to make programs

In terms of the age differences in the explicit understanding of advertising, results showed a main effect for age ($F=7.145$, $p=0.001$), with significant differences between the 14-15 and 11-12 groups ($F=10.172$, $p=0.002$), and between the latter and 8-9 group ($F=11.700$, $p=0.001$). To examine whether there was a linear trend, a polynomial contrast was computed, showing that this tendency was significant ($p=0.020$).

Pictorial prompts used to evaluate implicit understanding of ads represented the same levels defined when coding explicit understanding. The analysis of the responses again showed a main effect of the age ($F=9.422$, $p=0.000$), with significant differences between the 14-15 and 11-12 age groups ($F=6.541$, $p=0.012$) and this one with the youngest group ($F=5.722$, $p=0.019$). Again a polynomial contrast showed a linear trend ($p=0.009$).

In the case of the analysis of the explicit understanding of placement, results showed a main effect for age too ($F=18.849$, $p=0.000$). Means comparison depicted significant differences only in the comparison between the youngest (7-8) and the oldest (14-15) age groups ($F=20.292$, $p=0.000$). The examination of linearity was again significant ($p=0.009$).

In the case of the implicit understanding of placement, a main effect for the age was again detected ($F=5.511$, $p=0.005$). The comparison between means also showed differences only in the case of the extreme groups: 9-10 and 14-15 ($F=16.140$, $p=0.000$). The linear polynomial contrast showed to be significant too ($p=0.048$).

The comparison of the explicit understanding of placement and advertising showed significant differences ($F=19.023$, $p=0.000$) as total. The understanding of advertising was higher than the understanding of placement (4,32 versus 3,13). The same situation was detected across all the age groups.

Similarly, the comparison between the implicit understanding of advertising and placement depicted significant differences ($F=13.872$, $p=0.000$). Again, the understanding of advertising was better than the understanding of placement (4,99 versus 3,82). All the ages showed the same statistical differences.

Finally, the comparison between explicit and implicit measures was performed. In all the cases the implicit understanding showed a better level of understanding than the explicit one. In the case of the advertising the differences were from 4,99 and 4,32 ($F=5.023$, $p=0.041$) and in the placement were from 3,82 and 3,13 ($F=7.450$, $p=0.006$). Again all the comparisons by age groups depicted significant differences.

Conclusion

This study evaluated the understanding of advertising and placement. Firstly, it examined the role of age. It was corroborated the role of this variable increasing the understanding of advertising and more interesting of placement, as Owen and colleagues (2009) had suggested with a sample of younger children. Moreover, in all the cases, there was a linear increase in the understanding of these promotional tools. Nevertheless it is important to mention that the improvement in the understanding of placement was not only lower, but also slower than the understanding of advertising. In fact, the differences in the case of placement were noticed when the youngest and oldest group were contrasted.

Secondly, this study compared the level of understanding of advertising and placement. Data showed differences in terms of a more sophisticated understanding of advertising and a limited one of the placement across all the ages examined. This finding again reinforces the prior evidence provided by Owen et al (2009) in terms of that advertising has a better understanding than the other promotional tools (see also Grohs et al., 2012).

Thirdly, this study contrasted the implicit and explicit understanding of both tools. As literature suggested, the findings mean that, although young children may show a more limited understanding in their verbal responses, the use of non-verbal measures can revealed a better implicit understanding in all the ages (Pine and Veasey, 2003).

All in all, these results suggest that the general principles described for the case of advertising can be partially applied to placement in the ages examined in this study. On the one hand, the understanding of the placement also increases in older children. On the other hand, the implicit understanding of placement is better than the explicit one of it.

Nevertheless, relevant differences can also be mentioned regarding to main principles of the understanding of advertising. Firstly, the improvement in the understanding of placement is slower, because significant differences can be detected in longer periods of time. Second, the understanding of placement occurs later than the one of advertising.

Since the understanding of placement is more limited than the understanding of advertising, it is paradoxical the absence of regulation and safeguards to protect children and adolescents to the influence of these promotional actions. In this vein, the new policy in the UK (placement disclosure at the beginning of the film or program) seems to be in the right direction to provide awareness and, then, better understanding of product placement among children.

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PROMOTION TRACK

Track Chairs

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Summary Brief

Marketing Activities during Life Transitions: A Multi-Method Investigation of Consumer Response

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During their lives, individuals experience many major life events, both expected and unexpected. This research employs both qualitative and quantitative methods to investigate how individuals' perceptions and reallocation of resources due to a life transition uniquely affect their responses to marketing activities. Our findings reveal that consumer appraisal of a transition event is a key predictor of response to marketing activities.

Introduction

The ongoing cascade of major events in many consumers' lives (e.g., first job after college, marriage, having a first baby, retirement) provides dominant and predictable influences on purchase interest (e.g., work clothes, wedding ring, car seat, travel services) and helps marketers develop more relevant products and messages. Businesses such as insurance companies and durable goods manufacturers regularly track the occurrence of customers' life events (Duhigg, 2012). Direct mail services also offer lists of newlyweds, new parents, and new college grads which firms use to improve the timing of their customer communications.

The current research proposes that understanding consumers' appraisal of transitions and their stages can enrich our insight into consumers' need for relationships with products, and help organizations better match and synchronize communication efforts with consumers' life experiences. As such, examining the influence of resources and transition stage on attitudes toward marketing activities during life transitions makes a meaningful contribution to the literature.

Study 1: Interviews

In-depth interviews were conducted with recent (within the past year and a half) newlyweds and empty nesters. The interviews were conducted at neutral locations and lasted between 40 -75 minutes. Throughout the interviews, the interviewers focused on appraisal of the life transition, resources available during the transition, adaptation to the transition, control over the transition, and coping strategies used. A semi-structured interview format was followed allowing the a priori themes to be presented while allowing the informants to freely discuss and elaborate on their experiences. Interviews were tape recorded and transcribed verbatim.

Overall findings revealed that life transitions involve mixed feelings. Without exception, all informants expressed some level of stress as a result of their life transition. Many would attempt

some form of resource reallocation to re-establish equilibrium. Conversely, many respondents stated that the transition sparked interest in role-related products. To further investigate these constructs as they relate to consumer responses to advertising of a transition-related product, we conducted an experiment in Study 2.

Study 2: Experiment

As demonstrated by the informants in study 1, individuals cope with transition-related stress differently. While some informants had a hard time with their transition, others embraced their new roles and coped quite well. It is likely that these differences somewhat depended on the resources that were available to them during and after the transition. For example the empty-nesters often adjusted better when they had friends to occupy their time, and several of the newlyweds expressed that coping with limited financial resources was a big stressor after getting married. Accordingly, the following are posited:

H1. Resources (time, financial, and social support) influence the appraisal that consumers assign to life transitions, where more (less) perceived resources lead to positive (negative) appraisals.

H2a. Perceived level of resources available (time, financial and social support), will be lowest during the liminal stage.

H2b. Attitude toward role-related ads will be highest during the liminal stage

H2c. Interest in new and established role-related products will be at its peak during the liminal stage.

H3a. Consumers with positive appraisals about a transition will have more favorable attitudes toward role-related ads than those with negative appraisals.

H3b. Consumers with positive appraisals about a transition will express greater interest in role-related products than those with negative appraisals.

H4a. The effects of positive appraisal on attitudes toward role-related advertising will be greater during the re-established phase than either the anticipatory or liminal phases.

H4b. The effects of positive appraisal on interest in role-related products will be greater during the re-established phase than either the anticipatory or liminal phases.

Methodology: Study 2

This study employs the use of a 3 (transition stage: anticipatory, liminal or re-established) x 2 (transition appraisal:

positive or negative) experimental design. To investigate transition stage and appraisal, we conducted pre-tests with several advertisements for role-related products. Career (work) clothing was chosen to be the most applicable and relevant product to feature in the advertisements participants viewed. Participants included a total of 412 male and females identified as being at specific stages (anticipatory, liminal, or re-established) of the career entry transition. The anticipatory group consisted of college seniors, age 20-26, within two months of graduation from three mid-western universities in three states. The liminal group consisted of consumers, aged 22-30, who had been in their first career job nine months or less since graduation from a four-year college. Existing measures were utilized to tap all hypothesized constructs.

To investigate H1, a structural equation model consisting of three independent variables (time, financial and social support), and two dependent variables (negative and positive appraisals) was assessed. The structural paths for time to positive appraisal ($\gamma = .41$; p -value = 2.07) and time to negative appraisal ($\gamma = -.47$; p -value = -3.50) are both significant ($p \leq .05$) and directionally consistent as are the causal paths from financial to positive ($\gamma = .68$; p -value = 5.08) and negative ($\gamma = -.73$; p -value = -6.66) appraisals. Social support's impact was significant for positive appraisals ($\gamma = .65$; p -value = 5.03) but not for negative appraisals ($\gamma = -.08$; p -value = -1.08) thus lending partial support for H1.

Hypothesis 2 was examined using MANOVA and follow-up post hoc, multiple comparison tests (Tukey LSD). Availability of resources, attitude toward role-related advertisements, and interest in new and established products served as the dependent variables, and transition stage was the independent measure. The analysis revealed a significant influence of transition stage on availability of resources (Wilks' lambda = 0.720, $p < .000$). Univariate tests revealed that across the three transition stages, there were significant differences in available time and available finances (H2a). Transition stage did not have a significant effect on availability of social support. The significant differences in resources showed lowest mean scores during the liminal stage (see Table 2). These differences were supported per the multiple comparison tests ($p < .05$ for each), thus yielding partial support for H2a. Attitude toward the role-related ad peaked during the liminal stage (Tukey LSD $p < .05$) as predicted, offering support for H2b. Hypothesis 2c was not supported, as neither new nor established product interest was significantly different based on transition stage.

Hypotheses 3 and 4 were examined using MANOVA. The dependent variables for the analysis were attitude toward the ad and interest in new products. The independent variables were transition group and appraisals (positive/negative). To identify categorical classifications based on appraisals; summed measures were used for positive appraisal and negative appraisal (positive appraisal: range was 20 to 98, with mean of 77; negative appraisal: range was 7 to 44, with mean of 25). A median split was then performed to create groups for positive appraisal and for negative appraisal. The median for the positive appraisal scores was 79 and the median for negative appraisal scores was 25. Therefore,

participants were considered to be in the positive group if the difference between their positive and negative appraisal scores were greater than 54; they were placed into the negative appraisal group if the score difference was less than or equal to 54. From this test Hypotheses 3a and 4a were supported whereas 3b and 4b were not supported.

Discussion

The present studies demonstrate that transition stage may be estimated fairly effectively by considering time-based measures of consumer data. Measures such as years remaining in school, time since graduation, time since marriage, and years until retirement help companies estimate whether individual consumers are anticipating, in-transition (liminal), or re-established. Combined with appraisal estimates, companies can develop appropriate marketing efforts for each situation.

Study 1 reveals that time resources and several other factors contribute to adaptation in a consumption context and that an individual's own unique experience of adaptation to life transitions is crucial to understanding consumer behavior surrounding these events. Study 2 further demonstrates that the influence of appraisal on consumer response to marketing activities differs significantly across the three primary stages of transitions. Taken together, these studies establish a set of previously unobserved effects and interactions between resources, appraisal, and role stage on consumer response to marketing activities.

Expanding on implications for marketing practice, firms should make use of the transition appraisal information. Because appraisal is not generally captured by market research, companies may be able to estimate appraisal by combining resource availability information with existing demographic data. For example, becoming a new parent, the transition is likely to be much more difficult and stressful for a single, teenage parent with a low income than for married couples with a more stable financial situation. Thus, because resources are a significant predictor of appraisal, by predicting resource levels, a firm may be able to estimate appraisal and thus be able to predict advertising responsiveness.

Finally, the current research contributes to the literature by enhancing knowledge about consumers' appraisal of life transitions. While different transitions were examined, replication and future research examining other transitions is needed to determine if the findings are generalizable. Further, longitudinal studies would provide a more in-depth perspective of resource changes and adaptation, and would be instrumental in building a more robust lifespan theory related to consumer buyer behavior.

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Summary Brief

The Impact of Visual Structure Complexity on Ad Liking, Elaboration and Comprehension

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The use of visual rhetorical figures in advertisements has been steadily increasing over years. This study offers an empirical test of Phillips and McQuarrie (2004) Typology of Visual Rhetoric. A three-group (juxtaposition, fusion, and replacement visual structure) between-subject experimental design was used. The findings from the MANOVA results provide mixed support for the typology. Contrary to the prediction of the typology, juxtaposition structure elicited more cognitive elaboration than fusion and replacement structures. Visual metaphorical ads with fusion structure are more difficult to comprehend than ads with either juxtaposition or replacement structure. Visual metaphorical ads with juxtaposition and replacement visual structures are liked more compared to fusion structure.

Introduction

The use of visuals in advertisements has been steadily increasing over the years (Phillips and McQuarrie 2004). More weightage is being given to visual elements and less weightage to verbal elements in advertisements (McQuarrie and Phillips 2008). In fact, increasingly consumers consider magazine ads as pictures to view rather than as documents to read (McQuarrie and Phillips 2008). Overall, there is a general decline in verbal references to the product, verbal anchoring and guiding consumers towards interpretation while there is increase in unrealistic visuals in the ads. Many typologies are used in the advertising literature to help practitioners differentiate or organize the visual elements in advertisements into meaningful categories. Among these typologies, Phillips and McQuarrie (2004) typology is yet to be empirically tested. The primary purpose of this paper is to empirically test a part of Phillips and McQuarrie (2004) typology. Due to its complex nature, it is difficult to test the entire typology in one single study. Hence, the present study investigated only a portion of the typology. Specifically, the present study investigated the impact of visual structure on consumers' ad liking, ad comprehension and ad elaboration. The main contribution of this study is that it empirically tests the soundness of the typology and expands our understanding of consumers' liking, elaboration, and comprehension of visual rhetorical ads.

Phillips and McQuarrie (2004)

Typology

The first dimension is the 'visual structure' and refers to "the way the two elements that comprise the visual rhetorical figure are physically pictured in the ad". There are three possibilities of visual structure—juxtaposition, fusion and replacement.

Juxtaposition structure refers to presenting two elements side by side separately. Fusion structure is a combination of two elements fused together. In replacement structure, one element is present while the other element is absent. The element present in the ad calls to mind the element that is absent. Phillips and McQuarrie (2004) suggest that the complexity increases from juxtaposition to fusion to replacement structure. In other words, the processing demands on consumers increases from juxtaposition to fusion to replacement and this differential demand contributes to differences in their responses to advertisements.

The second dimension is 'meaning operation', which "refers to the target or focus of the cognitive processing required to comprehend the picture". The typology distinguishes three meaning operations—connection, comparison for similarity and comparison for opposition. In connection, the two elements are associated with each other in some way (A is associated with B). Consumers' response involves detecting how the two elements are associated. In comparison for similarity operation, the two elements are similar in some way (A is like B). The elements are either similar in form or appearance, or share similar structural features. Consumers are expected to compare the elements and infer the similar features between them. Finally, in the comparison aimed at identifying differences, two elements are featured in such a way that one is not like the other (A is not like B). Consumers are expected to compare the elements and infer in what way(s) the elements are similar as well as different from each other. Phillips and McQuarrie (2004) propose that the degree of ambiguity or richness of reference increases from connection operation to comparison of similarities and to comparison of differences. In other words, consumers are expected to come up with a large number of alternative meanings as one moves along this dimension.

Overall, according to this typology, there are nine fundamentally distinct types of visual rhetoric figures. Phillips and McQuarrie (2004) suggest that differences in consumer responses to rhetorical figures arise from the different combination of rhetorical figures along these two dimensions. According to this typology, visual rhetorical figures have a wide range-- from simple and readily interpretable figures to highly complex figures with much wide range of meaningful interpretations.

Study Hypotheses and Methods

Based on the literature the following study hypotheses were developed.

H1: Ads with more complex visual rhetorical figures will elicit greater ad liking. Specifically, ad liking increases from juxtaposition to fusion to replacement visual structures.

H2: Ads with more complex visual rhetorical figures will elicit greater elaboration. Specifically, consumers' cognitive elaboration increases from juxtaposition to fusion to replacement visual structures.

H3: Ads with more complex visual rhetorical figures will elicit less comprehension. Specifically, ad comprehension will decrease from juxtaposition to fusion to replacement structures.

A three-group (juxtaposition, fusion, and replacement) between-subject experimental design was used holding the 'meaning operation' dimension constant so as to manage the scope of the study. Subjects, who were non business major students from a regional mid-western university, were randomly assigned to one of the three experimental conditions. All measures were taken from extant literature. All scales had acceptable reliability with Cronbach's alpha higher than 0.70. A one-way multivariate analysis of variance (MANOVA) was conducted to determine the effect of the three types of visual structures on three dependent variables (ad liking, cognitive elaboration, and ad comprehension). Results indicated that the type of visual structure (viz., juxtaposition, fusion, or replacement) had an impact on ad liking, cognitive elaboration, and comprehension.

Conclusions

The present study is one of the first studies that empirically tested the visual rhetoric typology proposed by Phillips and McQuarrie (2004). Overall, the results of this study provide mixed support for the typology. The typology predicts that ads with more complex visual structure will be better liked. In other words, ad liking increases from juxtaposition to fusion and from fusion to replacement visual structure. The results of this study do not

support this contention. Both ads with juxtaposition and replacement visual structures are equally liked while ads with fusion structure are least liked. The other prediction of Phillips and McQuarrie (2004) typology is that ads with more complex visual structure will elicit more cognitive elaboration. The results of this study do not find support for this prediction. The results indicate that ads with juxtaposition visual structure elicit most cognitive elaboration compared to ads with either fusion or replacement structure. Thus, juxtaposition structure appears to be more complex than either fusion or a replacement structure which is in the opposite direction of what the typology predicts.

There are certain limitations that should be taken into account when considering the contributions of this study. Firstly, subjects viewed print ads in a classroom environment. Secondly, this study used real advertisements as stimulus materials. Using real advertisements might have influenced subjects' responses. Finally, the study used a convenience sample of students, which reduces the generalizability of results, although students are heavily exposed to advertisements compared to other groups of demographics.

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Preliminary Results from a Study on Need for Cognition, Non-Price Consumer Sales Promotion and Persistence of Responses

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The author presents findings from an exploratory study that examines the role of need for cognition on individuals' responses toward promoted products using different direct consumer premiums (DCPs). DCPs (i.e., the most commonly used form of non-price consumer sales promotion) are frequently offered as instant-free-gifts-with-purchase of fast-moving consumer-packaged-goods. Key findings reveal patterns of interactions which suggest moderating effects of need for cognition. These and other findings suggest that persistence of responses in post-promotion time periods is linked to congruence between need for cognition and DCP relatedness. The author concludes by presenting implications, limitations and suggestions for future work.

Introduction

Previous studies on consumer sales promotion have focused on price-oriented promotions (e.g., price-off coupons) and their behavioral effects in time periods in which the promotions were offered. Far less attention has been given to non-price promotions (e.g., gift-with-purchase premiums) and consequences after promotions have ended (Lee-Wingate and Corfman 2010). Most promotion researchers have agreed that sales promotions can stimulate favorable effects in promotion time periods; yet, there is disagreement as to how promotion time period gains might influence long-term effects in post-promotion time periods (e.g., Blattberg and Neslin 1990; Rossiter and Bellman 2005; DelVecchio, Henard, and Freling 2006). Although all price- and non-price promotions can be typecast by some common factors (e.g., desirability), non-price promotions can take on forms not available to price promotions (e.g., degree of complementary linkage, or relatedness, between DCPs and promoted products). Rossiter and Bellman (2005) and others (e.g., Prentice 1975, 1977; Varadarajan 1985, 1986; DelVecchio et al., 2006) pointed out that relatedness exists along a continuum from high association with the promoted product's use to low association, and suggested that higher-related promotions have the potential to stimulate more enduring long-term post-promotion effects than lower-related ones.

Differences in need for cognition (i.e., an individual personality variable that has been viewed as a possible moderator of persuasion attempts) may limit conditions under which sales promotions can be effective. However, the role of the need for cognition variable on responses to sales promotions has received little consideration. Almost all studies on need for cognition in marketing communications have emphasized advertising factors (e.g., Haugtvedt and Petty 1992; Lee and Thorson 2009). Findings from connected advertising studies have revealed that high-need for cognition individuals spend more time and effort in forming

opinions, and tend to exhibit more persistence responses in post-promotion time periods than low-need for cognition individuals (Inman, McAlister, and Hoyer 1990; Haugtvedt and Petty 1992; Petty, Brinol, and Tormala 2002).

In a context of investigating the effects of the most salient non-price promotion (i.e., direct consumer premiums or DCPs) in different time periods, the present study attempts to illustrate the importance of examining the role of the need for cognition variable. DCPs have been defined as manufacturer-sponsored, instant-free-gift-with-promoted-product-purchase premiums (Fry and Caffaro 1995; DelVecchio et al., 2006; Shimp 2010). Although other forms of gift-with-purchase premiums have delayed rewards, where consumers receive the promoted product right away at time of purchase but wait for the premium conveyance (e.g., mail-in premiums); DCPs have been notable by their no-delay, immediate rewards. Manufacturers have delivered DCPs to consumers as with- or near-package, touchable physical incentives. Nearly all U.S. packaged-goods manufacturers have claimed some DCP usage and since 1980 annual DCP usage by manufacturers has increased by more than 300% (Fry and Caffaro 1995; Kotler and Keller 2012; O'Guinn, Allen, and Semenik 2012). As use of DCP promotions continue to rise, predicting individual response becomes increasingly important. The few studies on the effects of DCPs have dealt almost exclusively with levels of desirability, yet some of their findings have revealed inconsistent, equivocal effects (DelVecchio et al., 2006). Findings from related studies have indicated that differences in the need for cognition variable can help clear up inconsistencies (Petty and Cacioppo 1981, 1986; Cacioppo, Petty, and Morris 1983; Haugtvedt and Petty 1992; Lee and Thorson 2009).

Main Study

The main study used a 2 x 2 x 2 between- and within-subjects mixed-design experiment with the following factors: (1) need for cognition (high vs. low), (2) DCP relatedness with promoted product (higher vs. lower), and (3) time periods (promotion and post-promotion). The time periods factor was a within-subjects factor ((i.e., two sessions or time periods in which measurement of responses occurred: first session (promotion time period, immediately after initial exposure – participants were exposed to the DCP offer and promoted product), and second session (post-promotion time period, one week after first session – participants were exposed to only the product, i.e., DCPs were not offered and were not present)). That is, the study used repeated measures, and assessed each participant's attitudes toward the promoted product (i.e., the new brand of soft drink), purchase intent and other relevant dependent variables in promotion- and post-promotion

time periods. Changes in responses were calculated by comparing appropriate measures in the different time periods.

Limitations and Future Research

The artificial environment of the present study was used to provide a basis for an examination of the effects, and a homogeneous student sample was examined for cost and convenience reasons and to minimize individual difference variance. Highly controlled academic experimental procedures were used where DCPs were the focus of the participants' attention (i.e., participants were given DCPs to use, but they only tasted the promoted product). However, the DCPs (coasters and pens), promoted product (a new brand of soft drink), and experimental task (taste test) may have been too limited in certain respects (e.g., level of DCP desirability, level of involvement, etc.) and participants may have given little thought to other aspects of the experiment. Use of other DCPs, promoted products, and experimental tasks might lead to different findings than the ones revealed in the present study.

Other limitations include the repeated measures design that leave open the possibility of testing effects (i.e., participants may have recalled their earlier measures, wish to appear consistent and be reluctant to change from their initial self-reports, see Churchill and Iacobucci 2002). Future studies might try to detect whether testing effects exist by using multiple control groups (e.g., one control group with repeated measures and other control groups with only single measures). For instance, some control groups might contain participants who are measured only once and then compared to a control group with repeated measures (e.g., one particular control group participants might be measured in the promotion time period only, another control group participants might be measured in the post-promotion time period only, etc.). Then, if no differences are found between results from control group participants with one measure and those from the control group with repeated measures, the repeated measures themselves would have no effect on participants' responses.

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Summary Brief

Deciphering Scientific-related Claims in Advertising

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In advertising, there is an increasing trend of using complex and ambiguous words. Many claims typically contain technical or scientific language, which is believed to be an effective advertising strategy. Our research results showed that the use of scientific-related claims may not be effective on educated consumers. That is, consumers can be skeptical of information that is difficult to evaluate.

Introduction

There is an increasing trend of using phonetically complex and ambiguous words in the body copy of ads to communicate supposedly unique product features. Many such words have a technical or scientific connotation and are created as a result of branding strategies (Dodd, Tseelon and Weitkamp 2008). More often than not, these words are ambiguous to the consumers and to the lexicon they may refer to. As such, for the purpose of the present study, we refer to them as scientifically-related claims, which is of representation of 'legitimate' claims related to phonetically complex words of questionable comprehensibility.

Practitioners such as the Anita Roddick (the founder of The Body Shop) believe that advertisers should promote products with scientific prestige (Roddick 1991). As a consequence, many scholars began to pursue research on the potential effects of scientific claims in advertising. For instance, previous research has found that the gain to consumers from incorporating evolving scientific discoveries into advertising or packaging can be enormous in food industry (e.g., Ippolito and Mathios 1990), albeit the claims are sometimes misleading (Harrison and Brown 2003). Others found that such claims may not be effective, given the "experience" nature of the particular group of products, such as cosmetics or beauty products (Dodd, Tseelon and Weitkamp 2008). The explanation for the ineffectiveness of scientific-claims in such categories is that consumers can be skeptical of information that is difficult to evaluate before a purchase (Ford, Smith and Swasy 1990; Franke, Huhmann, and Mothersbaugh 2004).

To date, research on how to get scientific evidence to consumers is ambiguous and such advertising claims were extracted using content analysis (Ippolito 2004). In addition, although psycholinguistics in its various forms has been investigated (Lowry 1998), the phenomenon of scientific-related claims in product categories e.g., beauty products, is a relatively recent one. The concept of scientific-related claims, thus offers a unique challenge. It is not only difficult to conceptualize this genre of ad claims, but research operationalization is also equally formidable. Thus, this study aims to examine the role of scientific-related claims in advertising persuasiveness through a series of experiments to investigate the comprehensibility and the effect thereof on persuasive characteristics of these advertisements.

Methodology

To construct the experimental stimuli, the researchers examined ads in recent issues of popular magazines to locate scientific-related ambiguous words suitable for experimental manipulation. Working with a set of initial ads, the researchers carefully extracted the images carrying the scientific-related words/claims, which can cause difficulty in comprehension for consumers (e.g., Pro-Xylane, Molemule OFPMA). 25 undergraduate students were recruited for the pretest. As a result, two ads, which present two types of product categories e.g., beauty products and food products, were finally chosen for the purpose of the study. In addition, the researchers created four versions of the same ad (with the scientific-related claims/with original brand name, without the scientific-related claims/with original brand name, with the scientific-related claims/without original brand name, without the scientific-related claims/without original brand name). For instance, one ad was featured with "Beta-CART which is supposed to help to nourish the hair, while the other ad did not involve the same word. In order to control the brand effects, a fictitious brand name of shampoo, "Actigel", was used to replace the original brand name in one of the ads.

As the purpose of the study is to study the persuasive effectiveness of the use of scientific-related ambiguity, measures such as purchase intent (Gotleib and Sarel 1988; Lutz, Mackenzie, and Belch 1983), brand attitudes (Muehling and Laczniak 1988; Wansink, Ray and Batra 1994;), brand experience (Brakus, Bernd and Zarantonello 2009), and product involvement (Zaichkowsky 1994) were adapted. A pretest was conducted in order to validate the measure and the results showed that the Cronbach's alpha values were above 0.70.

For the main study, a total of 268 post-graduate students were recruited, including 125 females and 143 males. The age of the participants was between 24 and 35. All participants were chosen from typical middle class background with relatively stable disposable income. The respondents were asked to look at the modified ads and then asked to fill out a questionnaire concerning the products/brands and advertisements. The subjects were allowed to look at the advertisement at their own pace, but no interaction between subjects was allowed (Lowery 1998).

Findings and Implications

The initial results show that the scientific-related claims does not induce a favorable change in attitudes towards the brands, nor purchase intent among well-educated consumers. However, consistent with previous findings, the brand attitudes positively correlated with purchase intent. The findings may suggest that educated consumers can be skeptical of the advertising claims. In other words, when consumers cannot accurately assess the

meanings of claims prior purchase, they would have less incentive to purchase such products.

The research is particularly substantive in its contribution to a hitherto unexplored area of advertising. It suggests that well-educated consumers may disregard scientific language in advertising, though there have been intense efforts on the part of the managers to infuse distinction in their brands and the tools adopted for the purpose is varied and innovative. Practically speaking, advertisers should be aware of the insignificant influence of the scientific claims if such ads targeting educated consumers. In addition, the findings may contribute to the risk-avoidance and uncertainty in consumer behavior theory. Specially, education background may have impact on risk avoidance level in uncertain situation.

The study relates only to well-educated consumers. Further research should consider including consumers who have less knowledge or education background. One may speculate that such claims may positively influence less knowledgeable consumers. In other words, less educated consumers may be more likely to purchase the products with such claims in their ads. Additionally, across-cultural research between a developed and a developing culture can be insightful. Furthermore, other variables such as gender, social class, income level, can be considered in the experiment. Moreover, this study only considered beauty and food categories. As such, research on other product categories may be meaningful. Finally, a qualitative inquiry may help to provide insights on why scientific claims do not have impact on brand attitudes. A large scale survey may be also useful to investigate consumers' response towards scientific claims in advertising.

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Summary Brief

Online Product Reviews: The Interaction of Emotional Intensity and Source Expertise on the Product, Review and Reviewer

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Online word of mouth communication (WOM) is an expanding type of promotion involving influential consumer-generated reviews. In this research, findings from two studies indicate the emotional intensity of the written review and reviewer expertise can interact to impact the informational value of the review and attitude toward the reviewed product. The interaction occurred in the context of only negative online product reviews and not positive reviews, and it was mediated by reviewer rationality and trustworthiness.

Introduction

Websites including Amazon.com and TripAdvisor.com include online reviews, a form of electronic WOM communication (eWOM) that contains feedback posted by users. These reviews influence online purchase decisions, leading to suggestions that such reviews be monitored, managed and promoted by marketers (Li and Zhan 2011; Ludwig et al. 2013). Only recently, though, have researchers begun to consider both the written content of online reviews as well as the expertise of the sources providing the reviews.

In two separate studies, the authors extend existing research by considering the emotional intensity (i.e., emotion-laden words and icons) expressed in online reviews and reviewer expertise (i.e., novice versus expert sources) on the informational value of the review and the attitude toward the reviewed product in the context of a negative online review (Study 1) and a positive online review (Study 2). The authors also examine the mediating role of reviewer rationality and reviewer trustworthiness.

Conceptual Background and Hypotheses

Using the language expectancy theory (Burgoon, Denning and Roberts 2002), we predict that emotional intensity and reviewer expertise influence reviewer rationality and trustworthiness and ultimately determine the informative value of the review and attitude toward the reviewed product. However, given that the negativity effect in persuasion (Ahluwalia and Shiv 1997), we expect that the effects of emotional intensity and reviewer expertise will be less influential in the context of positive rather than negative reviews.

Emotional intensity is defined as the presence of words and icons that clearly identify “high intensity, valenced feeling states that are associated with the product of interest” (Erevelles 1998; Kim and Gupta 2012). Emotions can be expressed with intense words (e.g., horrible, excellent) that can be bolded and in all caps to relate the degree of negative or positive thoughts. Additionally, emoticons, which are considered quasi-nonverbal cues developed with keyboard strokes, can visually convey emotions (Lo 2008). Commonly used emoticon include ☺ and ☹. Reviewer expertise is the ability of a reviewer to make correct assertions through experience (Li and Zhan 2011; Spence and Brucks 1997).

Studies

In Study 1, we investigate the influence of emotional intensity and reviewer expertise on the informational value of the review and the attitude toward the reviewed product in the context of a negative online product review. We find that emotional intensity (presence versus absence of emotional-laden words and emoticons) and reviewer expertise (novice versus expert) interact to influence the two dependent measures. The mean value for the informative value of the review was higher and the mean value for the attitude toward the product was lower for negative reviews written by an expert when the emotional intensity was present rather than absent. Further, reviewer rationality and reviewer trustworthiness explain the effects. In contrast, there was no interaction between emotional intensity and reviewer expertise on the two dependent measures in the context of a positive online product review (Study 2). In Study 2, only the effect of reviewer expertise influenced the informational value of the review and attitude toward the reviewed product.

Collectively, these findings indicate that the level of emotional intensity used in negative and positive reviews may indeed yield different effects on readers of online reviews and offer unique implications for marketers managing the websites selling products reviewed by both novices and experts.

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Summary Brief

A Framework for Understanding Motives, Moderators and Outcomes of Electronic Word of Mouth

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With the evolution of internet marketing, customer to customer communication has witnessed a tremendous change. Similarly, research on electronic word of mouth (eWOM) has grown exponentially; however, the research increase is somewhat diffuse. Most have been empirical yet lacking a consistent theoretical basis. Accordingly, using Elaboration Likelihood Model, Information Adoption Model and Stimulus-Organism-Response framework we develop a more comprehensive and parsimonious framework that integrates motives, processes, and moderators for eWOM research.

Introduction

During the last decade, electronic word of mouth (eWOM) has become part of the consumer's daily life (e.g., De Bruyn and Lilien 2008; Phelps et al. 2004e). WOM is "any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet" (Henning-Thurau and Walsh 2004, p.51). Because user-generated content is more trusted than company generated messages, eWOM generates promotional results that exceed sales promotions, public relations, or even traditional word of mouth (Allsop, Bassett, and Hoskins 2007; Cheong and Morrison 2008) as well as greater profitability (Kumar, Peterson, and Leone 2010). Accordingly, eWOM is an important strategic tool in influencing consumer attitudes and buying behavior that companies should strive to maintain positive. With such importance, academic research on eWOM continues to grow. This growth has been dynamic but is lacking in consistent theoretical support. For example, some view eWOM's theoretical basis as an extension of WOM using the same models for testing and analyzing blogs or chat communities (e.g., Goldsmith and Horowitz 2006; Henning-Thurau et al. 2004). Others argue it is a new phenomenon that necessitates new models (Trusov, Bucklin, and Pauwels 2008). The answer to the issue was our analysis of the eWOM research that addressed theory development, yielding a new extended framework.

eWOM Research Analysis

Our review of the research yielded twenty-eight significant articles with several conclusions. Such a variety of research on eWOM points to several conclusions. First, very few articles offered any conceptual or consistent theories in explaining eWOM. This yielded a fragmented theory trail (Sen and Lerman 2007; Villponen, Winter, and Sundavist 2005). For example, twenty-two different models and theories were used from disciplines such as communication (e.g., Chiu et al. 2007), networking (Cheong and Morrison 2008), economics (Hu, Liu,

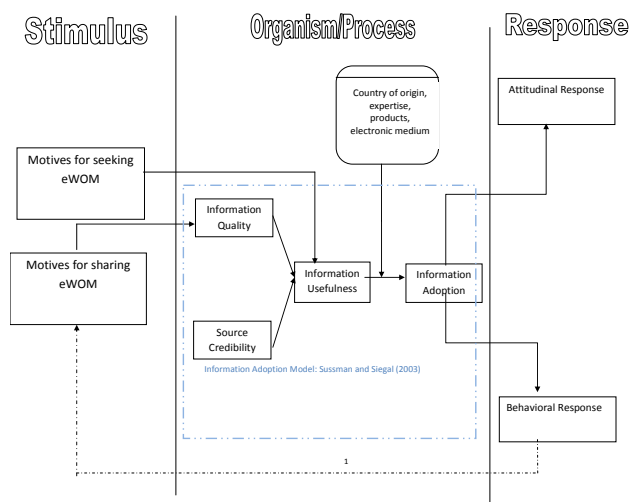
and Zhang 2008), sociology (Hung and Li 2007), and psychology (Park and Kim 2008). Second, the theories used were not accompanied by the assumptions from each discipline and did not take into account the uniqueness of the present sub-field. Third, our review revealed four eWOM literature groupings: 1) why consumers seek and engage in eWOM (Motivation); 2) the adoption process of eWOM (Adoption); 3) adoption differences (constructs) between consumers and eWOM; and 4) the outcomes of engaging in eWOM by companies and consumers.

The above analysis suggest an overall framework that could: 1) incorporate the four main themes in eWOM research and provide a consistent and comprehensive theoretical base. To that end we have inductively developed an eWOM framework based on the information adoption, ELM (Elaboration Likelihood Model), and stimulus-organism-response (S-O-R) models as well as integrated the four main research areas of eWOM.

The Introduced Framework

From our review, the developed framework better explains the eWOM process, moderators, motives, and outcomes from prior studies (See Figure 1). The framework suggests that the stimulus stage corresponds to the motives of eWOM seekers and givers. People who pass along information are evaluated against source credibility and information quality which is a function of information usefulness by information seekers (organism). People who seek information adopt eWOM based on the level of congruency between their motives and the information usefulness concerning information adoption. The information adoption results in different attitudinal and behavioral outcomes (response). Among the behavioral outcomes are passing along of opinions and purchase intentions which is why, there is an outflow of information (arrow) from behavioral response to pass along motives. Finally, based on the ELM, the relationship between information usefulness and information adoption differs by customers, nationality, expertise level, the product purchased, and the medium used.

Figure 1: Framework for eWOM



Discussion

The new framework provides not only an overall understanding of the process but also integrates the diverse, disjointed research into a theoretically coherent manner. The framework takes into account all theoretical and empirical eWOM research, yielding a better understanding of eWOM and the interrelated relationships by incorporating motives, process, moderators and outcomes. Finally, the framework incorporates the two eWOM parties: opinion seekers and sharers that represent the next step towards theory testing and explaining the dynamic nature of eWOM.

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Summary Brief

Marketer-Generated Content Engagement in B2B Sales: Exploring the Impact on Brand Trust and Word-of-Mouth

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Business to business sales (B2B) usually involves several decision makers and influencers who evaluate a product or service from multiple perspectives. A CEB Marketing Leadership Council survey (CEB 2012) of B2B organizations found that the average customer had already completed about 57% of the purchase decision-making process prior to engaging a sales representative by searching for and finding marketer-generated content. Effective marketing content is becoming a critical factor in customer acquisition and retention. This research explores the key elements of effective marketer-generated content and the impact on brand and word-of-mouth behavior.

Introduction

The growth in digital marketing has dramatically increased both the supply and demand for marketer-generated content (MGC), including e-mail newsletters, white papers, research reports, videos, blogs, webinars, and infographics. B2B marketers are spending about a third of their budgets on content marketing and over half plan on spending more next year (Pulizzi and Handley 2013). MGC can transform the branding and customer acquisition process with cost efficient, real-time digital communication programs where prospects can search for, download, interact with, and gain knowledge about a brand long before contacting a salesperson. We do not yet know, however, how marketers can provide the most effective MGC so that prospects are engaged to respond, share, and return to the site for conversion from a sales lead to a sales opportunity.

The prevailing wisdom among practitioners is that the application of a cookbook of tactics can produce engaging MGC; however, not all content generates the anticipated level of customer engagement in an increasingly sophisticated online environment. Moreover, the reactive strategy of monitoring the number of likes or followers is merely a vanity measure (Andzulis, Pangopoulos, and Rapp 2012). This research proposes a conceptual model with testable hypotheses that can provide direction to B2B marketing managers responsible for MGC.

This framework aids our understanding of the complex communication phenomena in B2B marketer-generated content and the effects of this content on engagement attitudes and behaviors of customers who search for, download, and consume content. The following research questions are offered: What are the critical success factors for MGC engagement? How are these factors linked to the development of positive attitudes and behaviors toward the brand? Finally, if these connections are valid, what methodology is appropriate for demonstrating these conceptual links?

Literature Review and Hypotheses

The academic literature has defined engagement from a number of perspectives. Engagement has been explored as: post-purchase behaviors that affirm brand loyalty (Hoeffler and Keller 2002, Sprott, Czellar, and Spangenberg 2009); a function of the context surrounding ads (Wang 2006); interactive experiences (Brodie, Ilic, Juric, and Hollebeek 2011); or how direct brand interaction versus indirect interaction via mass communication affects response (Hollebeek 2011).

This research extends the framework of Mollen and Wilson (2010), where online engagement is defined as the commitment to an active relationship with the brand via computer-mediated communication intended to enhance brand value. In particular, we explore the extent to which customers process and identify with the content of the marketing material to which they are exposed and the effects of that content experience on pre-sales behaviors. In this context, engagement with content is characterized by (1) active, sustained cognitive processing, (2) satisfaction with utility and relevance, (3) emotional impact and experiential value, and (4) attractive and appealing aesthetics.

H1: MGC that sustains cognitive attention leads to stronger content engagement.

H2: MGC that provides information utility leads to stronger content engagement.

H3: MGC that enables experiential value leads to stronger content engagement.

H4: MGC that has aesthetic appeal leads to stronger content engagement.

Engaging content leads to both positive attitudes and behaviors. The process by which customers develop trust in a brand is based on the customers' experience with that brand via MGC (Bowden 2009). Brand trust is comprised of two dimensions: brand reliability and brand intention (Delgado-Ballaster 2004). Engaging content also leads to positive word-of-mouth behaviors, and intention to return to the site.

H5: The higher the level of content engagement the greater the degree of brand trust.

H6: The higher the level of content engagement, the greater the degree of WOM behavior.

H7: The higher the level of content engagement, the higher the intention to return to the site.

Finally, brand trust is associated with behavioral outcomes such as talking about the quality or relevance of the content to others, sharing the content with others, and a having a willingness to return to the source of the content for further sales qualification. Engaging content builds brand trust and this trust results in positive work-of-mouth about the brand. Thus, we propose that:

H8: Brand trust leads to positive word-of-mouth.

H9: Brand trust leads to higher rates of intention to return to site.

Methodology

This research seeks to understand and predict how organizational buyers engage with MGC in the early stages of the sales cycle. An online panel of 150 B2B buyers was surveyed using existing and new scales. For the dimensions of MCG, new scales were developed for sustained cognitive attention and for experiential value. The remaining scales were used or adapted from information utility (Barnes and Vidgen 2003), aesthetic appeal (Lavie and Tractinsky 2004), brand trust (Delgado-Ballaster 2004), WOM behavior (Sichtman 2007) and revisit intention (Finn 2012).

Exploratory Factor Analysis will be conducted and confirmatory factor analysis will test the overall model fit. A structural model will examine the model specification and test the proposed hypotheses. The results that emerge from this study will be presented at the 2013 SMA conference.

Conclusion

MGC engages B2B prospects at the information search stage of the buying process. If marketing managers know what strategic elements comprise engaging marketing content, they can manage the content creation, distribution, and promotion process more effectively and begin to measure the impact that MGC has on brand trust, positive word of mouth, and return behaviors. This research makes a conceptual and empirical contribution to the marketing literature while helping to describe marketing communication practice. Effective and engaging MGC is critical to reduce both the prospects' and marketers' resource and time constraints.

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Are Business Schools Using Social Media Effectively?

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The marketing environment is changing rapidly with the growth in online social media with several studies already suggesting that young consumers have already adopted it as a necessity with changes in consumer behavior and contributed to an unprecedented degree of customer empowerment. (Constantinides & Fountain, 2008) Social media marketing is generally known as incorporating various social media platforms (such as Facebook, Twitter, YouTube, Podcasts, and blogs) in an organization's marketing strategy. These online platforms provide an opportunity to connect with potential and existing customers on a personalized level than traditional marketing techniques. They represent an important direct marketing channel for building marketing identity for organizations. Successful corporations are implementing social media marketing strategies.

New Communications Era

An increasing number of college and university educators are aware of the extensive involvement of youth on social networking sites. However, relatively few of them are prepared to harness the potential marketing benefits for their institutions. For example, numerous schools of business offer courses in modern e-marketing techniques and teach their students how companies use social media. Most schools of business have social media links on their websites, but do they really practice what they teach? This essay represents a preliminary review of the current use of social media by schools of business, and asks the question: are they actually taking advantage of this marketing channel?

The use of traditional media such as print advertisements, brochures, and direct mail appear to be increasingly losing their effectiveness with the target audience. For example, some universities are finding that even traditional business school fairs are becoming less relevant for the recruitment of new students. This is because many applicants conduct their online research into their potential schools. The McCombs School of Business in Austin, Texas, does not even rely on paid advertising anymore. Virtually all programs focus on providing information for potential applicants online through their own websites; social networks such as Facebook, LinkedIn, and Twitter. (Bierach, 2010)

Various forms of electronic communication (as Web sites for social networking and micro blogging) through which users create online communities to share information, ideas, personal messages, and other content (as videos) are rapidly becoming part of the marketing activities of business firms. Likewise, the importance of using social media by schools of business to attract, recruit, and retain students, as well as to gain and keep a competitive advantage, cannot be underestimated.

A 2011 survey of international students indicates they do not use Facebook to choose their university. This poll of 150,000 international students attending at 1,200 higher education

institutions around the world suggests universities may be overestimating the importance of Facebook, Twitter, and YouTube. The survey indicated also university fairs persuaded only 6% of students despite the resources devoted to this activity. About 45% of students made their school selections based on recommendations by friends and 41% by information found on the institution's website. This suggests that schools may not be using their resources effectively and we ask is there an opportunity to use social networks to enable these "recommendations by friends?"

A recent survey of 2,000 college-bound juniors and seniors conducted by Noel-Levitz, OmniUpdate, CollegeWeekLive, and NRCCUA (National Research Center for College & University Admissions) highlights rapidly changing environment. (Noel-Levitz 2012) The survey focused on the expectations high school students have about college Web sites as well as their usage of mobile devices, e-mail, and social media. Several of the findings identify problems colleges and universities have in meeting the needs of their potential customers:

1. More than 50 percent of students said the Internet played a significant role in their decision to apply to a school.
2. By a wide margin, 55 percent of respondents identified difficulty with site navigation as among the greatest challenges encountered with the college Web sites they encountered.
3. Among students with mobile devices, 52 percent said they had viewed college Web sites on them; and 20 percent did so via a tablet device.
4. Sixty percent said they are open to receiving text messages from college representatives.
5. Forty-six percent have visited a college's Facebook page, of which 69 percent of those "liked" a college's page.

Schools Asleep at the Switch?

Potential students are using the Internet as their first contact with higher education institutions. For example, a survey of GMAT registrants indicated 97 percent had visited the websites of the schools they had applied or planned to apply with the overwhelming majority indicated that the website was extremely or very influential in their decision. The websites had a greater influence on potential master study applicants than even published rankings of schools of business by third parties. This is because the websites can present much more information about the school than the rankings. Social marketing efforts can better target and communicate to persuade and recruit the Web surfing potential students.

A basic use of social media is for low-cost promotion of business school programs. This can effectively increase their marketing reach and attract more applicants. This increases the

number of applications. Some institutions lowering or even waive application fees for online applicants. Part of this is because inbound marketing social marketing efforts have a much lower cost and generates higher returns than traditional outbound marketing campaigns. With a larger pool of applicants, the schools can be more selective in admitting new students. As their programs become more selective, the reputation of the school increases.

Marketing Professors at top rated business schools are not likely to be using social media tools themselves. A survey of marketing professors at highly ranked MBA programs found that although they promote the use of social media by organizations to connect and build a relationship with consumers, the majority of them do not use tools such as Twitter. The findings summarize the situation, “while everyone is tweeting, top business schools are sleeping.” The survey found “a gap in what’s being taught about being close to the customer and the marketing departments.” The study found that some of the expert marketing professors have never Tweeted or contributed to a blog, thus “they are distancing themselves from consumers.” (Di Meglio, 2012)

Even, community colleges are no better in this area of marketing, behaving as if “social media is frivolous or may eventually fade away.” For example, a survey of attendees at a recent American Association of Community Colleges (AACC) convention indicated that only a minority use social media “very often.” On the other hand, 67 percent were “somewhat” using it, and 36 percent are “not at all active” in social media. The conclusion was obvious: “this is definitely a lost opportunity considering these new media are not only here to stay, but they are expected and sought out by much of our demographic.” (Schwarm, 2011)

Another aspect of social media for schools of business is the role of building connections with their students through online conversations and establishing lasting relationships. The channels can be used to deliver information to the students as well as providing a feedback loop. This allows schools to build loyalty with its students for the long term. Social media helps promote a sense of community that helps drive overall satisfaction among students with the school.

Achieving an Identity for Schools of Business

The social media tools used by academic institutions should focus on channels that provide the highest returns. A 2012 E-Recruitment Practices Report conducted by Noel-Levitz asked college bound high school students which of the following social media sites they used on a regular basis. (Noel-Levitz blog, 2012)

Facebook	79%
YouTube	63
Twitter	27
Google+	19
StumbleUpon	7
Tumblr	9
Pinterest	6

The most popular (Facebook, YouTube, and Twitter) appear to offer the best “return on interaction” for the school’s marketing efforts.

Social media happens with or without the input of the academic institution. Business schools should embrace the power of “word-of-mouth” such as through the “sharing” option in social media to leverage their marketing and positioning efforts. Social media can help “spread the message” and promote the schools’ branding efforts. Well-designed content distribution through social media channels can be used to spread and reinforce the brand, as well as encourage individuals to “like” the schools and become “champions” for them.

Similarly as with traditional integrated marketing communications efforts, the social media marketing campaigns require a several steps for effective execution. The following are some suggestions: (Jones, 2010)

1. Establish the marketing strategy principles
2. Review the social media policies, social media platforms terms of service, and online community etiquette
3. Competitive landscape and audience analysis
4. Social media marketing analytics and success metrics
5. Content strategy for social media marketing
6. Writing for social media
7. Social media advertising tactics
8. Integrated marketing approach

Because of the highly interactive nature of social media, most effective are statements that are made by a credible and respected source. For example, the blog or exclusive page on social media channel by a top officer of the school (such as the dean) has the most impact. (Admin, 2012)

A good example of doing what they teach and direct interaction using social media is Boston University’s proprietary BUUniverse. (<http://www.bu.edu/buniverse>) Featured on the schools web site, BUUniverse is also accessible from YouTube. What sets this apart from typical postings is that all participants can upload videos, helping to making the site a “community” and easy to share ideas. This is an effective use of the new communication medium, but the question remains if BUUniverse can encourage new student enrollment.

Conclusion and Further Research

Social media marketing strategies for schools of business can improve their marketing identity and advantage promotional efforts not only for recruitment, but also for building stronger connections and a sense of community.

This is a rapidly changing environment and schools of business seem to lag in their effective use of these new marketing tools compared to some business firms. Further research is required to determine the effects of the social media and their use by universities to assist potential students for recruitment, as well as for effective communication and a sense of community once they enroll.

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Summary Brief

The Negative Effects of Exclusive Deal Promotions

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The number of highly targeted, exclusive deal promotions is increasing in today's marketplace. Consequently, so too are the number of consumers that are excluded from these promotions. Thus, the purpose of this research is to more closely examine the potentially negative effects of exclusive price promotions. Initial results show that consumers who are not selected to receive an exclusive promotion display significantly lower promotion attitudes, retailer attitudes, and future retail patronage intentions than those consumers who were selected to receive the deal. Ease of promotional redemption and perceptions of exclusion were found to moderate and mediate these effects, respectively.

Introduction

Highly targeted deal promotions are becoming increasingly common in today's marketplace. Their popularity largely stems from their flexibility; such promotions allow retailers and manufacturers to vary their offerings across consumer segments through promotions of different values (DeVecchio 2005). However, as promotions become more highly targeted, so too does the number of consumers not receiving them. Darke and Dahl (2003) demonstrated that non-targeted customers display lower levels of purchase satisfaction than targeted customers. Additionally, it has been shown that consumers' preferences are affected by not only the prices they receive, but also by the prices that other customers receive (Feinberg, Krishna, and Zhang 2002). Therefore, the purpose of this research is to more closely examine the potentially negative effects of exclusive price promotions that may undermine traditional views supporting the use of differentiated customer treatment strategies such as one-to-one marketing and customer relationship management. The negative impact of exclusive promotions on non-targeted customers will be examined, as well as circumstances in which even recipients of such deals may be negatively influenced.

Design and Methodology

An initial 2 (promotional outcome: inclusion vs. exclusion) x 2 (redemption effort: low vs. high) between-subjects experiment was conducted with 74 students at a large southeastern university. All respondents were made aware of a one day, invitation-only sale that a clothing retailer was promoting. They were told that the deal was only offered to a very limited group of customers and that they may or may not be selected to receive it. Promotional outcome was manipulated by indicating that the respondent was either chosen or not chosen to be invited to the exclusive sale. Redemption effort was manipulated by indicating that the retailer was either located in the city where they live (1.2 miles from their home address) or in a neighboring city (68.7 miles from their home address).

Results indicate significant outcome x effort interactions for attitudes toward the promotion and the promotion provider (i.e., retailer), as well as for future patronage and loyalty intentions (all p 's < .03). Respondents that were not invited to the exclusive promotional event had significantly lower promotion attitudes, retailer attitudes, and future patronage intentions when the redemption effort was lower rather than higher (all p 's < .05). Conversely, respondents that were invited to the promotional event had significantly lower promotion attitudes, future patronage intentions, and future loyalty intentions when the redemption effort was higher rather than lower (all p 's < .05). Higher values for all dependent measures were observed for targeted respondents than non-targeted respondents regardless of redemption ease (all p 's < .05). Additionally, respondents' perceived feelings of exclusion were found to mediate the effects of their promotional outcome on all of the dependent measures.

Discussion

These initial results show the importance of non-targeted consumers' awareness of differentiated customer treatment strategies by firms. Non-targeted consumers evaluated both the promotion and the promoter more negatively than targeted customers, and further expressed lower patronage and loyalty intentions. Additionally, the promotional redemption effort was shown to have significant effects for both groups of consumers across most of the dependent measures such that redemption ease enhanced the negative effects of exclusion from a promotional offering, while redemption difficulty reduced the positive effects of inclusion.

This research makes several important contributions. First, we demonstrated how exclusion from an exclusive price promotion can have negative effects on non-targeted customers, and that these effects can be mitigated by an influential promotion characteristic (ease of redemption). We further showed how this characteristic may negatively influence even those included in the promotion. Next, we demonstrated that perceived exclusion is the mechanism underlying the effects of respondents' promotional outcomes on their evaluations and intentions, thereby highlighting an important non-financial aspect of exchange relationships and promotions not previously considered in the literature. Lastly, while the vast majority of existing research has only examined effects on promotion-related variables, we additionally examined promoter-related variables to more holistically demonstrate the important (negative) implications that differentiated customer treatment strategies can have for firms.

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The Role of Celebrity Endorsers

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Approximately 25% of commercials in the United States use celebrity endorsers (Shimp 2000). Firms must strive to find the best source to effectively deliver the message. Toward the goal of understanding how product endorsements affect consumers, the purposes of this study are to determine: how consumers' identification with the celebrities is associated with the purchase intention of the celebrities' endorsed products; the relationship between source credibility and consumers' identification with the celebrity; and how source credibility is related to the purchase intention of the celebrities' endorsed products. In the selection of celebrity endorsers, the research findings suggest that marketers should consider the potential level of consumer identification with the endorsers. Also, credibility of the endorser is important. Higher purchase intentions are associated with increased consumer identification and source credibility. Identification partially mediates the source credibility and purchase intention relationship. The findings have implications for marketers and researchers.

