INSTILLING A DESIRE TO LEARN: THE IMPORTANCE OF A WELL DESIGNED COURSE

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ABSTRACT

A Chinese proverb says, “Teachers open the door, but you must enter by yourself.” My goal as an educator is to inspire students to enter by instilling a desire to learn and think critically. To achieve this, I strive to (1) have well designed courses, (2) use a variety of tools and techniques, (3) include practical applications of theory, and (4) lead the students by example.

A well designed course provides the foundation from which students structure their learning. The course must have clear objectives, a well thought out timeline for achieving those objectives, and creative ways in which the content is engendered in students. I begin my courses with the big picture overview, and then dive into the details using a variety of methodologies. I end the course by reiterating the big picture. My goal is that the students leave the course not only inspired and curious about the area and its overall relationship to business, but also with numerous, practical tools they can apply.

Because students have different learning styles, I vary the tools and techniques in my classes. This also creates engagement in the class. Although I include traditional teaching methods (e.g., lectures, presentations, class discussions, readings, cases, exercises, videos, guest speakers), I constantly innovate trying new methods. Some which have been very successful are: current events discussions at the opening of class each week which relate to the overall class topic (e.g., market research), debates (e.g., the ethics of marketing experiments), a workshop approach in learning software (e.g., Qualtrics, SPSS), “pair and share” feedback among the students as they develop and implement their course project, having the students prep and lead the class (e.g., structured around a case or a reading), and building prototypes (e.g., designing structures as they apply experimentation concepts).

I feel it is critical for students to leave the course having applied the theories they have learned to practical applications. This engrains the experience in students by bringing the learning to life. Each course I teach has a semester long project in which the student has to apply the course concepts. Although I let the students determine the project, it must have a managerial focus which is practical and applicable. I also have the students present their work to the class so they have the opportunity not only to do the work, but to evaluate, critique and provide feedback on other student’s work. Doing this encourages students to think critically, ask questions, and drill down not only on their own projects but also on those of their classmates. I apply a similar model with cases and current event discussions. Encouraging and applying this critical thinking throughout the course is a cornerstone of their learning. It increases student responsibility for learning and pushes students to deeper levels of analysis. I also frequently cold call on students as it forces them to always be prepared and engaged in class discussions.

Finally, to inspire excellence in my students, I lead by example. I am always prepared, organized and enthusiastic. I also create a personal connection with each student by asking them to share their background and some fun facts about themselves with me in an email. I respond to each of these emails cementing that personal connection which subsequently helps in engaging and motivating them. I am always available to my students. I arrive at class early and stay late so that students can chat with me. I also respond quickly to their emails, and will meet with them whenever they request. I also do an
extensive evaluation of the student’s end of the semester course feedback. I make notes of what worked and what didn’t. I then come up with a plan for how I can change and improve for the future.

This dedication and structured approach has resulted in courses which students will comment have changed their way of thinking. It is a joy for me to be able to engage with students in this manner.
Students and faculty today have an abundance of interesting and important information at their disposal within seconds of a search request. Information about natural events, war, tragedy, technology developments, controversies, ethical, diversity, and environmental considerations, general descriptive statistics, and even extensive company or policy history information can serve to enrich understanding of role and usefulness of theories, strategies, and policies of companies, agencies, and governments. Our challenge as educators is to prompt students to think critically about details as well as holistically about the “big picture” and emerging pictures. With various social media tools, we now have environments that can facilitate more student to student education (and the monitoring of this process as well).

In this session, I will describe some of the techniques that I have employed over the years in attempts to capture and maintain the attention of students in my courses. I will also describe how I try to utilize the wealth of expertise in the classroom to enhance the course experience for students and for myself. I teach courses on Consumer Behavior, Digital Marketing, Advertising, and Green Marketing Management. I usually require an extensive individual research paper, in addition to traditional exams, cases, and marketing or advertising plans. I also require students to participate in online discussions. Students make suggestions for resources for papers and critique the papers/presentations of other students. Students also suggest online resources that are relevant to the textbook and lecture discussions. In-class discussions are typically exchanges between me and the students but more importantly, evolve to be exchanges between students that often carry over the online discussion board.
CURRICULAR INNOVATIONS AT THE INTERSECTION OF SUBSISTENCE AND SUSTAINABILITY

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ABSTRACT

“The challenge of education is to prepare students for their future – not our past” - Anonymous

We have pioneered the area of subsistence marketplaces, creating unique synergies between research, teaching, and social initiatives (www.business.illinois.edu/subsistence). Distinct from relatively macro-level business approaches to poverty, (e.g., BoP), we adopt a micro-level approach to gain bottom-up understanding of life circumstances of subsistence consumer, entrepreneur and marketplace behaviors. The term, subsistence marketplaces, reflects understanding these contexts in their own right, not just as markets to sell to, but as individuals, communities, consumers, entrepreneurs, and marketplaces to learn from.

This program first led to a yearlong, innovative inter-disciplinary graduate-level course on sustainable product and market development for subsistence marketplaces with international immersion, offered since 2006-07. Students in business, engineering, industrial design and other areas spend the Fall semester understanding subsistence marketplaces through virtual immersion (poverty simulation, analysis of interviews of subsistence individuals, analysis of life circumstances in subsistence, development of conceptual models of poverty, needs, products, market interactions, and local environments) in this context and through emersion of business, design, and engineering principles. Interdisciplinary student groups work on organizational projects, generating and evaluating possible ideas for solutions to problems, and prepare for field research. The class travels for immersion in the context and to conduct market research during part of the winter break. Students observe households, marketplaces, and communities in urban and rural subsistence contexts and interview various stakeholders. A prototype and a comprehensive business plan are developed in the spring semester.

This course sequence was ranked one of the top entrepreneurship courses by Inc. magazine in 2011, serving as a unique platform for bottom-up innovations for companies and social enterprises in 33 projects to date over 8 years. Insights from projects are being implemented by some sponsor enterprises and a student group has won a prestigious design award. Students earn a certificate in sustainability based on their accomplishments.

Based on this experience, we designed a module on developing sustainable businesses for subsistence contexts in a Business 101 course in 2007, then scaled for all incoming first semester undergraduate students (approximately 600). Since 2008, we also designed and offer Sustainable Marketing/Business Enterprises for first year MBAs focusing on environmental sustainability and business, with an online version for undergraduate students. We also designed and teach an executive MBA course on Global Business Horizons, focused on subsistence and sustainability since 2011, and a first semester course for undergraduate engineering students entitled Engineering for Global Development since 2012. Our curricular innovations have led to early exposure and later integrative experiences on subsistence and sustainability for undergraduate and graduate students and executives, which challenge them to confront radically different contexts and envision a better world. In eight years, the Illinois business curriculum has been transformed, reaching almost 800 students annually. An eBook entitled Subsistence
Marketplaces serves as an ideal text for this content area and created a web portal for educators around the world to disseminate materials and encourage curricular innovations in this area (day in the life videos, movie, multi-media immersion exercises, qualitative interviews, project reports). An online version of the course is reaching students around the world through Coursera, with the first iteration having close to 9,000 students.

In terms of educational philosophy, our curricular innovations challenge students to confront global problems and envision a better world, adopting a conception of business that focuses on finding win-wins between different dimensions of sustainability while acknowledging trade-offs, and emphasizing a pragmatic focus on doing sustainability. Our courses emphasize bottom-up innovation that inverts traditional top-down business planning and implementation to consider understanding and design of solutions that begin with the perspective of the end-user, the subsistence consumer or entrepreneur, the communities and the larger context. We emphasize bottom-up teaching approaches and numerous different ways of learning, such as through enabling students to connect the dots for themselves across the world through international immersion, the epitome of experiential learning experiences. Finally, our teaching is highly synergized with research and social initiatives, highlighting the close linkage between creation and dissemination of knowledge as well as public engagement.

Our work has had profound impact on businesses and social enterprises, business education, and subsistence populations, and has been multiplied by our work in social enterprise. We founded the Marketplace Literacy Project (http://www.marketplaceliteracy.org), designing and offering a unique marketplace literacy program in India, currently being scaled to reach large audiences using video-based approaches, with pilot efforts in other countries. Supplementing previous work on market access and financial resources, marketplace literacy enables subsistence consumers and entrepreneurs to adapt to changing marketplaces and engage in sustainable practices. Through this program, the discipline of Marketing reaching people who likely will never have access to a university. Grounded in fundamental Marketing notions of customer orientation, our work has led to pioneering innovations to address the global challenges of our generation that impact educators, students, and subsistence communities around the world.

References Available Upon Request
MENTAL IMAGERY AND ITS DETERMINANTS AS FACTORS OF CONSUMERS EMOTIONAL AND BEHAVIORAL RESPONSES: SITUATION ANALYSIS IN ONLINE SHOPPING

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ABSTRACT

The study of mental imagery among consumers has an increasingly important place in marketing research and particularly in the context of distance selling where trying the product is initially ‘imaginary’. This quasi-sensory or quasi-perceptive experience that the individual is aware of, develops in the absence of conditions for real and authentic stimulation. For several years marketing research has tried to understand the various influences mental imagery may exert on consumer behaviour. Since responses to imagery can be cognitive, emotional and conative, the field of research is vast.

The literature regarding the concept of imagery underlines the interest of studying the effects of imagery and its antecedents on the consumer’s emotional and behavioural responses. The links that exist between these concepts are indeed rarely studied. Therefore this study aims to answer the following research question: What role does mental imagery triggered by a product presentation on an e-retail site play in the production of consumer emotional and behavioural responses?

The results of this study highlight the positive influence of self-mental imagery and its antecedents on mixed anticipated emotions and purchase intention and impulse purchase of e-consumers. For example, the more the e-consumer imagines using or buying the product displayed, the stronger impulse purchase and purchase intention will be. Moreover, the choice of stimuli used in the presentation of a product can significantly influence mental imagery and behavioural consumer responses. To reach the dual objective of improving self-mental imagery and purchase behavior, this research tends to choose a photo with staging of the product and include imagery instructions in the text.

The aim of this study is to provide new data concerning mental imagery in a e-commerce setting after an empirical study while contributing conceptually and methodologically to the literature in marketing.

REFERENCES

ABSTRACT

With the development of the Internet, consumers can now shop for products sold thousands of miles from home without making a move. This feature of the Internet has a role in redefining the commercial universe, by reducing distance electronically. However, if buying on the Internet has been widely studied in the marketing literature (e.g., Gefen, Karahanna and Straub, 2003), and if offline cross-border purchasing has received increased attention in recent years (Baruca and Zolfagharian, 2012), the cross-border Internet experience remains largely ignored. Yet this is a critical issue of both theoretical and practical implications: better understanding of international Internet shopping helps to increase our knowledge of the customer experience when buying online, and offers important lessons for local retailers, who are losing sales that used to be assured, in how to attract foreign customers or retain their local clientele.

To identify the factors influencing the Internet cross-border purchasing experience, this research, presents a review of the marketing literature on international purchasing was made covering the period starting with the article by Herrmann and Beik (1968) until 2013. Thirteen articles on across border purchasing were identified, and provide an important base for the construction of a theoretical model of cross-border shopping on the Internet.

A conceptual model identifying six drivers and a moderator of cross-border shopping on the Internet is proposed. Among the six factors influencing the intention to make a cross-border purchase on the Internet, three are direct: the perceived quality of the foreign retailer’s offering, familiarity with the foreign retailer, and susceptibility of the consumer to social influence. Two factors directly affect purchasing intentions together with an indirect effect via an influence on the perceived quality of the offering: language skills and the consumer’s ethnocentrism. One factor, associated costs, has only a direct effect on the perceived quality of the offering. Finally, confidence in the foreign retailer plays a moderating role between the perceived quality of the offering and purchasing intentions. It may be noted that the three factors having a direct impact on purchasing intentions, as well as the moderator, relate to specific issues while shopping on the Internet, while the other three factors relate to the international nature of the cross-border Internet purchase. This suggests that the international dimension interferes with purchasing on the Internet when buying from a foreign retailer. The experience of cross-border shopping on the Internet could be considered to be an electronic experience, added to which the international dimension influences the consumer experience and purchasing intentions, chiefly by influencing the perception of the foreign retailer’s offering. The proposed conceptual model calls for understanding the set of determinants of cross-border Internet purchasing intentions. Even though this phenomenon is growing rapidly, marketing research in this area is scarce. It is necessary to understand the experience of cross-border purchasing on the Internet to better comprehend not only this growing trend, but also to enable significant managerial contributions.

References Available Upon Request
HOW CAN AN ASSORTMENT BE REDUCED WITHOUT CHANGING THE PERCEPTION OF VARIETY? A STUDY OF THE ISOLATED EFFECTS OF ASSORTMENT BREADTH AND DEPTH

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ABSTRACT

One of the major concerns of retailers is to reduce and rationalize their product assortments in the face of a twofold constraint: on the one hand the saturation of retail space and on the other the growing number of hard discount and convenience stores. Hence the need to reduce costs and consequently the assortments offered in all existing formats of mass food retailing. In this context, many studies focus on all decisions concerning the selection of the assortment, but there are many more ways of making improvements, particularly with regard to consumer perceptions and preferences (Mantrala et al., 2009). This research is conceived along these lines. We seek to improve knowledge of the consumer’s perception when faced with a product assortment. Up until now, work on consumer perception has highlighted the importance of the variety perceived by the consumer (Kahn and Wansink, 2004) and explored how to reduce an assortment without affecting the perception of variety (Sloot, Fok and Verhoef, 2006). We see two main limitations to these studies. The first concerns the lack of detail on the nature of the attributes that are manipulated, which probably partly explains the discrepancies among the results observed. The second limitation relates to the experimental conditions. Whereas work on space allocation uses real data for real stores, work on consumer perception is often remote from the real purchasing situation. The objective of our study is thus twofold. We aim to review the contributions of the literature by mobilizing the concrete characteristics of an assortment, namely breadth and depth. We believe that a more systematic definition of attributes, according to whether they contribute to the breadth or depth of the assortment, would allow a better understanding of the perception of variety by consumers and thus a better understanding of their behavior. It is a matter of examining the role of attributes within the complex entity represented by a product assortment rather than the nature of the attributes themselves. While the contribution and importance of attributes can vary from one category to another, we propose using breadth and depth, which characterize any assortment irrespective of the product category concerned. In response to our research objectives, we have first reviewed the literature and formalize our research hypotheses. In collaboration with Carrefour and In Vivo and to isolate the effects of breadth and depth, we manipulated supermarket rice “standard-assortment” to reach four combinations of breadth and depth. We questioned 1,009 consumers in test stores and we highlight the mediating role of the perception of variety using the bootstrap procedure recommended by Zhao, Lynch and Chen (2010). We argue that is unnecessary, for ensuring a large perceived variety, to provide both a high degree of breadth and of depth and thus that retailers might reduce their assortments without affecting consumers’ perception of variety.

References Available Upon Request
An Interactive Session with Top Reviewers

This session will address the complexities of getting your work accepted by major marketing journals, with special attention on ways that reviewers read, think about, and assess manuscripts. Three of the profession’s top reviewers will give short presentations on their approaches – while distinct in detail, there are critical overlaps. Their diversities and their commonalities need to be understood by faculty who want to publish in A-level (or even B-level) journals, for reviewers are the “first line of defense” against poor scholarship appearing in print. (As humans, we prefer to review well-written, insightful manuscripts that we can help polish to a publishable form. Hopefully this session will get all of us closer to our preferences.)

The preponderance of our time will be devoted to an interactive question and answer session. We will entertain topics ranging from what to research; where to submit; how to respond to reviews (whether positive or negative); and any other journal-related questions that arise. The key point is that we will have a meaningful, interactive discussion in which all three reviewers respond to most questions; follow-up elucidations will be encouraged.

This session should be enlightening for anyone interested in publishing in the top journals, from current doctoral students, to new faculty, to those who have been around for a while (or longer).

Participants
Charles (Chuck) Ingene is Distinguished Professor of Business Administration at the University of Mississippi. He is a past editor of the Journal of Retailing, and is currently an Associate Editor at JR. He also serves on the editorial review boards of Marketing Science, Journal of the Academy of Marketing Science (JAMS), and the Journal of Real Estate Research, amongst other journals. He was previously on the Journal of Marketing and Journal of Macromarketing boards. He has been a Best Reviewer for JAMS (1997 – 2000; 2009) and JR (2005, 2009, 2011). He co-chaired the AMA Summer Educators’ Conference in 1988 and the Macromarketing Conference in 1987.


Linda Price is Underwood Family Professor of Marketing at the University of Arizona. She received the “Cutco/Vector Distinguished Marketing Educator Award for Lifetime Contributions to Marketing Scholarship” in 2013. Linda currently serves on the AMA Advisory Council and is President Elect of the Association for Consumer Research as well as serving on the editorial review boards of International Journal of Research in Marketing and AMS Review. She was previously on the review boards of JAMS, Journal of Marketing, Journal of Services Research, Journal of Consumer Research, Journal of Public Policy and Marketing, Journal of Business Research, and was an Associate Editor for Journal of Leisure Science.
GLOBAL GROWTH IN INTERNATIONAL SPORT: 
A NICHE PORTFOLIO STRATEGY

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ABSTRACT

As described by Porter (1980), a niche marketing strategy concentrates on serving a particular market niche—defined by geographic boundaries, type of customer, segment of the product line, or a combination of these three elements. Yet focus on a single niche can entail risks of instability and collapse, which can be countered by the market flexibility offered by a niche portfolio that includes multiple targeted niches (Hamlin, Henry, and Cuthbert 2012). Where firms define targeted niches geographically, building a diversified niche portfolio involves difficult decisions concerning international market expansion. Our study addresses this challenge empirically by utilizing the context of Formula One (F1) motor racing to advance the study of a niche-based growth strategy. Specifically, we develop and test a model that examines the importance of native resources to the success of an international expansion strategy featuring a portfolio of geographically-defined niches.

Our study builds on the theoretical foundation of Milne et al. (1996), who applied niche marketing strategy to the sport industry. Similar to any organization, sport teams, leagues, and events need to secure certain resources for continued survival (Smart and Wolfe 2000). To develop our hypotheses in the sport context, we rely on the resource categorization of Milne et al. (1996) as participants, spectators, sponsors and media attention.

\[ H1. \] Participant-based resources including the number of (a) events, (b) teams, and (c) championships are positively related to niche demand for F1.

\[ H2. \] Spectator-based resources including (a) population size and (b) gross national income [GNI] are positively related to niche demand for F1.

\[ H3. \] Sponsorship-based resources including (a) current corporate support and (b) corporate support potential are positively related to niche demand for F1.

\[ H4. \] Media-based resources are positively related to niche demand for F1.

In order to approximate the demand for the sport of F1 (dependent variable) across numerous countries, we utilize hierarchical regression with a data set that features the advertising rates for standard commercial time during the broadcast of every F1 grand prix from 2007 to 2010 in 19 different countries across five continents. \( H1 \) is fully supported as all three participant-based resource variables yield significant coefficients and the change in \( R^2 \) from a base model with controls for year is also significant \( (p < .01) \). In support of \( H2 \), the incremental change in \( R^2 \) is again significant \( (p < .05) \), but only the \textit{Population} variable coefficient is significant \( (GNI \) nonsignificant). Likewise, the incremental variance in ad rates explained by the sponsor-resource variables \( (H3) \) is significant \( (p < .01) \), but only one of the variable coefficients is positive and significant \( (\textit{SponsorSpend}) \). Finally, media-based resources \( (H4) \) do not explain a significant amount of additional variance in ad rates. In conclusion, we have applied a niche-based resource categorization specific to sports to the international context of F1 racing to explain variance in demand across countries as relevant to geographic expansion decisions.
ABSTRACT

The objective of this study is to describe: (i) corporate reasons (i.e. the rationality of organizational efforts to plan, implement and evaluate sustainable business models) and organizational challenges (i.e. difficulties associated with the planning, implementation and evaluation of sustainable business models in the marketplace and society); and (ii) the evolution of economic effects, social boundaries and environmental actions in sustainable business practices (i.e. the effectiveness of applications over time). This study is based on insights gained from eight Norwegian companies in different industries. Purposeful sampling was employed to ensure that the companies had sustainable business models beyond the level of mere compliance, of sustainable business practices in the marketplace and society. A deductive approach to data collection ensured that the companies had sufficient understanding to relate their sustainable business practices to interviewers. The interviews were subsequently transcribed and analyzed systematically by the research team. The empirical findings indicate evolutionary changes as companies move on a continuum from superficial to embedded sustainable business models and the application of sustainable business practices. The planning, implementation and evaluation of sustainable business models evolves over time within companies and their supply chains, as well as in the marketplace and society. A limitation of this study is that it is exclusively undertaken in Norwegian companies, although the companies are from different industries with different characteristics. Future research is clearly necessary and will be conducted in other countries in similar industries, so as to explore the empirical findings from this study in other contexts. In addition, the interfaces between environmental actions, economic effects and social boundaries need to be investigated further. The study contributes to a growing body of knowledge on corporate reasons for and organizational challenges of sustainable business models, as well as environmental, social and economic aspects of sustainable business practices. This study only sheds initial light on these aspects, and more work is required to confirm and extend the present findings. Specifically, further research is required into underlying corporate reasons and organizational challenges – as well as economic effects, social boundaries and environmental actions. Additionally, only Norwegian companies have been considered and this limits the generality of the study. However, such shortcomings regarding qualitative studies also provide opportunities for further research. The Norwegian companies were carefully selected for having achieved domestic and international acknowledgement in terms of their sustainable business models and the application of sustainable business practices. The authors believe that the empirical findings provide useful and relevant insights applicable to both research and practice in this important and evolving element of contemporary business.
VIDEOS FOR MARKETING AND PATIENT EDUCATION ON CHINESE HOSPITALS’ WEB SITES

This paper was prepared for the Academy of Marketing Science 2014 conference in Indianapolis

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ABSTRACT

This study aims to find out how Chinese hospitals have used online videos as marketing and patient education tools. The findings from this study can help Chinese hospital administrators better understand how to best take advantage of the up-to-date online video delivery technology to conduct contemporary marketing and efficiently help their patients. Based on a systematic probability sample of 2,385 Chinese hospitals, the authors conducted a content analysis of Chinese hospital Web sites in early 2013. The study found that 42% of Chinese hospitals had a Web site, only 21.8% of these Web sites contained video(s), and 44.3% of the these video Web sites carried only one video. The videos were mainly used to provide patient education (27.7%) and to promote a hospital (23.1%). Overall, private hospitals used more videos than state-owned hospitals especially for advertising and promotion, but ranking did not exert much influence. The study concludes that Chinese hospitals need to learn how to turn videos into an integral part of their marketing strategy so as to create both conceptually and technologically user-centric Web sites to serve themselves and, more importantly, to serve their patients.

KEYWORDS: China, hospitals, Web sites, videos, marketing, patient education

INTRODUCTION

Online video, as a Web 2.0 phenomenon, has attracted online visitors all around the world, including China, for some years. Online videos have been widely used by hospitals in the United States. Huang (2009a) found that by the end of 2008, 33% of the U.S. hospitals had at least one video on their Web sites. The videos were mostly used to promote their corporate identities (50%), provide a variety of hospital information (42%), and educate patients regarding medical procedures and disease prevention (42%). Videos are sometimes seen on Chinese hospital Web sites. For instance, Li and Zhang (2009) investigated 42 San Jia hospitals in Beijing and noticed that half of them had videos and that the video content included hospital exteriors, introduction to departments, expert interviews, and healthcare lectures. Nevertheless, research regarding how Chinese hospitals have used online videos as a tool to market themselves and to do patient education has never been seen. This study aims to answer this question.

China had a population of 1.36 billion as of May 2013. It has a huge base of online users. By the end of 2012, the number of Chinese online visitors had reached 564 million, according to a report released by China Internet Network Information Center (ChinaNews.com, 2013). China is a big country for online video consumption. By the end of 2011, domestic users of online videos had reached 325 million with an annual increase of 14.6%, according to a new media blue book released by Chinese Academy of
Social Sciences (2013). Among the numerous big and small online video-hosting Web sites, Youku.com has unquestionably become the YouTube in China; it has reached 80% of the Chinese users with a strong loyalty to it (Ibid.) since access to YouTube—the biggest video hosting Web site in the world—is blocked in China. Youku.com’s average number of videos watched every day exceeded 170 million; monthly active users reached 100 million, and a user spent on average 70 minutes on this Web site every day (Youku.com, 2013). With such a public craze for videos, it will be interesting to know how Chinese hospitals have taken advantage of such free resources to benefit themselves and their patients. According to the Ministry of Healthcare of China, in 2011, people in China saw doctors around 6.27 billion times in 22,000 hospitals; the per-person healthcare expenditure in public hospitals was 180.2 Yuan, which was roughly equivalent to US$30; Chinese hospitals had 3.7 million beds with 88.5% usage (Wang, 2012). With such a large population, such a high demand for healthcare services, and so many hospitals and hospital beds in use, using healthcare videos on hospital Web sites may better guide users’ online traffic, improve healthcare service quality, provide patient-friendly services, empower patients in their healthcare decision-making, and reduce administrative costs (Lee, 2006; Sharma, Xu, & Wickramasinghe, 2006; Greene, 2008; Staff Reports, 2008; Merrill, 2010).

Many hospitals in China, however, do not yet seem to know how to build a Web site appropriately to serve its users, as a few Chinese scholars have found. Many hospital administrators started as medical experts and are busy with all kinds of hospital business; as a result, they do not have time to study information technology; they often have no clue as to how to build a hospital Web site to serve their patients (Qi, 2009). Wu (2007) said that Chinese hospitals copy what other Chinese hospitals have done or simply build one as an ornament without updating it routinely; some treat their Web sites as static brochures. Such hospital-centered approach, Wu said, has hardly considered the users’ needs, and such Web sites can hardly attract traffic. Matthew Dillingham, vice president of MedTouch, a company that designs Web sites in healthcare areas, has fervently evangelized using videos on hospital Web sites. Dillingham (2008a) said, “Many hospitals still do not understand the importance of video... In most cases visitors who come to a hospital’s web site are not looking for a long, drawn-out explanation of the greatest technologies... What is a better way to do that than video?” He suggested that videos be extensively used because they are much easier and less expensive to develop, create, deploy and maintain (Dillingham, 2008b). Poulos (2012) listed six reasons why hospitals need video content:

1. Video is social.
2. Video is engaging.
3. Videos are getting viewed.
4. Video content is growing.
5. Video is accessible.
6. Video will generate better rankings.

Therefore, finding out how Chinese hospitals have used videos in the healthcare context may help them better understand how to best take advantage of the up-to-date online video delivery technology to conduct contemporary marketing and efficiently help their patients.

LITERATURE REVIEW

A thorough search of Chinese literature via CNKI.net and wanfangdata.com.cn, the two most popular databases for searching academic publications in the Chinese language, showed that literature regarding this topic was non-existent though it showed 29 hits regarding Chinese hospital Web sites. However, none of these publications is qualified empirical research; it seems that these authors were not trained to
be researchers. Their publications hardly show or explain clearly appropriate research methods (e.g. Yu, Wang, Zhou & You, 2009; Li & Zhang, 2009). Sampling is mostly limited to only a few hospitals, and often just one hospital (e.g. Yu, 2009; Yu, Shen, & Feng, 2012); as a result, external validity can hardly be derived. There is no literature review in any of these publications. Twenty of 29 publications (69%) made casual generalizations about the healthcare IT usage situation in China without collecting data to support their claims (e.g. Zhao, Wang, & Jiang, 2006; Cao & Wang, 2012). Twenty-two of the 29 publications (76%) contained no more than three pages (e.g. Chen & Pan, 2011; Zhao, Li, Xin, & Huang, 2011); that fact suggests that the ideas in these studies may not be fully presented.

Healthcare new media marketing is a new research area and started in late 2000s. Huang (2009a) conducted a content analysis based on a systematic probability sample of all U.S. hospitals to examine the adoption of videos on their Web sites in an attempt to find out how they had used this new medium for marketing purposes. The study has primarily measured the effects that hospital service quality, hospital size, hospital affiliation and geographic population have on the diffusion of online videos. The study has found that, although the critical mass for using videos on hospital Web sites has been reached, for the overwhelming majority of the hospitals, including those that are already using videos, there is still a long way to go in learning how to harness the power of video for marketing and to make videos an integral and routine part of their marketing strategy. The research approach in this 2009 study was adopted in the current study.

In addition, Huang (2009b) examined six U.S. hospitals with different healthcare characteristics and geographic natures in a case study to find out why and how these hospitals were using e-health videos. The study concludes that developing outstanding e-health videos for the Web is not the prerogative of only financially or technologically privileged hospitals. Developing e-health videos requires a hospital administration’s technological awareness, a strategic plan, and dedication. A good strategy includes knowing what to emphasize on a Web site, presenting with consistency, and using up-to-date technology. The study also concludes that more patient education videos need to be produced to further develop visitor trust and increase market competitiveness and that return-of-investment (ROI) measurement for using e-health videos needs to be enhanced.

In 2011, with the Delphi technique, Huang, Bolchini, and Jones investigated both users’ healthcare video consumption behavior and their underlying rationales through three rounds of questions among 30 users of varied demographic backgrounds as a purposive sample. The study found that most participants did not watch videos on U.S. hospital Web sites because of their stereotypical understanding that hospital Web sites provide no more than clerical information and because of videos’ perceived inefficiency in delivering relevant and personalized information. However, most participants expressed their willingness to watch videos if the presentation were improved. The study concluded that hospitals need to make users aware of the abundant healthcare information in multimedia formats including video on their Websites, present the relevant content, and make such presentations easily digestible.

Based on the existing literature, this study aimed to answer the following research questions:

R1: To what extent have Chinese hospitals adopted healthcare videos on their Web sites?
R2: For what purposes have Chinese hospitals’ Web sites adopted healthcare videos?
R3: Have Chinese hospitals made it convenient for users to watch their videos?
R4: Do different hospital attributes, such as ownership and ranking, affect hospitals’ healthcare video adoption?
METHODOLOGY

When this study was started, the fact that there was no official list of Chinese hospitals available online presented a big hurdle. It seemed that the Chinese government controlled the dissemination of the hospital information that only it could gather and distribute in China, as it does to information in many other areas (Emmons, 2001; Yang, 2003; Zheng & Wu, 2005). Although there were 22,000 hospitals in 2011, according to the Ministry of Healthcare of China (Wang, 2012), the list of the hospitals was nowhere to be found. A thorough search via baidu.com found a few possible lists. Eventually, a site titled The Complete List of Chinese Hospitals, developed by a private company, was chosen for sampling because it contained the most hospitals. The list contained close to 20,000 hospitals. In total, 12% (every eight) of the hospitals were sampled in December 2012. A content analysis was conducted on the basis of this systematic probability sample of 2,385 (21%) Chinese hospitals. The list contained no information about how many beds each hospital had, but the list did tell whether a hospital was state-owned or private, and where it was in the 11-scale ranking system. These two variables became the independent variables in this study. The dependent variables included the number of videos used, video content, video promotion on a site, video frame size, and video format.

This study consulted the video content categorization approach in Huang’s study (2009a) but eventually came up with its own categories based on the availability of videos on Chinese hospital Web sites. These are the categories:

1. *Establishing corporate identity and advertisement*: Promoting the public image of the hospital, such as caring, providing high quality services, being community-oriented, etc. or advertising the hospital services and personnel.
3. *Informational*: Providing specific information regarding hospital services, employment opportunities, times and location of hospital operation, procedure preparation, meetings, professional training, local information, etc.
4. *News*: Showing what is new at the hospital and in the neighborhood.
5. *Documentary*: Showing the history of the hospital, doctors’ experiences, etc.
6. *Educational*: Showing patients how to deal with different kinds of symptoms, disease, or medical challenges and demonstrating medical facilities or equipment in treatment through dedicated educational videos, lecture videos or surgical procedure videos. Usually, these videos are not hospital-specific.
7. *Public service announcement*: Promoting a cause or a health habit.
8. *Entertainment*: Entertaining online visitors in the forms of talk show, singing contest, MTV and drama that are somewhat related to healthcare.

Data collecting was conducted by two trained coders in the spring of 2013. The average intercoder reliability value using Scott’s Pi was 9.18. Data collecting was conducted online via Google Docs’ forms so that collaboration between the two coders could be easily carried out. To determine whether a site contained video(s), the coders examined the homepage of each site. If no video was found, the keyword “video” was used to search videos on the affiliated pages. A site was counted as having videos only if the videos were shown on the site and were not just linked to an external Web site. A coding sheet was designed to maximize the coding reliability. Both descriptive and inferential statistical procedures were used in data analysis, which was executed in SPSS 16.

FINDINGS
As of March 2013, fifty-two percent of Chinese hospitals were state-owned, and 47.8% were private. There are 10 categories of hospital ranking in China. Twenty-one percent of Chinese hospitals were ranked as *San Jia*, meaning the best in the top-tier hospitals, 22% *Er Jia*, meaning the best in the second-tier hospitals, and 46% “other,” largely meaning private hospitals. Hospitals in the other seven categories were few and constituted 11%. In the 2,385 sampled Chinese hospitals, 1,003 (42%) had a Web site. In total, 219 out of the 1,003 Chinese hospitals (21.8%) used at least one video on their Web sites. As a result, the data in this study were based on these 219 hospitals.

R1: To what extent have Chinese hospitals adopted healthcare videos on their Web sites?
Although 21.8% of Chinese hospitals used at least one video on their Web sites, the data in Figure 1 tell a more precise picture: 44.3% of the Chinese Web sites carried only one video, and 33.8% had 2 to 10 videos. The mean of the number of videos used on a site is 9.37, and the median is 3. Because of the high skewness (4.46) of the data, the median, 3, is a more precise description of the average number of videos used on Chinese hospital Web sites.

A Chi-square test shows no significant difference between state-owned hospitals and private hospitals; both dominantly had only one video. A correlation test between hospital ranking and the number of videos used shows that hospital ranking did not affect how many videos the hospitals used.

R2: For what purposes have Chinese hospitals Web sites adopted healthcare videos?
Table 1 shows that the videos on Chinese hospital Web sites largely did two things: to provide patient education (27.7%) and to promote the hospital (23.1%). The secondary functions of such videos were to advertise either the hospital or its departmental services (17.7%) and to entertain their online visitors (12.3%). Patient stories certainly pertain to online visitors’ needs for information, but they are used more often for promoting a hospital’s doctors and services. In Table 1, advertising/promotion, patient stories, hospital and vicinity information, news and documentary videos mostly serve the interests of a hospital and constitute 59.5% of the content; patient education/surgery procedures/lectures, public service announcements, and entertainment videos mainly serve the interests of a hospital’s online visitors and constitute 40.5% of the content.

In Table 2, a comparison between state-owned hospitals and private hospitals shows that, overall, in terms of the sums of videos, except for documentary videos and patient education videos, private hospitals showed more videos than state-owned hospitals across many categories. Private hospitals also used significantly more videos to promote themselves and to advertise their departmental services (t=2.9, df=218, p<0.05).

R3: Have Chinese hospitals made it convenient for users to watch their videos?
Videos attract attention and easily boost online traffic (Dolan, 2010). Today, many famous Web sites, such as CNN.com, Apple.com, Harvard.edu, WhiteHouse.gov, and StanfordHospital.org, place their videos or video links on their home page to attract online visitors. On Chinese hospital Web sites, 48.7% of the hospitals promoted at least one video on their home page, 32.3% promoted via a video link on their home page, and 19% showed their videos only on their affiliated pages without hinting that the site had any video(s) at all.
Videos can be shown in context, such as in an article related to the video content or the hospital home page if the video is promoting the hospital’s corporate identity; or videos can be shown in a separate page that is dedicated to the video. The context, however, is either non-existent or lost. Some hospitals only carry a video linked to an external Web site; as a result, the branding effort is totally lost. On Chinese hospital Web sites, 43% embedded their videos on a content page, 52% showed videos on a separate Web page but within the site, and 5% linked to videos on external sites.

When a Web site carries more than one video, usually many more videos, it can build a video gallery to make it easy for online visitors to find the videos on the site. In total, 34.6% of the Chinese Web sites had a video gallery; 66.7% of those Web sites that had more than three videos had a video gallery. The implementation of online videos is constrained by the information technology infrastructure of a country. As of the 4th quarter of 2012, the average Internet connection speed in China was 1.8Mbps and ranked 91 globally, according to Akamai (2013). This kind of speed does not allow high-quality videos. The image quality of an online video is directly associated with the dimension of the video. The wider a video is, the higher bit rate is needed during the video encoding so as to render the video clearly. On Chinese hospital Web sites, the average width of a video was 408px; the minimum width observed was 155px; the maximum width was 868px.

On the technical level, Flash videos are not viewable on any Apple handheld device, such as the iPhone, iPad, or iPod. On Chinese hospital Web sites, 90% of the videos were Flash videos; 8% used the obsolete Windows Media Video format; 1% used Real or other obsolete video formats, and 1% showed videos in the most-updated HTML5 video format, which allowed viewing on Apple hand-held devices.

**DISCUSSION AND CONCLUSIONS**

Many lessons can be learned from the above findings. First, a byproduct and surprise finding of this study is that only 42% of the Chinese hospitals had a Web site. Today, almost any serious business has a Web site and an appropriate Web presence, and many articles, from various perspectives, have cogently explained why (eg. Simms, 2005; Quinn, 2008). Dana Fox (2013), a Web designer, graphic artist, and blogger from Canada, states vividly in this regard:

> Think of it this way: Your website is your business card. It is your brochure, your flyer, your billboard. It is the very first impression somebody gets to see of your company, which is also why it's important to have a website that is nicely designed. A poorly designed website is just as bad as having no website at all. It is like you showed up for an important business meeting with potential customers in your pajamas.

All the percentage calculations in this study have been done in relation to the Chinese hospitals that did have a Web site. If the data were extrapolated to all the 2,385 hospitals in the sample, regardless of whether the hospitals had a Web presence, there would be a much gloomier picture. For instance, in total, 219 out of the 1,003 Chinese hospitals (21.8%) used at least one video on their Web sites. If this percentage were extrapolated to the total sample, the percentage would go down to only 9%. In short, many Chinese hospitals have much to do in catching up with the information technology that has developed in the 21st-century.

Second, China has one of the largest video consumption markets in the world, and the data from Youku.com show that Chinese people love videos. Chinese hospitals, however, have yet to learn how to
harness the power of video as a marketing tool. The fact that 78.1% of the Chinese hospitals had fewer than 10 videos and that, even worse, 44.3% had only one video indicates that many Chinese hospitals may not be aware of the power of video and have not used video as a routine marketing tool. This finding supports the charges by Wu (2007) and Qi (2009) that many hospital administrators have no clue as to how to serve their online visitors and that clueless copying among hospitals is rampant in China. Many Chinese hospital administrators need to understand that Web is not static, that the two most prominent features of the contemporary Web are multimedia and massive, customized, and almost instant interactivity (Coyle & Thorson, 2001; Song & Zinkhan, 2008; Huang, Chang, & Khurana, 2012), and that the Web should not be treated as “brochure-ware” (Randeree and Rao, 2004). Taking advantage of videos for commercial success and for helping patients has been proved effective by many hospitals in the United States (Huang, 2009a), and, perhaps, many Chinese hospitals can at least experiment on such a practice as well. Third, there are things that have been done well and things that can be improved on Chinese hospital Web sites.

- For those hospitals that do have videos, they have a reasonable combination of videos that market themselves (59.5%) and videos that provide patient education (40.5%). This mixture shows the hospitals’ wishes to survive financially in the competitive market and their extra online efforts to care for their patients.
- It is nice to see that one third of Chinese hospitals used a video gallery to make it easier for their online visitors to find and use their videos though most of the designs of such galleries need a professional touch to better coordinate video content and the textual content and to more logically contextualize the gallery in the whole Web site.
- Making videos for a Web site takes money, time, and effort, but videos can attract attention. A natural course of action is to promote them on the home page of a Web site. In this regard, the majority of the Chinese hospitals (81%) did promote their videos on their home pages either with a video(s) or with an image/text link to a video(s); however, those 19% that did not promote their videos on their home pages may be wasting their resources.
- Embedding a video in a content page can contextualize the video; 43% of the Chinese hospitals did so and more hospitals can follow suit.
- The average 408px video width is reasonable for the average Chinese Internet connection speed, but as the Internet speed in China gets faster over the years (Akamai, 2013), the video width should get bigger.
- For the convenience of those who use Apple hand-held devices and for the sake of sustaining the long-term technological viability, a big lesson Chinese hospitals need to learn is to shift the Flash video format to the HTML5 video format. Since HTML5 video complies with the Web standard, it is gradually becoming the standard online video delivery approach, and Flash video is fading into history. As Anderson (2013) wrote, “While there are still some roadblocks to this particular future, the overall path is quite clear, and HTML5 is going to make up a big part of the video landscape.”

In short, Chinese hospitals need to learn how to turn videos into an integral part of their marketing strategies so as to create both conceptually and technologically user-centric Web sites to serve themselves and, more importantly, to serve their patients.

This study had its limitations. It explored a pattern of video usage on Chinese hospital Web sites, but a case study needs to be done on those hospitals that have done an exceptional job in this regard. Video is one of the marketing approaches on a hospital Web site. It is desirable to study how it is combined with
other approaches, such as interactive e-health tools and social media, to accomplish a hospital’s marketing goals. A study on how Chinese users use such videos can also be a follow-up study.

ACKNOWLEDGMENT

All authors of this study made equal amount of contribution to the completion of this study. The authors would like to thank Stephanie Huang, a student at the Law Center of the University of Houston, for her proofreading and valuable insight into the improvement of this manuscript.

Figure 1: The number of videos Chinese hospital Web sites carry

Table 1: Video content on Chinese hospital Web sites

<table>
<thead>
<tr>
<th>Video content</th>
<th>Sum</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising/promotion</td>
<td>364</td>
<td>17.7%</td>
</tr>
<tr>
<td>Patient stories</td>
<td>175</td>
<td>8.5%</td>
</tr>
<tr>
<td>Hospital and vicinity information</td>
<td>170</td>
<td>8.3%</td>
</tr>
<tr>
<td>News</td>
<td>473</td>
<td>23.1%</td>
</tr>
<tr>
<td>Documentary</td>
<td>39</td>
<td>1.9%</td>
</tr>
<tr>
<td>Patient education/surgery procedures/lectures</td>
<td>568</td>
<td>27.7%</td>
</tr>
<tr>
<td>Public service announcements</td>
<td>11</td>
<td>0.5%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>253</td>
<td>12.3%</td>
</tr>
<tr>
<td>Total</td>
<td>2052</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2: How state-owned hospitals and private hospitals differ in terms of video content

<table>
<thead>
<tr>
<th>Content</th>
<th>State-owned hospitals</th>
<th>Private hospitals</th>
<th>T-test significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising/promotion</td>
<td>110</td>
<td>254</td>
<td>0.004*</td>
</tr>
<tr>
<td>Patient stories</td>
<td>1</td>
<td>2.31</td>
<td></td>
</tr>
<tr>
<td>Hospital and vicinity information</td>
<td>15.10%</td>
<td>11-30 videos</td>
<td></td>
</tr>
<tr>
<td>News</td>
<td>17.7%</td>
<td>1 video</td>
<td></td>
</tr>
<tr>
<td>Documentary</td>
<td>1.9%</td>
<td>&gt;30 videos</td>
<td></td>
</tr>
<tr>
<td>Patient education/surgery procedures/lectures</td>
<td>27.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public service announcements</td>
<td>0.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td>12.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Mean</td>
<td>SD</td>
<td>Median</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>------</td>
<td>-----</td>
<td>--------</td>
</tr>
<tr>
<td>Patient stories</td>
<td>36</td>
<td>0.33</td>
<td>139</td>
</tr>
<tr>
<td>Hospital and vicinity information</td>
<td>67</td>
<td>0.61</td>
<td>103</td>
</tr>
<tr>
<td>News</td>
<td>67</td>
<td>0.61</td>
<td>103</td>
</tr>
<tr>
<td>Documentary</td>
<td>28</td>
<td>0.25</td>
<td>11</td>
</tr>
<tr>
<td>Patient education/surgery procedures/lectures</td>
<td>346</td>
<td>3.15</td>
<td>222</td>
</tr>
<tr>
<td>Public service announcements</td>
<td>4</td>
<td>0.04</td>
<td>7</td>
</tr>
<tr>
<td>Entertainment</td>
<td>110</td>
<td>1</td>
<td>143</td>
</tr>
<tr>
<td>Total</td>
<td>768</td>
<td>0.87</td>
<td>982</td>
</tr>
</tbody>
</table>

* p<0.05

REFERENCES


Staff Reports (2008, August 1). VideoMD.com helps physicians to educate their patients. *Ophthalmology Times*, 33(15), 36.


**NOTES**

1 *San Jia* refers to a category in a hospital ranking system in China. This category of hospitals is supposed to be the highest rank.
3 The answer to this question will be assimilated into the answers for the above three questions in the Findings section.
See the site at http://yyk.qqyy.com

In China, San Jia hospitals are the highest-ranked hospitals, and “other hospitals,” the lowest rank, refer to those that are not ranked. In both extreme ranks, there are state-owned hospitals and private hospitals though San Jia hospitals are dominantly state-owned hospitals (159 state-owned vs 51 private) and “other hospitals” contain dominantly private hospitals (344 private vs 119 state-owned).

Almost all patient stories are for promoting the hospital corporate identity in nature. Since there were many such videos, they are singled out.
INTERACTIVE E-HEALTH TOOLS FOR PATIENTS ON CHINESE HOSPITALS’ WEB SITES

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ABSTRACT

This study has investigated how Chinese hospitals have embraced e-health as reflected in the adoption of interactive e-health tools on their Web sites. The literature review shows that this is the first serious study regarding the implementation of e-health in China. A content analysis was conducted based on a systematic probability sample drawn from a list of 19,084 Chinese hospitals. This study found 14 interactive e-health tools on Chinese hospital Web sites, but the average number of such tools used on these sites was only 3; specialized hospitals and plastic surgery hospitals outperformed general hospitals, and the San jia hospitals (top-ranked in the top-tier) and private hospitals were equal in implementing interactive e-health tools though, overall, private hospitals outperformed public hospitals. It is concluded that comprehensively implementing the 12 most important interactive e-health tools on Chinese hospital Web sites today will help the hospitals provide quality healthcare regardless of the hospital’s institution type, ownership nature, and ranking and develop a systematic online marketing and communication strategy, and help patients more easily find the information about a hospital, access and understand their medical records, and have a user-friendly patient education about their symptoms and medical procedures.

References Available Upon Request
WHEN DOES THE VALUE OF COMPENSATION MATTER IN SERVICE RECOVERY?

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INTRODUCTION

Service recovery (SR) plays an important role in (re-)establishing customer satisfaction after service failures, represents an opportunity for service providers to develop strong relationships with customers, and refers to corrective actions of service providers such as offering (in)tangible compensation in order to generate positive customer responses (Zemke and Bell 1990). Tangible compensation consists of offering economic benefits to customers (Del Río-Lanza et al. 2009). Intangible compensation consists of simple and inexpensive social actions that aim to recover service failures (Miller et al. 2000). The purpose of the study presented here is to examine the appropriateness of the four most common types of tangible compensation (gift, discount, credit for future consumption, refund) in combination with four types of intangible compensation (apology, showing empathy, explanation, manager intervention) in an economically developing country (Madagascar) compared to a developed one (Switzerland). Studying consumer reactions to different SR attempts in these countries is interesting because, in both countries, the service sector generates over 50 percent of the gross domestic product. The target variable analyzed is customer satisfaction with the service recovery (SSR). We further differentiate for failure severity and responsibility for the failure, and also include several control variables (cultural differences, service involvement, and attitude toward complaining) because these variables can affect customer satisfaction and loyalty (De Matos et al. 2009; Webster and Sundaram 1998). The findings presented here enable managers to develop country-specific SR strategies that are appropriate to address service failures in an efficient and cost-effective manner.

BACKGROUND

Consumers have expectations with regard to the compensation they get for the failure they experienced, and their perceptions of recovery are influenced by the compensation they are offered. Hui and Au (2001) and Malhotra et al. (2005) found that consumers in developed countries have higher expectations with regard to service quality than consumers in developing countries due to a higher number of competitive alternatives (Zeithaml et al. 1993). Service quality does not only refer to the service production itself, but can also comprise the recovery process when the initial service failed (Grönroos 1988). Kelley and Davis (1994) suggest that consumers who are used to superior service quality tend to have higher SR expectations. Thus, consumers in developed countries may expect compensation of higher value than consumers in developing countries because they have higher service quality expectations. Consumers compare the compensation received with their initially expected level of compensation and develop SR (dis)satisfaction depending on the sign of the disconfirmation resulting from the comparison (Boshoff 1999; McCollough et al. 2000). Thus, for Swiss consumers, who tend to have higher service quality and recovery expectations than Malagasy consumers, it can be assumed: H1: SSR of Swiss consumers is higher for compensation of higher value, whereas Malagasy consumers also show high SSR levels for compensation of lower value.

Failure severity represents the extent of loss that customers associate with a failure (Hess Jr. et al. 2003), and can determine appropriateness perceptions of SR measures (Smith et al. 1999; Weun et al. 2004).
According to regulatory focus theory, people who experience the threat of a loss seek to avoid such loss (Higgins 1997), and the motivation to prevent losses increases with an increasing loss magnitude. Customers who have experienced a service failure (e.g., in terms of lost time) feel a threatening loss because they have paid for a service that has failed. In such a situation, getting compensation for the failed service would prevent the threatening loss. Consumers’ motivation to get high compensation is likely to increase with increasing failure severity (Hoffman et al. 1995). Betts et al. (2011), De Matos et al. (2009), and Mattila (1999) found that customers are less satisfied with the service recovery when failure severity is high. Thus, it can be argued that consumers are only satisfied with the service recovery if the value of the compensation offered fits the value of the loss experienced. For high failure severity, only compensation of high monetary value (e.g., a refund) is likely to lead to high SSR. Note that a refund is even more valuable than a credit for a future consumption because, based on prospect theory, it can be argued that gains received in the present are ascribed higher certainty and thus have more value than gains in the future, and consumers tend to discount future gains (Kahneman and Tversky 1979; Maxham III and Netemeyer 2002). For low failure severity, compensation of lower value (e.g., a small gift) is sufficient to prevent the comparatively small threatening loss.