Introduction

Approximately 25% of commercials in the United States use celebrity endorsers (Shimp 2000). Firms must strive to find the best source, i.e. individual or character, to effectively deliver the message. Often, this person is a celebrity, a well-known individual. When considering possible endorsers, marketers must think about the source, and how consumers may react to the source. The most persuasive reason to use celebrities as endorsers is that the much-admired characteristics may transfer to the brands and products they endorse (McCracken 1989). Celebrity endorsements have the potential to increase advertisement ratings and product evaluations (Dean and Biswas 2001). Celebrity endorsements have positively impacted the economic returns for organizations (Agrawal and Kamakura 1995). Advertisers must focus on finding product endorsers with the appropriate source characteristics to effectively appeal to consumers. Source characteristics of potential product endorsers include the source's credibility, attractiveness, and likability. If consumers believe the celebrity is an expert, trustworthy, and attractive, would consumers be more willing to purchase goods and services endorsed by this individual? Aside from the credibility of the source, identification with the celebrity is another factor which may affect consumer behavior. Identification is the persuasion process that occurs when an individual adopts the behavior or attitudes of another individual or group based on a self-defining relationship (Kelman 1961). Companies must consider how consumers might believe and identify with a potential endorser. The spokespersons should draw attention to their brands and products, appeal to the stars' existing fans, attract potential customers, and increase sales.

Toward the goal of understanding how product endorsements affect consumers, the purposes of this study are to determine: how consumers' identification with the celebrities is associated with

the purchase intention of the celebrities' endorsed products; the relationship between source credibility and consumers' identification with the celebrity; and how source credibility is related to the purchase intention of the celebrities' endorsed products.

This research contributes to product endorsement literature in two ways. On the theoretical side, the study links existing social cognitive theory, parasocial relationship theory, self-image congruence theory, identification, balance theory, and source credibility to product endorsements to provide a better understanding of how celebrities' product endorsements affect consumer behavior. On the managerial side, the research findings have implications for companies in their decision making regarding celebrity endorsers for their brands and products.

Literature Review and Hypotheses Development

Identification

Kelman's (1961) theory of identification proposed that an individual adopts an attitude or behavior from another person, and this attitude or behavior adoption is related to satisfying the self-defining relationship. This influence is a way of maintaining or establishing the relationship. When an individual identifies with a celebrity, adopting an attitude or behavior of the celebrity is part of that relationship.

Bandura (1986) proposed the Social-Cognitive Theory, which states that a person's identification with a model determines the likelihood of that person enacting the modeled behavior. When there is a stronger level of identification with the model, the chances are greater that the individual will enact the modeled behavior. The identification process is based on the person's perception that the model is similar to him- or herself. Generally speaking, these perceptions are based on the model's age, gender, race, or physical attractiveness. For people who admire celebrities, identification with a famous person may impact behavior. When an individual identifies with a particular celebrity, he or she is more likely to follow the behaviors modeled by the celebrity.

In particular, some consumers develop relationships with celebrities through repeated exposure to the personalities over time. While this exposure is entirely through the media, some individuals believe they are developing an intimate relationship and strong identification with the celebrities. Horton and Wohl (1956) described this phenomenon as a parasocial relationship. When magazines, popular tabloids, and newspapers often run articles featuring the celebrity, it is easy for an individual to keep up with information regarding the famous person. Consumers can easily cultivate parasocial relationships with celebrities when they think or feel as if they personally know the famous people to which they are consistently and frequently exposed (Rubin and McHugh 1987).

As the celebrities are coming into the homes of the individuals and entertaining them, the individuals are identifying

with the celebrities (Horton and Wohl 1956; Rubin and McHugh 1987). This is a form of social exchange, where identification is a natural consequence of the communication process. Stronger identification with the celebrity results from an ongoing relationship with that celebrity. In turn, higher levels of identification will result in the adoption of thoughts, feelings, and behaviors, both modeled and advocated by the celebrity. The level of identification an individual feels towards the celebrity in turn influences the consumer's willingness to buy products endorsed by the celebrity. The following relationship is hypothesized:

H1: Identification is positively associated with purchase intention of products endorsed by the celebrity.

Purchase intention of endorsed products may also be affected by credibility of the endorser. Hence, this study also includes source credibility theory.

Source Credibility

When the source of information is highly credible, the persuasive effect of the advertisement increases and is more likely to stimulate more immediate attitude changes, which may result in intent to purchase the endorsed product (Hovland and Weiss 1951). Hovland, Janis, and Kelley (1953) studied the factors which led to the perceived credibility of the communicator and found that source credibility is composed of two factors, namely expertness and trustworthiness. Expertise is defined as "the extent to which a communicator is perceived to be a source of valid assertions" and trustworthiness as "the degree of confidence in the communicator's intent to communicate the assertions he considers most valid" (Hovland, Janis and Kelley 1953).

Ohanian (1990) incorporated Hovland, Janis, and Kelley's (1953) Source Credibility Theory with McGuire's (1985) Source-Attractiveness Model. From social psychological research, the Source-Attractiveness Model asserts that message effectiveness depends on the source's familiarity, likability, similarity, and attractiveness to the individual (McGuire 1985). Drawing from these two theories, the dimensions of source credibility are attractiveness, expertise, and trustworthiness (Ohanian 1990).

Attractiveness

Previous advertising and communications researchers have found that physical attractiveness is a critical key in an individual's initial judgment of another person (Joseph 1982; Kahle and Homer 1985). The attractiveness of the celebrity endorser is an important condition for identification, attitude toward the product, and purchase intention (Kahle and Homer 1985). Consumers consistently like attractive (versus unattractive) communicators. In addition, attractive communicators positively impact the products with which they are associated (Joseph 1982).

Expertise

The expertise dimension is associated with authoritativeness (McCroskey 1966), competence (Whitehead 1968), or qualification (Berlo, Lemert and Mertz 1969). Prior research has shown that a celebrity endorser with product expertise is significantly more effective than a non-celebrity expert (Buhr, Simpson and Pryor 1987). When the celebrity endorser has product expertise, this effect is described as a "match" between the product and celebrity (Kamins et al. 1989). The source's perceived expertise positively influences consumers' attitude change (Mills

and Harvey 1972). On the other hand, when a source is not viewed as an expert, consumers do not view the celebrity as credible.

Trust

Trust is "the listener's degree of confidence in, and level of acceptance of, the speaker and the message" (Ohanian 1990, p. 41). When an individual perceives a source to be trustworthy, he or she is more favorably disposed towards the source and the message. A source that is perceived to be both an expert and trustworthy engenders the most opinion change (McGinnies and Ward 1980). Consumers believe that celebrities are motivated by their genuine affection for the product rather than by the financial gains of endorsement contracts (Atkin and Block 1983), which adds to the perceived trustworthiness. Freiden (1984) found that major stars are effective endorsers because consumers view them as very trustworthy, believable, persuasive, and likable. Based on this rationale, the following hypothesis is posited.

H2: Source credibility is positively associated with identification with the celebrity.

Sirgy (1982) theorized that the product-user image interacts with an individual's self-concept to create a subjective experience known as self-image congruence. The more favorable attitudes toward a brand or product are a function of the self-image congruence phenomenon. The consumer compares the similarity or dissimilarity of the brand or product's image and their own self-concept. When there is a high level of congruity, there is a more positive attitude, which may lead to consumers purchasing the brand or product.

Heider (1958) proposed the Balance Theory to describe the motivation underlying attitude change. Individuals are driven by the desire for consistency, and will strive towards psychological balance. If a person has a positive attitude towards a celebrity, he or she will align his or her attitude toward the celebrity-endorsed product with that of the celebrity to achieve cognitive consistency. A more positive attitude usually leads to consumers' increased purchase intention of the brand or product. Thus, the following relationship is hypothesized.

H3: Source credibility is positively associated with purchase intention of products endorsed by the celebrity.

Methodology

Sample and Data Collection

Two sample frames were used, with the first consisting of residents of a major metropolitan area in the southwestern United States and the second consisting of students at a major university in the same area. Based on convenience and snowball sampling, respondents were identified through the researcher's social network. The online survey consisted of 39 questions. At the beginning of the survey, the respondents were asked to enter the name of their favorite celebrity. Next, respondents were asked to specify the primary profession of their favorite celebrity. For the remainder of the survey, participants were asked to respond to statements for their specific celebrity.

A total of 784 respondents completed the survey, yielding 778 usable responses. The final sample consisted of 538 students and 240 non-students. Potential nonresponse bias was assessed and no statistically significant differences were found. Seventy-two percent of the respondents are female, and 28% are male. Approximately 76% are between the ages of 18-30 years. More than 46% of the respondents reported total annual household

incomes of \$70,000 and greater. Almost 67% of the respondents are single and unmarried.

Measurements and Measurement Validation

To measure identification, 20 items were adapted from Brown and Bocarnea's (2011) celebrity-persona identification scale. Source credibility items were adopted from Ohanian (1990). For purchase intention, four measurement items were adapted from Dodds, Monroe, and Grewal (1991). The survey had a total of 39 measurement items and eight demographic questions.

All construct-related items of the independent variables were included in an exploratory factor analysis. The factors aligned well with the focal constructs. The factor analysis produced six factors with eigenvalues of more than 1.00, explaining 81.3% of the variance and with factor loadings ranging between .540 and .901. Cronbach alpha coefficients ranged from .723 to .884, suggesting acceptable internal consistency (Nunnally 1978). A separate factor analysis was conducted for purchase intention.

Using LISREL 8.80, discriminant and convergent validity was assessed by comparing the average variance extracted (AVE) of each construct with the squared correlations of that construct and other constructs. The AVE values exceeded the squared values of all correlations, indicating discriminant validity. With the exception of one dimension (imitation of the identification construct had an AVE of .440), all of the dimensions and constructs showed acceptable convergent validity with AVE values higher than 0.5 (Hair et al. 2006). Convergent validity was assessed by calculating construct reliability values. Construct reliabilities ranged from .700 to .953, which met the recommended level (Fornell and Larcker 1981). Standardized loadings for items were statistically significant and all factor loadings were greater than .5 (Hair et al. 2006), which reinforces the use of these items for testing the proposed relationships between the constructs.

Data Analysis and Results

To assess the hypothesized relationships among the constructs, the structural equation modeling technique was used. The structural model provides a good overall fit to the study data: chi-square = 1937.02 $df = 465$, p -value < .001, NFI = .95, CFI = .96, and RMSEA = .068. Hypotheses were tested using structural equation modeling procedures (Bagozzi and Yi 1988). The path coefficients were examined. Identification was considered as a potential mediator variable in the source credibility and purchase intention relationship. Hypothesis H1 posited that consumers' identification with the celebrity would be positively associated with purchase intention of a product endorsed by the celebrity. The results support H1, t -value = 6.06, p -value < .05. Hypothesis H2 predicted that source credibility would be positively associated with identification with the celebrity. The path estimate for this relationship is statistically significant, t -value = 7.85, p -value < .05. Hypothesis H3 posited that source credibility would be positively associated with purchase intention of products endorsed by the celebrity. The results support H3, t -value = 9.47, p -value < .05. Identification partially mediates the source credibility and purchase intention relationship; the total effect of source credibility on purchase intention is .84, with the direct effect = .49 and the indirect effect = .35.

Discussion

This study provides additional insights on celebrity endorsements and how consumers respond to endorsers in terms of identification, source credibility, and purchase intention. More specifically, this study provides empirical evidence that the more consumers identify with a celebrity, the more likely consumers will purchase products endorsed by the celebrity. The results suggest that advertising managers should consider how consumers may identify with a potential celebrity endorser, which may in turn increase purchase intention of their brand or product. For their specific target market, marketers should select a celebrity endorser with more potential for consumer identification.

Aside from consumer identification with the celebrity, advertising managers should also consider the credibility of the source. The results indicate that the more credible the source, the higher the purchase intention for products endorsed by the celebrity. Selecting a believable, trustworthy famous person to endorse a brand or product may lead to increased sales. In advertising campaigns, marketers may also consider highlighting the credibility of the celebrity endorser. This may help remind consumers of the expertise level of the celebrity in the given area, which in turn increases credibility and higher revenues.

The results provide empirical support for the positive association between source credibility and consumer identification. Thus, the more credible the celebrity endorser, the more the consumer will identify with the celebrity. This additional evidence for the link between source credibility and consumer identification means the choice of which celebrity endorser to choose is even more important for marketing managers. Selecting a famous individual with more potential of consumer identification and more credibility may lead to increased revenues. In addition, marketers may place particular emphasis on the possible consumer identification value of the celebrity, given the partial mediating relationship of identification on source credibility and purchase intention.

Limitations and Future Research

The study's findings are subject to certain limitations, including limited generalizability of the findings. Future research should include more diverse populations of consumers (e.g., other geographical regions to achieve a more representative sample). Moreover, it would be interesting to expand the identification model and investigate other factors affecting consumers' identification with celebrities. More research may be conducted to compare multiple celebrity types, including athletes, actors, models, politicians, and singers. Perhaps future research may employ experimental design to determine cause and effect relationships for consumers' purchase intention of celebrity-endorsed products. In addition, future research may investigate particular product categories for celebrity endorsements.

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Summary Brief

Pride and Social Coupon Redemption Avoidance

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This paper proposes the investigation of the role of pride maximization on social coupon (SC)-consumers' consumption avoidances. The researcher contends that SC-consumers are naturally pride-seeking and tend to maximize the potential future feeling of pride. Accordingly, they are likely to avoid certain behaviors so as to regulate the feeling of pride. In this paper, the researcher focuses on two emotion regulation strategies; namely, situation selection and situation modification. This paper ends with the expected theoretical and managerial contributions.

Introduction

Conventional wisdom suggests that social coupon (SC)-consumers are high in deal proneness trait, who are willing to search and prepay for SCs (e.g. "\$40 worth of food and drinks for only \$20, 50% off) in order to get a good deal. As they plan to redeem this SC at the restaurant, they want to get the most out of this SC and are motivated to maximize their feeling of pride (i.e., feeling proud for saving money from their own effort). In this paper, the researcher contends that such motivation can alter consumers' SC redemption-related behaviors. For example, if they did not prepay for an SC, they would probably go to a restaurant during Happy Hour or order special-priced items in order to get the best deal, just like any deal-prone consumers do. However, when they prepay for a SC, they want to maximize the feeling of pride for being able to save money from their own effort. In other words, they want their effort to be fully paid off. As an SC deal cannot be combined with other promotions, it would feel like a waste of an effort for prepaying for the SC if it is redeemed during Happy Hour or when another promotion is offered. Thus, with the motivation to maximize the feeling of pride, such consumers tend to avoid certain SC redemption-related behaviors (e.g. avoid going to the restaurant during Happy Hours and avoid ordering special-priced items) so as to feel that their effort is paying off and thus maximize the feeling of pride.

In this paper, the researcher contends that before entering an emotion-eliciting situation, SC-consumers tend to avoid going to the restaurant during certain time slots such as Happy Hours in order to maximize the feeling of pride. This is because consumers' feeling of pride will decrease when knowing that they can get good deals without having prepaid for the SC. Thus, to avoid such negative emotional impact, SC-consumers tend to avoid going to the restaurant during Happy Hour to redeem their SCs. Further, if SC-consumers have already entered the emotion-elicited situation (e.g. entering the restaurant during Happy Hour), they tend to avoid ordering special-priced items even when such items are their favorite. This is because ordering non-promotional regular-priced items enables SC-consumers to feel more proud as they get a better deal from their own effort without having to pay full-priced like other consumers. This is consistent with the prediction of equity theory (Adams 1965) where individuals perceive fairness when their outcome is equal or greater than the outcome of the

reference point. Similarly, SC-consumers feel more proud when knowing their effort is paying off in a way that benefits them more than other non-SC consumers.

Conceptual Framework

Pride is characterized as an enhancement of an individual's ego-identity by taking credit for a valued achievement (Lazarus 2006). It involves specific self-conscious emotion, thus, pride-related cognitions involve internal attributions and self-credit for a value achievement (Tracy and Robins 2004) and reflect experienced success in which individuals currently feel good about themselves.

In a price promotion context, pride refers to a feeling of responsible for getting a price discount (Schindler 1998). Furthermore, pride occurs when consumers perceive themselves as being smart shoppers (i.e., perceiving oneself as efficient, effective, and a smart shopper) (Schindler 1992). In this paper, the researcher defines pride as consumers' positive emotion, associated with an achievement in saving money due to their own effort (e.g., searching and prepaying for SC). Consistent with smart-shopper feeling hypothesis, which suggests that pride occurs when consumers perceive themselves as being smart shoppers (i.e., perceiving oneself as efficient, effective, and a smart shopper) (Schindler 1992), the researcher contends that SC-consumers will experience a high level of pride when saving money from redeeming an SC as they make certain efforts in searching and prepaying for an SC.

Emotion regulation research identifies five emotion regulation strategies, which differ by the points at which they intervene in the emotion generation process (Gross 1999, 2007). This paper focuses on the two approaches of emotion regulation; namely, situation selection and situation modification. Situation selection refers to approaching or avoiding certain situations so as to regulate emotion and is the most forward-thinking and anticipatory emotion regulation strategy because it occurs before any emotional cue has been encountered (Kooze 2009). The researcher predicts that SC-consumers who adopt this pride regulation strategy are likely to avoid going to the restaurant during Happy Hour to redeem the SC. This is because the avoidance of Happy Hour enables SC-consumers to maximize their feeling of pride as they feel that their effort in prepaying for the SC is paying off rather than being wasted during Happy Hour.

Unlike situation selection that occurs prior to a focal situation, once consumers have entered a certain situation and realize the potential for an emotional response, they can still alter affective course by changing the elements of the given situation (i.e., situation modification). In other words, once SC consumers are in an emotion-elicitation situation, situation modification is still possible. This refers to modifying the local environment so as to alter its emotional impact (Gross 1999). In an SC redemption context, an SC deal cannot be combined with special-priced menu

items. Thus, the researcher predicts that if SC-consumers decide to redeem an SC (e.g. when the SC is going to expire soon), they tend to avoid ordering special-priced menu items even if such items are what they want to order the most. On the other hand, non-SC consumers would prefer the special-priced items.

Conclusion

This paper is expected to generate certain theoretical and managerial contributions. For theoretical contributions, this paper proposes the theory of pride regulation in an SC context. The researcher postulates that SC-consumers are creative in adopting different pride regulation strategies (i.e. situation selection and situation modification) to manage such emotion. Also, this paper highlights the importance of pride regulation in SC redemption-related avoidance; as such, avoidance behaviors conflict with the hedonic efficiency perspectives. Finally, SC is one of the newest types of price promotions, which differs from other traditional coupons in that it offers a large discount, a long-redemption period and requires prepayments. However, there is scant empirical academic research investigating this issue. Most previous academic research in an SC mainly focuses on either group buying feature or a retailer perspective and provides mixed findings about the effectiveness of launching SCs in increasing consumer acquisitions. To the best of my knowledge, there is no previous academic research that focuses on consumer perspective in the context of SC.

For the managerial contributions, restaurants are among the most popular industries currently launching SCs in an effort to acquire new consumers and offer services that are conducive to repeat patronage (Kumar and Rajan 2012). Accordingly, restaurants that plan to offer SCs or re-offer SCs in addition to other promotions they provide (e.g., Happy Hour and special-priced items) can use this paper as a useful guideline to manage SC campaign effectively. For example, the researcher proposes that SC-consumers tend to avoid going to the restaurant during Happy Hours. This implies that SCs will be useful as a price discrimination tool for targeting different groups of deal-prone consumers (SC vs. Happy Hour). In addition, SC-consumers tend to avoid ordering special-priced items. This is important for restaurant managers to train their staff to clearly understand SC

restrictions and how to deal with SC-consumers who desire to maximize their pride. For example, recommend dinner reservation time outside Happy Hours and recommend their famous regular-priced menu items to them.

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Summary Brief

Effect of Movie Promotion during the Super Bowl on Valuation of Actors and Actresses

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This study investigates who benefits from movie trailer released during the Super Bowl events. An event study is used to examine whether movie trailer release during the Super Bowl influences the value of individual movie cast members. The event study result indicates that movie trailer release during the 2012 and 2013 Super Bowl has a favorable impact on the value of 85 cast members of 10 Super Bowl promoted movies. Positive abnormal returns for movies continuously occurred from four days prior to three days after the Super Bowl. The cumulative average abnormal return (CAAR) was significantly positive from seven days prior, indicating that movie trailer releases during the Super Bowl have a favorable impact on the value of cast members.

ANOVA result shows no main effects were observed, but one two-way interaction effect between nationality and presence and one three-way interaction between three factors were found to be significant at 10% and 5% level, respectively.

Introduction

The Super Bowl is famous for its popularity as one of the top-rated television programs, with approximately half of the American population watching the game and viewing the embedded advertising. In 2013, advertisements appearing in the Super Bowl were watched in more than 200 countries and by 108.4 million U.S. viewers (Jannarone and Smith, 2013). Super Bowl advertisers count on media coverage and word-of-mouth communications surrounding their advertisements and products to provide returns on investment that extend well beyond the game's viewership to justify purchasing the most expensive advertising real estate of the year (Yelkur, Tomkovick, and Traczyk, 2004).

Existing marketing and advertising literature unveiled the financial impact of Super Bowl advertising at the firm level and the product level but cannot explain how Super Bowl advertising affects individual characters featured in the advertising. For example, prior research examined whether "G.I. Joe" trailer releases during the 2012 Super Bowl influenced the valuation of the movie's producer, Paramount Pictures, but ignored how the releases affected the valuation of cast members starring in the film. Motivated by this gap, this study investigates the changes in the value of actors and actresses starring in Hollywood movies whose trailers are released during the Super Bowl.

Movie Trailers and Its Impact on Valuation of Cast Members

Advertisers sponsoring the Super Bowl also receive positive responses in the stock market. Prior studies used event studies to attempt to explore the financial impact of Super Bowl advertising. Most Super Bowl-related event studies agreed that the stock market positively reacts to advertisers sponsoring Super Bowl

events (Kim and Morris, 2003) but that not all advertisers enjoy financial rewards from commercials released during the Super Bowl (Eastman, Iver and Wiggenhorn, 2010; Kim, Freling and Grisaffe, 2013). Kim (2012) reported more in-depth effects from Super Bowl advertising and that movie trailers released during the Super Bowl affect the valuation of those movies and of their cast members.

Most research on Super Bowl advertising suggested that it has a positive impact on consumer evaluations and, thus, investor reactions. These relationships can be used to explain the dynamics between movie trailer releases during the Super Bowl and changes in the value of cast members starring in those movies. I identify cast members' demographic factors, career length (Elberse, 2007), and actual presence in the trailer as predictors and examine the relationship between those three factors and the valuation of cast members.

Methodology

An event study was used to uncover how movie trailer releases during the Super Bowl influence stock market reactions to cast members. Stock data on cast members in movies advertised during the 2012 and 2013 Super Bowls were collected from the Hollywood Stock Exchange (<http://www.hsx.com>), which lists stocks on directors, actors, and actresses. To assess the stock market impact of each cast member in movies released during the Super Bowl, I measured the corresponding movie cast's abnormal stock returns. I calculated the expected returns for a movie's casts in a sample over an estimation window of 13 trading days ending five days before the Super Bowl event. I used a constant mean return model to compute abnormal returns for actors and actresses.

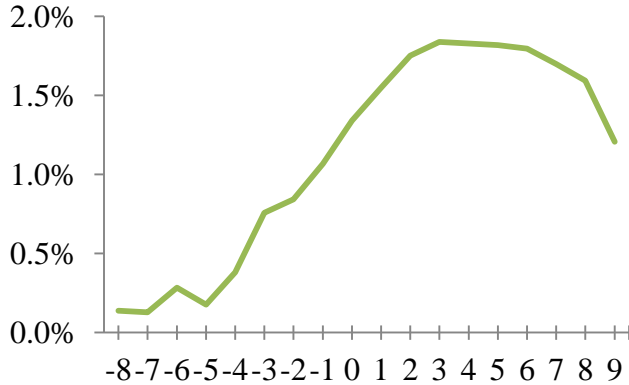
An ANOVA followed using abnormal returns as a dependent variable and gender (male vs. female), nationality (American vs. non-American), and presence in trailer (absent vs. present) as independent variables to examine whether movie trailer releases during the Super Bowl affect the value of 85 actor and actresses featured in the promotions during the 2012 and 2013 Super Bowl. For instance, changes in the value of Robert Downey Jr. (Iron Man 3, 2013) and James Franco (Oz Great and Powerful, 2013) were tracked and quantified. Along with the main effects, two-way and three-way interaction effects were examined in an ANOVA analysis.

Findings

For the movie release during the Super Bowl (N=85), the average abnormal returns are significantly different from zero at 5% significance level from Day -4 to 3 ($t = 2.443, p = .017$). Figure 1 displays the results of the event study. The abnormal returns are apparent, particularly for cast members of movies whose trailers

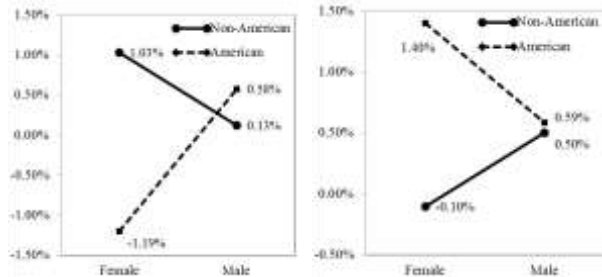
are released during the Super Bowl. Although abnormal returns for a movie fluctuated before the movie's trailer release during the Super Bowl, positive abnormal returns for movies continuously occurred from four days prior to three days after the Super Bowl. The cumulative average abnormal return (CAAR) was significantly positive from seven days prior, indicating that movie trailer releases during the Super Bowl have a favorable impact on the value of cast members. Based on portfolio test statistics, I present CAARs for windows of [-1,1], [-4,1], [-4,3], [0,1], [-1,3], [0,3] and [1,1], paying special attention to the [-1,1] window because CAARs for the [-1,1] is significant at the 1% level.

Figure 1. Aggregated CAARs over Time



An ANOVA was conducted to examine the impact of a cast member's gender, nationality, and actual presence in a movie trailer on the CAAR [-1,1] of cast members of Super Bowl-promoted movies. Full factorial ANOVA result shows no main effects were observed ($F=1.835$, $p=.083$), but one two-way interaction effect between nationality and presence and one three-way interaction between three factors were found to be significant at 10% and 5% level, respectively, as shown Figure 2.

Figure 2. ANOVA Plot
Presence=0 (Absent) Presence=1 (Present)



Discussion

This study offers a rationale for ad expenditure during the Super Bowl by investigating the impact of movie trailer release during the Super Bowl on value of cast member. This study extends Super Bowl advertising research by examining whether movie trailer release during the Super Bowl influences individual movie cast members. ANOVA analysis reveals the detailed relationship between Super Bowl advertising and the value of movies and movie casts, indicating that cast members in movie trailers can be accepted as product placement in movie promotion.

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MARKETING TECHNOLOGY TRACK

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Beyond TAM: Gauging Deep Insights in Consumers' Adoption of a Technology

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The Technology Acceptance Model (TAM), developed in the field of Information Systems, has been used in marketing to explain consumer adoption of technology. This research seeks to obtain insights into consumer technology adoption beyond those afforded by TAM. TAM, it is argued, is able to predict, but does not adequately explain the “why’s” behind adoption, particularly of consumer-propelled technologies such as social media. It presents an alternative approach, based on means-end theory, to study technology adoption by consumers, and illustrates the use of this approach with a qualitative, exploratory study of Facebook use. This approach is shown to begin with important characteristics of the technology as TAM does, but probes deeper to uncover important values satisfied by the technology, values that have driven its rapid adoption and unprecedented levels of use by consumers. The approach provides rich, actionable insights for formulating customer-centric marketing strategies.

Introduction

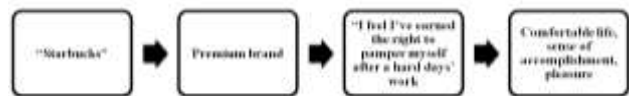
The technology acceptance model (TAM) (Davis 1989) has been widely used by researchers to study *how* and *why* individuals in organizations adopt new information technologies, using cognitions such as perceived usefulness (PU) and perceived ease of use (PEU) to predict a person’s attitude, which in turn determines intention to use or actual use of the technology. TAM was adopted by marketing to predict consumer acceptance of technology (e.g., Kulviwat et al. 2007). One of the limitations of the TAM and its derivatives in their application to this realm, is that TAM, while doing an excellent job *predicting* intention to use, goes little beyond this in *explaining* the reasons why consumers voluntarily choose and use a technology, and in some cases, propel it to unprecedented rates of adoption and use. It views the adoption of the technology as the end, or the objective, whereas from a consumer perspective, the technology is rarely the end, but rather a means to an end (Bagozzi 2007). We refer particularly to the study of the spectrum of consumer-driven, web-based technologies that constitute social media.

The approach we advocate in this paper begins with important characteristics of the product (e.g., its ease of use or usefulness), and follows the cognitive processes of consumers deeper, probing the reasons *why* those attributes are important to them. Many of these reasons are unconscious to consumers, but are deeply-embedded in their knowledge structures and are powerful motivators of decisions. The approach, presented here in an exploratory study of Facebook use, is based on means-end theory, well-established in the field of consumer research. It may provide additional, deep insights beyond those afforded by the TAM as it seeks to explain *why* consumers adopt a given technology, or even why they choose not to. This approach has not been used before in the study of technology adoption.

Means-End Theory and Consumer Knowledge

Means-end theory (Gutman 1982) proposes that product knowledge is organized hierarchically and causally in a consumer’s memory beginning with knowledge about salient product attributes, at a shallow level, consequences of product purchase or use at a deeper level, and then personal or symbolic values satisfied by these, at a deeper level still. The bundle of attributes or benefits that represent a product are merely a means to the end of satisfying these values. Many of these layers of knowledge are unconscious to the consumer and have to be elicited using qualitative research techniques such as laddering interviews (see Reynolds & Phillips 2009), and the results of these are used to build means-end chains (MECs), visual representations of these hierarchies, such as the one shown in Figure 1.

Figure 1. Representative Means-End Chain for ‘Starbucks’



MECs are a useful conceptual tool to help marketers understand why a certain attribute is important to consumers, and what the ends, in terms of values are, which motivate the adoption of given products. Armed with this knowledge, marketers are in a better position to craft more effective marketing strategies that speak to the true needs of consumers. The TAM can be used to predict intention to use; the MEC approach can aid in crafting appropriate marketing strategies. The two models can be used complementarily.

Method

Initially, a preliminary descriptive survey of college students and their Facebook use was conducted. Responses, though often quantitative, were not restricted to this format. Respondents were provided opportunity to qualify or explain some responses using the unrestricted, open-ended format. Two such question asked respondents why they used Facebook, and what their feelings were toward the site. Most frequent responses to these two questions provided a starting point for the laddering process used in the subsequent, exploratory, qualitative study to help uncover the deep “why’s” of Facebook usage. Fifteen students enrolled in a senior-level marketing class were then recruited to participate in the in-depth interviews, for course credit. Twelve used Facebook and three did not. Respondents’ verbatim replies to the open-ended, probing, laddering questions were recorded in the sequence they were provided. Interviews were conducted with the aim of

determining how this technology fit into respondents' personal lives, or why they chose not to use it, repeatedly probing using "Why?" questions (Gutman 1982).

Results

The coding and analysis process began with a classification of the responses into the four levels of abstraction, using Dedoose, the web-based, mixed-methods analysis software. A score matrix was then set up with the ladders generated, followed by an implication matrix, which captures the number of direct as well as indirect connections between elements. "Significant" connections were determined using a chosen cutoff value. A hierarchical value structure map (HVM) was then constructed from this matrix, using only the significant connections represented in the matrix (see Reynolds and Phillips 2009, Gutman 1982).

Key Findings

A notable initial observation was the rich and varied set of values this technology appears to help consumers achieve, such as competence (in managing social life), self-image (it's who I am), belongingness, and value my privacy (reason for not using it). The implication is that Facebook is a complex consumption object, which has varied features to offer different consumers, and with which consumers appeared to connect in multiple, complex, ways. A product or technology that is able to establish a multi-layered relationship with a consumer in this way is less likely to be abandoned or dropped for a competitor. From the HVM, two significant attributes that emerged were "easy tool to help stay connected" and "easier than other communication tools." These correspond to the PU and PEU factors of TAM. However, rather than stop here, the HVM probed deeper, revealing that these attributes were means to such ends as "I can be/ feel friendly," "life is all about caring for people," "I don't feel alone or isolated," "competence in managing my social life/ relationships," and "value friendship/ family." Facebook revealed itself to be a technology that speaks to the deepest needs for human connections and users' self-identity; as an intrinsically social tool, itself propagated through social pressures; and being able to address isolation and a sense of alienation. For some, the ease of use (by others) was a negative, and a put-off. Nonusers cited its resultant clutter as being overwhelming and all-consuming. Facebook's

perceived deficiency in affording privacy was an oft-repeated concern, which is an area the company can work on to win over reluctant users or to reassure current users. These are characteristics of the technology that help us understand failure to adopt.

The rich and multidimensional portrait painted by this tool, of the relationship of consumers with this technology can enable marketers to formulate customer-centric strategies (Gulati 2010) built based on a deep understanding of consumers and the values met by a technology. Facebook marketers can look beyond its present success to introduce new products or variations that speak to these values with new and evolving technologies, planning Facebook's obsolescence, and pre-empting competitors from prying open cracks of negative consumer sentiment to develop and introduce alternatives.

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Summary Brief

QR Codes: Industry Perspectives

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A Quick Response Code (QRC) is a small two dimensional graphical code that contains encoded information, which can lead customers to find further information of interest about the product it promotes. QRC is gaining popularity among many organizations within the U.S. as well as the rest of the world as a mode of communication with their customers. However, problems like low customer awareness, lack of pre-installed QR scanner apps and security concerns prevent majority of customers from fully using QR codes. The present study examines QR codes from the perspective of company executives and analyzes the reasons for which these companies use them and the inhibiting factors that prevent executives from using them. Results indicate that QR code is primarily viewed by executives as a strategic and communication tool. They also believe that it is easily available to majority of customers and is easily recognized by customers as a way to communicate but there still exists a huge lack of awareness among smart phone users about the functionality of a QR code. The executives were very pleased with the tracking abilities using the QR code technology.

Introduction

Quick Response Code (QR code) is a graphical encryption that contains encoded information. It can contain product information, a video, a website address, a document or any other relevant information. QR codes are increasingly being used by firms across the globe as an effective marketing tool. QR codes can be posted in print ads, billboards, packages, emails, websites, business cards and many other forms of media outlets. Mostly, QR codes are used to guide the consumer to a website where they can find additional information about a product or to perform a task (e.g., take a survey). QR codes enjoy a major advantage over one dimensional barcodes since they can carry data both horizontally and vertically, thus allowing the barcode to have more data capacity. QR code is the latest addition to 'Web 2.0' applications. It represents an offline "URL" that can be used to link customers to online content like video, website or ads. Given the exponential increase of mobile marketing through smartphones, this feature of QR code can be very useful in the mobile market platform where content can be represented in a simplified way in the forms of apps. QR code will allow customers to know more about a product through their mobile phone apps. Despite the promising nature of QR codes, its adoption has been fairly slow. The objective of this study is to examine factors that inhibit and help the growth of QR code applications in marketing. Research on QRC is scant; studies that examine QRC from a practitioner's perspective are non-existent. Most of the research available about QR codes is based on the Japanese market, where its diffusion is at a more advanced stage. Hence, it is necessary to understand the user experiences

from the perspective of both an encoder of QRC (e.g. organization, advertiser) and a decoder (e.g. mobile phone user, consumer). The purpose of this study is to: a) discuss briefly the origin and application of QR codes; b) review the existing consumer –centric research on QR code adoption and challenges; c) discuss the findings from qualitative interviews with executives of corporations currently using or considering to use QR codes; and, d) suggest some strategies in implementing QR codes in the current marketing campaigns.

Literature Review

Quick Response codes were developed by Denson Wave in 1994 as a way for Toyota to manage their inventory. The main purpose of QR codes as developed by Toyota was to improve inventory control and tracking mechanism in the manufacturing units. However, Toyota chose to release the technology freely to public in 1994 (Walsh 2009). However, Forrester Research reported that only 5% of the Americans with mobile phones actually used their phones to scan QR codes by July, 2011 and most of those early adopters were male, young and affluent (Patel 2012). Thus, even though QRC has grown big in a short time frame, a majority of customers have yet to use QR codes. Walsh (2009) points out that one inhibiting factor could be the lack of standardized QR code scanners. Most of the smart phones that are available in the U.S. do not come with a QR code reader app pre-installed unlike Japan, where it is a standard pre-installed app. Japanese consumers are heavily exposed to QR codes from sources like flyers, posters, magazines, newspapers, email and other media sources and they use their mobile phones to access information embedded in those codes. There are several examples of QR code enabled pull strategies, where customers initiate the communication process. Such application of QR codes have the advantage of being less intrusive compared to the typical push marketing strategies. For example, to increase the popularity of their fast food items McDonalds Japan put QR codes in their packaging to provide additional information about the food (Dou and Li 2008).

Methods

The primary objective of the qualitative survey was to understand how QRC was being adopted, implemented and what were the end results. Executives from 29 corporations were interviewed about the adoption, implementation and usefulness of QRC technology. The companies that the executives belonged to, represented a wide range of industries that included a FORTUNE 500 beverage company; a FORTUNE 500 food and grocery wholesaler; an international non-profit charity and relief organization; a regional chapter of a national non-profit

organization teaching financial responsibility and business operations to young people; a FORTUNE 500 informational technology services company; a FORTUNE 500 computers and office equipment company; a national sporting goods chain; a national broadcasting and entertainment company; a FORTUNE 500 oil and gas equipment and services company; a national healthcare equipment, furnishings and living services for senior living; a regional private university; a Japanese pharmaceutical company; a deli restaurant chain; a pharmaceutical manufacturer; and, a national company managing asset integrity system of oil and natural gas industry. The respondent group also included executives from three branding and marketing consulting agencies; a mobile marketing firm; a web marketing agency; a national Ad-agency and a Hispanic marketing firm. An invitation for participation letter was first sent to almost 50 executives in the Houston, Texas area and then the survey was sent to those who agreed to participate in our study. 27 executives agreed to take the survey and e-mailed their responses back.

We conducted an exploratory factor analysis and based on exploratory factor analysis and using our judgment we believe that the items can be grouped into three factors as follows:

Factor 1: Major strategy, Major element, Social network, relationships, tracking

Factor 2: Easily recognized by customers as a method to communicate with message sponsor, Simulates interest in communication message, essential information source, easily accessible to customers via mobile phones.

Factor 3: Future value

A preliminary regression analysis with future value as dependent variable and strategic advantage and communication advantage as independent variables indicated that the two independent variables explain 45% of variance in dependent variable. However, strategic advantage had a positive but insignificant relationship with future value ($\beta=.21$, $t=1.36$, $P=0.18$). Communication advantage had a positive and significant relationship with future value ($\beta=.55$, $t=3.46$, $P<0.05$)

Findings and Conclusions

Our qualitative and quantitative analyses indicate that QR code is primarily viewed by executives as a strategic and communication tool. They also believe that it is easily available to

majority of customers and is easily recognized by customers as a way to communicate but there still exists a huge lack of awareness among smart phone users about the functionality of a QR code. The executives were very pleased with the tracking abilities using the QR code technology. There was unanimous agreement that QR code adds a mystery element when incorporated to an ad and would stimulate interest in the message but then was the general feeling that often customers are led to just a mobile or even a static website which furnishes them more information about the product but no other incentives for their data usage or even for their effort to go through the whole process of locating the QR code in the ad, pointing their phones at the code, and scanning the code. There are also the multiple instances that the executives recalled when the scanning app failed for a potential adopter due to lack of a standard QR code scan app installed in the smart phones sold in the United States. The failure of an app during the scan process, lack of scanning incentives, and awareness among customers are some of the challenges to overcome if QR code technology is to survive in the coming years. When it comes to installing one standard app in all the smart phones being sold in the US market, the QR code advocates / implementers have little or no control over it but they can certainly rethink their 'game plan' with respect to consumer education about the codes or employing a 'pull' strategy aided by the codes to either disseminate information about their products or services or even implement a loyalty program system or coupons or other value-added incentives. This could call for a paradigm change in the world of digital marketing which is becoming the current mainstay of a company's marketing initiatives through an inter-play between social-media and app driven marketing strategies that are being integrated with their offline brand presence.

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The Ties That Bind: Product Embeddedness Mediating Effects on Mobile Application Turnover Intentions

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In the digital age, users of mobile applications (m-apps) can interact with others and engage the external world from their mobile devices (tablets, smartphones, etc.). While popular, the stimulation and interaction offered by m-apps creates sizeable ‘noise’. The new quest of m-app marketers is to create a product that will entrench users in a memorable and effective way. This type of generated attachment can help counteract a frequently noisy marketplace. This research introduces a modified concept of product embeddedness to aid in understanding these interactions. Product embeddedness occurs when a consumer perceives links to the product, is a good fit with the product, and would have to make a sacrifice if he or she left the product. These dimensions are the deciding factors that affect the consumer’s level of product embeddedness and subsequent decisions to continue use of the product or the “turnover” to another product.

Embeddedness as a construct is popular in the management research literature, but has little to no support in marketing research. The construct is generally defined as how an individual is tied to another variable such as an organization, occupation, product, or brand. These “ties” are characterized by three variables: (1) the person’s links (identification/ involvement/ interest) to the embedding variable (2) their perceived fit with the embedding variable; and (3) their sacrifice or what one might give up in the process of leaving the embedding variable (Mitchell et al., 2001). Many people would agree that with most products or services, there is a point of no return. This point is where the perceived cost of user inputs exceeds the possible tradeoff benefits of locating a new product/service that will better fulfill the same wants and needs of the consumer. This is especially true in the mobile technology era where user costs are perceived as nearly non-existent. Mobile applications (m-apps) will reach a saturation point where many users will feel tied to using the product simply because the costs associated with finding a new medium are much higher than their level of frustration with current problems. These costs are offset by the high level of users’ product embeddedness. With m-apps becoming one of marketing’s main channels to connect with users, it bears asking the question, does a user’s level of m-app product embeddedness affect m-app turnover intentions? Stated another way, what links do m-apps offer that embed the user into continuing to use their product versus disengaging, or finding an m-app better suited to their needs?

Mitchell et al (2001) conceptualized an individual’s embeddedness to a job from three critical aspects: links, fit, and sacrifice. Links are the ties to others and activities in the job, fit is the extent the job and communities within the organization are similar to the employees other life spaces/activities, and sacrifice

is ease with which these links can be broken/disengaged. To make these aspects more meaningful in the m-app marketing context, the descriptions will change as follows:

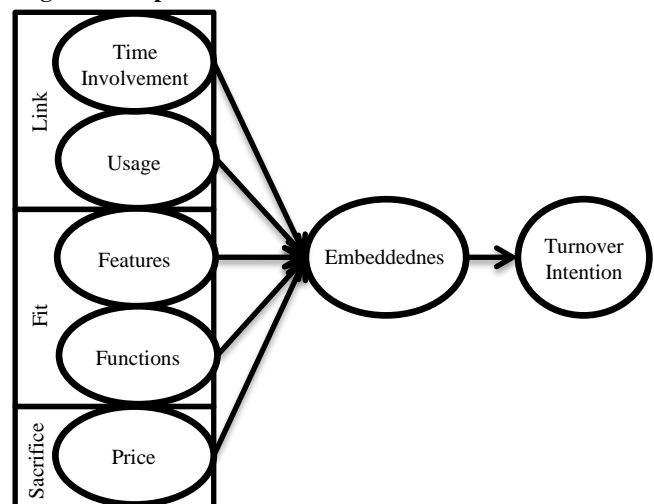
Links- The extent to which the user/consumer has ties to the m-app through exchanges.

Fit- The extent to which the user/consumer and the m-app fit with one another to drive their needs and need fulfillment.

Sacrifice- The level of ease by the user/consumer to discontinue the interaction with the m-app through the disconnection of links.

Consumers’ interactions with m-apps form links between themselves, their m-app, the device and possibly other users. With an increase in these links, the user becomes more embedded in their m-app making it more difficult to leave, or turnover. Similarly, the level of fit the user feels can lead to a stronger feeling of embeddedness due to their increased positive perception of the m-app features and functions. Finally, the sacrifice that the user makes when involving themselves in the m-app can lead to an increased tie to further embed the user with the m-app. Based on the conceptualization above and utilizing constructs from previous research and pilot studies, the authors propose Figure 1.

Figure 1. Proposed



The data will be collected through Amazon’s Mechanical Turk (MTurk) to ensure that a larger population is sampled to test the initial path model. To analyze the data, structural equation modeling (SEM) will be used to examine the path model hypotheses.

The main contributions for this research are threefold. First, the study aims to better define product embeddedness as a construct, since there has not been research presented in the marketing literature on how embeddedness can affect product turnover intentions. This is a valuable area for research for both academics and practitioners since, in the age of the free and freemium model, it is more important than ever to find the right mix of attributes for user retention. Next, marketers have yet to bring embeddedness to the marketing literature in a meaningful way. There are many areas of marketing, (e.g. branding, advertising, strategy), that are ripe for research on how the level of

a consumer's embeddedness in a product, brand, or group can affect their pre-purchase, purchase, and post-purchase behaviors. Lastly, this research is aimed at bringing m-apps benefits into the forefront of the marketing literature due to its high adoption rates, its ease of use, and its low cost-to-benefits ratio.

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Summary Brief

Creepy Marketing: Has Marketing Technology Gone Too Far?

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In this paper the authors develop a new construct, Creepy Marketing. The authors first discuss the impact of personalized marketing on consumers. Based on this discussion a qualitative study which examines both annoying marketing and creepy marketing from a consumer's perspective was conducted. The authors investigated these two terms in an attempt to qualitatively discriminate perceptions between annoying and creepy. The result

of the study distinguishes annoying marketing, defined primarily as tactics, from creepy marketing, which was predominately described as feelings that are elicited when one thinks marketing is creepy. Based on the study, creepy marketing is defined as being composed of three dimensions; invasion of privacy, stalking behavior and violation of social norms. Each of these dimensions is discussed and directions for future research are provided.

Summary Brief

Consumer Motivation to Engage in Social Media Communications

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Social media has created a paradigm shift in the way people communicate. Traditional means of reaching consumers through mass media has become less effective in recent years (Phillips and Noble 2007). This trend is indicative of the need for consumers to communicate with each other and businesses in an interactive manner. Today's consumers desire more of a dialogue as opposed to one-way marketing messages. They want to see the human side of corporations. Social media is participatory online media (Gillin 2009) and "...the democratization of information, transforming people from content readers into publishers," (Solis 2011, 21). It is basically a social communication using some form of technology. Most marketers are using social media as a marketing tool (Shaffer and Garrett 2011). Therefore, it is important to understand the dynamics of why consumers are motivated to engage in these social media communications with businesses.

Introduction

There is a growing amount of research being conducted on how social media marketing fits into the relationship marketing literature, but the depth of empirical studies is still lacking. The current research will address this need by combining social media and relationship marketing constructs along with the consumer motivation angle to get a better understanding of how it all fits together. By bringing together research on social media marketing, motivation, relationship quality, and important outcomes, this study will provide insight into how consumers view social media communications from marketers and how marketers can increase outcome variables such as customer satisfaction, intent to purchase, loyalty and word of mouth by incorporating social media into their existing relationship marketing strategies.

Conceptual Framework

For the past few decades, marketers have understood the value of building and maintaining relationships with their customers. It is established in the marketing literature that building long-lasting customer relationships is an important way to create a competitive advantage in a crowded marketplace (Barlow 2000). Proponents of relationship marketing focus on the mutually beneficial aspects of these relationships for both the customer and the company (Berry 1983; Morgan and Hunt 1994; Parvatiyar and Sheth 2000). However, there are critics of relationship marketing that find the

relationship to be more one-sided in favor of the companies (Fournier, Dobscha, and Mick 1998; Newell 2003; Noble and Phillips 2004).

Social media bridges this gap and has the ability to give consumers a powerful voice in their relationships with companies. Social media is a network of interrelated interactions. These interrelated interactions come together to become episodes, episodes form together to become sequences and finally, the sequences combine to become a relationship (Holmlund 1997). Barwise and Meehan (2010) point out that the best social media strategies focus on building consumer trust and communicating a clear benefit to the consumer that should be continuously improved. The opportunity is there for social media marketing to fulfill the core goals of relationship marketing by creating a mutually beneficial relationship between consumers and companies. The overwhelming majority of marketers agree that the ability to engage in dialogue with consumers is one of the best benefits of social media marketing (Mershon 2012).

In order to truly understand this dynamic between consumers and companies, marketers must view social media communications from the consumers' viewpoint. They must try to understand why a consumer would be motivated to engage in social media communications with a company and also how this could strengthen the relationship and ultimately benefit the parties involved. There are two types of motivation that individuals experience: intrinsic motivation and extrinsic motivation. Intrinsic motivation is internal and based on self motivation. External is outside yourself and based on incentives, offers or discounts. It is important for marketers to know their target market's primary type of motivation, so that they may create their social media communications to speak to that motivating factor.

Research Methodology

The financial services industry was chosen for this research due to its focus on customer communication. Customers often turn to their financial services providers for a source of trusted information. Many financial services providers are using social media outlets as a way to further add value to the existing relationship they have with their customers and to reach a new generation of customers.

Focus Group and Survey

A focus group will be conducted in an exploratory manner to guide the quantitative research. For the quantitative component, a survey will be created and distributed online through email and social media.

Sample and Data Collection

Customers of the financial services provider will be invited to participate in the survey. Respondents will be solicited through a variety of means including the provider's email list and also social media sites that are general in nature and applicable to a wide cross-section of people.

Analysis and Results

Confirmatory factor analysis (CFA) will be used for measure validation (Bollen 1989). The measurement model will be assessed for an overall fit (χ^2), CFI, and RMSEA. All the standardized coefficients will be checked for significance at the $p < .001$ level. The t-values for each indicator loading will be assessed for significance, which will indicate minimal cross loadings, and establish convergent validity (Anderson and Gerbing 1988). Finally, all constructs will be tested for reliability using the 0.70 baseline measure (Fornell and Larcker 1981).

Hypotheses Testing

Regression analysis with SPSS will be conducted to test the empirical relationships proposed in the hypotheses.

Discussion

The purpose of this research is to find out what motivates customers to engage in social media communications with marketers. To do so, motivation will be tested within a relationship marketing framework, specifically looking at the impact of motivation on the relationship between relationship investment including social media and relationship quality. Then relationship quality will be tested for its impact on several outcome variables such as customer satisfaction, intent to purchase, loyalty and word-of-mouth. The use of social media is current and on the forefront of the way customers communicate with companies and with each other. Any company competing in today's marketplace would be wise to invest in quality relationships with their customers and include some form of social media to do so.

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Summary Brief

Blog, Pin and Online Review Effects on Advertising Attitudes and Purchase Intentions

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The objective of this study is to examine the effects on a product's marketing identity and usefulness of social media venues, specifically, blogs, pins and customer reviews on consumers' attitudes toward advertisements, and ultimately purchasing decisions. It is hoped the information gained in this study will aid marketers in understanding how consumer media can affect corporate advertising appeals. We also examine these attitudes in terms of purchasing gift or for personal usage.

Introduction

Social media has become an important mode of marketing due to with the increase in Internet accessibility and usage – both online and mobile. The idea behind this phenomenon is the ease to connect and communicate to each other and to groups. Social media is a relatively inexpensive way of communicating messages, brands, and ideas, between not only consumer and the firm, but consumer to consumer. However, does the consumer find what another consumer posts as credible, and is this information used to evaluate traditional media information and purchase intentions? The objective of this study is to examine the effects on a product's marketing identity and usefulness of social media venues, specifically, blogs, pins and customer reviews on consumers' attitudes toward advertisements, and ultimately purchasing decisions. It is hoped the information gained in this study will aid marketers in understanding how consumer media can affect corporate advertising appeals. We also examine these attitudes in terms of purchasing gift or for personal usage.

There are several types of consumer generated social media used in the evaluation of products. The three main types are product reviews, blogs and pins. Product reviews are located on the sites that sell products. Amazon, as well as other sites, offers consumers the opportunity to rate and comment on products through a review process. Retailers hope that good reviews will entice shoppers to purchase. Blogs are websites devoted to opinions, information, and other resources for products. Blogs can be consumer-written, or company-based. Blogs offer consumers a more in-depth review of a product. Lastly, pins have become a source of information for consumers. Pins are photos of products that consumers display on boards on pinning sites. *Pinterest* is a leading photo-sharing site that allows users to create theme-based collections to share with other pinners. These three social media can become a part of a consumer's decision-making process when shopping either online or offline. There are studies that have shown that a good consumer review can have positive influence on purchase intentions (Park et al 2007), and blogs influence users intentions to shop online (Hsu et al 2013). The investigation of

pins for their effect on purchase intentions has not been undertaken.

The traditional media form of product information is the advertisement, and is used in consumer decision-making process. Now, with consumer product information, how do consumers couple all of this information together to make purchase decisions? Onishi and Manchanda (2012) find that there is a synergism between blogs and ads; however, we take this a step further to understand this synergism between other types of consumer online media and traditional media. Specifically, how does the growth of blogs, pins and reviews, effect consumer attitudes toward advertisements when purchasing a product.

Model and Hypotheses

To investigate these questions, development of a theoretical framework based on previous research in social media and advertising analyzes the responses. To study the effects of social media's blogs, pins and customer reviews the survey consists of four routes which all lead to questions regarding how the consumer feels about the product and the purchasing decisions about the product, as a gift or as a personal purchase, in light of social media interaction and a given price.

Method

University students, a representation of a population that widely takes part in social media sites, will give us a sample for a preliminary investigation.

In this survey, a coffee brewer is the product evaluated. The key variables include attitude toward the advertisement, blog, pin or customer review; credibility of the advertisement, blog, pin or review; value of the advertisement, advertisement's usefulness, product curiosity, product awareness and purchase intention.

Analysis of variance (ANOVA) allows for the understanding of the differences in associations between the different types of social media, as well as their influence on attitudes toward advertisements. The control group of this experiment views the product advertisement in which the questions will be asked and answered without viewing a blog, pin or customer review

Conclusions

Several studies reveal that there are differences in consumer behavior in terms of purchase selection when purchased for a gift or personal use (Belk 1982). We also investigate if this information is useful in terms of personal purchases or for gift giving.

This research should aid marketers in understanding the impact of consumer media on both traditional media and the consumer decision-making process. As media evolves, so does consumer behavior, and this study allows for an understanding of the effects of these changes.

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MARKETING EDUCATION TRACK

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Summary Brief

The Restorative Effects of Unplugged Leisure Time

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College students spend an inordinate amount of time “plugged in” consuming different types of media. What happens to the brain as a result of all this stimulation? When students journey outdoors and unplug, how does escaping from the demands of this stimulation impact the individual? By using the theories of Directed Attention Fatigue (DAF) and the Attention Restoration Theory (ART) this study examines the possible costs of indoor technology-enhanced lifestyles. An Unplugged Event was held on a University campus and the variables of escape and fascination were measured to assess the impact of technology on attention and fatigue. Significant differences were found for escape and fascination in students participating in the unplugged event versus a control. The findings suggest that students would benefit personally and academically from routinely getting outdoors and escaping the demands of technology. The brain needs time to rest and some uncluttered time for thinking to maximize learning potential.

Introduction

Education has embraced social media and the Internet to maintain relevance with the current generation. In North America 95% of adults between the ages 18 and 33 report some form of online activity (Zickuhr 2010) and 72% of young adults use some form of social networking website (Lenhart et al 2010). Laptops and other social media devices are commonplace in the classroom. Do we serve the education process when our students have accessibility to these devices? The purpose of this study is to reconsider the integration of social media into the classroom, and propose an answer to issues associated with fatigue incurred by split or directed attention. To better support our students, this study promotes teachers “unplugging” students from their social media devices and enjoy recreational activities.

Literature Review

James (1892) considered attention as finite and subject to limitations. The theory of Directed Attention Fatigue (DAF) states effort expended on concentration is subject to stress and fatigue, because cognitive focus is a limited resource. Inhibition, the ability to limit competing stimuli or thoughts, helps to promote concentration (De Young 2010), but is finite as well. Running multiple cognitive “threads”, or multitasking, exacerbates attention issues and contributes to fatigue (De Young 2010).