The role of the responsibility for the service failure can be explained as follows. According to attribution theory, consumers’ judgments about causes of experienced situations influence their subsequent attitudes, behaviors, and equity perceptions of exchange situations (Folkes 1984; Krishnan and Valle 1979; Weiner 1985). If a firm has caused a failure, the exchange is not equitable from the customer’s perspective because the customer has paid for a service that has failed. The feeling of inequity creates anger toward the service provider (Folkes 1984), which is likely to cause dissatisfaction. Customers are more dissatisfied when they feel that the service provider is responsible for a failure (Hocutt et al. 1997; Iglesias 2009). When customers are responsible for a failure, the notion of self-blame discounts the negative perception of the situation (Bendapudi and Leone 2003; Choi and Mattila 2008), and they will expect, if at all, compensation of lower value than when they believe that the service provider is responsible (Folkes 1984). In this case, the mere presence of tangible compensation would be appreciated rather than its value and customers should be satisfied with any type of compensation offered. Bringing together the arguments on effects of failure severity and responsibility leads to:

**H2:** If the service provider is responsible for a *highly severe* failure, compensation of higher value will result in increased satisfaction. For low failure severity, the level of monetary compensation will have no effect on SSR.

**H3:** If customers are responsible for the failure (regardless of more vs. less severe), the level of monetary compensation has no differential effect on SSR.

Possible country-specific differences with regard to H2 and H3 will be examined from an explorative perspective because literature does not provide a sufficient base to derive hypotheses in this regard.

**METHODOLOGY**

The sample consisted of 1968 students and young professionals (990 (978) from Madagascar (Switzerland), Malagasy (Swiss) sub sample: 46% women (58% women), average age: 32.7 (29.5) years). The failure was waiting time which was longer than normal for a restaurant dinner. The study was based on a 4 (tangible compensation: small gift, 25% discount, credit for future consumption, refund) x 4 (intangible compensation: apology, explanation, showing concern, manager intervention) x 2 (responsibility: restaurant (not enough waiters available) vs. customer (was late)) x 2 (failure severity: low (55 minutes
waiting time) vs. high (90 minutes waiting time)) x 2 (country: Madagascar vs. Switzerland) design. We used scenarios to describe the basic situation (celebrating the partner’s birthday at a restaurant and going to a concert of the favorite artist afterwards) and to systematically manipulate the experimental variables. The results of pretests show that the longer waiting time was perceived as more severe than the shorter waiting time and that the following order resulted for the four types of compensation (lowest to highest value): gift, discount, credit for future consumption, and refund. Each questionnaire contained two different scenarios in a differing order to reduce the required sample size which would have been very large due to the 128 groups resulting from the experimental design. We included maximally different scenarios in one questionnaire in order to make sure that the respondents processed and evaluated the scenarios independently of each other.

**RESULTS AND DISCUSSION**

The tests for scenario realism and the ability to imagine oneself in the role of the customer as well as the severity and responsibility manipulations were successful and show that the evaluations do not differ across countries. An ANOVA including all types of tangible and intangible compensation shows that neither the main effect of intangible compensation nor the interaction of tangible and intangible compensation is significant. Thus, SSR does not depend on the type of intangible compensation chosen, and neither depends on specific combinations of intangible and tangible compensation. For the following analyses, the data are pooled across the types of intangible compensation. An ANOVA with the type of tangible compensation as independent variable and country, failure severity and responsibility as additional factors shows a significant main effect of country with a higher SSR level in Switzerland than in Madagascar. Thus, we used a two-step procedure to correct for such bias by integrating possible biasing variables in the analysis. We examined whether these variables differed across countries and whether they were correlated with SSR. We first examined the correlations between several cultural dimensions and SSR for the two countries and found that, for Swiss consumers, many dimensions are correlated with SSR (individualism, uncertainty avoidance, power distance, masculinity, economicity of time, personal values: excitement, fun, self-fulfillment, self-respect, security), whereas such correlations only exist for three aspects for Malagasy consumers (power distance, masculinity, personal value: excitement). We corrected for possible effects of cultural differences by developing the following index that aimed to determine an SSR value for each respondent in each country and that included the 15 cultural dimensions that were correlated with SSR in at least one of the two countries (i: Person; j: country (1 = Madagascar, 2 = Switzerland); k = cultural dimension; SSRij: satisfaction with the service recovery of person i from country j; corrkj: correlation between SSR and cultural dimension k for country j):

\[
SSR_{index_{ij}} = (\sum_{k=1}^{15} SSR_{ij} \cdot \text{corr}_{kj}^{15})
\]

An ANOVA based on the so-determined SSR index values provides a less strong, but still significant main effect of country. Therefore, consumers’ attitude toward complaining (ATC) was included to further correct for country-specific bias. ATC was higher for Malagasy than for Swiss consumers and negatively correlated with SSR in both countries. We examined in more detail the relation between ATC and SSR by conducting regression analyses separately for each country. The difference in SSR levels across the two countries can be noted as follows: SSR\_indexMadagascar = x * SSR\_indexSwitzerland with 0 < x < 1. Replacing SSR\_indexMadagascar and SSR\_indexSwitzerland in this equation by the regression equations estimated per country and solving the new equation for x, led to (ATC: average ATC value per country):

\[
x = \frac{a_M + b_M \times ATC_M}{a_S + b_S \times ATC_S}
\]
Multiplying the Swiss SSR values with factor x corrects for country-specific ATC effects. An ANOVA based on the so-adjusted SSR values shows that the main effect of country disappears (F_{country}: 0.17), whereas the significant effects observed before remain significant (F_{tang_comp}: 23.96**, F_{resp}: 45.72***, F_{seve}: 37.85***, F_{country*comp}: 7.70***, F_{country*resp}: 13.24***, F_{country*comp*resp}: 2.41*, F_{country*comp*resp*seve}: 2.12*). The relations between the mean values per experimental condition remain unchanged. The results show that Malagasy consumers are rather satisfied with all types of tangible compensation, whereas Swiss consumers seem to expect compensation of higher value (H1). For the Malagasy consumers, all types of compensation lead to similar SSR levels and thus are equally appropriate independently of responsibility and severity. Only if the restaurant is responsible for a highly severe failure, a gift leads to considerably lower SSR than the other three types of compensation and thus is less appropriate. Consequently, the Malagasy data do not provide support for the first assumption of H2, but are in line with the second assumption of H2. Moreover, the Malagasy data provide support for H3. The results for Swiss consumers have a different pattern. For low failure severity (independently of responsibility), the gift leads to a considerably lower SSR level than the other three types of compensation for Swiss consumers. For high severity (again, independently of responsibility), Swiss consumers show very high SSR only if they are offered a credit for future consumption or a refund. Thus, for Swiss consumers, severity has an impact on the appropriateness of the compensation, but responsibility does not play a role. Consequently, the Swiss data provide support for the first assumption of H2, but for low failure severity, contrarily to the second assumption of H2, a small gift is not appropriate. Moreover, the Swiss data do not provide support for H3.

**CONCLUSION AND IMPLICATIONS FOR THEORY AND PRACTICE**

The results highlight the need to customize the compensation offered to customers in order to meet customers’ country-specific expectations and to develop efficient country-specific SR. The results show that consumers in the developing country under study have lower expectations with regard to the monetary value they receive as compensation than consumers in the developed country and that service employees should consider consumers’ culture and other contextual factors when deciding on the type of compensation. Moreover, the appropriateness of compensation depends on who causes the failure as well as whether the failure is more or less severe. In developing countries such as Madagascar, all types of compensation seem to lead to equal SSR levels in most of the cases. Thus, service providers can profit from choosing less expensive compensation (e.g., a gift or 25% discount). Only, if service providers are responsible for highly severe failures, they should not offer a gift for compensation, but can be very successful with offering a 25% discount, which still represents a comparatively cheap option. In developed countries such as Switzerland, service providers should never offer small gifts because this type of compensation creates considerably lower SSR. In most of the cases, with the exception of a less severe failure the service provider is responsible of, even 25% discounts are less appropriate to establish high SSR levels, whereas credits for future consumption and refunds are able to do so. Among these two types of compensation the credit for future consumption is the better alternative from the service provider’s perspective because it represents a stronger incentive for the customer to come back and provides the service provider with the opportunity to offer a failure-free service experience to the customer the next time. These findings are of specific interest for international service managers who need to understand how to interact with customers from different countries.

References Available Upon Request
INTRODUCTION

Because the business environment is constantly changing, corporations have to regularly reformulate their marketing strategies to remain relevant, as illustrated by regular additions and deletions to product portfolios. Environmental change may open up opportunities to expand the product portfolio into new market segments, or it may cause some previously successful brands in the portfolio to lose their attractiveness (Hill, Ettensohn, & Tyson, 2005).

The evolution of brand portfolios is most frequently accomplished through acquisitions and divestments of existing brands, rather than through organic growth, and mergers and acquisitions (M&A) are a regular phenomenon in numerous industries. It would be expected that, following M&A transactions, the newly combined businesses would undergo some restructuring, to integrate the newly acquired brands and to capitalise on potential synergies (Capron & Hulland, 1999; Basu & Wadhwa, 2013).

However, corporations may fail to pursue strategic renewal initiatives for repositioning or deleting suboptimal brands because of the inertia that prevails in many organizations (Hannan & Freeman, 1977; Varadarajan, DeFanti, & Busch, 2006). As a consequence, corporations often fail to maintain an ideal brand portfolio (Hill, et al., 2005). Drawing on organizational inertia and strategic renewal theories, this paper develops a conceptual framework which suggests that organizations use mergers and acquisitions as a means to overcome inertia and to re-engineer their existing brand portfolios through discontinuous strategic renewal.

BACKGROUND

Organizational Inertia

Organizational inertia has been described as the inability of organizations to adapt to the changing business environment (Hannan & Freeman, 1977). Such inertia may set in in many spheres of an organization such as structures, policies, managerial ideologies and competitive stance (Miller & Ming-Jer, 1994). Inertia might exist in the management of the brand portfolio as well, and brand portfolio inertia may result in the existence of overlapping brands, marginally performing brands, or brands with little or no brand equity. Inertia may also cause companies to have gaps in the portfolio. In many corporations, a small number of brands in the portfolio contribute the lion’s share of financial performance (Varadarajan, et al., 2006). For instance, only 200 of Nestlé’s 8,000 brands were profitable in 1996, and only 400 of Unilever’s 1,600 brands were profitable in 1999 (Kumar, 2003). Despite the suboptimal performance of all these brands, however, their owners still retained them in their brand portfolio for many years.

A number of factors contribute to the existence of inertia in the brand portfolio. The longer a brand is in a portfolio, the greater the possibility that it will remain in the portfolio, regardless of its poor financial performance (Varadarajan, et al., 2006). For instance, Proctor and Gamble’s first laundry
detergent brand, Oxydol, was launched in 1927 and remained in the portfolio until 2000, even though its sales had declined to a mere USD 6.6 million, down from USD 80 million in the late 1980s. The brand did not receive any marketing support for a long time before being sold off to Redox Brands Inc. in 2000 (Advertising Age, 2000). Inertia in the brand portfolio may also set in because there is a relationship between the size of the brand portfolio and the status of the brand manager (Pandey, Dahiya, & Kumar, 2010). In other words, brand managers may retain brands with suboptimal performance in the brand portfolio to protect their status in the company.

**Strategic Renewal**

In contrast, proactive organizations embark upon deliberate *strategic renewal* initiatives to break out of organizational inertia. Agarwal & Helfat (2009) defined strategic renewal as “the process, content, and outcome of refreshment or replacement of attributes of an organization that have the potential to substantially affect its long-term prospects.” Strategic renewal may be *incremental*, in keeping with the changing business environment, or *discontinuous* which has more profound performance consequences (Agarwal & Helfat, 2009; Basu & Wadhwa, 2013).

Strategic renewal can be carried out at all levels of an organization i.e. corporate, divisional etc. (Agarwal & Helfat, 2009). At the brand portfolio level, it is assumed that organizations will carry out *incremental* strategic renewal on a continuous basis to respond to environment change (Basu & Wadhwa, 2013). *Discontinuous* strategic renewal of the brand portfolio is expected to be a rare event in an organization as it requires a major reconfiguration of the portfolio. This kind of major reconfiguration of existing business is likely to be triggered by a significant event such as mergers and/or acquisitions (Capron, et al., 1998). In other words, corporations will use mergers and acquisitions as a means for reconfiguration of their brand portfolio.

**STRATEGIC RENEWAL FOLLOWING MERGERS AND ACQUISITIONS**

In practice, corporations often use multiple methods to achieve change, and an “interorganizational method,” such as mergers and acquisitions, is possibly the most drastic method (Capron, Mitchell, & Oxley, 1999). Mergers and acquisitions are used by organizations as a route to faster growth compared to organic, internal development (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009). The two most significant motives for mergers and acquisitions are synergy and diversification i.e. expanding geographic presence, and brand portfolio expansion (Capron & Hulland, 1999).

Mergers and acquisitions often result in overlapping resources between the acquiring and target firm and thus a reconfiguration becomes imperative following the merger (Capron, et al., 1998; Capron & Hulland, 1999). Reconfiguration of resources calls for the sale of assets, addition of assets, and reorganization of existing resources (Capron, et al., 1998). Acquisition of new brands will likely require some reconfiguring of the existing brand portfolio to realise synergies and to remove duplication so as to integrate the combined portfolio.

**Re-Engineering the Brand Portfolio Following Mergers and Acquisitions**

Reengineering the brand portfolio may be defined as the “addition, retention, deletion, and/or repositioning of brands in the portfolio so as to increase the coherence among the brands and thereby to maximise synergies in the combined brand portfolio.” Following mergers, the acquiring firm integrates some or all of the newly acquired brands into its existing brand portfolio but also re-
engineers its existing brand portfolio by retaining brands with high brand equity, by selling off
suboptimal brands, and/or by repositioning some of the brands. This yields the first proposition:

**P1:** The acquiring firm will use a merger/acquisition as a means to reengineer its brand
portfolio following mergers and acquisitions

**Domestic Versus Cross-Border**

It is further assumed that the extent of brand portfolio reengineering will be greater in the case of
domestic mergers as compared to cross-border mergers, because of a greater overlap of brands
between the target and acquirer’s portfolio. It may therefore be proposed that:

**P2:** The extent of brand portfolio reengineering will be greater in the case of domestic mergers
as compared to cross-border mergers.

**Relative Size of Firms**

The relative size of the target is considered to be an important variable in an M&A context
(Haleblian et. al, 2009). It is assumed that the acquisition of a relatively large target will have a
considerable degree of impact on the acquiring firm because it will come with a large brand portfolio
that needs to be assimilated within the acquiring firm’s existing brand portfolio. Furthermore, the
larger the portfolio of the combined firms, the greater the possibility of overlap between the two
portfolios (DiMaggio & Powell, 1983). It is thus proposed that:

**P3:** The greater the size of the brand portfolio of the target firm, relative to the acquirer, the
greater the probability that the acquiring firm will reengineer its brand portfolio following the
merger.

**Similarity Between Firms**

Earlier studies have shown that the similarity between the merging firms is an important variable and
has a positive effect on post-merger performance (Altunbas & Marqués, 2008). In a strategic brand
management context, the greater the similarity between the brands, the greater the possibility of an
overlap in market segments and positioning and the more brand redundancy. Therefore, it is
proposed that:

**P4:** The greater the pre-merger similarity between the merging brands, the greater the
probability that the acquiring firm will re-engineer its existing brand portfolio following the
merger.

**Price Paid**

The acquisition premium, i.e. the premium over market value paid for the acquisition, is an
important variable in an M&A context and has been investigated extensively (Haleblian, et al.,
2009). Acquisition premiums in the range of 30 to 50 percent over market value have been
commonplace for many years. The M&A literature suggests that achieving revenue growth is the
most compelling reason for paying such high acquisition premiums. It seems reasonable to assume
that the new brands acquired at a high price will be retained and assimilated into the existing brand
portfolio of the acquiring firm. It is therefore proposed that:

**P5:** The higher the acquisition premium paid, the greater will be the probability that the
acquiring firm will re-engineer its brand portfolio following a merger motivated by brand
acquisition.
Method of Payment

An acquirer usually pays for acquisitions in cash, stock or both. Research has shown, however, that firms usually pay in stock when their stock is overvalued and the target’s stock is undervalued, and the acquiring firms use their overvalued stock to buy undervalued assets of the target firm (Haleblian, et al., 2009). It may be argued that firms which pay in cash are more interested in buying valuable assets i.e. brands with potential synergistic benefits. It is therefore proposed that:

**P6: When a firm acquires through cash, it will demonstrate greater propensity to re-engineer to keep the acquired brands and assimilate them into the existing brand portfolio.**

Number of acquisitions in the past: It is assumed that serial acquirers will not embark on strategic renewal initiatives after each and every acquisition. In other words, first time acquirers or organizations that have made fewer acquisitions in the past, have a greater probability of initiating brand portfolio reengineering programs following mergers. It is therefore proposed that:

**P7: As the number of acquisitions previously undertaken increases, an organization will demonstrate less propensity to reengineer its brand portfolio.**

CONCLUSION AND DIRECTIONS FOR RESEARCH

This paper developed a conceptual framework to show how corporations use mergers and acquisitions as a means to overcome brand portfolio inertia by reengineering their brand portfolio. The propositions suggested here are yet to be investigated and a preliminary investigation will be carried out via a multiple case study methodology. Four multinational companies in the FMCG sector with relatively large brand portfolios will be used as the case samples. These companies tend to be serial acquirers and also frequently sell non-core brand assets so should provide a fertile ground for examining the dynamics of brand portfolio reengineering.

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INVESTIGATING GLOBAL AND TRADITIONAL HISPANIC CULTURE IN HISPANIC TV ADVERTISEMENTS

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ABSTRACT

The main goal of this study was to respond to the call for researchers inside the advertising discipline to explore Hispanic advertising research and globalization. To address this theoretical gap in the advertising literature, we draw knowledge from semiology to evaluate the plots and stories used in promoting local traditional Hispanic culture and global culture in advertisements from Spanish language network television in the United States.

Students in a marketing communication class in a regional University located in the Mid-Western United States voluntarily collected a sample of Hispanic advertisements from YouTube. Of the 89 advertisements collected, the 70 included in the final sample were required to meet the following criteria. The ads: (1) must be ads shown on Univision or Telemundo; (2) must promote a consumer product; (3) must have more than 50 views at the time of the download; (4) be less than three minutes long (since ads longer than three minutes tend to be short documentaries and infomercials); and (5) must include narrative plots that contain conceptual richness. This form of selective sampling is normal in studies using semiotic analysis (Mick and Oswald, 2006). The evaluation and interpretation of the Hispanic advertisements were conducted by the author and two business graduate students who are native Spanish speakers. The coders, including the author of the paper, are bilingual (Spanish and English).

The initial analysis of the Hispanic advertisements resulted in identification of five main plots. However, a closer evaluation of these initial plots and more iteration revealed three main plots and four sub plots: 1) Americanized upper middle class main plot with two sub plots (Nurturing woman and empowered woman); 2) Heritage main plot with two sub plots (Soccer cult and family ritual sub plots); and 3) Celebrity main plot.

Overall, the results suggest the ideas of global culture are portrayed by highlighting the celebrity power of non-Mexican Hispanic artists who have global appeal. We also found that the sampled ads showed advertisers taking socio-political stands. The promotions of American Dream ethos and woman empowerment were the most dominant global culture socio-political stands revealed in the ads evaluated. In terms of theory implications, unlike previous studies which suggest that advertising reflects commonly-held values of its target audience, our finding suggest that advertising reflect commonly-held socio-political stands of its target audience rather than reflections of commonly held values of its target audience.

References Available Upon Request
IS OUR UNDERSTANDING OF OTHER-EMERGING MARKETS BLURRED BY BRIC-FOCUSED MARKET CHARACTERISTICS? SHETH REVISITED

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ABSTRACT

Global business practitioners and international marketing researchers tend to popularize and overgeneralize the prevalent market characteristics in BRIC emerging markets to “other-emerging markets.” BRIC emerging markets include Brazil, Russia, India and China. According to Sheth (2011), other-emerging markets include countries in the Middle East, Latin America, Central Asia and Africa. The popularization and overgeneralization of market characteristics prevalent in BRIC emerging markets may be attributed to three factors: 1) the relevance of BRIC markets to Western multinational companies who use these markets to set-up low cost manufacturing operations; 2) the increased importance of the BRIC countries in the global economy and 3) the extensive integration of BRIC topics in the global business curriculum of top business schools in Western countries. However, by overgeneralizing the prevalent market characteristics in BRIC emerging markets researchers and practitioners may draw incorrect conclusions about marketing decisions in other-emerging markets.

This study seeks to illuminate our understanding about market characteristics prevalent in other-emerging markets by revisiting and augmenting Sheth’s (2011) BRIC-focused emerging market characteristics. The five BRIC-focused emerging market characteristics proposed by Sheth include sociopolitical governance, market heterogeneity, inadequate infrastructure, chronic shortage of resources and unbranded competition. Using evidence from the literature, the novel characteristics explicated in this study include: power of embezzlers, power of local gangs, foreign influence, underutilization of resources and overdependence on secondhand foreign brands.

Overall, a general managerial implication in this study is that global marketing managers should avoid overgeneralizing the characteristics of BRIC emerging markets to other-emerging markets. While there are market characteristics that are common among markets, global marketing managers should be aware that each market or country is unique and the most useful means for understanding markets is to conduct extensive secondary and primary market research.

References Available Upon Request
Environmental issues is on the forefront in many discussions from both business and consumer perspectives. However, not everyone is pursuing pro-environmental sustainable behaviors. This research contributes to the literature by investigating some cultural antecedents of environmental concerns and pro-environmental behavior in two different, somewhat dichotomous cultures. Our proposed model suggests that cultural differences measured at the individual level influence consumer’s environmental concerns and subsequently their pro-environmental sustainable behaviors. We empirically examined our model within a rich cross-cultural context using samples from India and the United States. When examined at the macro-cultural level, Individualism and collectivism are considered at the opposite ends of one continuum. However, at the individual level, existing research suggest that individualism and collectivism represent separate dimensions. That is, both exist within the same culture and the same individual can exhibit both values at the same time across different situations. Consistent with such conceptualization, our findings show that at the individual level and for this type of perceptions and behaviors both individualism and collectivism are strongly related to green consciousness. Results show a negative strong influence for individualism on environmental consciousness while we find strong positive influence for collectivism on environmental consciousness across the two countries. With regard to harmony and mastery, our results show that while harmony was a strong and significant predictor of environmental consciousness in the United States and India, mastery did not significantly influence environmental consciousness in both countries. Such findings suggest that overall cultural influences and motivates people in different ways in different cultures depending on the type or the context of behavior. Results suggest that while the United States in general is a society that is driven more by mastery orientation, our results suggest that at the individual level, individuals might be driven by different orientations depending on the context of decision and consumption. Finally, our results show that environmental consciousness was positively related to both green consumerism behavior and active ecological behavior. From a theoretical perspective, we investigated the role that cultural factors influence consumer environmental concerns and behaviors. More importantly, while previous research focused on such differences at the country level we investigated such issues at the individual consumer level. Our findings are interesting and suggest the importance of examining such cultural factors at the individual level rather than just at the country level as well as signal the importance of examining the different role that such cultural factors play across different consumption contexts. Even for consumers in developing countries, like the United States, that are categorized as individualistic and mastery oriented societies are capable of being influenced by collectivism and harmony orientation at the individual level and within some contexts (e.g., environmental issues).

References Available Upon Request
INTRODUCTION

The increasing opportunities provided by social media platforms for consumers to express their thoughts, opinions and beliefs about brands (Kozinets, 2010; Walker Naylor et al., 2012; Zyl, 2008) highlight the need for understanding why consumers engage in conversations about brands, or casually ‘talk’ about brands. Previous research on consumers’ use of brand names in everyday conversations focuses predominantly on either the acquisition of brand information prior to own purchase decisions or the dissemination of brand information to benefit other consumers’ decision-making (i.e. word-of-mouth/e-word-of-mouth) (e.g. Henning-Thurau et al. 2004).

This paper seeks to advance the literature on word-of-mouth by introducing a new concept termed “brand talkativeness”, defined as an individual tendency of consumers to talk about brands, not limited to past experience and/or consumption concerns. Brand talkativeness also differs from opinion leadership, which is viewed as a consumer characteristic or trait used by literature to refer to the power certain individuals exert in others during the decision making process (Flynn et al., 1996; Goldsmith and De Witt, 2003; Rogers and Cartano, 1962).

Brand talkativeness provides a new lens for understanding consumer communication about brands (beyond word-of-mouth) through identifying the triggers of brand-related conversation. Using Churchill’s (1979) paradigm for developing measures of marketing constructs, a multi-dimensional and multi-item scale of brand talkativeness has emerged. The following sections present the methodology, analysis performed and results.

METHODOLOGY AND ANALYSIS

In line with Churchill’s (1979) recommended procedure, the literature review was complemented with exploratory research to help generate the initial pool of items to measure brand talkativeness. More specifically, six consumer focus groups were conducted to identify consumers’ motivations or tendencies to ‘talk’ about brands resulting in an item pool of 16 items. (e.g., When there is something interesting about a brand, I tend to talk about it; I talk about brands during conversations with friends/family; I don't talk about brands that I don’t like etc.)

An online survey was subsequently developed including the items from the initial pool and demographic questions. All items were evaluated with seven-point Likert scales anchored at 1= “strongly disagree” and 7= “strongly agree.” Data was collected from a snowball sample of 250 consumers. The majority of respondents were postgraduate students (63%), aged between 18 to 25 years of age (82%). The gender ratio was 56% male and 44% female.

Exploratory factor analysis (EFA) with oblique rotation (direct oblimin) was then performed on the data using the latent root criterion (eigenvalue) as a cut-off value for extraction. The outcome of EFA suggested a 5-factor solution, accounting for 60% of the variance. Items loading on two factors were eliminated from subsequent analyses. Factor 2 was left with one item and was thus removed on the grounds of parsimony as done in previous research (e.g. Christodoulides et al. 2006). The four retained factors were labeled interest, brand characteristics, experiences and ownership.
In line with Churchill (1979) data was then again collected from a second sample of consumers along similar procedures to the ones described above. This phase resulted in 250 fully completed questionnaires. Following Gerbing and Anderson’s (1988) advice, the remaining 13 items were examined through CFA (AMOS v.9) to establish the unidimensionality of each emerging factor. A measurement model was specified to have the retained four factors with the 13 selected items constrained to load on the one factor identified in EFA. The measurement model turned out to be a poor representation of the data, with fit indices failing to meet acceptable levels (Hu and Bentler 1999). Modification indices were then considered leading to eliminating a further three items. The resulting 11-item scale indicates a good model fit ($\chi^2 (31) = 49.928$, $p = 0.019$: AGFI: 0.923; GFI: 0.964; RMSEA: 0.049; CFI: 0.958).

To evaluate the internal consistency of the scale, composite reliability estimates were computed with AMOS results (Fornell and Larcker 1981). These were .79 for interest, .68 for brand characteristics, .57 for experiences and 0.77 for ownership. Evidence of discriminant validity between the dimensions of brand talkativeness was also obtained by Fornell and Larcker ‘s (1981) test which compares the average variance extracted (AVE) for each factor with the squared pairwise correlation between factors. The AVE for each factor was higher than all $\phi^2$ estimates involving that factor.

The construct validity of the brand talkativeness scale was further assessed by correlating brand talkativeness with brand consciousness. Brand talkativeness is a new construct and has no established nomological network but we expected the scale to be correlated positively with brand consciousness. Brand consciousness denotes an orientation to prefer brands that are well known and highly advertised (Liao and Wang 2009). Additionally literature on brand consciousness highlights a bond between the consumer and brands (Nelson and Devanthan, 2006; Liao and Wang 2009), which in this study we argue to be relevant to the tendency to talk about brands. Brand consciousness was measured via a scale of 6 items based on Nelson and McLeod (2005) (e.g. I pay attention to brand names; Brand names tell me something about the quality of a brand etc.). An overall score was taken following acceptable levels of reliability ($a$.89) and was subsequently correlated with an overall score for brand talkativeness ($a$.80). Pearson Correlation was significant at $p<.000$ ($r = .528$) suggesting that consumers who are brand name conscious are more likely to talk about brands. Additionally, correlations between brand consciousness and separate dimensions of brand talkativeness showed significant results: interest, $r = .528 .453$ ($p<.000$); brand characteristics $r = .458$ ($p<.000$); experience $r = .197$ ($p<.000$) and ownership, $r = .379$ ($p<.000$). The final scale consists of 11 items capturing four dimensions: Interest (When there is something interesting about a brand, I tend to talk about it; I talk about brands during conversations with friends/family; I will talk about a brand if I intend to buy it), brand characteristics (The brand's design and/or packaging makes me talk about a specific brand; I will talk about a brand that is expensive; I talk about specific brands with others on social media), experience (I tend to talk about a brand I had a good experience with; A very bad experience with a brand makes people talk about it; I will talk about a brand that is relevant to me), and ownership (I talk about brands I already own; I talk about favorite brands).

**DISCUSSION**

The findings of this research show that consumers tend to talk about brands as a result of four triggers or motivators namely, interest, brand characteristics, experience (but extending beyond consumption) and ownership. In particular, consumers who find brands interesting are likely to engage into conversation about them, sharing for example interesting facts, stories or activities these brands are involved with. Such conversations are more likely to be manifested online via social media including social networking sites (e.g. Facebook) or video sharing sites (e.g. YouTube).
Similarly, consumers tend to talk about brands on social media as a result of specific brand cues, involving for example packaging, design or premium price. For example consumers may tend to talk about luxury, and/or premium brands such as Ferrari cars or Louis Vuitton cars, sharing facts and or news about these brands. Similarly, consumers may tend to talk about brands with a social media presence. For example brands that maintain a Facebook page enable consumers to engage with them via conversations.

Further, the findings of the study also show that consumers talk about brands as result of an experience not necessarily involving consumption. For example experiencing the brand in a physical store or through a digital application, or participating in a brand event (e.g. event sponsorship or event marketing) allows the consumer to experience the brand on various levels and subsequently talk about the brand to others. Finally, consumers tend to talk about brands that they own or have had a previous positive consumption experience with.

CONCLUSIONS AND IMPLICATIONS

This research contributes to theory by extending the word-of-mouth literature via a new concept, that of ‘brand talkativeness’ which sheds light on why consumers engage in conversations about brands. The focus of the concept also extends beyond consumption, thus differentiating it from word-of-mouth, as most often consumers tend to casually talk about brands that they do not necessarily own or have consumed. The findings of this study show that consumers tend to talk about brands as a result of interest, brand characteristics, experience and ownership. These results are important for brand marketers who are encouraged to focus on developing communications strategies and tactics which promote their brands as interesting, premium or exclusive, and to share interesting news and facts about their brands with consumers. Additionally, brand managers should also focus on allowing consumers to experience the brands on multiple levels, for example through social media and other digital applications.

References available upon request
OOPS! I DID IT AGAIN: ARE SOME FIRMS LESS LIKELY TO ENCOUNTER A PRODUCT-HARM CRISIS?

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ABSTRACT

Product-harm crises are ubiquitous in today’s marketplace. Prior research has explored the negative consequences associated with these crises (e.g., Ahluwalia et al. 2000; Dawar and Pillutla 2000; van Heerde et al. 2007), and highlighted effective crisis management strategies (e.g., Chen et al. 2009; Siomkos and Kurzbard 1994; Cleeren et al. 2013). Very limited attention, however, has been devoted to exploring the antecedents of such crises. Addressing this limitation, the authors explore corporate governance and top management team (TMT) characteristics related to firms’ likelihood of experiencing a product-harm crisis. Analyses of 116 S&P 500 firms across the years 2006-2011 reveal that family firms, firms with high levels of managerial ownership, and firms in which the marketing function has a high degree of influence in the TMT, are less likely to encounter a product-harm crisis. The lower propensity of such firms to encounter a product-harm crisis is partially mediated by their higher strategic emphasis on product quality. These results have important implications for practitioners and for scholars working in the areas of innovation, family business, corporate governance, and the role of marketing in organizations.

References Available Upon Request
INTRODUCTION

While a significant body of research has hitherto highlighted the importance of isolated affective dimensions for Internet usage and shopping (e.g., Elliot and Fowell 2000; Lim et al., 2008), there is little systematic research to date that examines affective states as a whole in the online environment. This study builds on the recent work by Christodoulides, Michaelidou and Siamagka (2013), which identifies comparative (online/offline) affective states as an appropriate base for segmenting online users. In particular, this research investigates the role of affective states and culture on online brand perceptions. A model is developed and tested using multilevel data from five countries.

BACKGROUND

Past research highlights the important role of affect on consumer behavior and attitudes (e.g., Bagozzi et al., 1999; Foxall 1997; Kwortnik and Ross, 2007; Vanhamme and Lindgreen, 2001). Consistent with existing evidence, which suggests that emotions are context-specific (Kwortnik and Ross, 2007), researchers have examined the role of positive and negative affective states within the Internet retail channel (e.g., Jones et al., 2008; Menon and Kahn, 2002; Petz and Hogg, 2011). Menon and Kahn (2002) suggest that positive affective states influence positively online shopping. At the same time, consumer experience of negative affective states (e.g., displeasure) in online environments result in negative behavior, including for example less willingness to browse or desire to linger longer (Menon and Kahn 2002; Petz and Hogg, 2011).

According to Mesquita and Walker (2003) emotions differ across cultures. Research on emotions highlights that a universal consensus exists in terms of basic and specific emotions across cultures (Aaker and Williams, 1998), with differences identified being the result of differences in the construal of the ‘self’ across cultures (Triandis, 1993). In particular, Hofstede’s (1980) cultural dimensions of individualism/collectivism and power distance have been found to explain differences in individual emotions experienced by consumers in the bricks and mortar world and across cultures (Matsumoto, 2006). In addition, researchers have modeled cultural dimensions as moderators of online consumer behavior (e.g. Ganguly et al., 2010; Yoon, 2009). Based on existing evidence, our conceptual model hypothesizes the cultural dimensions of individualism and power distance as moderators in the relationship between positive and negative affective states and online brand perceptions. We also inserted gender, age and Internet penetration as control variables.

RESEARCH METHODS

Data was collected by a market research firm from 1008 Internet users in five countries, including Australia (n=208), US (n=202), UK (n=200), Canada (n=197) and China (n=201). Quota sampling was utilized and quotas were imposed for gender, age, location (urban/rural) and working status.
(working/not working) to ensure that the sample from each country was representative of that country’s Internet population.

The nineteen comparative affective states previously identified in the literature (Christodoulides et al., 2013) were incorporated into the questionnaire along with measures for online brand perceptions. Consistent with Hofstede (1980, 2001), who argues that the value scores of the dimensions are to be used exclusively for national level analysis of culture, individualism/collectivism and power distance were measured at a national level.

**RESULTS AND DISCUSSION**

Following well established procedures for scale development (e.g. Churchill 1979, Gerbing and Anderson 1988) including exploratory and confirmatory factor analysis, a two-factor solution for affective states has emerged: comfort, which represents positive affective states (α=.88) and caution, which captures negative affective states (α=.70). To avoid issues of multicollinearity in our model we followed Little, Bovaird, and Widaman’s (2006) recommended procedure for orthogonalizing interaction terms and used these orthogonalized values in the subsequent analysis. Control variables were also included in the model including age, gender and internet penetration.

Prior to testing our hypotheses, the affective states and online brand perceptions scales were subjected to invariance testing (Steenkamp and Baumgartner, 1998). Full metric invariance was established and thus the next step involved testing the fit of the measurement model using AMOS (version 17.0). Good model fit was established; $\chi^2 (163) = 775.249$ (p< .001), CFI= .97, TLI= .96, RMSE= .06. The structural model was then tested and again a good fit was established; $\chi^2 (152) = 488.391$ (p< .001), CFI= .98, TLI= .97, RMSE= .05.

The findings suggest a significant direct effect between positive online affective states (i.e. comfort) on online brand perceptions ($b= 2.80$, $p< 0.1$) confirming existing evidence (e.g. Jones et al., 2008) that positive online affective states lead to more favorable brand perceptions. Interestingly, support that negative online affective states may deteriorate consumers’ perceptions of online brands was not found ($b=-0.003$, $p> .05$). This contradicts the literature on emotions but may be explained by the higher tolerance that people exhibit towards the online channel.

It is also suggested that both of the cultural dimensions examined have a direct effect on online brand perceptions ($b=-0.009$, $p< .05$ for individualism and $b=-0.022$, $p< .01$ for power distance). Interesting results emerged with regards to the moderating role of culture on the relationship between affective states and online brand perceptions. Positive affective states (i.e. comfort) experienced by individualist cultures indicate that the impact of comfort on online brand perceptions is strengthened ($b=0.012$, $p< .05$). Contrary to that, negative affective states (i.e. caution) in a high power distance context weakens the relationship between caution and online brand perceptions ($b=-0.022$, $p< .05$).

Unlike most previous research that focused on isolated emotions, our research investigates (comparative) affective states as a holistic concept and how those impact brand perceptions by taking into account the role of culture. Furthermore, our contribution includes the testing of the model through multi-level data involving consumer survey data from five countries (i.e., UK, USA, Australia, Canada...
and China) as well as country level scores on cultural dimensions (i.e. individualism and power distance).

In addition to the theoretical implications of this research, the findings bear significant implications for managers. The findings suggest that both cultural dimensions examined influence the way in which online brand perceptions are received by cultures with collectivist and low power distance cultures holding more favorable perceptions of online brands. This may well suit the democratic and social nature of the medium and the co-created nature of online brands which often lack rigid structures (Christodoulides, 2009). Managers in high power distance or individualistic cultures are advised to devote more resources to marketing their brands in physical stores rather than online due to the less favorable consumer perceptions towards online brands. The findings also suggest that managers should direct their resources on generating feelings of comfort in the online space as these are likely to translate into more favorable online brand perceptions rather than on supressing caution as the latter does not directly impact on online brand perceptions.

References available upon request
THE IMPACT OF OTHER-FOCUSED LOYALTY PROGRAM ON HEDONIC CONSUMPTION AND EMOTIONAL BRANDING: IMPLICATIONS FOR CROSS-CULTURAL STUDY

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INTRODUCTION

This research attempts to examine the impact of loyalty program on hedonic consumption and emotional branding among U.S. Hispanics. I attempt to compare how consumer behavior can vary across cultures. Especially, this paper illustrates how other-focused loyalty program can affect customer behaviors with regard to emotional branding and hedonic consumption in the context of two different cultures. Furthermore, this study compares Hispanic and non-Hispanic consumer behaviors in the U.S.

BACKGROUND

Other-focused loyalty program is associated with two representative collectivistic characteristics, such as family theme-focused and Hispanic community-focused. Research model shows the detail relationship between other-focused loyalty program and U.S. Hispanic consumers’ behavior. This paper categorizes other-focused marketing approach as family-focused and Hispanic community-focused emotions to explain how it functions among U.S. Hispanic customers. U.S. Hispanics tend to emphasize the importance of their family and community. This article argues that other-focused loyalty program may lead to U.S. Hispanic’s hedonic consumption and emotional branding positively. Moreover, I suggest the moderating role of collectivism in this research model. This research model explains that Hofstede’s dimension, including collectivism, power distance and uncertainty avoidance positively moderates the relationship between other-focused loyalty program and U.S. Hispanic hedonic consumption, and emotional branding. Collectivism is U.S. Hispanic’s unique and strong characteristic in terms of cultural dimensions. This research chooses this value as a moderator because it is one of the most distinctive characteristic with regard to U.S. Hispanic’s consumer behavior. In contrast, Non-Hispanics tend to have more individualistic consumer behavior. Using collectivism as a moderator gives us clear insight to examine the moderating effect on the suggested relationship. In sum, this paper expects that collectivism can affect these two relationships positively between other-focused loyalty program, U.S. Hispanic’s hedonic consumption, and emotional branding.

HYPOTHESES

This paper argues that family and community-focused loyalty program can appeal to U.S. Hispanic consumers in terms of U.S. Hispanic emotional branding significantly. Moreover, I propose that family-focused and community-focused loyalty program can positively affect U.S. Hispanic emotional branding. This paper argues that collectivism has a positive effect on the relationship between other-focused loyalty program and U.S. Hispanic hedonic consumption. I propose that collectivism positively moderates the relationship between other-focused loyalty programs and U.S. Hispanic hedonic consumption. Finally, I propose that collectivism positively moderates the relationship between other-focused loyalty program and U.S. Hispanic emotional branding. Here are hypotheses that this research attempts to test.
Hypothesis 1: Family-focused loyalty program can positively affect U.S. Hispanic hedonic consumption.

Hypothesis 2: Community-focused loyalty program can positively affect U.S. Hispanic hedonic consumption.

Hypothesis 3: Collectivism positively moderates the relationship between other-focused loyalty program and U.S. Hispanic hedonic consumption.

Hypothesis 4: Family-focused loyalty program can positively affect U.S. Hispanic emotional branding.

Hypothesis 5: Community-focused loyalty program can positively affect U.S. Hispanic emotional branding.

Hypothesis 6: Collectivism positively moderates the relationship between other-focused loyalty program and U.S. Hispanic emotional branding.

METHODOLOGY

This study attempts to use focus groups analysis to investigate the relationship between other-focused loyalty program, U.S. Hispanic hedonic consumption, and emotional branding. In addition, I conduct focus group analysis to examine the moderating role of collectivism among U.S. Hispanic consumers. This paper attempts to generate the focus group questions through literatures on Hispanic culture beliefs and values and Hofstede’s (1984) cultural dimensions. This article’s main subjects are U.S. Hispanics of Mexican origins located in a city in South Texas. In terms of generation level, this paper attempt to interview first and second generation from U.S. Hispanic immigrants. Education level entails several levels, including undergraduate, graduate, and educated working professionals.

CONCLUSION

The objective of this research is to examine the relationship between other-focused loyalty program, U.S. Hispanic hedonic consumption, and emotional branding. This article also attempts to find the effects of collectivism on the relationship between other-focused loyalty program, U.S. Hispanic consumption, and emotional branding. This paper suggests propositions in terms of U.S. Hispanic consumption. Other-focused loyalty is the reward program, which focused on emotions associated with a social context. Family and community-focused marketing strategy is closely related to other-focused emotions. This paper proposes that family and community-focused loyalty program can positively affect U.S. Hispanic’s hedonic consumption. Moreover, I argue that other-focused loyalty program can positively affect U.S. Hispanic’s emotional branding. Lastly, this paper examines the moderating role of collectivism in the context of other-focused loyalty program among U.S. Hispanic consumers behaviors including hedonic consumption and emotional branding. Loyalty program is a critical theme and research area in consumer behavior. Previous literatures deal with loyalty program in many ways and this paper attempts to find research gaps and fill them in the context of U.S. Hispanic consumer behavior. This research’s contribution is to examine the impact of other-focused loyalty program on emotion branding, and hedonic consumption. Furthermore, comparisons of two distinctive cultures between Hispanic and non-Hispanic are intriguing approaches to find the impact of collectivism in suggested
relationship. This paper suggests that there are consumer behavioral differences in hedonic consumption and emotional branding in two different cultures’ contexts. This paper aims at cross-cultural study and I explain how U.S Hispanic and non-U.S. Hispanic customers behave differently in the context of loyalty program. U.S. Hispanic culture has uniqueness with regard to collectivism, power distance, and uncertainty avoidance (Hofstede, 1984).

In this article, among of them, I focus on collectivism to explain its moderating effect on U.S. Hispanic customer’s behavior. This paper uses Hofstede’s cultural dimensions and attempts to use collectivism as the moderating factor that can affect the relationship between other-focused loyalty program and their customer behaviors with regard to hedonic consumption and emotional branding among U.S. Hispanic consumers. Moreover, I expect that future research can expand this paper’s findings to other products and programs in different industries. Future research can apply different immigrants from different backgrounds as this research mainly focuses on U.S. Hispanics from Mexico. The U.S.’s immigrant community consists of diverse country of origins and there should be research gaps that need to be filled in terms of U.S. immigrant community’s diversity.

FUTURE RESEARCH & LIMITATIONS

This paper fills important gaps from the existing literatures and provides important implications for academics. Propositions extend previous researches applying collectivistic approaches to loyalty program. This article expects that the focus group analysis reflect an underlying U.S. Hispanic culture. Furthermore, I provide evidence that Hofstede’s (1984) culture dimensions can be applied to immigrant Hispanic communities in the U.S. This research suggests that future research should extend this analogy to other immigrant communities worldwide with regard to loyalty program. Moreover, I expect that future research can expand this paradigm to other products and programs in different industries. Future research can apply different immigrant from different backgrounds and this research mainly focuses on U.S. Hispanics from Mexico. U.S. immigrant’s community consists of lots of country of origins and there should be research gaps that need to be filled with accordance with U.S. immigrant community diversity. This study is based on a qualitative analysis, especially for focus group. This type of analysis can be limited with regard to the generalizability of findings. Target focus group subjects are mainly Hispanics from Mexico in South Texas region. This regional characteristic and specific country-origin can cause limitation in terms of generalizability. Future study can test the generalizability of the themes and propositions identified by conducting appropriate quantitative research with regard to addressed limitations. Furthermore, using USA and Mexico’s cultural dimension scores can be limitations with regard to addressing the difference between Hispanics and non-Hispanics in the U.S. This article mainly focuses on Hispanic from Mexico and it analyzes Hofstede’s cultural dimensions score of Mexico and USA. Obviously, Mexico has strong collectivistic characteristic according to Hofstede’s data analysis, however, it has possibility for U.S. Hispanics from Mexico to have a slightly different cultural tendency in terms of collectivism. For example, U.S. Hispanics from Mexico may have been influenced by either internal or external contingencies, including education, cultural distance, and peer pressures from their affiliated groups in the U.S. Thus, future research needs to support the individualistic or collectivistic differences between Hispanics from Mexico and non-Hispanics in the U.S. by using accurate and appropriate data.

References Available Upon Request
MAIN PSYCHOLOGICAL SEQUENCE OF RESPONSES LINKED TO THE CONSUMER’S USE OF AN E-VENDOR’S RECOMMENDER

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ABSTRACT

Studies on e-commerce recommendation systems with a focus on marketing and, specifically, on consumers and their decision-making, are harder to find. Nevertheless, this approach is important to gaining an understanding of the adoption and use of e-commerce. We focus on the chain of psychological outcomes linked to an e-vendor’s RS that emerge once such a system is adopted and used to support an online shopping process and possible purchase. As a basis for our approach, we use the theoretical proposal by Martínez-López et al. (2010) for this purpose. In particular, we consider a sequence of four psychological variables with reference to which it is posited that consumers’ perceived performance of an online store’s recommendation system (RS) and their satisfaction with it have an influence on their willingness to purchase with the support of such a system’s suggestions. Other direct antecedent variables are considered too, taken from classic and novel consumer behaviour theories applied to online shopping environments. However, this interesting sequence of psychological responses has yet to be empirically tested.

Our model is based on the integrative, theoretical model proposed by Martínez-López et al. (2010). It works with a set of four constructs as psychological responses related to the use of an e-vendor’s RS: the consumer’s perception of the RS’s performance; satisfaction with the RS; willingness to buy a searched item based on the RS’s recommendation; and finally, willingness to make a cross/add-on purchase based on the system’s suggestions. Furthermore, three antecedents are included for such responses.

In order to test the structural model, based on the same reasons presented above, we applied a RWLS method. Model fit indices were generally quite satisfactory. The estimation of the model’s structural coefficients showed all our hypotheses to be significant, with the exception of H10. The results showed that there is no direct relationship (although there is an indirect relationship through the predisposition of the consumer to purchase) between the user’s satisfaction with the RS-WS and his/her predisposition to make a crossed purchase or a more expensive purchase. In other words, individuals who are satisfied with the RS are generally more inclined to purchase what the system recommends in relation to their primary search object, but they will not be more inclined to purchase products/services outside their primary shopping goal, related to add-on selling suggestions. To be specific, consumers will only be more inclined to purchase add-on products to their primary shopping goal (i.e. cross/up selling) when they intend to follow the recommendations of the RS in relation to their initial search. This is when they are willing to accept and follow other suggestions made by the recommender about other products that complement their initial shopping goal or are more expensive.

References available upon request
Cause-related marketing (CRM) has become increasingly popular with professional sport leagues and large charitable organizations (Genzale 2006). A prominent example is the National Football League’s (NFL) Pink Campaign, branded “A Crucial Catch,” with the American Cancer Society (ACS). While a large body of research suggests that CRM can positively affect purchase intentions and behavioral responses (e.g., Bhattacharya and Sen 2003), consumers’ response to CRM in a sports context may be confounded by team allegiances and rivalries (Platow et al. 1999). The purpose of this study is to examine the influence of rivalry in CRM on hometown team identification and consumer behavior in support of the cause.

According to social identity theory, sport team identification fosters supportive behaviors consistent with one’s group and distinctive from salient others (Ashforth and Mael 1989). Of particular emphasis in the identification process are positive group associations to enhance self-esteem (Trail et al. 2003). In addition, while the body of CRM research leans toward facilitating supportive behaviors (e.g., McGlone and Martin 2006), research on the reaction to rivals in sports suggests a contrary response (Dalakas and Melancon 2012). Rival teams are strongly linked to team identification in that the salience of an out-group typically intensifies identification with the in-group (Mullen, Brown, and Smith 1992); yet in league-wide CRM campaigns, sport consumers might be exposed to images of both hometown and rival teams associated with a charitable cause, thereby posing a challenge to team identification. Accordingly, the meta-contrast principle suggests that individuals prefer to emphasize distinct positive attributes of their team and negative associations of rivals (Hogg and Terry 2000).

An experimental design was employed to test several hypotheses related to the effects of rival team imagery within league-wide CRM campaigns. Results suggest that exposure to rival team imagery suppresses hometown team identification, which then reduces behaviors supportive of the CRM initiative. Data also indicate a mediation effect between exposure to rival imagery, hometown team identification, and CRM supportive behaviors. These results suggest that league-wide CRM initiatives can suppress levels of team identification for a hometown team when a rival team is featured, thereby reducing engagement in behaviors supportive of the CRM partnership. These rivalry effects remain significant even when we controlled for relevant covariates including domain involvement and perceived importance of the cause message.

While the marketing communication tactics employed to tout these initiatives vary from league to league, each campaign aims to instigate supportive behaviors amongst sport fans. However, our study demonstrates that not all CRM imagery elicits similar reactions and propensity for supportive behaviors. As a result, sports leagues, teams, and philanthropic partners should be cognizant of salient rivalries in their promotional campaign design and activation.
A META-ANALYSIS ON EXPORT PROMOTION PROGRAMS: NEW OUTCOMES

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ABSTRACT

Since the economic crisis of 2008 the situation in Europe has worsen, leading small export companies to close down due to the depression, while governments cut their budgets. As a result, export promotion programs (EPPs) might have been abandoned. The austerity era has began and export companies wonder if there is another important issue at the moment for economies than working out how to stimulate greater exporting to available growth markets. The focus on the drivers of awareness and the use of EPPs may solve the problem of ignorance of such programs among small exporters. This paper will shed light on the impact of resources and capabilities on the drivers of EPPs which in turn, influence the competitive advantage, export knowledge and commitment that impact on the firm’s export performance through its export strategy. The proposed conceptual model is drawn on the need that the awareness of EPPs as well as the use of EPPs should play a more active strategic role in shaping the firm’s export performance. A meta-analysis is used to indicate which relationship to include in future research.