While multitasking is defined as performing two cognitive tasks simultaneously, only one task can have the full concentration of the conscious mind at one time (Pashler 2000). Inhibition allows the mind to switch from one task to another, however a “bottleneck” occurs as the brain switches back and forth to determine which task to perform, resulting in a loss of efficiency

(Marois et al 2005). Foerde et al. (2006) found while the brain is adept at switching between thoughts, declarative learning, associated with elaborative encoding and applying knowledge to new situations, is inhibited. Multitasking in the classroom has mixed results. Fried (2007) found using laptops in class is negatively related to test scores. Burak (2012) found a correlation between multitasking in the classroom and lower GPA scores. Bowman et al. (2010) found texting during a reading assignment took 59% longer to complete the task than a control group.

Attention Restoration Theory (ART) posits to overcome attention and fatigue issues by exposing the student to environments that are restorative in nature (Kaplan and Kaplan 1989; Kaplan 1995). ART proposes that restorative settings promote recovery from mental fatigue, and have four properties including escape and fascination (Kaplan 1995). *Escape* is the distancing of one’s self from one’s day-to-day activities. *Fascination* is an involuntary attention, which requires little or no effort. While found in built environments (Rosenbaum 2010), fascination is posited to have a greater effect in natural outdoors settings such as forests, parks and lakes. These aesthetically pleasing settings promote reflection and the recovery from stress and fatigue.

Hypotheses

This study contends that students removed from their indoor technology-enhanced lifestyles and given outdoor activities will experience escape and fascination, the precursors of a restorative experience. Furthermore, the restorative qualities of such experiences are greater when the subjects are “unplugged” from their electronic devices, i.e., smartphones, tablets and computers.

H1: Activities in an unplugged environment are positively related to escape.

H2: Activities in an unplugged environment are positively related to fascination.

H3: An unplugged environment has greater escape than a routine environment.

H4: An unplugged environment has greater fascination than a routine environment.

Method

The proposed effect was studied at an *Unplugged* event at a Southeastern university in the United States. The day focused on games and activities around campus, with the one requirement that all electronic devices to be turned off. Students filled out a questionnaire after completing activities and asked to reflect on their overall evaluation of their experience. Fifty surveys were collected for the study. A control group took the same questionnaire based upon their regular activities. Of this group 92

surveys were collected for the control. Using the 29-item Perceived Restorative Scale by Hartig et al. (1997) a five-item Escape scale and an eight-item Fascination scale were extracted. Summated scales were created for both the escape and fascination. The unplugged participants and the non-participants were tested using a means comparison and the significance was tested using a manipulation check.

Results

The summated scale for escape had a greater effect in the unplugged group than the control group (27.64 vs. 23.57) as well as fascination (34.97 vs. 31.39). The manipulation check for escape ($F=9.174$, $p=.003$) and fascination ($F=7.659$, $p=.006$) were significant. The students participating at the unplugged event experienced greater escape and fascination, engaging in activities free from the use of their normal social connectivity than those in the control group engaged in their normal activities.

Discussion

This study found that both removing oneself from one's normal environment and engaging in activities in natural surroundings created higher levels of both escape and fascination. Unplugging students promotes recovery, restoration, and the learning experience by relieving them from the fatigue of both the classroom and the participation in multitasking activities.

This research calls into question the value of multitasking work in the normal classroom experience. If the requirement of multitasking is unavoidable, teachers and educators should promote student behavior that restores cognitive balance with assignments that limit "plugged in" requirements. Educators should schedule "unplugging" events that engage students in social activities away from the connectedness of social media and other screen times and encourage activity in natural surroundings.

Limitations and Conclusion

This study incorporated a single unplugged day, at a single campus. The study was also not duplicated in the classroom to provide a control for the classroom experience. Future studies of the unplugged events are planned with a possible classroom control. Performing the Digit Span test for cognitive effectiveness is planned.

To provide the greater experience for our students, we should endeavor to deliver to them knowledge in a format that students can best assimilate and comprehend. While educators must live in the real world, we may have to step away from the modern net. In unplugging our students, we may provide them with the means in which they can recover from fatigue, and reflect and focus on learning.

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Summary Brief

Massive Open Online Courses (MOOCs): Student Perspective

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A Massive Open Online Course (MOOC) is a model for delivering learning content online to any person who wants to take a course, with no limit on attendance (Educause 2013). This research looks at the emerging MOOC phenomenon from a student perspective. This presentation considers, in turn, (1) student access, (2) course content, (3) content presentation, (4) interpersonal interaction, (5) assessment, and (6) course outcomes. The student perspectives are examined by first-hand experiences and by data gathered from students via MOOC online forums. This research will contrast the MOOC model with mainstream university courses.

Discussion

The MOOC industry is dominated by three MOOC content platforms; Coursera, edX, and Udacity, and is characterized by a growing number of sponsoring universities, instructors and courses (Pappano 2012). The author has completed five MOOCs on business (U of Pennsylvania; California-Irvine), history (U of Virginia), and science (Duke) via Coursera. This research will focus on the Coursera platform. Although this research is written from the student perspective, the author's experience was informed by his role as a university professor.

According to Coursera (2013a): "We are a social entrepreneurship company that partners with the top universities in the world to offer courses online for anyone to take, for free. We envision a future where the top universities are educating not only thousands of students, but millions. Our technology enables the best professors to teach tens or hundreds of thousands of students." Coursera is an online platform with which students can participate in online courses by faculty from select universities.

At the time of this writing Coursera presented 313 courses from 62 institutions, including 16 international institutions (Empson, 2013). Coursera announced its 3 millionth user on March 13, 2013 (Coursera 2013b).

Compared to mainstream university courses the student access to MOOCs is extremely simple. Although no textbook is required, the framework of the MOOCs is based on a book, textbook, or other defined domain of knowledge. The MOOCs often point to a suggested book and recommend web-based readings and videos. This research will discuss the use of textbooks and other published content in MOOCs.

Video recordings of lectures are the main vehicle for presenting course material in MOOCs. Although each instructor presents video material in a unique way, this research will discuss the "best practices" in MOOC video lecture techniques. Students can interact with other students, course staff, and occasionally the instructor on the discussion boards, at their option.

This research also discusses the various assessment tools used in MOOCs, including quizzes, exams, and written assessments. This research also discusses the peer assessment process from the student perspective. Overall the assessment

format is generous by university standards: assessments are without time constraints, with access to notes, and with the ability to review course videos and other material such as presentation slides.

There are 4 typical possible outcomes for a student who successfully completed a MOOC course at Coursera: (1) certificate of accomplishment (with one of two levels), (2) "Signature" verified-identity version of the certificate, (3) credit recommendation, and (4) nothing. This research will discuss each of the student outcomes, and the motivations for students to seek various outcomes. See an example of a certificate that was verified, earned with distinction, and earned via a Credit Recommendation exam at <http://tinyurl.com/boj9wjt>.

The American Council on Education (ACE) process for turning a MOOC Credit Recommendation exam into university credit will be discussed. Other trends in earning academic credit for MOOCs will be discussed, including programs at the University of Washington (Thomas 2012) and in California (Fain & Rivard 2013).

Enrollment, attempts, and completion rates for courses will be presented. This research is focused on the student's perspective; therefore the research will discuss the benefits and drawbacks of MOOCs for students in comparison to alternative learning opportunities.

Conclusion

MOOCs are a rapidly evolving format that may have significant impact on the learning opportunities for students. The research will discuss from a student perspective various elements of a Massive Open Online Course (MOOC), with the added perspective of a university professor with substantial teaching experience. An examination of the emerging MOOC phenomenon, based on first-hand experiences and student data, should be relevant to and of interest to SMA faculty. This research on MOOCs should also be relevant to administrators and the "managers" of higher education institutions.

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Branding a Public University in the 21st Century: Public Policy or Business Decision?

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In 2002, the University of South Carolina Beaufort was authorized by the University of South Carolina and the state to expand its role from a two year campus to a senior, baccalaureate institution in the USC system. USC Beaufort became a cutting edge case study of the challenges of operating a public, comprehensive, university system institution while adapting to a chaotic wave of change in higher education.

Strategic Branding Opportunity

USC Beaufort received Southern Association of Colleges and Schools accreditation and granted its first baccalaureate degrees in 2004. In the 9 years between 2002 and 2011, USC Beaufort rapidly added degree programs, built a new campus, including Palmetto Village, the first on-campus housing. Beaufort was the fastest growing USC system university for almost a decade. The growth was attributed to its location in a corner of the state with no university access and in the heart of a pristine tidal ecosystem, a region rich in Southern history and African-American culture adjacent to the beaches, golf courses and international resorts of Hilton Head Island.

USC Beaufort's Historic Beaufort campus (HB) was situated on eight acres on the Intracoastal Waterway in a National Historic District. Moss draped live oaks surrounded the approach to the original Beaufort College, chartered in 1795 as the second higher education institution in the state. This campus straddled a city street leading into quaint downtown of Beaufort--and included several historic buildings, a few 1970's structures and a 1940's era elementary school. About 35 minutes drive away, on the other side of Beaufort County, the brand new "main" campus, Hilton Head Gateway (HHG) was positioned on 200 acres about 12 miles outside the Hilton Head Island resort. It incorporated \$70M in new, technology-infused buildings, including a BSN in Nursing teaching facility, bright, modern classrooms, a high-tech library with a coffee shop, apartment-style campus housing and the Sand Shark athletics programs. By Fall 2011, USC Beaufort offered 14 areas of study leading to a baccalaureate degree and nine NAIA athletic programs to a student body of 1844 (1518 Full Time Equivalent). Housing was full and the first campus center with fitness center, dining facilities and outdoor recreation spaces had opened in the fall of 2010. Two more campus apartment buildings opened with no vacancies in the fall of 2011, bringing the residential student population to just under 500 students. In less than a decade, USC Beaufort had developed into a "full service university."

As the state's newest baccalaureate university, Beaufort needed to introduce itself to prospective students with a distinctive and powerful message describing how the region's strengths enhanced student research, internships, and living/learning experiences. With corporate marketing experience in two Fortune 500 global capital goods firms and an MBA from a top national

program, Vice Chancellor for Advancement Wendy Wilson understood the classic process for branding a product. Re-branding a client-centered services organization like a university, where staff shared governance with faculty and the voices of taxpayers, donors and alumni must be united, would require a different process. Wendy's decisions would also be subject to review by the USC system leadership and the state legislature.

Financial Drivers

As a new university endeavoring to grow enrollment rapidly, USC Beaufort partnered extensively with its local counties to build facilities and expand housing and food service. Contributions to the revenue stream from the state of South Carolina declined to 5%. This level of state funding was exceptionally low by South Carolina and national standards.

This decline in state funding, coupled with student enrollment growth, reduced annual state support per South Carolina resident student from a high of \$3824 in 2002 to \$1300 in 2010. The average annual funding per SC resident student in the comprehensive sector was \$2500; the state subsidized private higher education at \$3200 per SC resident student per year.

As she assumed the role of Governor of South Carolina in January 2011, Nikki Haley continued to press for an accountability based method of allocating state funding to public higher education. As the lowest funded public university in the state, USC Beaufort desperately needed the state to "level the funding playing field" for a couple of years, so it could build needed infrastructure before beginning to allocate funding using ABF performance measures.

The change in university role and mission in 2002 and the continuous opening of new degree programs, athletic programs, housing and campus life facilities led to a dramatic increase in student enrollment. From 2002 to 2011, USC Beaufort more than doubled its Full Time Equivalent (FTE) enrollment from 690 to 1518. However, the Admissions Director reported that enrollment from the four local counties in USCB's service area had flattened for the Fall Semester of 2010 and that future enrollment growth would need to come from outside the region.

By 2011, USC Beaufort was attracting a growing number of students from the Midlands and Upstate of South Carolina, by offering the lowest baccalaureate tuition in the state and the opportunity to live in the Lowcountry, a part of the state treasured for its history, beauty and unique culture. Out-of-state students tended to find USC Beaufort through vacations in the area. For USC Beaufort, attracting out-of-state students, who paid the actual cost of their education and who brought geographic and cultural diversity to class discussions and campus life was a strategic goal. Enrollment growth to reach 3000 students would enable USC Beaufort to offer a greater range of academic majors and gain economies of scale in operations.

Exploratory Research

Vice Chancellor Wendy Wilson began holding exploratory conversations with key leaders. “Beaufort” (no change), “Hilton Head,” “Sea Islands” and Lowcountry” (historical descriptors of the region) and the combined “Beaufort/Hilton Head” were frequently proposed as descriptors to follow “USC” in the university name. In each conversation, Wilson sought support for the three criteria the consensus based process could employ to guide the final decision:

- Conveys the mission, vision, history and heritage of the University
- Resonates with our constituencies by conveying the distinctive strengths of our region
- Promotes university’s growth. Intrigues and welcomes individuals from outside our region.

Other criteria suggested included a name with staying power for 50-100 years, a descriptor with an authentic impact on student education and a descriptive phrase that unites the region, rather than favoring one campus or community over the other. For many reasons, including USC Beaufort’s 30% minority enrollment, VC Wilson wanted the region’s African-American leaders to find the name welcoming and inclusive.

In response to interest in the identity project among the senior leadership team and community leaders on the “Partnership Board,” USC Beaufort Chancellor Thomas and Wilson met with a number of key county and state leaders privately to gauge their support for “a descriptor change after the USC in our name.” Most of these individuals had been involved in the initiative to “take USCB baccalaureate,” and agreed that strong marketing was required to achieve their vision for the institution. Privately, they encouraged USCB to move forward.

The higher education consultants VC Wilson contacted to discuss the identity project asked for a detailed institutional strategic plan. One consultant described moving forward on the branding change without an extensive, consultant-led research process and a detailed, “bottom up” strategic plan as leading to “possible, but not probable” success. Yet, Wilson knew that the simple act of hiring a consultant—“spending good university money to tell us what we already know about ourselves” as a Partnership Board member called it, would anger influential Beaufort community members and donors with strong ties to USC Columbia, the legislature and state-wide leadership.

Risks and Returns

Over and over, Wendy contemplated whether to pursue the identity change during the 2011-12 academic year. Given its growth-oriented business model, did USC Beaufort have any choice other than to take responsibility for its future and move forward? Since the initiative was in its fledgling stage, and Wendy hoped the project would unite a politically divided region behind the new university, a consensus approach seemed appropriate. However, a single Board of Trustee member, legislator, strong

donor, powerful community leader or member of the USC system president’s staff could stop the project. Getting caught in the crossfire between the state legislature, the USC system and the Partnership Board was a losing proposition for Wilson--and could harm her chancellor’s career and influence as well.

Building support with the USC System Board of Trustees and the USC President in the face of legislative unrest would be unlikely. While the majority of the USCB legislative delegation supported the re-branding in private meetings, whether they would do so in public--or in what could become a legislative debate--was not clear.

If the risks of attempting the change were difficult to assess, VC Wilson felt the senior leadership must also weigh the cost of delaying the decision. Since USC Beaufort had never effectively communicated its growth from a 2 year institution on eight acres in Beaufort to a baccalaureate university outside its four county assigned service region, a name change would not only help to re-position the University in the eyes of local audiences, but across the state and the southeast. A strong regional descriptor would also provide a brand platform from which to convey the young university’s strengths—and position its Hospitality Management Program for national recognition. A name that described the region more aptly would establish a brand position with key audiences across the state and the Southeast.

Wendy Wilson felt strongly that every year USC Beaufort delayed the identity decision, the costs of the change would increase. Every day USC Beaufort delayed the decision, it continued to invest its marketing dollars in a name tied to a single campus and its 46 year role as a 2 year junior college. The old identity could never provide the brand platform needed to continue the trajectory of growth through out-of-region and out-of-state marketing. Every year new markets were being introduced to this new university through a weak and confusing identity. And, the more “USC Beaufort” alumni who graduated, the more emotional the decision to move away from “Beaufort” would become.

Weighing the Decision

The only published university name change case Wendy found referred to a 20 year process to reach the decision. Perhaps more entrepreneurial methods were justified by a young university with few alumni and few significant private donors to resist change. USCB faced no increase in state appropriations in sight, state mandated caps on tuition increases and the need to increase enrollment by reaching outside its four-county region.

VC Wilson considered putting “a strong entrepreneurial hand on the tiller,” hiring a consultant and moving forward with the name change as several very powerful business leaders had demanded. A slower and less risky plan might be to convene community and university task forces herself and work to build local consensus. However, if these university and community conversations built momentum for the change, would the USC system and the legislature support it?

Summary Brief

Branding in Higher Education: A Strategic Perspective

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This study focuses on segmentation feasibility within the private college/university market. There is considerable overlap for private and public college/university students with respect to their consideration criteria. However, previous research suggests there is some criteria that appear to be differentially important based on the type of student and institution. Therefore, using factors considered by university students in a previous study, the current research seeks to further explore the existence of segments within a private university.

Introduction

Market segment identification, or segmentation, is critical for universities seeking to craft a branding strategy (Cann and George 2004); (Rindfleish 2003); (Angulo, Pergelova et al. 2010); (Iuliana and Mihai 2011). Segmentation is defined as the process of identifying and profiling homogeneous groups of buyers who differ in their needs and preferences (Kotler and Keller 2009). The process allows organizations to more precisely define and understand consumers and gives them the ability to tailor offerings to better suit their target market. While there are an unlimited number of approaches to segment a market, Kotler and Keller (2009) delineate five related criteria that underpin appropriate segmentation (p. 121). Segments must be:

1. Be easily identifiable and measurable;
2. Large and profitable enough to make it worthwhile to the organization;
3. Accessible with regard to communication and distribution;
4. Distinctively responsive to the organization's marketing efforts; and
5. Meet the basic requirements for exchange (ready, willing, and able) and be sustainable over time.

Literature Review - Background

In studying higher education marketing strategy, several authors have dealt with constructs associated with segmentation. Much of the literature in this domain focuses on factors that influence choice of university or program such as individual characteristics (race, ethnicity, religion, age, gender, academic ability) (Dawes and Brown 2002, Menon, Saiti et al. 2006), institutional characteristics (Judson, James et al. 2004, Joseph, Mullen et al. 2012) social, cultural and word-of-mouth influences (Bowers and Pugh. 1973, Pugsley and Coffey 2002), student experience or other intangibles (Binsardi and Ekwulugo 2003, Lockwood and Hadd 2007), and an institution's academic reputation or status (Conard and Conard 2000). While these studies concentrate on demand-side factors, they are believed to

have had an impact on supply-side studies (Hemsley-Brown and Oplatka 2006).

Studies of segmentation have provided insights into the appropriateness of applying segmentation to the higher education context (Harrison-Walker 2010, Iuliana and Mihai 2011, 2011). Like many other organizations in the service sector, schools, colleges and universities have historically eschewed segmentation (and other marketing-related strategies). Harrison-Walker (2010) describes segmentation in terms of implementing customer prioritization and suggests that it involves identifying "right" and "wrong" customers.

Purpose of Research

The previous research demonstrates that higher education markets can be grouped into distinct segments on the basis of lifestyle, rational, and emotional factors and that important implications can be drawn from such analyses. However, no research has empirically examined segmentation schema in US higher education markets. Furthermore, this study focuses on segmentation feasibility within the private college/university market.

Method

The data were collected from 246 undergraduates at a private university in the northwestern United States. The goal was to capture the views of incoming freshman since these students had most recently gone through the University consideration and selection process. Undergraduates enrolled in upper level business courses recruited participants to partake in the survey, which was incentivized by receiving course credit. Following similar methodology to that used by Joseph et al. (2012), the survey asked participants to indicate the importance of 24 criteria in their consideration of the colleges/universities to which they applied. This was followed by asking participants to indicate the importance of these 24 criteria in attracting them to the university that they now attend. Both sets of ratings used a 5-point scale that ranged from (1) Did not consider, (2) Not at all important, (3) Not very important, (4) Somewhat important, and (5) Very important. Following these ratings, participants were asked how they obtained information about the university and whether or not they applied to other universities. The survey concluded by gathering demographic data.

Results

Of the 246 participants, 44.4% were male and 55.6% were female. The majority of the participants were freshman (69.8%), while 9.8% were sophomores, 15.3% were juniors, 4.3% were

seniors, and .9% were graduate students. Nearly half of the participants were 18 years old or younger (47.2%), while 33.9% were between the ages of 19 and 20, 13.3% were between the ages of 21 and 23, and 5.6% were 24 years old or older. Two-step cluster analysis was performed to identify the different segments of incoming college students. Two-step cluster analysis creates clusters by utilizing a “probabilistic model in which the distance between two clusters is equivalent to the decrease in log-likelihood function as a result of merging” (Okazaki 2006, p. 131). Cluster analysis is well suited for providing a typology of consumers, and two-step cluster analysis has been suggested as appropriate in clustering large data sets (Norusis 2003).

Discussion and Conclusions

One of the most fundamental strategic marketing concepts that is critical to the branding process and is under researched in higher education marketing is segmentation. Segmentation allows marketers to more precisely define and understand consumer needs and gives them the ability to tailor products to better suit those needs (Kotler and Keller 2009). The better the segment(s) chosen for targeting by a particular organization, the more successful the organization is assumed to be in the marketplace. With segmentation, organizations can detect new markets by researching the hierarchy of attributes that consumers will consider when choosing a brand. The objective of segmentation is to improve the competitive position of the organization and provide better service to consumers, and to be effective, it should create groups where the members within the group have similar likes, tastes, needs, wants or preferences, but the groups themselves are distinct from one another.

Through the use of cluster analysis, we find that university students can also be segmented according to how they evaluate universities. Our analysis details three different segments of students, which presents implications to Universities as to how they might consider tailoring marketing communications to reach these incoming Freshman segments. Again, to our knowledge, our study is the first to assess students within the United States, and we encourage future research to further explore the categorization of university students.

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Case Summary Brief

The Green Funeral Decision

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The subject of this case concerns the decision by the funeral director of the Greenwood Funeral Home of whether to offer “green” burial practices as a part of the product line. It presents background information regarding the industry and discusses trends that have had a major influence on it over the last half century. The case is written for use in a strategic marketing class.

Introduction

Don had read with interest in recent years of the spread of sustainable or green practices through various industries. Now this trend was advancing into his industry - the deathcare industry - as well. He felt like it was time for him to seriously consider the idea for his business, the Greenwood Funeral Home. This possibility of change was both exciting and scary at the same time. If his firm became more “green,” it would be a major shift in his firm’s offerings and operations as well as in what was usually done in his region of the country. He was also aware that industry shifts didn’t always “take” in the marketplace.

The Deathcare Industry

Description and Size

The deathcare industry in the United States is enormous. In 2007, the almost 16,000 firms providing services in this industry employed over 102,000 people (U.S. Census Bureau Economic Census 2007). These end-of-life goods and services are rendered to the roughly 2.5 million people who die annually (Hoyert and Xu 2012). Total annual receipts for burial arrangements was almost \$12 billion in 2007 (U.S. Census Bureau Economic Census 2007). This spending varies substantially as there are tremendous cost differences across burial practices. Burial practices are considered in two broad categories, traditional and non-traditional burial. While both approaches seek to honor and say goodbye to the departed, they differ in terms of the types of goods and services used to accomplish this purpose. Traditional burial generally involves embalming, a casket, and a vault. Nationally, the average cost for a traditional burial in 2009 was about \$7,775 (NFDA 2009). In terms of non-traditional burial, cremation is the most common type. As cremation uses fewer goods and services, it is substantially less expensive than traditional burials. A cremation burial involving funeral services similar to that of a traditional burial is approximately 50% less. A direct cremation, the least expensive cremation option comes with minimal services and costs about \$1,650 (CANA). The cremation rate in the United States, which was less than 4% of burials in 1960 was expected to be almost 45% in 2015 and to exceed 55% by 2025 (CANA).

Several factors have influenced demand in the funeral industry in the United States over the last half a century. Factors that have had a major influence include population growth,

income considerations, the availability of substitutes and changing consumer preferences. Additional factors have also influenced the supply side of the industry. These key influences have been in the areas of competition and government activity.

Green Burial

In general, the incorporation of “green” practices by an industry or firm means utilizing greater environmental consciousness. In the context of the funeral industry, “green” means caring for the deceased with minimal environmental impact. For example, in a green burial the body is buried, without embalming, in a natural setting without a headstone (a flat rock or a tree may serve as a grave marker). The clothing, shroud, and/or casket must be of non-toxic, biodegradable and sustainable materials.

The Green Burial Council, a non-profit organization in the United States that works to encourage environmentally sustainable death care, has developed standards and a unique eco-certification programs for funeral homes, burial products, and burial grounds. By 2011, over 300 funeral homes in 40 states had sought and achieved a green rating since the program began in 2005. While a desire to properly steward environmental resources would motivate owners of some firms, the practices necessary to achieve such a rating obviously have the potential to increase the profitability of their organizations as well. Green practices can decrease overhead by reducing waste and energy usage in addition to conserving water and other resources. At the same time, such practices may increase revenue by allowing a firm to better meet the needs of a segment of eco-conscious consumers and thus differentiate itself in highly competitive marketplace. Green burial choices are forecast to increase in popularity in the United States as consumers grow more eco-consciousness.

Don and His Funeral Home

Present Situation

Don’s goal as a funeral director over the twenty years he has served in this role has been to help meet the needs of families as they tried to honor their deceased and to help bring some closure to a difficult situation. At the same time he felt this strong sense of purpose in his vocation, he recognized that the services his funeral home offers are his livelihood. He has to balance meeting the needs of his customers with his ability to earn a living. He thought himself more environmentally friendly than most in his area, that did not mean he could just blindly make a decision.

Don’s funeral home, Greenwood Funeral Home, offers a common set of funeral packages for families. A consolidated general price list for the services his home offers is provided in Exhibit 1. He serviced about 125 of the roughly 400 calls a year in

his service area. This amount had been relatively consistent over the years. The other two-thirds of calls were serviced by four competing firms. In the prior year, over 70% of his calls were casketed for traditional burial with all its associated services. The remaining 30% were cremations. Cremation services were actually performed at a crematorium in a nearby city. His cremations were split about 50-50 between deluxe cremation, which had a service package similar to that of traditional burial, and basic cremation, a package which came with minimal services. Requests for cremation through his funeral home had been increasing a couple percent a year over the last decade but the increase was comparable to that of his state over this same period.

As part of his analysis regarding the decision to add green burial as a service offering, he had made some basic financial calculations. He needed revenue of about \$41,000 a month to breakeven in his operation. Based on a similar complement of services, he estimated breakeven for just traditional burials, just deluxe cremations and just green burials to be about 4, 8 and 6 calls a month, respectively. Breakeven for just direct cremations would be about 22 calls a month.

Exhibit 1: Greenwood Funeral Home's General Price List

	Deluxe Traditional	Deluxe Cremation	Direct Cremation	Deluxe Green
Non-Declinable, Basic Fee (\$)	2,400	2,400		2,400
Other Burial Services (\$)	2,050	1,150		650
Facility Usage (\$)	950	950		950
Transport (\$)	600	350		600
Burial Goods (\$)	4,500	300		2,250
Total Cost (\$)	10,500	5,150	1,900	6,850
Calls to Breakeven/ Month	4	8	22	6

His Choices

As he saw it, there were a couple options. First, Don could adjust his business practices and offerings to become fully or more eco-friendly and offer green burials. He would be the first funeral home in not only his local market but his region of the state to take this step so it would really differentiate his firm. He had had few requests at his funeral home for green burials but that may have been the result of the option being unavailable.

Another option was to make no changes to his offerings in the present. There would be little benefit to introducing green options if people in his area had no interest. If people really were

interested in green burials, they would just have to seek them elsewhere. He could always revisit the decision in the future. That might mean his firm was not the first mover in his market but at least then he could see how well the other firm was performing before he committed his own.

Finally, Don thought maybe it was just time to get out of the market. Profitability had been declining over the years as cremation had grown in acceptance. He could just sell his funeral business. Not that there were any offers but it had a strong reputation and good financials. No large corporate funeral homes had yet invested in his area. Maybe one of them would be interested. If he could not sell, maybe someone would be willing to rent his facility out and use it for some other purpose.

Case Questions

1. How would you rank the options available to Don? What criteria do you think is relevant to the decision and how would you weight them in terms of importance? Are there any additional options Don is not considering?
2. How might Don's decision differ if he were just entering the profession at present or if he were entering it in a region of the country with a substantially higher cremation rate, like Florida?
3. In general, what kinds of factors should a firm consider regarding the adoption of eco-friendly practices into the firm?
4. If Don could perform one piece of primary research to help him make this decision, what type of research results would help him the most? How would you recommend this research be performed?
5. What kinds of considerations about an industry influence the benefit of a first mover strategy relative to a follower strategy?
6. If Greenwood were to achieve a green certification, how would you suggest that information be communicated to the potential target market?

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Case Summary Brief

Ruffled Feathers at Chick-fil-A: The Cows are Not Commenting

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Chick-fil-A is a popular Quick Service Restaurant Chain. It is famous for its “Eat Mor Chikin Cowz.” It is also well known for its “closed on Sunday” policy. The chain has enjoyed continual success and growth since its inception in 1985. The chain has won numerous awards for its food, customer service, and community involvement. About two-thirds of its outlets are located in the southern United States, which is considered the “Bible Belt” of the nation. Truett Cathy, the founder, and Dan Cathy, his son and current CEO, have been outspoken about their Christian beliefs. Dan Cathy in two interviews spoke about his views of marriage. Many in the news media and social media interpreted these remarks to be anti-gay and anti-gay marriage; yet a close review of the interviews reveals no anti-gay or anti-gay marriage statements. The reactions, both pro and con, have been fast and furious. The central issue of the case is should Chick-fil-A respond.

Introduction

The Marriage Controversy

Dan Cathy never imagined when he was interviewed for the *Biblical Recorder* in North Carolina (which is circulated by the Baptist Press) what an uproar he would cause. In the interview he stated, “We are a family-owned business, a family-led business, and we are married to our first wives. We give God thanks for that.” After this interview, an earlier interview on “The Ken Coleman Show,” was discovered in which Cathy stated, “As it relates to society in general, I think we are inviting God’s judgment on our nation when we shake our fist at Him and say, ‘We know better than You as to what constitutes a marriage.’ I pray God’s mercy on our generation that has such a prideful, arrogant attitude to think that we would have the audacity to try to redefine what marriage is all about,” (Foust 2012).

Many in the news media declared the statements are anti-gay and anti-gay marriage; others have stated that a closer look reveals the statements do not mention either gays or gay marriage. Numerous pundits have pointed out that being supportive of one issue is not proof of being against another issue.

Yet, the resulting firestorm was fast and furious. The mayors of Boston and Chicago publically stated they would favor blocking construction of Chick-fil-A restaurants. The Human Rights Campaign began referring to Chick-fil-A as Chick-fil-Hate. Many called for boycotts of the chain. In response to the resulting firestorm, many conservative Christians emerged to support the company for their “stand” on marriage. Former Arkansas Governor Mike Huckabee fired back by launching Chick-fil-A Appreciation Day. The chain does not release exact sales numbers, but it has been estimated that 326,000 customers were served

during the Chick-fil-A Appreciation Day, generating a record setting \$15,350,000 in sales. Gay rights organizers and other advocacy groups promoted a “National Same-Sex Kiss Day”, urging people to go to Chick-fil-A restaurants and kiss; the number of kissing protestors was low when compared to those that supported Chick-fil-A (Petrecca 2012).

The History of the Chain

Chick-fil-A traces its beginnings to 1946, when founder Truett Cathy opened his first restaurant just outside of Atlanta, Georgia. The first restaurant was closed on Sunday; Truett Cathy has been quoted as saying the decision was a practical business decision. He believed that employees should have an opportunity to rest, spend time with family and friends, and worship if they chose.

Truett Cathy opened his first restaurant in 1946, and has enjoyed continued success. Chick-fil-A opened its first restaurant in 1985. The famous “Eat Mor Chikin” cow campaign began in 1995, and in 1996 Chick-fil-A became the major sponsor of the Peach Bowl. The new millennium saw the chain reach sales of \$1 billion and the opening of its 1,000th restaurant. In 2011, Chick-fil-A had 1,615 locations and \$4.1 billion in sales and had achieved the status of second largest chicken restaurant and 12th largest quick service restaurant chain in the United States (Oches 2011).

Chick-fil-A Operations

Though the chain has restaurants in 39 states and the District of Columbia, 71% of its restaurants are located in the southern United States. In the United States, religion features predominately in the development of knowledge systems, belief and value systems, and the social normative system; fifty-nine percent of people in the US say that religion plays a very important role in their lives. Eighty-two percent of the US population identifies themselves as Christian (Pew Research Center 2002). The southern United States is often called the “Bible Belt.” The Southern Baptist Convention is the second largest religious body in US after the Catholics. Over half of all Southern Baptists live in five Southern states: Texas, Georgia, North Carolina, Tennessee, and Alabama, and the states with the highest proportion of Southern Baptists are Mississippi, Alabama, Oklahoma, Tennessee, and Kentucky. These states comprise the heartland of Chick-fil-A’s operations.

The Dilemma: To Respond or Not Respond

Chick-fil-A, as numerous media outlets have noted, sells chicken, waffle fries, and lemonade to anyone. Online and social media has not only been a venue for “supporters” or “boycotters”

of Chick-fil-A, but also has created an ongoing dialog that, whether right or wrong, Dan Cathy has the First Amendment right to express his opinion, even if he is the CEO of a national chain. Surprisingly, some of the First Amendment defenders were the liberal publication *Mother Jones* and the mainstream publication *Boston Globe* (Bombay 2012). The *Boston Globe* editorial asked what part of the First Amendment does (Boston Mayor) Menino not understand?" (Bombay 2012). The question becomes what should Chick-Fil-A do? There are three possible options: take no action, contact the reporter or editor, or issue a public response. On one hand, Benjamin Disraeli (Prime Minister of the UK from 1874-1880) once said, "never complain and never explain," while Carl Von Clausewitz (Prussian military strategist) said, "the best defense is a good offense." So what approach should Dan Cathy have Chick-fil-A follow?

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Summary Brief

Student Differences Regarding Online Evaluations of Instruction

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This study examines response bias in online student evaluations of instruction. It is both a replication and an extension. It is a replication since it revisits many demographics that have contributed to response bias in online student evaluations. It also attempts to contribute to existing studies by looking at multiple constructs, including time poverty, attitude toward the act of responding online, complaining behavior, and technology readiness. Several hypotheses were generated based on the literature. The sample was divided into four groups: students who always complete online student evaluations, those who never complete them, those who complete them if the instructor was very good or very bad, and those who only complete them for extra credit. The groups were compared for significance in each of the hypotheses.

Introduction

The use of instruments to assess teaching effectiveness was introduced in the 1920s and research on student ratings began in that decade as well (Mau and Opengart 2012). Although it is recommended to use more than one measure of teaching effectiveness in assessing improvement in teaching (Pritchard, Saccucci, and Potter 2010), student course evaluations in particular have generated a substantial amount of interest in higher education (Dommeyer, Baum, and Hanna 2002; Donovan, Mader, and Shinsky 2007). They are generally the primary measure of teaching effectiveness and used by many institutions for promotion, tenure and merit pay increase decisions (Avery et al. 2006; Mau and Opengart 2012).

Furthermore, faculty can use evaluation results to improve their instruction and apply for grants and awards. Administration may evaluate faculty members via the evaluations and may even consider the results in deciding whether to change the course or even keep it in the curriculum (Adams and Umbach 2011). Interest has included issues of validity and reliability (Dommeyer, Baum, and Hanna 2002; Donovan, Mader, and Shinsky 2007; Pritchard and Potter 2011) and concerns about the “leniency hypothesis,” in which faculty believe that better evaluations result if their expectations of student performance are lowered. Unethical faculty behavior to favorably influence these ratings may result in a destruction of educational objectives (Pritchard and Potter 2011).

Hypotheses

H₁: Students with higher time poverty are less likely to respond online.

H₂: Students with a lower GPA are less likely to respond online.

H₃: Students who respond online have a higher attitude toward the act of responding online.

H₄: Those students who are predisposed to complain are more likely to respond online.

H₅: Females are more likely to respond online than males.

H₆: Students with higher academic performance (GPA) are more likely to respond online.

H₇: White students are more likely to respond online than students of color.

H₈: Techno-savvy students are more likely to respond online.

Purpose of the Study

This study is a replication and an extension. First, it examines key demographics that have already been shown to contribute to response bias in online student evaluations. Second, the study will offer an extension in assessing particular constructs, including time poverty, attitude toward the act of responding online, complaining behavior, and technology readiness.

Methodology

This exploratory study will divide student respondents into four groups: students who always or almost always complete online evaluations of instruction, students who never complete online evaluations of instruction, students who only complete online evaluations of instruction when the instructor was very good or very bad, and students who only complete online evaluations of instruction when given course points (extra credit). The latter three groups are those that are less likely to respond online and each will be compared to the group that always or almost always responds online. The sample consisted of undergraduate students from a medium-sized university in the southeastern United States.

Results

The results will support or not support previous research in the area of online student evaluations, in addition to exploring constructs that have not been examined. Recommendations based on the results may be helpful for administrators who wish to improve the validity of conducting student evaluations online.

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The Use of Business Periodicals in the Classroom: An Exploratory Study Examining the Impact on Student Perceptions and Performance

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The use of business periodicals in the business school classroom is increasingly common. Support for this practice has been based primarily on antidotal evidence and encouragement by the periodical publishers. The current research reports the results of a controlled experiment using a brief pre/post class survey and test performance data to determine the influence of a periodical on student learning. The results of the experiment lends support to the idea that the use of a business periodical does have a positive impact on both the student's perception of business knowledge and classroom performance. In particular results suggest that students who are required to read and use a business periodical for a business class indicate greater confidence in their business knowledge and in their ability to perform well when they enter the job market.

Introduction

According to many sources, both academic and the general public, as the world becomes increasingly complex and sophisticated, college students are becoming increasingly concerned about their preparation for the “real world.” One response to this concern is to bring more “real world” sources into the classroom. This is particularly true in the area of business education. In some business schools, one approach gaining popularity is the incorporation of business periodicals as required reading in core courses. This paper examines the use of a business periodical (*The Wall Street Journal*) as a required text (along with a required standard textbook) and its impact on student performance on tests and perceptions of knowledge in an introductory marketing course. The research is exploratory in nature, thus no hypotheses were generated.

Literature Review

Previously published research on classroom use of business periodicals has focused on different pedagogical uses of the periodicals. There is little published research on how business periodicals impact student learning or student perceptions of knowledge. However, some writing has been done on how publications, such as *The Wall Street Journal*, can be used in university business education. An early article by Miller (1949) lists teaching aids like newspapers, radio, periodicals, etc. are helpful in advertising courses. Miller describes using advertisements in these different mediums to provide case histories to students. He found that the timeliness added tremendous interest to the course work. Schaupp and Lane (1992) describe how an instructor can use a newspaper article as a case

discussion. They believe using a newspaper article as the centerpiece of a case discussion enriches the educational process by enhancing instructor credibility and giving the students a real-world example. The organization Newspaper in Education published a book (2004) focusing on 300 different ways newspapers can be used in the elementary and secondary classroom. Also, the Wall Street Journal (WSJ) website (www.wsj.com) provides testimonials from business professors using the newspaper in class and how they use articles in the class.

Lifton (2006) uses the *WSJ* to supplement textbook materials to explore organizational decision-making in a first year management seminar. Lifton found that the *WSJ* was an appropriate course supplement because (a) management majors become familiar with their business discipline’s “newspaper of record”, and (b) the myth of the *WSJ* as inaccessible niche periodical that only serves financiers is debunked. Furthermore, the articles are used to further student understanding by applying textbook models to a current business event. Lifton found that anonymous course evaluations at the end of the semester provided a strong support the integration of the *WSJ* in the classroom. Students reported that the articles help make the textbook theories “come alive.”

Research by Ulrich (2004) studies how students felt about different pedagogical strategies. Case studies and analysis strategies were ranked in the top third of pedagogical strategies by marketing students. This coincides with Miller’s belief that cases drawn from newspaper articles pique the interest of business students. Although finance and accounting student felt that case work was much less helpful.

Christiansen (2003) found that 100% of both undergraduate and graduate business law students found using *The Wall Street Journal* in class was helpful. 100% thought that reading the *WSJ* would have a positive effect on their career. 100% felt reading the *WSJ* showed real-life business application for course topics. These results were taken from a post-class survey given to students after completing a business law course where the *WSJ* was required reading.

A recent survey on the Sarbanes-Oxley Act (SOA) and undergraduate courses done by Johnson (2005) included newspaper articles as a course material used as a teaching aid to make students aware of the consequences of SOA. Approximately one-third of faculty surveyed used one or more required reading materials such as textbooks, internet sites, white papers, journal, or newspaper articles. The survey however did not separate the reading materials into different categories.

Other alternatives pedagogical strategies have also been researched. Urbancic (1998) suggests that internet sites are useful in teaching ethics to students. The author describes online newspapers as a useful resource for instructors. With more and more newspapers being published online this medium could be a large resource for instructors looking for alternatives to textbooks to enrich the educational experience of university business ethics students.

Methodology

The study was conducted by paring two sections of a junior level introductory marketing course. Once section was required to subscribe to *The Wall Street Journal*, the other section was not required to subscribe. *The Wall Street Journal* section was encouraged to read *The Wall Street Journal* daily; in the non-*WSJ* section students were neither encouraged nor discouraged. Furthermore, the required subscription section was required to use a minimum of ten (10) distinct references from *The Wall Street Journal* in their semester project (an analysis for an industry of their choosing); the non-required section was required to use the same number of references but not from any specific periodical or source in doing their project. In all other ways the two sections were treated the same. In both sections frequent reference to articles from *The Wall Street Journal* were incorporated in class along with text materials. The periodical was used primarily to illustrate concepts.

Performance data gathered from semester exams. Both sections were given the same multiple choice text questions (in different order) and while essay questions differed, neither section had essay questions related to a specific *Wall Street Journal* article. The same allocation of time and classroom emphasis was made to help insure similar levels of challenge in the questions. Both sections had the same assignment (an industry analysis), graded using the same grading rubric.

The perceptual data was gathered by having students respond to a six-question pre/post survey. The two sections were then compared on the six questions and course examination performance. There were 63 *WSJ* section students and 43 non-*WSJ* section students. ANOVA was used to analyze the data.

Results

Statistically significant differences were found for every survey question between pretest and posttest scores (Table 1). Pretest scores were always less positive than posttest scores. Very large improvements in scores occurred for the questions: "How much do you know about Marketing?", "How much do you know about business?", "How knowledgeable are you about the current business environment?", and "How knowledgeable are you about current events in general?" Increases were also seen for the questions "I read the *Wall Street Journal*" and "How would you rate your current level of academic preparation to compete with other graduates from other business schools when you graduate?" In every case the change was greater for the class *WSJ* section than for the non-*WSJ* section.

TABLE 1. Results of Six Independent Analysis of Variance Tests

Dependent Variable	Factors	F-Statistic	Significance
How much do you know about business?	Non-WSJ/WSJ	10.079	.002
	Pre-test/Post-test	67.383	.000
	Non-WSJ/WSJ * Pre-test/Post-test	1.225	.261
How much do you know about marketing?	Non-WSJ/WSJ	.082	.775
	Pre-test/Post-test	93.353	.000
	Non-WSJ/WSJ * Pre-test/Post-test	2.087	.156
How knowledgeable are you about the current business environment?	Non-WSJ/WSJ	.747	.389
	Pre-test/Post-test	30.42	.000
	Non-WSJ/WSJ * Pre-test/Post-test	2.232	.138
How knowledgeable are you about current events in general?	Non-WSJ/WSJ	.097	.757
	Pre-test/Post-test	20.262	.000
	Non-WSJ/WSJ * Pre-test/Post-test	.097	.757
How do you rate your current level of academic preparation?	Non-WSJ/WSJ	4.559	.035
	Pre-test/Post-test	4.071	.046
	Non-WSJ/WSJ * Pre-test/Post-test	.010	.920
I read the Wall Street Journal?	Non-WSJ/WSJ	3.308	.072
	Pre-test/Post-test	33.485	.000
	Non-WSJ/WSJ * Pre-test/Post-test	2.345	.129

The responses to two questions indicated statistically significant differences between the *WSJ* section and non-*WSJ* section: "How much do you know about business?", and "How would you rate your current level of academic preparation to compete with other graduates from other business schools when you graduate?" For both questions, the *WSJ* section students had more positive scores than the non-*WSJ* students.

There were no statistically significant results between the two periodical groups on the three class examinations, although the *WSJ* section students had average scores higher than the non-*WSJ* section students.

Conclusions and Recommendations

While only two of the six survey questions had statistically significant results, the trends for the other four questions and the three test scores all supported that the *WSJ* section students benefitted from the use of the *WSJ* in the classroom compared to the non-*WSJ* section students. The analysis indicated that students who were required to read and use the *WSJ* had a perception that they were more knowledgeable about business and better prepared for the job market than the non-*WSJ* section students. We believe these results provide encouraging evidence for the use of periodicals in business classes to improve students "real-world" knowledge, make them more effective students, and more desirable employees.

The current study is exploratory in nature and certainly more testing needs to be done to determine if the use of periodicals in business classes enhances student learning in other situations. We recommend using business periodicals in business classes until such time as the null results of no differences between groups reading and not reading business periodicals are accepted. At the very least the current research indicates students are more confident in their business knowledge and their ability to secure a job once they enter the job market.

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Summary Brief

Developing Entrepreneurial Self-Efficacy in Marketing Students by Using Simulation-Based Pedagogy

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The purpose of the current research is to assess whether simulation-based pedagogy used as part of a marketing capstone course can increase students' confidence in entrepreneurial skills. Data were collected as pre- and post-tests from students who completed an entrepreneurial simulation game as part of their marketing capstone course. The construct of entrepreneurial self-efficacy (McGee et al., 2009) was used to assess marketing students' confidence levels in entrepreneurial skills. Results suggest that students were able to significantly increase entrepreneurial self-efficacy after completing the simulation game.

Introduction

Entrepreneurship education has received growing attention in recent years. Increasingly, marketing curricula include entrepreneurial objectives as well. There are a variety of pedagogical approaches to foster students' skills in entrepreneurship. Case studies, research projects, client-sponsored projects, etc. are all examples of ways to teach entrepreneurial skills. Research suggests, however, that one of the most effective ways to develop entrepreneurial skills is to use simulation games (Wolfe 1997). Thompson and Dass (2000) suggest that games can be useful as an interactive means for teaching cause and effect. Brooks et al. (2006) see the key strength of an interactive simulation as providing opportunities for experiential learning in the marketing context. Simulations can also engage students in "real-life" marketing situations and help improve decision-making skills (Ganesh and Sun 2009).

In the following, the conceptualization and methodology of the research are presented. Results of the research and implications for marketing educators are discussed.

Conceptualization

Perceived confidence level in entrepreneurial skills was conceptualized using the construct of entrepreneurial self-efficacy (see Boyd and Vozikis 1994; Chen et al. 1998; Krueger and Brazeal 1994). While general self-efficacy refers to an individual's belief in his/her capability to accomplish a job or a specific set of tasks (Bandura 1977; cf. McGee et al. 2009), entrepreneurial self-efficacy refers to a person's efficacy related to new ventures (McGee et al. 2009). The entrepreneurial self-efficacy scale includes five dimensions related to self-confidence, in particular: searching for new business ideas, planning for a new business, marshaling for a new business, implementing human resources related tasks, and implementing financial tasks.

Methodology

Participants

Participants were full-time undergraduate students (seniors), enrolled in the marketing capstone course at a small, private, urban college. Students' average age was 22 years.

Participants for the study were recruited from four marketing capstone courses over the course of two semesters. As compensation for their time, students were offered the chance to enter a drawing to win a gift certificate.

Procedure

Participants were asked to complete the survey twice-- before and after completing the entrepreneurial simulation. The study was designed as a pen-and-paper survey. The survey instrument included the entrepreneurial self-efficacy scale (ESE, McGee et al. 2009) as well as additional items related to demographic information and family business backgrounds. The ESE scale asked participants to rate their confidence levels related to various entrepreneurial tasks (e.g., estimating demand for a new product or service, delegating tasks, managing financial assets, etc.) on a 5-point Likert scale ranging from 1 = very little (confidence) to 5 = very much (confidence). An additional open-ended question asked participants to write down comments about their learning experiences using the simulation game in the marketing capstone course.

Results

Overview--Forty-three participants completed both surveys (before and after the simulation). 56% of participants indicated that they had an idea for a new business in mind. 7% of participants indicated that they already own their own business. 56% of participants reported a family business background. Participants were asked to indicate how likely they were to start their own business in the future. On a scale from 1 (not likely) to 5 (very likely) the mean likelihood of starting a business was $M = 3.32$.

Entrepreneurial Self-Efficacy Scale Dimensions--The entrepreneurial self-efficacy scale (McGee et al., 2009) was used to assess participants' levels of self-confidence related to various areas of entrepreneurship. The scale items for each of the five ESE dimensions were generally found to be reliable. Chronbach alpha levels were mostly in line with McGee et al., 2009 and were as follows: 1) Confidence in searching: $\alpha = .65$ (before the simulation), $\alpha = .76$ (after); 2) Confidence in planning: $\alpha = .56$ (before), $\alpha = .71$ (after); 3) Confidence in marshaling: $\alpha = .51$ (before), $\alpha = .69$ (after); 4) Confidence in people implementation: $\alpha = .82$ (before), $\alpha = .87$ (after); 5) Confidence in financial implementation: $\alpha = .83$ (before); $\alpha = .83$ (after). The reliability

levels after the simulation are generally satisfactory. The reliability levels before the simulation are generally lower, suggesting a greater spread of confidence levels among participants prior to completing the capstone course.

Entrepreneurial Self-Efficacy --Entrepreneurial self-efficacy was measured on a five-point scale, from 1 indicating “very little” to 5 indicating “very much” confidence in engaging in the entrepreneurial tasks. A significant difference was found for entrepreneurial self-efficacy before vs. after completing the entrepreneurial simulation game ($M_{\text{before}} = 3.53$; $M_{\text{after}} = 4.11$, $t(42) = -8.657$, $p = .000$).

Significant differences in self-confidence before and after the simulation were also found in each of the five dimensions of the entrepreneurial self-efficacy scale (searching, planning, marshaling, people implementation, and financial implementation). Details will be discussed next.

Differences by Dimension--Out of the five dimensions of the entrepreneurial self-efficacy scale, participants reported the highest level of confidence (after completing the simulation game) in the implementation of the “people” aspect of entrepreneurship ($M = 4.31$ on a 5-point scale). This dimension measures confidence related to the ability to recruit, supervise, and manage people, while being able to train, motivate, and inspire them.

The lowest level of confidence ($M = 3.71$) was reported for the dimension of financial implementation, which relates to the ability to organize and maintain financial records of the business, to manage the financial assets of the business, and to read and interpret financial statements.

The other three self-efficacy dimensions ranked in-between. Confidence in planning resulted in $M = 4.02$ and confidence in marshaling resulted in $M = 4.15$. The confidence in the “searching” dimension (related to the ability to identify an idea for a new business) resulted in $M = 4.31$. Remarkably, all dimensions of entrepreneurial self-efficacy were very high after students completed the simulation game.

Discussion and Implications

Previous research has shown that confidence in one’s abilities regarding a new business is an important factor in the decision to start a new business (Townsend et al. 2010). Improving students’ confidence in their entrepreneurial skills therefore represents a key topic in business education.

Results stemming from the current research suggest that students’ confidence in entrepreneurial tasks can increase as a result of an entrepreneurial simulation game. Marketing students showed a significant increase in their levels of entrepreneurial self-efficacy after completing the simulation.

In general, students seemed to enjoy the simulation format and were engaged in the process. They saw the task as a challenge

to compete with other teams. Many students reported that they did not realize the complexity of owning one’s business until they were tasked with making a variety of entrepreneurial decisions as part of the simulation game.

The simulation seemed to be particularly relevant for students who already had a business idea, who had high intentions of starting a new business, or who had a family business background. From a pedagogical point of view, an entrepreneurial simulation game seems to provide a good substitute for “real-world” entrepreneurial challenges that are based on complex decision-making.

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MARKETING RESEARCH TRACK

Track Chair

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Summary Brief

An Application of Correspondence Analysis to Categorical Data Collected from Craft Consumers in the Blue Ridge National Heritage Area

James E. Stoddard, Appalachian State University
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This paper presents an application of correspondence analysis applied to data collected from craft consumers in the Blue Ridge National Heritage Area. The purpose is to demonstrate the usefulness of the procedure when interpreting results from data collected using categorical scales.

Introduction

Since 2003, the 25 western counties of North Carolina have been a part of the Blue Ridge National Heritage Area. The mission of the Blue Ridge National Heritage Area (BRNHA) is to protect, preserve, interpret, and develop the unique natural, historical, and cultural resources of Western North Carolina for the benefit of present and future generations, and in so doing to sustain the heritage and stimulate economic opportunity in the region (<http://www.blueridgeheritage.com/about>). Much work has been done to promote the brand with the objective of unifying the disparate attractions within the BRNHA to increase tourism and enhance the economic well-being of the counties within the area.

As part of this work, an economic impact study of the craft industry was commissioned. Along with the economic data, much descriptive categorical data was collected from craft consumers. The objective of the work reported herein was to determine consumer profiles for the Blue Ridge National Heritage Area's craft attractions and also to estimate economic impact of crafts in the area (not reported here).

Categorical Data

Much marketing research survey data is categorical in nature. The reason for this is that survey instruments can be much shorter and place a lower cognitive burden on respondents when they respond to categories rather than to interval or ratio scales (thereby increasing response rates). Unfortunately, when data are not interval- or ratio-scaled, the quantity of multivariate techniques that are available for data analysis are greatly reduced.

For small data matrices such as one with 2 variables and 3 levels each, a cross tabulation procedure with corresponding nonparametric chi-square statistic can test for the independence of the two variables (i.e., the lack of relationship between the two variables, the null hypothesis). If the chi-square statistic is found to be statistically significant (rejecting the null hypothesis) for simple matrices, inspection of the cell frequencies or proportions usually allows interpretation of the relationships between the two variables.

However, marketing research often involves asking respondents much more complicated questions such as their age

(e.g. 5 categories) and use of various types of information sources in their decision making (e.g., 11 categories). These types of matrices are much more difficult to interpret by eye. Furthermore, it is often the case that the marketing researcher is interested in the relationship between 3 or more categorical variables with several levels each, making the task of visual interpretation virtually impossible.

Correspondence Analysis

Correspondence analysis (CA) is an exploratory technique that looks for patterns in categorical data using two-way or multi-way tables with each row and column becoming a point on a multidimensional graphical map or bi-plot (Doey and Kurta, 2011). The goal of CA is to explain the most variance in the data (called inertia) using the smallest number of dimensions. In this sense then, CA is similar to principal component factor analysis, except for categorical data. The goal of this paper is to present an application of correspondence analysis to data collected from a sample of craft consumers in Western North Carolina in order to illustrate its advantages when dealing with categorical data.

Research Method

Data were collected as part of a research project intended to estimate the economic impact of the craft industry in Western North Carolina. The venues for craft consumer data collection included the October Craft Fair of the Southern Highlands, the annual Southeastern Animal Fiber Fair (SAFF), the Toe River Arts Council Holiday Studio Tour, as well as area Arts Councils and galleries. In all, 1,718 usable surveys were collected.

CA was used to analyze the data. Greenacre (1993) and Hoffman and Franke (1986) identified several features of CA that contribute to its usefulness to marketing researchers. First, the technique allows for the simultaneous analysis of multiple categorical variables. Second, CA can reveal relationships that would not be detected in a series of pairwise comparisons of variables. Third, CA not only shows that variables are related but also how those variables are related. Finally, CA has very liberal data requirements, necessitating only a rectangular data matrix containing non-negative values.

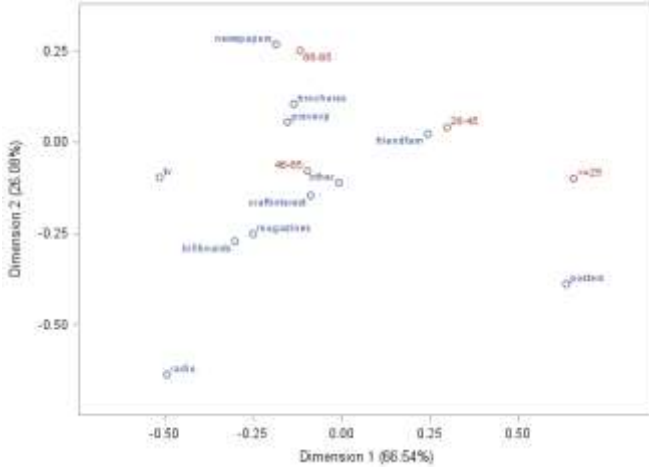
For demonstration purposes the analysis focused on the types of information sources that most influenced craft consumers' decisions to attend the craft fair and their age levels. The frequency of information source use by age category is shown in Table 1.

Table 1. Frequency of Information Source by Age

	Age				Sum
	<=25	26-45	46-65	66-85	
Billboards	0	1	8	1	10
Brochures	0	9	29	10	48
Craft Interest	3	19	82	15	119
Friends/Family	19	94	183	53	349
Magazines	1	1	18	3	23
Newspapers	1	8	33	17	59
Posters	1	2	4	0	7
Previous Experience	4	47	193	62	306
Radio	0	0	6	0	6
Television	0	0	4	1	5
Other	2	25	76	14	117
Sum	31	206	636	176	1049

The chi-square test of independence between information source use and age was rejected ($\chi^2 = 60.034$, $df = 30$, $p = .001$). The correspondence analysis shows the relationship between the categorical variables (see Figure 1).

Figure 1: Correspondence Analysis Bi-Plot



Conclusion

As Figure 1 shows, correspondence analysis is a helpful method to analyze and interpret the relationship between categorical variables. In the present case no conclusion can be generated for those 25 and under (less than 3% of the sample). However, the correspondence analysis revealed that respondents 26 to 45 used information about craft fairs from friends and family, those 46 to 65 rely in their interest in crafts and magazines, while older respondents 66 to 85 reported using newspapers and brochures to find craft events. The graphical representation of the data is much easier to interpret than the frequency table.

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Summary Brief

Validating Constructs with Formative Measurement: Theoretical and Practical Issues and Relevance to Marketing

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Current literature—particularly in business—often explains and applies hypothetical constructs possessing formative indicators, through the lens of empirically oriented perspectives such as Structural Equation Modeling and identification rules used in formative measurement models (e.g., the “2+ emitted paths” rule, which requires at least two emitted paths) (e.g., Bollen and Davis 2009). However, when comparing latent constructs possessing reflective indicators to hypothetical constructs possessing formative indicators, the epistemic nature of the hypothetical constructs possessing formative indicators becomes less clear. In addition to supporting the empirical evidence for hypothetical constructs possessing formative indicators, this conceptual paper theoretically justifies their existence and outlines their relevance to construct validation in general and to marketing implications in particular.

Introduction

Rather than observable responses to single items, researchers and practitioners frequently require the use of broad concepts that are unobserved, theoretical, underlying hypothetical constructs (e.g., Figueredo and Walsh 1999). Examples of such broad concepts include socioeconomic status, attitude, market orientation, and corporate reputation. However, how well one captures the hypothetical constructs being measured, and how closely the constructs of interest relate to one another, remains uncertain if using improper criteria for construct validation (e.g., Figueredo and Walsh 2002). For example, convergent validity and discriminant validity are proper and fundamental criteria for validating constructs with reflective indicators (e.g., Campbell and Fiske 1959; Churchill 1979). However, applying them to constructs with formative indicators is inappropriate (e.g., Hair et al 2014). In current evaluation practices, for instance, defining the estimate of convergent validity is accomplished by estimating the internal consistency of a measure, which is usually the coefficient alpha. However, the criterion of convergent validity among constructs with reflective indicators is clearly irrelevant to the utility of constructs with formative indicators, because theoretically constructs possessing formative indicators (i.e., indicators share a common effect) are different from constructs with reflective indicators (i.e., indicators share a common cause) (e.g., Figueredo and Walsh 2002).

Constructs with Formative Measurement

Theoretical Issues

Although the literature has made progress with regard to the differences between reflective and formative indicators, it fails to clearly address the epistemic nature of hypothetical constructs with formative indicators. For example, how can one substantiate claims regarding the existence of hypothetical constructs possessing formative indicators? What is the added utility of constructs possessing formative indicators? Because of the above concerns, marketing studies do not often use constructs with formative indicators (Diamantopoulos and Winklhofer 2001). Past studies often suggest that a model that includes a formative measurement must be placed within a larger model in order to possibly be estimated (Long 1983); and a necessary—although not sufficient—condition is that the latent variable possessing formative indicators emits at least two paths to other latent variables (Bollen and Davis 2009). In short, more sophisticated criteria are needed in order to establish the entity for constructs with formative indicators.

Consistent with generative theory (e.g., Figueredo and Walsh 2002), one construct validation principle is that constructs with formative indicators should “hang together” in predicting more than one *relevant* criterion variable. This principle is similar to that used for convergent validity for latent variables possessing reflective indicators. Another principle is that constructs with formative indicators should *not* “hang together” in predicting *irrelevant* criterion variables, and this principle is analogous to that of discriminant validity for latent variables with reflective measurement.

Practical Issues

Because this paper addresses the epistemic nature of hypothetical constructs with formative indicators from a different theoretical perspective, it rightfully uses different criteria to evaluate the quality of measures that are based on formative indicators and that are related to methodology and applications such as validity and reliability of constructs with formative indicators, model estimation and identification. By comparing this paper’s criteria with several currently and commonly utilized approaches—such as the “2+ emitted paths” with causal indicator models and the MIMIC model (Bollen and Davis 2009) and the index construction approach (Diamantopoulos and Winklhofer 2001)—regarding conceptualization, estimation, and validation of formative measurement models, this paper aims to provide more comprehensive and integrated guidelines in regards to formative measurement. For example, the construct validation principle

proposed to assess the convergent validity for constructs possessing formative indicators (i.e., constructs with formative indicators should “hang together” in predicting more than one *relevant* criterion variable) can explain why at least two emitted paths are required in causal indicator models.

Conclusions

This research contributes to a keener understanding of hypothetical construct validation with formative indicators, particularly in the marketing context. Regarding construct validation using formative measurement, the current literature often provides explanations from empirically oriented perspectives such as Structural Equation Modeling and identification rules used in formative measurement models (e.g., Bollen and Davis 2009). However, the epistemic nature of such constructs is not clear. Aside from supporting the existence of hypothetical constructs using formative measurement from the viewpoint of the “2+ emitted path” rule and the MIMIC model, this paper also theoretically and empirically supports their existence, thereby contributing to a better understanding of validating constructs possessing formative indicators. For example, this improved understanding can provide clearer guidelines when attempting to contribute to conceptual advances either by proposing a “good” construct with formative indicators, or by articulating “best practices” and procedures for executing both strategies and tactics.

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What Have You Done For Me Lately? Changing Perceptions of Residential Real Estate Agents

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This study investigates how market conditions impact a seller of residential real estate's perception of the value and likeliness of use of the services provided real estate agents for two markets: Canada and the United States. Using principles from social embeddedness and transaction costs theories, it is hypothesized that in moderately declining market conditions, sellers' usage rates and valuations of agents will increase but when markets are in periods of significant decline, seller's usage rates and valuations of agents will decrease. The hypotheses are supported and implications of the findings are discussed.

Introduction One of the most important steps for sellers of residential real estate property is finding qualified buyers, (Crowston and Wigand 1999). In the attempt to locate buyers, residential real estate sellers have three choices. First, they can utilize the relatively costly services of real estate agents (4-7% sales commission) who may have industry- specific knowledge about potential buyers and other real-estate related information. Next, they can use lower priced, lower service real estate intermediaries (such as ComFree in Canada, \$699 per listing), which may reduce the net financial costs of the transaction but not give sellers access to real estate agent 'expert' information. Finally, sellers can attempt a 'FSBO' (For Sale by Owner) method of marketing which would likely minimize the net financial costs of any sale but similarly give no access to 'real estate agent-based, proprietary' information.

Depending on the method of sale chosen by sellers, real estate agents may face significant and industry- wide changes in the demand for their services. This paper applies the theories of social embeddedness and transaction cost economics and considers potential changes in seller's demand for residential real estate agent services under differing market conditions: significant price increases (high demand and high prices: GOOD market conditions), commencement of price declines (moderately declining demand and prices, and significant price declines: BAD market conditions), (extremely low demand and prices: UGLY market conditions) as follows.

Literature Review and Hypotheses

Social embeddedness theory suggests that where desired outcomes are embedded in or rely on social networks, transactional efficiencies are optimized by using the social capital of individuals or social units that possess those resources, (Swedberg 1994). Social capital has three components, structural, relational and cognitive. Structural components refer to the operation of information channels which efficiently collect relevant information and disseminate this information to parties in a transaction, (Nahapiet and Ghoshal 1998). Relational components describe components of personal relationships established in previous interactions such as trust, obligations and

expectations and norms. Cognitive components include shared language, codes and recognition of sequences needed to achieve desired outcomes or goals, (Crowston and Wigand 1999).

For most sellers of residential real estate, the desired outcome of the real estate process is to dispose of their holdings at fair market value (or greater), within the shortest time frame possible. When demand for properties decreases, the probability of the sale of the property tends to decrease and vice versa. If sellers perceive that real estate agents have the structural and relational advantages of having "proprietary" information about potential buyers (information asymmetry between seller and agent) and also perceive that the agents will efficiently share that information with them, then sellers may believe that these agent attributes will increase the likelihood of a sale. This is particularly the case because there are no 'directories' or 'inventories' of potential buyers of residential real estate except those ostensibly maintained and communicated to the seller by real estate agents. Thus, under conditions of deterioration of market demand the likelihood of using a real estate agent should increase.

Transaction cost theory suggests similar results. Here, 'value' in a transaction is defined by the contribution of each party to the optimally efficient completion of the 'desired goal or outcome'. Specifically, the optimally efficient transaction minimizes the transaction costs associated with goal achievement, (Williamson 1987). This theory proposes four transaction costs: contact costs (information search), contracting costs (negotiation and formulating the contract), monitoring costs (checking quality, quantity, prices, deadlines and secrecy), and adaptation costs (changes during the validity of the agreement). During the transaction, if one party, Transactor A, perceives that they themselves, can minimize any or all of the costs more efficiently than the other existing party, Transactor B, the likelihood of continued or future participation for Transactor B decreases. For example, if a manufacturer disregards quality control issues for products and a retailer must scrutinize these incoming products for defects, the retailer's monitoring costs have increased. As a result, the perceived retailer value of the manufacturer has likely decreased. For sellers of residential real estate, when demand for properties decreases, the efforts required to find potential buyers increases. If sellers perceive that agents are more efficient in finding buyers, (due, in part, to lower contact or buyer information search costs), sellers will value agents more and are more likely to use their services and vice versa. Thus, the hypotheses that will be tested are as follows:

As market demand and prices for residential real estate decrease moderately, the perceived value of real estate agents increases for sellers.

As market demand and prices for residential real estate decrease moderately, the likelihood of a seller using a real estate agent increases.

Further, there may eventually be a point at which sellers no longer believe that using an agent increases the likelihood of a sale for their residential real estate holdings. This situation could arise if sellers perceived that there were few, if any, potential buyers and as a result, also perceived that agents were unlikely to possess any superior information about potential buyers. In this case, there would be no structural, relational or contact cost advantage to using an agent. Essentially, under these conditions, the sellers' subjective probability of a sale would decrease and possibly approach zero, (Fishbein and Ajzen 1975). If very low subjective probability of selling is apparent, it is likely that seller usage and valuation of real estate agents would decrease substantially as follows:

In conditions of significant declines of market demand and prices, the seller perceived value of real estate agents decrease, as compared to moderately declining demand and price conditions.

In conditions of significant declines of market demand and prices, seller usage rates of real estate agents decrease as compared to moderately declining demand and price conditions.

Method: Canada

Survey data was collected from 190 middle-class individuals in Western Canada. 80% of the data was collected from cities of over 200,000 residents and 20% was collected from areas with fewer residents. Data was collected over two time periods: period one, 2005-6; n=70 useable surveys (increasing demand and prices market conditions) and period two, 2007; n = 96 useable surveys, (market conditions: slight decline in demand and prices). Data for the second period was collected within 2 kilometers of the original survey collection locations but there was no overlap in the areas of collection for the two collection occasions. Age, sex, income, home ownership status, marital status, education, internet experience, employment status, number of children, previous residential real estate selling experience and intention to sell a property within 5 years were not significantly different for the two data sets. Participant demographics are available on request. Participants were given a ten dollar gift card for their participation.

The survey instrument used in this study had been previously validated in other published research, (Saber and Messinger 2011). For this study, the questions that pertained to the seller's subjective probability of using an agent and the subjective value of the agent were as follows: 1. The next time you sell a property, how likely is it that you will use an agent? 2. How much do you value the services of a real estate agent?

Results: Canada

After normal data procedures, Manova procedures for the two sets of Canadian data were used to test the Hypothesis One and Two only, since there was no data available to test Hypothesis Three and Four, (UGLY market conditions). The probability of agent use and the valuation of residential real estate agent services were the dependent variables and the between subject factor was the market condition at the time at which the data was collected (Two conditions; period one: high demand and price; GOOD market conditions and period two: lessening demand and price; BAD market conditions). Covariates were age, sex, income, education, Internet experience, number of children, education and number of previous real estate transactions. The significant results are as follows.

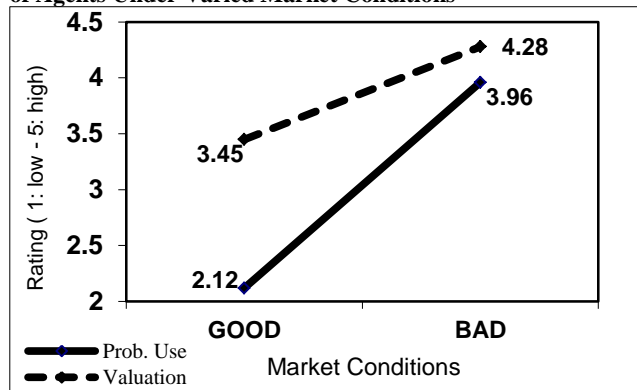
Hypothesis One proposed that as market demand and prices for residential real estate moderately decrease, (BAD), the seller's

perceived value of real estate agents should increase. This hypothesis was supported, ($F_{1,165} = 26.715, p \leq .000$). Participants valued residential real estate agent services more under moderately declining price and demand market conditions (BAD) than under high demand-high priced market conditions (GOOD). The mean difference between the two scores was 1.26 on a scale of 5 where the mean for the GOOD market condition was 2.12, for the BAD market condition, 3.96 where 1 indicates lower perceived value and 5 indicates higher perceived value.

Hypothesis Two proposed that as market demand and prices for residential real estate decrease moderately (BAD), the seller's likelihood of using an agent would increase. Parallel to the reasoning for Hypothesis One, this increase of likelihood would arise because of the characteristics of the real estate transaction under BAD market conditions: agents could use their social networks to find buyers more readily than sellers or lower priced, lower service intermediaries.

This hypothesis was also supported, ($F_{1,165} = 47.428, p \leq .000$). Participants were more likely to use an agent in moderately declining demand and price market conditions (BAD) than under high demand-high price (GOOD) market conditions, as expected. The mean difference between the two scores was .83 with the mean for the GOOD market condition was 3.45 and the mean for the BAD market condition was 4.28 and where numbers closer to five indicated a higher probability of use, whereas numbers closer to one indicated a lower probability of use. Thus, under GOOD conditions, sellers tend to value and utilize the services of residential real estate agents less than under BAD conditions, as predicted by the social embeddedness and transaction cost theories.

Graph 1. Canadian Seller's Valuations and Probability Of Use of Agents Under Varied Market Conditions



Method: United States

After validation of the Canadian survey questions using American focus groups of agents (3 groups) and sellers (2 groups) and eight depth interviews (4 sellers, 4 agents), survey data was collected from 225 middle-class individuals in urban and rural Texas. 80% of the data was collected from cities of over 500,000 residents and 20% was collected from areas with fewer residents. Data was collected over three time periods: period one: 2004-5, n=66 useable surveys (GOOD), period two: 2006, n = 75 useable surveys, (BAD) and period three: 2007, n = 72 useable surveys (UGLY). Data for all the survey were collected within 1 mile of the original survey collection locations but there was no overlap in the areas of collection for the three collection occasions. Age, sex,

income, home ownership status, marital status, education, internet experience, employment status, number of children, previous residential real estate selling experience and intention to sell a property within 5 years were not significantly different for the two data sets. Participant demographic characteristics were not significantly different that Canadian participants and are available on request. There were no participant incentives used for these collection procedures.

Results: United States

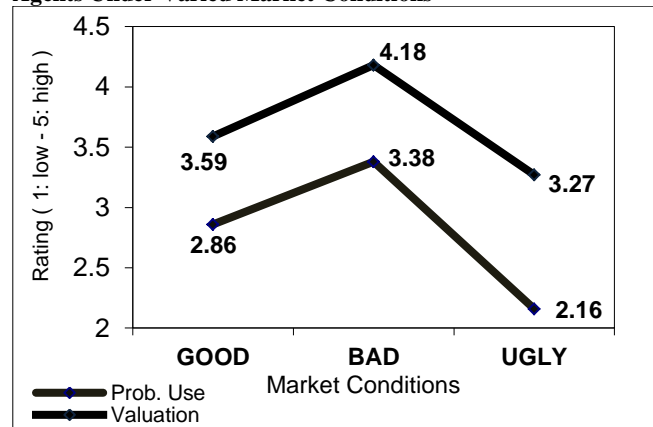
A MANOVA with the same variables as used in the Canadian data was completed here for the three market conditions, GOOD: 2004-5, BAD: 2006 and UGLY: 2007. Hypothesis One was supported. There was a significant main effect of the market condition for both real estate agent valuations ($F_{2,212} = 15.689, p \leq .000$ and real estate agent likelihood of use, ($F_{2,212} = 27.464, p \leq .000$). Specifically, for valuations, comparing GOOD to BAD reveals a significant mean difference of .59, $p = .016$. The mean for sellers' valuations of real estate agents under GOOD market conditions was 3.59 and the mean for BAD market conditions was 4.18. This result indicates that in conditions of moderately declining prices and demand (BAD), sellers are significantly more likely to value the services of real estate agents, as compared to their valuations under GOOD market conditions.

Hypothesis Two is also supported by the data. There is a mean difference of .52, $p = .004$ and the mean for likeliness of usage of a real estate agent under GOOD conditions was 2.86, whereas the mean under BAD conditions was 3.38. Thus, U.S. sellers will also more likely use an agent under BAD compared to GOOD conditions.

Hypothesis Three suggests that when there are significant (historic reductions, as experienced in the U.S.) levels of market demand and price decline in the residential real estate markets, sellers may effectively 'give up hope' of selling, with or without the services of an agent. As a result, the value of a real estate agent in facilitating the transaction (finding buyers) is reduced. Hypothesis Three is supported by the data: the mean for seller valuation of agents under BAD market conditions is 4.18 whereas the comparable mean under UGLY conditions is 3.27, a difference of .91, $p = .000$. In UGLY market conditions, sellers expect the probability of a sale is extremely low, with or without the services of a residential real estate agent. Practically speaking, if real estate agents cannot help sellers under UGLY market conditions, (e.g. seller's subjective probabilities of a sale are approaching zero), agent value will be reduced and sellers will not be willing to pay for these now (perceived as) "marginal value" services.

Hypothesis Four suggests that under UGLY market conditions, the seller likelihood of using a residential real estate agent will be reduced, as compared to BAD market conditions. This hypothesis is supported: the mean of likelihood of usage under BAD market conditions is 3.38 whereas the mean likelihood of usage is 2.16 under UGLY market conditions, a difference of 1.22, $p = .000$. This result also contributes support to the proposition that when conditions become extremely depressed in terms of price and demand, sellers lose much of their optimism about the potential for selling their properties, (subjective probabilities approaching zero), even with the usage of an agent. Thus, the probability of agent use declines significantly for UGLY market conditions as compared to BAD market conditions.

Graph 2. U.S. Seller's Valuations and Probability Of Use of Agents Under Varied Market Conditions



Discussion and Limitations:

For both data sets, Hypotheses One and Two are supported. This suggests that the predictions of the social embeddedness and transaction cost theories are essentially correct: in periods of moderately declining prices and demand, (BAD), sellers will value and use the services of real estate agents at increasing rates. Under these conditions sellers tend to perceive that there is information asymmetry between themselves and real estate agents; agents may have specific, industry-related and proprietary knowledge about potential buyers due to their extensive involvement in the residential real estate industry. Specifically, the agent's 'potential buyer knowledge' may be perceived by the seller to lead to the increased probability of a sale. Sellers are thus more likely to employ and agent to sell their properties in BAD market conditions.

With respect to Hypotheses Three and Four, for UGLY market conditions, (U.S. data only), results show that under these conditions, sellers tend to subjectively perceive a very low probability of sale of their property holdings and likely also believe that real estate agents do not have any informational advantages in locating qualified buyers: there simply are very few or no buyers in the marketplace. As a result, agents cannot contribute any 'value-added' components to the real estate transaction, therefore usage rates tend to decline. In the seller's perception, there is 'little hope' of a sale, even with the assistance of an agent. Thus, under UGLY market conditions, residential real estate agents may expect falling demand and valuation of their services.

The U.S. data show an inverted-U shaped result for seller valuations and usage rates of real estate agents under GOOD, BAD and UGLY market conditions. It is possible that if market conditions similarly decline in Canada and eventually reach the historic and extreme levels that currently exist in the UGLY U.S. marketplace, this usage and valuation pattern change could be replicated in the Canadian data.

In terms of managerial implications, it appears that depending on the market conditions, residential real estate agents may face either significantly increasing or decreasing demand for their services. Because services are perishable, owners and brokers of real estate agencies can observe the market conditions that are occurring in the real estate markets in which they operate and increase the number of residential real estate agents that are

available under BAD market conditions and prepare to reduce these numbers if conditions deteriorate further, (UGLY market conditions). This is particularly important if the agents are paid a base salary or fixed salary, as compared to a straight commission compensation method. Specifically, in order to maximize profitability if salaries are not variable, it will be important for owners and brokers to have the optimal number of agents available, as dictated by the market conditions.

In terms of individuals who either are or intend to become residential real estate agents, it appears that the greatest likelihood of success in the industry is under BAD market conditions, when the valuation and demand for their services is the greatest. In any event, entering or continuing to be an agent under UGLY market conditions appears to be a riskier choice.

There are a number of limitations and areas of future research that arise from this study. First, the results of this study may not be generalizable to all geographical markets. Other locations, particularly those at the extremes of the 'property demand and price' real estate market distributions could have different results than those found here. Second, although data has been collected in multiple time periods, other time periods and market conditions could produce varied results. Relatedly, this study cannot identify the point in time at which usage rates and valuations begin to decline from their highest levels under BAD conditions. This issue could be investigated in further research. Third, the perspectives of real estate agents and buyers would likely reveal much richer information about the hypotheses examined in this paper. Fourth, only middle class participants were surveyed in this research. Other samples may garner different results than found here. Fifth, the issue of information asymmetry and its effects on valuations and usage rates should be investigated. Sixth, although there were no significant differences in U.S. and Canadian demographics and focus groups validated the questions used on the surveys, there may be cultural differences between the samples that may confound these results. Finally, this research may also have wider applicability to other knowledge-based, 'expert' service providers in terms of estimating demand for services under differing market conditions. This issue should be considered in future research. Despite these limitations, it appears that, based on this preliminary

study, market conditions may have a significant impact on the usage rates and valuations of residential real estate agents by sellers in both Canadian and American housing markets.

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Summary Brief

The Impact of Anti-Brand Advertising on Brand Attitude: The Role of Consumer Brand Identification

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The ubiquity of the internet and the growth of engaged online brand communities has made brand value co-creation an important reality for firms who own valuable brand assets. One important constituency that is often overlooked in the brand value co-creation literature is the activist anti-brand community. To test the impact of anti-brand communications, an experiment using online panel data is proposed.

Introduction

It is widely accepted that successful brands are important corporate assets with significant economic value to the firm (Madden et al. 2006). Current brand research suggests that brand value is achieved by a collaborative, co-creation process through the interactions of the firm, its customers, and other stakeholders (Merz et al. 2009). A key stakeholder group for brand value co-creation is the brand community (Merz et al. 2009). Brand communities are “based on a structured set of social relations among admirers of a brand,” (Muniz and O’Guinn 2001, p. 412).

An often overlooked constituent group in the brand value co-creation discussion is the anti-brand community. Anti-brand communities are similar to brand communities, yet they are formed in direct opposition to a specific brand rather than in admiration of it (Hollenbeck and Zinkhan 2006). Anti-brand communities are important to the discussion of brand value as they have the potential to influence consumer brand perceptions, purchase decisions, and market share of the firm (Kucuk 2008).

Anti-Brand Communities

Anti-brand communities are comprised of consumers who share a strong distaste for a particular brand. These groups are motivated to discredit or insult the brand as a result of perceived injustice or wrongdoing on the part of the brand (Hollenbeck and Zinkhan 2006). Empowered by access to online information (Krishnamurthy and Kucuk 2009), anti-brand communities have arisen as a form of consumer activism, with members united in support of anti-consumption activity (Kucuk 2008) and in opposition to brand hegemony (Cromie and Ewing 2009).

Brand Identification

The impact of anti-brand communities on consumers is likely influenced by how strongly the consumer identifies with the brand in question. Research has shown that oftentimes, consumers use brands for their symbolic value in creating or demonstrating the consumer’s self-concept (Belk 1988). Higher levels of brand identification typically indicate higher levels of brand commitment (Keh and Xie 2009).

Information Valence

Research suggests that negative information received about a brand is perceived to be more useful and diagnostic in making consumer purchase decisions (Ditto and Lopez 1992). However, *motivated reasoning theory* states that people are driven by two major sets of goals when processing information and making value judgments – they can either be motivated to arrive at an unbiased conclusion, or they can arrive at a particular, more desired conclusion that is inline with their beliefs (Kunda 1990). Thus, in the context of anti-brand communications, consumers who are highly committed to the targeted brand will resist processing any undesirable or negative anti-brand information, while consumers who do not identify with the targeted brand will be more susceptible to the anti-brand message. Hence:

H1a: *For those consumers who strongly identify with a brand featured in an anti-brand message, attitudes toward the brand will not be different after exposure to the anti-brand message than after a positive brand message.*

H1b: *For those consumers who weakly identify with a brand featured in an anti-brand message, attitudes toward the brand will be more negative after exposure to the anti-brand message than after a positive brand message.*

Negative Advertising

Negative advertisements are defined as a form of comparative advertising that attempt to draw consumers away from an identified competitor by attributing some degree of inadequacy to that competitor while oftentimes failing to mention attributes of the sponsor (Merritt 1984). In this respect, anti-brand advertising messages have similar goals – to show the targeted brand in a negative light while providing very little information about the ad sponsor. In comparative product advertising, research has shown that when processing motivation is high, negatively framed comparative ads are more effective than positively framed ads at influencing consumer attitudes towards targeted brands (Shiv et al. 2004). Therefore, if a consumer favors the sponsor of an anti-brand message over the targeted brand, exposure to that message will result in a lower attitude toward the target brand than if they were exposed to a positive advertisement featuring the targeted brand.

H2a: *For those consumers who strongly identify with a brand sponsoring an anti-brand message, attitudes toward the targeted brand will be more negative after exposure to the anti-brand message than after a positive message for the brand.*

H2b: *For those consumers who weakly identify with a brand sponsoring an anti-brand message, attitudes toward the targeted*

brand will not be different after exposure to the anti-brand message than after a positive message for the brand.

In the negative advertising literature, researchers have also examined a phenomenon referred to “backlash” – whereby negative advertising has a reverse or boomerang effect against the ad sponsor that is as great or greater than the intended effect on the target (Phillips et al. 2008). Thus, in the case of anti-brand advertising, those who strongly identify with the targeted brand will have a decreased attitude toward the sponsor of the anti-brand ad and an increased attitude toward the target when compared to those exposed to a positive advertisement.

H3a: *For those consumers who strongly identify with a brand featured in an anti-brand message, attitudes toward the sponsoring brand will be more negative after exposure to the anti-brand message than after a positive message for the brand.*

H3b: *For those consumers who weakly identify with a brand featured in an anti-brand message, attitudes toward the sponsoring brand will not be different after exposure to the anti-brand message than after a positive message for the brand.*

Methods

In order to identify brands to use in the experimental treatments, a pretest was conducted using 16 brands drawn from BrandZ™’s list of the top 100 most valuable global brands (BrandZ 2012). An online survey was developed to measure brand identification and brand attitude. Respondents were recruited through Amazon’s Mechanical Turk (MTurk), resulting in 199 usable responses. Analysis of the results identified Google as having the highest levels of brand identification and attitudes, and McDonald’s as having the lowest. Amazon was identified as a brand with neutral brand identification and attitudes.

For Study 1, a posttest-only, randomized control group design was created. This experimental design manipulates the advertisement in a 2 (low/high brand identification) x 2 (negative/positive valence) between-subjects factorial design based on pretest results. Data for Study 1 is currently being collected utilizing an online panel via MTurk.

Discussion

In an age when brand managers must share control of the communications about their brands with consumers, it is becoming increasingly important for managers to understand the impact of consumer-initiated brand messages. While the influence of brand communities is becoming better understood, the persuasiveness of anti-brand communities is less clear. Research in this area is vital for several reasons. First, consumers inherently rely on word-of-mouth brand communications to a greater extent than firm-sponsored messages (Bendapudi and Berry 1997). Secondly, anti-brand messages, by definition, spread negative information about the targeted brand, engaging consumers’ negativity bias. This bias is an individual’s psychological tendency to find negative information more diagnostic than positive information (Herr et al. 1991). As a result, anti-brand communities, by combining consumer-driven communications and negative brand information, have the potential to be more influential on consumer attitudes than traditional marketing messages. Our study aims to be an initial step toward understanding the impact of anti-brand messages.

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Summary Brief

The Anatomy of a Facebook Like: An Exploratory Study of Antecedents and Outcomes

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Social networking, Facebook in particular, is becoming a popular channel for firms to establish and maintain relationships with customers. One of the most popular ways for a company to measure the success of their Facebook presence is by the number of "Likes" that the company has from "fans" of their brand. But, is simple quantification of "Likes" sufficient? Are all "Likes" created equal? The authors engage in exploratory, qualitative-based research in order to look at the motivations and consequences associated with "Liking" a brand, using a sample of 160 Facebook users. Antecedents and outcomes are analyzed, coded and reported in order to more holistically understand Facebook "Liking" behavior. Implications for future research directions are also discussed.

Introduction

Many companies attempt to gain visibility on Facebook by stimulating as many Facebook users as possible to "like their brand. As a result of the popularity, simplicity and perceived impact of the meaning of a "Like", the number of "Likes" that a brand's Facebook page receives has become something of a measure of success in social media communications. In other words, one could assume that a high number of "likes" indicates the overall success or popularity of a company's Facebook presence. In fact, studies have tested this assumption and have shown a correlation between Facebook "likes" and company stock prices (O'Connor 2013).

The purpose of this exploratory research is to expand the knowledge of the current literature stream and to attempt to more fully understand what a Facebook "Like" truly represents by asking questions such as: What exactly is a Facebook "like? Are all Facebook "likes" equally beneficial to brands? To this end, motivations behind "Liking" a brand are explored, as well as the interactions that occur between the company and consumer as a result of this Facebook interaction. In order to achieve a more holistic view, outcomes of Facebook relationships are also explored.

Method

In order to more fully understand what goes into a Facebook "like," a qualitative study was constructed. Respondents were instructed to think of a brand that they "Like" on Facebook. They were then asked to respond to a series of open-ended questions with this brand in mind. The first question of this study asked respondents what about this particular brand, in general, appealed to them. This question was designed to gather information on the type of brands that consumers would "Like" on Facebook. Next, respondents were asked what prompted them to seek out and

perform the action of "Liking" the brand on Facebook. Through this question, the authors hoped to better understand how customers made the decision to voluntarily engage in an online relationship with the brand. Respondents were then asked to describe any interactions that they had with the brand (reading posts, sharing, commenting, etc.). Because "Liking" the brand does not necessarily mean that the consumer chooses to have two-way interactions with the brand, the authors were interested to see the different ways in which online interactions occurred. Finally, respondents were asked to describe how their relationship with the brand changed as a result of their Facebook relationship (if at all). This question was designed to determine marketing implications of Facebook interactions.

Once the usable responses were compiled, two judges familiar with Facebook sorted responses for each question into a series of categories and subcategories. A constant comparison method was used. This method allows judges to read, sort, and re-read responses, combining responses into larger categories (Bitner, Booms, and Tetreault 1990; Spiggle 1994). During the first part of the analysis, one judge employed open coding to identify categories of responses. These categories were then named. The developed categories and their codes were then supplied to the second judge, who was asked to classify each response into its' appropriate category. Perreault and Leigh's (1989) Index (Ir) was also calculated to further validate the coding process. The index for each question was also above .90, giving support to the coding process.

Findings

Question #1

The first question asked respondents to describe what about they found appealing about the brand in general. Unsurprisingly, the majority of respondents stated that the factors that made the brand attractive were the features and the pricing of the brand. Some respondents also noted their connection to the brand's personality traits, their perceptions of shared values with the brand, and their perception of the match between their own image and the image of the brand as reasons they liked the brand.

Question #2

The next question asked respondents to describe what specifically prompted them to "Like" this brand on Facebook. This question differs from the first in that in the first question in that rather than respondents being asked what they found the about the brand appealing in general, this question specifically examines the factors that led them to actively identify and explicitly "Like"

the brand on Facebook. The major categories of responses are as follows:

Question #3

Respondents were then asked to describe their Facebook interactions with the brand. "Liking" a brand's page on Facebook causes the brand's Facebook posts, pictures, and other information to appear on their fan's newsfeed (which is seen whenever the user first logs into Facebook) so that the fans can read, share, or repost the information from the brand. However, fans can choose their level of interaction with the brand. As evidenced in the responses gathered in this survey, many Facebook fans take a passive role in their interactions with the brand, simply reading or looking at the brand's posts. Others choose to share information either with the brand or with their Facebook friends.

Question #4

Finally, respondents were asked to describe any ways that their relationship with the brand changed as a result of "Liking" the brand on Facebook. As "Liking" a brand causes the brand's posts to appear in the fan's newsfeed, this allows for the possibility of more interactions with the brand. The overwhelming majority of respondents stated that their relationship with the brand had not changed as a result of liking the brand on Facebook. However, those whose relationship had changed seemed to have improved the quality of their relationship as a result of their Facebook connection.

Implications and Future Research

One of the primary motivations behind this study was to explore possible marketing outcomes associated with "Liking" a brand on Facebook. To that end, this current research is enlightening. First, the way that consumers communicate with the brand on Facebook may seemingly be grouped into either one-way or two-way communication. With one-way communication, Facebook posts from the firm simply become another form of advertisement, or even a pseudo-website, giving information to willing consumers, but not really gaining any information or revelation from the consumer. Perhaps the greatest gain from this one-way communication is that some of the brand's Facebook fans are willing to share or repost the communications from the brand, therefore increasing the brand's overall visibility. In this instance, a great deal of the bi-directional potential to be found in social

networking communication is rendered useless. However, there are many ways that Facebook relationships can be a form of two-way communication. For example, some respondents stated that they commented and/or "Liked" posts from the brand. This type of behavior gives firms insight as to their fans' opinions and interests and allows for the brand to actively interact with their customers in real-time. Additional information may also be gained through offering sweepstakes and contests to fans, although this research suggests that without a contest present these fans may be less willing to interact with the brand.

Future research should focus on the relationships that different "Liking" antecedents have on customer outcomes and expectations in the social networking relationship. For example, in what way and to what degree does customer engagement change if customer "Likes" the brand based on social influence rather than a sweepstakes entry? How can the brand actively encourage new fan acquisition in a way that could most positively promote engagement and interactivity? Perhaps the most natural follow up to this exploratory study would be a quantitative study which, based on the tenets found in the uses and gratification theory, attempts to map out and test the relationships that emerged in this study. With so much attention being given to "Likes" and social networking communication, research should be conducted attempting to break down and classify all aspects this new communication medium in order for a greater overall understanding for both practitioners and academics.

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Summary Brief

Of “Likes” and Pins: Measuring Consumers’ Emotional Attachment to Social Media

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Marketers are racing to understand and leverage burgeoning consumer activity on social media. One key question is, “who will be the heaviest users of social media to promote brands to others?” We propose that consumers who have become strongly emotionally attached to social media will be more likely to engage in brand-related social media activities. Whereas Attachment Theory has been applied in a variety of other areas to develop context-specific attachment measures (e.g., places, collectables, brands), no such scale exists for social media. We therefore first develop a measure of emotional attachment to social media (EASM). We provide empirical evidence for reliability and validity across six studies. We then show positive associations between EASM and attitudinal and behavioral indicators of brand promotion on social media. We offer EASM as a construct and a new quantitative measure useful in explaining variance in consumers’ brand-related social media activities.

Introduction

In just short of a decade, social media has burst onto the scene to become a cultural and social phenomenon changing the way millions communicate. The average American now spends over 22 hours a week on social networking sites, with those under the age of 35 spending more than 26 hours a week (Ipsos 2013).

Marketers see enormous potential in this growing phenomenon and sense tremendous opportunities for emerging areas of research (Powers et al. 2012). To leverage this trend for marketing purposes, marketers must understand what drives such mass affinity to social media. We argue that attachment theory offers an excellent explanatory framework, as it has in other domains where individuals form strong bonds with a variety of attachment targets.

Theoretical Framework

Attachment Theory

Attachment theory originally described strong “bonds” between mothers and infants that meet fundamental needs for safety and security through maintenance of proximity (Bowlby 1969; Ainsworth 1970). Multiple disciplines extended the theory to examine other attachment targets, including for example, pets (Hirschman 1994), places (Rubinstein and Parmelee 1992), and collectibles (Slater 2001).

In marketing settings, individuals seek ongoing connection, and avoid separation, with attachment targets such as brands (Thomson, MacInnis, and Park 2005; Park et al. 2010). Since attachment can occur with intangibles like services (Mende and Bolton 2011), we propose that social media also can become an

attachment target. This might help to explain various brand-related social media activities. However, attachment’s role cannot be tested quantitatively since a validated operationalization of emotional attachment to social media has yet to be developed. We therefore first present a series of studies to develop and validate a measure of emotional attachment to social media (See Table 1).

Methodology and Results

Consistent with studies across multiple disciplines, we argue that distinct attachment contexts require domain-specific operationalizations. We thus develop and validate an operationalization of emotional attachment to social media (EASM). We define EASM as *an emotion-laden bond between a person and social media; characterized by affective and cognitive connections with others and one’s self facilitated by social media*. We present supporting evidence for the reliability and validity of the EASM scale across six studies involving over 750 people.

In Study 1 we developed a pool of items based on open-ended qualitative responses of 21 social media users. Fused with themes from relevant social media literature, 53 items were generated. These were administered in Study 2 (n=233). Factoring and item purification produced seven interpretable subdimensions. This preliminary result was presented to two industry experts for a check of face validity. Based on feedback, an additional subdimension was suggested. Items were generated and included in Study 3 (n=191). Factoring of the expanded set of items produced 8 subdimensions as expected, composed of 27 items, explaining 90% of the variance, with all communalities exceeding a 0.6 cut off. The final set of items and the corresponding Cronbach’s alphas are reported in Table 1.

Study 3 also adapted for social media two existing emotional attachment to brand scales (Thomson, MacInnis and Park 2005; Park et al. 2010). EASM showed favorable convergent validity with these adapted scales ($r=.68$ and $.73$, respectively). EASM also correlated with an exploratory criterion measure: self-reported time spent on social media platforms ($r=.43$).

In study 4 (n=58) we tested the content validity of the scale items. Respondents sorted items under fixed subscale definition categories. All items behaved as expected (CVR from $.53$ - 1.00 , CVI 91%, percentage of items classified correctly 77% - 100%). In study 5 (n=53) we investigated test-retest reliability. Within subjects correlations across two time periods were strong for EASM overall and for each of the 8 subdimensions ($r=.76$ to $.91$). In study 6 we demonstrate EASMs association with social media based adaptations of classic attachment outcome variables. EASM correlates significantly with separation distress, safe haven, emotional security, and proximity seeking ($r=.60$ to $.77$).

Finally, with supporting evidence for the scale's reliability and validity, we then related EASM to key criterion variables of interest: social media related brand behaviors and social media related brand attitudes. EASM was significantly related to both outcomes of interest ($r=.31$ and $.59$ respectively, $p < .001$).

Discussion

Empirical evidence across six studies supports reliability and validity of the EASM measure. Individuals scoring higher on EASM spend significantly more time on social media platforms, are more likely to engage with companies and brands through social media, and are more likely to have positive attitudes about companies and brands that use social media platforms to engage consumers. Future research should investigate EASM in relation to purchase intentions, social media advocacy behaviors, emotional brand attachment, and individual attachment styles.

Table 1. Emotional Attachment to Social Media Scale

Emotional Attachment to Social Media- EASM ($\alpha = .94$)
Connecting ($\alpha = .94$)

I use social media to interact with friends.
Social media provides a way for me to stay connected to people across distances.
I use social media because it makes staying in touch with others convenient.
Social media provides a way for me to keep in touch with others that I care about.

Nostalgia ($\alpha = .85$)

Social media allows me to look back at meaningful events, people, and places from my past.
Using social media makes me feel nostalgic about things that I have done in the past.
Sometimes social media reminds me of warm memories from my past.

Informed ($\alpha = .88$)

Social media is one of one of the main ways I get information about major events.
Social media allows me to stay informed about events and news.
Social media is one of my primary sources of information about news.

Enjoyment ($\alpha = .89$)

I use social media as a way for me to de-stress after a long day.
I use social media to give myself a break when I've been busy.
Social media is an enjoyable way to spend time.

Advice ($\alpha = .80$)

I seek advice for upcoming decisions using social media.
I get advice about medical questions on social media.
If I'm unsure about an upcoming decision I get input from friends on social media.

Affirmed ($\alpha = .92$)

When others comment on my posts I feel affirmed.
When people respond to my posts in social media I feel like they care about me.
It makes me feel accepted when people comment on my social media posts.

Enhances My Life ($\alpha = .88$)

Social media makes my life a little bit better.
Social media enhances my life.
My life is a little richer because of social media.

Influence ($\alpha = .91$)

Sometimes I post things just to have a positive effect on other peoples' moods.
I post on social media to brighten other peoples' day.
I post things on social media that I think will be helpful to my friends' lives.
I want to inspire other people with my social media posts.
I think it is important to share things on social media so those I care about stay informed.

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MARKETING STRATEGY TRACK

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Summary Brief

Oops I Did it Again: Are Some Firms More Likely to Experience a Product-Harm Crisis?

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Each year, thousands of firms experience a product-harm crisis. Very limited attention has been devoted to exploring whether some firm characteristics decrease firms' likelihood of experiencing a product-harm crisis. Our analyses of 116 S&P 500 firms across 2006-2011 reveals that firms having a Chief Marketing Officer present in their Top management team, those that exhibit a corporate branding strategy, and those with higher levels of managerial ownership are less likely to experience a product-harm crisis. These results have important implications for practitioners seeking to avoid product-harm crises, and for scholars working in the areas of innovation, CSR, branding, and corporate governance.

Introduction

A product-harm crisis is a discrete, well-publicized event wherein a firm's product fails to meet a mandatory safety standard, or contains a defect that creates an unreasonable risk of substantial harm, serious injury, or death to consumers (Dawar and Pillutla 2000). Prior researchers show that product-harm crises cause significant damage to such assets as brand value, customer value, and firm reputation (e.g., Ahluwalia, Burnkrant, and Unnava 2000; Dawar and Pillutla 2000). Scholars have also offered firms involved in a product-harm crisis guidance on how to minimize the crisis' damage (e.g., Ahluwalia, Burnkrant, and Unnava 2000; Dawar and Pillutla 2000). An important question which has surprisingly eluded the attention of scholars, however, is, "Are some firms more likely to get involved in a product-harm crisis to begin with?" If a product-harm crisis is an event which is significantly associated with certain firm characteristics, firms may possibly *prevent* product-harm crises, and in doing so, avoid having to implement costly post-crises strategies.

In light of existing research's limitations we explore the role of corporate governance (degree of managerial ownership), marketing's influence in the C-suite (presence of a CMO in the TMT), and branding strategy (choice of using a corporate branding strategy) on the likelihood of a product-harm crisis. In exploring firm-specific antecedents of product-harm crises, we start with the premise that avoiding a product-harm crisis requires from firms both *capability* and *motivation*. Our focus in this article is on firm characteristics that are related to the relative *motivation* of avoiding a product-harm crisis. In the meantime, we control for a number of other firm characteristics (e.g., prior financial performance, firm size, firm age, leverage, etc.), that could possibly be related to the relative *capability* of avoiding a product-harm crisis.

Theory and Hypotheses

A firm employing a corporate branding strategy uses its corporate name to brand its products and services (Rao, Agarwal, and Dahlhoff 2004). We expect firms that have a corporate branding strategy to be less likely to get involved in a product-harm crisis (**H₁**).

This is because for such firms, the negative outcomes associated with strategic actions (e.g., decreased customer goodwill resulting from one of the firm's products failing to meet a mandatory safety requirement), are likely to harm all of the firm's products (Biehal and Sheinin 2007)

and damage the corporate brand as a whole (Rao, Agarwal, and Dahlhoff 2004). In other words, the scale of returns that a firm experiences as a result of how an individual product performs in the marketplace on the product-safety dimension is increased if the firm exhibits a corporate branding strategy. We expect this increased scale of returns for a firm with a corporate branding strategy to provide an added motivation to the firm's managers and employees to ensure that the highest product-safety standards are met by the firm before products are launched in the marketplace.

We also expect firms having a CMO present in their C-suite to be less likely to experience a product-harm crisis (**H₂**). This is because the CMO acts as the customers' voice (Nath and Mahajan 2008), and helps the TMT adopt the marketing concept in its decision making (Crosby and Johnson 2005). A greater sensitivity to customers' needs for firms having a CMO in their TMT is in turn expected to increase the emphasis these firms place on product safety. Furthermore, marketing expenditure (e.g., advertising) is a primary tool a CMO has at his or her disposal to grow the corporate brand; hence, a decrease in marketing effectiveness brought about by a product-harm crisis (as found by Van Heerde, Helsen, and Dekimpe 2007), is particularly onerous for a CMO, leading to a greater emphasis on product safety.

Finally, we expect managerial ownership to have a U-shaped relationship with firms' likelihood of getting involved in a product-harm crisis (**H₃**). If managers hold a high percentage of firms' stocks, a product-harm crisis is likely to cause a greater decrease in the wealth of managers. Hence, in line with agency theory (e.g., Jensen and Meckling 1976), we would expect managers of firms with low ownership levels to be less motivated to ensure that the products that are launched by the firm are of high safety standards, and do not create an unreasonable risk of serious injury. However, at very high levels of ownership, 'managerial entrenchment' is expected to set in (Morck, Shleifer and Vishny 1988) with the high level of ownership enhancing managers' ability to expropriate wealth at the expense of

shareholders. Given these two opposing forces of managerial motivation and managerial entrenchment, we expect firms with intermediate managerial ownership to be less likely to experience a product-harm crisis than firms with high or low levels of managerial ownership.

Methodology

We observed a sample of 116 S&P 500 firms belonging to 1-digit SIC codes 1, 2, and 3 across 6 years (2005-2011), recording for each firm-year whether the firm got involved in a product-harm crisis in that year. We used KLD Research & Analytics Inc.'s product safety concern ratings to measure our dependent variable i.e., whether a firm got involved in a product-harm crisis in a particular year or not. Corporate branding strategy was coded as a dummy variable taking the value of 1 if the firm used its corporate name to brand at least one of its products, and 0 otherwise. We used the Nath and Mahajan (2008) approach to code for the presence or absence of a CMO in their TMT. To measure managerial ownership we recorded the average common equity holdings of each of the firm's directors and executive officers as a proportion of the total common shares outstanding. As a second measure of managerial ownership, we recorded the combined common equity shares held by the directors and executive officers as a proportion of the total common equity shares outstanding. As a third measure of managerial ownership, we recorded the common equity shares held by the chief executive officer (CEO) as a proportion of the total common equity shares outstanding. We controlled for firm size, firm age, past financial performance, R&D intensity, financial leverage, product diversification, globalization, number of new products introduced in the previous year, and 1-digit SIC dummies for the industry in which the firm operated.

We used a random effects panel logistic regression with product-harm crisis as the dependent variable, and the focal independent and control variables as explanatory variables. We found support for **H₁**, the coefficient of corporate branding being negative and significant ($p < .01$). Thus firms with corporate branding strategy are less likely to experience a product-harm crisis. We also found support for **H₂**, the coefficient of CMO presence being negative and significant ($p < .01$). Thus, firms that have a CMO present in their TMT are less likely to experience a product-harm crisis. However, contrary to **H₃**, we found a negative rather than U-shaped relationship between managerial ownership and product-harm crisis. We found the coefficient of managerial ownership to be negative and significant, but the coefficient of the quadratic term to be non-significant. However, while the coefficient of managerial ownership was highly significant ($p < .05$) when we used the first measure of ownership (average equity holdings of each of the firm's directors and executive officers as a proportion of the total common shares outstanding), the coefficient of managerial ownership was only marginally significant ($p < .10$) when we used the other two measures of managerial ownership. Among our controls, we found larger firms, older firms, firms with inferior prior performance, and less diversified firms being more likely to get involved in a product-harm crisis.

Implications

Are some firms more likely to experience a product-harm crisis to begin with? We answer this question by highlighting that a product-harm crisis is not an unsystematic, unavoidable event, as

it has been implicitly treated. On the contrary, unique firm characteristics dealing with branding strategy, incentive structure, and influence of marketing in the TMT are significantly related to a firm's likelihood of encountering a product-harm crisis.

Our research also adds to the literature on the role played by key marketing personnel in improving firm value. We suggest that while it is possible that CMO presence in the TMT does not help firms generally (as found by Nath and Mahajan 2008), firms do benefit from a CMO's presence in the TMT *in specific contexts* such as in the context of avoiding a product-harm crisis.

Our result that managerial ownership is significantly related to the probability of a product-harm crisis only when it is measured as average stock ownership per manager suggests that managers' incentives are more strongly aligned with interests of shareholders when individual managerial ownership rather than overall managerial ownership is high. Furthermore, our results suggest that the entire top management team matters more than simply the CEO in shaping the emphasis a firm places on product safety. Thus future researchers studying the link between incentive structures and firm value can benefit by exploring the differential impact of various measures of managerial ownership on strategic decisions (such as emphasis on product-safety), and in turn on overall firm value.

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Summary Brief

“Plastic Not OK”: a Fee for a Plastic Bag as a Strategic Tool for Green Consumer Identification.

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This paper looks at how grocery stores can influence green consumer identification through marketing strategy. Specifically, this paper analyzes the effect of an introduction of a green bag policy where consumers would have to pay minimal amount for the usage of plastic bags that currently, in most stores, are offered for free. This study reveals that consumers are more likely to presume that the grocery store is green and identify with it, if the money made by the grocery stores is utilized to reduce waste.

Introduction

The benefits of consumer identification with a group, organization or a movement are known and fairly well documented. According to Curras-Perez, Bigne-Alcaniz and Alvarado-Herrera (2009) individual-organization identification is a type of relationship that motivates the identified individual to remain connected with the organization in the long run. Customer organization identification which is a special kind of this relationship has been suggested to be related to organizational outcomes such as company loyalty, company promotion, customer recruitment, resilience to negative information, customer commitment and a number of behavioral outcomes (Ahearne, Bhattacharya, and Gruen, 2009; Bhattacharya and Sen 2003; Brown, Barry, Dancin, and Gunst, 2005; Lichtenstein, Drumright, and Braig, 2004).

Regardless of the already existing studies, the need for further research exists especially in terms of advancing existing knowledge in area of identification processes and how identification between customer and organization can be strengthened. This is especially true for the growth of knowledge about a green consumer identity and his or her identification with an organization that sells the green products. The author proposes a unique to the US, but fairly common in Europe and Canada, approach where grocery stores would charge their consumers for the use of plastic bags that are currently free. However, the idea is for the plastic bag fee to be used as a tool for increasing green consumer identification with the store and to increase the amount of spending dollars toward organization's green behaviors while at the same time reducing waste associated with the single-use plastic bags.

This study is important for a number of reasons. First, this paper focuses on how levels of knowledge about the environment and green products affect one's identity with a green movement. This study also proposes that grocery stores that would like to become environmentally friendly and increase their consumer's identification with the store should adapt strategies allowing organization embody the green identity. Whenever an organizational identity is congruent with individual's identity, that individual is more likely to support the institution that 'embodies' this identity (Ashforth and Mael 1989). Therefore, the green

strategies are not only relevant from the environmental perspective but also beneficial to the organization that wants its customers identified with its identity.

In this paper is it hypothesized that with an increase of consumer knowledge about the environment and green products, the consumer's green identity also increases. In addition, the introduction of a fee for a plastic bag would induce a response from the consumers. It has been hypothesized that individuals would identify with a store more if the store used the plastic bag fee to reduce waste, while lower levels of identification would occur if the plastic bag fee was used to improve customer service. Lack of any explanation was hypothesized to have the least effect. It is assumed that the introduction of the plastic bag fee and its usage toward the waste reduction is a sign of organizational embodiment of green identity.

Method

Sample and Measures

The study used a survey methodology with scenarios. The study was completed by young consumers ages 17 to 46 with majority ranging between 18 and 24 ($M=20.60$). Survey was completed by 352 participants. In terms of gender that sample was somewhat but not overwhelmingly unequal. Over 40 percent of the sample consisted of males (101 male participant) while just almost 60 percent were females (251 participants).

Initially, participants answered questions dealing with their green product purchasing patterns (not used in the analysis here), their subjective knowledge about the green products (adjusted from Flynn and Goldsmith 1999) and green identity questions (adjusted from Mael and Ashworth 1992) as well as questions of age and gender. After the initial questions, participants were randomly assigned to one of the three scenarios. In the first scenario, consumers were informed about the fee for the plastic bags in a hope of minimization of plastic bag usage. In addition, consumers were informed that the profits of the plastic bag sales would go toward reduction of waste. In the second scenario, they were also informed about the new fee for the plastic bags. However, in this scenario, customers were informed that the profits from the plastic bag sales would go toward betterment of customer service. Finally, the third condition provided no explanation as to why a new plastic bag fee was implemented. After the exposure to the scenarios, participants answered questions designed to measure their identification with a store that implemented the fee and a number of loyalty questions.

Analysis and Findings

In order to test whether the scenarios were effective, the researcher relied on the Analysis of Variance (ANOVA) conducted on respondents' perceived similarity of values between them and the organization. Based on ANOVA, significant results ($p < .025$) existed between the waste reduction which had a statistically higher mean ($M=12.78$, St. Deviation=3.70) and customer service reasoning ($M=11.69$, St. Deviation=3.83) as well as no explanation scenario ($M=11.86$, St. Deviation=4.06).