References available upon request
INTERNATIONAL MARKETING CAPABILITIES:
THE ROLES OF ORGANIZATIONAL UN-INERTIA AND STRATEGIC FLEXIBILITY

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ABSTRACT

International marketing scholars have debated the merits of standardization versus adaptation for many years. We address this debate by identifying opposing forces, namely an inertia force to use proven strategies and products in new international markets (standardization) versus an open minded, flexibility-based force driving exporters to adopt strategies and products to new international territories (adaptation). Theoretically, Day (2011) identified several barriers to adapting marketing capabilities and termed them organizational rigidities: organizational inertia (successful experience that locks the organization into a dominant approach) and lagging reaction (how quickly is an organization willing and able to react to verifiable shifts in the market). Accordingly, since international marketing capabilities are more explorative than domestic ones, these rigidities might have stronger impacts. Hence, in the core of this research is the belief that organizational un-inertia (used here to denote low levels of organizational inertia) and strategic flexibility enhance the development of superior international marketing capabilities. Our model also includes cultural distance as a moderator of the relationship between un-inertia/flexibility and international marketing capabilities.

References available upon request
LUXURY BRANDING IN EMERGING MARKETS

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ABSTRACT

In March 2012, Gap entered the South African market, but with a different pricing strategy to the one followed in the USA. While the brand is known as an affordable clothing brand in the USA, its goods were priced substantially higher in South Africa than in the USA. The same Gap T-shirt sold for $16 in the USA was being sold at $40 in South Africa. The positioning of the Gap brand as a luxury brand in the South African market suggests that what constitutes a luxury brand is not the same across global markets. This paper explores whether this mode of market entry is a sustainable business model or if the mode of entry is only viable for short-term success. In pursuing this line of thinking, the concept of the opportunistic luxury brand is presented. An opportunistic luxury brand is defined as a brand that is not normally known as a luxury brand in other markets (i.e. other countries) and is adopting a luxury brand positioning in a particular market. This paper develops and offers a research agenda for luxury brands in emerging markets.

References available upon request.
ON THE SERVICE QUALITY AND SATISFACTION RELATIONSHIP: 
THE MODERATING ROLE OF CONSUMER ENTITLEMENT

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ABSTRACT

While the study of service quality and its impact on customer satisfaction has a rich history within the services marketing literature, there have been recent calls for research that provides a deeper understanding of this relationship, given its fundamental role in ensuring outcomes such as customer retention and profitability (Anderson, 2007). This research study seeks to add to the literature by exploring the role of an under-researched construct known as consumer entitlement on the service quality-satisfaction relationship. Using a sample of season ticket holders of a professional sports franchise, this study hypothesized and found that consumer entitlement moderates the service quality-satisfaction relationship such that higher levels of consumer entitlement mitigate the positive impacts of service quality on satisfaction.

This study’s sample consists of season ticket holders, who generally receive special treatment in exchange for their loyalty and the revenue from their patronage. Their status would suggest a potentially high degree of consumer entitlement in this customer group. Given the heavily expectation-influenced nature of service quality and satisfaction assessments, it seems quite likely that consumer entitlement would play a moderating role in the service quality-satisfaction relationship. Since entitled consumers expect a higher level of service, it is likely that their satisfaction level will be less positively affected by high levels of perceived service quality than less entitled consumers.

As hypothesized, this moderated relationship was found to be significant. Vital to the finding is the implication that, for highly entitled consumers, the importance of service quality to their ultimate satisfaction appears to be somewhat diminished. Given the recent increase in a general sense of entitlement (Trzesniewski, Donellan, & Robins, 2008), we must question the vital role of service quality in the creation and maintenance of customer satisfaction.

Surprisingly, at low levels of service quality, entitled consumers realized higher levels of satisfaction than their less entitled peers. This may be due to a higher level of self-confidence in entitled consumer’s decision-making ability. An alternate, though related, possibility could be that there is an escalation of commitment at play, since the sample surveyed consists of season ticket holders. When making an investment of this magnitude, an artificially high self-opinion could lead customers with high entitlement to report being more satisfied than service quality would have otherwise warranted. Taken as a whole, these findings add credence to the assertion that the presence of high levels of service quality may no longer be enough to directly impact customer satisfaction. However, low levels of service quality may still be sufficient to result in dissatisfaction. If our results are an indication of the future, marketers would be wise to proactively determine strategies for maintaining relationships with, and keeping the attention and interest of, entitled consumers.

References Available Upon Request
ABSTRACT

There is a lack of specific research with a clear consumer orientation regarding the flow state in an online learning environment. Despite the efforts made in recent years to analyze these experiences according to various aspects of a student's conduct in a virtual learning environment (e.g. Shernoff et al., 2003; Pearce, 2005; Choi et al., 2007; Shin, 2006; Pace, 2007; Liu et al., 2009; Joo et al., 2012), the specific perspective of the consumption behaviour of a student as a consumer of online learning products has not been taken into consideration. Moreover, few studies have been conducted into flow in such environments and most of the findings are inconclusive. This is surprising given that the study of the online flow experience of students (as a consumers) could reveal certain advantages and benefits for students and education centres alike (Pearce, Ainley & Howard, 2005; Choi et al., 2007; Ryoo et al., 2008).

Our model extends the previous literature in the understanding of online experiences and specifically the states of flow that emerge in the consumption of higher education learning products. We model the flow phenomenon by identifying the factors that determine its appearance in an online learning environment and the main consequences, and to characterize the consumption process within this context. The theoretical structure presented includes the variables, identified from the literature review, that are likely to be related to flow in these environments. And it includes new relationships that are included between the variables related to flow. Concretely, as a direct antecedents of flow we consider: distortion in the perception of time, focused attention or concentration to the environment from which stimuli originate, perception of control over the medium and interactivity as a particular attribute of the virtual environment. The indirect antecedents we take into account are: attitude of the lecturer to students, learning content available, challenges presented in the online environment, skills of the user and personalization of the environment (a new variable which has not been hitherto considered in any other research into online flow). As consequences of flow we consider: positive affects perceived and student learning. The set of relations put forward in the proposed model are empirically tested.

References available upon request
CAN “REAL” MEN CONSUME ETHICALLY?
HOW ETHICAL CONSUMPTION LEADS TO UNINTENDED OBSERVER INFERENCES

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INTRODUCTION

Observers infer a consumer’s identity through a range of consumption categories (Belk et al. 1982). Although consumers are aware of the judgments of others, and alter their behaviors to create specific identities when socially accountable to others (e.g., White and Peloza 2009), observers do not limit their inferences to the specific identity consumers intend to project. They make additional inferences that may be unintended on the part of the consumer. In the current research, we explore how observers make ancillary inferences by examining the potential for ethical consumption choice to generate gender inferences beyond social responsibility as well as consumer responses to gender inferences.

GENDER INFERENCEs OF ETHICAL CONSUMPTION CHOICE

Gender role orientation means that men are expected to think and behave as masculine and women are expected to think and behave as feminine (Mueller and Conway Dato-on 2008). Masculinity is associated with self-confident, independent, and competitive attributes while femininity is described as emotional, gentle and understanding of others (Bem 1974, 1981). Previous research suggests a link between gender role orientation and ethical behaviors. For example, women are more likely than men to participate in a variety of green behaviors (Davidson and Freudenburg 1996). Companies in masculine cultures have lower levels of social and environmental performance than companies in feminine cultures (Riogov and Zollo 2007). Consumers associate socially responsible companies with feminine traits such as safe, friendly, protective, and gentle (Gildea 1994). Therefore, we propose that:

**H1:** Observers will infer higher (lower) femininity and lower (higher) masculinity when an individual (does not) consumes ethically.

STUDY 1

The experiment used a 3 (Ethical Consumption Choice: Ethical vs. Non-Ethical vs. Control) x 2 (Focal Customer Gender: Male vs. Female) between-subjects design. 266 undergraduate students (52.5% female) were randomly assigned into one of six conditions. We created six videos that depict a customer-salesperson interaction in a coffee shop. In the videos, the focal customer (either male or female) chooses either an ethical option (i.e., Fair Trade Blend – sourced directly from the growers to promote better working condition), a non-ethical option, or in a control condition where there is no ethical option. Two scales measuring masculinity and femininity were developed based on the Personal Attributes Questionnaire (Spence, Helmreich, and Stapp 1974). A two-way ANOVA revealed a significant interaction of focal customer gender and ethical consumption choice on perceived masculinity ($F(2,260) = 18.79, p < .001$) and femininity ($F(2,260) = 24.49, p < .001$). First, the male customer who did not consume ethically was viewed as significantly more masculine than the one in the control condition, who in turn was viewed as more masculine than the one who consumed ethically ($F(2,260) = 124.14, p < .001$; $M_{YES} = 3.97, M_{CONTROL} = 4.46, M_{NO} = 5.39$, all $ps < .001$). The female customer who did not consume ethically was viewed as significantly more masculine than the one who...
consumed ethically and the one in the control condition ($F(2,260) = 248.96, p < .001; M_{YES} = 3.01, M_{CONTROL} = 3.16, M_{NO} = 4.89, ps < .001$) although there was no difference between the ethical condition and the control condition ($p > .05$). Second, both the male and female customers who consumed ethically were viewed as significantly more feminine than the customers in the control condition, who in turn were viewed as more feminine than the customers who did not consume ethically (Male: $F(2,260) = 84.91, p < .001; M_{YES} = 4.38, M_{CONTROL} = 3.73, M_{NO} = 3.23$, all $ps < .001$; Female: $F(2,260) = 193.47, p < .001; M_{YES} = 5.01, M_{CONTROL} = 4.73, M_{NO} = 3.35$, all $ps < .001$). H1 was supported.

**STUDY 2**

The appeal type may influence gender inferences of ethical consumption choice because observers will infer consumers’ motives through the promotional appeal. An other-benefit appeal has strong associations with feminine traits and thus creates the perception of other-oriented motives for ethical consumption (Jones and Davis 1966). This will lead observers to infer higher femininity in male consumers when they respond to an other-benefit appeal. Conversely, a self-benefit appeal has strong associations with male qualities and self-oriented motives. Thus, observers’ inferences of masculinity will not differ between male consumers who consume ethically versus those that do not. In Study 2 we limited our examination to male consumers because males will incur greater social ramifications for exhibiting feminine traits (Brooks 2000; Elling and Knoppers 2005; White and Dahl 2006), and Study 1 demonstrates equivalent effects for both male and female consumers.

**H2a:** Observers will infer higher (lower) femininity and lower (higher) masculinity when a male customer (does not) consumes ethically in response to an other-benefit appeal.

**H2b:** Ethical consumption choice in response to self-benefit appeals will have no effect on observers’ inferences of masculinity and femininity.

The experiment used a 2 (Ethical Consumption Choice: Ethical vs. Non-Ethical) x 2 (Appeal Type: Other-benefit vs. Self-benefit) between-subjects design. 217 undergraduate students (47.5% female) were randomly assigned into one of four conditions. Videos were used again in the experiment. In the videos, the Organic Blend was promoted by either other-benefit (environmentally friendly) or self-benefit appeal (tasty and healthy). The male customer makes his decision at the end. A two-way ANOVA revealed a significant interaction of ethical consumption choice and appeal type on perceived masculinity ($F(1,213) = 75.29, p < .001$) and femininity ($F(1,213) = 82.19, p < .001$). When an other-benefit appeal was used, the male customer choosing the ethical option was viewed as less masculine ($M_{YES} = 3.86, M_{NO} = 5.23, F(1,213) = 158.03, p < .001$) and more feminine ($M_{YES} = 4.63, M_{NO} = 3.23, F(1,213) = 165.40, p < .001$) than the one who did not select the ethical option. However, when a male customer was presented with a self-benefit appeal, the decision to select the ethical option had no impact on perceived masculinity ($M_{YES} = 4.69, M_{NO} = 4.71, F < 1, p > .05$) and femininity ($M_{YES} = 3.81, M_{NO} = 3.82, F < 1, p > .05$). H2a and H2b were supported.

**STUDY 3**

Although consuming ethically is viewed as a feminine behavior, a descriptive norm where men typically consume ethically will lead observers to view ethical consumption as an appropriate male behavior. When a male consumes ethically, observers will view the behavior as unexpected (Bem 1974; Deaux and Lewis 1984) and therefore be more likely to draw upon relevant descriptive norms to help account for the atypical behavior (Jones and Davis 1966). If the relevant descriptive norm is a low rate of
incidence of ethical consumption by male consumers, a male who consumes ethically will be viewed as less masculine because his behavior does not meet expectations nor can it be explained through a relevant descriptive norm. However, when observers believe consuming ethically is a typical male behavior in a given situation (i.e., high incidence of ethical consumption by males), the perceived association between ethical consumption and femininity will be attenuated and the perceived association between ethical consumption and masculinity will be strengthened. Conversely, when a male does not consume ethically, a relevant descriptive norm of high male participation can result in a contrast effect and thus observers will infer even higher masculinity and lower femininity. Study 3 focuses only on male consumers as Study 2.

**H3a:** When the descriptive norm is a high incidence of ethical consumption by males, observers will infer high masculinity and low femininity regardless of a male consumer’s ethical consumption choice.

**H3b:** When the descriptive norm is a low incidence of ethical consumption by males, observers will infer lower (higher) masculinity and higher (lower) femininity when a male consumer consumes (does not consume) ethically.

The experiment used a 2 (Ethical Consumption Choice: Ethical vs. Non-Ethical) X 2 (Descriptive Norm: High Incidence vs. Low Incidence) between-subjects design. 165 undergrad students (57% female) were randomly assigned into one of four conditions. The videos were set in a sports store. The salesperson says that the customer can either choose a free bottle of glove treatment worth $10 or make the company donate $10 to breast cancer research when buying a baseball glove. The salesperson also mentions most (male) customers’ choice as the manipulation of descriptive norm. Then the male customer makes a decision at the end. A two-way ANOVA revealed a significant interaction of ethical consumption choice and descriptive norm on perceived masculinity ($F(1,161) = 15.62, p < .001$) and femininity ($F(1,161) = 7.42, p < .01$). When a male customer chose the ethical option, he was perceived as more masculine ($M_{HIGH} = 4.84, M_{LOW} = 3.58, F(1,161) = 154.24, p < .001$) and less feminine ($M_{HIGH} = 3.63, M_{LOW} = 4.47, F(1,161) = 35.66, p < .001$) when the descriptive norm was a high (vs. low) incidence of male ethical consumption. When the male customer did not choose the ethical option, he was also viewed as more masculine ($M_{HIGH} = 5.71, M_{LOW} = 5.02, F(1,161) = 42.81, p < .001$) and less feminine ($M_{HIGH} = 2.99, M_{LOW} = 3.28, F(1,161) = 3.99, p < .05$) when the descriptive norm was a high (vs. low) incidence of male ethical consumption. Participants’ gender and age did not influence their gender inferences. The results also indicate that the descriptive norm of high incidence of male ethical consumption had stronger effect on observers’ gender inferences when the male customer consumed ethically but weaker effect when the male consumer did not consume ethically. The above findings suggest that the relevant descriptive norm influences observers’ gender inferences by changing observers’ perceptions of “typical” male behavior in general. Thus, Hypotheses 3a and 3b were supported.

**STUDY 4**

Because people have strong negative attitudes toward being associated with the opposite sex (Nosek, Banaji and Greenwald 2002), the gender inferences generated by ethical consumption choice may be potentially negative to consumers. The objective of Study 4 is to examine consumer responses to the gender inferences. Previous research demonstrates that individuals are motivated to take different impression management strategies to create a more competitive image to the same sex or a more attractive image to the opposite sex (e.g., Buss and Barnes 1986; Snell 1989). Behaviors related to ethical consumption are particularly useful for communicating a specific image. Not consuming ethically can help create a competitive image whereas consuming ethically is typically viewed as an
attractive behavior (Buss 1988). However, the above argument is based on the assumption that consumers are aware that observers make gender inferences based on their ethical consumption choices. If consumers are unaware of the gender inferences, the gender of observers will not influence consumers’ ethical consumption choice.

**H4a:** When consumers are aware of the gender inferences associated with their ethical consumption choice, they will be more (less) likely to consume ethically in the presence of observers of the opposite (same) sex.

**H4b:** When consumers are unaware of the gender inferences associated with their ethical consumption choice, the gender of observers will not influence consumers’ ethical consumption choice.

The pretest revealed that in the absence of specific information, participants did not expect that ethical consumption will result in gender inferences by observers. The main experiment used a 2 (Awareness of Gender Inferences: Aware vs. Unaware) x 2 (Observer Gender: Male vs. Female) x 2 (Focal Customer Gender: Male vs. Female) between-subjects design. 228 undergraduate students (53.5% female) were randomly assigned into one of eight conditions. We first manipulated awareness of gender inferences by asking participants to read either the findings from Study 1 (awareness) or a story about customer service (unawareness). After that, participants read a scenario that describes customer-salesperson interaction in a coffee shop. The observers are the salesperson and two other customers in close proximity who are either male or female. The focal customer is either David or Rebecca. Finally, participants estimated the probability (out of 100) that David/Rebecca will choose the ethical option. A three-way ANOVA revealed a significant three-way interaction ($F(1,220) = 22.55, p < .001$). In the awareness condition, male participants were more likely to predict the selection of the ethical option when the observers are female than when the observers are male ($M_{OBS-MALE} = 26.25; F(1,220) = 30.12, p < .001$). Female participants were more likely to predict the selection of the ethical option in the presence of male observers (versus female observers) ($M_{OBS-MALE} = 63.29; F(1,220) = 24.11, p < .001$). In the unawareness condition, observer gender had no impact on participants’ predictions. Thus, Hypotheses 4a and 4b are supported.

**DISCUSSION**

The current research demonstrates that observers make other, ancillary gender inferences beyond social responsibility based on consumers’ ethical consumption choice. Consumers who consume ethically are viewed as more feminine and less masculine than consumers who do not consume ethically. Our research also identifies two important boundary conditions. Appeal type alters gender inferences by influencing how observers perceive the motives behind an ethical consumption choice. Descriptive norm influences gender inferences by changing observers’ perceptions of whether an ethical consumption choice is a typical male/female behavior. The research finally examines consumer responses to gender inferences and finds that consumers are more likely to consume ethically in the presence of the opposite (vs. same) gender. Our research not only makes a number of theoretical contributions but also has great marketing implications. For example, a masculine brand such as Old Spice should choose the appropriate CSR communication strategies. Otherwise, CSR may create a feminine image that is inconsistent with their brand personality. Marketers can also include gender role orientation as another segmentation variable in traditional segmentation systems such as VALS (Mitchell 1983) to identify consumers who adhere to more specific gender roles.

**References Available Upon Request**
MOBILE PHONE SATISFACTION: AN EXAMINATION OF ANTECEDENTS AND CONSEQUENCES

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ABSTRACT

As individuals are increasingly upgrading to smartphones to use both software applications and the Internet, it is important to study factors that impact their satisfaction with these devices. Various smartphone options are currently available to consumers, making these devices a commodity just like many other consumer products. As smartphones become commoditized, mobile phone applications (MPAs) play an integral role for their diffusion and successful competition in today’s highly competitive market (Yoo et al., 2010). With the ubiquity of MPAs, questions such as how apps may affect consumers’ experiences and satisfaction with mobile phones (MPs) and consequently, influence consumers’ purchase decisions regarding MPs and mobile phone service providers (MPSPs) become increasingly important. Consumers’ overall experience with their mobile phone (as a result of MP, MPSP, and MPA) can create enjoyment that leads to MP satisfaction. This is consistent with the uses and gratification theory (Lin, 1996) arguing that if product/service consumption experience is positive and pleasant, it would lead to increased customer satisfaction. We extend existing research on MP satisfaction and purchase behavior by developing a framework to investigate relationships between MP, MPSP, and MPA experiences, MP satisfaction, and WOM behaviors.

Data were collected using an online survey of 444 smart phone owners. Results indicated that experience with the service provider had a positive effect on the experience with MP and satisfaction with MP. Experience with MPAs showed a positive effect on experience with MP, satisfaction with MP, and willingness to make WOM referrals about them. Experience with MP also had a positive effect on satisfaction with phone. However, it did not have a significant effect on willingness to make WOM referrals about the MP. Satisfaction with MP influenced willingness to make WOM referrals about mobile applications and MPs. Moreover, willingness to make WOM referrals about applications had a positive influence on reception of WOM referrals about applications. Willingness to make WOM referrals about MPs showed a positive effect on reception of WOM referrals about MPAs and MPs. The results of the mediation analysis supported the mediating role of MP satisfaction in the relationship between MP experience and intention to make WOM referrals about MPAs. Also, MP satisfaction fully mediated the relationship between MPSP experience and making MP/MPA referrals.

The present study integrates the impact of consumers’ experience with MP, MPSP, and MPA on MP satisfaction and the results provide theoretical and practical implications for understanding consumer experiences and the ever-growing usage of smartphones and mobile applications. The proposed model extends previous research on phone satisfaction by examining the effect of factors other than MPs, such as experience with MPSPs and MPAs installed on the phone.

References are available upon request
CULTURAL DIFFERENCES IN CONSUMER RESPONSE TO NOSTALGIC ADVERTISING: AN EXTENDED ABSTRACT.

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ABSTRACT

In the current inquiry we add to the emerging research on how consumers respond to nostalgic advertising, by examining the cultural differences in the evocation of nostalgia. We contend that nostalgic reverie can engage the consumer but there are cultural differences in what types of nostalgia (personal and cultural) are evoked among consumers. Findings from three studies in France reveal that, ad-evoked nostalgia has two dimensions, past imagery and cultural nostalgia. Further, past imagery results in an emotional reaction, however, cultural nostalgia, that such ads evoke, do not result in emotional reactions. These findings are unique and very different from past research. For instance, in the US, Merchant et al (2013) recently found that nostalgic reactions evoked by ads have a strong autobiographical memory element and are emotional experiences. Whereas, in France even though there is an autobiographical element to nostalgia, there is also a broader cultural evocation.

References available upon request.
THE INFLUENCE OF SALES FORCE TECHNOLOGY USE ON PERFORMANCE: THE STUDY OF MEDIATING AND MODERATING EFFECTS

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ABSTRACT

Rapid advancements in information technology (IT) are transforming the way relationships between companies and their customers are managed (Ahearne et al., 2012; Marshall et al., 2012). The increasing investment in IT in marketing and sales organizations has been a major area of investigation in terms of productivity, efficiency, and its ability to foster long-term customer relationships (Hunter and Perreault, 2007; Papastathopoulou et al., 2007). Today’s salesperson is pressured to do more in less time, and technological advancements have become an integral part of the personal selling process (Rapp et al., 2008). Many organizations spend considerable human and financial resources in equipping their sales forces with IT (Ahearne et al., 2008).

Nevertheless, technology adoption failures are still being reported at the organizational level (e.g., Finnegan and Currie, 2010). At the individual salesperson level, “the relationship between IT use and salesperson performance remains primarily unsubstantiated” (Ahearne et al., 2008, p. 671). In particular, prior research has yielded contradictory results that range from positive (e.g., Hunter and Perrault, 2007; Jelinek et al., 2006; Senecal et al., 2007; Rodriguez and Honeycutt, 2011) to non-significant (e.g., Avlonitis and Panagopoulos, 2005; Sundaram et al., 2007). Avlonitis and Panagopoulos (2005) reasoned that a possible explanation for the absence of association between technology use and salesperson performance may be attributed to the complex process through which information technology improves performance.

The purpose of this study is therefore to empirically examine whether and how sales technology use helps salespeople perform better through the modification of their customer-related skills, role ambiguity and customer-oriented selling behaviors. These variables have been found to be key direct antecedents of sales performance (Churchill et al., 1985; Franke and Park, 2006; Román and Iacobucci, 2010), yet their potential mediating role in the technology use-performance link remains unexplored. We also analyze the extent to which a salesperson’s technology self-efficacy moderates the technology use-performance link. In this study, consistent with Hunter and Perrault (2007, p. 17), sales technology (ST) refers to ITs that can facilitate or enable the performance of sales tasks. Data is collected from a diverse sample of 265 salespeople across different industries. Hypotheses are tested with structural equation modeling. Our results indicate that a salesperson’s qualification skills, role ambiguity and customer-oriented selling fully mediate the effect of technology use on performance. Interestingly, salespeople high in technology self-efficacy seem to get the most out of their technology use and consequently improve their sales performance, whereas technology use does not significantly increase performance for salespeople with low technology self-efficacy. Our study adds value to both managers and scholars through a stronger understanding of the link between ST and performance and its underlying mediating and moderating processes. Without an understanding of the ST-performance relationship, sales managers may increase ST costs but decrease potential returns.

References available upon request
MAKE THEM PAY!
UNDERSTANDING CONSUMER PARTICIPATION IN CROWDFUNDING

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ABSTRACT

Defined as “an open call over the Internet for financial resources in the form of a monetary donation, sometimes in exchange for a future product, service, or reward” (Gerber et al., 2012, p.1), crowdfunding has become a larger source of income for organizations of any size. Its impact on the economy of creative and charitable sectors in particular is greatly increasing. However, the lack of academic research on this phenomenon stands in sharp contrast to practice. Providing a deep analysis of why and how crowdfunders participate is needed to better grasp a novel facet of the overarching trend of consumer empowerment and coproduction, and gain an understanding of the monetary role of consumers in NPD. Ordanini et al. (2011) replaced crowdfunding within the historical evolution of the role of consumers in the production/consumption dichotomy and posited it in the service-dominant logic (Vargo and Lusch, 2004). The current paper is based on the same premises.

A qualitative approach that offers rich empirical evidence was an ideal method for exploring this issue. A grounded theoretical technique was used to collect and analyze data. An inductive research approach was used. Data were text derived from in-depth interviews with 26 crowdfunders. Data analysis led to identifying determinants of crowdfunding and to profiling three types of crowdfunders: the philanthropists, the kin and the fans. This categorization depended on their behavior including the amount of backed projects, backed project categories and amount of money pledged, as well as their attitude toward crowdfunding, participating in NPD and the offer of rewards, and finally their personal relationships and previous interest in the product category or brand.

The philanthropists are driven essentially by intrinsic motivations and perceive their empowerment as an opportunity to help entrepreneurs in need. Their behavior share great similitudes with charitable profile where intrinsic motivations play the greater part. Group identification and involvement into one or a few projects and project categories were found to be the common determinants of involving in a crowdfunding behavior for both the kin and the fans. The two groups differ in terms of distance of relationship with the entrepreneur, and thus with the role of rewards in their motivations to help and to pledge a certain amount of money. The kin personally know the entrepreneurs whereas the fans do not.

This study contributes to a better understanding of the role of consumers in NPD through their empowerment in offering for the first time a qualitative approach of the determinants for consumers’ decision to financially support entrepreneurs’ efforts to produce and launch a new product. It study lends support for taking into account backers’ identity in order to adapt entrepreneurs’ strategy in their projects’ presentation. Each profile displays distinguishable behavior and attitude towards the projects they choose to back and towards project categories and crowdfunding. These results emphasize the need for entrepreneurs to clearly define their targeting strategy in terms of types of perks and means to contact and attract new backers through both online and offline networks.

References available upon request
A SCALE FOR MEASURING CONSUMERS’ ETHICAL PERCEPTIONS OF SOCIAL MEDIA RESEARCH

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INTRODUCTION

Social media have become increasingly seductive as means to collect consumer data without necessarily making consumers fully aware of such data collection practices (Pettit, 2011; Poynter, 2011). This can raise ethical concerns. Online qualitative methodologies that rely on observations through social media have become increasingly popular among marketing academics (Braunsberger and Buckler, 2011; Cova and Pace, 2006; Kozinets, 2002; 2006; 2009; 2010). But so have various online quantitative data collection methods that use tracking technologies such as cookies (Palmer, 2005), and other forms of marketing dataveillance (Ashworth and Free, 2006). Despite current academic and practitioner-led debates regarding the morality of online research, to date scant research has been published on consumers’ ethical perceptions regarding how they are currently researched on social media, which is a knowledge gap this research seeks to address. To this end, our research attempts to develop a quantitative instrument that captures consumers’ ethical perceptions of social media research. The following sections present the background, methodology, analysis performed and results.

BACKGROUND

Previous research highlights that consumers’ ethical evaluations and expectations are particularly important in online settings and that they vary from the expectations individuals have in off-line environments (Roman, 2007). Perceived ethical behavior online involves a number of issues or concerns including privacy, security, responsibility and trust (Ashworth and Free 2006; Román and Cuestas 2008; Stanaland, Lwin, and Miyazaki 2011; Limpu, Wolf and Lunsford, 2011; Miyazaki and Fernandez 2001; Pollach, 2005). Authors have highlighted that individuals are concerned with privacy issues involving unauthorised saving and sharing of personal information, unsolicited contacts by marketers as well as undisclosed tracking of online behavior by websites using cookies and other tracking devises (Miyazaki and Fernandez 2001; Palmer 2005; Roman 2006). Privacy, hence involves both knowledge of data collection practices by marketers as well as the control over the information (Foxman and Kilcoyne 1993; Pollach 2005), signifying the issue of ownership of information in online environments, as well as the responsibility of information individuals have about themselves (Pollach, 2005). These issues of privacy, responsibility, consent and trust have gained additional importance with the advent of social media and social networking sites, where consumers share information about themselves with others, interact with brands on various social media platforms and are exposed to social network advertising; and where user information, patterns, and online behaviors are tracked, stored and traded by marketers.

METHODOLOGY AND ANALYSIS

In line with Churchill’s (1979) recommended procedure, a literature review was complemented with exploratory research to help generate the initial pool of items to measure consumers’ ethical perceptions
of social media research. Four consumer focus groups were conducted with twenty-eight professionals, who were social media users aged 18 and over, to identify ethical perceptions of social media research. Participants highlighted issues about privacy, control, trust, responsibility and informed consent in line with previous literature. The qualitative data was analyzed using template analysis based on initial concepts identified in the literature and subsequently coded using QSR NVivo. The procedure generated an initial pool of 54 items.

Following the qualitative phase, an online survey was developed which included the items from the initial pool as well as demographic questions. All items were evaluated with seven-point Likert scales anchored at 1= “strongly disagree” and 7= “strongly agree.” Data was collected from a pilot sample of 107 respondents. The sample presented a good spread of respondents regarding age (18 to 25 - 21%; 26 to 35 – 22.8%; 36 to 45 – 17.8%), gender (54.6% male; 46.4% female), and level of educational achievement (further education - 22.8%; undergraduate degree - 30%; postgraduate degree – 24.9%). Exploratory factor analysis (EFA) with oblique rotation (direct oblimin) was employed, using the latent root criterion (eigenvalue) as a cut-off value for extraction. The EFA outcome suggests a 10-factor solution, accounting for 65.56% of the variance. Eleven items failed to achieve the cut-off point of 0.35 (Hair et al., 2006) or cross-loaded on two factors and were therefore excluded from further analysis. The 10 retained factors were labeled transparency, legality, approval, concern, permission, vulnerability, reward, responsibility, protection, and terms.

Transparency refers to ethical perceptions that social media marketers keep track of consumers browsing and purchase behavior and often trade or sell this information. Legality is captured by ethical beliefs that there should be a law against collecting and saving information about social media users. Approval is captured by consumers’ approval of social media marketers’ usage of information collected about online shoppers. Further, Concern refers to privacy concerns about accessing private information on social media, while Permission is captured by perceptions that social media marketers should seek permission before collecting information on social media. Vulnerability denotes perceptions of how vulnerable certain groups of social media users are such as children and teenagers. Further, Reward and Responsibility, refer to perceptions that social media users should be offered rewards for participating in social media research, and that consumers are responsible for the information they disclose on social media. Finally, Protection and Terms refer to ethical beliefs that companies and the government are obligated to protect citizens from violations linked to social media research, and that social media users should be asked to approve terms and conditions regarding data usage and storage.

A subsequent data collection was undertaken in line with Churchill (1979), from a second sample of consumers along similar procedures to the ones described above. A total of 377 fully completed questionnaires were obtained. Following Gerbing and Anderson (1988), the 43 items remaining after the EFA analysis were transferred to CFA (Lisrel 8.71). The aim was to establish the unidimensionality of each emerging factor. Measurement model results support the 10-factor solution, with 27 remaining items constrained to load on the one factor identified through EFA. Overall measurement model results indicate a good model fit ($\chi^2 (305) = 629.706, p = 0.00; \text{RMSEA} = 0.051, \text{CFI} = 0.97, \text{NFI} = 0.95, \text{GFI} = 0.89 \text{ and Standardized RMR} = 0.05$). To evaluate the internal consistency of the scale, composite reliability estimates were computed with Lisrel results (Fornell and Larcker, 1981). Composite reliability (CR) for all dimensions is above the recommended threshold of .60 (Bagozzi and Yi, 1988). Convergent validity was assessed through the average variance extracted (AVE), and was confirmed as all values exceeded the recommended cut-off point of 0.5 (Bagozzi and Yi, 1988). Further, evidence of
discriminant validity between dimensions was obtained using Fornell and Larcker’s (1981) test, which compares the average variance extracted (AVE) for each factor, with the squared pairwise correlation between factors. AVE values were above the recommended cut-off point based on Bagozzi and Yi, (1988).

Construct validity then assessed by correlating ethical perceptions of social media research with locus of information control and intention to participate. This is a new scale with no established nomological network however, we expected the scale to correlate positively with the aforementioned items. Locus of information control, and intention to participate in social media research were captured using items based on previous research (e.g., Lo, 2010). Overall scores of the constructs were taken following acceptable levels of reliability ($a <.07$), and subsequently correlated with scale dimensions. The final scale has been assessed for overall reliability reporting an acceptable $a$ value of .798.

**CONCLUSIONS AND IMPLICATIONS**

This research presents an original, 10-item scale developed for measuring consumers’ ethical perceptions of social media research. Results show that consumers’ ethical perceptions include an index of dimensions involving transparency, legality, approval, concern, permission, vulnerability, reward, protection, responsibility, and terms. This study contributes to theory as it is the first to develop, and validate, a scale to measure consumers’ ethical perceptions regarding how they are currently researched on social media. This is important because consumers’ moral assessments of social media research may have an impact on social media research response rates. Future research could seek to test this scale in different countries, and explore whether the results vary for different types of social media.

*References available upon request*
GOVERNANCE STRATEGY FOR THE SOCIAL RELATIONSHIPS BETWEEN ALUMNI AND THEIR ALMA MATER

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ABSTRACT

Although prior studies in relationship marketing have greatly enhanced our understanding of alumni-university relationships, there has been considerably little empirical investigation of three managerial problems. The first problem is that while the economic benefits (e.g., profits or costs) of conventional business relationships receive much research attention, the noneconomic benefits or social benefits are not specifically studied (e.g., pride, enjoyment, networking, and friendship). The second problem is that we largely do not know the specific mechanism about how the social benefits created by a university can be converted into the resources that the university wants to obtain. For example, a university may want to know how the alumni homecoming event, the most popular alumni program offered by many universities, will result in alumni participation or monetary support. The last problem is that alumni can easily exit the relationship with their former university whenever the costs required to remain in the relationship with the university are greater than the benefits.

The purpose of this study aims to tackle these three managerial problems. Drawing on the literature from relationship marketing, this research proposes and empirically tests two governance strategies including identity salience and emotional attachment strategy in the alumni-university relationship where the traditional relationship governance strategies (relationship specific investment, dependence, incentives) may not be equally effective in this context. The first part of our conceptual framework illustrates the three social benefits created by university in the efforts for successful alumni relationships, involving the business network, the friendship network, and the enjoyment of participation. The second part shows the value capturing process by relating the social benefits to the identity salience and the emotional attachment strategy. The last part assesses their effects on the relationship outcome variables involving relationship-specific voluntary behavior and symbolic consumption behavior. We empirically tested our conceptual model using alumni from a large university. Online survey was utilized to collect the data.

The results from structural equation model provide managerial implications as well as theoretical contributions as follows; First, to properly govern social exchange relationship, university needs to ensure the extent to which alumni realize the social benefits that the university creates. Second, the identity salience strategy is more effective for the symbolic consumption (e.g., university logo products) while the emotional attachment strategy greatly influences the relationship-specific voluntary behavior (e.g., working as an alumni board member). Finally, while a considerable body of prior relationship marketing literature has only focused on the exchange relationships where relational partners expect to exchange direct and economic rewards, this research investigates the boundary situation in which relational partners focus on indirect and noneconomic rewards or social benefits.

References available upon request
Beyond information: How consumers use online reviews to manage social impressions.

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ABSTRACT

Imagine you are asked to choose a new restaurant to try with other people. You want to choose the right restaurant in order to impress your companions, and you read online reviews to help you make the right decision. Unfortunately online reviews from regular diners vs. food critics are not in agreement, one loving the restaurant while the other disliking the place. To whom will you choose to believe in order to avoid selecting a bad restaurant and ending up embarrassing yourself in front of others? Moreover, does your tie strength with your companion dictate the different impression tactics you employ and the ways you process the reviews? To answer these questions, we examine how consumers respond to mixed reviews under different social tie influences. Traditional research on negativity bias would suggest that negative review will trump positive review (Feldman and Lynch 1988; Herr et al. 1991; Lee et al. 2009), regardless of the source. But we believe the situation is more complex when the reviewed product or service will be consumed with others. We look beyond the informational role of consumer reviews and introduce them as a tool for managing social impressions. The main proposition is that consumers can utilize product reviews to create the desired impression to different social partners. Past research on impression management shows that consumers employ different tactics to impress their counterparts in order to achieve the goal of either being liked or respected (Ratner and Kahn 2002; Fisk et al. 2007; Bergsieker et al. 2010). How an individual creates a positive impression may vary based on the people he or she is trying to impress. As strong vs. weak tie strengths evoke different impression management strategies, consumers selectively favor certain information in mixed reviews to achieve their social goals. Through an experiment, we find that when dining with strong tie connections (e.g., close friends), consumers have less favorable attitudes when they see negative reviews from other diners than negative reviews from food critics. In contrast, when dining with weak tie connections (e.g., acquaintances), consumers' attitude was affected equally by negative professional reviews and negative consumer reviews. These results suggest that the social context of a consumption activity is relevant to how consumers may integrate online review into their decision-making. The results from this study offer useful insight into the management of consumer sentiment and consumer-to-consumer engagement in today’s social media environment. Traditionally companies have paid close attention to what professional sources such as renowned critics, Consumer Reports, and other professional review websites say about their products. Our research suggests that the management of consumer sentiment and the importance of positive consumer-to-consumer engagement may vary depending on the social context of the consumption. For products and services typically consumed with close friends and family (e.g., Christmas holiday-themed products and services), attention should be focused on the power of consumer-to-consumer engagement and word-of-mouth. In such circumstances, even if professional reviews are less than favorable, it is not likely to have a significant impact on consumers’ decisions.

References Available Upon Request.
AN EMPIRICAL INVESTIGATION OF SPECIFIC UNCERTAINTIES IN THE DISTRIBUTION OF PRODUCTS FROM RENEWABLE RESOURCES

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ABSTRACT

The growing demand for products from renewable resources makes their efficient usage and distribution steadily important. In comparison to other raw materials, renewable resources exhibit a number of distinctive features, which also affect the design of the distribution system. The objective of this study is to analyze the specific uncertainties in the distribution of products from renewable resources. It shall be examined empirically to what extent the companies in the German forestry and wood cluster are affected by uncertainties with regard to the availability, quality, prices and origin of the used renewable resources and what problems can be caused by these uncertainties especially in the distribution of the products.

To answer the research questions, several industries within the German forestry and wood cluster were examined. This enables an analysis along the entire value chain and a comparison between various industries. In order to obtain well-reasoned answers that are as detailed as possible and to do justice to the explorative character of this study, a qualitative research design was chosen. For the factors quality, availability, price and origin, it was asked if fluctuations and/or uncertainties do exist with regard to the distributed products, how significant they are for the companies, what problems can result due to this and what the expectations are for the future. In order to analyze the relevance of the represented uncertainties for the respective industry independently of the situation of the individual companies, the survey was conducted at the level of the industrial associations. For this purpose, a structured, qualitative questionnaire was sent to the managing directors of the respective associations.

Analysis was carried out in the form of a content-structuring qualitative content analysis (Mayring 2010). Special Qualitative Data Analysis (QDA) Software supports both the actual evaluation as well as the subsequent documentation and therefore increases the verifiability and thereby the quality of the results. In this study, the most commonly used QDA Software in Germany MAXQDA was used.

The results of the study show that the specific uncertainties with regard to products from renewable resources do in fact exist in the analyzed industries and are considered to be significant by the associations. In this, though, also industry-specific differences due to the different products and markets need to be considered. Further, the causes for these uncertainties were analyzed in greater detail. The cause mentioned most frequently for availability and price fluctuations was competition in material and energetic usage of renewable resources. It could also be shown that these uncertainties have a direct impact on the distribution of the products. Thus, availability uncertainty can e.g. lead to cost-intensive storage and supply problems, quality uncertainty to rejected deliveries and loss of orders, price uncertainty to greater difficulties in sales calculation and origin uncertainty to trade restrictions. Furthermore, it became clear that the importance of the represented uncertainties for the companies and the distribution of the products will continue to increase according to the associations. These findings carry important implications for marketers, practioners and public policy makers.

References Available Upon Request
CHOOSING A MODE OF POLITICAL MARKETING STRATEGY: VOTER OR BRAND IDENTITY ORIENTATION

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ABSTRACT

No entity has as much impact on as many lives as a government. Through social programs, taxes, military use, and many others, every life is affected every day by public sector entities. This power, influence, and relevance to public life is acquired through the means of marketing, with candidates, parties, and interest groups spending billions of dollars each cycle in hopes of “winning” the democratic process, allowing them ultimately to exert their policies upon the public, changing the political and policy landscape of their country, city, state, or nation. Despite the enormous importance, utilization, and impact of marketing on politics, very little thought within marketing research literature has been given to understanding how political marketing strategy is developed, functions, or the antecedents for its success. This paper aims to be a starting point in changing this. It proposes a testable conceptual framework of political marketing strategy modes, using extant research and examples from political campaigns to develop a parsimonious model for what types of campaign modes exist, and how campaign strategies are chosen. Further, this paper lays out an agenda for future research, aiming to help marketing researchers move forward in researching and understanding political campaign strategy.

References Available Upon Request
INTRODUCTION

Advertising polysemy is defined as a subjective decoding of an advertisement shaped by the individual’s sociocultural milieu (McCracken 1986; Ringberg and Reihlen 2008). Puntoni, Schroeder, and Ritson (2010) defined advertising polysemy as the existence of at least two distinct interpretations for the same advertising message across audiences, or across time and situations. There are two broader types of polysemy–synchronic polysemy and diachronic polysemy, as discussed in the research by Puntoni, Schroeder, and Ritson (2010). The synchronic aspect of advertising polysemy can be explained through an example of the ad that means one thing to one group of consumers and something different to another group (Grier and Brumbaugh 1999, Puntoni, Schroeder, and Ritson 2010). For example, a thumbs-up sign, which signifies affirmation in most Western nations, has offensive meaning in some countries, such as Russia and Poland if the palm of the hand is visible but is acceptable if the back of the hand is shown (Belch and Belch, 2009). As against synchronic polysemy, a diachronic dimension of advertising polysemy can also characterize multiplicity of meanings during an advertising reception, especially when exposed to the advertisement on multiple times – first impression of the ad and then subsequent impression about the same ad on repeated viewings (Kirmani 1997, Puntoni, Schroeder, and Ritson 2010).

We conceptualize two different advertising polysemy appeals – positive and negative. Positive advertising polysemy will evoke positive feelings for the ad and the brand leading to positive ad and brand attitudes and hence, positive branding. For example, the Old Spice Guy, Isaiah Mustafa has received fame from endorsing Old Spice in the Super Bowl commercials “The Man Your Man Could Smell Like.” The commercial received 3.4 million views on YouTube in the first week that it was released. The personality based advertising successes like Jack from Jack in the Box, the King from Burger King, the Cavemen from Geico, the Most Interesting Man in the World from Dos Equis and the latest Old Spice Guy – they all have distinct, likable characteristics, genuinely funny ad content and an incredible online presence via videos, websites and social networks to engage their fans. These ads are polysemic in content but evoke highly positive feelings across the young generations. This unique kind of advertising appeal is conceptualized as ‘Positive Advertising Polysemy.’ According to young adults, the Old Spice guy from the ad looks like the cleanest and best smelling man in the world.

On the other hand, there are some polysemic ads which evoke many feelings on multiple viewings of the ad but the predominant feeling may be negative at the end, leading to negative ad and brand attitudes and negative impressions on branding. We call this ‘Negative Advertising Polysemy,’ which predominantly evokes negative feelings for the ad and the brand, leading to negative ad and brand attitudes and hence, negative branding. The goal of our paper is to understand advertising polysemy as an advertising appeal that advertisers can use as a creative strategy for changing and shaping consumer perceptions, attitudes and behavior. This research study addresses the following questions:
• How does the concept of positive and negative advertising polysemy impact the target consumers in the context of purposeful advertising polysemy and branding?
• How can advertisers use purposeful advertising polysemy (both positive and negative) for changing consumer perceptions and attitudes towards advertising and branding?

THEORETICAL FRAMEWORK

Our review of the literature has provided us a direction of researching positive and negative advertising polysemy as potential and valuable advertising tools and appeals for targeting consumers through purposeful and intended advertising polysemy and further investigates the relationship of these polysemic appeals with branding. Meaning-based models of advertising (Mick and Buhl 1992) suggests that the consumer response to an ad depends on the meaning given to it in the context of the goals and values that are salient in the life of the consumer (Puntoni, Schroeder and Ritson 2010). According to Puntoni, Schroeder and Ritson (2010), the polysemic messages designed in the advertisements can have a targeting goal of reaching out to different consumer segments with the same advertising message, a positioning goal focusing on the core brand features, an aesthetic goal for generating and increasing interest and appeal of an ad and/or a social norms goal where the advertiser use the ambiguous message for promoting a controversial message without breaking advertising conventions or societal standards of appropriateness.

Accommodation theory (Anderson and Meyer 1988) emphasizes the role of the audience as members of the social community, for instance friends, family, and social groups (Anderson and Meyer 1988, p.310) and offers a social action framework for investigating media effects. Reader-response theory can be effectively applied to our research on positive and negative advertising polysemy. Reader-response or consumer-response (Hirschman and Thompson 1997) approach links advertising texts and consumer response (Scott 1994). Researchers (Mick and Buhl 1992, Stern 1989, Parker 1998, Ritson and Elliot 1999, Zhou and Belk 2004) have used the reader or consumer-response theory for understanding consumers’ advertising experiences and interpretations. Our advertising polysemy and consumer-based brand equity conceptual framework illustrates the presence of two polysemic advertising appeals (positive and negative advertising polysemy) leading to ad-evoked feelings, attitudes toward the ad (Aad), attitudes toward the brand (Ab), and most importantly, consumer-based brand equity, characterized by brand loyalty, brand awareness, brand associations and perceived quality (as indicators of brand equity).

RESEARCH DESIGN AND METHODOLOGY

Measures

In the present study, we developed positive and negative advertising polysemy scale consisting of 4-items, pretested on 191 respondents (study 1) and then on 177 respondents (study 2).

Data Analysis

We tested the proposed polysemy model using structural equation modeling to evaluate the research hypotheses by using the linear structural relations (LISREL) computer program (Jöreskog and Sörbom, 1999; Jöreskog, Sörbom, Du Toit and Du Toit, 2003). The covariance matrix was used as the input for the structural model, and the maximum likelihood estimation procedure was employed to produce the
model parameters. Since the data followed a non-normal distribution (kurtosis = 99.84, t-value = 35.82), bootstrapping techniques and the Bollen-Stine corrected p-value were employed to obtain unbiased model parameters (Arbuckle and Wothke, 1995; Bollen and Stine, 1992). To examine model fit, we utilized measures of absolute fit, close fit, and incremental fit to determine how well the data fit the hypothesized model (Hair, Anderson, Tatham, and Black, 1998).

**DISCUSSIONS**

Polysemy has provided a new intriguing dimension in our research study. There is a dearth of advertising polysemy research in the extant literature. Advertising polysemy is an important concept that advertisers can use as a creative strategy for changing and shaping consumer attitudes, behaviors and perceptions. Polysemy can be useful as a branding agent to strengthen the appeal of alcoholic beverages and socially conscious messages. There is a paucity of advertising research that examines the influence of positive and negative polysemy on branding. Brand personality and brand equity provide value to consumers by enhancing satisfaction and reducing buyer’s remorse. Thus, the aim of this study was to further explore the perceptions of consumers encountering polysemic ads and the role these encounters may have on ad evoked feelings and attitudes toward the ad and brand. Specifically, the current project investigated the antecedents of brand equity indicators, brand credibility, and brand equity, thereby leading a less-researched and significant research area of advertising polysemy into branding literature.

**CONCLUSION AND SUGGESTIONS FOR FUTURE RESEARCH**

The purpose of this research was to examine the influence of advertising polysemy on branding. Specifically, we examine the link between advertising polysemy and its influence on the brand equity indicators of brand awareness, brand associations, brand loyalty and perceived loyalty using a structural equation modeling framework. We found that positive and negative advertising influenced ad evoked feelings, attitude towards the ad, and attitude towards the brand in model. Further, brand awareness, brand loyalty, and perceived quality influenced consumer-based brand equity. Perceived quality and brand loyalty influenced brand credibility-expertise whereas only brand awareness and brand associations influenced brand credibility-trustworthiness. Brand credibility-trustworthiness influenced brand equity. Unexpectedly, we did not find any gender differences across the nomological network.

Our findings contribute to the existing body of knowledge because our study is the ‘first’ to examine advertising polysemy (positive and negative) and its impact on ad evoked feelings, attitude towards the ad, attitude towards the brand, and the brand equity indicators. Another contribution of the current research is that our sample contained a large percentage of African Americans, which adds to the richness of the extant literature. The current research provides deeper insights into advertising polysemy and its impact on consumer-based brand equity with a special focus on African-American population. This sample may be of distinct interest for advertising agencies and marketing practitioners trying to employ innovative advertising techniques and strategies for targeting minority demographics.