After the initial analysis, data was transferred into Muthen and Muthen software (2010). This allowed the researcher to conduct structural equation modeling. The model fit was very good with acceptable Chi square to degrees of freedom ratio ($\chi^2/df=2.26$). In addition to desirable chi square ratio, the fit indices were within the "very good" range (Hu and Bentler 1999; Kline 2005). In order to remain with the reasonable rates of rejection, the best cut off value for CFI and TLI is .95 or .96, RMSEA .05 and .06, and SRMR below .8 (Hu and Bentler 1999). For this study, the fit indices values were as follows: CFI =.976, TLI = .970, RMSEA=.06, and SRMR=.042.

As hypothesized, the relationship between knowledge about the products and environment and green identity was statistically significant, positive and strong ($\lambda =.739$, $p < .001$). Furthermore, after the exposure to the scenarios and in addition to the results associated with the scenarios, it was expected that those with the highest levels of green identity would be more likely to identify with the grocery store that exemplifies its green identity through implementation of waste reducing plastic bag fee. In fact, the path between identity and identification was statistically significant, positive and strong ($\lambda=.52$, $p < .001$). Finally, a path between identification and loyalty was also positive and strong ($\lambda=.75$, $p < .001$).

Conclusion

The results suggest that grocery stores should attempt to introduce plastic bag fee as a strategic tool for customer identification, plastic bag waste reduction and increased dollar amount for the actual waste reduction activity. Even if this study relied solely on a situation consumers would experience in a grocery store, it is possible that similar results could be found in different settings. Like every study, this study comes with its limitations especially associated with a young sample. It is, therefore, recommended that this study is repeated relying on the more diverse sample.

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Summary Brief

Level & Form of Monitoring Mechanisms & Their Impact on R&D Alliances under Vertical & Horizontal Configurations

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Opportunistic behaviors are the primary concern of strategic alliances. Monitoring is often indirectly examined as a solution for this concern. Direct investigation of monitoring mechanisms needs an academic attention. This study sets out to examine level and form of monitoring mechanisms and their variation under vertical and horizontal alliance configurations. Transaction cost economics, agency, and reactance theory guide this study.

Introduction

Due to marketing capabilities gap (Day 2011), the popularity of strategic alliances formation has risen. However, despite the popularity, many alliances fail to perform to expectation (Kogut 1989). The failures are attributed to the polarized relationship between cooperation and competition (Rindfleisch and Moorman 2001). Monitoring minimizes opportunistic behaviors and improves cooperation. Alliance governance structures research indirectly touches on level of monitoring. However, based on my review of literature, strategic alliances studies do not directly discuss it. Heide et al. (2007) support this claim by stating that "...the monitoring phenomenon remains poorly documented" in interfirm relationships. Narayandas and Rangan (2004, p.75) note that "a worthwhile area for research is to identify whether and when performance evaluation based on outcomes [outcome-based monitoring] or actions [behavior-based monitoring] is more critical to the development of a [interfirm] relationship." This study investigates specific levels and forms of monitoring systems within R&D alliance setting.

R&D alliances can be formed between both channel members (vertical) and competitors (horizontal) as means of gaining new knowledge all while reducing the costs and risks associated with NPD (Millson et al. 1996; Rindfleisch and Moorman 2003). The degree of cooperation and competition varies between horizontal and vertical alliances (Gulati 1998). Thus, the level and the form of monitoring might vary between vertical and horizontal R&D alliances.

First, this study draws on sales management and interfirm relationships literature to define and incorporate outcome- and behavior-based forms of monitoring systems into R&D alliance literature. Second, the study explores how monitoring systems can help researchers and practitioners better understand R&D alliance performance of vertically and horizontally related partners. This inquiry is entrenched in transaction cost economics (TCE), agency, and reactance theories.

Conceptual Framework

Agency theory and TCE indicate the need for certain level of monitoring in an alliance setting in order for all parties to strive for a common goal all while minimizing opportunistic behaviors

(Eisenhardt 1985; Williamson 1979). This perspective is challenged by reactance theory. Empirical evidence exists that shows monitoring systems as inhibitors of cooperation and, ultimately, the performance (Aiken and Hage 1966; Barkema 1995). Heide et al. (2007) attribute this perspective to the fact that monitoring represents "an obtrusive form of control that may offend another party's sense of autonomy and cause reactance" towards the monitoring in some form of retaliation towards the other parties. These opposite views hint at the need to optimize level of monitoring. Thus:

P₁: The relationship between the level of monitoring and R&D alliance performance has an inverted U-shape.

Outcome-based monitoring system (OBMS) is defined here as a monitoring system involving measurements of the visible consequences of an R&D alliance partner (adapted from Heide et al. (2007)). This form of monitoring is objective and less expensive monitoring option. On the negative side, OBMS can be a dangerous option under uncertain conditions, because it does not monitor specific actions taken by alliance partners. Uncertain conditions here correspond to the often unknown details of specific direction of an alliance partnership. Such alliance uncertainties do not allow for precise contractual understanding of each partner's responsibilities. Thus, alliance partners are more likely to engage in opportunistic behaviors under OBMS in uncertain conditions.

Behavior-based monitoring system (BBMS) is defined here as a monitoring system involving evaluation of the processes that are expected by management to produce the desired outcomes of R&D alliance (adapted from Heide et al. (2007)). This form of monitoring can be especially valuable under the earlier mentioned uncertain alliance conditions. The disadvantage of BBMS arrives from its qualitative nature which can translate into subjective performance evaluations. Also the hierarchical aspect of BBMS can become too complex and can create organizational paralysis. In other words, monitoring the behaviors can spin out of control and create micromanagement of alliance partners. Such actions create unnecessary bureaucracies, which can in the limit cause organizational paralysis.

The two monitoring systems are extreme examples of a continuum. The advantages and disadvantages of the two monitoring systems suggest a complimentary nature between the two systems. Therefore, a hybrid monitoring system may offer best performance (Oliver and Anderson 1995). Hence, the focus should be on optimization of the two. Thus:

P₂: Inverted U-shape relationship exists between the ratio of outcome- and behavior-based forms of monitoring systems and R&D alliance performance.

Uncertainties that create risk of opportunistic behaviors will moderate the level and the form of monitoring (Oliver and

Anderson 1995). One such uncertainty is introduced through choice of vertical versus horizontal alliances. Horizontal R&D alliances that consist of competitors are likely to require higher levels of behavior-based monitoring efforts, because higher levels of conflicting goals are present (Park and Russo 1996). However, at certain point reactance theory will influence the level and the form of monitoring. Figure 2 depicts this relationship.

A high degree of relational embeddedness exists among partners of a vertical alliance (Rindfleisch and Moorman 2001). Alliance partners who enjoy high degree of relational embeddedness (i.e., vertical alliances) also display high degree of cooperation (Gulati 1998). Due to this high level of cooperation, lower levels and very little hands-on form of monitoring is required. Thus, lower levels of outcome-based monitoring are preferred here. Thus:

P_{3a}: Horizontal (vertical) R&D alliances will moderate the inverted U-shape relationship between the level of monitoring and R&D alliance performance, such that higher (lower) levels of monitoring will provide the optimal performance.

P_{3b}: Horizontal (vertical) R&D alliances will moderate the inverted U-shape relationship between the form of monitoring and R&D alliance performance, such that more behavior-based (outcome-based) form of monitoring will provide the optimal performance.

FIGURE 2-A – Relationship Between Level of Monitoring and R&D Alliance Performance Moderated by Vertical Versus Horizontal Alliance Characteristics

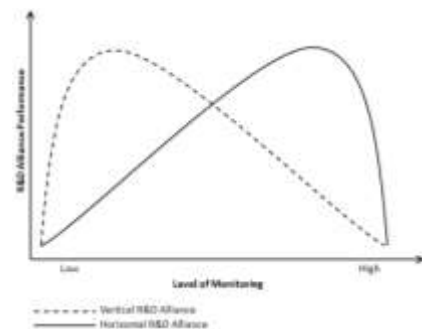
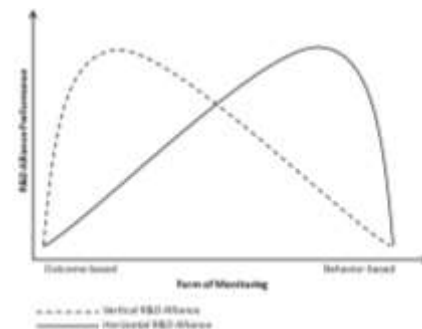


FIGURE 2-B – Relationship Between Form of Monitoring and R&D Alliance Performance Moderated by Vertical Versus Horizontal Alliance Characteristics



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Summary Brief

Corporate Social Media Usage: An Examination by Platform, Industry, Size, and Financial Performance

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Many researchers support the idea that social media should be part of a firm's marketing mix. More than ever, companies are tweeting, posting, blogging, and generally using social media networks to communicate with their consumers, employees, and other stakeholders. With the emergence of new social networks, companies are in the process of testing which social media work best for them and their customers. Since consumers have different preferences and needs that make one social media platform more desirable than another, many companies use multiple platforms. This study empirically charts the current usage of social media by Fortune 500 companies. The purpose of this study is to analyze which social media platforms are being used by major corporations and whether usage differs by industry, firm size, and growth opportunity. Company financial information is examined to determine if there is a relationship between higher use of social media and superior financial performance.

Introduction

While firms cannot control the information that consumers disseminate through social media, it is essential for businesses to have a presence in the social media arena. According to one study, over three-fourths of businesses are using social media to accomplish their business objectives (Alexander 2011). However, measuring the effectiveness or return on investment (ROI) of social media remains a challenge.

The purpose of this study was to empirically examine which social media platforms are being used by the Fortune 500 and whether there is a significant relationship between higher use of social media and superior financial performance. The study also examined differences in social media usage by industry type and firm size.

Literature Review

Social media is not only a tool for the exchange of information; it can be an influential component of the consumer's decision making process. Online messages from peers have become influential in shaping various aspects of consumer behavior such as awareness, attitudes, and purchasing (Mangold and Smith 2011). Consumers are using social media to reduce their cognitive exertion in making purchase decisions. Facebook has the largest user base of any social media platform in the world. Over 700,000 businesses have active pages on Facebook (Briones et al. 2011).

Marketers have begun using social media 'mission control' centers for monitoring and responding to social media activity in

real time. Other purposes for using social media include engaging consumers, creating brand awareness, adding value to a brand, and staying abreast of consumer opinions. Social media can also be used to influence consumer attitude about a brand or company (Weinberg and Pehlivan 2011). Some companies use social media internally to facilitate and enhance the flow of information.

According to one study, the number-one benefit of using social media is that it helps the company stand out in a noisy world. Nearly two-thirds of marketers indicated a rise in search engine rankings as a benefit of social media marketing. As search engine rankings improve, so will business exposure (Stelzner 2011). There is growing corporate interest in using social media to create online customer communities. Value is derived from online customer communities who are so engaged with the company that they become loyal customers and even champions for the brand.

Findings

This paper examined social networking platforms used by Fortune 500 companies. A sample of 250 companies was randomly selected in February 2013 from CNN's list of the largest American corporations. Companies were classified as manufacturing, retail or service.

Financial and industry data were obtained from the Compustat (2013) North America Fundamental Annual database for each of the Fortune 500 firms included in the sample. The following variables were collected: standard industry classification code, total assets, total sales revenue, fiscal-year-end common stock price, number of common shares outstanding, and total liabilities. Market value of equity was used as an indicator of firm size and financial performance. Market-to-book ratio was used as an indicator of company growth opportunities. Several financial performance measures were examined, including sales divided by total assets, return on total assets, and return on equity. A brief summary of the research findings follows.

Over 80% of Fortune 500 firms use social media, with the average firm using nearly three (mean = 2.92) social media platforms. Over 70% of firms are using Twitter and Facebook. Almost 60% of firms use YouTube. LinkedIn is a distant fourth with less than 30% of firms using it.

There is not a significant difference in the mean use of social media between industry types; however, there are differences in which platforms are being used. For manufacturing firms, Facebook and Twitter are tied as the most used platforms, with YouTube in second place.

For retail firms, Facebook has a commanding lead as the most used platform, while Twitter and YouTube are in second and

third place respectively. With one fourth of retail firms using Pinterest, this industry is the heaviest user of that platform. Relatively few retailers use LinkedIn, while a third of manufacturing and service firms use that platform.

For service firms, Twitter has a commanding lead as the most used platform. Facebook and YouTube are in second and third place respectively. The service industry is the heaviest user of company blogs and Google+.

The findings of the financial performance analysis did not reveal a significant benefit related to greater use of social media platforms. This corresponds to earlier research. However, the current study was limited to just one year of data. There may be long-term benefits that would be observable in a future longitudinal study. In addition, future studies might investigate how quality of social media sites affects financial performance. Quality could be measured in various ways, such as the number of times the site is updated, the number of followers, or the type of content that is contained on the site.

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Summary Brief

Liking, Sharing, Favorite-ing: Social Capital Gains in Social Commerce

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Technological advances have resulted in new platforms of engagement for consumers and producers. These platforms blur the line between social and commercial activities and are broadly considered social commerce. The purpose of this research is to examine simultaneously the impact of social commerce participation for both consumers and producers in terms of social capital gains. Further, our research proposes co-creation as a viable strategy firms can use to enhance these desirable gains for all participants.

Introduction

Companies and consumers have been engaging in both social and commercial activities online for some time. The recent commercialization of social networks has created an opportunity for a variety of firms to take part in the online commercial landscape. Social commerce platforms, such as Etsy.com, create networks of small retailers and consumers who have common interests. In Etsy's case the shared interest is in homemade and vintage goods. Etsy allows social retailers to blog and to encourage consumer engagement in social activities such as "liking" on Facebook, "sharing" with blog posts and "favorite-ing" items or entire Etsy shops. This generates buzz, and serves as a newer, alternative mechanism to expand the firm's social network as opposed to the traditional practice of renting retail space, or simply building a website. However, it is this network embedded commerce component that discriminates social commerce networks from purely social networks.

This research seeks to examine the participation and interaction among the social and commercial actors in social commerce, which includes both consumers and firms, to explain how these synergistic relationships yield social capital increases for the various constituents. Building on existing social capital research and frameworks, we explore the relationships between social commerce, social capital, and co-creation. What motivates people to engage in social commerce? How are participants affected by their participation in social commerce? What conditions affect their participation outcomes?

Importance

Key to Success

Social commerce research is important because the component of successful monetization of social media space is increasingly urgent for marketing strategy and firm success. The term 'social commerce' was introduced via a blog that explained its various forms, ability to condense the search and purchase

cycle, and ubiquitous power to monetize blogger sites (Rubel, 2005). Tedeschi (2006) loosely defined both social media and social commerce as web situated social media that permits individual participation in product and service exchanges. Later the definition of social commerce was refined as "a form of Internet-based 'social media' that allows people to actively participate in the marketing and selling of products and services in online marketplaces and communities" (Steven and Toubia 2010 p. 215). We build on these prior definitions and broadly refer to social commerce as the orchestration of online environments to synergize social and commercial activity for producers and consumers.

Brand Control Trade-off

Joining a social commerce network represents a tradeoff for the firm. While the upside potential for firms is undeniable, a downside exists in that firms relinquish some firm/brand control as a direct result of engaging in the interactive nature of the social commerce process. We argue that firms must strategically orchestrate social commerce participation to mitigate this associated loss of firm/brand control.

Co-creation as Strategy Lever

Research by Prahalad & Ramaswamy (2004) explained that co-creation is a process by which both consumers and producers participate in the creation of value. Based on their findings, we propose that firms can use co-creation as an important strategy to optimize social capital increases. We apply theories of social capital, co-creation effect, identity theory and social identity theory to suggest that social commerce is not a zero sum game if firms orchestrate a synergistic strategy of engagement to leverage effects of co-creation. If this occurs, social capital increases for individuals, firms and the community at large.

Propositions

Specifically, this research proposes that participation in a social commerce network can deliver to consumers and producers alike, positive effects on social capital, which prior research defined as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit" (Nahapiet and Ghoshal, 1998, p.243). Additionally, we propose that co-creation can be a lever to enhance the social capital gains in a social commerce network. Consistent with identity and social identity theories, individuals seek to enhance their self-esteem and

sense of identity by connecting to social structures. Social commerce provides an ideal mechanism for individuals to meet this need. They can blog as a member of a community, or curate their own troves of online treasure accumulated in the shops they visit. These activities allow them to create and self-identify as a way to project to the community who they are. Relationships of trust form in the social network through such shared narratives, language and vocabularies. This further strengthens the relationships among the participants building a sense of community for the parties involved in the exchange. Further, because the social commerce network provides seamless opportunities for customers to actively engage in the production of content, the consumers gain feelings of empowerment, which further strengthen their sense of community to the social commerce network. Co-creation thus allows the lines to blur between producers and consumers. This paradigmatic shift lends itself to more equitable relationships, further strengthening the trust and sense of shared consciousness available to participants.

Figure 1: Conceptual Model of SC Participation on Social Capital with Co-Creation Moderating Effect

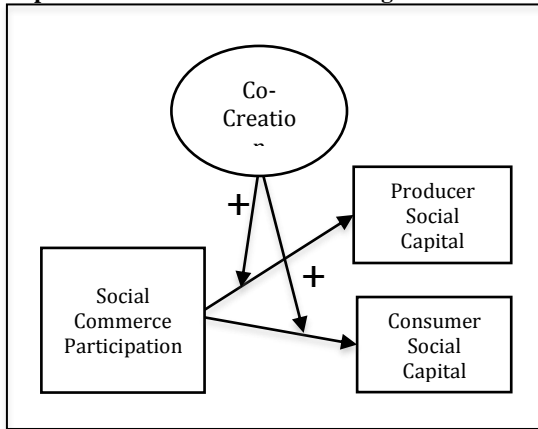
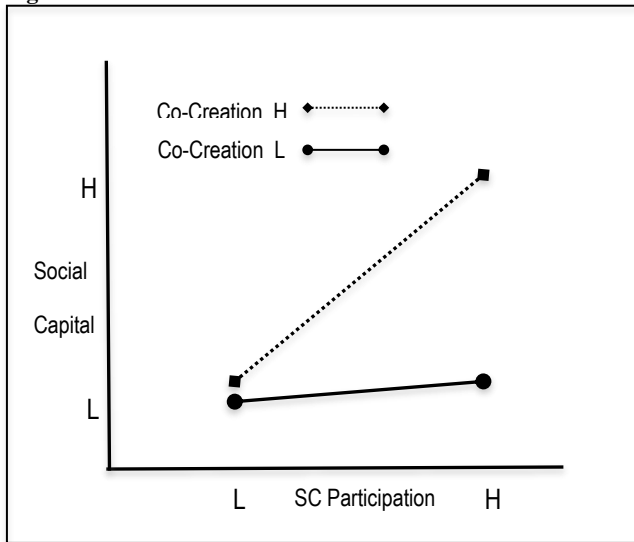


Figure 2: Interaction Effects



Conclusion

Our research purpose is to examine the impact of social commerce participation on social capital yields for the interacting producers and consumers, and to explore how co-creation moderates the relationship. In so doing, this research makes several contributions to the social commerce literature, which at this time is still relatively under-developed. First, we identify social capital gains as a potential explanation for why consumers and producers are willing to engage in social commerce. Second, we suggest potential outcomes of participating in social commerce for the consumers and producers. Finally, we identify a potential moderating relationship between co-creation and social commerce participation effects, to the benefit of consumers and producers alike.

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Summary Brief

An Investigation into the Marketing of Small Cities, Towns and Communities

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This is a preliminary investigation into the processes used by small cities, towns and communities to market themselves. Given the limited resources for smaller communities, it is unclear if these areas utilize the marketing process in the same manner as a business. This study utilizes personal interviews with key city leaders to discover how a smaller area develops business opportunities to encourage economic development in their cities as well as create tourism opportunities to increase the economic impact in the area. The findings indicate that, while some similarities exist due to common goals, different processes are used by different cities. While smaller areas utilize parts of the marketing process to develop business opportunities and create tourism, they do not utilize the full process which could create a better brand identity that could make them more successful.

Introduction

Economic development is an important part of any strategic growth plan for a city. More and more cities are competing for business investments and tourism dollars by trying to attract new companies and increase tourism and visitor opportunities. As such, determining the best ways to develop and/or enhance the local economy and market the city is a major consideration by city planners. Large cities have the tax base and funding necessary to hire marketing professionals to assist in the creation of a city identity and marketing of their areas for growth. Small cities, towns, and communities have substantially fewer funds with which to meet all the needs of their areas while also trying to attract business and tourism dollars. It is more likely that small cities, towns, and communities will take a more entrepreneurial approach to marketing where they utilize their limited resources by having key officials take on multiple roles including marketing of the area.

Literature Review

Literature exists that discusses the marketing and branding of places in order to increase tourism and/or encourage economic development. According to Louro and Cunha (2001), branding a locale highlights its meaning in terms of its benefits, style and culture to outsiders. In place marketing literature, topics of how marketing should take place are often discussed, although many cities do not properly utilize or do not follow the “how to” guidelines that are provided (Kavaratzis and Ashworth 2005; Jamrozy and Walsh 2008). Some studies look at different major cities and how they have engaged in marketing programs to brand or rebrand themselves (Bramwell and Rawding 1996, Miller 1997, West 1997).

Other studies assess factors that may be influential in encouraging tourism in major cities. Researchers have suggested that domestic travel and local participation (Bennet and Savani 2003, Mbaiwa, Toteng, and Moswete 2007), pull factors such as socio-cultural facilities and services that can attract large tourist numbers (Leiper 1979, Law 2002, Bennet and Savani 2003, Mbaiwa, et.al. 2007), ties between tourist attractions and host communities (Leiper 1979, West 1997, Law 2002, Mbaiwa, et.al. 2007), population numbers (Mbaiwa, et.al 2007), government policies (Bennet and Savani 2003), integration between tourism and government planning (West 1997, Mbaiwa, et.al. 2007), urban regeneration (Bennet and Savani 2003), utilization of brand marketing techniques (West 1997, Bennet and Savani 2003), and area prices (Mbaiwa, et.al. 2007) are all factors that can affect successful urban tourism.

While there are a number of studies that examine urban tourism (see Mbaiwa et.al 2007 for a historical perspective of the topic) and some that focus on specific attempts by cities to increase tourism and/or rebrand cities (Rantisi and Leslie 2006, Gotham 2007, Patterson 2010), studies are lacking that examine the actual process used by cities to develop businesses and tourism as an integrated part of their economic development process with Bennet and Savani (2003) being the exception. In the previously mentioned studies, all of the cities have been large, metropolitan areas or major cities within the country in which the study took place (Bennet and Savani 2003—London Copenhagen and Boston, Massachusetts, Rantisi and Leslie 2006—Montreal, Gotham 2007—New Orleans, Louisiana, Mbaiwa, et.al. 2007—Gaborone and Maun, Botswana, Patterson 2010—Liverpool).

Smaller cities, towns, and communities are undertaking revitalization and economic development efforts similar to large cities and trying to market themselves with far fewer resources. Of the 19, 540 incorporated areas in the United States, only 273 have a population of more than 100,000 (US Census Bureau, 2012). Since the majority of incorporated areas are considerably smaller than 100,000 people (18,835 areas with 0-49,999 and 432 areas with 50,000 – 99,999 from the US Census Bureau 2012), there is a need to explore the process used by these smaller cities, towns, and communities to determine how, if at all, marketing is being used to develop business and tourism opportunities. Marketing should be an important part of this process to develop the relationships necessary to develop the economy as well as generate awareness of the economic development projects and publicize all related events.

Study

This study is a preliminary investigation into the process that is used by smaller cities to market themselves. The collaborative destination marketing framework by Wang and Xiang (2007) suggests that in order to evaluate tourism organizations' behavior in forming marketing alliances and networks four main areas should be examined. These included (1) preconditions for marketing alliances which include the economic, social, and environmental conditions for the alliance and network formation, (2) motivations of the parties involved in the process, (3) an understanding of the process of how the relationships develop and are maintained, and (4) an assessment of the outcomes of the alliances and networks and an evaluation of the continuation of the relationship. These factors will be considered in this study. In addition, assessments will be made as to the extent of marketing and branding used by small cities, the process used to determine which business and tourism opportunities are best to pursue, if any, and the procedures used to bring in new businesses, special events, and the like in efforts to increase the economic impact on the area.

Data Collection Procedure

The study uses face-to-face interviews with mayors, city planners, project leaders, and the like to determine how smaller cities are developing new businesses and bringing in events to increase tourism in their area. Additionally, business leaders in the community will be interviewed to determine their involvement, if any, in the economic development and tourism of the area. Finally, residents in the area will be interviewed to determine their views on the economic development and tourism of the area. The interview procedure will follow that recommended by Eisenhardt (1989), which utilizes a semi-structured approach which includes questions of a general nature derived from the literature. These questions will allow the respondents to provide detailed information relevant to their particular contributions and/or thoughts as to the marketing and/or economic development of the area. Several small cities in the southeastern United States will be used for this preliminary investigation.

Future Research

From this study a set of factors will be developed that can be used as indicators of the factors involved in the process of marketing small cities. A different study would survey additional small cities to determine the validity of these factors and would also attempt to tie the factors to the economic success of the city to determine the predominant indicators that influence the successful marketing of a small city. The purpose is to assess how market planning, target marketing, and development of a marketing mix can be adapted for the specific needs of small cities, towns, and communities that lack resources and, often, professional expertise to utilize the marketing process to its fullest extent.

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SALES RESEARCH AND TEACHING TRACK

Track Chair
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Sales Manager Misguidance: The Role of Customer Orientation Values Alignment in Strategic Sales Outcomes

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In order for firms to change to a new strategic orientation, managers are often asked to promote a values-based vision to employees. Yet, research on orientation transfer down from the C-suite to the front-line has produced mixed results. In this study, the authors develop and test a theoretical model of value congruency to help explain why cultural change initiatives are often stopped before they reach the intended targets. Using multi-level matched data taken from a media services and sales organization, cross-level polynomial regression analyses reveal that the relationships emanating from salesperson and perceived manager values often have a much greater impact than manager reported values. Additionally, results show that the relationships that link manager and salesperson values to outcomes are explained largely by the trust salespeople place in their managers, and mediated by their strategic buy-in.

Introduction

Change is inevitable, and organizational values are no exception. Over the past few decades, a multitude of firms have been encouraging their front-line employees to be customer oriented due to numerous positive customer evaluations, customer satisfaction, and increased performance (Brady and Cronin 2001). In order to achieve this strategic shift, managers are often called on to deliver a values-based message to motivate and illustrate what is being asked (Lam et al. 2010). All too often though, the strategic vision stops much closer to the front office, rather than the front-line. Specifically, firm-level orientations are not effectively transferred down the hierarchy (Jones, Busch, Dacin 2003).

These, and other recent studies on values transfer have highlighted the important effects of managerial leadership on desirable employee outcomes (Martin and Bush 2006; Stock and Hoyer 2005), yet there is scant research on the ability of managers to achieve values congruence with front-line employees. In addition to calls for further understanding of immediate supervisor effects on employee customer orientation (Liao and Subramony 2008), two scenarios pose a strong reason to better understand how managers can, and should, influence their employees' customer orientation.

1. Implementing a new strategy to transition from a selling oriented style to relationship/customer oriented style will require a change in values that must be exemplified in managers.
2. Not all hires enter with the same customer oriented values of the firm. It will be vital for managers to shape newly hired employees to the values desired in the organization.

Both of these points emphasize the importance of values-based leadership in organizations. As literature suggests, leaders should align employee values with their own because shared

values are associated with positive outcomes (Brown and Trevino 2006; Edwards Cable 2009).

In light of this, this study aims to understand the role customer orientation (CO) values congruence plays in helping managers gain trust, strategic buy-in, and consequently, improve employee attitudes and performance. Specifically, this study provides a conceptualization and empirical demonstration of an alternate path of values sharing, specifically subjective CO value congruence between managers and their respective salespeople (Figure 1).

This study aims to make three significant contributions to both researchers and firms wanting to understand why perceived value congruence is important to organizations. First, this study offers a new perspective on value congruence by examining the subjective congruence between the salesperson's perception of their manager's values and their own values. Past research has relied on self-report measures from managers and salespeople without accounting for salesperson perceptions of their manager's values. With the many calls for more dyadic research, this new approach to studying the effects of customer orientation provides insightful and revealing outcomes. Whereas previous research has largely focused on self-reported CO values from manager and employee, this study offers a new perspective that digs deeper into shaping perceptions and values. Specifically, I argue that subjective value congruence of CO as a key factor in improving job attitudes and outcomes.

Second, given the dynamics of the sales rep-manager relationship, it becomes important to understand what the effects of CO value alignment have on sought after outcomes. When values are incongruent there may be associated increases in miscommunication, conflict, and job dissatisfaction (Edwards and Cable 2009). Here, this study examines the effects of value congruence on job satisfaction, job commitment, and salesperson performance.

Lastly, this study demonstrates psychological mechanisms that help explain how CO value congruence works to increase the aforementioned outcomes. A recent meta-analysis on CO ([Zablah et al. 2012](#)) illustrates that customer orientation works through mediating variables before affecting front-line employee outcomes. Based on this, an investigation into the mechanisms behind why CO congruence leads to positive outcomes is warranted. Specifically, how does perceived and objective congruence comparatively effect trust and strategic buy-in? This study examines the role CO congruence plays in employees developing trust in their managers and strategic buy-in. The congruence effects on these proximal outcomes should also have lingering effects on more distal consequences such as employee attitudes and performance.

Methodology

Sample and Measures

To collect data for the analyses, online surveys were administered to both managers and their direct reports in the sales force of a U.S. based news and media services organization. The sample organization was highly relevant for this study as they were concurrently undergoing a cultural shift from a deadline centric and selling orientation, to a more customer oriented selling philosophy. This makes the context ripe for the study of CO value congruence as many managers were expected to implement this shift in vision with their sales representatives. Both managers and sales representatives were asked to rate themselves as well as their sales representatives/manager resulting in 217 matched ratings between salesperson and manager.

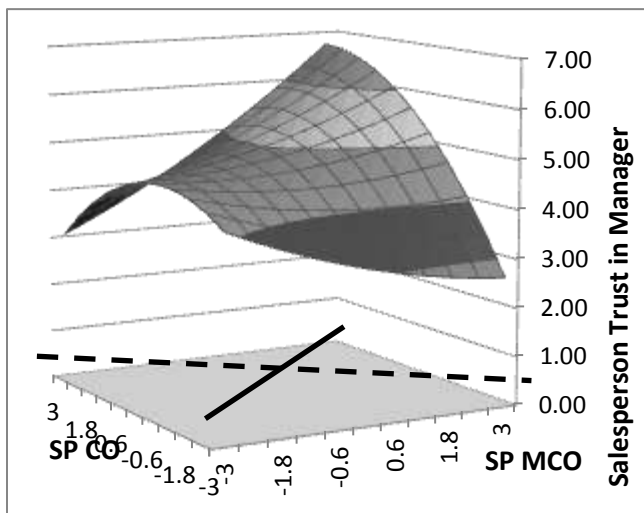
All scales were Likert-type, multi-item scales that were adopted from previous research and anchored at '1' strongly disagree to '7' strongly agree. All of the latent constructs had reliability scores that exceed .70 and average variance extracted greater than .50.

Analytical Strategy and Results

I used cross-level polynomial regression in HLM to simultaneously regress all outcomes on the salesperson's self-reported CO, the perception of the manager's CO, and the manager's self-reported CO and control variables (Age, Tenure with manager, and Experience). This allows for a direct test of the relative effects of objective and subjective CO value congruence on the rest of the outcomes in the model. Polynomial regression and response surface modeling is useful in this regard to illustrate the complex effects of value congruence and incongruence between sales managers and their respective employees. At the same time, the polynomial coefficients can be formed into a block variable for mediational testing (Zhang, Wang, Shi 2012).

Based on the polynomial regression results, the response surface coefficients describe a three-dimensional surface illustrating the relationship between CO value congruence components and an outcome. For example, the main effects response surface for manager trust can be found in Figure 1.

Figure 1 - Response Surface for Manager Trust



Using these analyses techniques, findings show that managers' self-reported orientation values do not always translate to employees. In fact, subjective values congruence is much more powerful in generating manager trust, strategic buy-in, and ultimately job outcomes. With this insight, it seems evident that subjective values congruence is a matter both researchers and firms should account for when studying how to change culture.

Findings also show several mediating paths to help explain the link between customer orientation value congruence and outcomes. Results show that when getting buy-in from employees, trust is a significant mediator for values congruence. Specifically, managers maximize trust with their salespeople when the salesperson's own self-rated customer orientation perfectly match their perception of the manager's customer orientation, while the manager's self-reported customer orientation has no effect. Consequently, as trust mediates the relationship between value congruence and strategy buy-in, managers are well advised to achieve subjective value congruence to obtain salesperson buy-in. Additionally, strategy buy-in fully mediates the relationship between trust and outcomes, while only partially mediating the relationship between customer orientation values congruence and outcomes.

Discussion and Implications

With these results in mind, this study aims to make several contributions to both researchers and firms wanting to understand the effects value congruency on trust, strategy buy-in, and ultimately job attitudes and outcomes.

First, this study provides a new perspective on CO by examining the value congruence between the salesperson's own self-ratings and the perception of their manager's CO. With the many calls for more dyadic research, this new approach to studying CO value congruence provides insightful and revealing outcomes. This approach provides evidence that could explain the mixed findings in previous values transfer research. Specifically, by accounting for subjective, as well as objective congruence, findings show that relying on managers' self-reported orientation values does always translate to employees. Even more alarming is the insignificant correlation between salesperson CO and manager CO in this study (-.09). It seems evident subjective values congruence is a matter both researchers and firms should account for when studying how to change culture. From this outcome, it is recommended that firms should use 360 degree assessments of managers to gain insight into what culture is really being advertised to employees in the organization.

Results also illustrate several mediating paths that explain the link between values congruence and employee outcomes. Results show that when getting buy-in from employees, trust is a significant mediator for values congruence. Additionally, strategy buy-in partially mediates the relationship between CO values congruence and employee outcomes. Because trust is highest when CO values are aligned, in order to achieve greatest buy-in, and increase employee outcomes, the most impactful path is by creating subjective CO value congruence.

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Summary Brief

Running an Effective Induction Program for New Sales Recruits: Lessons from the Financial Services Industry

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In the context of the embattled financial services industry, this paper seeks to profile the key characteristics of an effective induction program for new sales recruits. Based on depth interviews with senior business development executives from two “matched pairs” of higher and lower performing financial services companies in the United Kingdom and New Zealand, the study identifies a number of practical “how-to-do-its” for planning and executing a successful induction program. In particular, the findings indicate that above all else, the higher performers are differentiated from their lower performing counterparts by the extent to which they have sought to properly integrate and align their sales training and sales coaching activities.

Introduction

In the wake of the 2008 financial crisis, financial services companies around the world have been facing an extraordinarily difficult strategic environment. Like other businesses, they have had to navigate their way amidst widespread economic recession and some of the most difficult trading conditions on record. However, in many respects their situation has been especially challenging. Under the microscope of much public scrutiny and some criticism of their operational norms, in most Western financial markets there has been a power shift towards politicians and other regulatory bodies; all of which has led to enforced changes in both their internal organizational culture as well as a newly regulated external business environment (Steel 2013).

Background

In a financial services business, just as in other businesses, professional salespeople typically perform a number of essential tasks such as prospecting for new customers, selling products and services that are well matched to each customer’s requirements, and; through providing customer service and undertaking other customer care and relationship building activities, maximizing longer term “repeat selling”, “up selling” and “cross selling” opportunities. However, unlike within many other types of businesses, within a financial services company the selling function typically integrates both horizontally and vertically across all market segments served as well as all of the various divisions or operating units of the business (Steel 2013). Consequently, within a financial services environment, the personal selling function directly affects virtually every single customer’s buying experience. As such it has traditionally played a uniquely important role within a financial service organization’s marketing mix not to mention its overall strategy, since it is widely regarded as a key driver of long-term business success. Indeed, it is

arguable that under current conditions, a reliance upon an efficient and effective selling effort is more important than ever before - as these companies grapple to maintain market share and seek to re-establish themselves within the current “new era” of financial services marketing. However, such improvements cannot occur without a substantial investment in what is usually, if albeit somewhat loosely, referred to as “sales training” (a term which, in reality, includes an appropriate blend of different teaching and learning methods).

Research Relevance

A research spotlight on the training and coaching activities that comprise an induction program for new sales recruits within the financial services industry can be viewed as both timely and appropriate for at least three interrelated reasons. Firstly, despite the undoubted importance of such programs and especially under prevailing market conditions, there is a distinct lack of recent empirical evidence that can be reliably used to understand exactly what constitutes an effective induction (sales training/coaching) program. Secondly, although a considerable amount of time, money and effort is invested in such programs (Martini 2012), there is a good deal of anecdotal evidence to suggest that, for many financial service organizations over recent years, the planning and execution of a truly effective induction program is notoriously difficult to achieve. Yet a failure in this arena results not only in missed sales opportunities but also in a high churn rate among new recruits. Thirdly, over recent times there appears to be a growing, newfound recognition of the importance of leveraging sales, training and coaching as a means of establishing strategic advantage (Fogel et al. 2012).

Research Objectives

Set in the above context, the overall purpose of the research reported upon in this paper is to profile the key characteristics of an effective induction program for new sales recruits. Specifically, through comparing and contrasting the induction programs used by higher and lower performing financial services companies competing directly with each other in the same marketplace, it aims to:

1. Identify what is “best practice” when running an effective sales training program for new recruits.
2. Identify what is “best practice” when running an effective sales coaching program for new recruits.

Method

This paper reports the findings obtained from personal interviews conducted in late 2012 and early 2013 with senior executives with responsibility for business development and sales force management in four large financial services companies. The sample consisted of two matched pairs of companies (one defined as “low-performing” and the other as “high performing”) competing head to head in seeking to serve essentially the same market(s) with a similar range of financial product/service offerings: one matched pair being located in the United Kingdom and the other in New Zealand.

Findings

In the questionnaire, all four participating companies reported that they conducted a formal, classroom-based sales training program for their new recruits. Interestingly, however, whereas executives from the lower performing companies said they commissioned-in an outside trainer/instructor on an as-required basis, by contrast, it seems the higher performers prefer to use in-house trainers: one or more staff members who typically carry out this duty from time to time alongside their other functional responsibilities within corporate business development.

As might have been expected, one of the most important elements of an effective sales training program, according to all four interviewees, related to the need to design program content in a logical, progressive, step-by-step sequence. There was also general agreement about the key topic areas to cover, which included the following: product knowledge, industry knowledge, customer and market knowledge; the sales process (incorporating a range of selling skills, tools and techniques such as interviewing, presenting, benefit selling, closing and objection-handling); new business prospecting methods; customer service and relationship building procedures, and; self management. Nonetheless, the interviews did indicate that the higher performers were differentiated from their lower performing counterparts by their inclusion of an additional topic: the provision of a detailed understanding of the sales coaching process that was planned to follow-up and build upon the initial sales training program inputs.

Furthermore, it was apparent that with regard to the use and application of computer technology, the higher performers were well ahead of their counterparts.

In the questionnaire, the four participating companies had indicated that their company’s induction course included some form of sales coaching program. Indeed, the interviews revealed that, although the term “coaching” meant different things to different companies, all four companies viewed it as a critically important “in the field” follow-up, complementary activity, to their sales training program - and one that made up the remainder of a set induction program lasting either three months (one company) or six months (three companies). Interestingly, however, for the lower performing companies it seems that at the conclusion of this period the new recruit was deemed to have successfully “passed” their probationary period simply on the say so of their field office/branch manager. By contrast, the interviewees from the higher performing companies insisted that achieving the status of a “professional XXXXX” (read here the formal job title used by each company) was dependent upon

adherence to a strict assessment procedure including, in both cases, the results of a formal customer service satisfaction survey completed by clients, together with the systematic review of various written assessments and progress reports.

Conclusions

This study has served to validate much of the conventional wisdom typically espoused in the literature about the nature of effective sales training (i.e. Ricks, Williams, and Weeks 2008).

However, a number of other key success factors have emerged that appear to be uniquely associated with the training activities of the higher performers. For example, it may well be preferable to use in-house trainers/instructors who will have a built-in credibility in the eyes of trainees due to a track record of sales achievement, rather than to hire in an outside consultant. It may also be necessary to ensure two extra items are included in the training agenda: (i) the provision of a thorough appreciation of the importance of, and the processes involved in, the Company’s on-the-job sales coaching program that typically follows as part of the overall salesperson induction period, and; (ii) the provision of a thorough understanding of the Company’s “culture”, especially those aspects of the company’s operations that are required to be in keeping with the customer-centric ethical standards that are widely expected to be upheld in today’s market. Another distinctive dimension of the higher performers training activities lies in the area of technology.

This study’s findings have also served to validate much of the conventional wisdom typically espoused in the literature about the nature of effective sales coaching (i.e. Rosen 2008). In particular, it has highlighted the very different, yet entirely complementary, role that a sales coaching program plays when compared with a sales training program.

Perhaps the most important and distinctive attribute associated with the higher performers, however, is the extent to which they have sought to properly integrate and align their sales coaching activities with their sales training activities.

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Product Knowledge, Optimism, and Salesperson Performance

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Although the link between salesperson knowledge and performance has been researched at some depth, a better understanding of the specific impact of salesperson's product knowledge is warranted. Based on knowledge-based view (KBV) of the firm, this paper develops a conceptual framework featuring important inter-relationships among product and brand knowledge, competitive product knowledge and optimism. Relying on survey data collected from 185 salespersons from the automobile industry, authors examine several main and interaction effects.

Introduction

Organizational knowledge is valuable, scarce, path dependent, causally ambiguous, and hard to imitate and substitute by third parties (e.g., Spender and Grant 1996). As such, knowledge is an important strategic asset to achieve competitive advantage that firms need to utilize effectively. For a sales organization, application of specialized skills and knowledge is critical to remain competitive (Sheth and Sharma 2008) and more than ever before, sales persons are recognized as the pivotal internal resource for knowledge about markets, customers, and competitors (Rapp, Agnihotri, and Baler 2011). In the same vein, delivering a superior customer solution and successful selling are contingent upon the knowledge and skills of salespeople, is well established (Churchill et al. 1985, Sharma, Levy, and Evanschitzky 2007). Product knowledge of salespeople serves a critical role between product and customers, and directly affects customers' product perception, buying behavior, and adoption (Fu et al., 2010). Prior research has predominantly focused on the role of salesperson knowledge upon performance. However, researchers have largely overlooked the more fine-grained construct of salesperson's product knowledge. As a result, we have a limited understanding of how salesperson performance is influenced by this specific aspect of knowledge. Therefore, extending theoretical developments in the knowledge-based theory of the firm (e.g., Spender and Grant 1996), we empirically test a conceptual model that provides insights into the process of how knowledge about own and competitors' products can lead to better performance outcomes. We define knowledge about own products as product and brand knowledge (hereafter, PBK) and knowledge pertaining to competitors' products as competitive product knowledge (hereafter, CPK). We also suggest that optimism moderates the link between knowledge and performance of salesperson.

In so doing, this study seeks to make four contributions to extant knowledge. First, by isolating product knowledge from the more global construct of salesperson knowledge, we provide more specific theoretical and practical insights for sales management. Salespeople's product/service knowledge enables customers to form an informed opinion about the product's relevant features and benefits. In many industries, customers rely heavily on

salespeople for product information. In turn, customers form a more favorable perception about the product, salesperson, and the firm, if they perceive salespeople to be knowledgeable. In Churchill et al.'s (1985) meta-analysis, selling skills emerged as a critical determinant of performance. Further, Sujan, Sujan, and Bettman (1988) have empirically documented a positive connection between performance and extent of salespeople's product category knowledge. Along similar lines, we examine the role of product knowledge as a determinant of sales performance. This inquiry is in line with building upon calls to gain a deeper understanding of factors that shape salesperson performance (Stewart 2006). On the other hand, this inquiry is especially warranted in light of a recent finding that extensive concentration on product information may hurt the salesperson's relationship skills (Pelham 2006). Second, although it is understood that knowledge about both own and competitors' products is important, the exact nature of their relationship has not been explored. This paper investigates that relationship. Third, we posit that dispositional optimism moderates the link between product knowledge and performance. Sales literature reveals that optimism plays a critical role in shaping salespeople's attributions for their performance (e.g., Dixon and Schertzer 2005). We argue that the impact of product knowledge on performance is moderated by optimism. To the best of our knowledge, no previous study has empirically examined this particular role of optimism. Finally, responding to recent calls about lack of focus on criticality of knowledge (Madhavaram and McDonald 2010), this research contributes to the knowledge related sales management literature. Recent research has expressed concerns at the dearth of knowledge management issues in sales management research (e.g., Robertson, Dixon, and Curry 2006).

Hypotheses

Knowledge-based view (KBV) of the firm: Salesperson Knowledge and Performance

A knowledge-based perspective of the firm postulates that knowledge is embedded in and carried through multiple entities including individual employees (Spender and Grant 1996). Extending the resource based view of the firm (Wernerfelt 1984), this perspective views knowledge as a scarce, non-tradable and non-substitutable rent generating asset that provides superior firm performance. As firms constantly analyze customer information, it becomes imperative that they are proficient at managing knowledge about customers and knowledge that is useful to customers (Zablah, Bellenger, and Johnston 2004). In fact, Caudron (1994) suggested that up to 90 percent of the intelligence a company needs is possessed by its employees. Knowledge about both, own and competitors' product lines, is an important part of that repository.

Understanding the determinants of salesperson performance has continued to draw significant attention from scholars (e.g., Churchill et al. 1985; Vinchur et al. 1998). Among the variety of other factors, individual characteristics such as knowledge and skills of salespeople have been pursued as key antecedents of performance (e.g., Weitz, Sujan, and Sujan 1986). Product knowledge is a critical component of the overall knowledge base of salespeople and enables them to match customer needs with most appropriate offerings, select pertinent strategies contingent on the sales situation, and form relationships (Steward et al. 2009). We contend that knowledge about own products and that of competitors' products are conceptually two distinct constructs and may be present and work simultaneously to varying degrees. Thus, both types of knowledge should be considered for their impacts on salesperson performance. Prior research suggests product knowledge can enhance performance by eliciting an expertise based trust from the customer (Mallalieu 2006); when perceived product risk is high or the consumer's product knowledge is low, knowledgeable sales people can increase consumer confidence in the purchase (Chang and Burke 2007).

Overall, a salesperson with product knowledge is more likely to put forth to the customer, current, relevant, and important information. Therefore, we posit a positive relationship between both types of product knowledge and performance. We also explore the interaction between knowledge about own product lines and knowledge about competitors' products in determining sales performance. We expect a positive joint effect to enhance sales performance further.

H1: Salesperson knowledge about own products and brands (PBK) is positively associated with performance.

H2: Salesperson knowledge about competitors' products (CPK) is positively associated with performance.

H3: There will be a positive interaction between PBK and CPK.

Moderating Role of Optimism

While various individual differences variables may shape the product knowledge-performance linkage, we chose to focus on optimism, defined as a general disposition to expect positive outcomes regardless of circumstances (Seligman 1991). It shapes an individual's response to challenging situations and negative outcomes. Personality research in psychology has documented that one's optimism level plays a role in how the individual would respond to challenging situations and to negative outcomes (e.g., Carver, Scheier, and Weintraub 1989). Sales jobs are stressful and fraught with uncertainties, and hence, optimism plays an important role in how salespersons interpret the cause of success and failure and select subsequent behavior. We argue that a knowledgeable salesperson with an optimistic outlook will take adversity as a challenge and will transform problems into opportunities and thus, cope well with difficulties. Schulman (1999) argues that without optimism, ability and motivation may not be adequate to surmount the experience of repeated rejections.

Seligman and Schulman (1986) investigated life insurance sales agents of two firms and found that optimists performed at a much higher level compared to pessimists, selling 35% more insurance. Also, pessimists were twice as likely as optimists to quit by the end of their first year. In a similar vein, in a pilot study in different industries, Schulman (1999) found that optimists tend to perceive adverse situations as opportunities to be converted to

success and as challenges to be met with tenacity. Thus, the following replication hypothesis is advanced.

H4: Salespeople optimism is positively associated with performance.

Because of their strong relevance and high predictive value, studies have examined the role of optimism as moderator of relationships between various constructs (e.g. Dixon and Schertzer 2005). We propose that optimism moderates the relationship between salesperson knowledge and performance. Specifically, we argue that it will have a different impact on own product knowledge and competitors' product knowledge. Optimism reflects the general expectancy of favorable outcomes and optimistic salespersons tend to look for opportunities associated with certain events that will work well with something that is more controllable, such as own product lines. Optimistic salespeople view failure as a minor setback and attribute it to an unstable rather than to a stable cause. Compared to less optimistic salespersons, more optimistic salespersons will strive for strong knowledge of own product lines. On the other hand, less optimistic salespeople are more likely to attribute reasons for failure to uncontrollable factors, such as competition. Hence, we expect that higher optimism will impact the strong knowledge about competitors' products negatively. That is, less optimistic salespeople with strong competitors' product knowledge are more likely to perform better.

H5: Optimism moderates the relationship between PBK and performance positively.

H6: Optimism moderates the relationship between CPK and performance negatively.

Method

Sample and Data Collection

For several reasons, the automotive industry is particularly salient as the empirical context for this study. First, car dealers are particularly reliant on salesmen to establish goodwill and to persuade customers to buy. In addition, it provides a variety of sales situations that require salespersons to be knowledgeable about their own and competitors' offerings. Second, the category offers many product classes and there is considerable variety in firm size and market size. Due to the sheer number of options coupled with the category being high involvement, the consumer looks to the salesperson for product knowledge that will help facilitate a decision.

The sample was drawn from twenty-seven different dealerships located in southern United States. With consent of general managers questionnaires were dropped off at dealerships and then picked up over a period of a few days by students. Our data collection efforts yielded 185 completed questionnaires, yielding a response rate of 62%. All the questionnaires were picked up at the same time and thus nonresponse bias (Armstrong and Overton 1977) appears unlikely.

Measure Development

We employed existing measures for optimism and salesperson performance. Scales for PBK and CPK, the two key constructs of our research, were not available, hence were developed using an appropriate refinement procedure (Anderson and Gerbing 1988). (Measures available upon request).

Analysis and Results

Measure Validation

We examined the validity of measures following Anderson and Gerbing's (1988) two-step approach. Principal component analysis with a varimax rotation confirmed that all items loaded on their intended factors and did not have large cross-loadings with non-intended factors, thereby confirming discriminant and convergent validities, respectively.

Approach to Analysis

A moderated regression analysis with mean-centered variables (to avoid multicollinearity) was used. The results show that none of the variance inflation factors were greater than 2 indicating a low probability of multicollinearity (Aiken and West 1991). The estimated model is as follows:

$$(1)\text{Salesperson Performance} = \beta_0 + \beta_1 \times \text{PBK} + \beta_2 \times \text{CPK} + \beta_3 \times \text{Optimism} + \beta_4 \times \text{PBK} \times \text{Optimism} + \beta_5 \times \text{CPK} \times \text{Optimism} + \beta_6 \times \text{PBK} \times \text{CPK} + \beta_7 \times \text{PBK} \times \text{CPK} \times \text{Optimism} + \epsilon_1$$

Hypotheses Testing

The multiple regression model (equation 1) has a good fit with $R^2 = .45$ ($F(6,185) = 22.9, p < .01$). All three main effects, in support of H1, H2, and H4 were significant at the .05 or .000 level. Salesperson knowledge of the products and brands they sell (PBK) was positively related to salesperson performance ($\beta_1 = .14, p < .05$) as we predicted through H1. Competitive products knowledge (CPK), which is salesperson knowledge of competitor's brands, was positively related to salesperson performance ($\beta_2 = .41, p < .00$), confirming support for H2. H4, positing a positive relationship between optimism and salesperson performance, was supported ($\beta_4 = .25, p < .00$).

H3 predicts a positive interaction between product and brand knowledge and competitive product knowledge. As predicted, interaction between the two knowledge domains was a significant predictor of salesperson performance ($\beta_3 = .12, p < .05$). Thus, H3 is supported.

The moderator hypotheses also showed mixed results. In H5, product and brand knowledge (PBK) was hypothesized to interact with optimism to improve performance. The result showed that the standardized estimate of the interaction effect on salesperson performance was not statistically significant ($\beta_5 = .001, n.s.$). Therefore, the data was not supportive of H5. However, in support of H6, the effect of CPK was qualified by a significant Optimism x CPK interaction with respect to salesperson performance ($\beta_6 = -.14, p < .05$).

Discussion and Conclusions

This research examines if salespeople's knowledge about own and competitors' products would yield higher performance. More important, it also explores the moderating impact of optimism on this link. Optimism had no effect on the link between PBK and performance. However, as expected, we find that optimism negatively impacts the relationship between CPK and performance. As with all research, the empirical study has some limitations that restrict its generalizability. At the same time, findings pave the way for fruitful future research. First, this study was restricted to the sales persons' perspective. It would be beneficial to account for customers' view. Future researchers might want to use dyadic data to reconcile both perspectives,

which might lend more insights for sales managers to address the issue of product knowledge and optimism. Second, for the sake of parsimony, our theoretical model was constrained to only key constructs of theoretical importance. Further understanding of other moderating or mediating variables such as salespeople's level of experience or control systems should also be a research priority. Third, this study employed a cross-sectional design within a single industry. This controlled extraneous variations and afforded us a cleaner environment to study the focal effects. Even though the fundamentals of selling in other settings, particularly those in missionary selling such as pharmaceuticals, is not dramatically different, some caution is required regarding external validity. At the same time, to reexamine this model in other settings would allow a better scrutiny of the relationships among these constructs. Fourth, this data was collected when the economy was healthy and automobile sales were at very high levels. Future research should collect data during poor economic conditions to determine if the results are significantly different.

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Summary Brief

The Impact of Salesperson Brand Love

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Our research purpose is to consider how attachment theory can explain a salesperson's brand love relationship with a brand the salesperson sells. We explore how the salesperson uses the relationship in the selling organization. We propose salesperson brand love as an antecedent to role conflict and perceived (felt) stress. Further, we propose that within the selling organization, the control system's level of brand support moderates these relationships. Finally, as a result of these relationships, we propose that salesperson brand love can result in negative consequences for the salesperson.

Introduction

Carroll and Ahuvia (2006) first introduced the brand love construct. Brand love research adds to mounting consumer research suggesting that brands can perform as social actors. Broadly, the brand love construct defines an intense and emotional relationship a person holds with a brand. In sum, prior research showed the construct to be multi-dimensional, which led to the emergence of a brand love prototype (Batra et al. 2012). Our research conceptualizes salesperson brand love using this prototype to define the construct as an intense emotional relationship a salesperson has with a brand (s)he sells. This prototype definition captures the rich meaning of the construct as a long-term, passion driven, self-identity integrated, emotionally positive, brand relationship (Batra et al. 2012).

Attachment Theory

To explain the development of brand love for a salesperson engaged in direct selling the brand, we use attachment theory. Bowlby introduced attachment theory to explain the ill effects children experienced when separated from their mothers in early childhood (1959). Three primary characteristics specified by attachment theory are proximity maintenance, safe haven and secure base. Proximity maintenance can be demonstrated by two related activities: maintaining close presence to an attachment figure, and separation distress induced from separation from the attachment figure. Our research suggests that each of these characteristics play a role in explaining how a salesperson develops and maintains a brand love relationship with a brand he sells. They may also predict salesperson behavior when the brand is, or is not, supported by the selling organization's control system.

According to attachment theory, an individual's internal behavioral control system regulates the strength of the person's drive to maintain close proximity with an attachment figure (Bowlby 1982; Bretherton 1992). Bowlby indicated that distinct internal behavioral control systems govern escape and attachment (1959), viewing these responses as stress reducing, and safety promoting, systems that help a person navigate their environment (Bretherton 1992). Based on this, we propose that a salesperson

will engage in proximity seeking behaviors with the brand (s)he loves in order to reduce role conflict and perceived stress in the selling environment. The brand love thereby serves as a safe haven and secure base within the selling environment for the salesperson.

Role Conflict & Perceived Stress

Sales research has shown that role conflict is an important stressor bearing on the well being of salespeople (Tubre and Collins 2000). Role conflict describes the problematic situation where simultaneous role expectations are so inconsonant that the salesperson cannot possibly comply with them, or can only do so with great difficulty (Tubre and Collins 2000). Role conflict is important because research has shown it can result in a number of negative consequences for the salesperson such as emotional exhaustion (Babakus et al. 1999), increased anxiety levels (Jones et al. 1996), increased health problems and mental distress (Walker et al. 1975), lowered belief in job self efficacy (Arnold et al. 2009) and lower motivation and performance (Tyagi 1985). Further, because role conflict negatively impacts salesperson performance, it negatively impacts not only the selling professional, but also the selling organization. An example of a negative effect for the organization is weakened organizational commitment (Jones et al. 2007; Singh 1998).

Further, research has shown that perceived stress is a function of many individual factors (Cohen et al. 1983). Therefore, the way that stress is perceived among individuals encountering the same stressor can vary widely (Cohen et al 1983; Lazarus 1990). As role stressors increased levels of perceived stress, customer contact employees experienced reduced levels of job satisfaction (Evans et al. 1990). And similar to role conflict, perceived stress can cause deleterious consequences not only for the selling professional, but also for the selling organization. The negative consequences for the organization can become manifest through increased costs and lost productivity (Roberts et al. 1997).

Control System Brand Support

Control system brand support is defined as the extent to which a control system supports the salesperson's brand love. It is conceptualized in our research as high or low. Control systems in selling organizations strategically incentivize some brands at higher levels than others, or prioritize some brands more relative to others. Control system brand support will be high (low) when the organization's control system encourages (discourages), and/or incentivizes (dis-incentivizes) brand support activities for the brand. We propose this is important because when the salesperson experiences a situation where the organization's control system support for the brand is high (low) and works for (against) the brand by incentivizing (dis-incentivizing) performance related to selling the brand (other brands), it can predict positive (negative) outcomes for both the salesperson and the selling organization.

Propositions

P1: High (low) salesperson brand love decreases (neutrally affects) role conflict.

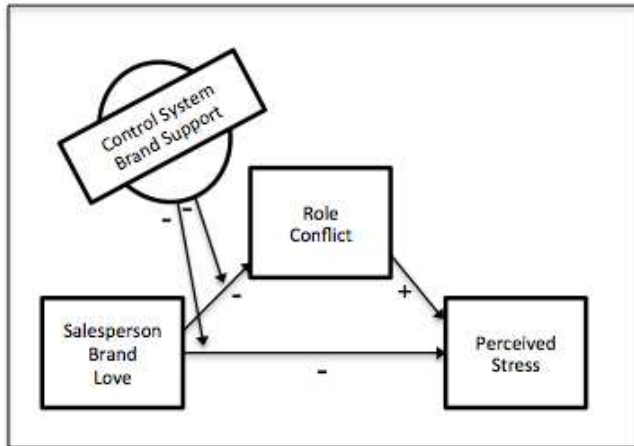
P2: High (low) salesperson brand love decreases (neutrally effects) perceived role stress.

P3: Role conflict mediates the relationship between salesperson brand love and perceived role stress.

P4: When control system brand support is low (high) the salesperson brand love increases (decreases) role conflict.

P5: When control system brand support is low (high) the salesperson brand love increases (decreases) perceived role stress.

Figure 1: Conceptual Model



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Summary Brief

Social Media and Sales: A Netnographic Approach to Identifying Salesperson Best Practices

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In 2012, the Journal of Personal Selling and Sales Management hosted an entire issue dedicated to the idea of Social Media as it can be applied to sales organizations and their representatives. Surprisingly, this coverage represents most of the attention the topic has received to date, despite the shifting from Social Media as a marketing or public relations tool to one that is best employed for lead generation or customer engagement (Gordon 2009). Although recognized as a valuable technique to initiate new relationships, the ways in which sales representatives are using social media to revolutionize their prospecting or cold calling is still under-researched (Brennan and Croft 2012). This exploratory study analyzes a random sample of 500 salesperson comments on the use of social media to benchmark current best practices in prospecting and cold calling. Future research is also discussed.

Introduction

Significant research has been done examining how corporations are utilizing broad social media campaigns to enhance successful interactions with customers (Wilson, Guinan, Parise, and Weinberg 2011; Nielsen 2012). However, as a tool perfect for use in the seven steps of sales, social media usage by salespeople is still under investigated ((Brennan and Croft 2009). Some researchers have suggested that using Facebook, Twitter, and even blogs may help, but finding actual data to support these claims, and/or measures of salesperson satisfaction when using these tools, is difficult to locate. Therefore, using a netnographic methodology, this paper explores the social media tools being used by today's sales representatives through content analysis of over 2,000 online comments. The findings show which techniques are effective and preferred, while also detailing those that are "nice to know" but ineffective. The paper begins with a brief discussion of social media in sales literature, and is followed by a description of the methods used to collect and evaluate sales person remarks. Finally, a discussion section examines additional data being collected and further research that can be done to enhance salesperson knowledge of the best social media tools.

Background

In 2010, Nielsen reported that in that one year, the number of social media users worldwide had grown by 30% – from 244 to nearly 314 million users. By 2013, the reported expansion of social media showed that one in seven people in the world has a Facebook page, while four in five use social networks and blogs (Nielsen 2013). Businesses seem to be taking notice of this trend, using social media for a variety of purposes; however many users still use social media with caution (Nielsen 2013). According to a

study published in Social Media Today (Gordon 2009), roughly two-thirds of businesses surveyed were using social media for branding and public relations, over half for lead generation, but only one-quarter for sales support. Reasons for this low adoption rate may include the difficulty in defining what is meant by "social media" coupled with a lack of information about the effectiveness of social media tools at various stages in the selling process.

Naude and Holland (2004) proposed that business-to-business marketing has moved from the transactional approach, through the relationship approach, and into a new era that they call informational marketing. This new sales era focuses primarily on information-handling meaning the successful acquisition, analysis and deployment of information. However, the role of identifying prospects remains the same and is enhanced by the salesperson's acquiring precise and timely information about opportunities via social networks and Social Media outlets (Wilson et al 2011). The use of these techniques in prospecting for information about clients, or cold calling, is not an easy task and may require new ways of thinking, but the potential gains are far from being negligible. Dell, for example, states that its use of Twitter has generated \$1 million in incremental revenue due to sales alerts (Kaplan and Haenlein 2010).

Active participation in business-to-business social media networks can be seen to contribute to value creation, change and leadership, and is therefore a valuable component of a market-driving strategy (Brennan and Croft 2012). Salespeople must see their role as the architect for change in their customers' worlds, adding value when they can challenge the existing paradigms and provide a better decision-making process than the one used currently by a customer (Dixon and Tanner 2012). In order to bolster sales representative success using social media, it is important to understand the methods that are successful, and those that are not.

However, the question remains – how does one do that? Is tracking profiles on Facebook enough, or do salespeople need to be creating social media biographies for each client? A current problem with the idea of Social Media usage in sales is a clear lack of measurable data created by those who are using the tools on a daily basis. This paper begins to explore and work towards a benchmark of current "best practices" in Social Media usage in the early stages of sales – specifically cold calling and prospecting - by salespeople. The rest of the paper discusses the exploratory methodology used, followed by a discussion of findings, and finally a presentation of possible future studies that could, and should be conducted.

Discussion

The 2013 Nielsen social media report stated that sales and marketing representatives still seem to be shying away from using social media, despite the exponential growth of consumer usage of social media around the globe. Our netnographic research supports this idea with the data indicating that much of the advice around cold calling is still based in traditional methodologies. It appears that even now, much of the social media usage by salespeople is to talk to one another about how to implement basic and familiar forms of prospecting for information, and techniques that are effective in telephone cold calling.

Social media is being discussed and used by some, although it appears to be conducted by sales innovators and younger representatives. Hybrid methods, such as using Facebook and LinkedIn to collect one-sided information on buyers, were extremely popular within the sample set studied. A straight social media method is mostly discussed from an information sharing perspective, or as a way to collect information. Although a small level of engagement was discussed, it still appears that sales representatives are missing the concept of how to use social media to do more than conduct fact-finding or intelligence gathering on perspective customers.

Very early preliminary findings indicate a gap between what customers and buyers are doing in terms of social media usage, and the lack of connection with salespeople. According to media theories and academic research, effective utilization of social media in sales can be a competitive advantage and a source of added value. This research is far from complete as the netnographic data collected can yield a wealth of ideas and perspectives on social media usage. Further analysis is planned to develop theory that will help us to better understand how social media technology will affect the ability to initiate and convert relationships with prospects, taking the discussion past cold calling and information gathering to the process of closing a sale and creating a long-term relationship with buyers. The analysis will also examine any demographic, business environment or industry differences amongst sales representatives that could affect their adoption of social media. Further, our future research will consider the role of government and industry regulations that affect the social media adoption and its application.

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Summary Brief

Role Conflicts and Social Stigma: Relational Risks Confronting Guanxi Intermediaries

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Introduction

With increasing attention on proper ways of successfully doing business in Chinese society, Western businesses are keen to learn the intricate cultural systems such as guanxi and its relational benefits embedded in the Confucius values society. As such, guanxi intermediaries are often sought after to open important guanxi gates and to facilitate relational exchange for foreign firms. However, despite the significant role and responsibilities assumed by guanxi intermediaries, little attention has been given to the considerable role conflicts and social stigma they faced in working with both guanxi insiders and outsiders.

When confronting these negative perceptions in norms and culture that threaten their own standing, guanxi intermediaries may concede to in-group social norms and wellbeing; instead of actively pursuing relational connections for foreign clients, they may passively pose in the process and create costly delay for foreign businesses. A recent study of the past thirty years of guanxi research identified guanxi “relationalism” as a key construct, and regularly examined in contrast to Western systems of markets, laws, management and organizations. As such, the increasing globalization of China’s economy continues to illuminate the “paradoxical challenges” of guanxi (Chen, Chen, and Huang 2012, p. 177-179). Given the “non-transitivity” of close relationships and particularistic trust in Chinese society, examining the role of the guanxi intermediary is a new and important focus in guanxi research. (Chen, Chen, and Huang. 2012, p. 196-197).

The purpose of the current research is to examine the role conflicts and social stigma attending the relational risks for guanxi intermediaries when facilitating the guanxi network for foreign clients. By assessing the intertwined social norm conflicts with the in-group guanxi ties, this study proposes four role conflicts and stigma defining the major relational risks facing guanxi intermediaries.

Confucian Values and Social Norms

Confucian values are centered in and imposed by the hierarchical structure of social relations in Chinese society. The purpose of the values and norms is to achieve social harmony and stability (Chan 1963; Hwang 1987). Differing from the focus on two or more relatively equal individuals in Western social interactions, Confucian values and norms evaluate the appropriateness of the behaviors of individuals in social interactions in reference to their significant ‘others’ (Bian and Ang 1997).

Strength of Guanxi Ties and Guanxi Norms. The strength of guanxi ties determines how Chinese people behave in the social

and business interactions (Hwang 1987). Strong guanxi means that people in the relationship should share the information and resources that are exclusive to those in the inner group (Park and Luo 2001). In contrast, weak guanxi ties, normally representing the relationships between Chinese and foreign businesses, mean that guanxi insiders are allowed to take advantage of outsiders for the benefit of insiders. Due to differences between in-group and out-group norms and the in-group guanxi tie, guanxi intermediary often observed role conflict working with both groups.

Social Penetration Theory

Social penetration theory (Altman and Taylor 1973) posits that relational closeness/strength occurs through a series of gradual self-disclosure -- a process similar to that of manually peeling off layers of onion skins. So long as the expected benefits exceed expected costs, exchange parties will continue the process of mutual self-disclosure to advance trust and deepen their relationships (Jacobs et al. 2001). The onion skin analogy is conceptually similar to the embedded circles in guanxi ties (Gao et al. 2012) and guanxi concentric model (Luo 2005). However, different from social penetration theory, guanxi ties are embedded in Confucius cultural values and social norms of mian-zi (face), ren-qing (relational obligation), and hui-bao (reciprocity), rather than the calculative process of relational exchange. As the result, guanxi embedded business relationships are more concerned with the impact of individual behaviors on relational norms and hierarchical order (Fan 2002; Park and Luo 2001), and less on dyadic benefits and/or market efficiency stressed by Western social exchange norms (Blau 1968; Williamson 1996).

Role Conflict, Role Ambiguity and Job Performance

The consequences of role conflict and role ambiguity on job performance have been explored in many organizational, enterprise and work contexts (Tubre and Collins 2000). As international joint ventures increased, so did research into the consequences of these job stressors for their general managers, who are seen as boundary spanners between two or more nationally/culturally diverse corporate partners (Mohr and Puck 2007; Lu and Lee 2007). As China opens its markets for global businesses, increased focus has been given to how traditional Chinese culture magnifies the negative consequences of job stressors (e.g., Friedman, Chi, and Liu 2006; Lu et al. 2010; Wang, Lu, and Lu 2012; Siu, Lu, and Spector 2012).

Social Stigma and Guanxi

Stigmas are social constructions by a particular group which, based on its shared culture, values, and preferences, determines a person's conduct to be cultural deviant (Leach and Liu 1998), and rejects that person as a threat to the group's valuable social and economic interactions (Kurzban and Leary 2001; Devers et al. 2009). The strength and homogeneity of the group's macro-culture is a major factor in the labelling, social control functions and adverse social and economic consequences of stigma (Devers et al. 2009). A culturally focused study of the origins and impact of stigma in China defines it as a "moral process", threatening "what matters most for those in a local world", and that the loss of face (mian-zi) can lead to "social death" (Yang and Kleinman 2008, p. 399). Accordingly, both the threat and fear of social and economic exclusion from a guanxi in-group is likely to be particularly intense for guanxi intermediaries, increasing the likelihood of risk-avoiding behavior.

Relational Risk

Relational risk refers to "the probability and consequences of a partner not fully committing to a relationship and not acting in the manner expected" (Das and Teng 2004, p.101). Taking this risk perspective, the mix of strong and weak guanxi ties among the three parties -- guanxi insider, intermediary, and outsider -- and social norm conflicts between insiders and outsiders, increases the risk probabilities and consequences for the intermediary. There is the continuing threat of potential damage to their position and status in their personal guanxi networks. According to Kahneman and Tversky (1979), the major consequence of perceived risk is risk avoiding behaviors. In the intercultural guanxi setting, the risk-avoiding behavior will be manifested in the form of 'inaction', 'not trusting', 'less opening up' or 'hiding information or thoughts' by guanxi intermediaries, even though they are contracted to resolve guanxi problems for foreign firms.

Methodology

The current study utilizes critical incident technique (CIT) to gain in-depth knowledge of the constraints/difficulties/ risks assumed by guanxi intermediaries in the intercultural business network. CIT technique asks respondents to provide specific stories and examples (i.e., incidents) that are content analyzed with the purpose of uncovering emergent themes/patterns and categories/typologies (Bitner et al. 1990). Respondents were identified from a convenience sample developed from a global expatriate network database. Pre-screening criteria was used to identify guanxi intermediaries who have rich experiences in connecting and facilitating relational exchange between China and New Zealand. Since our key objective was to obtain emergent themes/typologies from diverse views, we did not limit our respondents to specific industries. Therefore, there is ample variability with respect to ownership, industries/sectors, and size of firm.

Following the guidelines of CIT, the number of interviews was determined by emerging common themes and repetition of information (Bitner et al. 1990). As such, thirty-three in-depth person-to-person interviews were conducted: thirty in China and three in New Zealand. An English version interview guide was designed first, then translated into Mandarin, and back translated into English to ensure instrument equivalence across cultures (Triandis 1994). Respondents were asked to describe in as much

detail as possible incidents where they experienced intercultural constraints/difficulties/risks while connecting guanxi outsiders with insiders during an intercultural business exchange. Interview responses were transcribed. Interpretations of the data were discussed, reviewed, and agreed upon among co-authors before results were finalized.

Findings and Discussion

Our findings confirm that guanxi intermediaries evaluate two key factors to assess relational risks resulting from stereotype and social stigma: (A) the level of social norm conflict between foreign out-group and guanxi in-group and (B) the strength of his/her guanxi with the in-group members. These four quadrants are briefly discussed below.

Quadrant I: Unneeded Middleman (weak tie/low conflict). Since guanxi tie is low and normative or cultural differences between the insiders and outsiders are low, the continuing need for the guanxi facilitator is minimal. Subsequently, the intermediary is often judged as "unneeded middleman", and at risk of being expendable by introducing both parties.

Quadrant II: Profit Exploiter (weak tie/high conflict). The disparity between the foreign compensation system for agents (built on commercial contract) and the guanxi brokering system for intermediary (built around relational reciprocity and strong ties), leads to this social stigma: "profit exploiter". The guanxi intermediary viewed as a "profit exploiter" by his/her in-group relationship regularly experiences role conflict and the resulting relational risks.

Quadrant III: Information Trader (strong tie/low conflict). When the social norm conflict is low, working relationships between guanxi intermediary and the foreign client tend to more agreeable and may possibly evolve into friendly relationship. As the rapport progresses, guanxi intermediaries and foreign client may openly share information. However, strong in-group guanxi tie requires members to be protective of its insider information and its relationship. Under this situation, guanxi in-group members are concerned about leaking secret information to out-group members. As such, guanxi intermediary having friendly relationship with its foreign clients is often accused of leaking secret information and judged as "Information Trader".

Quadrant IV: Shameless Foreign Supporter (strong tie/high conflict). High level of social norm conflict is often originated from the differences in the culture system and value. Guanxi value system obliges personal favoritism in the Chinese guanxi circle, while Western ethical code observes impersonal equity rule for all exchange parties. In this context, working between the impersonal equity rule of Western business circles and the personal favoritism rule in the Chinese guanxi circle can present great challenges to intermediaries. Guanxi intermediaries are often fearful of being perceived as siding with outsiders and risk being labeled as "shameless foreign supporters" – an dishonorable name assigned to the traitors.

Contributing to network relationship and international marketing literature, this research provides insights into guanxi intermediaries' role conflicts, social stigma, and the relational risks they and their patrons undertake in the process. Drawing on social penetration theory and the analogy of 'peeling an onion', this study shows that relational risks for guanxi intermediaries evolve from low to high form as the anticipated costs exceed the benefits. As a result, the risks become increasingly significant as they move into the inner layers of social penetration.

Being aware of the role conflicts and social stigma endured by guanxi intermediaries, Western managers can provide necessary supports to reduce the negative role perceptions for the boundary spanners and to gradually break through layers of relational barriers. These supports may include assurances of confidentiality and flexibility to build personal trust. Most importantly, personal trust is often developed through consistent participation and socialization with guanxi contacts. By building

personal ties and working relationships, Western managers can benefit from Chinese rules of ren-qing (relational obligation) and hui-bao (reciprocity), and help solidify guanxi insiders' support. These strategies can help the guanxi intermediary plays a productive and continuing role in the intercultural business relationship.

References upon Request

Summary Brief

Sales Force Perceptions, Motivations and Intentions to Win Back Lost Customers: Building a Framework for B2B Customer Reacquisition

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Introduction

Although there are well-established sales processes to acquire new accounts and maintain customer relationships, few firms have formal win back strategies: procedures to diagnose losses and identify determinants in order to guide and train salespersons for regaining valuable lost customers. When customers defect, they may leave behind a wealth of transaction specific information, including transaction history, preferences, motives, and evidence of what prompted their defection. Strategic leveraging of customer relationship portfolios will likely facilitate effective and efficient reacquisition processes (Thomas et al., 2004), and help design attractive win-back offers. A well-designed reacquisition program may also help companies better understand its market and competitive position. As such, with the increasing level of competition and customer demands, reacquisition programs should be the strategic second half of CRM (Stauss and Friege 1999).

Although the Marketing and Sales literature is ripe with studies investigating service recovery strategies and the handling of customer complaints (e.g., Swanson and Kelley, 2001), scant research has investigated sales organizations' efforts to win-back lost customers (e.g., Gonzales et al., 2010). This is troubling given (1) the importance of reacquisition efforts to a firm's CRM efforts, sales force utilization, and brand management, and (2) the conceptual differences with related constructs. This gap in sales process and training reflects the relatively sparse literature in B2B customer reacquisition models. The purpose of this study is to propose a B2B reacquisition framework that addresses the sales force's perceptions, motivations and intentions to win back valuable lost customers.

Several streams of literature inform our understanding of salespeople's motivation/a-motivation to regain lost customers. Three specific to our study are (1) salespeople self-regulation, goal setting, and motivation, (2) business-to-business relationships, and (3) reacquisition of lost customers in consumer markets.

Self-Regulation, Goal Setting, and Motivation

Self-regulation is a concept that describes a salesperson's capacity to set goals and guide his/her goal-directed activities over time (Kanfer, 1990, Karoly, 1993). Therefore, a salesperson's self-regulatory process encompasses a broader assessment of his/her capabilities (i.e., self-efficacy), motivational and emotional control (Diefendorff and Lord, 2008; Locke and Latham, 1990). Much of the research on self-regulation in organizational and work

settings has focused on understanding how goals are set, the processes by which goals influence behavior, reasons for the attainment or nonattainment of goals, and how goals are revised (Vancouver and Day, 2005). As such, this literature will likely inform the examination of salespeople's perceptions and motivation/a-motivation to engage in reacquisition efforts. Research by Liu and Leach (2012) showed that salespeople are motivated by the perceptions of high value and/or by their abilities and their firms' capabilities to recapture lost customers.

Past studies on salesperson characteristics indicate that certain personality traits, such as self-efficacy and emotional control/intelligence, are important indicators of motivations and efforts (Sujan et al., 1994; Kuhl and Koch, 1984). Salespeople with high self-efficacy and emotional control tend to believe that reacquisition will be easy and, therefore, are more motivated to win back lost customers.

B2B Exchange Relationships

Managing buyer and seller relationships is a dynamic process as relationships are ever changing and evolving. Changes in a customer's cost structure, personnel, purchasing goals, as well as changes in the sales organization's personnel and process, and competitors' actions can strengthen or deteriorate an established relationship (Dwyer, Schurr, and Oh, 1987). When challenges enter an exchange relationship, a deteriorated relationship quality may not necessarily lead to customer defection. However, defection often depends on the magnitude of the challenge and the existing bonds and mutual investments in the relationship. Pick (2010) suggests that the existing bonds, network linkages, or "relationship energy" (Havila and Wilkinson, 2002) between firms are a prerequisite to regaining a valuable business customer. These linkages can exist at the firm level or individual level and include financial, structural, and social bonds that may be derived from assessments of mutual financial investments, operational linkages (e.g., transaction specific investments), and the existing relationship.

Reacquisition in Consumer Service

Research on consumer reacquisition highlights the importance of structural and relational bonds (i.e., trust) in fastening firms together. When customers defect, the remaining relationship after the defection -- including the positive/negative "relationship energy" with buying center members (Pick, 2010;

Havila and Wilkinson, 2002), the customer-related /firm-related attribute of defection, and the customer's perception of high/low switching back costs (Ping, 1994; Liu, Leach, and Bernhardt, 2005) -- may impact the salesperson's confidence and motivation to initiate reacquisition. Similarly, the sales firm's supportive offers, e.g., customization efforts, repositioning supply chain resources (Liu, Leach, and Wang, 2012), and the firms' incentive structure, e.g., what sales goals are rewarded (Sujan, Weitz, and Kumar, 1994) will affect salespeople's perceptions of the customer's value and the ease/difficulty to regain the customer. Subsequently, these positive/negative perceptions will motivate or de-motivate salespeople's intention to engage in reacquisition efforts.

Methodology

To gain initial insights and identify key determinants to win back lost customers, we conducted 53 in-depth interviews with sales executives using critical incident technique (CIT) (Bitner et al., 1990). We asked the respondents to describe in as much detail as possible an incident where they successfully won back a lost customer, an incident where they were unsuccessful, and the key differences between them. We then content analyzed their specific stories to uncover emergent categories and patterns. The pretest findings provided anecdotal evidence to the proposed framework and helped develop hypotheses. To further confirm the proposed conceptual framework and hypotheses, we intend to use key informant sampling technique to survey approximately 2,000 respondents on-line. Respondents will be randomly selected from a database consisting of B2B salespeople and screen criteria will be applied to pre-qualify the key informant. Each key informant will receive an email with cover letter asking for their participation, and a link for the questionnaire. A reminder email will be sent after 2 weeks. Respondents completing the survey will be entered in for lotteries for iPads as incentives.

Established scales such as motivation/a-motivation (Levin, Hansen, and Laverie, 2012), self-efficacy (Sujan, Weitz, and

Kumar, 1994), emotional control (Kuhl and Koch, 1984), relationship phase (Jap and Ganesan 2000), perceived switching back costs (Ping, 1994), and incentive structure (Sujan, Weitz, and Kumar, 1994) will be adopted for the current study. New scales with multiple-item will be developed from relevant literature and personal interviews with sales executives, and will follow standard psychometric scale development procedures prescribed by Anderson and Gerbing (1988). Then, the questionnaire will be pretested with marketing executives and academics to ensure face validity. Non-response bias will be tested comparing early and late response using t-test. Scale reliabilities will be computed using Cronbach alpha. Structural Equation Modeling technique integrating factor analysis and simultaneous multiple regression analysis will be used to model the result and test the hypothesized relationships. The model will be specified so that items are loaded on only the construct they are developed to represent. Similar procedures for two-group analysis will be performed for long vs. short relation, for long vs. short lapse time, and for positive vs. negative relationship phase at defection (Jap and Ganesan, 2000). Specifically, a four-step approach will be employed to analyze the data (James et al., 2006).

Proposed Findings

Adding to a more comprehensive and strategic understanding of CRM, the proposed conceptual framework can enable sales organizations to actively motivate and support salespersons to regain valuable customers for profitable long-term relationships. The final results of this paper will provide new information to aid sales executives to: (1) identify critical salesperson characteristics for reacquisition efforts that can be integrated in selection and training programs; (2) evaluate customer relationship to win-back lost valuable customers; and (3) identify supportive organizational characteristics to regain profitable business.

References upon Request

SERVICES MARKETING TRACK

Track Chair

Maria Kalamas, Kennesaw State University

Playing with a Double-edged Sword: Dual Captive Service Environments and the Impact on Relationships

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Consumers face consumption restriction in market exchanges in global and local contexts. Common across findings in service captivity literature is the lack of choice, loss of control, and powerlessness of consumers to consume in self-determined fashion (Allen 1993, Hill and Macan 1996, Alwitt and Donley 1997, Chung and Myers 1999, Viswanathan et al 2010, Martin and Hill 2012). In these restricted situations, consumers are largely, and sometimes completely, dependent on the service provider for much needed (or desired) resources. Currently, service researchers are beginning to acknowledge the constrained situations consumers face when encountering some services (Conlon et al. 2004, Rayburn 2012).

Missing from the captive services literature is a discussion of the constraints faced by providers due to captive service design and/or environments. Research is also needed that identifies and creates understanding of contexts when both consumers and providers are systematically constrained due to service structures, processes, and environments.

In response, this research introduces the concept of dual captive services and identifies potential outcomes for provider-consumer relationships in these service environments. Dual captive services are services where both service provider and consumer experience real or perceived constraints as the result of cultural, legal, personal, or systematic restrictions. Examples of potential constraints are choice, control, and/or power.

Specifically, this proposed research examines the manifestation of these constraints and potential negative ramifications in managed medical care. First we discuss how market behaviors, such as inter-firm competition and retaliation, may contribute to the development of a captive service context. Second we propose how these constraints inhibit relationship development between these service stakeholders. We examine how a dual captive service environment affects relationship quality, level of trust built, the type of relationship fostered, and relationship outcomes for both providers and consumers.

We propose dual captive service environments may inhibit relationship development between providers and consumers from two perspectives. First, for example in the medical context, providers may be reluctant to develop relationships with consumers due to changes in policies that lower the amount of overall per patient profit as well as constrain procedural control by limiting reimbursements and limiting coverage. The resulting scenario is one in which the provider is rewarded for more relationships rather than deeper relationships with patients. Second, consumers in the same situation may begin to view providers as mere extensions of the insurance company with a profit motive rather than as professionals with their best interests at heart. Both act to move the relationship toward transactional instead of a partnership.

These transactional based interactions may lower overall relationship quality and trust; impacting both constituencies. Providers are dependent on insurance companies and their loss of procedural control can increase the likelihood of felt vulnerability; this may also relate to a loss of identity as a caregiver. Research indicates patient-physician relationships have become multifaceted, less paternalistic, and more pivotal to health outcomes (Boyer and Lutfey 2010). Physicians struggle between their perceived power and professional identity when trying to satisfy patients (Greenfield et al 2012).

Contributing to this perceived loss of power and identity, in the health care system, the balance of influence has shifted from the physician to other participants, such as third-party payers creating asymmetrical relationships throughout the entire system. The presence of third-party payers has created and perpetuated a widening asymmetry of information between consumers and service providers, thus enhancing the power of intermediaries. This shift in power moves decision-making ability in terms of what services are produced and how they are priced away from physicians and patients and into the hands of insurance companies and other third-parties (Mittelstaedt et al. 2009). Accordingly, we propose that when physicians feel they are in a dual captive service environment, they are more likely to perceive a loss in the balance of power in their patient relationships as well as within the profession as a whole.

Further, consumers are dependent on providers, creating a context of vulnerability, and limited trust may result in decreases in compliance, decreases in mental well-being, and ultimately in negative medical outcomes. Trust is an important variable in the development of relationships (Ford et al 2003). One of the key functions of trust is to moderate and control uncertainty and conflict associated with power imbalance or dependence (Hewett and Bearden 2001). However, trust is also influenced by power and dependence (Sheppard and Sherman 1998). The greater the power imbalance the less trust the less powerful party is likely to have with the powerful party, however this is based more on the actors' reactions to the power structure rather than the level of dependence (Andaleeb 1996; Geyskens et al 1998). In either case, the impact of captive service creates potential negative service outcomes.

In a heavily regulated environment such as that of managed healthcare, both providers and consumers become constrained. These constraints potentially impact service delivery processes, relationships, and outcomes. Captive service and service captivity research has focused on consumers with limited understanding of the impact on providers. This research extends the concepts of captive service and service captivity to dual captivity and examines the impact on both groups.

References provided upon request

Summary Brief

Exploring the Role of Equity-based Entitlement in Service Recovery Expectations in Face-to-Face Service Encounters

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This study seeks to further understand individual differences in service recovery expectations by introducing the construct of equity-based entitlement. Its validity is explored in a service recovery context after a service failure through a survey design. Consumers with a higher sense of entitlement were found to have higher service recovery expectations. The validity of the construct was shown in a comprehensive model that also included cognitive, emotional and situational antecedents of service recovery expectations.

Introduction

What do consumers expect from service providers after a service failure? Customers' service recovery (SR) expectations after service-related failures can fluctuate more than after product failures. For example, adequate compensation for having to wait too long to receive a service is harder to assess than when a product turns out to be defective. As a result, consumers' reactions to the loss experienced can vary greatly and so can their subsequent recovery expectations. Service recovery refers to the actions an organization takes in response to a service failure (SF) (Gronroos 1988). The objective of this study is to understand individual differences in SR expectations after service failures in the context of face-to-face service encounters. The context includes service transactions with service providers such as a hairstylist, restaurant, hotel or an airline. More specifically, this study investigates individual dispositional differences in equity sensitivity levels that may result in consumers feeling entitled to higher levels of compensation/redress. We hypothesize that individuals' expectations vary according to internalized equity sensitivity dispositions. Based on the current SR literature, the model also includes cognitive, emotional and situational factors that also play a role in the consumers' formation of expectations. Due to the heterogeneity inherent in service encounters, service failures are very frequent. Determining what accounts for individual variations in SR expectations can be an important contribution to services marketing, and, more specifically, to service recovery research.

Literature Review

Consumers form SR expectations by appraising the service failure in a multi-step process composed of cognitive, emotional, situational and individual factors. The role of cognitive, emotional and situational factors is well documented in the SR literature. Among cognitive factors, perceived service quality (Kelley and Davis 2004) and past experience with the firm (Tax, Brown and Chandrashekar, 1998) were found to be antecedents of SR expectations since they are used as cues by consumers to assess

the effort the organization will be willing to expend to retain its valued customers. Situational factors, such as the inconvenience and severity of the failure, have been shown to also play a significant role (Hess 2006). This makes intuitive sense since the greater inconvenience a SF causes, the greater the expectations will be. The impact of emotion in service encounters has increasingly been investigated in the service literature. The SR literature has studied several emotions generated after dissatisfying experiences, such as anger, frustration (Gelbrich 2010), rage (Surachartkumtonkun, Patterson and McColl-Kennedy 2012) and, more generally, negative emotions (Smith and Bolton 2002).

From an equity sensitivity perspective (Huseman, Hatfield and Miles 1987), which derives from equity theory (Adams 1965), each individual has internalized justice-based perceptions that result in varying levels of entitlement preferences that he/she uses for determining expectations during social exchanges. Equity-based entitlement is defined here as the preference for an unequally favorable ratio of one's outputs (loss) versus one's inputs (compensation). In a service failure context, input is defined to be the loss experienced as a result of the SR whereas output is the compensation received or SR. It is thus hypothesized that as individuals' sense of entitlement increases (preference for outputs over inputs), their service recovery expectations will also increase. Mainly examined in the context of organizational behavior, the value of the equity-based entitlement construct has yet to be explored in the SR area. This preliminary study attempts to fulfill this void.

Method

Research Design

A survey design was used to measure individuals' perceptions of a recent service failure in a face-to-face service encounter situation that resulted in participants' voicing a complaint to a service provider. The majority of study participants (83%) chose to report a service failure in a restaurant context. Most SR research designs so far have been scenario-based. However, this approach is not recommended since emotions are very difficult to evoke in a scenario-based context and can often contribute to inaccurate results (McCullough, Berry and Yadav 2000). Hence, this study adopted a self-report design with participants reporting on recent past experiences. The sample consisted of 52 undergraduate students in a major Southwestern university.

Measurements

The scale for service quality as perceived by the consumer prior to the poor service incident was adapted from Pollack (2009). Only the scale items for overall service quality and outcome quality were used. The dependent variable was SR expectations and the scale used was adapted from Yim et al. (2003). Due to the disparity in the nature of service failures cited by participants, only procedural and interactional justice dimensions were used. The equity sensitivity scale from Foote and Harmon (2006) was used. This scale was adapted to reflect a service context. Only the entitlement items of the scale were used. Situational factors such as severity of failure were adapted from Dunning, O’Cass and Pecotich (2004). Lastly, the negative emotions scale was adapted from Schoefer and Diamantopoulos (2008).

Findings

All scales achieved satisfactory reliability, i.e., 0.70 (entitlement), 0.95 (PSQ), .76 (procedural justice) and 0.70 (interactional justice). Factor loadings on each construct were .40 or greater. An analysis of the regression results indicates that all of the constructs under study, i.e., perceived service quality [$\beta=.248$, $t(52) = 2.34$, $p<0.05$], severity of failure [$\beta=.299$, $t(52) = 2.26$, $p<0.05$], negative emotions ($\beta=.308$, $t(52) = 2.36$, $p<0.05$) and entitlement [$\beta=.289$, $t(52) = 2.66$, $p<0.01$], significantly predicted respondents’ SR expectations. The model accounted for 48% of variance in services recovery expectations. These preliminary results underscore the unique contribution of the equity-based entitlement construct as an individual determinant of SR expectations as well as its potential predictive ability in a comprehensive model including situational, cognitive and emotional factors. Regression coefficients were all significant and similar in size suggesting the relevance of each factor.

Conclusion

This preliminary study sought to understand how consumers form SR expectations after service failures. Very few studies to date have delved into individual dispositional differences in consumers’ reactions/responses to service failures. The idea that individuals differ in their perceptions concerning what they feel is fair to receive, i.e., notions of entitlement, has been highlighted. This study has also sought to address the importance of utilizing a comprehensive approach by combining situational, cognitive, emotional and individual factors. In addition, instead of a scenario-based approach, this study utilized consumers’ reports on actual experiences. It is hoped that a more accurate account of SR expectations will help service managers better deal with current problems such as overcompensation or undercompensation for service failures and, in general, tailor their SR strategies more effectively.

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Summary Brief

Are All Boundary Spanners Alike?

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Most research on boundary spanners lump all boundary spanning positions together. This research project was completed in order to test this perception. 1121 boundary spanning employees including 249 sales representatives, 255 retail sales personnel, 243 customer service representatives, 125 nurses/doctors, 160 teachers, and 89 police/military were surveyed. Results show that there are significant differences in job satisfaction, organizational commitment, turnover intentions, autonomy, and perceived organizational and supervisory support for the six different boundary spanning positions surveyed.

Introduction

Boundary spanning employees play an essential role in the organization (Behrman and Perreault, 1984; Jolson, Dubinsky, Yammarino, and Comer, 1993; Singh, 1993). A boundary spanning employee is any organizational employee who “engages in job-related interactions with a person who is considered part of the environment, who is not a member of the organization” (Robertson, 1995, p. 75). Boundary spanning employees not only include salespeople but also include any frontline or customer-contact employee such as customer service representatives, service technicians, retail employees, delivery personnel, police officers, nurses, teachers, and professional buyers (e.g. McNeilly and Russ, 1992; Russ, McNeilly, Comer and Light, 1998; Singh, Verbeke and Rhoads, 1996).

These employees work under the constraints of both the internal organizational environment and the external environment. Research has shown that they have two unique roles that set them apart from other organizational members who work only within the internal organizational environment. These roles include that boundary spanners represent the organization to the outside world (Schneider and Brown, 1984) and are responsible for disseminating information from the environment back to the organization (Bettencourt, Gwinner, and Meuter, 2001; Schneider and Brown, 1984).

Although understanding boundary spanners has received much research attention (e.g. Bagozzi, 1978, 1980; Behrman and Perreault, 1984; Boles and Babin, 1996; Churchill, Ford, and Walker, 1976; Riggle, Edmondson, and Hansen, 2009; Edmondson and Boyer, in press), limited to no research exists that has empirically examined the extent to which different types of boundary spanning employees vary. Instead it is assumed that all boundary spanners (e.g. sales representatives, teachers, nurses) are equivalent because of the two unique roles they play in the organization. This fundamental assumption requires investigation because it bears large consequences on practitioners and researchers. If differences exist between the various types of boundary spanners yet researchers continue to commingle

findings, we may essentially miss an important opportunity that may improve boundary spanning functions and the organization as a whole. Because of this, the goal of this research is to determine what differences exist between doctors/nurses, sales representatives, customer service representatives, retail sales personnel, teachers, and police/military for a wide variety of important job and organizational constructs.

When examining the different types of positions that are considered boundary spanning, it is evident that one major discrepancy between the positions is the requirement for some of these positions to actually generate revenue for the organization. Some researchers have called positions such as sales representatives and retail sales personnel as being a “revenue generating capital asset” for the organization (Sager and Wilson, 1995). In fact, in today’s economy, these positions are crucial for the firm’s survival and continued market success (Cohen, 1997). It is for this reason that it is expected that boundary spanners that are directly responsible for the organization’s revenues will have different needs and demands than boundary spanning positions that are not responsible for generating revenue for the organization (i.e. nurses/doctors, teachers, military/police, customer service personnel). Six constructs were investigated to see if differences exist between the six boundary spanning positions. These constructs included autonomy, perceived organizational and supervisory support, job satisfaction, organizational commitment, and turnover intentions.

Methodology and Initial Results

The population for this exploratory study included employees who held a variety of boundary spanning positions such as sales representatives, retail sales personnel, customer service representatives, nurses/doctors, teachers, and police/military. In all, 1121 boundary spanning employees completed the online survey. The final sample had 249 sales representatives, 255 retail sales personnel, 243 customer service representatives (CSR), 125 nurses/doctors, 160 teachers, and 89 police/military. All measures were taken from existing literature. Each exhibited acceptable reliabilities (α 's ranged from .759 - .949) and each scale was deemed unidimensional. In order to determine if differences exist among the boundary spanner positions surveyed, a series of ANOVAs were conducted. Results showed that there were significant differences for each of the constructs measured based on the six different boundary spanning positions.

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Summary Brief

Effects of Emotional Labor on Job Engagement: The Roles of Mentoring and Network Resources

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This study explores how having a mentor and expressive network resources moderates the relationship between emotional labor strategies (surface and deep acting) on job engagement dimensions (vigor, absorption, and dedication). The results show that, of the two emotional labor strategies, only surface acting directly influences vigor, absorption, and dedication. However, the relationship between deep acting on job engagement dimension is moderated by the presence of expressive network resources.

Introduction

Salespeople confront many challenges in the course of providing services to their customers and meeting organizational expectations. One of these challenges is associated with the constant management and alteration of their emotions to suit organizational display rules, thus making them more prone to emotional and organizational strains (Diefendorff and Gosserand 2003; Diefendorff et al. 2006). For instance, scholars contend that the more service providers are expected or forced to regulate their emotions to suit organizational rules— while contradicting their own personal feelings, the more they withdraw, underperform, and disengage from their job (Bechtoldt et al., 2011; Brotheridge and Grandey, 2002; Brotheridge and Lee, 2002). Generally speaking, studies have found that emotional labor influences job engagement levels (Bechtoldt et al., 2011). However, limited research has addressed how support-based variables interact to constrain or strengthen the relationship between emotional labor and job engagement. This research study therefore develops and tests relationships pertaining to mentoring and network resources and their moderating influence on the link between emotional labor strategies and job engagement dimensions.

Methodology

Retail car salespeople working for new and used car dealerships were asked to participate in a survey-based study concerning emotional labor in retail sales. Two hundred and eight surveys were distributed, of which, one hundred and seventeen surveys were completed and used to run the analysis. All constructs in this study were assessed using well accepted scales found in Grandey (2003), Kruml and Geddes (2000), Diefendorff et al. (2005), Bozionelos (2003) and Schaufeli et al. (2006) studies. Data analysis was carried out using hierarchical moderated regression analyses.

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Summary Brief

The Effects of Perceived Similarity with Others on Shopping Mall Satisfaction

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This study highlights the role of social presence with other consumers in influencing consumers' satisfaction evaluations by exploring a question: if non-interactive social presence of other people can affect satisfaction with shopping mall experience? Based on Latané (1981)'s Social Impact Theory and Byrne (1971)'s similarity-attraction paradigm, this study posits that a mere presence can be influential when there is perceived similarity between a customer and other shoppers. Further, the similarity perception is hypothesized to influence consumer's shopping mall satisfaction through affective and cognitive processes. The results from a large-scale online survey with consumer panel subjects in the U.S support all the hypotheses.

Introduction

The impact of retailing environment has been well recognized among researchers for decades with a considerable amount of evidence showing that store environmental features can enhance consumers' shopping experience and produce positive business outcomes. Retail literature further suggests that store atmospherics mainly consist of two domains of physical and human aspects. While the physical aspect has enjoyed a disproportionately large amount of attention from retail marketing research, the social presence of other consumers has not been well examined with a few exceptions (see Brocato, Voorhees, and Baker 2012). Given that interactions with other customers can make a difference in satisfaction with shopping experience, successful store management can be hardly fulfilled without understanding the social domain (Grove and Fisk 1997). Therefore, this study investigates the impact of non-interactive social presence of other consumers on shopping mall satisfaction. Specifically, this study explores two questions: (1) if perceived similarity with other shoppers influences shopping mall satisfaction and (2) how cognitive (positive disconfirmation) and affective (positive affect) factors play mediating roles in the relationship between perceived similarity and satisfaction.

Background and Hypotheses

The potential impact of other consumers can be explained by Social Impact Theory (SIT; Latané 1981) suggesting that other people can influence an individual behaviorally and emotionally. This theory proposes that social influence can take place through several "social forces" which are (1) the number of others, (2) the spatial or temporal distance with others, and (3) the importance (relevance) of others (Latané 1981). Empirical work built on this theory has confirmed that as the social size increases, people feel more negative emotions and this negative effect is a function of the degree of proximity. Moreover, social influence increases as

the level of perceived relevance of others increases (Latané 1981). In a retail setting, Argo, Dahl and Manchanda (2005) confirm the effects of mere presence of others with respect to the first two social forces while the last factor has not yet been explicitly explored and is thus of focus in this study.

Based on the marketing literature where the concept of importance has been used interchangeably with such terms as similarity, relevance, fit, congruence, and match (e.g., Gierl and Huetti 2011), this study uses perceived similarity of others to indicate the level of importance that a consumer perceives in relation to other shoppers sharing the same shopping space. According to the similarity-attraction paradigm (Byrne 1971), people are more likely to favor and be attracted to similar things (e.g., people and objects) since they reward people by reinforcing their own logic and perspective to the world. Similar physical appearance, attitudes, personality as well as demographics information have been identified as clues of the perceived similarity (see Mackinnon, Jordan, and Wilson 2011). Perceived similarity between consumers predicts various cognitive (e.g., brand evaluation and satisfaction) and behavioral (e.g., recommendation) outcomes (e.g., Escalas and Bettman 2005; Sirgy et al. 1997).

Applying the similarity-attraction paradigm and SIT to the context of traditional shopping malls, this study predicts positive effects of perceived similarity between an individual shopper and other shoppers on shopping experience. Satisfaction is used to measure shopping experience in this study, which refers to a global evaluation of a shopping mall based on its performance (Oliver 1993). Perceived similarity with other shoppers is defined as the degree to which other shoppers are perceived as akin to a customer (Montoya, Horton, and Kirchner 2008). Additionally, this study postulates that cognitive and affective states will mediate the direct association between perceived similarity and satisfaction. This study particularly focuses on positive disconfirmation as a cognitive mediator and positive affect as an affective mediator (Olive 1993). Positive disconfirmation represents the extent to which the perceived performance exceeds or equal to the expected performance (Olive 1993); positive affect is defined as an emotional state of how much a consumer feels good or joyful about his/her shopping experience (Donovan and Rossiter 1982). The following hypotheses are developed.

H1: A consumer's perceived similarity with other shoppers in a shopping mall environment is positively associated with shopping mall satisfaction.

H2: Positive disconfirmation mediates the relationship between perceived similarity with other shoppers and shopping mall satisfaction.

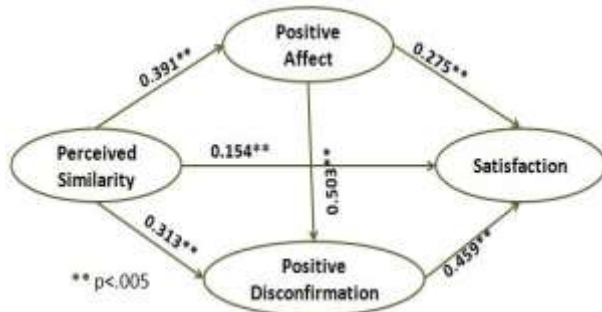
H3: Positive affect mediates the relationship between perceived similarity with other shoppers and shopping mall satisfaction.

H4: Positive affect mediates the relationship between perceived similarity with other shoppers and Positive disconfirmation.

Method and Results

A large-scale online survey with consumer panel subjects in the U.S. is conducted. A total of 493 usable responses are used for data analyses. Using maximum likelihood estimation (AMOS 20.0), the measurement model is confirmed by confirmatory factor analysis (CFA): $\chi^2 = 81.025$, $df = 38$, $\chi^2/df = 2.132$, CFI = .991, TLI = .988, IFI = .991, SRMR = .0260, and RMSEA = .048 (90% CI = .033; .062). Cronbach's α coefficients and composite reliability scores provide evidence for construct reliability. Discriminate and convergent validities of each scale are also confirmed. SEM model fit indices demonstrate an acceptable model fit to the data: $\chi^2 = 81.025$, $df = 38$, $\chi^2/df = 2.132$, CFI = .991, TLI = .988, IFI = .991, SRMR = .026, and RMSEA = .048 (90% CI = .033; .062). Data analyses results support all the hypotheses at $p < .005$ (Figure 1). Perceived similarity positively influences satisfaction (H1). Furthermore, perceived similarity influences satisfaction through positive disconfirmation (H2) and positive affect (H3). Last, positive affect mediates the relationship between perceived similarity and positive disconfirmation, supporting H4.

Figure 1. Structural Equation Modeling Results



Conclusion

This study makes several meaningful contributions. First, this study provides additional empirical evidence that other customers' mere presence impacts on consumption experiences by testing the model in a shopping mall context (Brocato, Voorhees, and Baker 2012). Next, this study extends the validity of Social Impact Theory (SIT) by examining the role of other shoppers' non-interactive social influence as a factor of social strength force on shopping experience evaluations. Finally, this study identifies the psychological processes by which perceived similarity with other consumers promotes shopping mall satisfaction. Practically, this study can help managers and marketers in retailing as to how to enhance their target market's shopping experience.

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Summary Brief

Role Conflict, Customer Delight and Work Engagement in the Service Environment

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This research provides empirical evidence that employee perceived customer delight impacts employee work engagement. However, through a process of feedback customer service based role conflict impacts the relationship between customer emotions and employee emotions. Lastly, the conceptual model illustrates how engaged employees can create their own personal resources vis-à-vis the broaden-and-build theory of positive emotions.

Introduction

Customer service research highlights the impact of employee attitudes and behaviors on customer satisfaction. More recently, this relationship has been examined in reverse, evaluating how customer emotions influence the employee. Unfortunately, previous research has not evaluated variables that inhibit the impact of customer emotions on the employee. Thus, the purpose of the current research is to evaluate how customer contact level and customer service based role conflict influence the relationship between customer emotions and work engagement, while simultaneously evaluating psychological capital as an outcome of work engagement.

Hypothesis Development

Due to their proximity and importance in creating customer delight, frontline employees often experience delighted customers firsthand. Thus, employee perceptions of customer delight represent the extent to which the employee perceives the customer has experienced profoundly positive emotions characterized as delight (Barnes et al. 2013). Previous research has shown that this exposure can impact employee emotions and behaviors through a process of emotional contagion, which refers to an individual's tendency to "mimic and synchronize facial expressions, vocalizations, postures, and movements with those of another person and, consequently, to converge emotionally" (Hatfield et al. 1994, p. 5). In the context of this research it is expected that employee perceptions of customer delight will have a positive relationship to work engagement (H1).

Customer service based role conflict is defined as the struggle frontline employees experience regarding the level of customer service they are expected to provide and the actual level of service provided. In the context of this research, it is expected that customer service based role conflict mediates the relationship between perceived customer delight and work engagement. The basis for this relationship can be found in the management literature relating to the influence of feedback on job performance. Although customers have not been explicitly evaluated as a source

of feedback, previous researchers have suggested that because of their proximity in a service exchange customers could indeed act as a source of feedback (i.e., Andrews and Kacmar 2001). As such, delights' influence on work engagement should be mediated through role conflict (H2).

Psychological capital is defined as "an individual's positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success" (Luthans et al. 2007, p. 3). In the current research it is expected that work engagement has a positive relationship to the creation of psychological capital as explained by the broaden-and-build theory of positive emotions (H3).

Methods & Results

In order to better understand the ramifications of perceived customer delight, as well as having more generalizable results, two different samples were obtained for the study. Using Bowen's (1990) classification of services, the samples were characterized as either low or high contact service settings. The survey consisted of 35 items. More information about the measures and the sample utilized is available from the authors.

Reliability and validity analyses revealed no issues and model fit was acceptable for both the low contact sample ($\chi^2=827.47$, $df=465$, $p<.001$; $TLI=.93$, $CFI=.94$, $RMSEA=.05$) and the high contact sample ($\chi^2=897.79$, $df=465$, $p<.001$; $TLI=.93$, $CFI=.94$, $RMSEA=.05$). To test the mediation hypothesis of delight through customer service based role conflict to work engagement, we performed a bootstrap analysis that included 2,000 samples with replacement (Preacher and Hayes, 2004). For full details please contact the authors. Support was found for the hypotheses with the exception of the relationship from employee perceived customer delight, role conflict and work engagement (H3). Namely, full mediation occurred only for the high contact group while partial mediation existed for the low contact group.

Discussion

Work engagement is a construct of increasing interest for both academics and practitioners because of its relationship to critical service related outcomes. As predicted, there was a

positive relationship between employee perceptions of customer delight and work engagement in both high and low contact contexts. Considering the lack of research evaluating the impact of customer emotions on frontline employees, this represents an important finding as it indicates the power of perceived customer emotions in the creation of value during a service encounter. As such a key goal for the modern firm is to try and figure out ways to delight the customer base while simultaneously harnessing the benefits of customer delight within their employees.

The idea that role conflict will have an adverse impact on frontline employees is not new. Historically service firms attempted to reduce role conflict in one of two manners: first, by putting into place hiring practices where employees with certain dispositions, such as employees with higher levels of resistance to stress, were hired (Varca 2009). The second and perhaps more realistic option for the firm was to manage role conflict. Traditional methods of achieving this goal include allowing employees some measure of control over policy and schedule, increasing empowerment, incorporating technology to shift customer demand, etc. The current research offers another option that firms can utilize to manage customer service based role conflict: exposing frontline employees to customers experiencing elevated emotional states. In doing so the firm not only decreases customer service based role conflict but also increases work engagement.

Another contribution of this research is that the model is tested across different contexts. In both high and low contact service settings, employee perceptions of customer delight has a negative and significant relationship with customer service based role conflict. Further, customer service based role conflict has a negative and significant relationship with work engagement, with a stronger relative negative impact in the high context. The major difference across contexts was the impact of this type of role conflict. As discussed previously, it was either a partial or a full mediator based on service context. This finding highlights the importance of role conflict in both contexts, but especially in high contact services.

Finally, the research presented herein makes contributions to the growing body of literature that shows frontline employees as creators of personal resources (i.e., Tugade and Fredrickson 2004).

In the present research, psychological capital was measured as an important resource frontline employees could create. This construct has been linked to important outcomes such as job satisfaction and commitment, as well as being linked to increasing an employee's ability to deal with dynamic and stressful service environments. Findings across both contexts provide evidence that engaged employees are able to create psychological capital.

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Summary Brief

Key Antecedents to Customer Delight in the Self Service Environment

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A majority of previous self-service technology (SST) research has been completed in a utilitarian environment where concepts such as efficiency reign supreme. Taking a different approach, a model based on the theory of consumption values is evaluated that investigates antecedents of customer delight in a hedonic environment. Results highlight the importance of independent variables, particularly task uncertainty, as well as the need to create fun, which can be accomplished through perceived control. Finally, moderation results suggest that the concept of shared experiences is profound even when customers are utilizing SSTs.

Introduction

Customers are becoming more and more acculturated to coproducing a service experience. Self-service technologies have expanded past initial ATMs and pay at the pump terminals to pharmacies, dining, transportation ticketing, and one could argue have changed the entire environment of the movie rental business. For many customers, the benefits of self-service cater to the efficiency of a transaction. Numerous research studies have found that customers enjoy the perceived speed of the transaction compared to full service (i.e., Collier and Kimes 2013). Other research has noted that some customers prefer self-service because it requires little to no interaction with others further highlighting the efficiency of a transaction (Meuter et al. 2000). Lastly, Collier et al. (2012) found that a large percentage of customers' decision to use a self-service option was entirely based on the perceived wait time to complete the transaction. While efficiency appears to be a recurring theme in self-service research, the one aspect overlooked within many of these studies is that the focal self-service technology is specifically designed for a utilitarian task. As such, the goal of this research is to investigate customer opinions in a hedonic environment.

Hypothesis Development

As previously stated we take a different perspective than previous self-service studies by exploring the influences of self-service usage in a hedonic-oriented service as opposed to a utilitarian-oriented service. Specifically, we examine how task uncertainty and servicescape influence perceived control and time pressure which result in fun. The dependent variable in the model is customer delight. Finally, we evaluate shared experience as a moderator of fun and customer delight.