The current research did have some limitations. First, the cross-sectional design of the study does not allow for causal inferences. We also believe that longitudinal designs are needed in this area to examine the behavior of these constructs over time. Another limitation of the study was that all data were collected via self-report measures, which may lead to the problem of common method bias and may inflate the predictive relationships. However, we conducted Harmon’s One Factor test, which did not
indicate that common method variance was problematic in our structural equation model. Lastly, we had a modest sample size. Despite these limitations, we believe that our study contributes to the existing body of knowledge because it provides a useful scale to examine both negative and positive advertising polysemy. Future research is needed to replicate these findings and examine the stability of our model coefficients across samples. Analyzing diverse samples may provide additional insight into consumer behavior that may be useful to advertisers and marketing firms. Another future area of inquiry would be to examine the mediation effects of ad evoked feelings, attitude toward the ad and attitude toward the brand on the advertising polysemy-brand equity indicator relationship. It would also be interesting to examine this model with respect to generational samples to determine whether gender differences are indeed a function of generation with respect to advertising polysemy.

References Available on Request
HOW DELISTING ALL NATIONAL BRANDS IN A GIVEN ASSORTMENT IMPACTS ON CONSUMERS’ STORE SWITCHING INTENTIONS

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ABSTRACT

Brand delisting is a specific type of assortment reduction. It refers to the removal of all items of a single brand, leading to the unavailability of the brand within the store (Sloot and Verhoef, 2008:281). Recent retailing-related professional publications indicate that national brand (NB) delistings are not uncommon in food retailing (e.g., the American retailer Wal-Mart, the Dutch food retail chain Edah, the UK retailer ASDA, the German retailers Edeka and Metro, and the Spanish retailer Mercadona). Conflicts of retailers with manufacturers seemed to be behind such delisting decisions. Indeed, delisting – or threatening to delist – a manufacturer’s brand is a tool that retailers often use to improve their negotiation position with brand manufacturers. Notwithstanding, despite the great managerial relevance of this topic, researchers have paid almost no attention to brand delisting so far. There is only limited research (papers by Boatwright and Nunes, 2001; Sloot and Verhoef, 2008; and Wiebach and Hildebrandt, 2012) on the effects of an entire brand delisting. However, none of these papers analyzes the consequences of delisting all national brands in a given assortment, so that a retailer offers an assortment based only on private labels (PL). Can a retailer ‘push out’ all manufacturer brands from its shelves, offering only its own brand, with no consequences? This is the main research question of our paper.

In summary, our results reveal that retailers should be particularly careful about delisting NBs (specially high-equity NBs), given that there is an inverse relationship between assortment size and the intentions to switch to another store to purchase the category as well as the whole shopping-basket. Therefore, we recommend retailers to offer assortments containing both their own brand and a higher number of NBs (nine vs. three). Offering ‘only-PL’ assortments has negative consequences in terms of consumers having a greater probability to switch to another store to purchase. Nevertheless, for retailers offering ‘mixed’ assortments, a higher proportion of high-equity NBs may help to reduce the intentions to switch to another store.

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THE EFFECT OF MARKET ORIENTATION ON PERFORMANCE OF PRIVATE HOSPITALS: THE PIVOTAL ROLE OF THE MARKETING FUNCTION

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ABSTRACT

The objectives of this study are three-folded: (1) To measure the level of market orientation of private hospitals, (2) to examine the effects of the availability of a formal marketing department on market orientation and hospital performance, and finally (3) to examine the link between market orientation and performance of hospitals at the component level. Managers from 400 private hospitals in Turkey were surveyed with a usable response rate of 25%. A positive connection was found between the level of the hospital’s market orientation and the presence of a marketing department in the hospital. The study results revealed that market orientation is positively related to general performance. According to the results of the component-level analysis, the three dimensions of market orientation had significant positive impacts on general performance. This study also showed that a statistically significant difference exists between the general performance assessments of the hospitals having a formal marketing department and of those not having a marketing department. Managerial implications of the results were discussed and study limitations and future research suggestions were also provided.

References Available Upon Request
WEEKLY WINE CONSUMPTION AND CONSUMER RESPONSE TO PRICE INFORMATION

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ABSTRACT

Little is known of how, with increasing rates of consumption, we become conditioned by extrinsic cues. In consumer research, for example, at what rate of product consumption do our associative processes begin to twin price with quality so as ultimately to deploy the price cue as a surrogate for genuine quality? Further, does this association deepen with increasing rates of consumption?

This study reports the results of a synthesised analysis of three randomized tasting room experiments conducted in South Africa using local brands: orange juice, coffee and (merlot) wine. In each experiment, subjects assessed seven products first blind (round one) and then sighted (round two). In the orange juice experiment, 105 respondents tasted one-litre juices ranging in price between R7.50 and R69.00. In the coffee experiment, 100 respondents tasted products with prices per 200 grams ranging between R22.00 and R97.00. In the wine experiment, 73 respondents tasted wines with prices points ranging between R25.00 and R160.00. Collating the seven paired ratings of each of the 278 subjects, a dataset of 1946 corresponding blind and sighted product assessments was assembled to gauge the conditioning effects of price across a range of consumption-rate segmentations.

On the basis of the above, across three different product classes, this study aims firstly to assess the strength of the price cue in sighted tastings when controlling for intrinsic merit and individual bias. Given a set of price points, the literature would anticipate a positive correlation between price and sighted merit. Secondly, this study aims to examine the prevalence of price-effect errors as they might manifest across a range of consumption-rate strata. A priori it is predicted that increases in consumption per week will see an increasing magnitude of System 1 errors signalled by bias towards disclosures of price information.

The results of this study outline the extent to which price cues impact upon the sighted appreciation of a product, in this instance, either orange juice, coffee or wine. Through a cross-section of prices ranging between R7.50 and R160, this study finds, ceteris paribus, that a R25 increment in product price will increase its sighted appreciation by one-third of a star. Additionally, results indicate how such System 1 judgement errors accrue and increase progressively with consumption. Across the three models of weekly consumption the increase in affectation is 21%, a finding which is novel and seemingly significant. Certainly, from this paper we can observe from the ongoing amplification of the price cue, how “knowing without knowing” becomes merely a function of a memory conditioned by ever increasing rates of consumption to recognize and appropriate cues as they appear to be helpful to situations potentially requiring interpretation.

References available upon request
INTRODUCTION

Social Network Sites (SNSs) have become deeply ingrained in the lives of their users. Since December 2012, Facebook comprises over 1 billion active members, approximately 1 in 7 people on earth, with the demographic of users widening both geographically and across ages (Banks, 2012). SNSs have changed the way marketers engage with consumers, allowing for multidimensional forms of communication (Kaplan & Haenlein, 2010). Crucial to this paper is the dimension whereby marketers create value through engaging “customer-to-customer processes” (i.e., the sharing of commercial related content) (Pagani et al., 2011). Communication, both personal and brand related, contributes to the online self-presentation of users. This paper addresses the online multiple audience problem (OMAP) and its association with anxiety and impression management. OMAP is broadly defined as the simultaneous self-presentation of consumers in SNS to multiple audiences (family versus employers), with a single persona. Multiple audiences on Facebook complicate the goal of meeting audience expectations, as it is likely the audiences will hold heterogeneous expectations (e.g., close friends may expect sharing of alcohol related content but employers and parents may not) (Binder, Howes & Sutcliffe, 2009). Based on the assertion of long standing social theory of impression management (Leary, 1996) when people feel their self-representation will, or has, become discrepant from the expectation of an audience, anxiety will arise and the individual will endeavor to manage their actions to reconcile the situation, and reduce cognitive dissonance. Such impression management can involve choosing not to share, or removing, brand or personal content that they deem to cause a discrepancy. Multiple audiences complicate this situation, increasing the chance of anxiety and impression management, as more expectations exist from which to become discrepant.

The aim of the present study is twofold: first, to provide evidence for key assumptions underlying the OMAP, i.e., 1) audiences are perceived as heterogeneous in their expectations, and 2) the grouping function is largely underutilized. Second, to provide evidence for the association between audience expectations, and both anxiety and defensive strategies underlying the process explained by self-presentation (Leary, 1996) and self-discrepancy (Higgins, 1987). By addressing these aims the present research satisfies two calls: first, by Darley et al. (2010) for work that tests the generalisability of long standing offline theories in an online context; and second, by Pagani et al. (2011) for the future investigation into the influence of social processes on active behavior within SNSs. Self-presentation has been described as, “… the process by which individuals attempt to control the impressions others form of them. Because the impressions people make on others have implications for how others perceive, evaluate, and treat them, as well as for their own views of themselves, people sometimes behave in ways that will create certain impressions in others’ eyes” (Leary & Kowalski, 1990, p.34). Self-presentation tactics can be used to promote or defend a desired image. These tactics are referred to in the present research, as positively and negatively directed impression management (IM), respectively. Negatively directed IM aims to defend a status quo (i.e., avoiding an undesired image) and is used when faced with
self-presentational predicaments (SPP). Leary (1996) defines SPP as, “situations in which events have undesirable implications for identity-relevant images that actors have claimed or desire to claim in front of real or imagined audiences” (p.118; see also Schlenker, 1980). Such circumstances will result in social anxiety (Leary & Kowalski, 1995). Social anxiety is distinct from other forms of anxiety in that it is associated with the ‘social’. Schlenker & Leary (1982) state that anxiety, “is a cognitive and affective response characterised by apprehension about an impending, potentially negative outcome that one thinks one is unable to avert” (p.248) and social anxiety results when this occurs at the “prospect or presence of interpersonal evaluation in real or imagined social situations” (Ibid). Such a threat to an individual’s projected image may itself be actual or imaginary, and the apprehension conscious or unconscious. The behavioral process within the impression management discussed in the present paper is one whereby discrepancy from audience expectations results in social anxiety leading to negatively directed IM.

This process is akin to that of self-discrepancy theory (Higgins, 1987), particularly with regard to the ‘ought-self’ guide. Higgins asserts that individuals compare their ‘actual selves’ to the norms, standards and expectations of internalized self-guides. There are two types of self-guide, ideal and ought, which are based on one’s own standards or those of significant others. This study focuses on the ought-self guide as previous research has given this primacy in explaining social behavior (Crowe & Higgins, 1997). Discrepancy from ought-selves is associated with social anxiety (Mor & Winquist, 2002), where the magnitude of both the discrepancy and affect are positively related. Like the self-presentational literature, when ought-discrepancies exist, regulatory behavior occurs that is predominately negatively valenced (Carver et al., 1999). Self-presentational literature is used herein as the key theoretical framework for examining this phenomenon, however self-discrepancy theory adds support as a novel vehicle to assess key components of the observed behavior.

In SNSs, consumers create online personas associating themselves with brand and non-brand related content, often As discussed Facebook contains multiple audiences for users as connections are collated into a collective audience of ‘friends’ who may differ greatly in their presentational standards and expectations (e.g., employers cf. close friends), amplifying the likelihood of issues relating to conflicting expectations, and the SPP more generally. Thus, users must endeavour to meet a number of different expectations simultaneously. Users, in mind of audience expectations, practice caution over what they communicate. Hence participants “did not communicate anything they thought someone should not see” (Lampinen et al., 2009, p.8). In addition, users remove any inappropriate information linked to their profile (ibid).

For consumers to suffer from an OMAP three key assumptions must be fulfilled: 1) they must befriend members of multiple audiences, 2) these audience must be heterogeneous in their expectations, and 3) audiences have largely not been segmented (e.g., through allocating connections into groups using site provided privacy tools). Binder et al. (2009) provide support for the first assumption, but assumptions two and three are yet to be empirically substantiated. To address the assumption of expectation heterogeneity, the present study will identify the ‘ought-self’ attributes linked to significant others that make up a user’s multiple audiences, thus allowing analysis of differences of expectations. This difference is referred to here as the horizontal discrepancy. Furthermore it will examine the adoption of the ‘grouping function’ used to segregate audiences. The second aim is to provide evidence for the behavioural associations discussed above, whereby discrepancy is positively related to anxiety and negatively directed impression management within the context of an OMAP.
METHODOLOGY

Participants (N=382) were recruited via email to undergraduate students asking them to snowball the survey link via social media. Resulting in 70.2% in full time education and 72.8% aged 18-25 years. To measure ought/other expectations, participants completed an adapted version of the Self-Attributes Questionnaire (Pelham & Swann, 1989), a measure of the self-concept where self-attributes are scored on a 10-point scale in comparison to peers. Participants were asked how they ‘ought’ to be in relation to two positive attributes (attractiveness, intelligence) and four negative attributes (alcohol consumption, recklessness, sexual openness, use of bad language) across five audiences (Guardians, Partners, Employers, Acquaintances, Close Friends). Expectation level (perceived standard of an audience), not actual-ought discrepancies (i.e., difference between perceived actual self and standard) were used as individuals may feel that generally they are not discrepant but might still worry that discrepant information may be revealed. To measure anxiety participants were asked how worried they were about the different audiences perceiving them to appear discrepant on Facebook with regard to the six attributes using a scale from ‘not at all’ (0) to ‘extremely’ (10). Not friended or privacy obstructed audiences were excluded from the analysis. Impression management arising from concern over multiple audiences is measured using three (5-point, ‘Never’ (1) – ‘Very Often’ (5)) items addressing the frequency participants engaged in three distinct types of impression management: content removal (α = .82), online caution (α = .78), and high involvement (e.g., apologizing) (α= .74).

RESULTS AND DISCUSSION

Six repeated ANOVAs calculated the differences in expectations of audiences as perceived by the respondents. A significant difference was established (all p’s<.001) across all audiences (ought/partner, ought/close friends, ought/employer, ought/guardian, ought/acquaintance) for all six attributes. Tests of between subjects revealed significant differences across ought selves for all attributes (all p’s<.001). Pairwise comparisons highlighted differences between audience groups (all p’s<.001). Partners had significantly higher expectations of participants (M=8.06) for attractiveness compared to all other audiences (F=67.21; n=340; means between 6.77-6.89), which did not differ significantly from one another. For intelligence expectations, each audience was significantly different to one another (F=164.25; n=355), with employers having the highest expectations (M=8.86) followed by guardians (M=8.44), partners (M=7.90), close friends (M=7.47) and acquaintances (M=7.05). For recklessness expectations (F=282.48, n=367), employers (M=1.89) and guardians (M=2.01) held the same and lowest expectations, while partner (M=3.10), acquaintance (M=4.16) and close friend (M=4.88) audiences held higher expectations than employers or guardians, and were significantly different to one another. Alcohol consumption expectations were different for all audiences (F=254.80; n=360; close friend M=5.60, acquaintance M=4.71, partner M=3.86), except employers (M=2.69) and guardians (M=2.74) who held similar expectations. In terms of sexual openness (F=199.04; n=347), partners (M=5.30) and close friends (M=5.48) were perceived to have similar expectations, whereas the other audiences (employer M=3.29, guardian M=2.98, acquaintance M=4.72) differed significantly to partners and close friends and to each other. Use of swear words (F=243.21; n=364) saw employers (M=1.98) and guardians (M=2.13) with similar expectation scores, and all other audiences were different to these and to one another (partner M=3.08, close friend M=4.56, acquaintance M=4.02).

These findings support the assumption of the OMAP: audiences are heterogeneous in their expectations.
Employers were perceived as having the highest expectation for intelligence. This is akin with convention as intelligence is valued in the work place. Partners had the highest expectation of attractiveness, unsurprising given that this attribute affiliated with romantic context (e.g., Domzal and Kernan, 1993). Guardians and employers largely converged, having the least tolerance for negative attributes. That close friends and acquaintances have very different expectations towards negative attributes is key in exacerbating the OMAP, as content shared on Facebook is likely to be predominately between ‘friends’ of the same age. Such others are likely to share information consistent with their own expectations (e.g., university friends share sexualised brand content), but may be discrepant from the expectations of other audiences (e.g., family members). This is supported by literature associating negative repercussions to co-actor contributions (Houghton & Joinson, 2010; Walther et al., 2008). With regard underutilized privacy settings, 99 (25.9%) respondents of 382 grouped their audiences, 9 (2.4%) were not sure and 274 (71.7%) did not. Thus suggesting that audiences are not segregated.

Thirty correlations (6 Attributes * 5 Audiences) examined the relationship between expectation level and anxiety. Twenty-two were significant \( p < .05 \), finding a positive relationship. To examine the link between anxiety and negatively valenced impression management, a mean for anxiety scores across all audiences was calculated for all six attributes (excluding not friend or privacy restricted audiences). Correlational analysis was conducted for mean anxiety and the three measured categories of IM (content removal, online caution, high involvement). Worry was associated positively with all three IM strategies; content removal \( r = .342, \ p < .001, \ n = 354 \), online caution \( r = .41, \ p < .001, \ n = 354 \), and high involvement \( r = .270, \ p < .001, \ n = 354 \). Thus, supporting previous literature as anxiety is positively related to the degree of IM adopted. We provide further support to the behavioral processes underlined by self-presentational (Leary, 1996) and self-discrepancy (Higgins, 1987) theories.

**CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE**

This paper contributes by first, providing evidence for the underlying assumptions of an OMAP. Second, the results suggest that increased multiplicity in audiences is associated with heightened social anxiety and the need for defensive IM. The application of longstanding psychological theories are supported in explaining the behavioral processes associated with multiple audiences in the context of SNSs. The implication of such findings is that consumers are opting for more manual forms of impression management (e.g., de-tagging, and censorship) to ‘dull’ the selves presented, rather than using site privacy settings and posting freely within their safety. Findings here provide two key considerations for marketers. First, when encouraging consumers to share brand content and join brand communities, marketers need to realize that in doing so this may cause anxiety and tension with certain audiences (e.g., alcohol brands). To increase positive brand interactions, marketers should consider the suitability of content in order to avoid self-censorship by consumers fearing discrepant presentations. Second, given that marketers target content based on specific attributes linked to consumer web representations (Martin & Norton, 2009), this study implies this information is likely to have been ‘dulled’ due to audience constraint. Therefore in essence, on SNSs, marketing is being targeted at the ‘ought self’ while the real-word customer is allowed more freedom to consume what they really want.

**REFERENCES**

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CURVE45: AN INFLECTION-POINT-BOUND FUNCTION

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ABSTRACT

An S-curve, Curve45, is defined that exhibits several distinguishing properties. It comprises the arcs of two circles making it particularly “regular.” Both the original X values and the resulting Y values are restricted to a common range. The lower value of the range is zero, the upper value is a positive value that is specifiable. The inflection point of Curve45 is bound to the 45-degree diagonal. Its three parameters are:

• A specified maximum value for X (this being also the maximum value for Y).
• The inflection point which always lies on the 45° diagonal.
• A specified multiplier that determines the degree of curvature the two arcs.

The left-hand concave up arc intersects the origin (X=0, Y=0) and the 45° diagonal at the specified inflection point. The right-hand concave down arc intersects that inflection point and (X=specified maximum value, Y=specified maximum value).

Curve45 may be particularly applicable in situations where, say, a mean (or median or first quartile, etc.) X value is to serve as a benchmark with X values above the mean yielding disproportionately (compared to linear) large Y values and X values below the mean yielding disproportionately small Y values. That mean X value, of course, defines the inflection point. Curve45 is especially useful where that mean value is determined dynamically for the specific data set, this being done automatically (i.e., computerized) rather than explicit specification by the user.

One example is where annually (or by location or by application type, etc.) disbursements up to some maximum, e.g., $10,000, are to be made. Applications are scored (the scores eventually being transformed to 0-1, i.e., the X values) with the mean score defining the Curve45 inflection point. The overall merit of the applications from one year to the next may change. Using Curve45 ensures that the disbursement to an application with the mean score for the year’s applications will receive a proportion of the maximum amount exactly commensurate with the prevailing overall merit. Applications scored above the mean receive disproportionately greater proportions and those below the mean receive disproportionately lesser proportions. (The Y values are the proportions for the respective applications.) Curve45 may also be suitable for computer-based business simulation games where its regularity might be more assimilable to students than less regularly shaped functions. S-curves, of course, are also used to model actual market response data. Whether a specific S-curve “fits” is an empirical issue.

Curve45 is not an equation; it is an algorithm. A recently developed measure of qualitative dispersion (Intuit, Dickinson 2011, 2012) is similarly an algorithm. These developments are within a tradition recently reinvented by Wolfram (2002) in which computation replaces derivation.

References available upon request
MARKETING COMPETENCIES BASED M&A FRAMEWORK

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ABSTRACT

In globalization setting the M&As becomes increasingly an important means to achieve market expansion, access to the global resources (e.g. technologies, products, distribution channels) and strengthen firm’s global market position (Schweizer, 2005). Unfortunately, the understanding of such an important strategy is insufficient because of the lack of marketing based view, which at least involves three aspects of M&A: 1, the marketing related evaluation of the target (e.g. marketing due diligence); 2, the post-acquisition business plan (e.g. marketing strategies); and 3, the assessment of post-acquisition performance (e.g. marketing competencies and marketing positions).

So, it is an obvious need that marketing literature should participate in and make its unique contribution to the study of M&A on the one hand. On the other hand, marketing literature, more specifically international marketing, will also benefit from studying international M&A. It is especially true in the cases that a complete post-acquisition integration is needed. The integration directly triggers and accelerates the evolution of organizational learning process, and thus provides a unique lens through which study how firm specific competencies, such as the capability of implementing localization, have evolved and been strengthened throughout an international M&A.

This paper contributes to both M&A and marketing literature in three aspects. Firstly, to the best of our knowledge, except Homburg and Bucerius's (2005) and Lee, Lee and Wu’s, it is the only M&A study mainly based on marketing perspective. As marketing strategy driven M&As account for a half of the total deals, a marketing based view will be helpful in understanding the keys to a successful M&A, e.g. MDD, post-acquisition business plan, and long-term performance assessment.

Secondly, this paper combines competencies/capabilities literature with M&A literature and provides a new conceptual framework of understanding the relationships of M&A, competencies and performance. On the one hand, this conceptual model supplements the extant literature by adopting a more realistic approach of assessing the mid- and long-term post-acquisition outcome, bridging the gap between insiders’ and outsiders’ evaluation on M&A. On the other hand and most importantly, the conceptual framework provides additional perspective to explain why and how international M&As benefit the firm involved although the risk is high.

Finally, this paper sheds light on how to improve the decision of international M&As which focus on marketing competencies expansion. The conceptual framework herein links the strategic means, M&As, with marketing competencies, motive of M&As, and with long term performance evaluation, which combines the traditional financial indicators with marketing metrics. Therefore, makes the evaluation of post-acquisition performance of an M&A compatible to its motives, increasing the accuracy. Meanwhile the marketing metrics give a specific clue of conduction MDD that is the key to the success of an acquisition.
CUSTOMER ACQUISITION AND CUSTOMER RETENTION IN A MONOPOLISTICALLY COMPETITIVE INDUSTRY

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ABSTRACT

The concept of Customer Lifetime Value (CLV) that is, the present value of the stream of profits accruing to a firm over the whole period of its relationship with a customer, has gained wide acceptance as a concept in marketing science and business practice. Closely related to CLV are the concepts of Customer Acquisition (attracting new customers to a firm's service) and Customer Retention (preventing existing customers from leaving for competitive suppliers of the service). A general feature of the literature on CLV has been the independence of a firm's CLV strategies from aspects the market environment, such as the size of the market, number of firms in the industry, and rivals' actions. In this paper we develop a dynamic model of a firm in a monopolistically competitive industry to examine how aspects of the market environment affect Customer-Acquisition and Customer- Retention optimal decisions.

We consider a market with a fixed set of customers and a fixed set of monopolistically competitive firms. Each customer chooses a single supplier of a product. There is a customer churn. A customer upon leaving a firm becomes a potential customer for all firms in the industry. Firms engage in costly retention effort to decrease their customer attrition and in costly acquisition in a contest for new customers from the set of potential customers. We find a number of theoretical results which can be tested with data at the firm’s and the industry’s level. With respect to industry dynamics we find that as firms grow over time, increasing their customer base, (a) the per-prospect acquisition expenditures and per-capita retention expenditures remain constant, (b) the firm level acquisition expenditure decreases, (c) the firm level of retention expenditure increases, and (d) the share of acquisition expenditures in the total marketing expenditures decreases. In the symmetric steady state equilibrium of the industry we find that higher customer profitability leads to higher per-capita acquisition and retention efforts and a larger size of firm, whereas a higher discount rate has opposite effects. Tougher competition decreases firm’s total acquisition and retention expenditures but it does not affect per-capita levels. We show that maximizing the value of the firm in the steady state equilibrium of the industry is tantamount to maximizing the individual CLV.

References available upon request
EVALUATION OF THE COGNITIVE EFFECTIVENESS ON SOCIAL MEDIA
ADVERTISING FORMATS

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ABSTRACT

Social networking sites (SNS) are used to promote brands, products or services through targeted marketing campaigns, but the precise effectiveness of these campaigns has yet to be established (Van Noort et al., 2012). The research question we address in this study is whether commercial communication via SNS is cognitively effective. A review of the literature clearly shows that if a commercial message receives no prior attention, the likelihood that it will be processed by and influence the consumer is negligible (Chan et al., 2004).

For the purposes of this study we consider that an individual has given attention to a message when the advertising information transmitted has an impact on his or her memory, in the form of brand recall and recognition. A classical post-test survey design was used to examine the responses of a panel of Facebook users to advertising formats displayed within the site. The type of advertising format was used as a control factor to determine the impact on the cognitive effectiveness of the message transmitted. The study has a twofold objective: 1) to examine which of the formats most commonly used in social media advertising condition attention types; and 2) to analyse the effect of advertising pressure on consumer attention and brand recall.

Social media advertising is an effective communication tool for attracting user attention, leading to higher attention levels than those recorded for advertising in other online contexts. Differences are observed in user attention to distinct advertising stimuli, with video found to be the most effective format for attracting user attention in SNS. However, higher advertising pressure leads to lower attention levels and poorer recall rates. Active exposure to social media advertising leads to higher recall rates of the messages transmitted. The constraints of this study include the use of single product/brand, and the experimental conditions of the data collection stage. Among our future areas of research we propose to evaluate attention in behavioural terms, using a range of tools including eye-tracking to provide empirical evidence of attention rates for social media advertising.

References available upon request
INTRODUCTION

Bundling is widely practiced in today’s marketplace, with companies using joint pricing for the sale of two or more products and/or services in a single package (Guiltinan, 1987; Kaicker et al., 1995; Stremersch and Tellis, 2002). Yadav and Monroe (1993), drawing from transaction utility theory, examined consumer perceptions of savings when evaluating a bundle offer, and found that consumers gained transaction utility from discounts associated with the component products in a bundle, plus any other discounts associated with the bundle. Simonin and Ruth (1995) adopted a quasi-experimental procedure to investigate the effects of bundling on consumer evaluations and reservation price judgments. They found that the form of the bundle and consumer attitudes toward the brand to be important determinants in the evaluation of the bundle itself. Mulhern and Leone (1991) and Harlam et al. (1995) examined the complementary effects of the items offered in bundles, and found that bundles composed of complementary items will receive higher purchase intentions from consumers than the bundles of unrelated ones.

According to research by Euromonitor International carried out in 2008, the global market for cosmetics and toiletries (C&T) is about US$ 330 billion, based on data from the top 52 consuming countries. Among these, the top countries are the United States (50.4 bn), Japan (29.8bn) and Brazil (18.2 bn). With regard to C&T retail channels, these are dominated by hypermarkets, pharmacies and department stores, with over 50% of global sales. In the practice of C&T sales, single function products cannot satisfy the multiple requirements of customers, who consider issues of both attribute completeness and utility complementary when making a purchase. Various cosmetic bundles are available to satisfy customer needs, and play an increasingly important role in the C&T market. This study thus utilizes three real cosmetic bundles to find the critical product attributes for improvement, and to determine the priority weight of components for planning a complementary bundle.

LITERATURE REVIEW

Product Bundle

Guiltinan (1987) defined bundling as “two or more products and/or services in a single “package” for a special price”, while Stremersch and Tellis (2002) defined it as “the sale of two or more separate products in one package”. Based on this, there are two main themes when examining bundling strategies, the product form and the bundling focus. In the former case, there is both pure and mixed bundling. Guiltinan (1987) stated that pure bundling is when the items are only available in the bundle form, and cannot be purchased separately; in contrast, mixed bundling allows customers either to purchase one or more of the items individually, or to purchase them in a bundle. With regard to the bundling focus, there are two major themes in bundling research, price bundling and product bundling. Stremersch and Tellis (2002) defined price bundling as the sale of two or more separate items in a package at a discount, with no integration of them, while they described product bundling as the integration and sale of two or more separate items, regardless of whether or not there is a price discounts.
There are many price bundling studies which view bundling as simply a pricing and promotional tool used at short notice, and for a short duration. Not surprisingly, many of these works provide prescriptions for when and why price bundling is a revenue-maximizing or profit maximizing strategy. For example, Harlam, Krisshna and Mela (1995) used the value function of prospect theory (Kahneman & Tversky, 1979; Thaler, 1985) to examine how consumers evaluate the outcomes of components, as well as bundle pricing, and make a purchase choice. Soman and Gourville (2001) used the concept of sunk cost to examine how price bundling affects the decisions of consumers. In contrast, few researchers have examined product bundling, despite its potential for more strategic applications to create added value and provide a more long-term differentiation strategy (Stremerch & Tellis, 2002). For example, product bundling benefits customers by reducing the time and cognitive effort required to make purchase decisions (Moriarty & Kosnick, 1989). Product bundling can also be a strategy for introducing new products by bundling them with an existing one (Simonin & Ruth, 1995). Sarin, Sego and Chanvarasuth (2003) applied product bundling as a strategy to reduce the perceived risk of new high-tech products, which arises because customers are subject to additional worries about the compatibility between parts of a system.

Whether considering price bundling or product bundling research, the key to effective bundling is the degree of complementarity between the items in a bundle, which depends on their various attributes. Simonin and Ruth (1995) indicated that consumer perceptions of the degree to which the products in the bundle “fit” together are expected to play a key role in the evaluation of the bundle and consumer price judgments. Mulhern and Leone (1991) and Harlam et al. (1995) observed that bundles composed of complements will have higher purchase intentions than the bundles of unrelated products. Legarreta and Miguel (2004) also indicated the benefits of bundles arise from the complementary nature of the items sold together, the convenience and lower search cost of one-stop shopping, the introduction to a new item, and the perception of added-value. As seen from these studies, the type of bundling that occurs will influence consumer evaluations and purchase intentions. However, the question arises as to how many types of bundling are there? In addition to complementarity, are there any other relevant relationships between the items in a bundle? In previous studies, many scholars have used a rational or “economic man” model to conduct research into price bundling strategies in order to maximize transaction utility. However, there is much less research that examines the type or image of the overall bundle.

Simonin and Ruth (1995) utilized two dimensions—the degree of product integration and the degree of recognizability, so that the product bundles could be divided into four types—implicit bundles, multi-product bundles, integrated product bundles and single-product bundles. However, this classification only describes the bundling externally, so the implications of the product bundle and the correlation with consumer outcomes are still not clear. Hirschman and Holbrook (1982) indicated that the rational model does not capture the multi-sensory imagery, fantasy, fun and emotions associated with the consumption of some products. Park et al. (1986) noted that consumer needs could be classified as being either symbolic or functional, and argued that functional needs are related to specific and practical consumption problems, while symbolic ones are related to self-image and social identification. In an empirical study carried out by Bhat and Reddy (1998), consumers did not have any trouble accepting brands that had both functional and symbolic appeal, and could accept both functional and symbolic meanings at the same time.

This study thus includes the various points of view outlined above, and also introduces another two
dimensions—degree of functional integrity and degree of symbolic increase to classify product bundles. The definitions of the four types of bundling products are as follows:

1. Integrated: At least one of the component products can work by itself, and when the joint component is added, this increases the overall performance of the product bundle for the consumer.
2. Co-existing: At least one of the component products cannot work by itself, unless a joint component is added that could develop common functional or instrumental targets.
3. Conceptual: The components may work independently; however, when the joint component is added this could increase or enhance user satisfaction.
4. Nominal: The components can work independently, and the bundle exists only because of a relationship between the demands for the products.

**METHODOLOGY**

In practice, the simple and widely used house of quality (HOQ) model contains only the customer needs (CNs) and their relative importance, engineering characteristics (ECs) and their relationships with the CNs, and the importance ratings of the EC. Some models also include customer assessments of competing items and performance goals for the CNs. However, few models include the correlations among ECs and consumer assessments of item characteristics, since this information is difficult to deal with, and thus goals and probability factors for the ECs seldom appear in HOQ studies. Furthermore, even if they are included, it is difficult to incorporate such factors into the computation of the importance ratings of the ECs. To avoid inconsistencies and to facilitate its application, in this paper we propose a 10-step HOQ model, which as a refinement of the model by Chan and Wu (2005), contains the frequently used HOQ elements. A notable difference with the earlier model is that this one includes the correlations among ECs, followed by a supermatrix of an analytical network process to calculate the relative weight of the ECs. By using the supermatrix, the relative importance of ECs, the relationship between CNs and ECs, and the correlations among ECs, are all incorporated at the same time. This model will provide more accurate information about the assessment of competing items and the improvement ratios of ECs.

The brand Shiseido (brand S) is a very famous C&T brand with the most annual sales in Taiwan (10.1% market share). However, compared to its main competitors, Lancôme (L’Oréal group; 7.5% market share) and SK-II (Procter & Gamble; 9.9% market share), brand S has a lower sales in department stores. Analysis shows that the reason for this it that brand S has poor sales of cosmetic bundles in department stores, with such bundles being the main strategy adopted by C&T brands to attract customers. That is to say, customers prefer the bundles offered by competitors to those by brand S. This study thus chose three bundles from the above brands from a department store’s promotional literature to evaluate the product attributes that Shiseido needs to improve. In the research sample, in addition to the 16 very important persons (VIPs) of target customers aged 20 to 45 years old, three different types of 15 experts (including scholars, cosmetologists and sales clerks) are also included. Next, to develop a bundling model, this study combines the relationships between product attributes (PAs) and components of bundle (CoB) to construct a “House of Bundling”.

**DISCUSSIONS**

The bundling model based on QFD presented in this work is a new analytical model for product bundles.
The model includes not only a competitive analysis of the offerings from other firms, but also offers suggestions for bundle design. Through the competitive analysis, a company could obtain ideas how to improve the product attributes and components of bundles in order to catch up with competitors and satisfy customer needs. The priority weight of components provides quantitative information for marketers when deciding the most attractive bundle. Further, the application of fuzzy theory provides an objective method to capture the uncertainty inherent in customers’ imprecise and vague requirements.

REFERENCES AVAILABLE UPON REQUEST
APPLYING ISM TO CONSTRUCT A VALUE-BASED DECISION MODEL

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INTRODUCTION

Marketing positioning is the process of building and maintaining a distinctive image, relative to other competitors, in the minds of the consumers (Javalgi et al., 1995), and firms can use this as a communication tool to research target customers and increase market share (Rise and Trout, 1986). In the 1950s, psychologists developed “perceptual maps” for positioning objects in two-dimensional “virtual” spaces, based on perceived similarities and differences among the objects. However, a problem exists when customers view the firm’s position differently than the manner in which the company sees itself. One possible reason is that the virtual space utilizes only two dimensions, which are generally developed by using discriminate analysis, and only refer to object characteristics that are specified in advance, while in reality consumers consider multiple attributes at the same time in their decision making process (Zanjani et al., 2009). Perceptual maps can thus only provide limited information for a firm, and the results cannot be developed into a useful marketing strategy to satisfy the multiple needs of consumers (Yang, 2010).

To develop a more useful positioning strategy for an enterprise, two key factors need to be considered. The first is the competitors that the enterprise faces, as a firm needs to know its own relative strengths and weaknesses to obtain, maintain and increase market share. Therefore, a firm must identify its main competitors, and put them in a set of alternatives for competitive analysis. The second key factor is the customers that an enterprise serves. To close the gap between the customers’ views and the firm’s approach to positioning, customer evaluations of the foundational attributes and overall value of the products that the firm provides are both important (Asikhia, 2009). Based on the results of this, an enterprise can obtain useful information to improve and develop an effective positioning strategy to better meet customer perceptions. Marketers should thus not only deconstruct customer value to explore customer preferences with regard to the individual attributes and performance of products, but also adopt a feedback process to identify the overall image that customers have of the product (Jiang et al., 2011).

LITERATURE REVIEW

Customer Value

In 2004, the American Marketing Association offered the following definition of marketing: “Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” Based on this definition, customer value plays is important when firms seek to develop customer relationships. However, what is value in this context? Some authors might think of the personal values which guide behavior, and this is the definition that is used in this study. In addition, the concept of the value of a customer is gaining importance in the literature, because of the growing interest in customer relationship management. Here, the concept of value refers to the economic (e.g., profit) value to a seller of patronage by a customer over a lifetime. There are two similar definitions
which can give an overall view of customer value. One is that value is a consumer’s overall assessment of the utility of a product, based on their perceptions of what they have paid and what they have received. Second, perceived value is defined as the degree to which a potential adopter perceives that the benefits of a product exceed the sacrifices associated with its adoption and consumption. Based on these views, value is the trade-off between what the customer receives and what the customer gives up to acquire and use a product. Woodruff also suggested a concept hierarchy model of consumer value. Starting at the bottom of the hierarchy, customers learn to think about products as bundles of specific attributes and attribute performances. When purchasing and using a product, they form desires or preferences for certain attributes based on their ability to help them achieve certain goals, which are reflected in value in use and possession value at the next level up in the hierarchy.

Although Woodruff proposed the “conceptual” customer value hierarchy model, the components of each level are not clear, and thus the model only considers “guiding customer value” and needs to be restructured to include the necessary components. However, most authors agree that value involves a tradeoff between the benefit and sacrifices associated with a consumption experience, and so value is the result of perceived benefits minus perceived sacrifices.

There are three perspectives with regard to customer value. The utility value perspective examines the relationship between product utility and sacrifice. The rational perspective considers perceived value as based on customer perceptions of the quality and benefits obtained from products relative to the sacrifices made to obtain them. Finally, the experience perspective considers customer value as closely associated with the consumption experience, which can generate value and be provided by all products and service, and this is also the focus of this paper.

For instance, Hirschman and Holbrook (1982), Kotler (1994), and Smith and Colgate (2007) noted that customer value is based on the quality obtained by consumers after paying money to obtain a product or service. Furthermore, Woodruff (1997) stated that customer value and product use are closely linked, and that customer value originates from how well the products or services consumed help in the achievement of goals, as well as the customers’ perceived preferences and evaluations of product attributes, attribute effects, and use results. Moreover, Woodruff (1997) presented the hierarchy of customer value which, from low to high, includes three levels, namely product attribute, use consequence, and customer goals, in order to reflect how customer value is constructed. In addition, other scholars have suggested the need to consider consumer feelings while possessing, using, and consuming products in order to better understand a third category of benefits, namely experiential ones (Park et al., 1986; Keller, 2003). Customer value is based on interaction, relativity, preference, and experience, and instead of existing in the brand or product itself, such as the feeling of flying with a particular airline company. Therefore, Butz and Goodstein (1996) proposed that that customer value is constructed based on the feelings that arise in consumers when using the products or serviced provided by suppliers, and finding the additional value provided by these. However, based on the types of value perceived by customers, the categorization presented above only considers the benefit level, and does not include the cost of obtaining a product, and the various benefit categories have a number of similarities and overlaps. Consequently, Smith and Colgate (2007) argued that customer value should be further divided into four categories, including function/instrumental, experiential/hedonic, symbolic/expressive, and cost/sacrifice elements. Meanwhile, Kotler (1994) indicated that the key to acquiring long-term customer relationships is to understand customer needs and purchasing behaviors more than competing firms.
Rhoades and Waguespack (1999) examined the correlation between American domestic airline companies’ flight safety records and service quality, and found that the better the service quality is, the better the flying safety. Whitaker et al. (2005) investigated the preferences of airline company passengers, and found that seat comfort is extremely important for business-class passengers who take long trips, while the in-flight audio-visual equipment and service are more important for those taking short trips. Hsu (2005) examined customer value and the various dimensions of service quality, brand image, and perceived price, in order to explore the correlations among them when passengers come to choose an airline company. Park (2007) investigated the service quality of airline companies from Korea and Australia, and found that, in terms of service quality, passengers care more about price, in-flight audio-visual equipment and service, and airline image, rather than a reservation service.

Based on the results of this literature review, the factors that customers consider most when selecting airline companies can be generally classified into four categories, namely trade, security, service, and experience, and thus the customer value and decision-making model presented in this work is based on these. Since the service attributes vary in importance according to how and why customers are using a particular product or service, as well as their preferences, and expectations, the data used in this research will be collected by means of interviews and questionnaires.

APPLICATION OF ISM METHODOLOGY

Step 1. Incidence matrix construction

\[ A = (a_{ij})_{n \times n} \] can be used to indicate the influential relation matrix between safety value (SAV), flight safety (FS), company prestige (CP), good flight records (WFR), low accident rate (LAR), low exceptional rate (LER), large scale (LS), high awareness (HA) and good image (WI). If \( e_{ij} = 1 \), \( e_i \) is significantly related to \( e_j \); if \( e_{ij} = 0 \), \( e_i \) is not significantly related to \( e_j \). The influential relation matrix between these elements is represented by \( A \).

Step 2. Calculate the reachability matrices

The relation matrix can be transformed into a reachability matrix. If the matrix is expressed by \( R \), \( R \) will be a relation matrix containing self-cause-effect influence; \( R^* \), the reachability matrix can be obtained by using equation. In the equation, the mutually influential relations between flight safety (FS) and company prestige (CP) are clearly shown. The safety value (SAV) does not have any influential relation with regard to flight safety (FS), company prestige (CP), good flight records (WFR), low accident rate (LAR), low exceptional rate (LER), large scale (LS), high awareness (HA) and good image (WI). In contrast, flight safety (FS) and company prestige (CP) are clearly listed. The safety value (SAV) does not have any influential relation with regard to flight safety (FS), company prestige (CP), good flight records (WFR), low accident rate (LAR), low exceptional rate (LER), large scale (LS), high awareness (HA) and good image (WI). WHAT directly influences the transaction value (TAV).

Step 3. Transform reachability matrices into hierarchical matrices.

By hierarchically reconstructing equation, as mentioned above, three levels can be obtained, \{SAV\}, \{FS, CP\} and \{WFR, LAR, LER, LS, HA,WI\}, in which the elements in the first level are first
deconstructed \{S AV\}, and then, using the same method, the second level is deconstructed \{FS, CP\}. Lastly, the third level is deconstructed \{WFR, LAR, LER, LS, HA, WI\}.

**Step 4. Hierarchical graph**

By hierarchically constructing the equations, as mentioned above, three levels can be obtained, which are preferential flight safety (FS), company prestige (CP), good flight records (WFR), low accident rate (LAR), low exceptional rate (LER), large scale (LS), high awareness (HA), good image (WI) and the safety value (SAV). Meanwhile, a hierarchical figure can be obtained which explains the dependence relation between Flight Safety (FS) and company prestige (CP), as well as clearly confirms that the two expected consequences are subordinate to the safety value (SAV).

**DISCUSSIONS**

In previous research, most of the hierarchical evaluation models start from the goal and end with the alternatives, and feedback is not considered. Two evaluation methods are applied in the current decision making study. The first one is based on the simple multi-attribute ranking technique (Edwards; 1977), which was used to develop the following formula provided by Meade and Sarkis (1999), and has been applied to various journal papers (e.g. Agarwal et al., 2006; Jharkharia & Shankar, 2007) when selecting or predicting the best alternative. In its equation, \(D_i\) is the desirability index for the alternative \(i\), \(P_j\) is the relative weight of desired benefit \(j\) with regard to the goal, \(\alpha_{kj}\) is the relative weight of product attribute \(k\) in influencing the goal through desired benefit \(j\) for the dependent (D) relationships. \(\alpha_{kj}\) is the stabilized relative weight for service attribute \(k\) of \(j\) desired value for the interdependent (I) relationships within the service attribute component level, which are taken from the converged super-matrix. \(S_{kj}\) is the relative impact of alternative \(i\) on service attribute \(k\) of desired value \(j\) with regard to the goal. \(K_j\) is the index set of beneficial attributes for performance \(j\), and \(J\) is the index set for the desired value \(j\).

The second method is to utilize a supermatrix hierarchy to select the best alternative. Under this supermatrix, the entry in the last row and column of the hierarchy super-matrix is the identity matrix, which means each alternative depends only on itself.

**REFERENCES AVAILABLE UPON REQUEST**
IT IS COUNTERFEITS THAT CONSUMERS LOVE!? EXPLORING THE PHENOMENON IN THE DIGITAL ENVIRONMENT

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ABSTRACT

The Internet has revolutionized the way consumers shop, also for buying counterfeits (MarkMonitor 2013). Accessing these products with a simple mouse click has dramatically aggravated already rampant offline purchases of fakes (Guarnieri and Przyswa 2013; Radón 2012). Purchasing fakes online has attracted only scant research attention, thus, we aim to shed light on the purchase behavior of counterfeits online (e.g., awareness and knowledge; drivers and obstacles of purchasing fakes online); this allows us to evaluate potential communalities and differences between offline and online purchase and to develop avenues for future research. To get rich insights, we interviewed 15 Italian and 15 Austrian consumers (similar in access to counterfeits, different in terms of sophistication of the fashion industry) with past experiences in buying fakes either offline and/or online (a detailed sample description can be provided upon request). The interviews covered five main areas: online shopping in general; perceptions of counterfeiting on the internet; attitudes, motivations and previous experiences with counterfeits (offline/online); risks associated with online purchases and pertinent coping strategies.

Buying fakes online differs from buying counterfeits offline, as deception is much easier. Sellers and buyers usually have low familiarity with each other, reside in different locations and have one-time interactions; there is a high information asymmetry between seller and buyer, since consumers have very little knowledge and must rely on text-based descriptions, pictures and videos provided by the seller to evaluate the product. Moreover, counterfeiters tend to manipulate information either through masking (i.e., not providing important content, such as the real quality/origin of the product) or mimicking tactics (presenting false information as if it were true) (Mavlanova and Benbunan-Fich 2010).

When asked, almost all respondents in the sample indicated experience with buying counterfeit products online, with some of them having unknowingly bought fakes. Not surprisingly, and comparable to the offline context, attractive price/performance ratio primarily triggers behavior. Overall, it turned out that the Internet as a purchase context offers has unique advantages (ease, time saving, product variety, anonymity), but is also less controllable (e.g. evaluation of seller, product quality). Therefore, respondents develop several coping strategies such as price benchmarks, word-of-mouth information on the seller, payment modes available, or a non-professional web design.

Taken collectively, consumers seem to be lured into and more easily deceived by fakes online by well-informed counterfeiters using different masking and mimicking approaches. These two aspects – consumer confusion about the true origin and the multi-faceted risks entailed requiring sophisticated mitigation strategies – are two key aspects which distinguish offline and online counterfeit purchases. In terms of managerial implications, this calls upon original brand manufacturers to take up the challenge and not leave the Internet to the counterfeiters only.

Full references available upon request
INTRODUCTION

With the competitive and complex nature of today’s general retailing environment, researchers and practitioners see the links between retail image, loyalty metrics, and financial performance metrics (e.g., profitability) as critical to better understand how customers form a retail image (Kumar & Shah 2004, Pan & Zinkhan 2006). Despite the growing research attention paid to the links between retail image and critical constructs (e.g., customer satisfaction, repeat patronage behaviors and word of mouth behaviors), little agreement exists on the nature of these linkages (e.g., Chebat, Sirgy & St-James 2006; Dawar & Parker 1994; Hartman & Spiro 2005, etc.). The links between retail image and other critical constructs have been conceptualized as symmetric and positive in nature by some researchers (Dawar & Parker 1994; Hartman & Spiro 2005), while others suggest the relationship is asymmetric and non-linear (Anderson & Mittal 2000; Gomez, McLaughlin & Wittink 2004). Given the different perspectives on the relationships between retail image and other critical constructs, an important question emerges - what is the actual role of retail image in creating retail/customer loyalty?

Some of the confusion surrounding the nature and role of retail image comes from differing conceptualizations of retail image. Some researchers view retail image as a higher-order construct influenced by lower-order determinants such as convenience, retail environment, etc. (Chebat, Sirgy & St-James 2006; Finn & Louviere 1996). Other researchers conceptualize retail image as a consumer perception of the importance of certain attributes (Berry, Seiders & Grewal 2002; Brennan & Lundsten 2000). A third conceptualization views retail image as an overall attitudinal-based construct composed from a variety of attributes of the store (Darley & Lim 1993; Finn & Louviere 1996). Despite the three different conceptualizations of retail image, the relational role of retail image has gone unnoticed to date. In the current study overall restaurant image (ORI), among known customers, is the customer’s attitudinal-based positive or negative impression of a restaurant that acts as a positive reinforcement relational enabler of customer loyalty, customer satisfaction and customers’ repeat patronage behaviors (intention to revisit and repurchase). Specifically, does established retail image transform into a triggering mechanism that acts as a positive reinforcement enabler and directly influence consumer judgments of (a) overall satisfaction/dissatisfaction with the restaurant, (b) intention to recommend the restaurant, (c) intention to revisit the restaurant and (d) loyalty feelings towards the restaurant? Further, how might customers’ overall retail restaurant images differ across different brands of restaurants that are of the similar type (i.e., all brands are casual-sit-down restaurants)?

In brief, this study contributes to the literature by investigating the relational role retail image plays with other critical constructs. This relational role perspective presents a new interpretation of retail image within a restaurant context, and can shed light on the nature of the linkages between retail image and other critical constructs. This research also highlights the importance of knowing which dimensional indicators are most important to the customer in forming retail image, which can help retailers shape...
marketing policy. This study incorporates Attitude Theory (Ajzen & Fishbein 1980) and Disconfirmation Expectancy Theory (Anderson 1973; Oliver 1980, 1997) to describe the theoretical underpinnings of retail image. Finally, the paper also examines the generalizability of retail image amongst casual sit down restaurants.

**MODEL**

Intuitively consumers who are unfamiliar and inexperienced with a restaurant rely on their initial perceptions of the restaurant to make a choice. However, this research argues that experienced restaurant consumers rely on their relational image of the restaurant to make a choice, and that image can positively reinforce perceptions of overall satisfaction, loyalty and likelihood to recommend and revisit the restaurant. Please see Figure 1 for the overall conceptual model of this research.

Dimensional indicators describe the restaurant components customers employ to evaluate a restaurant (Baker et al. 2002; Darley & Lim 1993). Customers consider the importance and performance of these dimensional indicators, combining them to form an overall impression of a restaurant (Ajzen & Fishbein 1980).

*H1: The overall attitudes of the dimensional indicators directly influence an experienced customer’s overall positive (or negative) image impression of different restaurants.*

Customer loyalty has direct positive impacts on restaurant performance (e.g., profitability, revenue, etc.), because loyal customers buy more and create positive word of mouth, among other important impacts (Wallace, Giese & Johnson 2004; Wright & Sparks 1999). In this research, restaurant loyalty is seen as a comprehensive direct global expression of the consumer’s attitude towards a restaurant.