With hedonic services where the focus is on longer interactions, higher task uncertainty can lead to higher variability and unpredictability where customers have a lack of control in the process (H1).

When customers are uncertain of the service process, this uncertainty can heighten the perceived pressure to complete a transaction quickly in order to prevent further delays for other customers waiting to start the self-service process (H2).

Servicescape is defined as the physical surroundings that are present during a service experience. From a self-service perspective, if the servicescape reduces potential stressors and allows for customers to clearly see the steps needed in the service process, a greater sense of control will exist (H3).

The servicescape in a self-service channel can also influence the perceived time pressure placed on customers. Collier et al.'s (2012) qualitative study found that the social environment around an SST influenced customers' feelings of time pressure to complete a transaction as quick as possible. A conducive servicescape can give customers more control over the service process and reduce feelings of time pressure (H4).

With a hedonic self-service experience, customers want to control the pace and interactivity of the experience to maximize the experience. If customers can feel in control of the service process, they will focus more on enjoying the experience rather than being anxious about what is the next step to be taken (H5).

Perceived time pressure is when the amount of time needed to accomplish a task approaches or exceeds the perceived time available. With a hedonic self-service experience, time pressure to complete the service process will have a negative influence on the enjoyment of the experience (H6).

Fun is a reflection of the hedonic aspects of utilizing a self-service. This conceptualization is based on fun representing the extent to which the activity is perceived to provide reinforcement in its own right, apart from any performance consequences that may be anticipated (Weijters et al. 2007). Previous research has shown that hedonic benefits can lead to customer delight (Barnes et al. 2011). In the context of this research it is expected that customer fun leads to customer delight (H7).

Previous research has found that sharing a service encounter with others can positively impacts the customer (Ramanathan and McGill 2008). In this research, it is expected that shared experience moderates the relationship between fun and customer delight (H8).

Methods & Results

The data used in this study come from a self-serve yogurt chain in the Southeastern portion of the United States. Respondents completed a paper and pencil survey with 31 questions. Reliability and validity analyses revealed no issues and the model was found to have acceptable fit ($\chi^2 = 768.76$, $df = 309$, $p < .001$, CFI = .95, TLI = .94, RMSEA = .06). All hypotheses

were supported with the exception of H4 which stated that servicescape would reduce feelings of time pressure.

The last hypothesis (H8) examined if the construct of shared experiences moderated the relationship from perceived fun to delight. The results of the analysis found that customers who had a high desire for a shared experience during a self-service encounter lead to a significantly stronger relationship from fun to delight than customers who had low desire for a shared experience ($\chi^2/1df = 4.87$).

Discussion

In the model presented, we link several constructs that have been studied in previous SST research to the creation of fun which is an antecedent to delight. Importantly, we also show that shared experience moderates the relationship from fun to delight highlighting the significance of managing the shared experience for the firm.

Although previous SST research (Collier and Kimes 2013) has relied on the theory of resource matching to explain self-service behavior by focusing on efficiency, the multifaceted nature of a hedonic SST focuses more on the social, emotional, epistemic, and conditional needs of customers as noted by the theory of consumption values. In support of this idea, the results of our study provide evidence that factors aside from efficiency can lead to delight.

As for the details of our study, task uncertainty had significant relationships to both perceived control and time pressure. In practical terms, a firm could increase signage as well as task related information. Servicescape had a significant and negative relationship to time pressure. This highlights the importance of designing the physical environment for a hedonic SST. Unexpectedly, servicescape did not have a significant relationship to perceived control. This research also provides evidence for the relationship between fun and customer delight. Although previous research has suggested that concepts such as hedonic benefits, positive affect or arousal are antecedents to customer delight, to the author's knowledge, no study has investigated fun as a predictor. Finally, the relationship between fun and customer delight seems to be especially relevant as previous research found that it is not just important in the hedonic setting but also in the utilitarian setting.

The idea that shared experiences enhance the relationship from fun to customer delight is a key finding of our research. Counter to previous SST research that customers' need for

interaction has a negative influence on a self-service experience (Dabholkar 1996), this research argues that a shared experience can increase customers' evaluation of delight. This is particularly interesting and points to the importance of moving beyond simply utility when assessing what customers value in a hedonic SST. In response, firms must gain some understanding of how many customers in their base have a desire for a shared experience and facilitate more contact for this group.

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Summary Brief

From Leadership to Customer Loyalty: Reconceptualizing the Service-Profit-Chain

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This study proposes an expansion to a well-known framework, the service-profit-chain, by adding new predictors of customer outcomes through leadership behaviors and employee engagement. The results from one field study suggest that the inclusion of additional predictors better defines this relationship and equips organizations with a clearer picture in delivering high quality service, and ultimately giving firms a better chance of achieving beneficial customer outcomes. By using a daily diary study, the research suggests that in certain service contexts, it may be more advantageous to study the theorized relationship in its transient form (i.e., daily) versus as enduring attitudes. Implications for research and practitioners are discussed.

Introduction

With consumers becoming progressively more sophisticated in their evaluations of their service consumption experiences in addition to increased competition among service providers, companies are forced to focus greater attention on the nature and quality of the service provided to customers, making front-line employees of central importance for the customer experience. Therefore, using a daily diary approach, the purpose of this study is to increase our knowledge of the employee-customer interface, better equipping both researchers and practitioners with the knowledge and tools to better understand this relationship.

Almost twenty years ago, a framework was proposed, known as the service-profit-chain (SPC) ([Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994](#)), suggesting that human resource management (HRM) practices (i.e., service training, compensation contingent on service quality, job design for quality work, etc.) have the ability to effectively impact employee attitudes and behaviors in ways that can improve service quality for customers and organizational performance, suggesting, for the first time, the critical link between a firm's employees and its customers.

Despite the suggested links in the SPC, a number of authors have suggested that job satisfaction is a relatively poor predictor of job performance ([e.g., Bond & Bunce, 2003](#)), which leaves researchers searching for additional or better predictors of employee behavior. In recent years there has been increasing interest in the motivational construct of employee engagement (EE), a positive emotional and attitudinal reaction to personal job-related experiences, and the role it plays in organizational performance as it has been suggested that engaged employees

have the ability to drive bottom-line results. Despite the suggested benefits of EE to an organization, we still have limited knowledge about what causes employees to become engaged and what its associated outcomes may be. Therefore, the challenge is creating

the conditions for the establishment of EE because companies that get these conditions right will have accomplished something that competing firms will find very difficult to imitate.

Although much of the research conducted conceptualizes EE as a relatively stable construct, recent research has indicated that engagement is subject to moderate day-level fluctuations ([Sonnentag, 2003](#)). Therefore, it suggests that managers will be much more interested in how to consistently engage their employees throughout the day as it has a direct impact on the business' customers and ultimately the bottom line of the organization.

In addition, a number of authors have suggested that an influential element in the promotion of EE is the behavior of a transformational leader (TFL) ([Macey & Schneider, 2008](#)), as TFL, while managing many of the contextual elements that influence a person's work experience ([Erickson, 2005](#); [Macey & Schneider, 2008](#)), have the ability to enhance the intrinsic motivation in their followers to achieve organizational goals.

Despite the assumed link between TFL and EE, organizations know little about how leaders can affect EE as relatively few empirical studies have examined the relationship. Therefore, empirical research is needed to examine how TFL behaviors affect employee attitudes on a daily basis, including feelings of satisfaction and EE, and behaviors, ultimately impacting customer and organizational outcomes. Therefore,

Hypothesis 1: Employee perceptions of daily leadership behaviors will be positively associated with job satisfaction (JS)

Hypothesis 2: Daily employee JS will be positively associated with employee engagement (EE)

Hypothesis 3: Daily EE will be positively associated with customer perceptions of service quality (SQ)

Hypothesis 4: SQ will be positively associated with customer satisfaction (CS) *Hypothesis 5:* CS will be positively associated with customer loyalty

Results

The proposed model was operationalized as a multi-level observed variable path analysis with days nested within individuals. Random intercepts were allowed to accommodate individual differences (i.e., between-person differences) on the study variables. Two alternative models were estimated to provide a basis for comparison (1. Direct effects added from TFL to all other variables in the SPC model (i.e., job sat, EE, service quality, customer satisfaction and loyalty, 2. Incorporates all of the SPC predictions and also allowed direct effects from EE to customer satisfaction and customer loyalty).

The original model provided an acceptable fit to the data, $\chi^2(10, N = 126) = 16.75$, ns, CFI = .98, RMSEA = .07. The first alternative model also provided a good fit to the data, $\chi^2(6, N = 126) = 7.96$, ns, CFI = .99, RMSEA = .06, but did not offer a significant improvement over the original model ($\Delta\chi^2(4, N = 126) = 8.79$, ns). Moreover, none of the additional paths attained significance. The second alternative model provided a worse absolute fit to the data $\chi^2(8, N = 126) = 17.06$, $p < .01$, CFI = .94, RMSEA = .09 and, similar to the first alternative model, none of the additional paths attained significance. Accordingly, the original model was retained for further analysis.

Accordingly, customer loyalty was predicted by customer satisfaction ($\beta = .50$, $p < .01$) and customer satisfaction was predicted by customers' perceptions of service quality ($\beta = .95$, $p < .01$). Perceptions of service quality were predicted by EE ($\beta = .22$, $p < .05$) which, in turn, was predicted by job satisfaction ($\beta = .71$, $p < .01$). Finally, employee perceptions of job satisfaction were predicted by perceptions of TFL ($\beta = .21$, $p < .05$).

Discussion

The purpose of this study was to test an expanded version of the service-profit-chain (SPC) using a daily diary approach. The main hypotheses were supported by the data, showing how the TFL behaviors affect their direct reports' level of job satisfaction and subsequently how that affected their level of EE during a work shift (reported by employees) and how this level of EE affects a customer's perception of service quality, customer satisfaction and subsequent behavioral intentions (reported by customers).

The study makes a number of important contributions. First, this study introduced two new predictors into the organizational side of the SPC in order to better predict customer outcomes (i.e., TFL behaviors and EE). Results from the current study indicate that leaders that are seen as exhibiting behaviors that are more transformational had employees that were more satisfied with their job during that work shift and were subsequently more engaged as a result. It demonstrates that employees are happier and become more engaged in their work when their supervisor is able to motivate them through his/her transformational leadership style. Second, the inclusion of employee engagement allowed for the examination of this construct and important customer outcomes. This study provides support for the positive relationship between an employee's daily level of EE and a customer's perception of service quality. In addition, consistent with past research, a higher level of service quality was positively associated with customer satisfaction, which was subsequently related to customer outcomes including repurchase intention and customer advocacy.

These results imply that TFL can help to explain the employee performance-customer evaluation link, considering the strong positive link between EE and customer perceptions of the service experience. Little research has been done on the interface between an employee's level of engagement and its effect on customer outcomes. One notable exception [Salanova, Agut, and Peiró \(2005\)](#) found that higher levels of employee engagement was related to a more hospitable service climate, influencing

customer loyalty ([Salanova et al., 2005](#)). However, different from past research, the current study took a dyadic approach, matching individual employee data with their associated customer data, giving a true sense of the effect that employee engagement has on various customer outcomes. In addition, the current study took a diary approach whereby data were collected from employees and their customers over five consecutive work shifts, allowing for a longitudinal effect, which enhances causal inference.

From a methodological perspective, the diary approach used in this study afforded the researchers the ability to examine fluctuations of the study variables over the course of five consecutive work shifts. Such a design offers the ability to capture experiences as they unfold in the work environment ([Ilies, Schwind, & Heller, 2007](#)). In addition, by using this design response bias is reduced, which may be cited as a limitation, because self-reported data are collected in close proximity to the actual experiences and behaviors ([Bolger, Davis, & Rafaeli, 2003](#)). Thus, the present results enhance our understanding of the SPC in real-time. We are able to gain better insight into the role of the leader in a daily work context on an employee's daily level of engagement and its associated effect on the firm's patrons.

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Summary Brief

If You Don't Use It, You Can't Miss It: The Effects of Usage on Satisfaction, Loyalty, and Perceived Value

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In this paper, we propose and test a model of how usage of benefits offered by a non-profit membership organization influences satisfaction, value perceptions and member loyalty. The effects of customer usage of services on satisfaction and long term profitability of the organization have previously been examined in the context of industries that offer continuously provided services. It is proposed that members who report a higher usage of activities (frequency and number) will also report higher levels of satisfaction, loyalty and perceived value than members who do not use the benefits as often and as much. A cross sectional quantitative design using an online web survey was used to collect data. The results support the hypotheses suggesting that efforts to increase usage of benefits by members will enhance satisfaction, loyalty and perceived value measures.

Introduction

In this paper, we extend Bolton and Lemon's (1999) study of usage effects on satisfaction in two ways. First, we study customer usage in the context of a not for profit membership based organization, viz., a Chamber of Commerce. Much of the research thus far has been in the context of for profit continuing service organizations. Second, we examine the effects of usage on satisfaction as well as perceived value and member loyalty. The thesis in this paper is that greater usage of member services will create more involvement. This in turn can result in greater satisfaction, loyalty and perceived value.

Literature Review and Hypotheses

Membership based organizations are typically not-for-profit entities that are also continuous service providers. Examples of these include Chambers of Commerce, professional organizations and societies like the Society for Marketing Advances (SMA), neighborhood associations and clubs such as the Rotary or Kiwanis. These organizations face the constant struggle of retaining members. Unlike for profit continuous service providers, membership organizations have a membership fee which is part of the formal contract. The membership fee could be tiered depending on the benefit levels chosen. The challenge confronting such organizations is to recruit and retain members and increase member involvement in the organization's activities.

Usage refers to the extent of customer use of services. In the case of a membership based organization such as a Chamber of Commerce, usage refers to the number of events that a member attends and the use of communication tools put out by the organization.

Bolton and Lemon (1999) examined how customers use information and experience in determining usage levels for a future period. They argued that customers establish some

threshold value that they consider equitable. If their perceived value is less than the threshold value, the customer will report zero usage in the subsequent period. If the perceived value is greater than the threshold value, there will be usage in the future period. Their research establishes that customers assign values to usage of services and that current usage can influence future usage of services. Research also establishes that satisfaction in time period t influences usage in a subsequent time period (Gupta and Zeithaml 2006; Bolton and Lemon 1999.) In effect, in a continuously provided service, such as that provided by a Chamber of Commerce, we theorize that:

Usage in $t \rightarrow$ satisfaction, loyalty and value in $t \rightarrow$ usage in $t + 1 \rightarrow$ satisfaction, loyalty and value in $t + 1$

The above model assumes that the service quality remains positive and uniform. Based on Bolton and Lemon's (1999) research, the customer assigned value would suffer if service quality suffered.

H1: Higher usage of member benefits will result in higher levels of satisfaction.

H2: Higher usage of member benefits will result in greater intent to renew membership.

H3: Higher usage of member benefits will result in greater intent to upgrade membership.

H4: Higher usage of member benefits will result in perceptions of higher value of membership.

Methodology

The population for this study was the member organizations of the Chamber of Commerce of one of the largest cities in the state of Texas. An e-mail with a link to the online web survey was sent to all current members. The recipient of the e-mail was the contact listed on the Chamber's sample frame as the primary decision maker. Filter questions were used to ensure that the participant was the person responsible solely or in conjunction with others for the decision on Chamber membership. If the e-mail recipient was not the intended respondent, a pass along option was provided. Invitations to participate in the survey were sent out to all current member organizations.

Measurement

Overall satisfaction was measured using a single self-reported measure with a 5 point satisfied/dissatisfied scale adapted from Bolton and Lemon (1999). Perceived value was operationalized as a self-reported fairness measure (Bolton and Lemon 1999; Oliver and Swan 1989). The question asked respondents to assess the value of their membership using a 5-point scale to determine if the membership was "worth more (or less) than the annual dues." An additional question assessing perception of change in membership value was also included. This question used a 5 point scale to

determine if the value of membership had significantly increased/decreased. Loyalty was operationalized using two questions which assessed the likelihood (5 point scale) of renewing membership and upgrading membership to the next tier. This is consistent with the use of repurchase intention as an indicator of loyalty (Gupta and Zeithaml 2006; Kamakura et al. 2002; Morgan and Rego 2005.) Usage was based on self-reports and operationalized as an index.

Results

Response Rate and Sample Demographics

A total of 271 people accessed the survey. After filtering out those who were not the primary decision makers and incomplete responses, the final sample size was 187. The survey invitation was sent to 1600 member organizations. The response rate was 11.7%.

Analysis of Variance

The four proposed hypotheses were tested using ANOVA. The hypotheses collectively predict that the means for satisfaction, intent to renew and upgrade membership and perceived value will be greater for the high usage group than for the low usage group. Consistent with our predictions, the means for satisfaction, intent to renew, intent to upgrade and perceived value ratings were higher for members in the high usage condition than for members in the low usage condition. The F statistics for all the variables were significant with $p < 0.05$. All four hypotheses were supported as reported in Table 1.

Table 1. Tests of Hypotheses

	Dependent Variable	Group Means		ANOVA Results	
		Low Usage	High Usage	F statistic	p value
H1	Satisfaction	3.89	4.13	4.34	0.039a
H2	Intent to renew Membership	3.71	4.08	5.35	0.022a
H3	Intent to upgrade membership	1.41	1.71	5.58	0.019a
H4	Perceived Value	3.12	3.39	5.64	0.019a

a Significant at $p < 0.05$.

Limitations

First, this study was confined to the population of one not-for-profit membership based organization. The research on usage needs to be replicated in different types of membership based organizations to see if the hypotheses are applicable across service types. Second, the study objectives could have been enhanced by collecting event attendance data from other members of the

organization. Survey invitations were sent out to event representatives. But the response rate was very low. As a result, we had to rely on self-reported attendance for all members of the organization from the decision makers. The self-reports may be subject to a certain level of inaccuracy. Third, we relied on self-reports for assessing customer usage of services. Future studies should try to incorporate actual usage data. In this study, actual usage data was available only for some events.

Discussion and Suggestions for Future Research

The objective of this paper was to examine customer usage of services in the context of a membership organization. The results of this study suggest that higher levels of benefits usage in membership organizations will engender higher levels of satisfaction, loyalty and perceived value. These results are in line with studies on customer usage conducted in for profit continuously provided service settings (e.g., Bolton and Lemon 1999). They are also consistent with consumer behavior research that shows greater involvement and engagement with the product or service leading to higher levels of satisfaction and intent to purchase. The findings of this study indicate that membership based organizations need to encourage their members to use their benefits. Typically, reminders about upcoming events are sent by regular or e-mail. Event reminders are featured in newsletters. However, most people tend to overlook these reminders because of the plethora of them and because of busy lives. Perhaps personal invitations may cause a member to look at the reminder and act upon it. This is an area for future research.

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Summary Brief

A Strategy to Achieve Sustainable Abilities in Services Marketing

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Recently, there has been a growing interest in products and services in terms of sustainability. Traditionally, services have been viewed as having a reduced environmental impact with less material and energy being used to fulfill a need (van der Zwan and Bhamra, 2003). However, the overall goal in any service organization (e.g., higher education, healthcare, the military) as it progresses through its life cycle should be resilience, which can only be achieved through sustainability.

In ecology, sustainability describes how biological species survive. For the environment, it is assessing whether or not project outputs can be produced without permanent and unacceptable changes in the natural equilibrium. For humans, it is our long-term physical and cultural well-being. For mechanical systems and structures, it is maximizing reliability while conserving required resources and reducing waste.

Sustainability and sustainable development have become popular goals for society. They have also become wide-ranging terms that can be applied to any enterprise on a local or a global scale for long time periods. Historically, the term has been used more in the context of “green,” which refers to having no negative impact on the environment, community, society, or economy (Bromley, 2008).

The traditional meaning of sustainability centers around the words “endure”, “maintain”, or “support”, which is the focus of this paper. Here, sustainability means to maintain the readiness and operational capability of a service through the adoption of a strategy that meets established performance requirements in the most effective, efficient manner over the service’s life cycle. The scope varies among service providers, but sustainability does include the key word “ability.” The authors propose that, by focusing on five abilities a service provider can successfully negotiate to achieve sustainability. The five abilities are: (1) availability of resources, facilities, tools, and teams; (2) dependability of services; (3) capability of the service industry to perform; (4) life cycle cost affordability; and (5) marketability of new concepts for endurance. Figure 1 illustrates these abilities. Availability focuses on collaboration between the supply chain and operator. Dependability concentrates on the reliability of the services and people. Capability is about performance assessment. Affordability concentrates on the budget. Marketability deals with defining selected markets, understanding people’s needs, and managing changes or improvements to benefit consumers and organizations.

How can these sustainable abilities be disseminated to service providers and their target markets? The answer relates to the strategy for change management. Many times people are resistant to change, like recycling, taking an online course in college, or

taking new prescriptions, even if they feel these changes may benefit them.

The most common questions asked by those to whom change is directed are: why change the way we do things? What does the change imply for me, specifically? Does change alter my work, lifestyle, or my function? What is the motivation for me to change? What is the motivation for me to be concerned about sustainability? Thus, every sustainability initiative should focus directly on change and the impacts of change. In a widely accepted view of change management, Kotter (1996), outlines eight stages of change. Research on best practices validates that industries that follow this framework have the highest rate of success, and therefore sustainability. The eight change stages are:

1. Establish the Motivation for Change
2. Build a Guiding Coalition
3. Develop a Vision and Strategy for Change
4. Communicate the Vision
5. Empower Broad-Based Action
6. Generate Short-Term Wins
7. Sustain the Momentum
8. Anchor New Approaches in the Culture

Examples for each of the eight change stages that relate to the sustainability of services follow. For the first stage, employees may not understand change and fear job loss. To motivate employees to change through understanding change, leaders need to explain thoroughly why change is needed. Second, in building a guiding coalition, current targeted customer groups could be ignored. So, they should be made part of the guiding group for change, perhaps in a focus group. Next, in developing a change vision, the rewards and strategies may not be linked or aligned. To correct this situation, employees need to know where they fit in the organization and what rewards and consequences occur if they embrace or impede change. Fourth, communication may be just coming from the top, or it may only be word-of-mouth. Here, two-way communication is needed from the bottom to the top of the chain among allemployees. The fifth stage may be that employees do not have the training for empowerment. This can be corrected by making sure that the right people receive the right training just-in-time (e.g., an executive training course). Next, there may only be a few short term successes. So, any and all early successes need to be communicated and celebrated to all employees. Stage seven involves producing more change. If old performance measures have been used, then use new performance measures in the future to reinforce and sustain new strategy. Lastly, culture does not need to change to support sustainable approaches. Rather, cultural change should evolve from changes in norms and values during the transformation, just as it did for the penguin colonies in Our Iceberg Is Melting (Kotter and Rathgeber, 2006).

The authors' intent in the presentation is to relate the five abilities for sustainability to services marketing using examples from the airline industry, higher education, healthcare and the military. Then, the focus will be on the dissemination of the abilities to service industry stakeholders using change management concepts.

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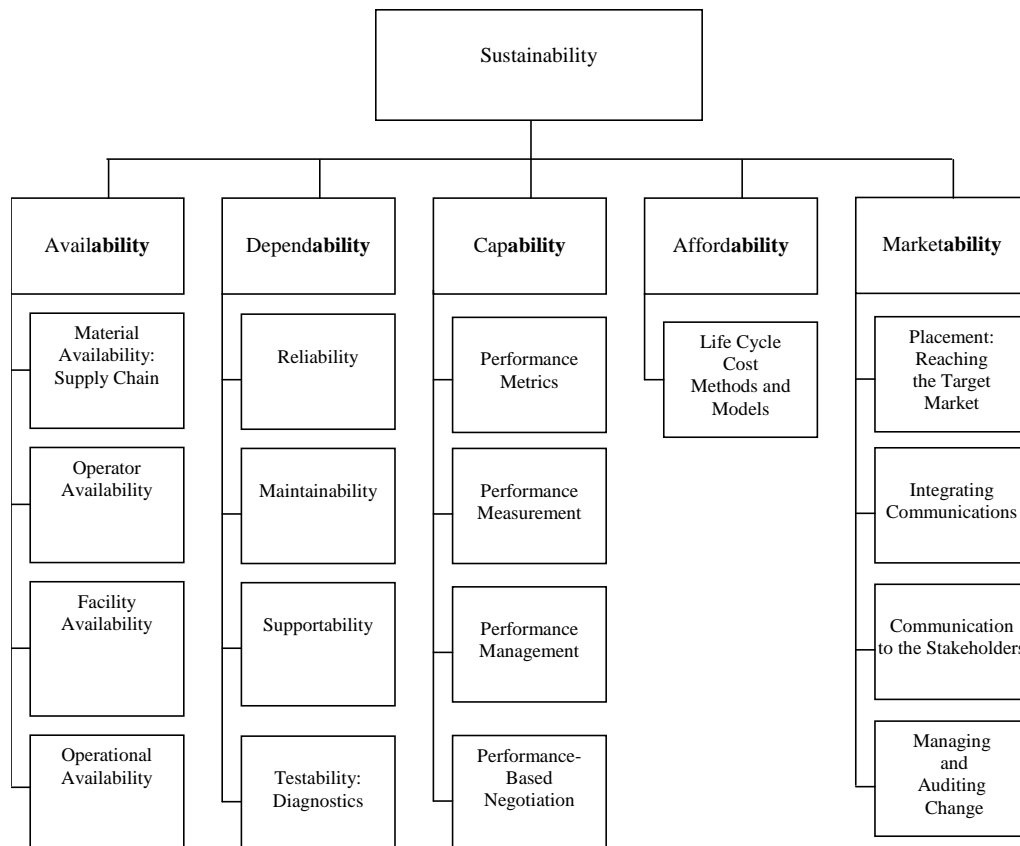
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Figure 1
Framework for Sustainability



Summary Brief

Customer Stability: A Marketing Identity Strategy for Services

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The purpose of this presentation is to facilitate a discussion regarding the concept of customer stability and its application as a strategy for building marketing identity. Customer stability can generally be thought of as outcome of relationship marketing, in which an exclusive exchange relationship was facilitated. Subsequently, customer stability can be used as a competitive advantage, in the facilitation of marketing identity.

Introduction

In order to develop a stable customer relationship, the customer must feel that the benefits of the relationship outweigh the cost of terminating the relationship (Morgan and Hunt 1994). One benefit to a stable exchange relationship might be that the customer can reduce the effort expended in generating and evaluating choices. Sheth and Parvatiyar (1995) referred to this as "relational market behavior" (pg. 256). By reducing the time consuming task of choice, the customer can increase decision making efficiency by reducing information processing. The weighing of termination costs to relationship stability benefits is similar to the appraisal of value. The value might not only be reducing decision making effort but also minimizing perceived risks involved in the purchase. The more complex the purchase, the greater the decision making effort and perceived risk of a mis-purchase, yielding a higher value to relationship stability. In the case of professional services, such as health care or legal or investment services, the risk of mis-purchase can be perceived as possible physical, social, financial, opportunity, time or psychological risk. One risk reducing strategy is when the customer continues to purchase one brand if it meets his/her needs. This brand loyal behavior with products might be compared to relationship commitment and customer stability with services.

Sheth (2002) noted that the first step toward developing relationship commitment begins with attracting customers. The process gains momentum when the service firm, determining that the customer enhances profitability, strengthens the relationship by insuring mutual benefit. Customer relationships are strengthened through fulfilling promises made to customers by the firm, cultivating an environment where values such as teamwork, fairness and reliability, not policies and procedures, guide service personnel in their customer interactions. Like Morgan and Hunt's Comparative/Resource Advantage (1994), Hennig-Thurau et al. (2002) suggested that cultivating values, and utilizing technological and human resources would yield competitive advantage.

Model

The presentation will present and discuss various elements of a customer stability model. The core of the model is customer stability in the form of long term customer relationships. One of the main components of customer stability is the commitment on the customer's part to continue the relationship. Researchers have found that customer satisfaction is closely related to intentions to continue a service relationship (Gruca and Rego, 2005). Service satisfaction would seem to be a relevant part of customer stability in light of the fact that the act of making promises sets expectations, which customers use as benchmarks to determine satisfaction/dissatisfaction. Although customer overall satisfaction might be one element of a customer relationship, exchange equity may be of equal importance. Hennig-Thurau et al (2002) noted that equity of exchange, or comparable benefits given and received, may drive a relationship into a continuing mode.

The model will propose that the components of customer stability are comprised of customer intent to continue the relationship, overall customer satisfaction, perceived relationship equity, satisfaction with the relationship, and perceived value from the relationship. A possible conclusion to the discussion will suggest that the above elements of customer stability can be used as core communication strategies for building/creating a differentiated market identity. In addition, the discussion will include how the strength of customer stability may vary across service types, and how disruptors such as competitive actions, variety seeking and customer's individual traits interfere with stability building.

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Summary Brief

Service Quality versus Product Quality: Which is More Important to Consumers?

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This paper presents a model of how consumers integrate product quality and service quality to form overall judgments and behavioral intentions. We investigated whether consumers consider the quality of these components mutually-complementary. We find that the tendency of one component to complement the other occurs in only one direction, e.g. in a particular product category, product quality may complement service quality, but not vice-versa. Furthermore, consumers' perception of the relative importance of product quality and service quality indirectly affects attitudinal and behavioral outcomes, via a halo effect.

Introduction

Product offerings often are neither purely product nor purely service (Berry and Parasuraman 1991; Rathmell 1966); rather, they contain a mix of both. Quite often consumers expect that high product quality and high service quality go hand-in-hand. For example, some restaurants that have poor service, actually serve excellent tasting food, whereas others have excellent service, but dull food. Which restaurant is better perceived? This is an important question for firms to address because consumers want both high product quality and high service quality.

Although, firms would like to provide the best product and service quality, maintaining high levels of both requires investment in each - better components for products and better workers for customer service. Our results suggest that they are not of equal importance to consumers, contrary to Parasuraman, Zeithaml and Berry (1994). The benefit of this research to firms is to compare the rewards of product quality versus service quality improvements, and the corresponding penalties for product quality versus service quality failures.

Theory

Past research has extensively examined antecedents and consequences of product quality and service quality (Brady and Cronin 2001; Parasuraman, Zeithaml and Berry 1994) separately. However, very little research exists that considers both product and service quality simultaneously (Wang, Lo and Hui 2003). Researchers have also highlighted differences between products and services that cause consumers to treat them differently. The product most often represents the core offering, and the service component builds a relationship between customers and the firm. Moving along the product-service continuum, services tend to have more experience and credence properties (Darby and Karni 1973) than products, making them harder to evaluate (Zeithaml

1981). Despite the extensive research into products and services, there is a gap regarding consumer behavior towards experience and credence properties of *products*.

Perceived risk increases in order from search to experience to credence properties (Mitra, Reiss and Capella 1999). The higher the perceived risk is the more consumers require the structural relationship bonds with the firm (Hsieh, Chiu and Chiang 2005). We predicted that perceived risk invoked by credence properties will cause people to rely more on the relationship provided by the service (H1a,H2a). However, consumers' ease of evaluating experience properties will lead to more reliance on their own judgment, which reduces the ability of the service relationship to improve overall judgment (H1b, H2b).

Method

We conducted two between-subjects studies. In each study, we used two scenarios: dining at a restaurant(experience-based) and buying a used car from a dealership (credence-based, Akerlof 1970). In study 1, each respondent read a description of another consumer's experience at a restaurant or at a dealership. Respondents were randomly assigned to four conditions: high/low quality product (food or car) with unknown service quality (waiter or car salesman), or high/low quality service with unknown product quality. After the story, we asked respondents to indicate their overall evaluation and repurchase intent (7- point scales). We also tested whether the halo effect is bidirectional or unidirectional between product quality and service quality (H3).

Study 2, in conjunction with Study 1, allowed us to compare the capacity of high product and service quality to improve judgments and the capacity of low quality to diminish overall judgment. Study 2 replicated Study 1, except that we provided respondents with both product and service quality information.

Results

According to H1a, for credence-based products (e.g. used cars), unknown service quality with low product quality would be favored over low service quality with unknown product quality. This was supported (4.13 vs. 2.94; $F(1, 84) = 19.80, p < .001$). H1b stated that for experience-based products (e.g. food), unknown product quality with low service quality would be favored over low product quality with unknown service quality. H1b was not supported (2.41 vs. 2.20; $F < 1, n.s.$).

H2a stated that for credence-based products, high service quality and unknown product quality would be favored over unknown service quality with high product quality, H2a was supported (5.66 vs. 5.00; $F(1, 92) = 15.55, p < .001$). H2b stated that for experience-based products, high product quality with unknown service quality would be favored over unknown product quality with high service quality. H2a was supported (5.44 vs. 4.30; $F(1, 87) = 16.70, p < .001$).

H3 stated that halo effects are unidirectional. The direction will be from product to service for experience products, and from service to product for credence products. Separate ANOVA results, particularly for repeat purchase, yielded significant interaction terms, supporting H3. The salesperson improved respondents' impression of the car ($F(1,88) = 4.06, p < .05$), but not the other way ($F < 1, n.s.$). The food improved respondents' impression of the service ($F(1, 85) = 4.67, p < .05$).

For Study 2, service quality had a strong main effect in the car dealership scenario. Product quality did not significantly change overall judgment in either direction compared to when product quality was unknown. In both categories, when the product quality is low, receiving high service quality significantly increased overall judgment ($p < .001$) compared to when service quality was unknown. However, when service quality is low, receiving good product quality significantly increased overall judgment in the restaurant category ($p < .001$), but not in the car dealership category.

Implications

The results of this paper suggest that firms should invest in service quality than product quality when there are aspects about the product that are difficult for consumers to assess even after consumption. However, they should invest more in product quality than service quality when consumers are able to assess product quality after consumption. The results show that halo effects, for example, the ability of excellent service to improve one's impression of the product, occur in one direction. Specifically, for credence products, services improve the impression of product quality. For experience products, product quality improves the impression of service quality.

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Summary Brief

Safe, Secure and Shopping: Cruise Tourism in Jamaica

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This work examines the issue of perceived risk and safety and the impact these perceptions have on shopping behavior by cruise tourists to Jamaica. Findings indicate those visitors who traveled in the company of others spent more time shopping and purchased more goods. Additionally, it was found that first time visitors express higher levels of discomfort with their surroundings than did repeat visitors, thus potentially inhibiting purchase behavior.

Introduction

This paper examines issues related to perceptions of insecurity in cruise travelers and how this insecurity impacts shopping behavior while in port. Study results indicate first time visitors to a port experienced greater levels of discomfort with their surroundings than repeat visitors. This perceived sense of insecurity also inhibited their extent of shopping. The value of a cruise experience is not determined solely by tangible economic factors (ex. 'satisfaction with prices' and 'value for money') but also by a number of intangible factors including perceived safety and security.

Perceived Risk and Purchase Behavior

Perceived risk is defined risk from the consumer's standpoint. Risk creates emotions that generate anxiety, insecurity, and fear about the consequences of a purchase decision (Cheron and Ritchie 1982). Cruise tourist generally exercise reasonable caution to minimize any risk that may be associated with the purchase – whether this is financial risk or risk to their physical well-being and safety. Anxiety and stress lead to a heightened sense of subjective risk in judgments of events (Butler and Mathews 1987). Loneliness is an important antecedent of anxiety. The presence of others experiencing the same risky situation increases one's confidence in managing that situation (Killeen 1998). Experiments conducted by Mandel (2002) demonstrate that the size of consumers' social networks positively influences their degree of risk seeking in social and financial choices. In risky surroundings, individuals who are part of a group tend to be more optimistic and balanced in their stress levels than those who are alone (Trumbo, McComas, and Besley 2008). Given the perception of risk associated with leaving the cruise ship for any purpose (including shopping), the monetary amount of purchases made by individuals in a group could be higher than for those who shop alone. There is another, though relatively independent, explanation for this consumer behavior: when shopping in a group, even if the tourist did not plan to shop extensively for self, she/he would have to wait until everyone in the group completed their shopping activities (Otnes and McGrath 2001). This may motivate the solo shopper to spend the available time more 'constructively,' by

doing more shopping. Therefore, based on the foregoing, the following research questions are offered:

R1: Will tourists who travel in groups while in port purchase more than those who travel alone?

R2: Will tourists who travel in groups while in port spend more time engaged in shopping activities than those traveling alone?

Judgments of risk and benefit have been found to be inversely related: activities that are judged high in risk tend to be judged low in benefit, and vice versa (Alhakami and Slovic 2006). However, first time visitors, given their unfamiliarity with the terrain and the people of a destination, are more hesitant in facing the uncertainty of the situation. Personal experience is an important determinant of self-confidence (Fazio and Zanna 2006). Logically, repeat visitors to a specific location should experience less fear, anxiety, and less insecurity than first time visitors.

R3: Will first time visitors face higher levels of insecurity than returning guests?

Method

Data for this project were collected over a three-week period in and around the cruise terminal in Ocho Rios, Jamaica. Respondents were passengers who had disembarked from cruise ships for a walking visit into town. Data were collected by trained interviewers through the use of an intercept. Potential study participants were approached following the completion of their visit into Ocho Rios, told of the nature of the study, and asked to participate. A total of 266 usable surveys were collected during the period of this study. Eight surveys were incomplete and unusable for analysis. The remaining 258 responses represented approximately a 65% response rate.

Analysis

Research question one asked if those cruiser tourists traveling in groups while in port were more likely to purchase more than those traveling alone. The results (Table 1) show those travelers who traveled in groups were indeed found to purchase substantially more than those individuals who traveled alone. The chi-square statistic is 48.74, with 4 degrees of freedom (sig<.001).

Table 1: Number in Party vs. \$\$ Spent

Amount Spent	Number in Party			Total
	2 or Less	3-5	Over 5	
Less than \$100: Count / %	48 / 44.9	61 / 64.2	24 / 43.6	133 / 51.8
\$100 - \$250: Count / %	25 / 23.4	30 / 31.6	30 / 54.5	85 / 33.1
\$251 or More: Count / %	34 / 31.8	4 / 4.2	1 / 1.8	39 / 15.2
Total	107	95	55	257

The second research question concerned whether those cruisers traveling in groups while in port spent more time engaged in shopping activities than those traveling alone. A significant relationship was found to exist between the number of travelers in a shopping party and the length of time they spent on shopping activities. A Pearson chi-square value of 27.748, with 4 degrees of freedom, was found at a significance level of .000. Tourists in parties of five or more spent the most time shopping. Eighty-four percent of this group spent at least one hour on shopping-related activities (see Table 2).

Table 2. Number in Party and Time Spent Shopping

Time Shopping	Number in Party			Total
	2 or Less	3-5	Over 5	
Less than 1 hr: Count / %	41 / 38.7	48 / 50.5	9 / 16.1	98 / 38.1
1-3 hrs: Count / %	54 / 50.9	45 / 47.4	34 / 60.7	133 / 51.8
Over 3 hrs: Count / %	11 / 10.4	2 / 2.1	13 / 23.2	26 / 10.1
Total	106	95	56	257

Table 3: First-Time vs. Returning Guests and Perception of Security

Question	Visit Before	Mean	Std Dev	2Group T-Test	
				T-Value	Sig
Today, I felt totally at ease	Yes	3.10	1.314	-1.944	0.54
	No	2.65	1.080		
The hassle I encountered made me want to return to the ship	Yes	2.70	1.379	-1.944	0.54
	No	3.03	1.092		
I was concerned about my safety	Yes	2.70	1.299	-4.113	.000
	No	3.35	1.019		

Note: The lower the mean the more the respondents agreed with the statement

A two-group t-test was performed to the third research question, which asked if first time visitors faced more insecurity issues than returning guests. The findings (as displayed in Table 3) indicate that first time tourists were, in fact, significantly more likely to express a sense of being ill at ease as they walked the streets of Ocho Rios. Additionally, this group was significantly more likely to report feeling harassed and having substantial concerns for their personal safety, than did repeat visitors.

Concluding Remarks

The findings of this work indicate those visitors who traveled with others spent more time shopping and purchased more. Marketing communities in cruise destinations like the one in this study may use this finding to increase sales: for example, offering group discounts might motivate people to shop in groups. To maximize the benefits, shopping servicescape should be optimized for group comfort. Also, it was found that first time visitors to the island expressed higher levels of discomfort with their surroundings than did repeat visitors. It is imperative that shop owners in particular and the destination management organization in general take action to help minimize the anxiety and fear first timers have.

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A Modified Framework of Service Encounter Types for the Application of Relationship Marketing in Services

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Firms have come to believe that the means to inculcate loyalty and to retain customers is to establish a relationship with them through relationship marketing. Unfortunately, only about half of the firms surveyed in a recent study indicated any level of success with relationship marketing. The significant attention directed toward the classification of various services suggests that there is a legitimate difference among service type and that these

differences may moderate the effectiveness of relationship marketing efforts. A typology of service interactions which takes into account critical dimensions of relationship marketing—anticipated future interaction, level of interaction, customer involvement—is posited. Corresponding propositions are offered to guide future research.

Summary Brief

Social Identity and Service Quality: A Franchising Perspective

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This paper utilizes both social identity theory as well as SERVQUAL model to assess the impact of franchisee in-group/out-group status on customers' service quality perceptions within the small to mid-sized hospitality segment. With the continuing increase in the number of ethnic/minority franchisees, it is important to understand whether this change in ownership structure is also having an impact on service quality perceptions of these businesses. It is hypothesized that if franchisees are perceived to be part of the out-group, they are likely to receive lower service quality evaluations compared to those franchisees that are perceived to be part of the customers' in-group.

Introduction

Franchising has continued to grow as a business segment across a variety of service-oriented industries. International Franchise Association (IFA) reports that there has been a 15 percent increase in the number of franchising establishments during the period 2001-2009. In the U.S. market, franchising accounted for nearly 10 million jobs and over \$800 billion in economic output in 2009 as reported by the International Franchise Association. Combs, et al. (2004, pp. 907) define franchising as an economic arrangement whereby "one firm, (the franchisor) sells the right to market goods or services under its brand name and using its business practices to a second firm (the franchisee)."

The overall growth in franchising has also led to an increase in the number of minority-owned and or managed franchise outlets across a multitude of industries ranging from fast food to hospitality (IFA, 2007). For instance, Pricewaterhouse Coopers reported that in 2007, nearly 20 percent of the franchised businesses were owned by minorities including those of various ethnicities. Within the hospitality sector, the Asian American Hotel Owners Association (AAHOA) reports that Indian-Americans own 43 percent of the 47,000 hotels and motels in the U.S. (Yu, 2007). While minority-owned and managed franchises are on the rise, changing ownership landscape can have an impact on both the overall performance of a particular firm as well as the franchising brand itself. Based on Tajfel's (1974) social identity theory, it is likely that the minority franchisees may face negative in-group/out-group dynamics which may affect the way customers perceive service quality associated with minority-owned/operated franchised units. *Social identity* is defined as an element of the individual's self-concept that stems from perceived membership in a relevant social group (Tajfel, 1974) and can lead to positive or negative biases against individuals or groups that are not perceived to be part of the referent group (Tajfel and Turner, 1979). Within the franchising context, such negative perceptions can have a direct impact on a number of outcomes such as the ability of minority-owned franchisees to attract and retain customers, lower perceived quality of products/services, and poor word-of-mouth.

While much research has been done on various aspects of franchising (Combs, et al., 2004; Oxenfeldt and Kelly, 1969; Stanworth and Curran 1999), extant literature does not offer a perspective on how franchisee social identity impacts various outcomes such as service quality perceptions in a franchising arrangement. From a research contribution perspective, this paper combines social identity, franchising, and service quality to study the influence of franchisees' in-group/out-group status on customers' service quality perceptions.

Background

Social Identity Theory: In-group/Out-group Dynamics

Tajfel and Turner (2007) state that we, as individuals, use social identity to categorize people into groups, identify with certain groups, and compare our groups to others in that we think higher of our groups as compared to others. The referent group is termed as the "in-group" while the non-referent group is called the "out-group" (Tajfel and Turner 1979). The in-group/out-group dynamics have been researched in the context of employment policies, entrepreneurship, inter-group trust, compensation, and career development opportunities for ethnic minorities, immigration policies, and other inter-group dynamics (Chaganti and Greene, 2002; Greenhaus, et al., 1990) and results have found that out-group members often face discrimination in career development and promotion opportunities.

Based on SIT and other literary research, franchisee ethnicity can be a potential evaluative factor in service settings (Crockett et al., 2003). Similarly, the in-group/out-group dynamics are often at play when individuals of different ethnic backgrounds interact (Baker, et al., 2008). Baker, et al., (2008) suggest that ethnic identity can lead to marketplace discrimination against certain individuals in that these individuals are likely to receive additional scrutiny as compared to others.

Service Quality Framework

One of the most prominent measures describing service quality, SERVQUAL, was developed by Parasuraman, et al., in 1988 as a 22 item measure that evaluated service quality (Armstrong, et al., 1997). The initial premise of service quality, as argued by Parasuraman, et al. (1988), was that quality is the difference between customer expectations and perceptions. Stated otherwise, SERVQUAL measured differences in what customers had expected from a service prior to its consumption and what they perceived to be the actual quality of the service after they had experienced the service (Dion, et al., (1998). The resulting difference between expectations and perceptions of service quality is classified as service gap (Parasuraman, et al., (1985).

Linkages between Social Identity and Service Quality

Tajfel and Turner (2007) suggest that the group one identifies with is the group one feels most at home with and that people in other groups are likely to be assessed by their impact on us and the consequences of their behavior, which can lead to negative attributions. Evidence of the relationship between out-group status and service quality perceptions is also found in other organizational performance evaluation research such as the one by Kraiger and Ford (1985) who found that black employees tend to receive lower job performance ratings compared to white employees, specifically when the evaluating manager was white. The same can be applied to the congruence or incongruence of franchisee ethnicity with that of their customers which then is likely to impact their service quality perceptions of the minority-owned/operated franchised unit.

With regard to use of franchisee ethnicity in assessing service quality perceptions, Tajfel and Turner (1979) as well as Ashforth and Mael (1989) contend that individuals classify themselves and others on the basis of overt demographic attributes including ethnicity and gender. Therefore, individuals with similar demographics are part of the in-group and those with dissimilar demographics are considered part of out-group (Joshi, et al., 2006). In essence, research shows that people favor members of their in-group and show bias against out-group members (Hewstone, et al., 2002).

Implications and Conclusion

This conceptual research integrates social identity, franchising, and service quality to understand how franchisee in-group/out-group status affects customers' perceptions of service quality. The papers implications can be extended to a variety of franchising scenarios as well as service-based industries where customer perceptions of service quality may be affected by whether they perceive the franchisee/service provider as part of the in-group or the out-group.

From a practitioner's standpoint, this paper provides insights to both hospitality franchisors and franchisees. For hospitality franchisors, differences in service quality perceptions based on franchisee in-group/out-group status may allude to the need for greater franchisor support for certain franchisees. With regard to hospitality franchisees, variances in service quality perception based on in-group/out-group status highlight the challenges and business risks that these franchisees may face as they undertake such investments.

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LOGISTICS, SUPPLY CHAIN, DISTRIBUTION AND RETAILING TRACK

Track Chair
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Supplier Integration in New Product Development: Communication and Buyer Performance

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In new product development, the buyer-supplier relationship is changing. Suppliers are becoming an integral part of the design team. In this context, using open innovation literature and media richness theory hypotheses are developed regarding the relationship between face-to-face communication, computer-mediated communication, level of knowledge exchanged between buyer and supplier firms, and ultimately buyer NPD and market performance. The hypotheses are empirically tested using data collected from 157 R&D project managers from U.S manufacturing firms. Results of structural equation modeling find a significant positive link between level of knowledge exchanged between buyer and supplier and NPD performance, and a significant positive link between NPD performance and market performance. One surprising finding is that contrary to theory, email can perform like face-to-face communication transmitting rich information and having a positive relationship to knowledge exchange between buyer and supplier.

Introduction and Background

New product development (NPD) is increasingly important to a firm's profitability and competitiveness. A successful new product can offer a sustainable competitive advantage and, in some cases NPD is the key driver of a firm's overall success. Developing successful new products can be particularly difficult in today's marketplace: competitive pressures are building, consumer tastes are rapidly changing, technological changes are accelerating and product life cycles are becoming shorter. Consequently producers are trying to introduce new products into the market quickly, but faster product development is not always better. This has led to innovation processes involving a greater number of external partners. The spread of NPD roles across boundaries is often referred to as open innovation.

Open innovation is defined as external ideas or innovations being brought into a firm's own innovation process (Chesbrough 2003). It can mean partnering with members of the supply chain, customers or others. There is an extensive research stream on integrating customers into the NPD process but the area of supplier integration has not received as much attention (Gassmann et al. 2010). This despite the fact that research shows 69% of knowledge sources comes from suppliers (Enkel et al. 2009) and that the most important and successful external source of ideas is suppliers (Un et al. 2010).

NPD is a knowledge creation and sharing process (Souder, et al. 1998). When integrating suppliers into the NPD process, a continuous flow of information is required to ensure the best possible outcome (Sivadas and Dwyer 2000). Therefore as open innovation advances, and supplier integration increases, the question of how knowledge is successfully exchanged between buyer and supplier becomes an important empirical question.

Communication is achieved through channels. Daft and Lengel (1986) define communication channels - or media - in

terms of varying degrees of media richness. Media richness is the capacity to convey information effectively. Different types of channels range from low media richness (e.g., a written report) to high media richness (e.g., face-to-face meeting). It would follow then that sharing knowledge through effective communication may in fact depend on the type of channel that is utilized. As significant as this might be, empirical research investigating specific communication channels that enable effective communication in networks is inadequate. Media richness, while a well defined construct, does not specifically address computer-mediated communication (CMC) channels (i.e., video conferencing, web-based tools, and email) that are prevalent in NPD today (McIvor and Humphreys 2004). And findings regarding the impact of supplier integration in NPD are mixed and must be better understood (Wagner 2012).

This research extends a topic that is not well researched, supplier-integrated open innovation. It investigates CMC in terms of media richness. And finally, it looks to overcome contradictory results and confirm findings that partnering with suppliers through open innovation benefits the buyer, both in terms of the buyer's NPD process and ultimately market performance.

Open Innovation and Supplier Integration

Open innovation has been regarded as relevant primarily in high-tech industries, and most research has remained in that context. However current trends see open innovation moving from high-tech industries to low-tech, from large firms to small and mid-sized firms, and from products to services (Gassmann et al. 2010). A survey found that many open innovation concepts are already in use in a much wider range of industries (Chesbrough and Crowther 2006) and a recent roundtable of open innovation leaders concluded that experience in open innovation is building across an ever-widening range of industries and enterprise types (Perkins 2012). In order to differentiate itself from past research and reflect the increasing range of industries adopting open innovation, the context of this study is the US manufacturing industry.

The primary drivers of adopting open innovation are (1) speeding innovation efforts, (2) shedding costs, and (3) ensuring higher returns on investments in innovation (Perkins, 2012). Beyond these goals, open innovation can introduce both risks and benefits to the NPD process (Littler et al., 1995). Benefits may include enriching a firm's own knowledge base, leveraging NPD on a partner's budget, introducing a greater sense of urgency for internal groups to act on ideas and technology and, over time, creating a more innovative culture. Risks may include higher coordination costs, loss of control, higher complexity, and the potential loss of know-how (Enkel et al. 2009; Gronlund et al. 2010). Open innovation partners can include supply chain members, customers and other knowledge institutions. Partnering with suppliers is sometimes referred to as co-creation, co-

development, or vertical open innovation. This upstream side of open innovation can have a strong impact on innovation, but has not received adequate research attention (Gassmann et al. 2010).

Partnering with capable suppliers, like open innovation in general, can introduce risks and benefits to the NPD process. It can support the ability to apply a firm's own R&D investments in a wide variety of areas in less time than it would take if the company had to perform every function in the value chain on its own. Therefore a firm can move faster and cover more potential market opportunities. But at the same time external suppliers are available to all competitors therefore any competitive advantage obtained is not sustainable (Chesbrough 2003; Kessler et al. 2000).

Research on supplier integration in NPD is fragmented and empirical findings regarding performance benefits differ significantly (Johnsen 2009). Hagedoorn (2002) found that suppliers' early integration into the innovation process significantly increased innovation performance. Additional studies find that supplier integration can lead to shorter time to market, reduced costs, higher quality, and better performance for radical new products (Petersen et al. 2005; Ragatz et al. 1997; Wagner 2012). Conversely, empirical studies also find no or negative effects. Hong and Hartley (2011) found encouraging suppliers to communicate did not have any effect on product development performance. Eisenhardt and Tabrizi (1995) found supplier involvement accelerated NPD only in mature industry segments. Koufteros et al. (2005) found negative effects of supplier integration.

Communication Channels and Media Richness

Direct, cross-functional, intercompany communication is a widely used technique for integrating suppliers into NPD (Ragatz et al. 1997, Ragatz et al. 2002). Communication channels - or media - transmit information leading to better or worse task performance (Dennis and Kinney 1998) therefore understanding and studying communication channel performance is important to better understanding what leads to successful supplier integration.

Communication channels differ in their potential for carrying information. Daft and Lengel (1986) created the term "media richness" to describe the ability of a channel to relay information effectively. Media richness was operationalized along a continuum where richness is based on feedback capacity, medium (visual, audio, limited visual), source (personal, impersonal), and language (body, natural, numeric). Accordingly, Daft and Lengel's (1986) categorized face-to-face communication (visual) as the highest in media richness, next was telephone (audio), written and personal (letters and memos) was moderately rich and written formal (bulletins, documents) was low.

The richness of communication channels has been measured in literature both indirectly (Oke and Idiagbon-Oke 2010) and directly (Rice et al. 1998). For example, Johnson and Lederer (2005) measured channel richness along four dimensions. Findings indicated face-to-face was the richest medium and email, while less rich than face-to-face, was richer than memos or telephone. Channel richness was also measured by Rice et al. (1998) across four cultures and eleven business situations. Five channels (face-to-face, business memos, email, voice mail, and telephone) were measured along dimensions outlined by Daft et al. (1987). Overall, findings indicate media richness decreasing in order are face-to-face, telephone, voice mail, email, and written memos. Cross-culturally, face-to-face was consistently the richest

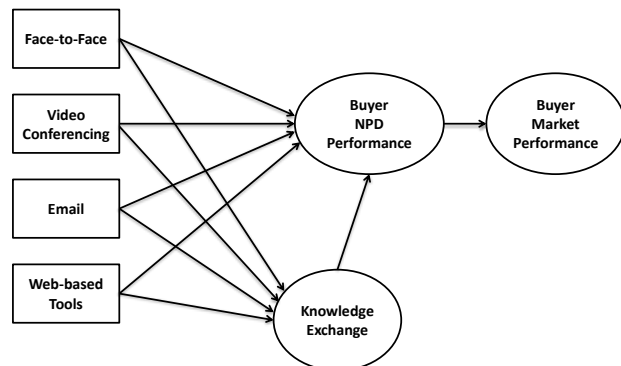
channel and email was consistently one of the lowest in richness (see Oke and Idiagbon-Oke, 2010 for a common depiction of media richness theory, pg. 444).

The focus of this study is contemporary communication channels based on technological advances, therefore it will only consider computer-mediated communication channels (CMC). Three CMC channels will be considered in order to represent the range of media richness: video conferencing which is considered high in richness, email which falls in the medium range and web-based tools which is low in richness. In addition, face-to face communication will be included in the study because it is universally characterized as rich thereby setting the standard for communication and is a good basis of comparison with CMC.

Hypotheses Development

Any NPD project requires effective communication among team members. When collaborating with suppliers, this challenge is even greater because the team spans organizational as well as functional boundaries (Littler et al. 1995; McIvor and Humphreys 2004). This study investigates the relationship between CMC communication channels (as compared to face-to-face), knowledge exchange, NPD performance and market performance. This research proposes that CMC channels introduce varying degrees of media richness. The channel that is used may facilitate the exchange of knowledge and lead to successful supplier integration, see figure 1.