*H2: An experienced customer’s overall restaurant image directly (positively) influences his/her customer loyalty feelings toward different restaurants.*

Consumers typically use their expectations toward retailer dimensions as benchmarks for comparing performance (Anderson 1973; Oliver 1980; Sprend, MacKenzie & Olshavsky 1996) and determining overall satisfaction or dissatisfaction with a retailer (Bernhardt, Donthu & Kennett 2000, Szymanski & Henard 2001). Experienced restaurant customers, who have already established restaurant image, use the image as a benchmark that directly influences their future satisfaction (or dissatisfaction) judgments of their dining experiences at a restaurant.

*H3: An experienced customer’s overall restaurant image directly influences their overall post-consumption assessment of their satisfaction (dissatisfaction) of restaurant dining experiences.*

Within the consumer loyalty literature, intentions to recommend and revisit are important outcome behaviors associated with strong levels of loyalty (Dick & Basy 1994; DuWors & Haines 1990; Kumar & Shah 2004; Magi 2003). We investigate intentions to recommend different, yet similar, restaurants to friends and neighbors as the likelihood of a behavioral outcome that is directly influence by a customer’s overall retail image. We also investigate intentions to revisit different restaurants as a behavioral outcome, which relates positively to overall retail image.

*H4: An experienced customer’s overall restaurant image positively relates to the likelihood that the customer will undertake some type of recommending behavior.*

*H5: An experienced customer’s overall restaurant image directly relates to that customer’s*
When considering the generalizability of retail image amongst different kinds of restaurants, logically it seems reasonable that customers will have different retail images for different types of restaurants (i.e., fast food vs. casual sit down, casual sit down vs. fine dining). However, it remains unclear whether the retail image customers construct is specific to a single restaurant, or whether it generalizes to multiple restaurants within the same category (i.e., all casual sit down restaurants).

H6: An experienced customer’s overall restaurant image is specific to a specific restaurant.

RESEARCH METHODS

This research followed a two-stage research design (Churchill 1979). In the first stage, two focus groups were conducted with student and non-student experienced restaurant consumers (n=8 for each focus group) to determine which attributes best represent overall restaurant image and which restaurants to study. Based upon the insights of the focus groups, we determined the seven most frequently mentioned dimensional indicators include food quality (100%), restaurant familiarity (94%), acceptable service (88%), friendly employees (75%), restaurant knowledge/experience (75%) competitive prices (64%) and restaurant atmosphere (64%). In this study, we control for restaurant familiarity and knowledge/experience through sampling, so the five remaining dimensional indicators make up overall restaurant image. Additionally, the focus group suggested Applebee’s Neighborhood Grill & Bar, Chili’s Grill & Bar, and Red Lobster Restaurant represented three casual sit down restaurants.

In the second stage, a self-administered restaurant image survey was conducted with 400 randomly selected consumers who had experience and knowledge of all three casual sit down restaurants. The study’s constructs were pretested using industry accepted five-point and six-point assumed-interval direct scale measures, standardized symmetrical and asymmetrical rating scales, and global measure formats that all met the required reliability and validity characteristics. For interested readers, standard statistical descriptions of these measures can be obtained by contacting the authors.

RESULTS & DISCUSSION

To test the study’s main hypothesized relationship linkages among the model’s constructs we employed correlation analyses, z-test procedures and simple regression analysis. Our sample population consisted of males (45%) and females (55%) of student (52%) and non-student (48%) status. The majority (62%) of respondents were single, full-time employees (60%).

Correlation and multiple regression analyses were performed on the five separate dimensional attitudes of overall restaurant image to ensure the five dimensions are significant predictors of overall restaurant image. The importance mean values for the five image indicators ranged from 5.75 (food quality) down to 4.53 (atmosphere). Using multiple mean Z-tests procedures, each of these mean values were compared against the scale value of a five, which represents “definitely important.” The results suggest that the importance magnitudes associated with the dimensional indicators of food quality (x=5.75), acceptable service (x=5.46) and friendly employees (x=5.24) are significantly greater that the “definitely important” scale point value of 5 at p< .001. The mean value of competitive prices (x=4.75) proved to be statistically equal to “definitely important” at p< .01. The mean value of restaurant atmosphere (x=4.53) was significantly less than being “definitely important.” The correlations between each dimensional
attribute and the corresponding importance and performance measures ranged between .50 and .69 for Applebee’s, .56 and .72 for Chili’s and .56 and .74 for Red Lobster. Overall, the strong to very strong correlation magnitudes provide adequate support for the internal reliability of the dimensional attributes impacting retail image. In addition, the inter-correlations between dimensional indicators range from .27 to .51 for Applebee’s, .35 to .53 for Chili’s and .34 to .57 for Red Lobster. While these inter-correlations were statistically significant at p < .01, their interpretive strengths are “weak” to “moderate” at best, suggesting discriminant validity between the indicators.

Hypotheses 1-5 were tested using simple regression analysis procedures. To test H1, a simple regression of the five dimensional indicators predicting overall restaurant image reveals support for H1 across all three restaurants. Standardized beta weights range from .17 to .39 for Applebee’s, .11 to .34 for Chili’s and .14 to .39 for Red Lobster. These beta weights indicate that for all three restaurants, these dimensional indicators have positive effects on overall restaurant image. While some indicators contributed relatively less than others, all indicators were significant at the p < .001 level across the three restaurants (explaining a sizable amount of the variance - .74 for Applebee’s, .76 Chili’s, and .77 for Red Lobster).

Moving now to loyalty (H2), the analyses indicate that overall restaurant image alone has a strong positive impact on customer loyalty (beta weights: .65 for Applebee’s, .61 for Chili’s and .71 for Red Lobster; adjusted R²: .41 for Applebee’s, .37 for Chili’s and .50 for Red Lobster). In support of H2, as overall restaurant image becomes more positive, the image reinforces customer loyalty more. In addition to loyalty, we see very strong linkages between overall restaurant image and overall dining satisfaction (beta weights: .95 for Applebee’s, .95 for Chili’s and .95 for Red Lobster; adjusted R²: .90 for Applebee’s, .91 for Chili’s and .90 for Red Lobster). For experienced customers, overall restaurant image does reinforce satisfaction, supporting H3.

Further, hypothesis 4 is supported, showing overall restaurant image increases experienced customer’s positive word of mouth behavior (beta weights: .64 for Applebee’s, .57 for Chili’s and .73 for Red Lobster; adjusted R²: .41 for Applebee’s, .32 for Chili’s and .53 for Red Lobster). Additionally, overall restaurant image has a positive influence on customers’ post-consumption intentions to revisit the restaurant (beta weights: .59 for Applebee’s, .56 for Chili’s and .62 for Red Lobster; adjusted R²: .34 for Applebee’s, .31 for Chili’s and .38 for Red Lobster), supporting H5. Finally, looking at the overall restaurant image for the three restaurants, we find partial support for H6. The overall restaurant image for Applebee’s is not significantly different from Red Lobster’s (μA = 4.07, μR = 3.99, t = 1.582, p > .114), however, the overall restaurant image for Applebee’s is significantly different from Chili’s (μA = 4.07, μC = 4.54, t = -9.975, p < .001) and Chili’s overall restaurant image is significantly different from Red Lobster’s (μC = 4.54, μR = 3.99, t = 10.207, p < .001).

Full references & Tables available upon request.
APP ENGAGEMENT: THE INFLUENCE OF INTRINSIC AND EXTRINSIC MOTIVATION ON DOWNLOADING APPS

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ABSTRACT

The use of smartphone and apps increased in the last few years. For example, in 2012 there were 5.3 billion mobile subscriber, comprising 77% of the world’s population (Darsow & Listwan, 2012). ABI Research reveals that app, a software application designed to run on smartphone, tablet, and mobile devices, downloads will reach 44 billion apps on mobile phones and mobile communication devices by 2016 (Cheng, 2011). Currently Apple and Android app dominate the number of downloaded Apps. For example, Apple acquires the highest number of apps sold in the last few years with more than 700,000 apps and counting, but Google play, for Android system, is growing fast and it will catch up by the end of 2013 (Taylor, Voelker, & Pentina, 2011). Also, Apple made half of all app revenue. However, google comprise seventy percent of all app downloads which demonstrate that market share and volume do not translate to income (Bradley, 2013). There are many reasons for the huge download behavior, such as apps are accessible, easy to use, and inexpensive.

This study addresses the intrinsic and extrinsic motivations for mobile users to download app. This study proposes that extrinsic motives and intrinsic motives influence consumers to download a precise app. Moreover, these motives lead to apps downloading engagement. Thus, our research questions are following: What motives mobile users to download an app in their smartphone? How intrinsic and extrinsic motives influence that behavior? Despite the importance of understanding consumer downloading behaviors, there has been little prior research on consumer downloading behavior and engagement. Accordingly, the aim of this research is contribute to understanding of consumers’ behavior to app downloading, by undertaking an exploratory study to the importance of lifestyle and engagement on app downloading behavior.

References Available Upon Request
INTRODUCTION

The U.S. population growth has been driven mainly by immigration and the American-born offspring of immigrants (Ortman and Guarneri, 2009). The Hispanic population is the ethnic group that is and will continue to contribute to most of this growth and will account for 29% of the U.S. population by 2050 (Pew Research, 2008). Thus, the role of Hispanics in shaping civic life in the U.S. will become more significant in the future than it is today. The growing public concern about the environment has raised questions whether or not immigrants consider the environment in their daily practices. Perspectives range from the post-materialist approach that views immigrants’ concern for the environment as secondary to achieving material goals such as physical and economic security (e.g., Inglehart, 1995) to the approach that holds that immigrants have higher levels of environmental concern because the poor environmental conditions in their countries of origin have sensitized them to be more aware of environmental problems (Martinez-Alier and Hershberg, 1992). The literature provides mixed findings about environmentalism among Hispanics compared to native-born individuals (e.g., Johnson, Bowker and Cordell, 2004; Lynch, 1993; Noe and Snow, 1990; Pfeffer and Stykos, 2002). While these studies provide important insights into Hispanics’ environmental attitudes and concerns, little is known about whether these perceptions are translated into pro-environmental behaviors. This study attempts to bridge this gap by proposing a model that explores how core values (i.e., collectivism and long-term orientation), environmental cognition (i.e. environmentalism and environmental concern), and feelings about the state of the environment (i.e., environmental affect) are related and influence conservation behavior (i.e., recycling, water conservation, electricity conversation, and energy conservation) among young Hispanic consumers.

THEORETICAL BACKGROUND AND HYPOTHESES

Cultural values: Collectivism and a Long-Term Orientation (LTO)

Collectivism determines how individuals view their interactions with others. It emphasizes interdependence, in-group harmony and consensus, and the prioritizing of the group’s goals over those of the individual (Hofstede, 2001; Triandis, 1995). Collectivists engage in pro-environmental behavior more than individualists because they are more cooperative, more ready to help others, show more concern for the welfare of society, and emphasize group goals over personal ones (Kim and Choi, 2005; Laroche et al., 1999). Research shows positive relationship between collectivism and pro-environmental attitudes (Chan, 2001; Ling-yee, 1997; McCarty and Shrum, 2001) and greater environmental concern among individuals with pro-social rather than individualistic value orientations (Lasane et al., 2001; Van Vugt and Samuelson, 1998). Therefore, it is hypothesized that:

H1a: Collectivism is positively associated with environmentalism.
H1b: Collectivism is positively associated with environmental concern.
Long-term orientation (LTO) is defined as “the cultural value of viewing time holistically, valuing both the past and the future rather than deeming actions important only for their effects in the here and now or the short term” (Bearden, Money and Nevins, 2006, p. 457). People who score high on LTO value planning, tradition, hard work for the future, and perseverance. Researchers argue that they have favorable attitudes toward protecting the environment (Joreiman et al., 2004; Sarigöllü, 2009) and tend to respect and preserve the environment for the benefit of future generations (Leonidou, Leonidou, and Lulea, 2010). Therefore, the following hypotheses argue that:

H2a: LTO is positively associated with environmentalism.
H2b: LTO is positively associated with environmental concern.

Cognitive Factors: Environmental Worldviews

Environmentalism and environmental concern are two cognitive variables that are frequently used to explain pro-environmental behavior. Environmentalism is viewed as a more specific value that plays a key role in people’s pro-environmental behaviors (Reser and Bentrupperbaumer, 2005; Stern, 2000). It involves a set of perceptions about the relationship between people and their environment, all supporting the idea of the interdependence between humanity and the biophysical environment, and the importance of protecting the environment (Banerjee and McKeage, 1994). Environmental concern is defined as individuals’ evaluation of the seriousness of environmental issues. Empirical evidence indicates a low to moderate relationship between environmental concern and pro-environmental attitudes and behavior (e.g., Cornwell and Schwepker, 1995; Hines, Hungerford and Tomera, 1987), calling for further investigation into possible intervening variables in this relationship. The cognition-affect-behavior (C-A-B) paradigm that has long been central to flow models of consumer behavior provides a way to bridge these discrepancies. It views cognitions as antecedents to affect (feelings), which in turn, results in behavior (e.g., Bagozzi et al., 1979; Holbrook and Hrschman, 1982). As such, it is hypothesized that:

H3a: Environmentalism is positively associated with environmental affect.
H3b: Environmental concern is positively associated with environmental affect.

Environmental Affect

Environmental affect is defined as an individual’s degree of emotionality about environmental issues (Chan and Lau, 2000; Maloney and Ward, 1973). Researchers found that environmental affect is a strong predictor of pro-environmental intentions (Chan and Lau, 2000) and behavior (Chan and Yam, 1995; Ip, 2003; Kals, Schumacher, and Montada, 1999). Therefore, it is postulated that:

H4a: Environmental affect is positively associated with recycling behavior.
H4b: Environmental affect is positively associated with water conservation.
H4c: Environmental affect is positively associated with energy conservation.
H4d: Environmental affect is positively associated with electricity conservation.

Perceived Consumer Effectiveness (PCE) as a Mediator

Despite growing evidence about the positive relationships between environmental attitude, environmental concern and affect, and pro-environmental behavior, some studies indicate that the first
three factors do not necessarily translate into pro-environmental behaviors (Chan, 1999; Hume, 1991; Mustafa, 2007). Researchers suggest that more complex relationships between cognitive, affective, and behavioral variables might exist. The extent to which people believe that their actions can make a difference in solving a problem (i.e., perceived consumer effectiveness -PCE) is considered a strong predictor of pro-environmental behavior (Ellen, Weiner, and Cobb-Walgren, 1991). Researchers found that PCE about environmental issues contributes uniquely to the prediction of pro-environmental behaviors (Ellen, Weiner, and Cobb-Walgren, 1991; Kim and Choi, 2005; Traughan and Roberts, 1999). This finding implies not only a direct relationship between environmental affect and conservation behavior but also an indirect relationship through PCE. Therefore, it is hypothesized that:

H5a: Environmental affect will be positively associated with recycling behavior through PCE.
H5b: Environmental affect will be positively associated with water conservation through PCE.
H5c: Environmental affect will be positively associated with energy conservation through PCE.
H5d: Environmental affect will be positively associated with electricity conservation through PCE.

METHODOLOGY

A convenience sample of 425 Hispanic students from a large southeastern university in the United States constituted the sample. Data were collected from a self-administered survey with variables measured through previously validated 5-point Likert type scales with anchors of (1) “strongly disagree and (5) “strongly agree.” Collectivism was measured with McCarty and Shrum’s (1994) 3-item scale, and LTO was measured through Bearden, Money, and Nevins’ (2006) 8-item scale. Environmentalism was measured using Banerjee and McKeage’s (1994) 6-item green value scale, and environmental concern used Kim and Choi’s (2005) 5-item scale. Environmental affect was measured with Maloney and Ward’s (1973) 6-item ecological affect assessment. Recycling was measured through McCarty and Shrum’s (1994) 3-item scale. The 6-item electricity conservation scale and 5-item water conservation scale were adopted from Gilg, Bar, and Nicholas (2005). Energy conservation was measured through Roberts’ (1996) 4-item scale. Demographic data were collected as well.

RESULTS

Results indicate that the sample’s mean age was 23.9 (SD = 5.56) and included slightly more females (56.2 percent) than males (43.8 percent). Multiple linear regressions were used to assess the relationships among the model’s variables after controlling for the influence of gender, age, and acculturation. Results indicate that collectivism is associated positively with environmentalism [$F(4, 420)=9.03, p < .001, \beta = .22$] and environmental concern [$F(4, 420)=11.24, p < .000, \beta = .27$], supporting H1a and H1b. LTO is positively associated with environmentalism [$F(4, 420)=5.81, p < .000, \beta = .14$] and environmental concern [$F(4, 420)=6.9, p < .000, \beta = .19$], supporting H2a and H2b. Environmentalism and environmental concern are positively associated with environmental affect [$F(4, 420)=95.85, p < .000, \beta = .70; F(4, 420)=85.40, p < .000, \beta = .67$ respectively], supporting H3a and H3b. Finally, the results support H4a-H4d, indicating that environmental affect is associated positively with recycling [$F(4, 420)=9.75, p < .000, \beta = .26$], water conservation [$F(4, 420)=23.25, p < .000, \beta = .37$], electricity conservation [$F(4, 420)=29.82, p < .000, \beta = .43$], and energy (gas) conservation [$F(4, 420)=6.71, p < .000, \beta = .22$].
H5a-H5d were addressed through Baron and Kenny’s (1986) four-step procedure for testing mediation. Four regression analyses were used to test if PCE mediated the relationship between affect and each of the four conservation behaviors. For recycling, the results of the four regressions were as follows (a) a positive relationship between recycling and affect ($\beta=.26; p < .001$), (b) a positive relationship between PCE and affect ($\beta=.62; p < .001$), (c) a positive relationship between recycling and PCE ($\beta=.25; p < .001$), and (d) the combination of PCE and affect on recycling was significant for PCE ($\beta=.25; p < .001$) but non-significant for affect ($\beta=.11; p > .05$), indicating full mediation. For water conservation, the results show (a) a positive relationship between water conservation and affect ($\beta=.37; p < .001$), (b) a positive relationship between PCE and affect ($\beta=.62; p < .001$), (c) a positive relationship between water conservation and PCE ($\beta=.45; p < .001$), and (d) the combination of PCE and affect on water conservation was significant for both PCE ($\beta=.36; p < .001$) and affect ($\beta=.15; p < .05$), indicating partial mediation. For electricity conservation, the results show (a) a positive relationship between electricity conservation and affect ($\beta=.43; p < .001$), (b) a positive relationship between PCE and affect ($\beta=.62; p < .001$), (c) a positive relationship between electricity conservation and PCE ($\beta=.48; p < .001$), and (d) the combination of PCE and affect on electricity conservation was significant for both PCE ($\beta=.34; p < .001$) and affect ($\beta=.22; p < .001$), indicating partial mediation. For energy conservation, the results show (a) a positive relationship between energy conservation and affect ($\beta=.22; p < .001$), (b) a positive relationship between PCE and affect ($\beta=.62; p < .001$), (c) a positive relationship between energy conservation and PCE ($\beta=.23; p < .001$), and (d) the combination of PCE and affect on energy conservation was significant for both PCE ($\beta=.15; p < .05$) and affect ($\beta=.13; p < .05$), indicating partial mediation. The results provide support for H5a and partially support H5b-H5d.

DISCUSSION AND IMPLICATIONS

This model extends previous studies by investigating factors beyond pro-environmental attitudes and how they contribute to pro-environmental behavior, presenting a hierarchical flow from core values to pro-environmental attitudes to affect and behavior. It helps bridging the attitude-behavior gap by indentifying the role of affect in mediating between attitudes and conservation behavior. Findings support the validity of the cognitive-affect-behavior paradigm for understanding conservation behavior. Additionally, this study shows that the extent to which individuals believe that their actions can make a difference is key to translating environmental affect into behaviors. For example, recycling was apparent only through the mediating role of PCE, while for water, electricity, and energy conservation, PCE had a stronger impact than environmental affect alone. Implications from this study include segmentation, targeting and persuasive message design. Marketers can segment consumers based on their strength of environmental attitudes, affect and behaviors to develop product and persuasion strategies that match the different segments. Messages that stress the positive effects that a pro-environmental behavior has on one’s community and the future generations reflect the core values of collectivism and a long-term orientation. Emphasizing the power of each individual to make a significant difference in the environment will be an effective message strategy for motivating consumers to consider the environment in their daily actions and decision-making. This is especially important in promoting recycling, which is a behavior with no immediate, concrete benefits to consumers. Finally, messages should contain concrete facts and substantive information on how to engage in conservation behavior.

References Available Upon Request
A loyal customer is regarded as a type of competitive asset (Dekimpe et al., 1997) and paves the way to achieve a sustainable competitive advantage for an organisation (Gummesson, 2008). However, the changes in competitive situations and actions taken by competitors make the challenge of retaining existing customers difficult to take (Grönroos, 2009). Past studies suggest that the performance of frontline employees is critical to retain customers (Grönroos, 1984; Bove and Johnson, 2009) and customer perceptions of value created in ongoing relationship makes certain impact on business performance (Slater and Narver, 1994; Ravald and Grönroos, 1996). This highlights the necessary of examining the issue on customer loyalty from a value perspective and by taking market competition into consideration. Therefore, this study aims at providing an insight into the role of competition in the relationship between the employee’s efforts at delivering customer value and the achievement of customer loyalty. Since the success of interaction between employees and customers can depend on the subjective experience of customers’ perceived value in marketing activities (Raval and Grönroos, 1996), an understanding of the proposed relationships from the loyal customer perspective is salient.

References Available Upon Request
CHUTZPAH AND ITS LINKAGE TO MARKETING INNOVATION, AND PERFORMANCE

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ABSTRACT

In a business and economic world now characterized by reduced (and therefore more carefully allocated) consumer spending power, competition is cut-throat and dynamic. In this context, commercial organizations require competitive advantages to survive and grow. One key to competitiveness and success is innovation. Most studies of innovation, however, focus on the process and/or outcomes of innovation. Little is still known about what makes innovation successful in developing competitive advantages. In addition, while past research in innovation concentrated on technological breakthroughs and new product development, successful innovation increasingly characterizes the whole management and organizational process, and strategy. We propose the term Chutzpah as means of implementing marketing innovativeness. We aim at identifying the elements of Chutzpah by conducting an exploratory study based on a preliminary qualitative research, and a second quantitative research, in the advertising context. Our results substantiate the relevancy of Chutzpah to marketing innovation and also its impact on marketing performance.

References Available Upon Request
MAKING CHOICES FOR A SEQUENCE OF HEALTHY AND UNHEALTHY OPTIONS

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INTRODUCTION

When making food choices, consumers sometimes decide between simultaneously presented options, such as when choosing from items in a self-serve display case at a convenience store or coffee shop (i.e., Starbucks). However, in many instances, consumers choose from sequentially presented items, such as when navigating up and down the aisles of a supermarket or when progressing through the food line at a cafeteria/buffet. As these examples suggest, it is not only common for consumers to choose between sequentially presented food options, it is also practically relevant (Biswas et al. 2014; Biswas, Grewal, and Roggeveen 2010; O’Brien and Ellsworth 2012).

Whether choosing between sequentially or simultaneously presented foods, consumers often decide between options that vary in terms of healthiness. In fact, in light of the recent focus on healthy eating (Chandon and Wansink 2011) venues that have traditionally been known for selling predominately unhealthy foods, such as fast food restaurants (Butler 2011) now offer a good mix of healthy and unhealthy options. Along similar lines, there is even some variation in the healthiness levels of options at places which offer mostly nutritious items such as school lunchrooms (Smarter Lunchrooms.org).

Given that consumers often choose from sequentially presented food items and that choice sets are frequently composed of options that vary in terms of healthiness levels, it becomes important to understand how the sequence in which consumers are exposed to healthy and unhealthy food items might influence choices. For instance, would a consumer be more likely to choose a healthy (vs. an unhealthy) food item if s/he was exposed to the items in the sequence of healthy first, then unhealthy (i.e., H-U) versus in the opposite sequence of unhealthy first, then healthy (i.e., U-H) versus if the consumer was exposed to both options simultaneously? How would the choice pattern change if the food options were sampled (as they might be at food courts and supermarkets) compared to just visually evaluated?

The answers to these research questions have both conceptual and practical implications. From a conceptual perspective, while there has been extensive research on consumers’ choices between healthy and unhealthy food options (e.g., Dhar and Wertenbroch 2012; Shiv and Fedorikhin 1999; 2002) the majority of studies have examined choice between food items that are presented simultaneously. The limited number of studies which examine how sequential exposure influences choices when products are actually sampled (e.g., Biswas et al. 2010, 2014; Mantonakis et al. 2009; O’Brien and Ellsworth 2012), do not examine sequences where the food items vary in level of healthiness. As the results of one of our studies (Study 2) show, choice patterns are significantly influenced by the sensory mode of evaluation (visual vs. actual sampling). From a practical perspective, marketers and restaurant/cafeteria managers might be able to nudge consumers towards making healthier food choices through strategically varying the sequence in which healthy and unhealthy options are presented.

CONCEPTUAL BACKGROUND
Dual-processing theories of consumer judgment suggest that decision making is influenced by two different processing modes – a quick, automatic, and unconscious processing mode and a systematic, deliberative, and conscious processing mode (Evans 2008). These two different processing modes have also been referred to by different terms such as System 1/System 2 processing, intuitive/systematic, and heuristic/analytical (De Neys 2006; Kahneman and Frederick 2002).

Along conceptually similar lines, Shiv and Fedorikhin (1999) examined how “consumer decision making is influenced by automatically evoked task-induced affect and by cognitions that are generated in a more controlled manner on exposure to alternatives in a choice task” (p. 278). They also proposed and found that healthy food options (such as fruit salad) are superior on cognitive dimensions while unhealthy food options (such as chocolate cake) are superior on affective dimensions. In essence, when consumers choose between healthy and unhealthy options, they often face tradeoffs between the affective/hedonic aspects of taste (for the unhealthy option) and the cognitive/utilitarian aspects of lower calories (for the healthy option) (Dhar and Wertenbroch 2012). So which one of these factors, the affective/hedonic or the cognitive/utilitarian aspect, would play a more dominant role in influencing choices for the H-U versus U-H sequences?

Research in the domain of order effects shows that when evaluating options in a sequence, the first stimulus often becomes the reference point for evaluation of other stimuli in the sequence (Biswas et al. 2009; Carlson, Meloy, and Russo 2006). So, if the first encountered product in a sequence sets the reference point for the mode of decision making, and if healthy foods are superior on cognitive dimensions while unhealthy foods are superior on affective dimensions, then for a sequence of H-U, cognitive processing will dominate while affective processing will dominate for the sequence of U-H. This would imply that consumers would be more likely to trade off affective aspects of taste in favor of cognitive aspects of calorie content when options are presented in the sequence H-U. In terms of selecting the healthy option (which is cognitively driven), primacy effects will lead to greater preference for the healthy option in the H-U (vs. U-H or simultaneously presented options). Formally stated:

**H1:** Consumers will have higher preference for the healthy food item when evaluating options in the sequence of H-U (vs. U-H or simultaneously presented options), implying primacy effects.

**STUDY 1A**

Study 1A tested hypothesis 1 using a single-factor between subjects experiment with three manipulated conditions (H-U sequence vs. U-H sequence vs. control condition of H and U presented simultaneously). Consistent with prior studies (e.g., Chernev 2011; Shiv and Fedorikhin 1999), fruit salad was used as the healthy food option while a slice of chocolate cake was used as the unhealthy option.

Members of a national online panel were randomly assigned to one of the three manipulated conditions. For the H-U sequence, participants saw sequential visual images of a fruit salad and then a chocolate cake, while for the U-H sequence, the food items were presented in the opposite order. For the simultaneous-presentation condition, both the food items were presented together on the same webpage and the visual field (left/right) of the items were counterbalanced. Presenting the stimuli images on the computer allowed greater control over the presentation sequence. After seeing the food items,
participants indicated their preference between the two food options, which served as the key dependent measure.

Results

Consistent with hypothesis 1, a higher proportion of participants preferred the healthy food item in the H-U (vs. U-H) sequence. Similarly, there was greater preference for the healthy item in the H-U sequence than when the options were presented simultaneously. Thus, the results show that the sequence in which healthy and unhealthy food items are presented influences consumers’ choices in a manner whereby there are primacy effects when the healthy item is encountered sequentially first.

Study 1A used a hypothetical, forced choice scenario in an online setting and showed that the sequence in which consumers are exposed to healthy and unhealthy options influences choice. Study 1B extends this initial finding to a non-forced choice scenario in a field setting and examines how the sequence in which healthy and unhealthy food options are presented can influence food sales at a restaurant.

STUDY 1B

Study 1B had a single factor between subjects design with two experimental conditions (H-U sequence vs. U-H sequence) and took place at a cafeteria style restaurant at a major theme park. In collaboration with the theme park management, the dessert portion of the food line at the restaurant was manipulated on two different weekdays. For the H-U condition, the healthy dessert option (i.e., watermelon slices) was displayed at the very beginning of the food line right before the unhealthy dessert option (i.e., berry cheesecake). For the U-H condition, the sequence was reversed so that the berry cheesecake was displayed first before the watermelon slices. The key dependent variable was the number of each item sold during the day.

Consistent with hypothesis 1, as well as the findings of Study 1A, when the options were displayed in the H-U sequence (i.e., watermelon first then cheesecake) sales of the healthy item were higher than compared to the opposite (U-H) sequence.

Collectively the results of Study 1A and Study 1B show that the order in which healthy and unhealthy items are displayed can influence consumers’ choices. Next, in Study 2 we examine whether this pattern of results holds when consumers actually sample the food (vs. when they just visually evaluate it).

STUDY 2

In the context of choosing between sequentially presented food options, consumers often choose between visually presented options (i.e., from display cases or menus). However, in many instances such as at food courts or grocery stores, consumers get to sample different food items sequentially before making a choice or purchase decision. Prior research shows that real food items tend to evoke stronger affective responses than images of food items (Shiv and Fedorhikn 1999; 2002). Moreover, research in the domain of order effects shows that the primacy effects which emerge in low-experiential (or low-sensory) choice contexts often reverse to recency effects in high-sensory contexts (Biswas et al. 2010, 2014; O’Brien and Ellsworth 2012); thus it is not clear how sampling the healthy and unhealthy options (vs. evaluating them visually) might influence the pattern of results observed in Study 1.
As mentioned earlier, there is a tradeoff between healthy versus unhealthy food options with the former being superior on the cognitive aspect of healthiness and the latter being superior on the affective aspect of perceived taste. When visually evaluating the sequential products, we observed primacy effects in Study 1. However, when consumers get to have an experiential evaluation of the product through actual sampling, recency effects are expected (Biswas et al. 2014) since traces from latter experiences tend to erase the traces from sequentially earlier experiences. In essence, when sampling (i.e., consuming) the products, there will be greater preference for the healthy item in the U-H (vs. H-U) sequence. Stated formally:

**H2:** When sequential food items are visually evaluated, H1 will hold whereby there will be greater preference for the healthy item in the sequence H-U (vs. U-H). However, when sequential food items are evaluated through tasting/sampling, there will be greater preference for the healthy item in the sequence U-H (vs. H-U).

### Method

Hypothesis 2 was tested with a 2 (food sequence: H-U vs. U-H) X 2 (mode of evaluation: visual vs. sampling) between subjects lab experiment. Participants were seated facing the front of the laboratory and were given two Styrofoam cups turned upside down to cover equal weight samples of chocolate cake and fruit salad. Participants were instructed to lift each of the Styrofoam cups in a sequence and either take a look at (visual evaluation conditions) or eat (sampling evaluation conditions) the healthy and unhealthy food items. After this, participants indicated their preference between the two items.

### Results

Consistent with hypothesis 2 and the results observed in Study 1, when participants visually evaluated the food items, there was greater preference for the healthy item in the H-U (vs. U-H) sequence. In contrast, and also consistent with H2, when participants sampled the food items, the pattern of results reversed, whereby there was greater preference for the healthy item in the U-H (vs. H-U) sequence. Thus, the primacy effects for visual evaluations changed to recency effects for actual sampling evaluations.

### GENERAL DISCUSSION

The results of three experimental studies (conducted in field, online, and lab settings) suggest that the sequence in which consumers are exposed to healthy and unhealthy food items influences their choice between the two options. When options are visually evaluated primacy effects emerge, whereby there is greater preference for the healthy option in the H-U (vs. U-H sequence). However, when the options are sampled (i.e., tasted/consumed), recency effects are observed such that there is greater preference for the healthy option in the U-H (vs. H-U) sequence. The findings of our studies have important practical implications.

**References available upon request**
THE EFFECTIVENESS OF COMPARATIVE ADVERTISING:
EXAMINING CONSUMERS’ PERSPECTIVES IN DIFFERENT CULTURES

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INTRODUCTION
Comparative advertising can effectively encourage consumers to engage in relative judgments that generate either an association or differentiation effect (Chang 2007). US rationalize that explicit comparative ads provide consumers more information and lead to more effective decision-making in the consumption process (Barry 1993). However, Europe and Asia witness less comparative ads for regulation and cultural reasons (Choi and Miracle 2004). This study examines the factors affect purchase intention and compares the differences between US and Taiwanese consumers in comparative advertising conditions.

THEORETICAL BACKGROUND AND HYPOTHESES
An ad has three essential functions, i.e., cognition, affection and conation, to create an impact on the consumer (Lavidge and Steiner 1961). Based on this model, this study establishes a research model, including ad believability as a cognitive function, attitude toward the ad and attitude toward the sponsored brand as two affective functions and purchase intention as a conative function.

Cognition stage aims to attract audiences’ attention to the advertisement. Grewal et al. (1997) point out that comparative ads are more likely to produce different effects on consumers’ awareness and knowledge of the brand than non-comparative ads because comparative ads deliver different information to the consumers. Believability of comparative ads consists of two components; source credibility and perceived truthfulness of the advertising message (Grewal et al. 1997).

Affective responses to comparative advertising include attitude toward ad that indicates consumers’ feelings about the ad and the evaluation about the brand. Previous research reveals that consumers have more unfavorable attitudes toward comparative ads than that toward non-comparative ads (Belch 1981; Swinyard 1981) because comparison brand users see the comparison as an attack on their favorable brand, causing them to counter-argue with the advertising claims (Grewal et al. 1997). Previous research shows that feelings or attitudes toward the brand are positively influenced by attitudes toward the ad (Muehling 1987). Also compared with the messages of a non-comparative ad, clear and focused ad messages in a comparative ad allow consumers to differentiate the benefits of the sponsored brand from those of the comparison brand and create a positive effect on consumers’ attitudes toward the sponsored brand (Grewal et al. 1997).

Previous research shows that there is a stronger relationship between attitude toward the sponsored brand and purchase intention caused by comparative ads than by non-comparative ads (Droège 1989; Grewal et al. 1997). As Grewal et al. (1997) point out, when an ad is non-comparative, any consideration of market position by consumers is based on implicit ad cues and would not have a systematic effect on consumers’ behavior. An outcome measure's sensitivity to an advertising effect depends on the framing of the advertising message.
Although past research suggests that comparative ads might be more effective than non-comparative ads (Donthu 1998), levels of comparative advertising effectiveness and attitudes are likely to be different among countries or cultures (Choi and Miracle 2004). The most frequently adopted view of culture in advertising study is Hofstede’s individualism/collectivism. People of individualistic culture prefer directness and clarity in conversation, whereas people living in collectivistic culture are more concerned with face and prefer implicit and indirect communication (Choi and Miracle 2004).

The above discussion informs a set of hypotheses listed here:

H1. Advertising believability is positively related to attitude toward comparative advertising and purchase intention.
H2. Attitude toward the brand is positively related to attitude toward comparative advertising and purchase intention.
H3. Attitude toward comparative advertising is positively related to purchase intention.
H4. US consumers have more favorable ad believability, attitude toward the brand, attitude toward ad, and purchase intention than Taiwanese consumers toward a direct comparative advertising.
H5 US consumers have more favorable ad believability, attitude toward the brand, attitude toward ad, and purchase intention than Taiwanese consumers toward an indirect direct comparative advertising.
H6. Taiwanese consumers will have more favorable ad believability attitude toward the brand, attitude toward ad, and purchase intention than US consumers toward a non-comparative ad

**METHODOLOGY**

A 2 (country) X 3 (comparative ad type) between-subject experiment was designed to test the hypotheses. Laptop computers were chosen in the experiment because of the subject’s high involvement in and familiarity with the product. The ads promoted a fictitious brand of laptop computer called Matrix 20. The comparison brand was the popular Sony Vaio. Three different types of comparative ad intensity, direct-, indirect- and non-comparative, were created and all are identical in layout with a slight variation in the ad copy.

Data were collected in the US and in Taiwan. 195 undergraduates from one Southern university and one Northeastern university in the US and 172 undergraduates from two universities in the Southern Taiwan participated in the study. The sample frame is suitable since computers are important and relevant to college students who are also interested in computer ads. The sample consisted of 64% females and 36% males. All respondents were aged between 18 and 26. In the web survey environment, three comparative ads were randomly assigned to the participants. After viewing one randomly assigned ad, each respondent was asked for his or her perceptions.

**Scale measurement:** Five items measuring ad believability were based on Harmon and Coney’s (1982) scale. Items for brand evaluation (Ab) and purchase intention (PI) were relative measures suggested by Miniard et al. (1993); these items were measured on 7-point Likert scales anchored at “strongly disagree” (1) and “strongly agree” (7). Attitudes toward ad (Aad) were measured by five items adapted from Mitchell and Olson’s (1981). The questionnaire was originally written in English and a back translation process was utilized (Brislin 1986) for the Taiwan version.

**Manipulation checks:** Manipulation was checked by comparing scores between the three levels of comparative ad intensity. Two questions “The ad compares the advertised brand to a competitor’s
brands” and “The ad shows the superiority of the advertised brand to a competitor’s brand” were analyzed using ANOVA. The results indicated that the differences between the levels of intensity are significant \[F(2, 364) = 24.72, p < .001\]. A post hoc Scheffe test showed differences in mean scores between direct comparative (\(M=4.76\)), indirect comparative (\(M=3.92\)) and no comparative ads (\(M=3.48\)).

**RESULTS**

Exploratory factor analysis (EFA) was used to assess the dimensionality of a set of variables. The coefficient alphas for the four constructs ranged from .87 to .95. Confirmatory factor analysis (CFA) was used to test the measurement model. CFA results indicated that the model provides an appropriate fit (\(\chi^2 = 140.87, df = 84, GFI = .95, TLI = .98, CFI = .99, RMSEA = .04\)). As a result, a 15 item CFA model was estimated. All factor loadings were between .73 and .94 (\(p < .001\)). The variance extracted estimates were .86, .75, .66 and .70 for ad believability, attitude toward ad, attitude toward the brand, and purchase intention respectively. Further, the construct reliability estimates were all adequate ranging from .87 to .95. Discriminant validity check was based on the suggestion of Fornell and Lacker (1981) and indicated appropriate and acceptable validity.

**Two- group measurement model:** Prior to any comparisons of the relationships between the variables, metric invariance between US and Taiwan samples was examined. First, the unconstrained or “totally free” (TF) model (\(\chi^2 = 330.26, df = 168, CFI = .96, RMSEA = .05, PNFI = 0.74\)) and constrained model, in which the measurement weights were set to be equal between groups (\(\chi^2 = 357.48, df = 179, CFI = .97, RMSEA = .05, PNFI = 0.77\)) were compared. The change in \(\chi^2\) was 27.22 (\(df = 11, p = .004\)) and suggested that full invariance could not be established and hence partial invariance was tested. The chi-square difference test results (\(\Delta \chi^2 = 3.686, df = 6, p = .720\)) satisfied the conditions for partial metric invariance that allowed further comparisons between samples (Lopez, Babin and Chung 2009).

<table>
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<th>Table 1</th>
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<td>PI &lt;-- Ad believability</td>
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Note: \(p<.001:***; p<.01:**; p<.05:*\)

**Two- group structural model:** The one-group SEM model provided a satisfactory fit of data (\(\chi^2 = 140.87, df = 84, CFI = .99, RMSEA = .04, TLI = .98\)). Next, the procedures turned to a test of moderation using the country classification variable. The chi-square difference test results (\(\Delta \chi^2 = 41.35, df = 16, p = .000\)) showed that the constrained model (\(\chi^2 = 333.94, df = 174, CFI = .96, RMSEA = .05, TLI = .96\) is significantly different from the “totally free” model indicated an appropriate fit (\(\chi^2 = 330.26, df = 168, CFI = .96, RMSEA = .05, TLI = .96\)). Thus, the model was moderated by country. Table 1 shows the analysis result of path models; all tested relationships are insignificant in both countries’ samples except the relationship between ad believability and PI. Thus, H2 and H3 are supported and H1 is partially supported.
To test H4, H5, and H6, simple effect analyses (Field 2011) were conducted. In H4, when subjects from both countries were exposed to the direct comparative ad, they were different only in purchase intention and Taiwanese subjects had a higher level of intention \([\text{US } M = 2.73, \text{SD} = 1.61; \text{Taiwan } M = 3.37, \text{SD} = 1.36]\). Therefore, although H4 is significant, these results contradict with the conclusions drawn by past studies that direct comparative ads are more effective in the individualistic country such as the US. When both countries were exposed to the indirect comparative ad, they were significantly different only in attitude toward the brand and purchase intention and Taiwanese subjects’ responses were more positive \([A_\text{b}: \text{US } M = 3.06; \text{Taiwan } M = 3.91; \text{PI: US } M = 2.24; \text{Taiwan } M = 3.30]\). Thus, H5 is not supported. For H6, both countries are significantly different in all variables except ad believability \([A_\text{ad}: \text{US } M = 2.98; \text{Taiwan } M = 3.74; A_\text{b}: \text{US } M = 2.77; \text{Taiwan } M = 4.02; \text{PI: US } M = 2.13; \text{Taiwan } M = 3.71]\). Therefore, all the relationships hypothesized in H6, except for ad believability, are supported.

**DISCUSSION AND CONCLUSIONS**

This study examines the relationships between advertising believability, attitude toward the brand, attitude toward ad, and purchase intention and the influences of country and comparative ad type on these constructs. The relationships between the four constructs are significant except ad believability and attitude toward ad in both countries. Also, the results reveal that attitude toward the brand is a relatively strong factor for the US subjects, but ad believability and attitude toward ad are strong factors for Taiwanese subjects.

In direct-comparative ad condition, US subjects are different from Taiwanese subjects only in purchase intention, while respondents from both countries are different in attitude toward ad, attitude toward the brand and purchase intention in the non-comparative ad condition. This contrast indicates that it is easy to detect the cultural differences under the condition of a non-comparative ad. Such result is consistent with the argument in past studies (Wilkie and Farris 1975). The results show that, when an indirect-comparative ad is presented, subjects from both countries are different only in attitude toward the brand and purchase intention; however, the results also reveal that Taiwanese subjects have higher scores than the US subjects. Such contradiction again implies the difference between Asian countries in the effect of comparative ads and therefore advertisers planning to use comparative advertising in different Asian markets may need to consider such differences, besides regulations in different countries. In all conditions, Taiwanese subjects in general have higher scores on all dependent variables. Although comparative ads are not forbidden by law in Taiwan, they are heavily regulated and therefore Taiwanese consumers rarely see these types of ads in the media. On a rare occasion in which a direct-comparative ad is shown and provides objective information, consumers may consider that the ad provides useful information and helps them make decisions.

**LIMITATIONS AND FUTURE RESEARCH**

The limitations of this study provide directions for future research. This study used only one high involvement product; future research should also include a low involvement product to investigate whether a difference exists between product categories. Also, future research should consider a random sampling from different market segments to extend the research. Future research should also replicate this study by using other advertising media such as broadcast or online media to help examine the differences between media.

**References available upon request**
HOW TO EFFECTIVELY MANAGE THE DARK SIDE AND BRIGHT SIDE OF CUSTOMER PARTICIPATION IN SALESPERSON JOB-RELATED OUTCOMES

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ABSTRACT

Over the past decade, customer participation in the value co-creation process has received a great amount of research attention. Occupying a boundary-spanner position, salespeople play a critical role in developing and maintaining relational exchanges with customers in the value co-creation process. This study relies on the job demands-resources (JD-R) theory to propose a conceptual model articulating the effects of two dimensions of customer participation, those being information provision and coproduction, on the salesperson’s job stress (i.e., role ambiguity and role conflict) and job engagement (i.e., sales planning, adaptive selling and selling effort). More importantly, this study articulates that the linkages between customer participation and salesperson job-related outcomes are contingent on informal and formal controls of an organization. That is, organizations may enhance the beneficial effects of customer participation and mitigate the detrimental effects of customer participation on salesperson job-related outcomes by developing appropriate sales control systems and organizational climates. The knowledge gained through this study provides specific managerial implications in relation to effectively managing the influences of customer participation in sales encounters.

References Available on Request
CAN'T LIVE WITHOUT SMARTPHONES: DEVICE ATTACHMENT AS A DUAL ROUTE PROCESS PROMOTING CONSUMER LOYALTY

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ABSTRACT

Smartphone sales has grown massively and the sales are expected to 1 billion in 2013 (Deloitte 2013) that are simply due to the fact that smartphone users are anticipated to exceed 192 million by the year 2016 (eMarketer 2012). Many consumers admit to being overly attached to their smart phones and about 37% of adults and 60% of teenagers show addictions to their smart phones (Swallow 2011). Given that attachment is crucial in determining consumer satisfaction and loyalty (e.g. Chaudhuri & Holbrook 2001, Park et al. 2010); it would seem advisable to make an effort to investigate the role of emotional attachment of smart phones. However, within the field of smart phones, there has been a tremendous wave of interest in smartphone adoption and acceptance (e.g. Falaki et al. 2010; Park & SuJin 2006; Smith 2011; Setterstrom et al. 2012), attitudes (Haghirian & Inoue 2007; Wais & Clemons 2008), or utilitarian functions (e.g. Bauer et al. 2007; Kim et al. 2007). Comparatively little research has focused on the effect of device attachment in the context of smartphone. The purpose of this study is to address the emotional attachment of smart phones and further to examine what factors driving attachments and leading consumer loyalty. Based on Wehmeyer (2008), smartphones provide diverse uses could yield different types of device attachments, such as affective (symbolism) and cognitive (necessity) attachment. In considering the antecedents, the first factor is primarily concerned with self enhancement. Since smartphone provides some symbolic values, consumers can use smartphone boost consumer’s self-concept and image (Finnilä 2011; Magrath & McCormick 2013). Consequently, smartphone consumption serves as a means to self enhancement (Finnilä 2011; Magrath & McCormick 2013). Another driving factor proposed here is problem solving support; consumers are likely to yield device attachment if the device can successfully handle any functional uses with the superior service cost and connection stability (Park 2006). Thus, the objective of this paper is to investigate how self enhancement and problem solving support drive different types of device attachments and how device attachments affect consumer loyalty in the context of smartphone.

The formal questionnaire survey was mainly collected from Internet and restricted to those who have smartphone. Structural model estimation shows that all hypotheses are supported. This study proposes dual process of device attachments drives consumer loyalty. Self enhancement motivates consumers to exhibit symbolic device attachment and consequently affect consumer loyalty to their smart phones. Whereas, smart phones provide more problem solving support can facilitate necessity device attachments and thus enables consumers to engage in loyal behaviors. Our research has suggested, albeit tentatively, two potentially important process of user device attachment on the smart phone loyalty. While research on smart phones is till at a beginning stage, findings have broad implications for theory, research, and practice.

References Available Upon Request
ABSTRACT

Many sales organizations invest in “relationship-building activities” by allocating a portion of their budget to socially engage current customers and future prospects. In their boundary-spanning role, salespeople are responsible for developing and managing relationships with customer buying centers and internal cross-functional support teams. The purpose of this study is to assess the importance of entertainment in the sales process. Utilizing social exchange theory and relationship marketing as theoretical foundations, we introduce and develop the conceptual entertainment orientation model. We examine the current role of entertainment in developing and managing sales relationships with internal and external customers. The results confirm that relationship-building activities in the form of entertainment are perceived to play an important role in both external sales with customers and internal relationships with co-workers. The results also reveal that entertainment and internal bonding are viewed as positive influences on firm performance. The findings provide an improved understanding of the current role and importance of entertainment by sales professionals.

References available upon request
INTRODUCTION

Branding is a key success driver for services organizations (Berry 2000). Strong brands are created and sustained in part through their identity (Aaker 1996). Upshaw (1995:12) defines brand identity (BI) as the “configuration of words, images, ideas, and associations that form a consumer’s aggregate perceptions of a brand” arguing that brand identity is the consumer’s perception of what has been created. By contrast, Aaker (1996) defines BI as “a unique set of brand associations that the brand strategist aspires to create or maintain.” The majority of research since Aaker’s (1996) work has tended to view BI as a managerial construct (de Chernatony 1999; Gylline & Lindberg-Repo 2006; Alsem & Kostelijk 2008), failing to account for the most important stakeholder: the consumer.

The lack of attention to a consumer-based conceptualisation and measure of BI is concerning, especially in the context of a new service-dominant logic that regards consumers as “co-creators of value”. Moreover, it is recognised that “consumers play an active role in the process of brand identity construction” (da Silveira et al. 2013:34). We thus extend the evolving service-dominant logic (Payne et al. 2009; Bello et al. 2007; Brodie et al. 2006) by applying it to the concept of BI, taking account of the consumer rather than just the company perspective (Arnould et al. 2006) to critically examine and refine BI as a co-created construct. We then outline the process taken to develop and test an initial scale to measure this construct.

BACKGROUND

The existing BI literature has been informed by a number of key models and frameworks (e.g. Upshaw 1995; Aaker 1996; Kapferer 1997; de Chernatony 1999; Ghoedeswar 2008; Burmann et al. 2009). A review of this literature, however, reveals that the conceptualisation and measurement of BI, specifically with regards to the context of services, is limited in a number of fundamental respects.

First, extant research largely views BI as a managerial construct. With the exception of Upshaw’s (1995) definition, most definitions of BI view brand identity in terms of how the firm wants the brand to be perceived by consumers. Recent research has criticised this approach and suggests this warrants a re-conceptualization of BI to recognize consumers as contributors to its development (da Silveira et al. 2013; Csaba & Bengtsson 2006). Similarly, Gumasen (1995) and Rust (1988) call for research that better specifies marketing constructs by taking into account consumers’ perspectives. This need is more pressing in the services context since “a service provider without customers cannot produce anything” (Gumasen 1998:247). This view is consistent with the Service-Dominant (S-D) logic (Vargo & Lusch 2004) that regards the customer as “a co-producer of value”. The BI concept has not been explored fully through the lens of S-D logic: the majority of BI research tends towards the goods-centered view.

Second, the key BI frameworks/conceptualisations have not been empirically tested (for example, Aaker’s (1996) Brand Identity Planning model, de Chernatony’s (1999) Brand Identity model, Burmann
et al. (2009) brand identity model). Third, there is a lack of appreciation of the conceptualization of BI to the services context. Previous conceptualizations of BI have not been sensitive towards the services context (e.g. physique (Kapferer 1997)). This raises implications in terms of the applicability of the existing BI dimensions to services BI.

Finally, there is a lack of availability of scales to measure BI in a B2C services context. This has implications for identifying the antecedents and consequences of BI and for assessing the impact of BI on other constructs. The literature suggests many hypothesised but untested relationships between BI and other constructs (da Silveira et al. 2013; Madhavaram et al. 2005). The dearth of research considering customers’ perspectives of BI and lack of availability of a scale to measure BI that is particularly suited to services prompted this research.

**SCALE DEVELOPMENT PROCESS**

**Service brand identity dimensions** – We followed Churchill’s (1979) paradigm in conjunction with DeVellis’s (2003) to develop our scale. First, we identified four broad dimensions from the literature based on existing BI frameworks. Aaker’s (1996) terminology was used to name the initial dimensions since these are broad categories and hence can encapsulate wider attributes that contribute to brand identity development. Second, to take account of the consumer perspective, we conducted eleven in-depth interviews with a convenience sample of consumers of mixed age and gender (54.5% male). The purpose was to explore consumers’ understandings of brand identity and their opinion of the factors that can contribute to the development of a service brand identity. A content analysis of the consumer responses suggested three new dimensions relevant for service brands. These new dimensions have not been conceptualized theoretically or empirically in prior literature in relation to brand identity dimensions; although they have been identified within the services literature as key to services marketing (Lovelock and Wright, 2002; Bitner 1992). Together, the literature review and interviews suggested that services BI is composed of seven dimensions: Brand-as-process, brand-as-experience, brand-as-servicescape, brand-as-service offering, brand-as-organization, brand-as-symbol and brand-as-communication.

**Item Generation and Purification** – 168 scale items were generated from the literature and interviews to capture each of the proposed dimensions. These items were subjected to a three-stage item purification method. In stages one and two, the scale items were subjected to review by two independent marketing academic experts who reduced the 168 items to 48 items based on clarity, conciseness and readability. In stage three, an expert panel review was conducted with ten academic and managerial experts from the US and the UK. The experts were asked to evaluate whether the items capture the suggested dimensions, and to recommend candidates for removal or addition at either the item or dimension level. This resulted in items being further reduced from 48 to 35.

**Scale Pre-test** – The 35 scale items were pre-tested, on a convenience sample of 108 respondents (47.2% female) through an online survey, with an aim to further purify the scale items. Principal Component Analysis with Varimax rotation was used to analyse the data, which resulted in exclusion of six items based on low factor loadings (<0.50), cross-loadings and low item-to-item correlations (r < 0.20). All the factors had coefficient alpha values greater than 0.70 and all items had factor loadings above 0.50. This gave us final 29 items (brand-as-process:7; brand-as-organization:4; brand-as-
symbol:4; brand-as-service offering:3; brand-as-communication:5; brand-as-servicescape:3; brand-as-service experience:3) to be tested on a wider sample.

Final Survey – To empirically validate the final 29 items, we collected data through an online survey from UK consumers. Respondents were asked to choose one of four service categories: banking, airlines, hotels or hair salon, before rating the scale items. The online survey generated 491 usable responses. Results and analysis are presented in the next section.

RESULTS AND ANALYSIS

Descriptive Statistics – The sample of 491 respondents comprised of 54.2% females and 45.8% males; 36% aged 55 years or above, 20.4% aged 35-44 years, 17.5% aged 25-43 years, 16.9% aged 45-54 years and 9.2% aged 18-24 years. Most respondents (45%) chose a brand from the banking industry as the focal point for brand identity, while 27.3% of the respondents chose airline brands. 19.8% chose hotel brands and 8% chose hair salon brands.

Before beginning the analysis, the sample was randomly split into calibration sample (Sample 1, n1=246) and validation sample (Sample 2, n2=245). Sample 1 was used to assess the internal consistency of the scale, to conduct exploratory factor analysis (EFA), and to develop and test the service brand identity scale using confirmatory factor analysis (CFA). Sample 2, on the other hand, was used to cross-validate the scale and assess its validity (MacCallum et al. 1992; Anderson and Gerbing, 1988).

Scale Refinement – Using sample 1, the appropriateness of the 29 items for capturing the seven proposed dimensions of service brand identity was tested using exploratory factor analysis techniques. Significant values of KMO (0.92) and Bartlett’s test of sphericity ($\chi^2$ (378) = 4432.97, p<0.001) indicated that the sample was adequate for factor analysis (Hair et al., 2006). One item with consistently low and insignificant item-to-item correlations (r<0.20) was eliminated (Walsh and Beatty, 2007). Next, the anti-image correlation matrix and measures of sampling adequacy (MSA) were analyzed which showed that all the off diagonal values were below 0.70 and all the diagonal values representing MSA were above 0.80 indicating the appropriateness of applying factor analysis to the data (Hair et al., 2006). Next, a principal component analysis (PCA) was conducted on remaining 28 items with orthogonal varimax rotation. Factors with a minimum eigenvalue of 1 were extracted (Walsh and Beatty, 2007). This resulted in a five factor solution that accounted for 68% of variance. All the communalities were scrutinized and one item with low communality (<0.50) was eliminated (Hair et al. 2006). After this the rotated factor loadings were examined. All the items except one had significant factor loadings of above 0.50 (Hair et al. 2006). There were no significant cross-loadings on the rotated factors. One item with a low factor loading (< 0.50) was discarded from further analysis. Thus EFA finally provided a five-factor structure containing 26 items. We label them: brand-as-process, brand-as-servicescape, brand-as-organization, brand-as-symbol, and brand-as-communication. The reliability of the scale was assessed by calculating Cronbach’s alpha (Parasuraman et al. 1988) for five factors showing values ranging from .75 – .90.

Next, the five-factor structure identified with EFA was tested through CFA using AMOS 21. Initial inspection of model fit revealed marginal fit ($\chi^2$/df = 3.11; CFI=0.85; GFI=0.76; AGFI=0.71; SRMR=0.87; RMSEA=0.09; TLI= 0.83). A sequential model modification approach (MacCallum et al.
1992) was adopted for re-specifying the model to improve its overall fit. Modification indices were examined to check if there were any items with cross loadings (Joreskog and Sorbom, 1988; Sin et al., 2005b; Yoo and Donthu, 2001) whilst if standardized residuals were greater than $|4.0|$ (Hair et al., 2006; Joreskog and Sorbom, 1988) then items were considered as candidates for removal. Guided by the above rationale nine items became candidates for exclusion from the measurement model. After making the above changes, the model was re-estimated. The modified model demonstrated a good and acceptable overall fit with following indices: $\chi^2/df = 2.15$; $CFI=0.95$; $GFI=0.91$; $AGFI=0.86$; $SRMR=0.05$; $RMSEA=0.07$; $TLI= 0.93$. All the standardized loadings were above 0.50 indicating their statistical significance (Hair et al. 2006).

Scale Validation – In order to confirm that the model modifications were not a result of chance characteristics of sample i.e. capitalization on chance (MacCallum et al. 1992), we cross-validated our scale using sample 2 (validation sample). This was to establish the scale’s generalisability and validity across samples. Thus, the five-factor structure identified with sample 1 was tested on sample 2 using confirmatory factor analysis. All the standardized loadings were above the recommended levels of 0.50 except one. The standardized loading for one item was marginally below 0.50. However, the unstandardised regression weights estimates showed that the loading for this item was statistically significant ($p<0.001$) and thus could be accepted. The model demonstrated adequate and acceptable levels of fit with following indices: $\chi^2/df = 2.00$; $CFI=0.96$; $GFI=0.91$; $AGFI=0.87$; $SRMR=0.05$; $RMSEA=0.06$; $TLI= 0.94$. Since all the fit indices met the recommended levels, the model was considered to be fit on the validation sample.

Next, the scale’s convergent validity was established by examining the average variance extracted (AVE) for each of the five dimensions. AVE values for each factor exceeded the recommended level of 0.50 (Fornell and Larcker 1981). The construct reliability (CR) values of each factor were greater than 0.70 (ranged from 0.79-0.87), indicating good convergent validity (Hair et al. 2006). Discriminant validity was assessed by examining the AVE for each latent variable (i.e. dimension) and its squared correlation with all other latent variables. The AVE exceeded the squared correlation values for all possible pairs, thereby providing evidence of discriminant validity of the scale.

**DISCUSSION AND CONCLUSION**

In this paper, we develop and validate a scale to measure service brand identity. We conceptualize different dimensions of this construct by looking at brand identity through the lens of the service-dominant logic. This approach helps in accounting for the customer viewpoint which has hitherto been ignored. We identify seven dimensions of service brand identity through literature review and exploratory research. Five of these dimensions are supported by two stages (EFA and CFA) of quantitative data analysis: *brand-as-process, brand-as-servicescape, brand-as-organization, brand-as-symbol* and *brand-as-communication*. We believe that our primary contribution to theory lies in developing and validating a service brand identity scale that captures the views of consumers who have interacted with their service firms. Our findings support our arguments that consumers provide inputs in developing brand identity, more so for services, and that various service elements like servicescape and service process can have an influential role in developing and further strengthening the service brand identity.

**REFERENCES**
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EXAMINING THE ROLE OF EMPLOYEE-BRAND VALUE CONGRUENCE IN INTERNAL BRAND MANAGEMENT

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ABSTRACT

Given the influential role brands play in shaping customers’ perceptions of service quality, many service companies leverage the power of brands to develop a competitive advantage (Berry, 2000). However, to achieve brand success, service organizations need to ensure that the actual brand experience, as reflected through employees’ attitudes and behaviors, are consistent with the brand promise that are set through external branding practices. Recent research has highlighted the importance of brand value congruence in engendering employee brand building behaviors (Chang et al., 2012; Morhart et al., 2009). The rationale underpinning the value congruence effect lies in the role of values in guiding individuals’ attitudes and behaviors. For example, people are more attracted to others with similar values and have greater intentions to form and maintain relationships with similar people to reinforce their self-esteem (Smith, 1998; Zhang & Bloemer, 2008). Thus, we argue that, when employees perceive their value systems are consistent with the brand values, they are more likely to deliver brand performance. However, the theoretical foundation and comprehensive measurement with respect to employee perceived brand value congruence, as well as the outcomes of this construct is lacking. This study aims to fill this literature gap and offer both theoretical and managerial insights regarding internal branding initiatives that can foster employee-brand value congruence. Of particular significance in this examination is afforded through a new approach to measuring brand value congruence.

Previous studies examining value fit commonly adopt reflective measures (e.g., O’Reilly & Chatman, 1986) or profile matching approaches (e.g., Cable & Edwards, 2004) which are similar to formative measures. In order to develop a holistic view of employee perceived brand value congruence, we followed Diamantopoulos and Winklhofer (2001) and constructed a Multiple Indicators Multiple Causes (MIMIC) model that combines both reflective and formative measures. With responses from 232 service employees, our MIMC model with four reflective items and 18 formative items achieves a good fit ($\chi^2 = 47.6$, $df = 36$, CFI=.997, RMSEA=.037), suggesting high measurement validity. We also identify the contribution and significance of each formative indicator. Furthermore, through a two-step structural equation model, we demonstrate the significant impact of employee perceive brand value congruence on employee brand-aligned attitudes and behaviors (.78 for brand allegiance, .90 for brand consistent behaviors, and .91 for brand endorsement). The substantial predicting power of our model strongly supports the crucial role of employee perceived brand value congruence in engendering employee brand performances. Thus, it is advised that service organizations should seek to hire employees who possess similar values to those of the specific brand. They should also focus on developing and enhancing such value congruence through internal branding initiatives. Futures studies are encouraged to adopt this new measurement approach as it affords an objective and robust assessment of employees fit with the brand.

References Available Upon Request
‘YO KRISPY KREME, I DON’T ‘LIKE’ YOUR DONUTS’: AN EMPIRICAL INVESTIGATION INTO COMPLAINT MANAGEMENT IN THE CONTEXT OF SOCIAL MEDIA

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INTRODUCTION

Social media is now an integral part of consumer’s lives and has unsurprisingly attracted the attention of marketers who are now trying to decipher the most effective ways to create value through these channels (Pagani and Hofacker 2011). At present marketers engage with consumers in three ways: (1) targeted advertising; (2) encouraging C2C sharing of brand related content; and (3) direct interactions through ‘fan pages’. The present research focuses on Social Customer Relationship Management (SCRM) focusing on consumers’ complaints on brand fan pages. This is of key concern to firms as any complaints will be publicly visible and are likely to affect the attitudes of other consumers who read them and even more if these are shared as through WOM (see Swan and Oliver, 1989). Large companies, such as Nestle have experienced disasters that resulted from unsuccessful handling of customers’ complaints on social media (Lonescu-Somers and Enders, 2012). When faced within a publicly visible complaint social media, marketers must make a choice of how to respond. Through in-between groups experiment (n=200) it is the aim of this paper to test which is the best response to a complaint (leave visible, delete, reply, or encourage further consumer discussion). The following will provide a review of relevant literature.

Organizations adopt strategies to maintain an effective long-term relationship with their customers (Grönroos, 1997; Vargo and Lusch, 2004). Therefore, the concept of customer relationship management (CRM) has become integral to corporate strategy (Parvatiyar & Sheth, 2001). Rababah et al. (2011) proposed a unified definition of CRM as follows: “CRM is the building of a customer-oriented culture by which a strategy is created for acquiring, enhancing the profitability of, and retaining customers, that is enabled by an IT application; for achieving mutual benefits for both the organization and the customers.” (p.223). Handling complaints is a key action of CRM (Homburg and Furst, 2005, DAY REF) the aim is to maintain a positive image and trust maximizing/minimizing the potential for positive/negative word of mouth (WOM), as this may influence further purchase decisions (See Swan and Oliver, 1989; Morgan and Hunt, 1994). The use of social media complicates CRM for marketers in this context for two reasons, 1) it provides an easy access avenue for consumers to complain through company fan pages, and 2) high levels of public visibility increases the flow of WOM. Due to such reasons Barwise and Meehan (2010) assert that marketers need to practice caution in this environment.

The media frequently reports instances where complaints through social media have not been handled correctly by the marketers, such cases include Quantas and McDonalds (Burn-Callander, 2013). Arguably the most famous of such instances is Nestle who tried to censor negative information on social media published by environmental activists regarding using palm oil in their Kit Kat chocolate bars, destroying habitats for orangutans. Specifically Nestle requested YouTube site to pull out the video and declared that it would remove any posts that included the Kit Kat altered logo “Killer” (Champoux et al., 2012). Such activities linked to removing complaints are well adopted defensive strategies for
companies (Marlatt, 1998) that are arguably sensible given they thwart the spread of negative information (Laczniak et al., 1996). However in this case, or more so in the context of social media, efforts to remove content become quickly apparent to their audience, making companies appear hostile to consumers tarnishing the brand further (Magee 2010). Alternatively to these censorship strategies companies may choose to handle the complaints directly having a positive effect on WOM (Buttle, 1998) or try to ease mutual conversation to add value (Baird and Parasnis 2011).

The way that companies respond to complaints through social media provides a difficult dilemma, especially when considering the increased ease of complaining and the public availability of these complaints. Although response to complaints has been discussed in an offline context (Homburg and Furst, 2005, DAY REF) it has not been in the novel and nuanced context of social media. Thus the present research aims to determine the best action to be taken by companies in coping with complaints through social media, assessed in terms of building trust and Positive WOM (PWOM). Therefore, two research questions were developed:

1. Which response (leave visible, delete, reply, or encourage further consumer discussion) is associated with the highest level of consumer trust in the organization?
2. Which response (leave visible, delete, reply, or encourage further consumer discussion) is associated with the highest intention to spread PWOM?

METHODOLOGY

An independent group design survey experiment was used (n= 200) carried out through a snowball sample through social media of Iranians of which 57.5% were male with an average age of 26 years. DVs were Trust and PWOM. The former examined through a adapted version of Mayer et al (1995), which includes three components (ability, integrity, benevolence), measured using a 5 point scale (Strongly disagree – Strongly agree) achieving an alpha scores of .915 (14 questions regarding trust). The latter was assessed through an adapted version of F ile et al (1994) scale measured with a 5 point scale (Not at all likely – Extremely likely). The IV was complaint response and included four different observable levels, 1) Complaint, reply and discussion, 2) Complaint and reply, 3) Complaint only, 4) No complaint (Control). For these four replicas of a fake company’s Facebook page were designed as images for participants to view which included a number of posts by the company and positive responses. The appearance of the stimulus was same across all levels apart from the differences in response associated with each level. Although no official manipulation check is needed due to the concrete observable nature of the levels, manipulation was discussed with a pre-test group who confirmed that the stimuli material corresponded to the intended response.

RESULTS AND DISCUSSION

ANOVA analysis found a significant difference in the degree of trust [F(3,196)= 8.441, p=.000] and PWOM [F (3,196) =9.256, p=.000] over the four levels. The mean scores and standard deviations for the four conditions will follow. For trust, Complaint, reply and discussion (M=3.36, SD=.54), Complaint and reply (M=3.35, SD=.67), Complaint only (M=2.77, SD=.72), and No complaint (M=3.11, SD=.73). For PWOM, Complaint, reply and discussion (M=3.06, SD=.79), Complaint and reply (M=2.92, SD=1.04), Complaint only (M=2.16, SD=1.02), and No complaint (M=2.86, SD=.86). LSD post-hoc test further showed that for both trust and PWOM are significantly lower than the rest in condition 3, where
there is a complaint with no reply (p<.05). No significant difference was found across the other three conditions. These results show that complaints should be actively addressed to maintain trust and PWOM intentions, whether this be removal of complaints, replying or induces discussion. The results dictate that complaints should not be allowed to remain online without being handled. Age, gender, occupation, and education level were also explored but these factors were not found to have any significant effect (p>.05)

The finding that the unhandled complaints received significantly lower scores for trust and PWOM highlights the need for companies to respond. This supports previous literature that asserts a marketers participation in online discourse following negative consumer feedback helps validate concerns and show they care (Thomas et al., 2012). The choice then becomes do companies reply to the complaint publically or do they try and remove the complaint. Based solely on the results of the study either would have the same outcome i.e. replies were not significantly different to just positive comments. Removal may be tempting as it avoids heated discussion online and decreases the duration of the negative information is publically visible (Thomas et al. 2012), however the authors here strongly suggest that deletion should not be favored. This is because content is likely to have already been seen and the communicator or other social media users may be aware of the removal. Thus if companies wish not to suffer the fait of Nestle, appearing hostile to its consumers by deleting comments (Magee 2010), then it would be safer for them to leave content visible and reply carefully. Hence the results show that replying irrespective of any further discussion associates with the same levels of trust and PWOM as if there was no visible complaint. These negative consequences from removal become even more pressing when considering discussion of the internet and particularly social media as a technology of consumer empowerment where businesses using social media relinquish a level of conversation to the hands of the consumers (Safko and Brake, 2009). As is the case annoying consumers further sharing of the issues through multiple social media platforms and other media outlets. Thus companies should consider that it is difficult to censor the Internet as these platforms are virtually uncontrollable (Magee 2010). Instead of removing the negative posts by outraged customers, marketers should let the natural conversation occur (May, 2011).

Firms should spend recourses training customer relationship managers in best practice in replying to complaints and queries in a publically viewable domain. Thus if done wisely, social media enables organizations to develop trust through customer engagement (Kotadia, 2010).Furthermore companies may even wish not to discourage complaints through their social media outlets for two reasons, first as these can provide useful feedback for improving services (Lee, 2013). Second, allowing complaints to be visible shows a level of honesty linked to transparency that Akehurst (2009) finds is fundamental in establishing trust (Cass and Carl 2006).

CONCLUSION AND IMPLICATIONS FOR THEORY AND PRACTICE

To advance the knowledge of CRM in the new environment which is social media, this study aimed to answer the pressing question of how should companies respond to publically visible complaints in order to maximize positive WOM and build trust. The study concludes that replying is the best option and suggests the removal of negative content is a dangerous strategy. This research therefore contributes by providing direct practical advice for marketers navigating this empowered consumer space and agrees with assertions of Barwise and Meehan (2010) that the context of social media old rules still apply, in that the best course of action is to respond to complaints (Barwise and Meehan, 2010). Thus marketers
should return to old theories and discourses surrounded replying to complaints and adapt them with the mind that the communicator is not the only audience. We suggest here that marketers respond quickly, transparently and in a manner that is sympathetic to the existence of multiple audiences (e.g. brand enthusiasts or those just browsing for information). This research has the limitation that it was unable to assess the outcome of removal behaviours once they had already been seen, future research should aim to examine this empirically in order to support the assertions of the present study. Furthermore further research should aim on replicating this study across different cultures.

References available upon request
SPECIAL SESSION: WHERE/HOW DOES MARKETING FIT? WHAT IS MARKETING’S PLACE IN THE FIRM AND WITHIN THE FAMILY OF BUSINESS DISCIPLINES?

OVERVIEW

In the early 1980s, the *Academy of Management Review* commissioned a set of articles to assess the contributions of various business disciplines to strategic management. These assessments included evaluations of contributions from industrial organization (Porter 1981), administrative behavior (Jemison 1981), and marketing (Biggadike 1981). Biggadike’s conclusions, judged marketing to be theoretically thin, giving him little hope for change in the future.

In many ways, Biggadike’s 1981 assessment has haunted mainstream marketing research (MMR) ever since. Among other things, it catalyzed a longstanding tradition of regular “state of the field” appraisals (e.g., Webster 1981; Wind and Robertson 1983; Day 1992; Webster 1997; Day and Montgomery 1999; Varadarajan and Jayachandran 1999; Piercy 2002; Rudd and Morgan 2003; Webster 2005; Verhoef and Leeflang 2009; Reibstein, Day and Wind 2009; Brooksbank, Davey and McIntosh 2010). While each makes its unique points, a curious commonality is that, to different degrees, all express uneasiness over the state of both academic and practitioner marketing. Taken together, they constitute a continuing concurrence with Biggadike’s appraisal of scholarship in marketing and demonstrate a longstanding hovering sense that something is wrong with the field. Some of these surveys go even further. They also bemoan a waning of influence of the field.

Yet, coupled with this soul-searching tradition within marketing, the 2008 Great set off a broad scrutiny of finance’s hegemonic leadership of publically traded corporations. Fueled by intense public discussion over headline corporate malfeasance, foolhardy corporate risk taking, ill-conceived government policies, and a global financial meltdown, a particular for critical debate has been the role of shareholder value. The result has been a wide-ranging governmental, public, and scholarly evaluation of how corporations are currently governed and how they should be governed.

The concurrent debate over the role and future of marketing and finance suggests possibilities for new directions and roles for marketing within the firm. The purpose of this special session is to explore some of these possibilities.

Panel Members:

**Terry Clark**, is Professor of Marketing at Southern Illinois University, Carbondale, where he teaches Marketing Strategy in the undergraduate, MBA and PhD programs. He was chair of the Department from 2002-2012. Prior to joining SIU, Professor Clark was on the faculty of the Goizueta Business School of Emory University (1993-1999), and the College of Business at the University of Notre Dame (1986-1993). He has been nominated for various teaching honors, including “Outstanding Graduate Teacher of the Year” (2009), “Outstanding Undergraduate Teacher of the Year” (2003) at Southern Illinois University, “Distinguished Educator,” (1995), and “Caldwell Teaching Fellowship” (1997), both at the Goizueta Business School of Emory University.

**OC Ferrell**, is a University Distinguished Professor, Professor of Marketing and Bill Daniels Professor of Business Ethics at the University of New Mexico. He is Past President of the Academic Council of the American Marketing Association and chaired the American Marketing Association Ethics Committee twice. Under his leadership, the committee developed the AMA Code of Ethics and the AMA Code of Ethics for Marketing on the Internet. He is an Academy of Marketing Science Distinguished Fellow and received the Academy of Marketing Science Harold Berkman Service Award in 2011. He is serving his second term as Vice President for Publications for the Academy of Marketing Science. He is a Society for Marketing Advances Fellow. He serves on the NASBA Center for the Public Trust Board and the Board of Visitors for the University of Central Florida, Nicholson School of Communication.

His academic research focuses on ethical decision making, stakeholder relationships, social responsibility and the history of marketing thought. Dr. Ferrell is the co-author of 20 books and more than 100 articles. His articles have been published in the *Journal of Marketing Research*, *Journal of Marketing*, *Journal of Business Ethics*, *Journal of Business Research*, *Journal of the Academy of Marketing Science*, *AMS Review*, *Journal of Public Policy & Marketing* and *Academy of Management Executive* as well as other journals. He is co-author of several leading textbooks including Marketing—17th edition, Introduction to Business—9th edition, Business Ethics: Ethical Decision Making and Cases—10th edition, and Marketing Strategy—5th edition. He is also writes the *Wall Street Journal* weekly business ethics reviews and summaries with over 6,000 subscribers to this feature.

**Michael Hartline**, is the Associate Dean for Strategic Initiatives, The College of Business, Florida State University’ A distinguished researcher and speaker, Dr. Hartline has published in numerous leading academic journals, and has received a variety of teaching awards.

**Martin Key**, is professor of marketing at St. John Fisher College, in Rochester NY. Dr. Key has a unique background as an anthropologist, musician, and business owner. He received a Master of Arts in Cultural Anthropology in 2003 from Southern Illinois University where he conducted field work on indigenous folk healing and later became interested in business. After seven years in the vintage guitar industry, his interests turned once again and he went back to SIU to pursue a PhD in Marketing. His areas of specialty are digital and corporate marketing strategy. He has published in the *Journal of the Academy of Marketing Science* as well as the *Journal of Consumer Behavior*. In addition, Key has served as a strategic digital consultant for non-profits and innovative digital start-ups.

**Jagdish N. Sheth**, the Charles H. Kellstadt Professor of Marketing at the Goizueta Business School of Emory University, is an internationally recognized business consultant whose client list includes AT&T, BellSouth, Ford, GE, Motorola, Square D, Whirlpool and Sprint. He is the winner of many awards and honors, including the P.D. Converse Award, Charles Coolidge Parlin Award and the Irwin McGraw Hill
Distinguished Marketing Educator Awards by the American Marketing Association. Jag is the founder of the Center for Relationship Management at Emory University and Center for Telecommunications Management at University of Southern California. He was a prominent member of the core team during the initial years of Indian Institute of Management Calcutta, the first Indian Institute of Management. In 2003, he founded the India, China & America Institute, a non-profit institute providing a sustainable, non-governmental platform to identify and drive synergies among India, China and America in the areas of emerging markets, commercial growth and alignment of policies for the benefit of a vast number of people.

David Stewart, is President's Professor of Marketing at Loyola Marymount University. A distinguished professor of management and marketing with over 30 years of experience in higher education, Dr. Stewart has made numerous significant theoretical and practical contributions to the field of marketing, authoring/ co-authored over 225 articles and eight books. Dr. Stewart is editor-designate of the American Marketing Association’s Journal of Marketing and Public Policy and has served as editor of the Journal of the Academy of Marketing Science and the Journal of Marketing. Dr. Stewart was most recently a management and marketing professor in the School of Business Administration and the A. Gary Anderson Graduate School of Management at the University of California, Riverside, where he served as dean from 2007 to 2011. He has held a variety of leadership positions, including president of the Academic Council of the American Marketing Association and member of the Board of Governors of the Academy of Marketing Science. Dr. Stewart spent two decades at USC’s Marshall School of Business, where he was the Robert E. Booker Chair in Marketing, chairman of the Department of Marketing and deputy dean for five years. He also served as senior associate dean and associate professor of marketing at the Owen Graduate School of Management at Vanderbilt University, and was management and marketing professor in the School of Business Administration and the A. Gary Anderson Graduate School of Management at the University of California, Riverside, where he also served as dean from 2007 to 2011.

References Available Upon Request
SALESPERSON-MANAGER ROLE-RELATIONSHIP AND ITS IMPACT ON
SALESPERSON PERFORMANCE: A RELATIONAL IDENTITY APPROACH

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ABSTRACT

This research focuses on the salesperson-manager relational identification and the proposed framework permits a more clear understanding of what the relationship with the manager means to individual salespeople. A hypothesized model is developed on the foundation provided by recent research on relational identity (Sluss and Ashforth 2007), along with relational identification, predicated on the role-relationship between two individuals in a workplace. Hypotheses are tested using a sample of 107 salespeople and their respective sales managers within a business-to-business context. A hierarchical regression method was used to analyze the data. Findings demonstrate that strong relational identification with managers can enhance the potential of salespeople and stimulate their motivation to work hard. The negative interactive effect of psychological identification on the relationship between salesperson-manager relational identification and salesperson effort also offers a new learning opportunity for managers.

References Available Upon Request
CELEBRATING THE PLEASURE SEEKERS:
A CENTENARIAN FACES THE YOUTUBE GENERATION

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INTRODUCTION

The first movie trailer was produced in 1913 for the musical ‘The Pleasure Seekers’ and was shown at the end of the main films. One hundred years later, the movie trailer itself has become part of the art form and is a highly anticipated part of the experience. Trailers have their own reviews, specially-composed music and are nominated for awards (Doperalski, 2012). However, in recent years, trailer makers have had to adapt to one of the Internet’s most disruptive influences: the ‘social’ revolution, where the Top 10 Trailers viewed on YouTube in 2012 exceeded 200m and with much viewer-generated discussion (e.g. Skyfall 21m views 16k comments).

With an estimated 1.3bn tickets sold in the US alone in 2013, the movie business is, by any estimates a large one. On average, the top grossing movies from 1995 to 2013 took $380m, but only one in ten films breaks even (Gong et al, 2011). Significant effort is expended by the studios to take advantage of the small promotional window and excite viewers; the outcome is to encourage a paid trip to the theatre and to generate positive word-of-mouth (WOM) about the film. Often, studios will produce a range of different trailers for each film: appealing to different segments (Johnson 2011); designed for alternative channels (Tourmakine 2005); or rated for adult audiences (Buckerman 2005). Despite the increased options for enticing theatre visits, attendance is in decline; down 18% in the past decade, perhaps another dimension of the digital world in which we live. Given the importance of trailers to the outcome of the commercial performance of the film, surprisingly there is no uniform method for assessing their effectiveness. The present research takes a step toward this goal. In a review of recent literature, we offer a theoretical categorisation, which we tested in two ways: qualitatively (study one); and using experimental methods (study two). From this we have drawn tentative conclusions, which lead to future research directions which we plan to complete early in 2014.

BACKGROUND

Along with film characteristics and non-studio factors (e.g. film reviews), marketing is one of the main success drivers of a movie (Prag & Casavant 1994) and advertising can positively influence box office performance even if the product is poor (Basuroy et al. 2006; Hennig-Thurau et al. 2006; Elberse & Anand 2007). Films have a very short commercial lifespan and their financial success is often determined by the opening weekend (De Vany & Walls 1997; Stapleton & Hughes 2005; Gong et al. 2011). The industry is highly seasonal with summer bringing the most popular and most profitable movies, but this time sees increased competition and marketing costs (Radas & Shugan 1998; Epstein, 2005).

Trailers are experiential sources of information and have the biggest impact on viewing decision (Eliashberg & Shugan 1997; Devlin et al. 2011). They are the only type of visual advertising that offers
a free sample of the actual product (Buckerman 2005). Trailer testing is as important as film testing, to the point where if a trailer does not achieve the studio’s objectives during the testing period, it will be withdrawn and re-edited (Epstein 2005). Goldstein (1991) identifies a U-shape relationship between trailers and box office performance, showing that a trailer can cause more damage to the studio – when it receives negative viewer response. The greatest challenge is to make audience pay to watch a film, in an era where films are so easily downloadable (Tourmakine 2005; Griff 2012).

Trailers are also a key generator of WOM, which positively influences a film’s success prior to release (Moul 2007). Despite this, most researchers have explored WOM activity post-release (De Vany & Wals 1999; Elberse & Eliashberg 2003). Exceptionally, Eliasberg et al’s (2000) MOVIEMOD conceptual model focuses on pre-release marketing efforts, including how trailers can affect viewing intentions during the decision making process and generate WOM activity after the viewers have seen the film. The technological changes since then have initiated changes in viewer expectations and the context of our research is trailer viewing in the digital era. The availability of trailers online has completely changed the laws of trailer viewing, allowing the viewer to interact freely with the trailer (by stopping, forwarding or replaying it). These factors mean that the consumers’ interaction with the trailer is very different in a ‘social’ environment than in the theatre (Fritz 2012) although it is unclear how this affects purchasing intent. Online viewing also includes the ability to comment on a trailer, which acts as a powerful source of pre-release WOM. Our research focused on two areas: (1) what elements of a trailer are most important when considering a viewing intention and; (2) are these positively related to beneficial outcomes (measured as viewing intention and contribution to WOM) and our hypotheses were simple:

\[ \text{H}_1: \quad \text{A trailer conforming to the combined ‘effective’ archetype will generate a greater intention to view as a result of viewing.} \]

\[ \text{H}_2: \quad \text{A trailer conforming to the combined ‘effective’ archetype will generate a greater likelihood of viewers contributing to word-of-mouth as a result of viewing.} \]

**METHODS**

Our research was conducted over three separate but related studies during the summer of 2013. As research into trailers on digital channels is nascent, it was necessary to take a partially exploratory approach and as such our hypotheses were formed as a result of the first two studies rather than a review of the literature alone. However, our initial framework which was developed in Study 1 was built on a range of prior work which we contextualised to the digital medium. In Study 2, we conducted initial tests on our framework using six trailers of three different films from the most popular genres. Analysis across studies one and two allowed us to review our interpretation of the literature in relation to the digital medium and we developed tentative hypotheses, which we tested experimentally in Study 3.

**STUDY 1 – CLASSIFICATION**

We selected a range of the most highly promoted films of the summer of 2013 and, following the procedure for categorisation outlined by Rich (1992), conducted a theoretical categorisation of trailers, focusing on evidence of a range of features, which were then compared with extant literature: (1) Timing (Tourmakine, 2005); (2) Plot outline (Campbell, 2008; Flanagan, 2012); (3) Narrative (Maier, 2009; Crooks, 2011); (4) Explanatory power (Sternthal and Craig, 1982; Takayuki et al. 2012); Title cards (Ravid, 1999).
For each category, the literature indicates which of the individual traits would be more effective and there was no evidence of a confounding effect between the factors. Consequently, we theorized that if these factors are observed in combination we should be able to predict the efficacy of the trailer. But are the factors comprehensive and do they apply in the context of Internet viewing? Using the ideal type categorisations in table one, we analysed the content of two trailers for each of three of the summer of 2013’s most heavily marketed films: The Heat (comedy), The Wolverine (Sequel) and The Lone Ranger (Adventure). In most cases the categorisation was based on observable evidence and therefore was objectively assessed, e.g.: we could time the speed of cuts and assess the likelihood of background music to be recognisable based on previous release or by the artist. Certain traits were not evidenced from a single observation and in these cases we needed to categorise it by a combination (e.g. our judgements about ‘extra information’ were based on the presence and position of cards or voiceover).

Our evaluation of the factors related to the sequel was more subjective, but we accepted the minor risk this presented to the study on the basis that we were not attempting to draw any conclusions from this phase; simply to select archetypes for empirical study. For each film, we identified one trailer that conformed with our ‘effective’ archetype and one that did not: our qualitative study was designed around these trailers.

**STUDY 2 – QUALITATIVE**

We used these trailers in three focus groups (n=6 per group). Participants were aged 19-27 (which is widely recognised as the group that represents most frequent cinema visits). The trailers were shown from YouTube directly on laptop screens, with the intention of replicating the experience of the trailer on social media. We engaged the focus group members in discussion about the trailers. While we used the categorisation table to prompt our questions, participants were not aware of it. We concluded that our categorisation of the effectiveness of the trailer archetypes was broadly congruent based on their verbal indication of their likelihood to: (1) pay to see the film; and (2) to contribute to WOM either in person or by sharing a link to the trailer. Based on the evidence of the focus groups, we added a new trait related to the prominence of the co-star for further testing in study three.

**STUDY 3 – EXPERIMENT**

When our analysis of the focus group data was complete the three films in study two had been released with varying box-office success. We therefore chose a heavily-marketed late-Summer blockbuster for our experiment: Elysium, in the ‘sci-fi’ genre. We found a number of trailers, which we categorised using the same methodology as in study one, focusing on observable traits rather than subjective rating where possible. Through this process we identified: (1) one trailer that contained evidence of all the traits identified by authors that suggested it would be effective (i.e. the combined effective archetype). (2) One where certain positive traits from the combined effective archetype were omitted. Elysium is an original film so our categorisation for sequels was not relevant and was disregarded. Based on evidence from our study 1, we added a new trait: the prominence of the supporting actor and this was included in our categorisation of the trailers. In addition to the traits noted from literature, the prominence of the movie’s secondary character (played by Jodie Foster) was markedly reduced in the second trailer. This provided evidence of our novel findings from the qualitative study.
The dependent variables were the respondents’ viewing intention and the level of WOM activity. An online survey tool (Qualtrics) was employed and a snowball sample strategy was employed using the researcher’s online social networks to recruit respondents. Participants were randomly allocated into one of the two conditions (n=100). The respondents were 52% male and were aged between 18-30 years. 17% of the participants were native English, and 61% came from other European countries. Pre-existing 7-point scales were used and the questionnaire was pilot tested before being distributed online and agreed to pass face validity. Tests were carried out for scale validity and Cronbach alphas were in excess of 0.800 for all constructs. For both hypotheses, independent-samples “Levene” t-tests were run in order to test the relationship between the independent categorical variable (Trailer 1/Trailer 2) and the dependent continuous variables (viewing intention and WOM activity).

In relation to purchase intent, variance was found between the conditions (4.00 vs 5.24 on a scale of 7; sig 0.017 single tail; effect size 0.76 Cohen’s d) indicating a significantly increased likelihood that our trailer categorised as effective would prompt a decision to view the movie. In the case of contribution to WOM, variance was also found between the conditions (3.07 vs 4.22 on a scale of 7; 0.000 single tail; effect size 0.74 Cohen’s d) indicating a significantly increased likelihood of Elysium’s ‘effective’ trailer encouraging the viewer to spread positive WOM.

**DISCUSSION**

In all three of our studies we uncovered compelling evidence that certain trailers are more effective than others when considering two key outcomes: intention to purchase and contribution to WOM. This is the first time that all the traits have been tested in combination, with previous research focusing on individual characteristics. In addition, we established the presence of an additional factor that is important in the context our dependent variables: the prominence of the supporting actor. Interestingly, our evidence to date only relates to movies where the secondary actor was female and while this may be reflective of reported gender bias in Hollywood movies (NYFA reported in HuffingtonPost.com), it warrants further investigation.

We noted in both studies two and three that the trailer exerted a notable effect on the likelihood to recommend the film, this was qualitatively and quantitatively lower than the respondents’ intention to view, meaning that their intention to contribute to WOM is lower. Possibly, respondents were wary of risking their reputation as a reviewer if the film turned out to be poor, supporting the notion that the primary WOM effect is post-release and highlighting the importance of the satisfaction of early-viewers and shows their influential effect. However, if tactics could be employed that were successful in stimulated pre-release WOM, this would offer significant incremental benefit to studios’ promotional efforts.

These studies are part of a work-in-progress. Our aim at this stage was to establish a broad-spectrum view of which traits combine to make an effective trailer and our initial experiment shows a strong-effect size between groups of respondents who saw Elysium’s ‘effective’ trailer and those who saw another. This fully supported our expectations following our review of the literature and our qualitative study. This framework enables the construction of an effective trailer, offering theoretical insights to those interested in the deconstruction or analysis films and trailers, as well as practical contributions to production studios and independent trailer houses.
References available on request
ABSTRACT

Social media, and specifically brand-based online communities, have revolutionized consumer-brand interactions. For the first time ever, the brand itself can converse with consumers. Hence a key question emerges: how should brands communicate with their fans in these communities? The existing literature provides insufficient guidance for brands about how to communicate in this new situation. We know especially little about what communication style brands should choose to approach consumers on these online platforms. Existing studies focus nearly exclusively on language in the context of advertising, an inherently one-way communication channel. However, marketers now seek best practices in communication for contexts in which one-way communication research is largely inapplicable.

This article fills in this gap in the literature by studying how brands should communicate with their fans in their brand-based online communities. In Study 1, we conduct in-depth interviews with nine members of brand-based online communities to identify the key aspects of brand communication styles consumers seek. According to our findings, consumers appear to appreciate informal and conversational styles of brand communication. In Study 2, we investigate whether and how brands’ informal and conversational styles influence brand engagement. Additionally, we examine the mediating role of anthropomorphism and the moderating effect of perceived authenticity. Study 2 involves a 2 (informal style: low vs. high) x 2 (conversational style: low vs. high) between-subjects design. Analysis of Study 2 will be completed by April 2014. In a pre-test involving 75 undergraduate students (36% female), we tested our manipulation and explored the relationship between brand communication style and brand anthropomorphism. Results from the pre-test indicated that informal and conversational styles positively influence perceived anthropomorphism of the brand.

This article contributes to consumer research by exploring an underrepresented aspect of brand communication; how brand communication styles may shape consumer-brand relationships. This work also contributes to research on communication and psycholinguistics by providing insight into the psychological processes underlying the effects. Specifically, we aim to demonstrate that anthropomorphism mediates the relationship between brand communication style and brand engagement. Finally, we contribute to the existing literature on language effects in marketing communications by examining the moderating impact of perceived authenticity. From a managerial perspective, we offer useful insights into how brands could best converse with consumers in brand-based online communities. For many brands, the adoption and use of brand-based online communities is trial and error. The present research informs marketers by shedding light on communication style that will drive consumer engagement in these communities.

References Available Upon Request
Companies in diverse business fields struggle with the impact of regulatory interferences with serious consequences on cost and pricing structures. For instance, branch specific minimum wages, tax increases (e.g., alcoholic drinks, cigarettes, and gasoline), or defining new production rules (e.g., statutes regarding the proportion of conventional and renewable energy production) constitute only a small sample of political options to intervene in economic systems. As a result, price increases are often inevitable and concerned companies’ pricing structure is no longer determined by their pricing strategy solely. However, although companies become externally restrained regarding costs and prices, they are typically still free to decide on the type of communication and presentation of price increases.

The purpose of this paper is to improve the knowledge of the impact of different types of establishing price increases in tariff pricing schemes on perceptions of price fairness and switching intentions. Findings of three experiments reveal that a separated price increase (i.e. adding a price component into the existing tariff structure that bears the total price increase) results in less unfavorable consequences than an embedded price increase (i.e. spreading the price increase across existing price components). However, these effects revert with an increasing number of additional price components.

This research’s findings supply important implications for a more efficient handling of externally imposed price increases in tariff pricing. First, firms can minimize unfavorable consumers’ reactions to increased prices by using a separate price component that incorporates the total price increase. Second, this type of price increase is particularly advisable if the level of a price increase is relatively high. Third, as this positive impact is attached to the numbers of additional price components, firms should realize price increases over a minimum of separate price components.

References Available Upon Request
KNOWLEDGE CREATION AND FIRM PERFORMANCE: 
THE ROLE OF PROCESS INTEGRATION IN COLLABORATIVE RELATIONSHIPS

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ABSTRACT

In the increasingly competitive global marketplace, firms seek to maximize competitive advantage by collaborating with other firms in business-to-business (B2B) networks rather than competing as independent entities (Dyer and Singh 1998). Sharing unique knowledge is a central component of collaborative relationships (Vargo and Lusch 2004), resulting in the creation of new knowledge resources (Kahn, Maltz, and Menter 2006). The successful exchange of knowledge resources between collaborating entities requires the integration of relevant processes (Teece et al. 2007), which can occur internally between functional units of the firm (Closs and Savitskie 2003) and externally between network partners (Richey et al. 2010).

While knowledge sharing has been discussed in the literature as a component of the integration process (Brown, et al. 2000; Ellinger 2000; Kahn et al. 2006), there is a paucity of research that examines the specific roles of internal and external integration mechanisms in the creation of new knowledge resources from shared knowledge. Thus, the objective of this study is to develop an understanding of how the integration of internal and external processes in collaborative firm relationships results in new knowledge resources that influence financial performance.

Structural equation modeling of a survey of 509 business managers indicates that flexibility in collaborative relationships is positively related to the firm’s ability to achieve financial performance through the creation of new knowledge resources. Results also indicate that a firm’s ability to successfully integrate operational processes mediates the normative aspects of the collaborative relationship and the firm’s ability to arrive at innovative solutions. This integrative capability is positively associated with relationship flexibility, adding to relational governance literature views that suggest successful collaborations are governed by shared relational norms, including bilateral information sharing and relationship flexibility (Brown et al. 2000). Managerially, firms should therefore seek to increase relationship flexibility through the use of normative governance forms in order to facilitate their integration capabilities.

This research also provides evidence that the positive relationship between integration capability and financial performance is mediated by the creation of new knowledge resources. The integration of internal operations and financial performance is shown to be fully mediated by the creation of new knowledge, while the ability to integrate externally has a positive direct effect on financial performance as well as an indirect effect through knowledge creation. Thus, to realize improvements to ROI, ROA and average profits per customer, firms should seek to coordinate those internal processes and operations that will provide the greatest impact on their ability to effectively collaborate and combine resources with external partners that will result in innovative process solutions.

References Available Upon Request.
ABSTRACT

Social technologies allow brands to build digital platforms that stimulate consumer engagement by enabling customers to connect with one another, to freely discuss a brand, to conduct product and price comparisons, to personalise product features and ultimately to make purchases (Pagani and Mirabello 2012). Moreover, online network-based communities (Dholakia et al. 2004) – such as social networks and micro-blogs – not only enable users to express their identity and satisfy social needs through the sharing of brand-related experiences (Christodoulides 2009, p. 143) but also allow them to satisfy self-definitional needs by developing their social identity (Tajfel 1978). Within such interactive, personalised and participatory communication environments, increasing attention is being given by marketing scholars and practitioners to different types of online experiential engagement (Calder and Malthouse 2004; Calder et al. 2009) and to self-definitional issues (Sicilia et al. 2013). However, there is a lack of theoretical and empirical research efforts to develop an integrative perspective between experiential engagement and social identity theory (Brodie et al. 2013). In addition, empirical research on online network-based communities, specifically Facebook brand fan pages, and its role in the consumer-brand affective relationship building process is in its early stages (Gummerus et al. 2012). In particular, an emerging issue in this field is related to the consequences of these virtual networks in terms of brand love. Brand love is the more recent construct in the branding literature and is defined as “the degree of passionate emotional attachment a satisfied consumer has for a particular trade name” (Carroll and Ahuvia 2006, p. 81).

To address all of the above concerns, the aim of this study is to propose a social identity approach to consumer-brand affective relationships in online network-based communities by integrating social identity theory, experiential engagement and brand love literature. Specifically, this study develops a conceptual model in which social-interactive engagement influences social identity directly and brand love indirectly through the mediating effect of social identity. The model was empirically validated by conducting a survey on the Facebook fan pages of 21 leading international brands. A total of 387 responses were collected from consumers living primarily in Europe and the US. Structural equation modelling was performed to assess the significance of the hypothesised linkages. The results obtained confirm the positive effects of social-interactive engagement and social identity on consumer-brand affective relationships in terms of brand love and the full mediating effect of social identity on social-interactive engagement and brand love.

In response to the need for an integration of the social identity theoretical perspective with studies of consumer engagement (Brodie et al. 2013), this study is the first attempt to combine both consumer experiential social interactive engagement with social identity to partially explain brand affection in specific online social environments. Implications for consumers and marketers are finally addressed.

References available upon request
PSYCHOLOGICAL OWNERSHIP: A CONCEPT OF VALUE TO THE MARKETING FIELD

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Paper #1: Psychological Ownership: Concepts, Evidence, and Implications for Marketing Research

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Paper #2: Psychological Ownership and Object Design: To Own is to Take Control

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Paper #3: Not Now I'm Busy: When Interactivity Undermines Psychological Ownership and Product Valuation

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Paper #4: Examining the Role of Psychological Ownership and Feedback in Customer Empowerment Strategies

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SESSION OVERVIEW

Over the past decades, the field of management has witnessed the rise of psychological ownership as an important individual-level predictor of workplace motives, attitudes, and behaviors, some positive and others negative in nature. Individual psychological ownership refers to the personal sense of possession an individual holds for a material or immaterial target (i.e., “This is MINE!”).

Marketing researchers have only recently started to adopt the concept of psychological ownership and its associated theory. While initial studies provide valuable insights into the role of psychological ownership in shaping certain consumer perceptions and intentions (e.g., customer satisfaction, relationship intentions, word-of-mouth, willingness-to-pay, and competitive resistance),
they are also limited in their focus on selected paths to psychological ownership (e.g., consumer control over the product or service). More specifically, it seems that both the antecedents and consequences of psychological ownership have been examined in isolation and hypothesized effects are based on cumulated findings rather than on comprehensive theories. Furthermore, negative or dysfunctional outcomes of psychological ownership have not yet been examined in a marketing context, but research in organization studies gives reason to expect that research on this front would be valuable. In summary, marketing research on this topic is in the early stages with studies being relatively dispersed. Thus, there is a strong need for an integrated view on psychological ownership toward products and services.

Against this background, this special session seeks to provide a forum for topical issues that advance our understanding of psychological ownership and its usefulness in marketing research. By bridging contributions from numerous academic fields, we believe that this session nicely fits the conference’s theme, which calls for interdisciplinary research.

Paper #1 provides an overview of major contributions in the organization, management and marketing literatures, offering insight into an overall picture of psychological ownership. The aim is to offer a more integrated view of the phenomenon and to discuss opportunities for marketing research in adopting the individual psychological ownership construct and associated theories.

Paper #2 examines the impact of physical properties and design of an object on psychological ownership. Two experiments demonstrate that both size and weight impact psychological ownership over an object through their effect on perceived controllability.

In paper #3, the authors examine the effect of consumer motivational orientation on psychological ownership over digital products. The results of two experiments suggest that psychological ownership is stronger when consumers are recreationally-oriented than when they are task-oriented, an effect enhanced when consumers perceive an ability to communicate with a digital product.

Finally, paper #4 sheds light on psychological ownership’s moderating role in customer co-creation processes. The authors show that the interaction between psychological ownership and negative third-party feedback diminishes brand image and, ultimately, consumers’ willingness-to-pay.