Figure 1 Conceptual Framework



Communication and Knowledge Exchange

Open innovation literature illustrates the importance of information exchange between buyers and suppliers, but do communication channels higher in media richness lead to higher levels of knowledge exchange? Richer communication channels enable the sharing of richer information because buyers and suppliers can communicate more quickly and better understand ambiguous messages (Dennis and Kinney 1998). In addition, Daft and Lengel (1986) argue that firms rely more heavily on rich information when confronted with interfaces where different frames of reference are the norm such as collaboration between companies. This was confirmed by Littler et al. (1995) who found that interorganizational NPD requires more coordination and management than traditional cross-functional teams.

It has also been found that higher channel richness leads to stronger ties between firms in horizontal networks (i.e. strategic alliances) (Oke and Idiagbon-Oke 2010). And strong ties lead to greater knowledge exchange (Hansen, 1999). Therefore, higher media richness, (face-to-face being the highest followed by video conferencing, email than web-based tools) is expected to lead to higher levels of knowledge exchange between buyer and supplier.

H1: *Communication channels higher in richness will lead to higher levels of knowledge exchange between buyer and supplier than communication channels lower in richness.*

Knowledge Exchange and NPD Performance

NPD performance is based on the quality of the final product as well the amount of resources required to complete the project. NPD literature has established a positive association between knowledge sharing and innovation performance and open innovation literature suggests this same relationship should hold across boundaries. Knowledge gained from supplier integration includes getting access to new skills or technologies, or the means for creating or exploiting new markets. Studies include Lau et al. (2010) who found a direct link between information sharing with suppliers and market performance in Hong Kong. Ragatz et al. (2002) found that suppliers sharing information about technologies they bring to the buying company leads individually to reduced cycle time, increased product quality and reduced costs. And Peterson et al. (2003) found that sharing information lead to higher degrees of project satisfaction. Knowledge exchange should therefore be positively related to NPD performance.

H2: *The higher the level of knowledge exchange between buyer and supplier, the higher the level of buyer NPD performance.*

Communication and NPD Performance

In addition to testing the indirect effect of media richness on NPD performance (through knowledge exchange), there is research that suggests testing the direct effect also merits investigation. Wagner and Buko (2005) found that success or failure of open innovation collaborations may be due solely to ineffective communication. Knowledge sharing with customers and research institutions positively influenced satisfaction, but knowledge sharing with suppliers did not. Oke and Idiagbon-Oke's (2010) study on horizontal networks found a direct link between communication channel richness and development time; that is the higher the level of communication channel richness the greater the development time. This suggests that rich channels are being used when it may be more difficult to reach a consensus and complete the project on time. Channels low in richness may enable members to finish their tasks faster, increasing speed to market and reducing costs. Therefore, the richness of the channel itself may negatively affect NPD performance.

H3: *Communication channels higher in richness will lead to lower levels of buyer NPD performance.*

NPD Performance and Market Performance

Intuitively a NPD process that performs well should result in a product that is successful in the marketplace, but that is not always the case. NPD is still a risky endeavor, new products fail at an alarming rate. Roughly one in ten new product concepts succeed commercially, only one in four development projects are a commercial success, and more than 40% of NPD projects fail to meet stated objectives (Cooper et al. 2004).

Customer integration in the NPD can directly improve performance in terms of customer satisfaction and sales (Lau et al. 2010) because it ensures that the products the company is providing are what its customers are actually demanding. Supplier integration however allows a firm access to the knowledge and expertise of suppliers that can complement their own internal capabilities. In this study market performance is measured by sales, market share and overall commercial success because they capture the degree to which products are accepted by the market (Griffin and Page 1996). In fact, the ultimate success of an NPD process can be measured by market performance. It is expected that a successful NPD process enhanced by supplier integration and knowledge exchange will result in a quality product brought to market quickly while thereby leading to market success.

H4: *Buyer market performance is positively related to buyer NPD performance*

Methodology

The context of this study is the United States manufacturing industry. This industry was chosen because it offers a perspective unique from past research in high-tech industries. The unit of analysis was a recently completed (within the past five years) new product development project that involved collaborating with a major supplier. Project, program or engineering leaders for new product development projects that collaborated with suppliers were surveyed. Survey data collected were analyzed using SPSS and AMOS structural equation modeling (SEM) programs.

Sample and Data Collection

A panel of engineering and R&D managers was used. Access to respondents was provided by a market research company specializing in web-based surveys. Many of their panels are specialized for business professionals and one panel they offer is comprised of design, engineering and R&D project managers (see Skinner et al., 2009 for additional supply chain research using panels). Completed surveys were received from 157 project managers from buyer firms. This was within the bounds of adequate sample size for SEM (Chin, 1998).

Respondents were from a wide range of industries. For example: automotive, aerospace, defense, steel, medical device and consumer products, just to name a few. The average years of product design experience reported was 20 years (s.d. 10.5), the average number of years each respondent has held their current position was 10 years (s.d. 8.2), and titles included, for example: project manager, director of product development, director R&D, product development manager, and director of technology. To test for possible nonresponse bias, early responses (those that came in with the first sample from the field) were compared with late responses on items measuring level of knowledge exchange. Results indicated no significant differences ($p = .05$).

Measures and Model Validation

Reliability measures and Construct Validity tests (using Exploratory and Confirmatory Factor Analyses) were performed for all measures. Knowledge exchange was measured using items developed by Kotabe et al. (2003); adjustments were made for this study to reflect the buyer's perspective. The five items addressed level, quality, timing, type and direction of communication between buyer and supplier ($\alpha = 0.874$). NPD performance was assessed using four commonly used items reflecting time-to-

market, technical performance, unit manufacturing cost, and R&D budget as measured relative to goals ($\alpha = 0.858$).

Market performance was measured using three continuous subjective measures addressing profitability, sales and market share objectives having been met ($\alpha = 0.904$) and were based on Song and Parry's (1997) measures of relative success. Communication channels were measured using scales developed by Moenart and Souder (1990) and refined by Oke and Indiagbon-Oke (2010). These items addressed: face-to-face, video conferencing, email, and web-based tools. Communication channel items were treated as individual items to examine their effects separately as opposed to one single media richness construct (see Vickery et al., 2004).

Confirmatory factor analysis (CFA) was performed for the measurement model using maximum likelihood. Fit measures included: CMIN = 129.058, $df = 81$ (CMIN/ $df = 1.593$), CFI = .958, and RMSEA = 0.062. These indicated the overall fit of the measurement model was acceptable (Kline 2005).

Results

In order to test our hypotheses, the overall fit of the structural model was assessed. Fit statistics were as follows: CMIN = 126.916, $df = 80$ (CMIN/ $df = 1.586$), CFI = .957, and RMSEA = .062. Thus, the model fit was accepted (Kline 2005).

Path coefficients revealed that using video conferencing is not a statistically significant predictor of knowledge exchange or NPD performance. It was hypothesized that the higher the media richness, (face-to-face being the highest followed by video conferencing, email than web-based tools) the higher the level of knowledge exchange between buyer and supplier. With the exception of video conferencing, all other media paths were statistically significant. Face-to-face communication ($\beta = .157$, $p < .01$) and email ($\beta = .173$, $p < .05$) had positive relationships while web-based tools ($\beta = -.132$, $p < .05$) had a negative relationship. In order to test if the path coefficients for face-to-face and email were statistically different, a critical ratios (CR) of differences test was performed. The difference was not significant at any level but further investigation was required. A model where the two regression weights were constrained to be equal was run and a chi-square difference test performed. The chi-square difference test confirmed the models were not significantly different ($p = .92$). Therefore, H1 was only partially supported.

There was a positive and statistically significant link between knowledge exchange and NPD performance ($\beta = .218$, $p < .05$), providing support for H2. H3 stated that the higher the richness of the communication channel, the more negatively NPD performance will be affected. The only communication channel with a significant link to NPD performance was face-to-face ($\beta = .129$, $p < .05$) and that had a positive link. H3 was not supported. Finally, there was a positive and statistically significant link between NPD performance and market performance ($\beta = .648$, $p < .001$) providing support for H4.

Discussion

The relationship between CMC channels, knowledge exchange and performance in the context of new product development, open innovation and supplier integration is one that has not been studied before. We specifically targeted the industrial relationship between buyer and supplier, investigated

manufacturing firms and introduced the concept of media richness. As a result some unexpected and interesting results were seen.

The first of these results is that using video conferencing to communicate for the majority of the project activities had no significant relationship with either knowledge exchange or NPD performance. A second unexpected result was that face-to-face communication and communication through email had the same relationship to knowledge exchange. Characteristics most relevant to the transmission of rich information are (1) the opportunity for timely feedback, (2) the ability to convey multiple cues, (3) the tailoring of messages to unique circumstances, and (4) language variety (Daft et al. 1997). Given these criteria it would appear face-to-face communication is far richer than email. However in the context of NPD, team members working closely on a project could make effective use of email thereby behaviorally giving it richness. Email is not difficult to use, can be responded to quickly by "reply" or "reply all", and while some use it like a texting tool, others can leverage it for collaboration. This may be particularly true in existing B2B relationships. An important implication of this finding is that knowledge exchange and NPD performance can be enhanced by fully leveraging both face-to-face and email communication. However the use of email can overcome time and space constraints as well as reduce costs associated with face-to-face meetings.

One of the biggest criticisms of media richness theory is that it considers the property of leanness to be inherent to the medium of email such that it persists across users and different organizational contexts (Lee, 1994). Our finding supports a belief that email's richness is emergent and can in fact, in the right context, support rich communication.

The higher the level of knowledge exchanged between buyer and supplier, the better the performance of the buyer's NPD process was found. This helps verify previous research suggesting there are positive effects of early supplier integration in the NPD process. Access to a supplier's insights on emerging new technologies often leads to creative solutions that significantly improve product development and market success. Not only was it found that exchanging knowledge with suppliers had a positive effect on the performance of the NPD process, but at a time when new products fail at an alarming rate it also leads to more successful market performance.

This study contains a number of limitations. Results are subject to the problems that arise from cross-sectional research designs using single respondents and subjective measures. In addition, measurement error is likely to occur from single item measures for communication channels. Our sample was from a single country, the United States, and a single context, manufacturing. Future research should extend the analysis of the relationships examined in this study to specific industries, other contexts and other countries. Resource constraints limited sample size and did not allow for any further drilling down of results. Other potential moderators like communication frequency, message complexity and type of innovation should be considered. Lastly, results suggest that directly measuring channel richness in the context of NPD and supplier-integration would add value to the topic.

References: available upon request

An Exploratory Study on Consumer Catalog Shopping and the Moderating Influence of Need for Cognition

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An exploratory study examined the influence of need for cognition (NFC) on individuals' responses toward different consumer catalogs. The study investigated shopping for clothing using print- and online-catalogs and affiliated- and unaffiliated-catalogs, and used a between subjects experimental design with different sets of up-to-date authentic catalogs. Prior to the main analysis, preliminary results showed differential effects of catalogs on measures of responsiveness (e.g., attitudes toward using a particular catalog to shop). Key findings suggested moderating effects of NFC and revealed strong patterns of interactions between NFC and print- and online-catalogs and between NFC and affiliated- and unaffiliated-catalogs. Other findings indicated that high-NFC individuals processed catalog information more carefully, hunted for additional related information more frequently, and were willing to use the Internet more often to search for comparative products than low-NFC individuals.

Introduction

Drawing primarily on the Elaboration Likelihood Model and need for cognition (NFC) literatures, and in the context of in-home/office consumer catalog shopping for non-digital products (i.e., clothing); the present study addresses issues dealing with responses to different catalogs and the moderating influence of NFC. Despite widespread use by consumers of print- and online-catalogs and large investments by catalogers in design and delivery, previous studies have focused on print catalogs and actual sales. Relatively little is known about attitudinal effects of catalogs. In catalog shopping, unobservable quality has been a difficult barrier, especially for non-digital products (i.e., little or no opportunities for tactile inspection before purchase and time delays between purchase and actual possession). A number of cues of quality, or signals, in catalog shopping can be investigated; yet, no theory guided studies have been conducted. The present study also draws on signaling theory and examines the effects of the most conspicuous catalog signal, i.e., affiliation with local brick-and-mortar stores. It examines attitudinal effects of affiliation with local brick-and-mortar stores across print- and online-catalog shopping conditions.

Main Study

The main study used a 2 (low- and high-NFC) x 2 (print- and online-catalogs) x 2 (affiliated- and unaffiliated-catalogs) between-subjects experimental design with four different sets of up-to-date authentic catalogs, from major well-known catalogers. Some of the dependent variables were: attitude toward using these catalogs to shop, purchase intent using these catalogs, intention to hunt for additional information before buying, and carefully consider catalog product information. Participants in three pretests were not part of the main study sample. All main study

participants were pre-screened catalog shoppers, with recent relevant shopping experiences, associated with a mid-western university. Some participants were nonstudent adults; other participants were recruited from upper-level undergraduate business courses and MBA courses. All participants were familiar with catalog shopping for clothing; and overall, these participants were viewed as surrogates for catalog shoppers as a whole.

For need for cognition (NFC), using methods described by Haugtvedt, Petty, and Cacioppo (1992, p. 250) and others (e.g., Lee and Thorson 2009), participants responded to the eighteen bipolar items adopted from the Cacioppo, Petty, and Kao (1984) NFC scale. Participants responded on 5-point scales ranging from (1) "not at all like me" to (5) "very much like me" so that the possible range of scores was 18 to 90. Participants were categorized as high- or low-NFC by a median split.

Procedures

Participants were asked to sign-up for a time-slot that was convenient for them. As each participant arrived at the designated room, he/she was assigned to one of the four sets of catalogs following a simple random assignment method. Participants were provided with the appropriate catalogs (e.g., those in the affiliated print catalog group were given only the print catalogs having direct associations with local brick-and-mortar stores, participants in the affiliated online catalog group were provided with high-speed Internet access for the online versions of the same catalogs). The task for all participants was to engage in a simulation of buying a dress shirt or a pair of jeans of their choice. They were asked to browse through assigned catalogs, select clothing, and complete an order form. The task was intended to experientially sensitize participants to their assigned mode of catalog shopping. After completing the task, participants were asked to fill-out questionnaires. The questionnaires elicited attitudes, NFC and other relevant variables. On average, each participant took about 30 minutes to complete tasks and fill-out questionnaires.

Limitations and Future Research

At least three characteristics of the present study limit its findings; yet, each limitation represents future opportunities. First, like many other experimental studies, a somewhat homogeneous sample was used to minimize individual difference variance. Although the controlled procedures provided an important basis for the initial examination of effects, future research might examine whether the findings can be substantiated by samples in different settings. Second, the shopping simulation for clothing was an artificial representation that has potential for biasing responses. Even though care was taken to assure that the representation was realistic, it may not have had the degree of realism found in actual catalog shopping and in shopping across different product categories. Because only certain catalogs were

used, caution should be exercised in generalizing the findings. Future studies might use other catalogs, and investigate whether attitudes vary across different products and catalogs (e.g., products that vary by frequency of purchase, catalogs with different product line breadth). Third, only one level of catalog familiarity was used to provide for a more realistic shopping setting and a better understanding of the effects of different levels associated with print- and online-catalogs and catalog affiliation. The present study used only highly familiar catalogs because of fewer research limitations, more generalizing experience, and higher availability. Additional research might use lower levels of catalog familiarity (e.g., new catalog entrants) to examine whether these catalogers face different perceptions than familiar ones.

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Model for Risk Management in Food Logistics and Supply Chain

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Risk and uncertainty imposed by today's constantly changing global marketplace makes it imperative for food and agribusiness firms to develop purposeful proactive and predictive risk management for their global supply chains. We proposed the analytic hierarchy process model to analyze the various risks attached to the focal firm's food supply chain. The identified risks were from a review of relevant literature, expert opinions from the focal firm supply chain C-level executive, and consultants in the food industry. We clustered the identified risks into seven categories and discussed the risk mitigation strategies. We validated the proposed model using a case study involving a focal food firm.

Introduction

The food industry is facing three important, including an environment of increasing risk and uncertainty, developing and adopting new technology and innovations critical to long-term financial viability, and responding to changing competitive environment that is vital to gaining and maintaining market position (Boehlje et al., 2011). Jaffee et al. (2008) define food supply chain as consisting of all the input supply, production, post-harvest, storage, processing, marketing and distribution, food service and consumption functions from the farm gate to fork continuum for a specific product. Food and agribusiness industry has supply chains that are complex and not well coordinated, particularly among the up-stream stages in that chain (Boehlje et al. 2011). Its food supply chain is increasingly vulnerable to risk and uncertainty emanating from weather, unpredictable nature of biological processes, the seasonality of production and market cycles, the geographical separation of production and end users, and the unique and uncertain political economy of food and agricultural sectors, both domestic and international (Jaffee et al. 2008). Uncertainty can also assume the form of high variability in demand and in supply, which in turn leads to problems in planning, scheduling and control that impede delivery performance (Fisher et al. 1997). Firms face risks 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, Virolainen, and Tuominen 2002). March and Shapira (1987) and Buehler and Pritsch (2003) assert 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).

Extant approaches of risk management exist in the literature. For this paper, we proposed to use the analytic hierarchy (AHP) model developed by Saaty (1980) as a predictive or proactive approach to identify and mitigate risks in the global food supply

chains. The AHP encompasses three basic functions, including structuring complexity, measuring on a ratio scale, and synthesizing. It is useful in structuring complex multi-attribute problems or decisions in many fields such as marketing, project management, operations/supply chain management, and economics. The AHP merits are the reliance on easily derived expert opinion data, ability to reconcile differences (inconsistencies) in expert judgments and perceptions, and the existence of Expert Choice Software to implement the AHP (Calantone, Di Benedetto, and Meloche 1989).

We structured the remainder of this paper as follows: beginning with a brief review of the relevant literature on supply chain risks and sources of risks in food supply chain, and supply chain risk management. We present the research methodology in the second section. The case study, data collection and analysis are in section three. The empirical results are in section four. Conclusions and managerial implications are in the final section.

Literature Review

Supply Chain Risks and Uncertainties

March and Shapira (1987) describe risk "as a variation in distribution in possible outcomes, likelihoods and their subjective values." While Deloach (2000) contends that risk represents a level of exposure to uncertainties that businesses must endeavor to understand and effectively mitigate and manage as they implement their strategies to achieve intended objectives and value creation. Over the years, the importance of risks in global supply chains has received attention from academics and practitioners (e.g., Kleindorfer and Saad 2005; Peck 2006; Christopher and Lee 2004). Christopher and Lee (2001) posit that a manager running a supply chain that is exposed to risks will lack confidence in the supply chain. However, in spite of the growing menace of risks, Malik et al (2011) note many global firms legacy supply chains are not prepared for today's environment's growing uncertainty and complexity.

Food Supply Chain Risk Sources

Kleindorfer (2000) argues that to mitigate risks in a supply chain one must first identify the underlying sources of risks. Harland, Brenchley, Walker (2003) advocate that to manage and mitigate the propensity of 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. Supply chain risks can come from various forms (Harland, Brenchley, Walker 2003), including environmental, organizational, or network-related factors that cannot accurately be predicted can impact the supply chain outcome variables (Norman and Jansson

2004; Juttner, Peck, and Christopher 2003). Firms 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). Manuji and Mentzer (2008) point out that the risks in global supply chains consist of supply risks, demand risks, and operational risks. Jaffee, Siegel, and Andrews (2008) listed categories of major risks facing food and agribusiness firms as weather/natural disasters related risks, biology and environmental risks, market (demand and supply) risks, logistical/infrastructural risks, managerial and operational risks, policy and institutional risks, and political risks. Peck (2006) identified risks in the food supply chain, including product contamination & recall, loss of access – terrorism; loss of access (protesters), site, people, and supplier; reduced capacity; contractual cover; dual sourcing; and market forces.

Supply Chain Risk Management

Deep and Dani (2009) note “as the food supply chains become increasingly global the inherent risk arising from disruptions in supply, lack of traceability and limited accountability have brought supply chain risk management to the fore.” Risk management has been examined in SCRM (e.g., Manuji and Mentzer 2008; Norman and Jansson 2004; Smeltzer and Siferd 1998). Kleindorfer and Saad (2005) note key drivers of supply chain risk management includes corporate image, liability, employee health and safety, cost reduction, regulatory compliance, community and customer relations, and product improvement. As a result, forward thinking firms are realizing the imperative of risk assessment programs and are using different approaches, ranging from formal quantitative models to informal quantitative plans, to assess supply chain risks (Zsidisin et al., 2004; Zsidisin, 2003). However, in spite of the growing chronicle of disruptive events around the world, many organizations are complacent to invest in managing risks in their overstretched supply chains. This complacency is partly due to the argument “nobody gets credit for fixing problems that never happened” (Repenning and Sterman 2001).

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) assert that continuous coordination and cooperation, among supply chain partners are imperative for risk avoidance, reduction/mitigation. Christopher and Lee (2004) argue 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. Gray and Larson (2008) note risk management requires proactive discipline rather than reactive discipline. Developing a predictive and adaptable risk management strategy can make the difference between survival and success for a firm (The Economist 2009). With predictive risk management, firms can deliver their goods and services to consumers quickly and inexpensively (Lee 2004).

The review of relevant literature was valuable and insightful. However, the present research differs from past studies in terms of its empirical approach and the risk management strategies deployed. Unlike past studies, risk management strategies considered in this paper include risk avoidance, risk sharing, risk reduction/mitigation, and risk retention/acceptance.

Research Methodology

The proposed AHP 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. Some studies that have used AHP include supply chain management (Gaudesi and Borghesi 2006) and marketing (Dyer and Forman 1992).

Application of AHP to Risk Management in Food Logistics and Supply Chain

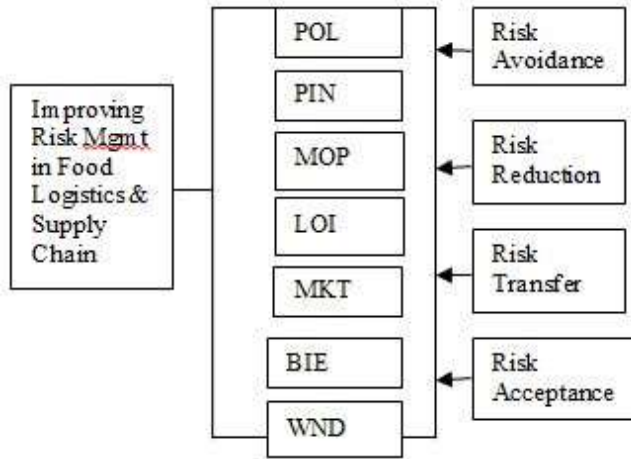
The following steps are used. First, define an unstructured problem and determine the overall goal. According to Simon (1960), the methodology of decision-making process encompasses identifying the problem, generating and evaluating alternatives, designing, and obtaining actionable intelligence. Second, build the hierarchy from the top through the intermediate levels (criteria on which subsequent levels depend on) to the lowest level contains the list of alternatives. The overall goal of the focal firm is in the first level of the hierarchy, shown in Figure 1. The hierarchy structure is consists of the following risk attributes suggested by Jaffee, Siegel, and Andrews (2008). Weather/Natural disasters – risks associated with deficit and/or excess rainfall or extreme weather events. Biology and Environmental – risks attached crop failure, livestock pests and diseases, and contamination and degradation of production and processing processes.

Demand and Supply/Market (MKT) – risks dealing with changes in supply and demand that affect domestic and/or international prices of inputs and/or outputs, changes in market demands, changes in food safety requirements, late product delivery, and changes in enterprise/supply chain reputation. Logistical & Infrastructural – risks associated with poor or inadequate transportation and communication infrastructure, energy costs, labor disputes, and poor logistics services. Management and Operational (MOP) – risks link to poor decision making in use of inputs, poor quality control, forecast and planning errors, breakdowns of farm or firm equipment, or use of outdated seeds. Policy and Institutional (PIN) – risks associated fiscal/tax policies, financial (currency and exchange rate), regulatory/legal policies, and corruption. Political (POL) – risks dealing with security, political-social unrest, war, trade disputes, with other countries. Green mandate (GRM) – increasing go green/green supply chain mandates. The alternatives include risk reduction (RRE)/mitigation, risk transfer (RTR)/sharing, risk avoidance (RAV), and risk acceptance (RAC)/retention as shown in Figure 1.

AHP STEPS

1. Define an unstructured problem and determine the overall goal. According to Simon (1960), the methodology of decision-making process encompasses identifying the problem, generating and evaluating alternatives, designing, and obtaining actionable intelligence. The overall goal of is depicted in the first level of the hierarchy. 2. Build the hierarchy from the top through the intermediate levels (criteria on which subsequent levels depend on) to the lowest level, which usually contains the list of alternatives. 3. Construct a set of pairwise comparison matrices for each of the lower levels.

Figure 1: Hierarchy Structure of a Food Logistics and Supply Chain Risk



The pair-wise comparison is made such that the attribute in row i ($i = 1, 2, 3, 4 \dots n$) is ranked relative to each of the attributes represented by n columns. The pair-wise comparisons are done in terms of which element dominates another. These judgments are then expressed as integer values 1 to 9 in which 1) $a_{ij} = 1$ means that i and j are equally important. 2) $a_{ij} = 3$ signifies that i is moderately more important than j . 3) $a_{ij} = 5$ suggests that i is strongly more important than j . 4) $a_{ij} = 7$ indicates that i is very strongly more important than j . Finally, 5) $a_{ij} = 9$ signifies that i is extremely more important than j .

Establishment of Pairwise comparison matrix A

The pairwise comparisons are accomplished in terms of which element dominates or influences the order. We used the AHP to quantify experts’ opinions depicted as an n -by- n matrix as follows:

$$A = [a_{ij}] = w_i/w_j = \begin{bmatrix} w_1/w_1 & w_1/w_2 & \dots & w_1/w_n \\ w_2/w_1 & w_2/w_2 & \dots & w_2/w_n \\ \vdots & \vdots & \ddots & \vdots \\ w_n/w_1 & w_n/w_2 & \dots & w_n/w_n \end{bmatrix}$$

If c_i is judged to be of equal importance as c_j , then $(a_{ij}) = 1$; If c_i is judged to be more important than c_j , then $(a_{ij}) > 1$; If c_i is judged to be less important than c_j , then $(a_{ij}) < 1$; $(a_{ij}) = 1/a_{ji}$, ($i, j = 1, 2, 3, \dots, n$), $a_{ij} \neq 0$.

The Case Study, Data Collection, and Analysis

The empirical contest for the study is a US multinational food firm. The focal firm is one of the largest multinational food and agribusiness firms. It operates and markets its products in more

than 40 countries worldwide. It is one of the leaders in foodservice and frozen potato business for more than six decades. It has more than 23 food processing plants around the world cum a workforce of more than 13,000 people. It has annual revenues is more than \$3 billion. The focal firm line of products include avocados, dehydrated potatoes, frozen potatoes, fruits, roasted products, sweet potatoes, vegetables, whole grains blend, and zero-grams trans fat food products.

We used a case study methodology to achieve an in depth knowledge of disruptive influences in the focal firms supply chain. Yin (1994) popularized the use of case study methodology. 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.” The data collection period spans May 2012 - August 2012. We assembled the data through literature review and validated by interviews with the focal firm supply chain C-level executive to determine risk sources. We developed a questionnaire from the hierarchy tree to facilitate pair-wise comparisons between all the risk factors and risk mitigation alternatives at each level in the hierarchy using Saaty’s 1-9 scale. Finally, we solicited the supply chain C-level executive to respond to several pair-wise comparisons with respect to the goal. It took 28 judgments (i.e., $8(8-1)/2$) to complete the pair-wise comparisons. We used the survey questionnaire results as input for the AHP model. We used the data shown in the matrix to derive the criteria priorities. The attribute priorities can be determined manually or automatically using the AHP Expert Choice Software.

Results and Discussion

Figure 2 reports the priority scores with respect to supply chain risks (i.e., decision criteria). Policy and institutional risk is the most important risk in food supply chain that decision makers must be manage, followed by political risk, and logistical and infrastructural risk respectively. The preferred risk management option for policy and institutional, political, and logistical and infrastructure is risk reduction/mitigation.

Figure 2: Priority Scores with respect to Food Supply Chain Risks



For a given risk management alternative, priority is determined for each of the eight supply chain risk. Specifically, multiply each risk management row by the corresponding supply chain priority. The output of each row is summed together to determine the risk management overall score. With respect to the overall priority scores of risk mitigation options, risk reduction is the most preferred risk management option, followed by risk avoidance, risk acceptance (retention), and risk transfer (sharing) respectively. That is, risk reduction (mitigation) > risk avoidance > risk acceptance (retention) > risk transference (sharing). Thus, risk reduction/mitigation is judge as the overall best risk management option.

Conclusion and Managerial Implications

The prevalent of risks and uncertainties in today's global marketplace is real. The prevalent of risks in global supply chains operations emanate from known-unknown and unknown-unknown sources. Logistics and supply chain risks are becoming increasingly challenging in all industries but even more challenging in the food industry. Supply chain risk management can play a crucial part in significantly reducing risks in food supply chain and vulnerabilities in a proactive manner. Firms that are able anticipate vulnerabilities and implement and mitigate risks will thrive and prosper than those that are complacent to the growing imperative of predictive or proactive supply chain risk management. A weakened supply chain due to exposure to risks can lead to delay in delivering food products and services to

consumers, erode revenue margin, reduce shareholder value, and diminish competitive position.

We used the proposed AHP to support a food company interested in the goal of selecting the best risk treatment to mitigate and manage its portfolio of risks. We evaluated the importance of each risk criterion to determine the best alternative risk management strategy. This research offers a number of contributions. It empirically derived risk criteria to be considered in food logistics and supply chain risk management decisions. It provides an added support that AHP can be used in modeling risk and help food supply chain leaders to choose the best alternative or course action. Finally, the paper extends the streams of research in logistics and supply chain risk management by demonstrating that AHP can be used to support this important and difficult decision.

References are available upon request

Summary Brief

Everything You Wanted To Know About Food Trucks But Were Too Hungry To Ask!

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Though food trucks have been with us for some time, there has been an explosion in the number of food truck operators however there is limited academic research available that examines the food truck industry and its operations. Under the auspices of agency theory the authors examined the entrepreneurial activity of owning a food truck. To examine this phenomenon, the authors conducted in-depth discussions with five food truck owner/operators in Houston, Texas to learn about the critical areas of this industry. The findings from these in-depth interviews indicate that promotion via social media has been invaluable for the food trucks. Pricing issues also were readily discussed as there was ample concern about pricing menu items correctly but also how to raise the price when the component costs increase. Finally, legal issues were a significant concern; given the number of municipalities a food truck might operate in during a given week ensuring compliance was a challenge.

Introduction

The ongoing global economic depression has not only led to massive layoffs all across America but has also increased the working hours of those still employed (Bybee 2011). Time scarcity has created an opportunity for entrepreneurs and has led to the formation of the mobile franchising concept which “is based around a product and/ or service that can be brought directly to consumers, bypassing conventional sales routes and often adding value to an otherwise low-profit margin service”(Jean 1988; Preble and Hoffman 1994, p. 6). Food trucks are mobile franchises that provide service at the customers’ location when the customer is unable or unwilling to travel to the food and beverage location. Though food trucks have been with us for some time, there has been an explosion in the number of food truck in cities like Portland, Houston, St. Louis, San Francisco, and New York. While this phenomenon has been explored in mainstream media (e.g., Lukas 2011), there is limited academic research available that examines the food truck industry and its operations. More information is especially needed regarding organization structure, branding, pricing and promotional strategies, and operating challenges. The present study attempts to address some of these informational concerns via a qualitative assessment involving five food truck operators in Houston, Texas.

Food Trucks: An Overview

At a basic level, food trucks are mobile kitchens that are either trucks or trailers pulled by trucks. Initially ethnic food was the mainstay of a food truck menu but today one can find a wider variety of cuisine, from peanut butter and jelly to kebobs and even gourmet grilled cheese sandwiches (Galvani 2012). McNair’s (1958) *wheel of retailing theory* is used to explain the pattern of retail industry growth. According to this theory, new types of retailers with low startup costs, low capital and low prices enter the market and gradually grow in size through increased investments, incurring increased costs, and, hopefully, experiencing increased growth. Finally, they become high margin, top-of-the-line merchants who, in turn, are competitively beaten by new retail forms that emerge as low cost players enter the market. It appears that most food trucks are at the initial stage of the wheel of retailing. McGarry (2012) supports this view by pointing out that one reason for the meteoric rise of food truck operations is the low startup cost.

Reinartz et al. (2011) characterized retailing innovation as a challenge to the retailers to meet the higher order needs of customers by replacing the existing product and service portfolio with more innovative substitutes in order to continue their growth. The key component of an innovation challenge according to Reinartz et al. (2011) is to create “superior value for consumers through innovations that go beyond satisfying needs” (p. 554). It can be concluded that the food truck (as a form of mobile franchise) creates a superior value for the time-pressed customer by introducing mobile food vending operations at the customer’s location thus eliminating the customer desire for nearby retail/restaurant options (Reinartz et al. 2011). Mobile food vendors not only make extensive use of new media and information technology to implement their branding strategies but also to let their customers know of their present location and future routes in real-time. Apps like ‘Square’ are being adopted by mobile retailers to facilitate order fulfillment and mobile payment system. Whereas, an app like ‘Roaming Hunger’ helps consumers in large cities find locations of popular local food trucks at any time of the day.

The governance of a franchise business has been extensively studied in the entrepreneurship area under the tenets of agency theory. Agency theory describes the agency relationship where one party (principal) delegates a task to the agent, who then completes the task (Eisenhardt1989). Although the traditional agency theory is most applicable where an established restaurant extends its operations to a mobile format, it is important to gain

insights about the governance structure of the other types and the value created for the shareholders of the business.

Qualitative Interviews

The goal of the initial research effort in this study was to have discussions with several different owner/operators of food trucks in the Houston metro area. At the start of any new business-oriented research project, researchers should talk with those managers actually in the field. This discussion with managers gives the researcher an opportunity to see if the questions they want to study really are relevant. Furthermore, these in-depth discussions give the researcher clarity regarding how the concepts to be studied manifest in real life. The authors of this study took the opportunity to learn from five food truck owner/operators as an initial step in refining the research objectives and research model used in this study.

Interview Findings

Marketing strategy is an important component for any business, but it is especially critical for a new business. Not surprisingly, food truck operators stress promotion and pricing issues. The advent of new promotion/advertising tools via social media were cited as useful by several respondents. In general, the respondents believe social media has had the biggest marketing impact on their operations. Social media acts as an extension of word-of-mouth advertising, which is a commonly used tool for innovative products and services (Reinartz et al. 2011). Another marketing related topic was the push by the food truck owner/operator to use local/organic sourcing. The in-depth interview participants indicated an objective to use as much organic or locally sourced ingredients as possible. From a marketing strategy perspective, this goal fits well with the driving force behind their entry into the food truck arena – being able to offer high quality innovative cuisine. The next concern mentioned by the five respondents was how to price their food truck offerings. Given that many food truck operations use organic or locally sourced ingredients these vendors find limited opportunities for economies of scale and thus pricing their offerings can be a challenge. Several vendors mentioned the need for a better understanding of food component costs which would help refine their pricing methodology.

For most business owners, their growth strategy means they have to stay relevant to the customers. While many food trucks have a core product offering, the “chef” wants an option to experiment while still keeping to the “hot” items available. The growth strategy also influences the overall marketing strategy as raising brand awareness not only helps sell individual meals but allows the operator to expand their catering operations as well.

As with any business, but especially those dealing with food preparation, legal issues need to be considered. The most commonly expressed concern was the importance of knowing the health regulations and other business operation rules for the city. While the traditional restaurateur has the support of an association (which can lobby on their behalf with the local government), many food truck business owners didn't feel they received the same

level of support from these organizations. The food truck operators did stress the need to work with municipality officials to avoid legal difficulties.

Conclusions

Our discussions with five food truck vendors provided insight into the food truck business and helped reinforce the overarching concepts we initially thought important and helped refine our understanding on the critical concerns (e.g., the regulatory environment or rising food prices that may be difficult to pass on to the consumer) of this growing industry. The next step in our research will be the development of a survey for the food truck vendors and a separate survey for their customers. We believe a dyadic study, with a direct connection between the customer and the food truck they buy from will enable a more robust understanding of operational decisions and the customer's perceived satisfaction.

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PRICING TRACK

**Track Chair
Nwamaka A. Anaza**

Summary Brief

Are .99 Price Endings Still an Effective Way to Influence Purchase Intentions?

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Research on right-digit manipulations has been plentiful and the reasons behind its effect have been extensively chronicled. Yet in an age where consumers are highly informed, will the 99-ending effect stand the test of time? This paper explores that very question. The results of an online experiment show that 99 ending prices still influence consumer perceptions and ultimately their behavior intentions, yet only under specific conditions.

Introduction

The popularity of the 99-ending is traced to “just-below” or “odd” pricing. By subtracting one cent from a round price the left-most digits are reduced thereby creating an illusion that the price is lower than it actually is. Urbany, Dickson and Kalapurakal (1996) argues that consumers do make decisions based on how prices are displayed, but do not always follow the path set up by marketers when it comes to purchasing. They propose that prices serve as reasonable surrogates for consumers’ internal reference prices for frequently purchased products. Hence, consumers look to the market average rate of a product when deciding what to purchase.

Higher prices highlight the financial risk inherent in product selection. Under riskier conditions, consumers will be more motivated to process price information (Manning and Sprott 2009), and thus will not depend on heuristics (like right-digit pricing) while making a purchasing decision. Accordingly, we propose that at high price levels, 99-ending tactics will have no effect on consumers’ purchase intentions (H1).

Feick and Price (1987) define price mavens as consumers with a desire to be informed about products and the market. They are more knowledgeable than the average consumer and thus are less susceptible to pricing tactics than the average consumer (Grewal et al. 1998). They will interpret 99-ending prices as an attempt by the retailer to be sneaky or slick (Calogero 1982), and will have more trust in the truthfulness of no-ending offer. Accordingly, we propose that mavenism will affect consumer purchase intentions in the no-ending price condition but not 99-ending price condition (H2).

Kreul (1982) suggests that 99-ending prices carry connotations of low quality. Schindler (1991) also adds that prices set at round numbers signal higher quality. Accordingly, we propose that perception of offer value will have a stronger influence on purchase intentions in the no-ending price condition than in the 99-ending condition (H3).

Offer elaboration, another proposed factor, is defined as the amount of self perceived cognitions about the offer (Folse, Niedrich and Grau 2010). Consumers usually opt for the less risky

choice, a product that conforms to expectations, because it is driven by the desire to avoid the negative emotions associated with an unwanted outcome (Luce 1998). Thus, when exposed to an offer with right-digit pricing, consumers are not spontaneous and elaboration is triggered. Conversely, when exposed to a no-ending price, a product that does not conform to their expectations, consumers are more likely to quickly dismiss the offer (H4).

Finally, Cunha and Shulman (2010) suggest that when judging prices, consumers utilize a reference price that’s representative of that category. Since 99-ending prices have been highly popular, when consumers are exposed to a no-ending price it will be judged as atypical and will be approached with skepticism (Hardesty, Carlson and Bearden 2002); Accordingly we propose that in the no-ending condition, attitude towards the price will have a negative effect on purchase intentions (H5).

Methodology

To explore our effects an online survey was conducted. Respondents were presented with one of four offers manipulated in a 2x2 between subjects design. The first factor is the price level where a laptop and a Blu-ray player represent the high and low price levels respectively; the dollar amounts of the offer seen were \$90/ 89.99 for the low price level and \$900/ 899.99 for the high price level. The second factor is the price endings, price with right digit ending (\$89.99, 899.99) and those with no right digit ending (\$90, 900).

A 2x2 ANOVA (99-ending, no-ending) x (low-price, high-price) with participation intentions (PI) as the dependent variable was conducted. The results showed a significant main effect of price level ($F(1,142) = 24.972, p < 0.000$) as well as a significant two-way interaction between price-ending and price-level on PI ($F(1,142) = 6.814, p < 0.01$).

A planned comparison of the interaction showed that at low price level: the mean PI for the no-ending price was significantly lower than that of the 99-ending ($M_{NoEnd} = 4.206$ vs. $M_{End} = 5.282, p < 0.027$). At high price level, conversely, the means of PI for both categories were not significantly different. However, the results did show that the means of PI for the 99-ending price at low and high prices, were significantly different, with the 99-ending low price showing a higher mean ($M_{Low} = 5.282$ vs. $M_{High} = 2.657, p < 0.000$) thus confirming H1.

A split-by-ending regression, with Purchase Intention (PI) as our dependent variable and Offer Attractiveness (OA), Attitude towards Price (ATP), Value perception (VP), Offer Elaboration

(OE) and Price Mavenism (PM) as our independent variables, was run.

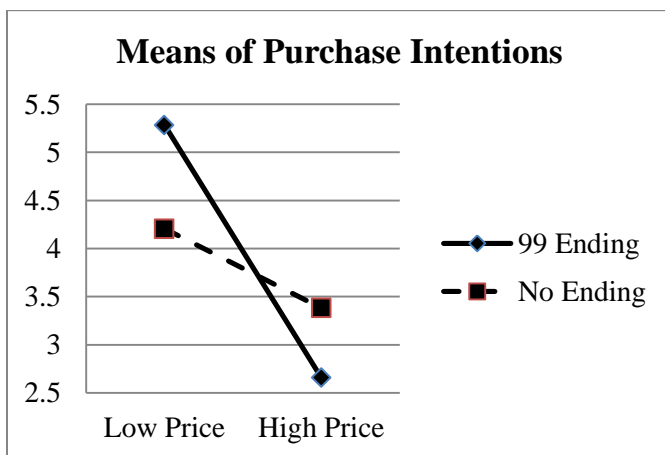
Adj. R^2 for the no-ending model was 0.705. The results indicate a strong relationship between OA, VP, and PM and PI ($\beta=0.452$, $p=0.000$; $\beta=0.351$, $p<0.002$; and $\beta=0.130$, $p<0.05$ respectively). Furthermore, ATP has a significant (at $\alpha=0.1$), but negative, effect on PI ($\beta= -0.163$, $p<.06$); while OE had no effect at all ($\beta= 0.01$, $p< 0.889$).

The 99-ending model explains 58% of the variance in PI (Adj. $R^2= 0.587$). The results indicate a strong relationship between OA, VP, and OE and PI ($\beta= 0.439$, $p= 0.000$; $\beta= 0.298$, $p< 0.023$; and $\beta= 0.160$, $p< 0.043$ respectively). ATP and PM have no effect on PI ($p< .269$ and $p< 0.410$ respectively). Consequently, H2, H3 (partial), H4 and H5 are supported.

The authors still have more factors to explore that might impact the effectiveness of right-digit pricing. The results of this research demonstrate offer attractiveness and perception of value are significant drivers of purchase intentions. However, in the no-ending condition, attitude towards the price as well as price mavenism affected the respondents' purchase intentions. In the 99-ending condition, the respondents elaboration on the offer was also an important factor influencing their purchase intentions.

Table 1. Regression Results

Independent Variables	β	t-value	p	Hyp
(a) No-Ending Price Model, Purchase Intention as D.V.				
Attractiveness	0.452	4.560	0.000	
Price Mavenism	0.130	1.949	0.050	H2
Value Perception	0.351	3.208	0.002	H3
Offer Elaboration	0.010	0.140	0.889	H4
Attitude Toward Price	-0.163	-1.852	0.060	H5
<i>Adj. R² = 0.705; F = 33.073; p = 0.000</i>				
(b) 99-Ending Price Model, Purchase Intention as D.V.				
Attractiveness	0.439	4.166	0.000	
Price Mavenism	0.063	0.830	0.410	H2
Value Perception	0.298	2.324	0.023	H3
Offer Elaboration	0.160	2.067	0.043	H4
Attitude Toward Price	-0.122	-1.113	0.269	H5
<i>Adj. R² = 0.587; F = 21.784; p = 0.000</i>				



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Summary Brief

Willingness-to-Donate Money at Fundraising Event

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The key issue for organizing fundraising events is how to maximize attendees' willingness to donate money at fundraising events. Accordingly, this paper proposes the investigation of factors influencing the willingness to donate (WTD) money at fundraising events based on a mental accounting framework. This paper concludes with the expected theoretical and managerial contributions.

Introduction

Fundraising events may vary from sponsored marathons to fashion shows to dog costume contests, but all of the events share one key attribute. The attendees gain some private benefits (something in return), such as a sense of personal achievement and an opportunity to demonstrate their generosity and/or simply have fun. As attendees' supporting the charity may be secondary to the private benefits they gain from attending the event, fundraising events serve as channels for charities to broaden their donor bases beyond those whose primary motivation to support the charity is their fundamental belief in the particular charity's cause (i.e., philanthropic). It is commonly assumed that the main objective of organizing a fundraising event is to persuade attendees to part with more money than such an event actually costs. Accordingly, the key issue for organizing fundraising events is how to maximize attendees' willingness to donate (WTD) money at the event. As such, this paper aims to propose the investigation of what factors influence WTD money at fundraising events based on a mental accounting framework.

Conceptual Framework

Mental accounting research suggests that consumers use mental accounts as a form of spending self-control by allocating budget limits in certain expense categories (e.g., donation for a particular fundraising event) (Thaler and Shefrin 1981). Consumers monitor expenses in a particular mental account category to avoid overspending on tempting items (Heath and Soll 1996). In every purchase transaction, consumers create a psychological link between the costs and benefits of that particular transaction defined as coupling (Prelec and Loewenstein 1998). Coupling is the degree to which thoughts of consumption evoke thoughts of payment and vice versa (Prelec and Loewenstein 1998). Consumption and payment are tightly coupled when it is clear that consumption is financed by a particular payment (Prelec and Loewenstein 1998) (e.g., paying \$2 in cash for a cup of coffee).

Nevertheless, perfect coupling does not exist in all transactions. In purchase transactions where costs occur prior to the receipt of benefits, this may lead to a systematic and economically irrational sunk cost known as the sunk-cost effect (i.e., the instance in which a consumption decision is influenced by previously paid investment costs, even though only the future

costs and benefits should matter at the time of consumption) (Arkes and Blumer 1985). Gourville and Soman (1998) add to this stream of the literature by proposing that in the case where payment occurs prior to the benefits received, the sunk-cost effect will be depreciated over time as payment depreciation. In other words, a greater distance between prepayment and consumption reduces the consumers' ability to track the cost.

Based on the premise of mental accounting, the researcher contends that the temporal distance between purchasing an event ticket and attending an event will influence attendees' WTD money at the fundraising event. The researcher predicts that attendees will have a greater tendency to justify a decision to donate additional money (i.e., due to the lack of tracking prepayment for an event ticket) and, consequently, exhibit a greater WTD money in fundraising than their initial donation budget (e.g., at the event ticket price) when purchasing an event ticket occurs an extended time prior to attending an event.

Additionally, as many attendees' attend the event for fun, there is growing popularity to employ the use of raffles (i.e., the selling of tickets to win a prize awarded through a random drawing) as a fundraising method. Raffles do not only directly increase event revenues (e.g., from the ticket price), but they encourage attendees to stay at the event longer (e.g., until the awards are announced) and potentially spend more money (e.g., for food and drinks) during the event. In other words, the longer the participant's stay at the event, the greater the expenditures. Raffles can be sold either at the beginning of the event when the attendees register or after event registration (e.g., during the event when staff encourage additional raffle purchases). Accordingly, the researcher predicts that WTD money at the fundraising event will be greater when raffles are sold after attendees register and is participating in the event (vs. during the registration process prior to event participation). The cost of an event ticket becomes less salient and attendees have already received some benefit from the money they spent for an event ticket. That is to say, attendees will be likely to close their fundraising event donation ticket account and loosely create a new mental account for WTD money while attending the event.

Conclusion

This paper is expected to generate certain theoretical and managerial contributions. This paper adds to the literature in pricing, specifically the pricing of fundraising events by proposing the concept of WTD money at the event. Furthermore, mental accounting theory suggests that consumers tend to open mental accounts for a particular fundraising event when they purchase a ticket (cost incurred) and close it once they attend the event (benefits received) and the payment depreciates over time. This paper predicts that WTD money at the fundraising event will be greater for *selling an event ticket online and separately selling raffles at the event* than *selling both an event ticket and raffles*

online. This paper highlights the need to distinguish conceptually between consumers' donation decisions that are erroneous due to a loss of spending self-control (e.g., donate more money than their initial budget) and donation decisions that are more adaptive where consumers close their mental account for an event ticket when attending the event and open a new mental account and allocate the new budget for donation during the event.

When addressing managerial contributions, the organizers of fundraising events (charities) may use this paper as a guideline for their fundraising event pricing strategy. For example, they should consider using a multichannel-pricing strategy, by encouraging selling event tickets online, while selling raffle tickets offline (i.e., at the event). Since consumers' awareness of fundraising events plays an important role in maximizing event revenues, advertising events online (e.g., from their own website or local magazine websites) and social media (e.g., Facebook) is becoming increasingly more common. Event organizers should encourage advance ticket sales via these channels (e.g., online ticket price is lower than the one at the event). Also, they should train their staff to sell raffle tickets during the event (e.g., approach attendees directly when they first arrive at the event or as the event progresses).

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Summary Brief

Price Signals in Online Auctions: Explicit Price Floors and Left Digit Processing Effects

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Recent research suggests that the use of higher minimum starting bids coupled with higher buy-it-now prices increases the maximum price participants are willing to bid on items in online auctions. The use of higher starting bids and higher buy-it-now prices appears to be a signal to the buyer that the seller is less willing to accept a low price and results in higher willingness to bid estimates. Based on these findings, the current study examines the use of explicit/implicit price floors and odd/even buy-it-now prices as additional price signals to the buyer regarding the seller's willingness to accept a low price. Results of the study suggest auction listings with an explicit price floor yield significantly lower initial bids but fail to result in a higher final auction price. Retail price disparity effects using the same versus a smaller left digit buy-it-now-price was shown to be non-significant.

Introduction

The largest online auction site in the world, eBay, introduced a “buy-it-now” (BIN) option in 2002 that allows buyers the chance to purchase an item without bidding. By 2007, approximately 50 percent of eBay auctions offered a BIN price and sales using this feature accounted for nearly 40 percent of sales volume (eBay 2007). More recently, eBay introduced a fixed price auction feature called “best offer” (BO) which allows buyers to negotiate with the seller on a purchase price rather than placing bids. Today these fixed price formats account for approximately 66 percent of eBay's gross merchandise volume compared to traditional auction-style formats (eBay 2012).

Explicit Price Floor Effects

While online auctions provide an opportunity for buyers to acquire items for a bargain price (Frontier Economics 2008), sellers typically reduce uncertainty of an item's value through price cues. For instance, the starting price, the BIN price, the minimum reserve price the seller will take for the item, and the average retail price provided in the item description have all been shown to influence buyers' valuations and purchase decisions (e.g., Lucking-Reiley et al. 2007). While all these seller-controlled variables serve as price cues, the starting price serves as the lower bound anchor point for the negotiation process and influences both initial offers and counteroffers (Kristenson and Garling 1997). In terms of eBay's fixed price auctions, only the BIN feature allows the seller to include a starting price. Potential buyers should experience more certainty about an item's value when an explicit price floor, or starting price, is provided. Although a low, as

compared to high, starting price appears to signal a seller's willingness to accept a lower final price (Hardesty and Suter 2013). In the absence of an explicit price floor (i.e., minimum bid, reserve price), greater uncertainty regarding the value of an item may lead to more variance in potential buyers' valuations and potentially result in a higher final price. Indeed, Kamins et al. (2004) found that auctions with greater uncertainty (no price signal) lead to higher final prices than auctions with a value signal.

H1: Explicit price floors (i.e., starting bids) have a negative effect on auction prices

Left Digit Processing Effects

Consumers have also been shown to respond more positively to price reductions when a corresponding external reference price is provided (Blair and Landon 1981). In essence, high external reference prices result in more positive framing effects since they convey the perception of getting a better deal (Bearden et al. 2003). However, research suggests that consumers generally process comparative price information using mental heuristics rather than calculating the true price discount. One such heuristic, sequential-place-value model (Poltronek and Schwartz 1984), suggests consumers view prices with different left most digits to have greater disparity than prices with similar left most digits. Thus, consumers may perceive an auction item with a retail price of \$98 and a BIN price of \$89 to be a much better deal than the same item with a retail price of \$99 and a BIN price of \$90. The use of disparate left-most digits may draw the buyer's primary focus of attention on the deal and signal greater willingness on behalf of the seller to accept a low price. Instead of purchasing the item at the stated BIN price, consumers may decide to place a low bid or offer.

H2: Auction prices for items will be lower when the left-most digit of the BIN price is smaller than the left-most digit of the stated retail price.

Method

A 2 X 2 between subjects experimental design manipulated the presence of a price floor and left digit disparity of the retail vs. buy price. One-hundred seventy six undergraduate students were instructed to read a scenario related to the purchase of a new Samsung Galaxy tablet computer. The scenario informed subjects the current marketplace price for the item was \$329. After reading the scenario, subjects were randomly assigned to an experimental condition that required them to review an eBay listing for the product and decide whether to purchase the item at the listed BIN

price (i.e., \$299 or \$300). If they did not accept the BIN price, they were instructed to either place a bid for the item (i.e., \$200 starting bid) or make an offer for the item (i.e., no starting bid) based on the assigned condition. After placing the initial bid or offer, subjects provided the maximum price they would be willing to pay for the item. Auction stimuli were created using the eBay preview feature which allows users to create an auction listing prior to publishing it on the “live” site. To avoid potential confounds, item description, shipping costs, number of bids, seller reputation, and auction length were held constant across conditions.

Analysis and Results

A non-significant ANOVA indicated that gender, ethnicity, and prior eBay experience (buying or selling) did not vary across conditions. Eighty-three subjects declined the BIN price. Results of a two-way ANOVA reveal initial bids in auctions with an explicit price floor, $M = \$219.23$, were significantly less than initial bids in auctions absent a price floor, $M = \$261.74$ ($F(1, 79) = 79.30, p < .001$). However, retail price disparity effects using a smaller ($M = \$234.98$) vs. the same ($M = \239.86) left digit BIN price was shown to be non-significant ($F(1, 79) = .711, p = .402$). Moreover, there was a non-significant interaction effect ($F(1, 79) = .004, p = .947$). Thus, we only find support for H1. Post-hoc analysis revealed no significant differences across all conditions based on the maximum price subjects were willing to pay for the item.

Limitations

Due to the method employed, the relatively small sample could have influenced the size and direction of the results reported. In particular, there is substantial theoretical support for the left digit processing effects hypothesized in this paper. Future research using a method that yields larger cell sizes is warranted. In addition, there are a number of personality traits, values, and attitudes that may affect consumer’s willingness to participate in online auctions, as well as the price they may be willing to bid for an item. Self-regulatory orientation, trait competitiveness, sensation seeking, deal proneness, brand consciousness, product involvement, risk taking and impulse buying tendencies may all influence initial and future bid prices. Future research is needed to better understand the effects any of these variables may have on online auction behavior.

Conclusion

Results from study suggest the auction listings with an explicit price floor yield significantly lower initial prices. Moreover, a lower initial bid did not lead to a higher final price. This supports findings by Ariely and Simonson (2003) that while a low initial price may draw more bidders to an auction, more bidders may not lead to higher final prices. This suggests that a seller of a low demand item avoid the use of traditional auction formats that use low starting bids in favor of a permanent BIN or BO format. Further, the results suggest that setting a low initial price in induce more bidders may only be appropriate for high

demand or limited quantity items (e.g., popular concert tickets, prominent sporting event tickets, etc.) that encourage “bidding wars” that drive the price beyond the established BIN and retail price. Thus, the use of an explicit price floor should be dictated by marketplace demand for the item.

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