**PSYCHOLOGICAL OWNERSHIP: CONCEPTS, EVIDENCE, AND IMPLICATIONS FOR MARKETING RESEARCH**

**ABSTRACT**

The field of management psychological ownership construct has become an important individual-level predictor of workplace motives, attitudes, and behaviors, some positive and others negative in nature (Pierce & Jussila, 2011; Pierce, Jussila, & Cummings, 2009; Brown, Lawrence, & Robinson, 2005). According to Pierce, Kostova, and Dirks (2001), psychological ownership refers to a personal sense of possession an individual holds for a material or immaterial target (i.e., “This is MINE!”). Marketing researchers have only recently started to adopt this construct and associated theory. The feeling of possession has been proposed and observed to give rise to customer satisfaction, relationship intentions, word-of-mouth, willingness-to-pay, and competitive resistance (Asatryan & Oh, 2008; Fuchs, Prandelli, & Schreier et al. 2010; Peck & Shu, 2009). However, there is no automatism in these relationships as recent research suggests that such effects can be highly context-specific (e.g., Garretson et al., 2012).
While the above marketing studies provide valuable insights into the role of psychological ownership in shaping certain consumer perceptions and intentions, they are also limited in their focus on selected paths to customer psychological ownership (e.g., customer control over product or service), oftentimes failing to specifically pinpoint the mechanisms through which this psychological state is set to emerge. Similarly, even though research in other fields has long recognized the role of motivational forces that serve to set individuals on their paths to psychological ownership, marketing research has not yet considered their role. Lastly, prior studies address a very narrow range of potential consequences, thus missing out on opportunities to explain for instance a variety of consumer attitudes and behaviors. This article merges major contributions in different literatures into an overall picture of psychological ownership in order to develop a more integrated view onto the phenomenon and to discuss opportunities for marketing research adopting the psychological ownership construct and associated theory.

PSYCHOLOGICAL OWNERSHIP: TO OWN IS TO TAKE CONTROL

ABSTRACT

Psychological ownership (PO) refers to the extent to which a consumer perceives something as “mine”. Current empirical endeavors have primarily focused on shedding light on the consequences of PO. Several consequences that are desired outcomes in marketing (e.g., attitude improvement and purchase likelihood) have given rise to recognizing the construct of PO as practically relevant. Currently, empirical proof for specific antecedents of PO is largely lacking. There is, however, fertile theoretical ground that can be built upon. In this project we focus perceived object control as a potential cause of PO. The experience of control is one of three main antecedents of PO suggested by Pierce, Kostova, and Dirks (2003) in their seminal paper.

Applying the notion of control to consumer products, we suggest that the physical properties of an object and its design might alter an object’s potential to be psychologically owned. After all, it is the physical dimension of a product that makes it more or less difficult to handle, i.e. controllable. In two experiments we show that variations to object weight (Study 1: cellphone of the same make but with 3 artificially generated weights, n = 106) and object size (Study 2: cutting board in 3 different sizes but with the same weight, n = 126) indeed alter perceived control over the specific objects. Mediation analyses verify that this, in turn, leads to a corresponding change in the degree of PO experienced. In addition and in line with prior evidence, the higher the feeling of ownership for an object was, the more favorable was the attitude towards it, and the higher was the willingness to pay for it.

To conclude, a product’s physical properties and design may have important implications for the extent to which this object can become “Mine”. This is because these properties also influence the extent to which an owner feels in control of the object when handling it. Making an object easy to use not only increases satisfaction it also increases the bond between an object and a consumer; a bond that is crucial in driving a variety of consumer behaviors.

NOT NOW I’M BUSY: WHEN INTERACTIVITY UNDERMINES PSYCHOLOGICAL OWNERSHIP AND PRODUCT VALUATION

ABSTRACT
Companies are increasingly exploring new technologies that enable interactivity in everyday products, such as fabrics, wallpaper, and even 3-D printed devices. Given the costs associated with adding interactivity to digital products and media, understanding whether and when consumers might be willing to pay more for such functionality is vital.

We propose that perceived two-way communication, defined as reciprocal communication between users or a company and users (Liu, 2003), increases psychological ownership and subsequent valuation of a digital product by enhancing intimacy of knowledge, investment or “co-construction” of self (Belk, 2013), and perceived control over the communication process. A feeling of “it is mine!,” psychological ownership is theorized to emerge more strongly when consumers feel freer in their behavioral choices than when they feel more constrained (Pierce, Kostova and Dirks, 2003). Accordingly, we propose that the effect of perceived two-way communication on psychological ownership of and subsequent willingness to pay for a digital product will be stronger when a consumer’s motivation is recreation-oriented (lower perceived constraint) versus task-oriented (higher perceived constraint).

Results of two experiments support this conceptualization. In study one, motivational orientation (recreation- vs. task-oriented; Kaltcheva and Weitz, 2006) and perceived two-way communication are measured while in study two, motivational orientation is manipulated and perceived two-way communication is measured. These findings offer the first evidence that differences in consumer motivational orientation impact the emergence of psychological ownership and subsequent product valuation and suggest that managers of digital products may enhance valuation by encouraging more hedonic motivations on the part of consumers.

EXAMINING THE ROLE OF PSYCHOLOGICAL OWNERSHIP AND FEEDBACK IN CUSTOMER EMPOWERMENT STRATEGIES

ABSTRACT

Customer empowerment is referred to as the integration of customers into the value creation process and thereby giving them a sense of decision power. Companies strive to better fulfill customers' needs and simultaneously decrease costs and risks when co-creating value with customers. Recent research, most prominently Fuchs et al. (2010), has started to examine the role of customers’ psychological ownership during the co-creation process and its effects on consumers’ brand attitude and willingness-to-pay.

Extending Fuchs et al. (2010), we examine the moderating role of consumer feedback in the co-creation process. In a large-scale experiment, we show that the implementation of feedback loops accelerates the positive effects of psychological ownership in co-creation processes in terms of product evaluations and willingness-to-pay. Negative feedback, however, reverses the effects induced by psychological ownership, resulting in negative product evaluations. Our results suggest that companies should pay close attention to feedback options when integrating customers into the value creation process.

References available upon request
ABSTRACT

The importance of studying higher-order emotions, such as love and rage, has long been recognized in the marketing literature (Batra, Ahuvia, and Bagozzi, 2012; McColl-Kennedy et al., 2009). This paper looks to add to this growing body of literature by examining a previously unexamined emotion, retail intimidation. Intimidation occurs when individuals are made to feel afraid, nervous, timid, or inferior by someone or something else. As such, it stands to reason that retailers may produce feelings of intimidation in some shoppers, perhaps as a result of the store’s atmosphere, prices, merchandise, or other factors. Through a critical incident technique study with a content analysis, the authors find four main antecedent categories to intimidation: employee issues, self-conscious customers, store atmospherics, and retail strategy. The researchers address each of the categories and the resulting subcategories while providing theoretical and managerial implications.

References Available Upon Request
Sponsorship research has examined how this important communications tool helps brands build and increase their equity. Complementary effects of sponsorship and articulation (that consists in explaining the link between the sponsee and the sponsor) have recently generated some attention. However, research on other combined communicational effects with sponsorship remains scant. This paper focuses on a very simple yet unstudied technique of leveraging a sponsorship: the mention of competition. This is the first attempt to measure the combined effects of sponsorship and the mention of competition on attitude.

The sponsee and its competitor are strongly linked in the associative memory network formed by consumers. Thus, it is expected that sponsorship facilitates the comparison and categorization between the sponsee and its competitor if both are mentioned in the context of the brand alliance. The mention of a competitor who failed in securing sponsorship increases the relational processing of information and eases the transfer of equity from the competitor to the sponsee. A high-equity sponsor should provide an indirect link from the competitor equity to the sponsee equity: if an event is sponsored by a high-equity brand such as Nike, the mention of another competitive event that failed to secure this sponsorship should reinforce the prestige of the sponsee. Therefore, sponsee equity should appear as higher than its competitor’s. This effect should be higher if the mentioned competitor has a high-level equity than if it has a low-level equity.

In the case of a high-equity sponsor, as the most direct and strong link should be between the sponsee and the sponsor, it is expected that the mention of a competitor is still beneficial when the mentioned competitor equity is low. In the case of an incongruent low-equity sponsor, we expect the event to be negatively impacted by the inconsistency within the two pairings (sponsee/sponsor and sponsor/competitor) as the mention of a high-equity competitor would increase the variance. This variance would make the categorization impossible as the brands are dissimilar at two levels (in terms of congruence sponsee/sponsor and in terms of equity level sponsor/competitor). This would introduce an equity variance comparable to a quality variance within a brand portfolio.

A 2 (sponsee/sponsor congruence: congruent/incongruent) x 2 (sponsor equity level: high-equity/low-equity) x 2 (competitor equity level: high-equity/low-equity) experimental design was used, with two control groups (no mention of competitor with high-equity congruent sponsor/ no mention of competitor with high-equity incongruent sponsor). The analysis (ANÓVA) revealed a significant three-way interaction between the sponsee/sponsor congruence, the sponsor equity and the competitor equity on the sponsee equity. For instance, in the case of a congruent sponsorship, the sponsee equity is higher when a high-equity competitor is mentioned than when no competitor is mentioned. The mention of a high-equity competitor has a slightly positive effect on the sponsee equity in the case of an incongruent sponsorship. Our results show that in combining sponsorship with the mention of a competitor, a company can easily reinforce the impact of a brand alliance, in a very cost-friendly way. This research considered for the first time how sponsorship may positively link two competitive brands in increasing equity transfer.
CONSUMER OVER-ENGAGEMENT: A FOUNDATIONAL INVESTIGATION OF SPORT CONSUMPTION ADDICTION

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INTRODUCTION

Both science and society have affirmed that people can be addicted to gambling, video gaming, the Internet, texting, and even sex. It appears that exciting, fun, often risky, autotelic behaviors can turn into addictions. Thus, a curious question arises in the field of sport consumer behavior – Can certain people (i.e., avid fans) become “over-engaged” and addicted to sport consumption? The purpose of this research is to further advance the study of compulsive consumption by proposing and exploring the somewhat unusual notion of sport consumption addiction (SCA).

The current work defines SCA and shares results drawn from 62 qualitative interviews as well as two methodologically varied surveys conducted in the Northwest and Northeast United States (total n = 460). The authors posit that the world of sport is an ideal context for the study of consumer addiction. Sport fans are drawn in by the fact that they are watching something wherein outcomes are completely unknown. Viewers are often caught up in the dramatic and historic nature of sporting events and are moved by incredible acts of grace and athleticism. Sport contains inseparable, perishable, intangible and variable qualities. It also provides viewers with positive feelings of hope, excitement, pride, eustress, in-group camaraderie, loyalty, patriotism, etc. Thus, we propose that the very nature of sport consumption often facilitates pre-addictive psychological “highs” and consumptive behavior that feeds into self-perpetuating addictive consumption.

BACKGROUND

“I blame my divorce on SportsCenter!” exclaims a 27 year old woman who directly attributes her failed marriage to her husband’s pathological dependence on watching sports (Respondent 1, in Study 1). In her mind, her husband’s obsessive behavior was both uncontrollable and unreasonable... though perhaps not unheard of. Millions upon millions of dedicated sports fans now have instant (as well as constant) access to sports through all manner of traditional, electronic, and social media. Researchers studying fan behavior are left to ponder not just if SCA exists, but also how prevalent SCA might be, the foundational components of SCA and the possible antecedents and consequences of SCA.

Addiction involves a consistent, habitual pattern of behavior and is often associated with a sense of limited control (Elliott, Eccles, and Gournay 1996). Addiction has been defined physiologically as the compulsive need for and use of a habit forming substance (Walters and Gilbert 2000) and psychologically as an impulse-control disorder (Hanyun and Leung 2009). Some less harmful addictions can be classified as “pure indulgences” wherein people simply cannot resist or pull away from temptation (Kubey and Csikszentmihalyi 2004). Some of these addictions have been labeled “soft addictions” in the sense that overeating, surfing the Internet, or watching too much TV can be difficult to control and have negative consequences (Wright, 2006).
In marketing, compulsive buying has been formally defined as “a chronic, repetitive purchasing that becomes a primary response to negative events or feelings” (O’Guinn and Faber 1989, p. 155). The compulsive consumption of sports can be chronic for many fans. The very consumption of sport may ease the stresses of daily life. It may fill a life-void by means of vicarious achievement. It may promote internal issues of loyalty and positive self-esteem, just as it may seemingly spur social cohesion. Lastly, habitual sport consumption may provide a self-reinforcing and self-perpetuating autotelic experience for fans. Autotelism has been defined as an experience of a psychological state which acts as a reward in that it produces continuing behavior in the absence of other rewards (Madrigal 2006).

Thus, a cursory review of the literature leads to a formal definition of sport consumption addiction as the compulsive and consistent consumption of sport wherein the habitual pattern of behavior is associated with a sense of limited control and is followed by internal and external negative consequences (internal feelings of guilt, regret, conflict, depression etc.; external detriments to one’s profession, relationships with others, etc.). We propose that SCA be classified as both a rational addiction (Becker and Murphy 1988) and a “soft” addiction (Wright 2006). We further propose that SCA is a passion, “a strong inclination toward an activity that people like, find important, and in which they invest time and energy” (Vallerand 2006, p.455). However, SCA denies addicted fans of control in their lives and brings about certain negative consequences. Thus, we hypothesize three foundational bases of SCA, namely: (1) a Super-Identification Factor, (2) a Compulsive Consumption Factor, and (3) a Negative Effects Factor.

**METHODOLOGY**

**Study 1**

A total of 62 interviewees were drawn through convenience and referral sampling methods over a period of 15 months. The team of researchers utilized a semi-structured script. The script was divided into four main sections delving into issues of emotional attachment, involvement, compulsion, internal and external negative consequences, as well as the very nature of sport consumption. While efforts were made to get indirect responses from spouses and family members of the most avid fans (thereby avoiding bias and possible error in self-reporting), only five third-party interviews were conducted. In total, 16 women and 46 men were interviewed, with an age range from 18 to 74 years old and a mean of 29.0 years.

**Study 2**

A paper-and-pencil survey was administered to 350 undergraduates at a large university in the northwest US. The convenience sample was drawn from numerous classes across the university’s four major colleges. The laboratory-type data collection was used under the premise that it afforded greater control and ease of survey administration, forced a higher level of respondent involvement, and provided a higher response rate. A total of 327 usable surveys were collected (47.7% female, 78.2% between 18 to 23 years old).

The survey itself contained two major parts. First, respondents were asked behavioral and demographic questions. They were asked dichotomous questions about their participation in sports at both the high school and college levels. Next, respondents were asked to supply ratio-level data on the number of hours spent in an average week talking about sports, reading about sports, listening to sports radio, and watching sports. Part two of the survey posed a set of 14 attitudinal variables. Respondents were asked
to rate their levels of agreement on 7-point Likert-type scales. Herein, variables were derived from past work on fandom and identification (Madrigal 2006; Wann and Branscombe 1993), compulsive consumption (Faber and O’Guinn 1992; Valence, d’Astous, and Fortier 1988), and addiction (Elliott, Eccles, and Gournay 1996; Hirschman 1992). Lastly, the survey directly posed two yes-no questions: Do you consider yourself a sports addict? And, do you know (or have you known) someone whom you consider(ed) to be a sports addict?

**Study 3**

Generally speaking, Study 3 was a replication of Study 2; however, data were collected over the Internet. The survey was administered to 150 undergraduates and graduates at a large university in the northeast US. The convenience sample was drawn from business classes including classes in the core of a sport management curriculum. A total of 133 usable surveys were collected from a sample that was 45.9% female, and 70.7% of respondents were between 18 to 23 years old.

**RESULTS AND DISCUSSION**

Generally, the data show popular acceptance and support for the existence of SCA. Not only do a majority of respondents believe in the notion, but they claim to know (or have known) a sports addict. Across all studies, roughly 15% of respondents are self-proclaimed sports addicts. Admittedly, self-ratings are prone to error (and, in this case, the likelihood of social desirability bias may be great), but the number is still noteworthy.

Study 1 revealed major issues and trends ranging from super-identification, loyalty, compulsion, and a host of unusual negative effects. While six interviewees self-identified as sports addicts (all males), a full 24 said that they know (or have known) someone whom they consider(ed) to be an addict (22 of them males). Some key excerpts follow:

**Super-Identification Factor**

“I get pride and bragging rights out of watching sports, and a conversation piece with good friends. It can make you relevant in certain circles.”

Respondent 11, Male, age 34

“He screams at the television, yells at the players and pulls his own hair out. He even throws things.”  Respondent 22, Female, age 23, 3rd person interview

“The smile he has when he speaks about Tom Brady makes me sick! He loves him! He’s never even met him!”  Respondent 25, Female, age 22, 3rd person interview

**Compulsive Consumption Factor**

“I blame my divorce on SportsCenter. My husband frequently refused to even hold our daughter while he was watching sports.”  Respondent 1, Female, age 27, 3rd person interview

“While he is watching NHL, he has to have no interruptions from anyone. This includes eating his dinner in front of the game. Even now, as an adult, his mother requires permission for him to watch a game at her home... and, more often than not, she will not allow it.”  Respondent 17, Female, age 28, 3rd person interview
“I get mad and pissed off. It’s another way to let out stress and just to have a good time with the guys.” Respondent 19, Male, age 27

Negative Effects Factor

“When I heard that Manning was going to be out all of last season because of his neck injury I had a hard time wanting to watch football for the season… Let’s just say I needed to be on antidepressants.” Respondent 47, Female, age 24

“He lost his job because he would skip work to go to the bars and watch sports… He lost ties with many friends.” Respondent 61, Male, age 47

“Sports makes me stressed, moody, depressed, and just downright unpleasant.” Respondent 18, Male, age 21

“When a person is only really happy pursuing that obsession, or when the obsession has taken too much away from important relationships or work, then it is just like any other addiction. The person is using it to get a ‘high’ or an emotional fix, and they are escaping other things by the thing they are obsessed with. An addict would continue the same behaviors even when they know it is causing problems.” Respondent 30, Male, age 40

Combining Studies 2 and 3, the mean of the variable “Sport can be an addiction” was 4.50 (4.36 for male respondents and 4.65 for female respondents). Additionally, a full 79 respondents (17.1% of the sample) directly identified themselves as sports addicts. Within that group, 61 of the addicts were male revealing a significant relationship between self-proclaimed addiction and gender ($\chi^2 = 22.4$, $p < .01$). Interestingly, a full 256 respondents (55.6% of the sample) stated that they know (or have known) someone whom they consider(ed) to be a sports addict. Crossing this variable with gender showed no significant relationship. So, while men are much more likely to be proclaimed sports addicts, men and women appear to be equally likely to have encountered an addict.

Although beyond the scope of this abstract, additional statistical analyses revealed key behavioral differences and significant relationships pointing to the existence of SCA. Accordingly, this intriguing sport consumer behavior issue awaits further theoretical exploration and empirical validation. A preliminary list of research-worthy propositions will be presented.

REFERENCES

(available upon request)
ABSTRACT

With the Internet shopping channel growing in popularity, research on online consumer behavior has become more important than ever. Distinct characteristics associated with shopping online, such as the ease of price search and facilitated price comparisons, have triggered an intense price competition and have given rise to new pricing tactics or adaptations in existing pricing practices. This special session focuses on examining consumer response to selected Internet pricing practices, specifically, online daily deal promotions and pay-what-you-want participative pricing mechanism. Further, it provides a broad overview of challenges of online pricing practices and explores some Internet-enabled capabilities that may enhance online retailers’ competitiveness without solely relying on price decreases.

The first paper by Kukar-Kinney and Xia (2014) proposes a comprehensive model of consumer response to online daily deal promotions. Led by companies such as Groupon and Living Social, daily deal promotions have become a popular retail format, offering temporary highly discounted offers. A unique feature of such promotions is their social influence, as they provide information about how many others already purchased the offer. Building on cue utilization and social exchange theories, the paper outlines how the social cue about the number of deals purchased by others influences consumers’ deal evaluations and purchase intentions across a variety of conditions. Specifically, product, deal, and consumer individual characteristics are investigated as moderators of the impact of this social cue.

The second paper by Weisstein, Kukar-Kinney and Monroe (2014) explores consumer responses to a new form of participative pricing strategy, specifically, pay-what-you-want pricing, which allows consumers to set the price paid at any level, including zero. The goal is to evaluate viability of such practice on the Internet, taking into account the lack of sensory experience. Decision to allow consumers to set their own price may be especially critical for unknown brands, whereby the consumer cannot infer the product quality based on the brand reputation. The paper identifies several key elements that positively influence consumers’ online purchase intentions and increase their pay-what-you-want price paid when shopping online, especially in instances when the consumers are unfamiliar with the brand. These elements include an ability to virtually experience the product, an existence of suggested reference price for the product, and a presence of the reason for the pay-what-you-want policy.

After examining two specific online pricing strategies in the first two papers, the third paper by Cheng and Monroe (2014) places them in a broader context by taking a closer look at the challenges retailers face when operating in the online environment. Current online pricing strategies typically focus on the assumption of deal-seeking consumers who strive to minimize the price paid. As a result, much attention is given to promoting the deal aspects of online purchases, thereby increasing the perceived transaction value of the purchase. The paper questions the wisdom of such focus on ever lowering the price and explores some ways in which the perceived acquisition value can be enhanced. Several opportunities to achieve this outcomes are discussed.

References Available Upon Request
SPONSORS COURTING TENNIS FANS: VISUAL PROCESSING AND NEED FOR COGNITION IN EVALUATING EVENT SPONSORSHIP

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ABSTRACT

Given that sporting events are heavily tied to sponsorship, it is crucial to understand how sponsorship works from visual processing and cognition perspectives. In itself, sponsorship is not necessarily a visual tool; it is the on-site leveraging of sponsorship that is often visual for event attendees and what the authors investigate at a professional tennis event. Leveraging title sponsorships with the sponsor’s logo and product displays at the event are industry practice at professional sporting events. Visual reinforcement is important in visual processing because an event attendee actively or passively sees who the sponsor is without necessarily thinking about the event sponsorship. Need for cognition is a personality variable in psychology that reflects the extent and the effort in which consumers engage in and enjoy effortful cognitive activities. Attendees may interpret a sponsorship according to its “shallow meaning” without relative effort, unless they have reason to elaborate further and consider other inputs to judgment. The authors take a multi-method approach to examine the posited relationships of their model. First, for a consumer perspective, the hypotheses are tested with consumer survey data of 185 attendees drawn from a weeklong women’s professional tennis event. A luxury automobile brand served as the event’s title sponsor and used visual placement throughout the context of the event, including at the heart of action (e.g., logo in the net, product display at the event). Empirical support for the hypothesized model demonstrates that individual differences in visual processing and need for cognition play significant roles in how an attendee perceives the title sponsor’s products. Overall findings also show how attendees who rate the event as a high quality event have a more positive attitude toward the title sponsor’s featured products. That relationship is moderated by visual processing style; that is, visual processors show an especially strong link from event quality to enhanced attitude. Further, attendees who are high in need for cognition are more likely evaluate a non-endemic title sponsor as fitting with the event, plausibly because they tend to elaborate, or think about how the two fit more so than attendees who are lower in need for cognition. After testing the model with consumer data drawn at the tennis event, the authors then conducted a qualitative study to better understand how the findings resonate with practitioners, and to gain additional managerial insights. Thus, the authors interviewed a dozen managers, who worked with venues or sponsors to leverage the visual communication and create an engaging consumer experience for attendees, collectively representing marketing expertise in tennis, baseball, hockey, running and basketball. The managers discussed the findings in terms of how they do or will implement them in their respective professional sport. The results provide managers with new insights for understanding the role of individual differences in visual processing and need for cognition play in effective sponsorship and sports marketing. The findings reveal how the manner in which event attendees visualize and think relates to their assessment of a sporting event and sponsor. Individuals who tend to be more visual and think things through fully will positively influence their level of appreciation for the sporting event’s sponsors. Thus, given that many people are visual processors, event venues and sponsors alike should incorporate strategically placed visual elements such as logos at the epicenter of action in sporting events, such as near goals, backboards, bases, nets and other places where spectators tend to look in order to improve the likelihood that they visually process the event sponsor.
ABSTRACT

In the last two decades, research on brand equity and brand value has flourished. If products and services have often been the focus of brand equity research, a few studies attempt to examine brand equity related to retailers. Yet, Consumer-Based Retailer Brand Equity (CB-RBE) should not be built with a transposition of usual brand equity definitions. Indeed, retailer specific attributes and the rich in-store experiences offered to consumers involve a conceptualization adapted to this particular brand. The paper refines the concept of retailer brand equity and validates a new measure that offers specific insights to academics and practitioners.

Brand equity is defined as the “added value” with which a brand endows a product (Farquhar 1989) or “the enhancement in the perceived utility and desirability a brand name confers on a product” (Lassar et al. 1995). Considering that the store should be viewed as the product in the retail area (Dicke 1992), we define CB-RBE as the value the retailer brings through its stores and the combination of products, services and experiences that is delivered in these outlets.

Since Ailawadi and Keller’s (2004) call for a specific measure of the retailer brand equity, several research have outlined the relevance of both store attributes (e.g., Hartman and Spiro 2005; Pappu and Quester 2006; Burt and Davies 2010) and the value of consumers’ experiences (Babin et al. 1994; Mathwick et al. 2001; Verhoef et al. 2009). Eighteen in-depth interviews were conducted with consumers to explore their shopping goals and experiences. The analysis confirms the influence of the attributes related to the products and services but also the influence of in-store interactions. More specifically, eight dimensions, or variables of the retailer’s marketing mix, emerge and serve the retailer in order to create value and build its equity.

We argue that the concept of CB-RBE is a second-order construct that involves a formative measure with the aforementioned eight first-order dimensions that are reflectively measured. The statistical results confirm the relevance of a second-order model (Reflective-Formative or Type II according to Jarvis et al. 2003) with eight dimensions related to the products and services, to the store and to consumers’ experiences. Since the PLS approach allows to compute the latent variable scores, managerial tool such as the Impact-Performance Matrix Analysis (IPMA) can serve managers to better understand the equity of their brand, to work on each specific dimension in order to increase the added-value and finally to build a strong and unique brand with a high equity (Keller 1993). The analysis reveals that the in-store appeal (0.2305) and the quality (0.2185) and value of the products (0.2063) offer the greatest potential for marketing activities of retailers. In others words, it means that consumers are very demanding on these dimensions. Retailers have to offer a high performance on these dimensions in order to reap the benefits of a virtuous circle by building a strong brand equity, which, in turn, increases the loyalty and the commitment toward the retailer.

This paper takes into account the limitations and research perspectives of several former research done on this topic. More precisely, the mix of experiential and functional dimensions may provide a model devoted to the retailer and a better measure of its equity (Ailawadi and Keller 2004; Hartman and Spiro 2005; Pappu and Quester 2006; Burt and Davies 2010).

References: References Available Upon Request.
ABSTRACT

Scholars and practitioners have been frustrated in the attempt to identify a viable strategy to capitalize on the potential marketing applications presented by social networking media. The very nature of social networking media may render long accepted assumptions about how desirable customer attention is captured and leveraged obsolete. Relying on recent developments in Critical Service Logic literature, along with theories stemming from research in fashion marketing, secondary data is examined to illuminate how this powerful new medium may operate, and how it may change the manner in which marketing communications strategy is conducted.

References Available Upon Request
ABSTRACT

Today, interactive consumers create, communicate, and deliver substantial amounts of information that influence other consumers (consumer-to-consumer or C2C interactions) (Bagozzi and Dholakia 2002; Barwise and Farley 2005; Brown, Broderick, and Lee 2007; Chiou and Cheng 2003; Henning-Thurau et al. 2004; Shankar and Hollinger 2007; Smith, Menon, and Sivakumar 2005). So understanding how consumers search for product information and why they choose certain types of media to conduct their search, is critical in today’s online world. This phenomenon has drawn the attention of marketers attempting to understand the various facets of C2C interactions (Libai et al 2010). However, there are still several unanswered questions in this prominent stream of research, which deserve further attention. The purpose of this study is to address one such fundamental research question through a 3 (mediums) x 2 (a good and a service) between subjects web survey experiment – what factors related to the source, medium, and message influence the intention to use a particular medium (Text Blog Vs. Photo Blog Vs. Video Blog) to seek product information. The authors expect that along with usefulness and ease of use of the medium, source, medium, as well as message credibility will have varying impacts on the attitude toward using a medium for product information search. The authors attempt to develop and test such a model which will not only contribute substantially to the marketing literature but also open avenues for future research. This research is one of the few initial research endeavors in the field of C2C interactions that is rooted in theory. This model is also of practical import because knowing more about how different factors influencing the intention to use one or more particular mediums for product information search provides a guideline to managers (especially in marketing communications) on where and how to encourage C2C interactions. Given the drastic growth of C2C communications, and avenues that promote the proliferation of information amongst consumers, this research adds significant value to marketing knowledge.

References available upon request.
INTRODUCTION

Smoking has been a major public issue across the globe and considered as one of leading causes of death that kills approximately six million people a year (WHO 2012). Governments and health organizations have been constantly trying to reduce number of smokers through controlling the promotion and advertising of tobacco product (WHO 2008). In the UK, the control has begun since 1996 with the prohibition on television and radio, followed by the ban on direct marketing and sponsorship in 2005, the prohibition of the sale of tobacco product on vending machine in 2011, and the ban on the point of sale display of tobacco in large stores in 2012, which ban will take effect for small stores from 2015 (ASH 2012). As most forms of promotion and advertising are prohibited, cigarette packaging has become the remaining important promotion tool in reaching potential and current smokers (Gallopel-Morgan et al. 2012; Freeman et al. 2011). On 1 December 2012 Australia has become the first country in the world in implementing cigarette plain packaging (BBC 2012). Obviously opposing criticisms have emerged arguing that plain packaging might generate risk, such as business difficulty for retailers (Alliance of Australian Retailers 2011) and uncertainty that plain packaging would meet its aims (British American Tobacco 2012).

Standing Committee on Health (1994) defined plain packaging as a packaging without any distinctive feature or use of trade mark, is identical in appearance and color, should be dull with unalluring color (with white is unacceptable because it suggests purity and cleanliness), with standardized package sizes, materials, opening methods, colours, text placement, font and size of printing. Hammond (2010) proposed that plain packaging offers three primary benefits in discouraging the use of tobacco products: increasing the effectiveness of health warnings, reducing false health beliefs about cigarettes, and reducing brand appeal especially among consumers. Would smokers reduce or stop smoking because of this? Also, although there is an increasing attention to study consumers’ perception towards the product appeal of plain package, little is given to evaluate consumers’ feeling about smoking from a plain pack. To address the above issues, the paper explores consumers’ attitude and perception of plain cigarette packaging with three main objectives: to investigate smokers’ attitude towards the appeal of plain packaging (e.g. colours, product descriptors, health warnings, and pictorial graphic design), to explore their feeling about smoking from plain pack, and to explore the impact of plain packaging towards the smokers’ future smoking behavior.

DOES A CIGARETTE PACK OPERATE AS A PERSONALITY MARKETING TOOL?

Brown and Williamson (1985) asserted that “a cigarette pack is the only thing you take out of your pocket 20 times a day and lay out for everyone to see. That’s a lot different than buying your soap powder in generic packaging”. More recently cigarette packaging mainly serves as a promotional tool that differentiates brands in the homogenous consumer product of cigarettes (Underwood, 2003). Through brand logos, colors, fonts, package materials, product descriptors and shapes, cigarette packaging might still be able to communicate brand image and personality (Underwood, 2003), so that smokers can associate cigarette packaging fit to their daily smoking routines (Wakefield et al 2002). While to some extent cigarette packaging might represent consumers’ personal statement (Wakefield et al 2002), what are the things that enable this?
Building on the study by Philip Morris (1990), Wakefield et al (2002) found that colours on cigarette packs have an important role on generating the perceptions of consumers towards its brand appeal. Pollay and Dewhirst (2003) and Hammond and Parkinson (2009) further identified that standardized colours on cigarette packs have widely contributed to consumers’ misperceptions as well as to perceptions of brand risk. Using Marlboro pack, compared to a red logo, a gold logo pack was viewed as having lower health risk and having easier-to-quit perception for adult smokers in the UK (Hammond and Parkinson, 2009). Further, smokers of certain colours on different brands were more likely to believe that their own brands might be safer, compared to smokers of uniformed colours on different brands (Mutti et al 2011). The above studies suggest that removing colours from packs (plain packaging) might significantly reduce the false beliefs.

With regard to product descriptors, removing brand elements from cigarette packs, such as brand names and logos, might result in consumers viewing cigarette packs as less appealing, having more negative expectations of cigarette taste, and rating attributes of a typical smoker of the pack less positively (Germain et al 2009). Further, Doxey and Hammond (2009) indicate that young women perceived the plain pack condition with no descriptors, for example “slim”, as less likely to believe that smoking helps people stay slim. Plain packaging with the removal of product descriptors might reduce smoking appeal exposure to smokers, particularly young women (Hammond et al 2011).

Beede and Lawson (1992) suggested that plain packaging would increase consumers’ awareness towards health warnings. Placing health warnings and pictorial graphic design on cigarette pack has helped students to have an improved ability to recall the health warnings and pictorial graphic designs (Goldberg et al 1999), suggesting that plain packaging might reduce smoking intention (Rootman and Flay 1995). Hammond et al (2007) identified that smokers in Canada who were exposed to large pictorial graphic designs were significantly more likely to think about the health risks of smoking. Wakefield et al (2008) found that in addition that plain cigarette packs were perceived as less attractive than the normal cigarette packs, the larger and more noticeable a health warning on a particular pack, the more likely it was to be recalled.

Interestingly disparity exists on the effect of plain pack to the feeling smokers have from plain pack smoking and to the future of their smoking intention. Moodie and Ford (2011) found that while male young smokers tend to have the same feeling when smoking from a plain pack compared to smoking from a branded pack, female smokers tend to feel worse when smoking from a plain pack. Another study involving 140 young adult smokers discovered that when smoking from a plain cigarette pack, female smokers were more likely to keep the pack out of sight, smoke less around others, eventually, think about quitting (Moodie et al., 2011).

**RESEARCH METHOD**

A semi structured interview is used to explore smokers’ attitude and perceptions on plain pack. A purposive sampling strategy, selecting participants who will best to answer research questions and meet its objectives, is used (Saunders et al., 2009). The sample consists of 40 smokers, 13 heavy smokers (20+ cigarettes/day, WHO 2012) and 27 non-heavy smokers (<20/day), 19 of them are male and 21 females, their occupation includes students, youth worker, unemployed and manager, and their age spans from 18 to 45 years old. The semi-structured interviews consisted of four parts. In the first part, we explained the participants briefly about plain cigarette packaging in the United Kingdom, the regulation, and shown a 2D photograph of plain cigarette packaging to help respondent focus on the research topic. In part two, we interviewed the participants about their perception towards product appeal of plain packaging particularly with the color, descriptors, health warnings, and overall appeal of the pack. Next we interviewed the participants about their thoughts, feelings
and argumentations about smoking from a plain pack. Finally we interviewed participants about their future smoking behavior, i.e. whether plain packaging would alter their future smoking behavior: smoke less, or more, or consider quitting. The data were analyzed employing a grounded theory approach, which includes coding the data into concepts, identifying similarities and relationships among concepts, and extracting the main themes of the data set. In explaining the findings, the word most, majority and quite a few refer to at least more than half of the participants. When analyzing extreme statement, wherever possible we also looked into connecting them with gender and smoking intensity level.

**FINDINGS AND DISCUSSION**

**Poor appeal, but to some still likable**

Most of the respondents view, compared to normal, branded pack, the colours and the product descriptors of plain pack as giving a strong negative impression, for example “boring” (male, 24, student, heavy smokers), “emotionless” (f, 23, student, non-heavy), and “not appealing” (f, 21, waiter, non-heavy). Overall plain packaging gives poor appeal to the respondent smokers. Interestingly, while majority express negative comments with no difference found between genders, four heavy smokers gave their comments with extreme expression.

“The color is disgusting” (m, 24, heavy)
“Reminder of the death”(f, 25, heavy).
“It is too simple, they have just killed people’s creativity in design area” (m, 48, heavy);
“It does look weird, ugly, and losing its characteristic, not exciting” (m, 29, heavy).

At the opposite, four non-heavy smokers admitted that the color of plain pack is still ok, informative, and, even, likable.

“I think it is as informative as the ones we have now” (m, 23, non-heavy)
“... made me aware of the amount of cigarettes that they would have to smoke” (f, 28, non-heavy).
“It looks quite alright” (m, 23, non-heavy).
“Pleasing”(f, 28, non-heavy)

The above finding gives a hint that smoking intensity might influence perception and attitude to the plain pack.

**Increase health awareness, but ignorable**

Quite a few respondents acknowledged that the health warnings and pictorial graphic design on plain packaging are effective to increase their awareness of health damage. There is no indication for gender or smoking intensity to influence the views regarding health awareness.

“It pinpoints the effect of smoking tobacco” (f, 27, non-heavy)
“It is more visible since there is no other attributes” (m, 27, heavy)
“The plain pack surely emphasizes both health warnings and pictorial graphic design” (f, 27, non-heavy).

Although the respondents admit that they become aware of health warnings, they tend to think that these are ignorable, and even think the warnings are exaggerated.

“They have always been there, but has no effect on me” (m, 29, heavy)
“At first it is very annoying, but later I don’t care” (m, 38, non-heavy)
“People realize the effect, those warnings don’t have to be exaggerated, it will not work” (f, age 31, heavy).

In sum, pack might be the closest media to smokers, but not the most powerful

“... even though I think cigarette packaging is not the most powerful tool to educate people about the harmful effects of smoking, it is the closest media to reach cigarette users and to which they are exposed as often as they buy a new package” (f, 25, non-heavy)
Persistence: It's not the pack, but the smoking itself

Despite the poor appeal of and negative impression caused by plain pack, most of the respondents believe smoking is still enjoyable because it’s about smoking the cigarette, not the pack. Further, as most respondents persist to believe that smoking from a plain cigarette pack is as enjoyable as the current packs, they don’t believe that plain packaging would alter their smoking behavior, such as smoking less or consider quitting.

“Pack is all about the place to put your cigarettes, I don’t mind smoking from a bag full of lucky strike” (m, 36, non-heavy)

“In the end, it’s the taste that I’m looking for, not the pack” (m, 22, heavy)

“Smoking involves enjoying the sensation of inhaling burned tobacco instead of examining what’s in there on the packaging. ... because I’m addicted already? Haha and this package is just a pack. I would not change my habit ... I don’t think I would quit. That’s for sure. Less or more... Well it depends on the mood. Hmm ... This pack would not motivate me I guess.” (f, 25, non-heavy)

Nevertheless, five non-heavy smokers, four of them female, indicated that plain pack might discourage their future smoking intention, as some of their comments below

“Definitely less, as it is making me bored, I will probably quit smoking” (f, 23, non-heavy)

“Since we will look like an idiot if we smoke from a plain package, I will perhaps smoke less” (f, 28, non-heavy)

This gave a hint that plain pack might work better for non-heavy smokers than for heavy smokers.

IMPLICATIONS AND CONCLUSION

The present study extends our knowledge on whether plain pack might reduce future smoking behavior. At the bottom line, plain pack tends to damage cigarette brands’ appeal. However, although plain pack tends to increase awareness of smoking’s health risk, these warnings seem to be ignorable because the on-going smokers, heavy and non-heavy, persist that enjoying smoking is not centered on the pack, but the cigarette and smoking itself. Also, although cigarette pack is closest to the smokers, its effect might not be the most powerful. There is a hint that smoking intensity (non-heavy v. heavy smokers) might moderate how smokers think and feel about plain pack. There is also a hint that smoking intensity might moderate how plain pack discourages smokers from smoking in the future. Compared to previous studies (Moodie and Ford 2011; Moodie et al 2011), the study finds no indications for particular gender plays a role for plain packaging influence smokers’ current smoking behavior and attitudes. Research in the future may study the impact of plain pack to potential smokers. Also, future research may study how smoking intensity plays a role in the relationship between plain pack and smokers’ perception and attitude to future smoking behavior.

There is a clear indication that plain packaging might not be able to alter on-going smoker’s smoking intensity up to the expected degree and the preventive effectiveness of smoking by introducing plain pack seem to be rather limited. In the future, a shift might occur from cigarette pack-associative perception and belief towards embracing natural, core characteristics of tobacco or cigarette product. More specifically, the eradication of tobacco product brands may drive smokers ‘naturally’ return to the original smoking state, something like when human first invented tobacco to be enjoyable to consume: a brand-less, packaging-less, natural tobacco consumption culture. In other words, a smoking culture might be “back to nature”. Future research may explore the effect of plain pack in related categories such as alcohol or non-healthy food. Finally, for the purpose of reducing smoking in the future, other relevant measures might be considered in order to complement the plain packaging strategy.

References Available Upon Request
ABSTRACT

Understanding how digital consumers may be segmented is a crucial and also challenging consumer behavior issue which defines the success of e-marketing strategies. This research is an attempt towards developing a segmentation of digital consumers. It establishes the combined effect of decision-making style and knowledge of product on the purchase decision. Based on the 2*2 design (maximizer/satisficers and low/high level of knowledge), four segments of consumers are introduced. Experiments are designed to capture the purchase process and verbal protocols, using video recording techniques. Purchase processes for fifty five participants are modeled and measured by the number of cycles, number of alternatives, number of attributes and time. Results illustrate the influence of segment membership on the decision-making behavior of consumers. In addition, qualitative analysis of verbal protocols indicates variations in the decision making strategy of four segments and motives resulting in such diversity. This knowledge can be used to better devise targeting strategies and facilitate purchase processes for each segment of consumers. Marketers can enhance the experience of each segment by customizing their interactions during the decision making process.

References available upon request
The objective of this study is to compare Hispanic and Caucasian Generation Y women’s humor styles in dating, using theories regarding cultural norms, gender role, and education. Content analysis is performed on the basis of 400 online dating profiles. The results show that young Hispanic and Caucasian women share the same frequency and similar patterns in the use of humor in online dating. In spite of the non-significant results on cultural differences, education significantly influences humor styles of young women, as those with less education stress the use of negative humor and those with more education are associated with a greater amount of positive humor. The findings offer insights into humor in social media.

References Available Upon Request
The potential benefits of dynamic pricing - charging different prices to different consumers for essentially the same offering - have been widely documented (e.g. Garbarino & Lee, 2003; Iyer, Miyazaki, Grewal, & Giordano, 2002; Sahay, 2007; Truffelli, 2006; Weisstein, Monroe, & Kukar-Kinney, 2013), some of which include enhanced segmentation, improved inventory and supply chain management, capacity optimization, improved demand management, increased sales volume, and increased profitability. Furthermore, firms are able to implement dynamic pricing practices much more easily than ever before due to the advent of online technologies that allow for enhanced data collection, instant and low-cost changes to price menus, and increased buyer identification (Gelbrich, 2011; Grewal, Hardesty & Iyer, 2004; Valentino-Devries, Singer-Vine & Soltani, 2012).

Although dynamic pricing holds great potential for firms, many companies have been reluctant to fully implement the practice. One reason for such hesitation may be incidents of consumer backlash towards firms attempting to utilize dynamic pricing. For example, in a highly publicized incident Amazon experimented with dynamic pricing and experienced substantial consumer criticism and negative publicity as many customers were outraged upon the discovery that they paid different prices for the exact same product (Klosowski, 2013). In another instance, Coca-Cola was considering the utilization of dynamic pricing by way of vending machines that would raise prices when outside temperatures increased (Reinartz, 2002). When this idea became public however, it received an extremely negative reaction, eventually leading to the abandonment of any such programs (Odlyzko, 2003).

In the academic literature, many scholars have suggested that while dynamic pricing holds great potential to improve firm efficiency and economic performance it does carry with it significant risks prompting caution in the use of the practice (e.g. Garbarino & Lee, 2003; Iyer et al., 2002; Kung et al., 2002; Sahay, 2007). Investigations of consumers’ reactions to dynamic pricing have also shown that if dynamic pricing is conducted improperly it can negatively impact perceptions of fairness, trust, and intention to purchase (Garbarino & Maxwell, 2010; Gelbrich, 2011; Grewal et al., 2004; Hawes & Bearden, 2006). While these consequences along with reactions to the Coca-Cola and Amazon instances are extremely important, they take a more short-term perspective regarding the effects of dynamic pricing. However, the long-term implications of dynamic pricing are much less clear.

One area of investigation that will illuminate these long-term implications is the study of how dynamic pricing impacts brand image. Therefore, this paper explores whether dynamic pricing practices adversely impact a firm’s brand image in order to contribute to a more long-term perspective of its effects. A thorough review of the extant literature on dynamic pricing is presented which includes discussions on the potential benefits and risks of dynamic pricing for both firms and consumers alike. In addition, a number of intervening variables that could serve to increase consumer acceptance of dynamic pricing in certain situations are also discussed. Finally, a conceptual model depicting the relationship between dynamic pricing and brand image is developed and presented along with propositions to be tested in a future empirical study.

References Available Upon Request
WHEN SPORT FANS DISENGAGE: A STRUCTURED ABSTRACT

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INTRODUCTION

Loyal and engaged sport consumers provide the revenue opportunity from media rights, sponsorships and ticket sales that drive profitability for sport teams, corporate sponsors and sport media. Recent declines in spectators across a number of sports present new challenges to marketers in tough economic environments. Marketing scholarship to date has predominantly focused on the drivers of fan loyalty and allegiance (Darcy, Funk, Lock and Taylor 2012; Funk and Neale 2006) and the motivational aspects of fan behavior (Funk, Mahony and Ridinger 2002), at the expense of understanding the deterioration of the relationship between the sport consumer and sport team. This research examines the sport fan dissolution process involved when previously loyal sport consumers disengage from their chosen team. The paper reviews consumer-brand relationship dissolution process models and associated triggers to propose and test a model of sport fan detachment.

CONCEPTUAL MODEL

Funk and James (2001) developed the Psychological Continuum Model (PCM) to explain how sport fans progress upwards through four stages of team identification, namely awareness, attraction, attachment and allegiance. In their initial work (Funk and James 2001) and subsequent theoretical framework refinement (Funk and James 2006), the authors acknowledged the need for further research to explain how fans moved down the PCM continuum. Recent PCM-based work found that cognitive apathy and disidentification are salient cognitive responses associated with non-attendance (Lock and Filo 2012). Funk and James (2001; 2006) point to the lack of season ticket renewal as an indication of fan detachment. Research on season ticket holders suggests that external circumstances (McDonald and Stavros 2007) as well as internal constraints and lack of attachment (Kim and Trail 2010) may influence churn rates.

The consumer-brand relationship literature provides some guidance on the dissolution process models and associated triggers. Relationships between people and brands endure a close resemblance to interpersonal relationships (Fournier 1998), where detachment can be seen as a state prior to the termination of the brand-person relationship or affiliation. Brand detachment is defined by Perrin-Martineq (2004, p. 1007) as the “psychological state of distance” from a brand as a result of the dissolution of the affective bond between the consumer and brand. An analysis of relationship dissolution process models (Coulter and Ligas 2000; Fajer and Schouten 1995) suggests that the sport fan detachment process includes the three phases of dissolution, exit and post-dissolution. Additionally, previous work has proposed that the detachment process is triggered by either an event or by an affective state of the consumer (Perrin-Martinenq 2004). A review of this more specific literature suggests that three triggers are involved in the first phase of dissolution: unmet expectations of team performance; the appearance of attractive team alternatives; and changes in team liking criteria. Within the first phase of dissolution, Coulter and Ligas (2000) asserted that the breakdown sub-phase of the dissolution phase is iterative in nature. Season ticket holder research has provided evidence of fans often
moving back and forth between transactional buyers and season ticket holders as their circumstances change and availability allows (McDonald 2010). Studies have observed that customer engagement processes are largely sequential in nature (Bowden 2009; Brodie, Hollebeek, Ilić and Jurić 2011). Funk and James (2001) also presented the PCM as a linear process in which the individual moves from awareness to allegiance. The analysis of consumer-brand relationship literature suggested the following propositions:

P₁: The sport fan dissolution process follows a three-part process of dissolution (including the sub-phases of trigger, breakdown, and determinant incident), exit and post-dissolution phases.

P₂: The triggers of the dissolution process include unmet expectations of team performance, the appearance of attractive sport or team alternatives, and changes in team liking criteria.

P₃: The breakdown phase of sport fan detachment is iterative in nature to break the bonds with the sports object.

P₄: The sport fan dissolution process of detachment is sequential in nature.

**METHODOLOGY**

In order to investigate the sports fan detachment process, qualitative in-depth interviews were employed to gain a deep understanding of the fan’s individual lived experience (Marshall and Rossman 2006). The Blue Bulls Rugby Union, a Super Rugby franchise in South Africa, provided a list of lapsed season ticket holders. A probability sample of lapsed season ticket holders were contacted to determine their eligibility and interest in being interviewed. Following Miles and Huberman (1994), the concept of saturation by analyzing interview transcripts at regular intervals and interrogating emerging themes was employed, with this point reached after 14 interviews conducted over two months in mid-2013. A directed content analysis approach (Hsieh and Shannon 2005) was followed given the development of the conceptual model. A coding framework was developed within ATLAS.ti, then used to assigned specific theme codes to interviewee quotations, and iteratively re-contextualized by using the searching, sorting and assembling functions of the computer software (Basit 2003). To ensure interpretive validity (Johnson 1997) significant concepts mentioned by interviewees were repeated from the researcher’s perspective to gauge the correct interpretation of the concepts communicated.

**RESULTS AND DISCUSSION**

The sport fan detachment process follows a three-part process of dissolution, exit and post-dissolution phases. Strong evidence was found of a dissolution phase amongst the lapsed season ticket holders and the phase continued up until the point that renewals were due for the upcoming season. The exit phase was largely aligned with the process of renewal for the next season, although it was largely characterized by inaction on the respondents’ part. The post-dissolution phase followed the exit stage.

The example of Ruaan (interviewee pseudonym) illustrates this finding. Ruaan was very clear that the breakdown trigger was unmet player performance, although he also listed a number of negative factors which came into play during the breakdown phase. Ruaan’s determinant incident was linked to seating in the stadium.
The first thing that we said to each other was that we don’t like the style of rugby that the Bulls are playing, especially the so called kick and chase rugby. (Ruaan, P13, 33:33)

I think it built up over time, during the season we would say – we are getting sick of this kick and drive type of rugby. We would one day say – why are there no curtain raisers and so on. In the end, when this thing happened – this person and his two boys who sat there, he had the rudest language. I think that was the tipping point. (Ruaan, P13, 89:90)

I then decided if this is what it is going to be like I am not going to go any more. There is no control over who enters the main grandstand and who sits where. (Ruaan, P13, 48:49)

The exit phase was particularly tough for Ruaan. His re-patronage intention is weak due to the iterative process and the need to cut ties with the team. This suggests a weaker level of attachment and a strong overall dissolution process.

The factors that I mentioned to you came up in our discussion. We decided not to renew and I can tell you it was really sad, we took the decision and we did not feel good about it at all, the children were very surprised. (Ruaan, P13, 86:87)

We are still watching the Bulls, we are definitely supporters. We have been watching it on TV with friends. We will go to friends and have a braai and watch the rugby and so on. We have never been back to Loftus, we have never bought a ticket for a particular game. (Ruaan, P13, 119:122)

With respect to proposition two, interviewees discussed a number of dissolution triggers. Triggers included work commitments, lack of someone to attend events with, and family issues, as well as unmet team performance and negative stadium experiences.

I think it was when the boys started playing cricket, I missed at least half of the games, it cost me a lot of money, I can rather spend that money on cricket equipment and extra lessons and stuff, instead of going to half of the games. (Elan, P14, 83:83)

When he got there on one occasion the seats were occupied by some guys and they did not want to leave, that was not nice, at the end of the day a fight broke out, that was a negative thing. (Sean, P16, 176:178)

With the coaches now, that is when it changed - the kicking game is not on for me. Rugby is more than just kicking the ball. I don’t like it at all, not at all. (Stefan, P15, 90:92)

Interviewees acknowledged that there were a number of cumulative and iterative negative experiences that primed them to take the decision not to renew the season ticket. Ruaan’s experiences are illustrative of the iterative nature of the breakdown sub-phase.

The first thing that we said to each other was that we don’t like the style of rugby that the Bulls are playing... no one has ever told us why Frans Ludike does not carry on with his coaching and
why he suddenly disappears after Super 15... The other thing was this whole issue of the pink jerseys, last year for the first time they had this going away jersey, when they played overseas against home teams they usually have another jersey, for some reason and I don’t know why, they decided on these horrible pink jerseys... Then also something that bothered us when we used to go... people and standing in queues to get to our seats... The other thing is that we thought for what we get and in view of what I have just said, it became very expensive. I even wrote an email to Barend van Graan about 2 or 3 years ago... There was in fact no response from Barend. (Ruaan, P13, 33-45)

The findings also provided evidence for the sequential nature of the sport fan detachment process. Most interviewees discussed moving through the three phases in a linear fashion, as illustrated with the example of Eugene:

Yes, after I had both my season tickets for about two years I just renewed one. I kept one season ticket for 2 or 3 seasons, because my lady friend actually stays in Alberton and it’s sometimes a bit of a hassle to drive there and bring her to the rugby and take her back again and so on. So very often at that stage when I still had two tickets I found myself going on my own with an empty seat next to me. (Eugene, P5, 43:43)

No, it was a gradual process, since I retired I had more time for holidays and so on, which I did not have when I was working full-time. (Eugene, P5, 96:99)

It’s an easy process to stop with it, you just opt out, you just don’t renew it, they do send you a couple of reminders or whatever. (Eugene, P5, 39:39)

I then thought – maybe I can always – if there is a game I really want to see I can always arrange a ticket and then just go for that once or twice. (Eugene, P5, 101:101)

This study contributes a three-stage detachment process to explain how a sport fan detaches from their chosen team. Initially the process is triggered by an interpersonal, intrapersonal or structural event or constraint that sparks the breakdown process (Crawford, Jackson and Godbey 1991). The breakdown process is cyclical or iterative in nature and is characterized by a number of positive or negative events that either reinforce the sports fan-sports team relationship, or break it down. The phase to break down the bond between the fan and the sports object takes place over time. Eventually an event leads to the decision trigger and results in a cost/benefit evaluation by the sports fan. At this point the cycle of negative experiences or constraints leads to a point where the costs outweigh the benefits of the season ticket and active support of the team. The exit phase is characterized by a passive termination of the season ticket or the active termination in the event of a follow up contact by the sports team ticket administrators. The re-patronage intention in the post-dissolution phase is indicative of the strength of the detachment process. This process has significant managerial implications for team administrators, sponsors and broadcasters since an understanding of each phase of the process provides opportunities to intervene, including tailored team communication and ticket packages.

References Available Upon Request
ANTECEDENTS AND ANTI-COUNTERFEITING TACTICS THAT INFLUENCE CONSUMER COMPLICITY

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ABSTRACT

A web-based survey of 2,004 consumers near-equally sampled from Brazil, Russia, India, China (BRIC), and the U.S. explored the consumers’ sense of an hedonic shopping experience and attitudes toward counterfeits (ethical concern and perceived quality) regarding two counterfeit products (movies and pharmaceuticals), four anti-counterfeiting actions, and respondents’ complicity in each BRIC marketplace. Consumer complicity – a consumer's willingness to obtain, share, or use counterfeit products – was predicted by the consumers' hedonic shopping experience and preconceived attitudes toward counterfeits (lack of ethical concern and perceived high product quality) across all country markets. A complicity index encompassing multiple measures of willingness to engage in counterfeit trade was used to identify significant country effects for four types of anti-counterfeiting actions.

References available upon request
Shifting Sands: Observing Academic Workloads over Time

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Introduction

Individually, academics have seen significant changes to their traditional workload, for example, heavier teaching loads, larger class sizes, greater administrative responsibilities, increased competition for research grants and the loss of academic autonomy through increased day-to-day management and accountability (Houston et al., 2006). As a result, academics feel they have three full time jobs at once and daily must manage the multiple and changing roles associated with today’s academic workload (Santoro and Snead, 2012). Such changes, over the last two decades, have highlighted the need to investigate workload issues (for example, McInnes, 2000; Santoro and Snead, 2012).

This paper reports the long-term efforts of two city-based Australian universities to achieve equity outcomes by observing individual workloads and reflects on the impact of those workloads on internal academic promotion. The reliance on actual workloads, across five years, makes this research distinctly different from other studies that have relied on aggregate workload data (e.g. Lafferty and Fleming, 2000) or self-reported survey and focus group data (e.g. Probert, 2005) or considers satisfaction using longitudinal data (for example, Bentley, Coates, Dobson, Geodegebuure and Meek, 2013).

Background

Previous research has analysed academic beliefs in the tasks or activities they undertake will lead to promotion, yet this research focus is limited given the change in demands in an academic’s role from traditional research and teaching. For example, most academics believe that the ability to attract external funds is rewarded in promotion processes followed by research and then scholarly activities (McInnis, 1999; Bexley, James and Arkoudis, 2011).

Further, the role of gender in promotion and progression has been a focus of previous research and two main explanations for the underrepresentation of women at senior levels have been suggested. For example, first, unequal outcomes between men and women may be the result of unequal treatment of men and women at work. Such treatment could include appointment levels, promotions, access to mentoring and workload allocations (for example, Bagilhole, 1993; Burton, 1997; Benschop and Brouns, 2003). This framework, Probert (2005) believes, underpins much of the literature on gender and work.

The second framework suggests that unequal outputs between men and women are the result of gendered choices made by women, such as those between career and parenting (Probert, 2005),and the resulting distinctions between men and women are the result of these gendered choices rather than discrimination (Hakim, 1996). This framework was adopted by Knights and Richards (2003) and strengthened to argue that women’s necessarily different biologies (as child bearers) was a factor contributing to discrimination in the workplace.

Thus, this paper considers the promotion cycle of male and female staff and investigates the longitudinal movements up (or down) the academic ladder. Two main workload specific variables considered in this research are the readily observables outputs from teaching duties and research
outputs. The measurement of teaching is considered on the basis of the number of subjects coordinated by a faculty member and the number of students enrolled in each course.

Research outputs are assessed based on the number of publications reported, and publications are counted in terms of Department of Education, Employment and Workplace Relations (DEEWR) points. Under this system, originally put in place by the Department of Education Science and Training (DEST), a value of one is attached to most recognised outputs, including book chapters, conference papers and journal articles. Sole authored publications receive the total value of one whereas shared authorship is divided accordingly. This research also considers research funding measured in Australian dollars and the number of successful research grants. Both internal (e.g. University or School) and external (e.g. industry or government) funding are considered simultaneously. The internal outcomes from each academic’s workload are that they are promoted, or not promoted. The data does not consider staff that may move universities for another position (either with or without a promotion) or leave academia.

**Research Methodology**

The current study extends the case based workload observation methodology employed in previous research (Authors’ names withheld to ensure anonymity during the review process) to a longitudinal embedded case design to measure academic workloads. The longitudinal case study method was deemed appropriate for the research question at hand because it describes the context of events (Yin, 2003) and is grounded in the social setting being studied (Jennings, 2001). Further, the case study method has been used in previous research into gender equity (for example, Probert, 2005). Workloads as a research topic are a complex issue, exacerbated by the number of workload measures and the means by which to source and calculate them. For example, researchers might use historical recall or self-reporting measures of previous workloads, (for example, McCormack and Pamphilon, 2000; Okpara, Squillace and Erondu, 2005), but such measures are limited by the reliance on informant’s memories of past events and secondly, comparison of gender has been restricted to single attributes such as promotion speed or pay levels (Ginther and Hayes, 2003; Barbezat, 2006). And what workload measures are counted? In Australia, for example, a typical academic workload is defined as 40 per cent research, 40 per cent teaching and 20 per cent service to the university and profession with administrative tasks categorised under each of those three roles (Dobele, Rundle-Thiele, Kopanidis and Steel, 2010).

Thus, a more reliable indicator of workload is to use multiple sources of evidence (Yin, 2003). In this research, sources include academic and University web pages, subject/course outlines, faculty enrolment records and faculty research office records to compile workload data for academic staff employed full time in the Department. The longitudinal study measures the same population (Burns and Bush, 1995; Cooper and Emory, 1995; Kinnear and Taylor, 1996) over a period of five years. The current study observes the workload patterns for male and female academic staff for the period 2006-2010 to understand which workload variables predict internal promotion. Two mid-tier universities (hereafter referred to as University 1 and University 2 in order to ensure anonymity), both based in capital cities in two different states of Australia were selected and consistent with Probert (2005), three null hypotheses are tested:

- H1a: High research output increases the odds of internal promotion;
- H1b: High teaching output increases the odds of internal promotion;
- H1c: Males are more likely to be promoted than females.
University 1 is a member of the Australian Technology Network (ATN) with a large Business department. Data for University 1 was sourced from the largest of the Schools within this department, comprising multiple disciplines under one Head. University 2 is a member of the Innovative Research Universities (IRU) and data was sourced from a single School, within a Business department, comprised of academics within a single discipline.

Results

A step-wise logistic model was fitted to the data to test the research hypotheses regarding the relationship between the likelihood that an academic is promoted and his or her research output, teaching load, university and gender. The logistic regression analysis was carried out by the Logistic Regression procedure in SPSS Version 20.0. The result showed that:

Predicted logit of (Promotion) = -1.893 + (0.518)*Number of papers published + (-1.343)*University

According to the model, the log of the odds of an academic being promoted internally was positively related to the number of papers published (DEST, p<0.01) and university (p<0.01). In other words, academics publishing papers were more likely to be promoted internally and internal promotion probabilities varied between the two universities. Academics publishing more papers as measured by DEST points were 1.679 times more likely to be promoted. Academics in University 1 were more likely to be promoted than academics at University 2. In fact, the odds of being promoted at University 1 were 0.261 times greater than the odds at University 2. Post hoc analysis was undertaken to understand whether academics who were promoted differed in terms of academic workload across the five measures in this study. Differences between academics who were internally promoted and their counterparts were clearly evident in the data at both the aggregate level and within each academic rank. According to independent samples t-tests there were statistically significant differences with most differences observed in the number of papers published as measured by DEST points. On average academics who were internally promoted taught fewer students and published more papers than their counterparts.

Discussion

Teaching and research are core University functions and as noted earlier these twin goals can either be synergistic or antagonistic (Jenkins, 2004). Evidence suggests (see Maguire, 2005) that academics understand that some activities detract from the ability to undertake research and that a focus on research by academics is needed for promotion. According to the results of this 5-year longitudinal study the goal of teaching quality is currently at odds with the quality research agenda. The odds of an academic being promoted internally was related to the number of papers published as measured by DEST output, while no effect for teaching was observed. For universities to achieve the twin reform goals (teaching and research excellence) academic internal promotion processes need to be carefully managed at the institutional, school and department levels to ensure that academics remain committed to teaching. For example, academics teaching larger course sizes and more classes should be rewarded via internal promotion processes.

Interestingly, the odds of an academic being promoted internally at two city-based Australian universities between 2005 and 2010 were not related to the ability to attract research funds. This is in contrast with previous studies which report the belief that the ability to attract research funds is rewarded in promotion processes (Bexley et al., 2011). Taken together, the results provide partial support for Hypothesis 1a. The number of research papers published increased the chances of internal promotion but attracting research grants did not increase the odds of promotion. Hypothesis
1b was not supported. Delivering large numbers of courses and delivering to large student numbers did not increase the odds of promotion.

Achieving equity outcomes in the higher education sector is one of the four themes of the Bradley (2008) report, and a primary focus for the Australian Vice chancellors Committee (2002). In an era where male domination in senior ranks continues to be evident, gender equity in higher education requires ongoing research attention (Australian Vice-Chancellors Committee, 2008). To attain gender equity in senior academic ranks policy would require pro-active promotion of females to increase the proportion of females in senior academic ranks given there are fewer females in senior academic ranks when compared to males (Dobele et al., 2010). The current study observed academic workloads across five years to report on the long term efforts of two city-based Australian universities. In the current study the odds of an academic being promoted internally was not related to gender suggesting internal promotion policies and practices have not assisted to redress the gender imbalance in senior academic ranks.

References Available Upon Request
RELIGIOUS VALUES AS A PREDICTOR OF SUSTAINABLE CONSUMPTION BEHAVIORS: 
A CROSS-CULTURAL COMPARISON

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INTRODUCTION

Many studies have assessed the relationship among basic demographics and psychographics and sustainable purchase behaviors (e.g., McDonald, Oates, Young, & Hwang, 2006; Tanner & Wölfing Kast, 2003), but research has not adequately investigated the potential influence of core religious values on sustainable purchase and non-purchase related behaviors. Therefore, the purposes of this paper are (1) to examine the influence of religion and degree of religious belief on sustainable behaviors and (2) to investigate religion's varying influence on sustainable behaviors requiring various levels of effort, and (3) to show these effects regardless of culture through a sample from two of the most advanced countries in two continents - US consumers in North America and South Korea consumers in Asia.

SUSTAINABLE BEHAVIORS

Measurement of sustainability is often morphed into many different forms for various research studies. Often, researchers define sustainable behaviors in terms of recycling, purchasing eco-friendly goods, and occasionally, using alternate modes of transportation (Banbury et al., 2011; Corraliza & Berenguer, 2000; Granzin & Olsen, 1991). Tanner and Wölfing Kast (2003) developed a comprehensive model of participation in sustainable behaviors showing that personal norms, education, employment status, and place of residence can all potentially influence sustainable consumption. Additionally, values related to helping others lead to increased participation in sustainable behaviors (Kollmuss and Agyeman 2002). Looking at the antecedents to altruism, strong intrinsic religious beliefs have long been shown to be driving causes of altruism (Saroglou et al. 2005). Given this logic, it can be expected that religion would contribute to a comprehensive model predicting sustainable behavior participation.

VALUES AS AN ANTECEDENT TO BEHAVIORS

Many studies show values as the driving force of behaviors, such as Sheth’s (1983) shopping preference theory. Several other authors show that religion is a key element of culture that influences value development leading to a great need to study religious values when considering the influence of values on behavior (Fam, Waller, & Erdogan, 2004; Schiffman & Kanuk, 2007).

Some of the earliest discussion of environmental behavior and religion goes back to the famous Lynn White thesis (1967). White’s thesis analyzes Christian doctrine, identifying repetition of doctrine stating man’s control over nature (e.g., man naming the animals) and purports that Christians are less environmentally-friendly as a result. Follow up studies confirm White’s thesis linking inerrant belief in the Bible to less concern for the environment (Eckberg & Blocker, 1989) and fewer sustainable consumption practices (Wolkomir et al., 1997).
However, more recent competing research shows that participation in sustainable behaviors is dependent upon personal factors, including values, with the more altruistic consumers more likely to participate in sustainable behaviors (Corraliza & Berenguer, 2000; Kollmuss & Agyeman, 2002). Looking at the antecedents to altruism and values of helping, strong intrinsic religious beliefs have long been shown to be driving causes of altruism and helping behaviors (Johnson et al., 1989). Research also shows that religious values, in general, are a primary determinant of a consumer’s core values (Bailey & Sood, 1993; Fam et al., 2004), and these core values relate directly to consumer attitudes and behaviors (Homer & Kahle, 1988). As a result, this competing research shows that highly religious consumers would actually be more likely to participate in sustainable behaviors than less religious consumers.

Additionally, research on consumers adhering to Eastern religions points to higher participation in sustainable behaviors. Eastern religious groups follow the pantheistic view that destroying an element of nature is destroying part of God or other divine being (Hunt and Penwell 2008, Sarre 1995) and, therefore, should be more likely to participate in environmentally-friendly efforts. Because sustainable consumption is a means to express environmentally-friendly attitudes and beliefs, consumers adhering to Eastern religious beliefs are expected to participate significantly more in sustainable behaviors in contrast to consumers adhering to Western religious beliefs.

Even though substantial research has explored sustainable consumption (McDonald et al., 2006; Tanner & Wölfing Kast, 2003), essentially no research has assessed how religious affiliation could act as an antecedent to participation in sustainable consumption practices, above and beyond other basic demographics. Due to prior competing findings in research on religion and sustainability, a non-directional hypothesis is developed:

**H1**: Strong core religious values significantly influence sustainable behaviors.

With regards to differences among specific religious affiliations, James (1902/2004) describes that Western religions (Christianity, Judaism, Islam) believe that God created nature and therefore God and man hold a superior position to nature. Eastern religions (Buddhism, Hinduism, Confucianism, Taoism), on the other hand, follow a pantheistic view that God is in and through everything, including nature and, therefore, should be more likely to participate in environmentally-friendly efforts. Because sustainable consumption is a means by which to express environmentally-friendly attitudes and beliefs, consumers adhering to Eastern religious beliefs are expected to participate significantly more in sustainable purchase and non-purchase behaviors in comparison to consumers adhering to Western religious beliefs.

In comparison to religious consumers, atheists (those believing that a God does not exist) should be more likely to believe that the world needs to be preserved for generations to come and be more sustainable as a result. At the same time, atheists do not have core doctrine driving behaviors, and thus the connection between beliefs and behaviors is not likely to be as strong as in the case of religious consumers.

**H2**: The relationship between religious values and sustainable behaviors is significantly greater for those adhering to Eastern religions in comparison to those adhering to Western religions.

Because the relationship between core values and behavior is dependent upon how strongly a consumer holds to the core values, it is also important to take degree of religious belief into consideration.
Numerous studies have shown the importance of incorporating religiosity into research on religion (Hill et al., 2000; Lindridge, 2005; McDaniel & Burnett, 1990). In the case of sustainability, an Eastern religious consumer that holds strongly to his or her religion would be more likely to believe that God is in and through all elements of nature in comparison to a consumer that affiliates with an Eastern religion but does not hold strongly to these values. This would in turn influence the level of sustainable consumption. Similar findings come about from research on self-determination theory emphasizing the importance of internalized attitudes and desire in behavior change, especially for involved behaviors such as expensive purchases, smoking cessation, healthy consumption, and educational attainment, among others (Deci and Ryan 2012, Moller, Ryan, and Deci 2006, Ryan and Deci 2000). Therefore:

**H3:** Religiosity moderates the relationship between religious affiliation and sustainable behaviors with those highly religious more likely to exhibit values associated with a religion.

**METHODOLOGY**

A cross-cultural random sample of respondents was collected from the United States via Amazon.com’s Mechanical Turk service, which is highly valued for academic research (Buhrmester, Kwang, & Gosling, 2011; Paolacci, Chandler, & Ipeirotis, 2010) and South Korea via comparable internet survey organizations, for a total of 478 respondents. Surveys were translated and back translated to ensure survey questions had the same representation in both the US and South Korea. By aggregating responses across countries, macro factors (e.g., sustainable legislation, cultural attitudes) should be less influential on individual consumer motives (Thogersen, 2010). To compare the results of this study with prior research on sustainable behaviors, several covariates were included: household income, education, marital status, status as primary shopper, employment status, gender, and age.

**RESULTS**

First, cross-national measurement equivalence was assessed following the procedures recommended by Steenkamp and Baumgartner (1998). Results across countries reveal adequate support for configural, metric, and scalar equivalence based upon (a) good overall fit ($\chi^2$(120) = 1515, p < .001, RMSEA = .10, CFI = .95) for configural equivalence, (b) slight change in fit indices ($\Delta \chi^2$(10) = 301, p < .001, RMSEA $\Delta$ = .01, CFI $\Delta$ = .01) for metric invariance and (c) good overall fit ($\chi^2$(156) = 1816, p < .001, RMSEA = .098, CFI = .94) and slight change in fit indices ($\Delta \chi^2$(26) = 301, p < .001, RMSEA $\Delta$ = .01, CFI $\Delta$ = .01) for scalar invariance (constraining loadings and intercepts). Together, these results provide reasonable fit for aggregating the data. Therefore, further analysis investigates US and South Korea aggregated data.

To test H1 that religious values influence sustainable consumption, MANOVA was conducted. Both religious affiliation and religiosity are found to influence sustainable consumption behaviors. Results from the MANOVA reveal that across seven sustainable consumption behaviors, both religious affiliation, $F$(14, 676) = 2.49, p = .002, Wilk's $\Lambda$ = .908, and religiosity $F$(7,338) = 4.91, p < .001, Wilk's $\Lambda$ = .904, influence sustainable consumption, thus supporting H1; see Table 1 for overall means and standard deviations. Only covariates of income, education, and marital status significantly contributed to prediction of sustainable behavior participation where higher income, higher education, and being married all lead to being more sustainable.
To test H2 that Western religious consumers participate in fewer sustainable behaviors than Eastern religious consumers, planned contrasts were conducted. After controlling for level of religiosity, Christians are more likely to recycle ($p = .048$), be less materialistic ($p = .033$), and donate time and money to sustainable charities ($p = .019$) as well as are marginally more likely to purchase green household products ($p = .064$) and use energy efficient modes of transportation ($p = .090$). Mean comparisons also show that consumers with higher levels of religiosity tend to have higher levels of sustainable consumption behaviors, even higher than Atheists (e.g., for recycling behaviors $M_{\text{Christian LR}} = 7.15$, $SD = 2.47$, $M_{\text{Christian HR}} = 7.54$, $SD = 1.73$, $M_{\text{Buddhist LR}} = 6.47$, $SD = 1.84$, $M_{\text{Buddhist HR}} = 7.65$, $SD = 1.54$, $M_{\text{Atheist}} = 7.19$, $SD = 2.16$, where LR = low religiosity and HR = high religiosity).

Results from the MANOVA also examined H3 predicting that religiosity significantly influences sustainable consumption. Higher levels of religiosity led to greater amounts of sustainable consumption behaviors with more religious consumers more likely to purchase organic produce ($F(1,344) = 4.42, p = .036$), buy green household products ($F(1,344) = 8.09, p = .005$), use energy-efficient modes of transportation ($F(1,344) = 13.56, p < .001$), be less materialistic ($F(1,344) = 7.17, p = .008$), and donate time and money to sustainable charities ($F(1,344) = 21.41, p < .001$), thus supporting H3. Across all religious affiliations and levels of religiosity, consumers in South Korea were more likely to participate in sustainable consumption behaviors that consumers in the US, $F(7, 470) = 27.14$, Wilk’s $\lambda = .712$.

**DISCUSSION**

As expected, both religious affiliation and level of religiosity significantly influence sustainable consumption behaviors above and beyond basic demographics. This research builds on prior sustainable behavior models to show the important influence of religion in understanding determinants to sustainable consumption. Consumers adhering to any religious affiliation, as opposed to those that are Atheist, are more likely to participate in sustainable consumption behaviors, thereby supporting H1. In addition to differences between religious affiliations, consumers with higher levels of religiosity were more likely to participate in sustainable consumption behaviors than consumers with lower levels of religiosity, thus supporting H3. These results were compared across countries (US and South Korea) and found that consumers from South Korea were more likely to participate in sustainable consumption behaviors than consumers from the US; however, even within one country, religion and religiosity still significantly influence sustainable consumption behaviors.

**CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE**

This research has implications for marketers, especially those involved in marketing sustainable goods and services. As a result, green advertisements could benefit from adhering to religious standards (e.g., carefully selecting language, emphasizing altruistic behaviors, considering the roles of men and women, etc.). Especially because religious consumers represent 70% of the world (Hunt & Penwell, 2008), marketers of sustainable products should be cautious as to not offend this large consumer base.

*References Available Upon Request*
ABSTRACT

Goal-directed decision processes are thought to begin with goal setting, followed by goal striving, which then potentially leads to goal attainment (e.g., Bagozzi 2010). Previous research has primarily examined goal-striving processes and the implications of goal setting (cf. Bagozzi, Bergami, and Leone 2003; Taylor et al 2006), except for several exceptions (e.g., Taylor et al. 2006; Xie, Bagozzi, and Yang 2013). Therefore, research is needed to determine what actually comprises people’s goals, how goals are created, and the effect these goals have on decision making and outcomes (Taylor et al. 2006).

This research seeks to reveal people’s goals, to explicate their inter-related structures (e.g., superordinate goals and their linkages) and to examine how these goals and goal structures affect people’s self-regulation and decision making within the context of weight control. In particular, it emphasizes the roles played by desire and hope, as well as the very goals themselves. For example, this research advances our understanding of the role of goal types and hope by articulating the different ways that individuals’ different goal types (e.g., social-adjustive vs. value-expressive goals) and hope levels (e.g., high vs. low hope) can dynamically affect their decision-making processes in both the goal-setting and the goal-striving stages. This advanced understanding is consistent with the assertions that 1) goals (such as “personal health”) stem from broadly based values, possess a hierarchical nature, and are affected and moderated by individuals, health issues, and interaction characteristics (Taylor et al. 2006); 2) goals’ hierarchical structures can be mapped into various cognitive schemata (Strauss 1992); and 3) a hierarchical cognitive schema that takes into account goals’ structure, goals’ functional inter-dependencies, and situational behavioral variability provides an explanatory basis for behavioral intentions, attitudes, and social norms (Xie, Bagozzi, and Yang 2013). Effective coping strategies, health care policy strategies and intervention programs can subsequently be developed, promoted, and implemented to potentially change individuals’ “undesirable” goals into “desirable” ones and to increase individuals’ level of hope. In addition to considering other possible explanations derived from a genetics perspective, this research—consistent with the view that daily goals and decisions spring from and are highly influenced by the socialization that occurs in the cultural environment (Segar et al. 2007)—also sheds light on the health differences among major U.S. ethnic groups (e.g., Caucasian, African American, and Latino) as well as between genders.

References Available Upon Request
TOWARD A MEDIA-NEUTRAL CONCEPTUALIZATION OF AMBIENT COMMUNICATION

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ABSTRACT

Ambient Communication (AC) is a widespread brand practice. However, it lacks a clear understanding that may better orient its use. We aim at providing a comprehensive picture of AC to cast light on its distinctive conceptual dimensions. We designed a focused ethnography approach based on depth interviews with a purposive sample of agency professionals, analysed following a discursive perspective.

Although explicitly recognized as a central element in branding, AC is depicted through an ambivalent representation, uncovering a fragile perception of its value at the implicit level. This reveals a limited unfolding of its potential due to a lack in its conceptualization that proves unable to provide guidelines on how to approach and appraise it. This shows a scarce maturity of agency professionals who are in need for self-legitimating in their clients’ eyes as partners. That proves detrimental to AC expression.

Based on our evidence we frame AC as a relational hub which triggers multiple patterns of interaction dynamics according to a fuzzy network-based logic. That points at AC as a media-neutral communication form which in itself and in the way it is experienced by consumers, encapsulates and activates different interaction modes.

References Available Upon Request
THE MEDIATING ROLES OF BRAND ENGAGEMENT AND BRAND PSYCHOLOGICAL OWNERSHIP IN BRAND CO-CREATION

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ABSTRACT

This study examines the psychological mechanism of brand co-creation effect from the perspective of interpersonal relations. We propose a theoretic model that depicts the influence of feedback valence of other people’s comments on consumers’ proposal of new product marketing plan in a brand co-creation project. We argue that brand psychological ownership and brand engagement mediate the relationships between feedback valence and behavioral intentions for the new products and the parent brand. Also, the moderating roles of co-creation task involvement and participating unit are examined. A between-subject experimental design was conducted. The results confirm our mediating hypotheses and indicate that the brand co-creation activities can be explained from the perspective of interpersonal relations. Also, the results indicate that the effect of feedback valence on brand engagement is salient when consumers have high task involvement and when they participate individually, not in a group.

Keywords Brand co-creation · Feedback valence · Participating unit · Task involvement · Psychological ownership · Brand engagement · Interpersonal relations

INTRODUCTION

In recent years, scholars (e.g., Vargo and Lusch 2008) advocating service-dominant logic has emphasized the importance of value co-creation. These scholars contend that customers are ultimate value co-creators, and that service-centered perspective is both customer-oriented and relationship-oriented, thus encouraging service providers to build long-term, interactive, and cooperative relationships with customers. With the aid of flexible manufacturing systems and information technology, customers have gradually shifted from passive value receivers to active value creators, and companies could coin competitive advantage through the competence of customers (Prahalad and Ramaswamy 2000). Customers participating design of products or services has become prevalent, e.g., Nike invited consumers to design their own shoes, IKEA invited consumers to choose their own styles of indoor layout and to enjoy in the do-it-yourself process. Through self-production or self-design process, consumers can make products better fit their needs and gain sense of achievement (Deng and Hutchinson 2009; Franke and Piller 2004; Fuchs et al. 2010; Moreau and Herd 2009). Sellers are also benefited from these processes, including: saving labor cost of production (Fitzsimmons 1985), fostering a customer-oriented corporate image, positive attitude, higher purchase intention and willingness to pay higher price of customers (Fuchs et al. 2010).

Most research explains the reasons why co-creation activities bring positive outcomes to companies from a utilitarian perspective: because self-designed products better satisfy consumer needs, consumers tend to have higher intention to purchase and are more willing to recommend the self-designed products (Dellaert and Stremersch 2005; Ghosh et al. 2006; Randall et al. 2007). Little research addresses the question from psychological perspectives except for few exceptions. Franke et al. (2010) indicate that
consumers assign higher subjective values to self-designed products because of sense of accomplishment. Based on social comparison theory, Moreau and Herd (2009) find that consumers’ evaluations of self-designed products are affected by the comparisons of their designs with similar products made by others. In addition, Gambetti et al. (2012) indicate that the perspective of interpersonal relations could be used to explain the mechanism of self-design effects, especially when consumers participate in brand co-creation activities (i.e. consumers participate in creating products and brand communication campaigns; consumers 'reinvent' the use of brand, adapting it to their own lifestyle and personality) (Gambetti et al. 2012). When consumers participate in brand co-creation activities, they get close to the brand and have ‘brand enacting’. Brand enacting means that consumers 'put the brand into action', and participate in the world of the brand. The brand thus gets embedded in consumers' lives, becoming 'an enabler of their doings'. Brand enacting is a form of consumer-brand relationship that shares similar features of human relationship. Hence, it is possible to apply the perspective of interpersonal relations to study the mechanism of brand co-creation effects. However, this perspective has not been empirically confirmed. Thus, although psychological mechanisms, such as brand engagement (Gambetti et al. 2012) and brand psychological ownership (Franke et al. 2010) are considered conducive to explain the effects of brand co-creation effects, these mechanisms have yet to be examined. Therefore, the first objective of this research is to fill this knowledge gap.

One important driver of self-design effect is the feedbacks consumers obtain in the brand co-creation activity (Hildebrand et al. 2013). When consumers participate in the brand co-creation activities, depending on the rules of campaign, they may receive feedbacks from judges or other members in an on-line or off-line brand community. The feedback valence may have influences on the psychological closeness between consumers and the brand, and further influence consumers’ behaviors toward the brand. This influence could be explained using the theory of reinforcement, which proposes that individuals develop relationship with partners based on the positive or negative outcomes associated with that relationship. However, this effect has not been examined in the brand co-creation context. Thus, the second purpose of this study is to examine the relationships between feedback valence, psychological mechanisms, and the related brand responses from the perspective of interpersonal relations and reinforcement theory. In addition, consumers can participate in a brand co-creation campaign individually or with other people (Moreau and Herd 2010). More and more brands invite consumers to do brand co-creation in groups. For instance, L’Oreal held brand contests such as L’Oreal Brandstorm and E-Strat to make college students participate in groups and formulate a business plan for its brands. Consumers may put different levels of effort in the brand co-creation process (Graham and Golan 1991). Hence, the moderating roles of participating unit (group or individual participating) and task involvement of participants are examined in this study.

LITERATURE REVIEW AND HYPOTHESES

Psychological ownership

Psychological ownership is defined as the state in which individuals feel as though the target of ownership (material or immaterial in nature) or a piece of it is theirs (i.e., “It is mine!”; Pierce et al. 2003). Psychological ownership results in a psychological bond between the object and self, and the object is considered as an extended self of the individual. Past studies indicate that people tend to have high psychological ownership if they invest a lot of selves in the object by spending energy, time, effort, and attention on the object (Csikszentmihalyi and Rochberg-Halton 1981). The most powerful form that
people invest themselves in the target objects is the creation of those objects (Pierce et al. 2003). In the brand co-creation, consumers invest time and effort to create ideas on the new products and marketing campaigns for the brand and the ideas created may reflect the self of consumers (Gambetti et al. 2012).

I-design-it-myself effect indicates that people give the self-designed products higher value because they have higher psychological ownership (Franke et al. 2010). Similarly, endowment effect indicates that if people own an object, they tend to give the object a higher value and are more willing to pay for it (Kahneman et al. 1991). Endowment effect occurs both when people physically and psychologically own an object (Reb and Connolly 2007). We thus propose that consumers tend to have higher psychological ownership toward the new products they plan for in the brand co-creation projects and tend to consider the new products have higher value, thus have higher purchase intention.

H1: Psychological ownership positively influences the purchase intention of the new products that consumers help to plan in a brand co-creation project.

**Brand engagement**

Most researchers define brand engagement from the perspective of cognition (Gambetti et al. 2012). Some researchers consider brand engagement as the inclination that consumer integrates brands into their self-concepts. Brodie, Hollebeek et al. (2011) consider customer brand engagement has its relational foundations of interactive experience and the co-creation of value, is increasingly important for marketing management in an internet prevalent era.

Gambetti et al. (2012) indicate that brand engagement is a multi-stage process consisting of different degrees of brand enacting. “Enacting brand” means that consumers put the brand into actions, participate the world of the brand. The brand thus gets embedded into their lives, becoming an enabler of their doings. Consumers may interact with brands in physical or virtual points of contact to co-create value. For example, consumers can participate in the production of products, crafting brand communication campaigns, reinventing ways to use brands and adjust brands to make them better fit in their own personalities and lifestyles.

Consumers can shape brands according to their own desires and make brands their life mates. This perspective is consistent with Brodie et al. (2011)’s assertion that co-creation is an important conceptual foundation for brand engagement. Gambetti et al. (2012) indicate that brand engagement could be explained from the theory of interpersonal relations because consumers enacting brands. Thus, consumer-brand engagement is a relationship-building process through which consumers get closer to the brand and become more committed to the brand. This process influences consumer’s brand preference and brand purchase behavior (Sprott et al. 2009; Goldsmith et al. 2010). We thus infer that consumers become brand-engaged because they participate in brand co-creation activities and that higher brand engagement leads to higher behavioral intention (including purchase intention and word-of-mouth intention) toward the (parent) brand.

H2: Brand engagement formed in the brand co-creation activities positively influences consumer’s behavioral intention of the parent brand.
Performance feedback

Feedback is the action adopted by external entities to provide information on certain facets of task performance for individuals or groups (Kluger and DeNisi 1996). Feedback is considered an important way to enhance team learning or performance improvement (Gabelica et al. 2012; Locke and Latham 1990; London and Sessa 2006). Some studies indicate that performance feedback influences individual’s job satisfaction and organization commitment. Past studies on team performance feedback mostly focus on effects of valence of feedbacks, less on the frequency and source of feedbacks. Literature has consensus on the effects of positive, yet not negative, performance feedbacks on subsequent behaviors (Gabelica et al. 2012).

Few studies on consumer value co-creation have taken into account the influence of feedback from other consumers on the self-designed products. Hildebrand et al. (2013) examined the influence of peer reviews on consumers’ responses in the context of online communities where consumers use mass customized tools to develop self-design products. However, their study does not consider the valence of the feedback, thus it is unclear whether positive feedback has different effects on satisfaction or creativity than negative feedback. In some brand co-creation campaign, consumers are invited to act as brand managers and to craft the brand. In this context, consumers tend to have higher sense of responsibility for the success of the brand and are likely to take seriously the performance feedbacks. Positive feedback indicates a possible success; negative feedback indicates a failure, which may lead to different results.

Based on the theory of reinforcement in interpersonal relations, if positive (negative) outcomes accompany the persons we encounter, we tend to approach (distance) that person because we (do not) want to get the positive (negative) outcomes (Byrne and Clore 1970). In the context of brand co-creation activities, consumers tend to develop customer brand engagement similar to human relations (Gambetti et al. 2012). When consumers are entrusted a new product plan in the brand co-creation campaign, they will take into considerations others’ comments on their designs. The influences are especially strong for those comments from brand experts or brand community members because these members are the brand advocates, their opinions may be valued by the brand managers. Based on reinforcement theory, if consumers get positive feedbacks, they tend to get close to the brand psychologically and then behaviorally. That is, they tend to feel psychologically close to the brand and the new product they plan for and thus have higher brand engagement and psychological ownership. Higher brand engagement to the parent brand makes consumers have higher behavioral intention of the parent brand (Gambetti et al. 2012). Higher psychological ownership to the new product makes consumers have higher purchase intention of the new product (Franke et al. 2010). The reverse is true if consumers get negative feedback. Hence, we develop the following hypotheses:

H3: Feedback valence positively influences brand engagement. Specifically, compared to negative feedback, positive feedback has higher brand engagement.

H4: Feedback valence positively influences psychological ownership. Specifically, compared to negative feedback, positive feedback has higher psychological ownership.

H5: Psychological ownership for the new product fully mediates the relationship between feedback valence and purchase intention.

H6: Brand engagement to the parent brand fully mediates the relationship between feedback valence and behavioral intention of the parent brand.
Task involvement is a motivational state in which the main objective of people is to master task and people intend to understand and obtain new skills related to the task (Nicholls 1984; 1989). Graham and Golen (1991) indicate that people with high task involvement tend to allocate more cognitive resource to tasks that demand deep information processing and do more cognitive processing. In the context of brand co-creation activity, if consumers have high task involvement, they tend to pay much effort to the task. Feedback valence will be taken seriously by consumers with high task involvement. If consumers have low task involvement, the reverse is true. Furthermore, group can distribute duty and reduce the effect of feedback valence (Barr and Conlon 1994). When consumers participate in the brand co-creation activity in groups, they tend to share duty with other group members and the effect of feedback valence on brand engagement is attenuated. We therefore propose the following hypotheses:

H7: When consumers have high task involvement, the effect of feedback valence on brand engagement is stronger if they participate in brand co-creation activity individually than if they are in groups.

A conceptual model showing the hypotheses 1-6 is depicted in Figure 1.

**METHODS**

**Design**

A 2 (feedback valence: positive/negative) × 2 (participating unit: individual/group) × 2 (task involvement: high/low) between subject experimental design is adopted. Feedback valence and participating unit are manipulated and task involvement is measured. Dependent variables are psychological ownership, brand engagement, purchase intention of the new product and behavioral intention of the parent brand. Brand attitude toward the parent brand, product category preference, brand co-creation task difficulty, past experience in brand co-creation task, product knowledge, expectation distance, perceived expertise of feedback givers, and credibility of feedback are listed as covariates.

**Participants**

130 students from a variety of colleges who took an introductory business course in a university of northern Taiwan participated in the experiment. Students were told that a well-known beverage company (i.e., Uni-President) in Taiwan cooperated with the college of business and invited students to help formulating a new product introduction plan for their ready-to-drink tea brand. 25.4% of the participants were male whereas 74.6% were female. 28.5% of the participants were freshmen, 27.2% sophomores, 28.5% juniors, and 15.3% seniors or graduate students. 80% of the participants drank tea from one time a week to three times a week, 10% more than four times a week, and 10% did not drink tea.

**Stimuli**

The stimuli used in this study is a package of documents from the brand co-creation sponsoring firm that invites consumers to act as product managers and to plan for the launch of a new functional tea for an existing tea brand (i.e., Chaliwang). Functional tea is popular in Taiwan, and the major targets are young
consumers (tea magazine 2012). Chaliwang was selected as the parent brand for the new functional tea because Chaliwang has the highest brand awareness among all the tea brands (EOLembrain 2013).

The campaign provides information concerning the parent brand, the tea market, and the new functional tea. Participants were asked to use the above information to make a new product introduction plan for the new functional tea. Specifically, they have to decide the brand name, slogan, and promotional campaigns for the new functional tea. To increase realism, they were told that their final ideas would be uploaded onto an online platform and reviewed by members in that platform and that if their ideas are evaluated positively, Chaliwang is likely to commercialize their ideas and give them the priority for corporate internship. All the contents in the new product planning activity were designed by three experts- one professor specializing in brand marketing and two doctoral candidates in the field of marketing.

The statements for positive and negative performance feedback were collected from past studies and modified through discussions among experts. We carefully screened all the statements in terms of the wording, length, and potency. For example, extreme statements are not used because respondents may give these statements higher weight than other comments (Fiske 1980; Gershoff, Mukherjee, and Mukhopadhyay 2003). 22 statements were agreed on among experts and these statements were used in a pretest. 63 students in a northern university of Taiwan participated in the pretest and were asked to rate the degree of the valence from very negative (1) to very positive (7) for each statement. The 22 statements were then categorized based on mean values of the ratings into respective groups of valence: negative (1.5–2), slightly negative (2.1–3.9), neutral (4), slightly positive (4.1–5.9), and positive (6–6.5). To increase the realism of the performance feedback offered on the open innovation platform, positive feedback consists of four positive statements and two slightly negative statements in the pretest; negative feedback consists of four negative statements and two slightly positive statements in the pretest. These statements used in the positive or negative feedback were pretested. The mean perceived valence of positive feedback is greater than the scale neutral point (4) (Mp=4.98; t (62) =18.95, p<.001), indicating positive feedback is perceived positively. The mean perceived valence of negative feedback is smaller than the scale neutral point (4) (Mn =3.11; t (62) = -10.68, p <.001), indicating negative feedback is perceived negatively. The degree of potency of the feedback is not statistically significant between positive and negative feedback (t (62) =-.95, p <.001).

Measures

Independent variables. All scales were modified to suit the context of brand co-creation activity and are seven-point scales. Zaichkowsky (1994)’s revised personal involvement scale was adopted to measure task involvement, using 10 items of semantic differential scale (α=.89). The scale developed by Dyne and Pierce (2004) was used to measure consumers’ psychological ownership toward the new product they plan for in the brand co-creation activity. Four Likert-type items were used to measure psychological ownership (α =.91). Brand engagement was measured using Sprott et al. (2009)’s brand engagement in self-concept (BESC) scale. Some redundant items were deleted and five Likert type items were used to measure consumer-brand engagement (α =.94).

Dependent variables. All scales were modified to suit the context of brand co-creation activity and are seven-point Likert-type scales. This study used the 3-item scale developed by Grissemann and Stokburger-Sauer (2012) to measure consumers’ purchase intention of the new product (α =.93). A
4-item scale developed by Grissemann and Stokburger-Sauer (2012) was used to measure consumers’ behavioral intentions ($\alpha = .94$).

**Procedure**

Participants were randomly assigned into one of the four experimental conditions (i.e., individual participation with positive feedback, individual participation with negative feedback, group participation with positive feedback, and group participation with negative feedback). Participants in the group condition were randomly assigned into different groups of three members. The experiment had two stages. In the first stage, participants in the group condition were taken into different rooms by trained confederates. Different groups were in different rooms to avoid interaction between members of different groups. Then, the procedure was as follows. Confederates first gave instructions concerning the brand co-creation task. Participants were asked to read the information concerning the background information in five minutes. Participants in each group were then given 30 minutes to formulate a new product plan and put down the plan on the paper given. Confederates collected new product plans in each group after 30 minutes. Participants were asked to come back to their classrooms for class and were told that during the class their plans will be uploaded onto an online platform of open innovation (ZecZec) to be reviewed by other members on the platform. After an hour, confederates came to the class to begin the second stage of the activity and took participants in the group condition to their previous rooms. Participants read the performance feedback from ZecZec (positive or negative) for three minutes and then were asked to fill out a questionnaire. The questionnaire includes items on manipulation check of feedback valence, dependent variables, and covariates. The completion of the questionnaire ends the brand co-creation activity. Participants were then debriefed by the experimenter. They were told that the activity is artificial. Some participants were suspicious of the realism of this activity but none of the participants knew the purpose of this study and the relationships to be examined in this study. All participants were given cash certificate worth NT 100 dollars to thank for their participation. Participants in the individual condition have similar experimental procedure except the following. First, participants in the individual condition did the activity in the same classroom. They were not allowed to talk during the activity. Second, participants developed the new product plan individually without discussions with others. Third, the instruction of this co-creation activity was declared by one confederate, not by many different confederates.

**RESULTS**

**Manipulation Check**

Participants were asked to rate the degree of the valence of the performance feedback they obtained on a scale from very negative (1) to very positive (7). The results indicate that negative feedback is perceived more negatively than positive feedback ($M_p = 5.06$, $M_n = 3.48$; $t(128) = 10.83$, $p < .001$). Furthermore, the mean values of the valence for positive feedback ($t(63) = 9.76$, $p < .001$) and negative feedback ($t(65) = 5.30$, $p < .001$) are both significantly different from the scale neutral point (4), indicating that the valence of the feedback was perceived correctly.
Psychological Variables on Brand Outcomes

We conducted regression analyses to examine the influence of psychological variables on brand-related outcomes, controlling for feedback valence and relevant covariates. Psychological variables include psychological ownership and brand engagement. Brand-related outcomes include purchase intention of the new product and behavioral intention of the parent brand. The results of the regression analysis are shown in Table 1. Psychological ownership positively influences purchase intention of the new product ($\beta=.62, p <.001$). Brand engagement positively influences behavioral intention of the parent brand ($\beta=.57, p <.001$). H1 and H2 are supported.

Feedback Valence, Number of Participants, and Task Involvement

A 2(feedback valence: positive/negative)×2(participating unit: individual/group)×2(task involvement: high/low) ANOVA was conducted to examine the influences and interaction of design and individual difference variables on psychological variables. Design variables are the feedback valence and the participating unit. Individual difference variable is task involvement. Psychological variables include brand engagement and psychological ownership. Brand attitude, preference for the product category, perceived task difficulty, past experiences in brand competition, product category knowledge, preference distance, the credibility of feedback, and the expertise of the feedback givers are listed as covariates. These covariates were put in the models in the subsequent analyses.

Feedback valence significantly influences brand engagement. Positive feedback has higher brand engagement than negative feedback ($M_p =4.38, M_n =3.67; F (1, 105) =9.78, p <.002$). Feedback valence positively influences psychological ownership. Positive feedback has higher psychological ownership than negative feedback ($M_p =5.20, M_n =4.80; F (1, 105) =2.7, p =.05, one-tail$). H3 and H4 are supported.

The three-way interaction among feedback valence, participating unit, and task involvement on brand engagement is significant ($F (1, 105) =4.67, p <.04$). When task involvement is high, the two-way interaction between feedback valence and participating unit on brand engagement is significant ($F (1, 47) =4.63, p <.04$). Specifically, positive feedback results in stronger brand engagement than negative feedback under individual condition ($M_p =5.11, M_n =3.69; F (1, 17) =4.59, p <.05$) than under group condition ($M_p =4.34, M_n =4.24; F (1, 22) =.06, p >.81$). Conversely, when task involvement is low, the two-way interaction between feedback valence and participating unit on brand engagement is not significant ($F (1, 50) =.40, p >.53$). Hence, H7 is supported.

Mediation Analysis

Following LeBreton, Wu, and Bing (2009)’s steps, the results for mediation analysis indicate the following. First, psychological ownership fully mediates the relationship between feedback valence and purchase intention of the new product. This is because feedback valence significantly influences psychological ownership ($X \rightarrow M$) and psychological ownership significantly influences purchase intention of the new product ($M \rightarrow Y$). Second, brand engagement fully mediates the relationship between feedback valence and behavioral intention of the parent brand. This is because feedback valence significantly influences brand engagement ($X \rightarrow M$) and brand engagement significantly influences behavioral intention of the parent brand ($M \rightarrow Y$). Hence, H5 and H6 are supported.
DISCUSSION

Adopting the perspective of interpersonal relations in the context of brand co-creation activities, we find the psychological mechanism does play a mediation role for the feedback effect on behavioral intentions of the co-creation products. Specifically, feedback valence positively influences consumers’ closeness to brand, and then positively influences brand-related outcomes. Consumers who receive positive feedback have stronger brand engagement to the parent brand and higher psychological ownership to the new product they plan for than those who receive negative feedback. Furthermore, brand engagement positively influences behavioral intention of the parent brand and psychological ownership positively influences purchase intention of the new product. Hence, this study provides empirical evidence for Gambetti et al. (2012)’s contention that brand co-creation activities can be examined from interpersonal relationship perspective.

This study extends Gambetti et al. (2012)’s research by indicating the following. First, the valence of the performance feedback is one important antecedent to brand engagement. Second, consumers’ closeness to the brand can be divided into the closeness to the new product they plan for (i.e., psychological ownership) and the closeness to the parent brand (i.e., brand engagement). Third, we indicate that the effect of feedback valence on brand engagement is salient when consumers have high task involvement and when they participate individually, not with group members. Compared to individual participating condition, group has a buffer effect for the feedback valence when in a high-involved state.

This study uses student sample to test our hypotheses. This may be appropriate because college students are frequently invited by companies to participate in the brand co-creation activities. Future studies could use non-student samples to further test our model. Second, the brand co-creation activity used in this study is the new product planning. Other activities such as market analysis and new product design could be used to further test our model.

MANAGERIAL IMPLICATIONS

The results of this study indicate that consumers’ psychological ownership toward the new product they plan for fully mediates the relationship between feedback valence and purchase intention. Managers could strengthen consumers’ psychological ownership for the new products by constructing an online community or platform on which consumers can show their co-creation plans. Managers can further encourage consumers to invite their friends and families to visit the online platform and to press like buttons or leave positive comments for their new product planning ideas.

The results also indicate that consumers’ brand engagement to the parent brand fully mediates the relationship between feedback valence and behavioral intention of the parent brand. Managers could increase consumers’ brand engagement to the parent brand by sponsoring a brand co-creation campaign to gain new ideas as well as psychological closeness for the brand. Positive feedback enhances brand engagement and negative feedback lowers brand engagement, therefore, managers could take steps to boost positive effects and reduce abating effects. When consumers receive negative feedback, managers can counterbalance the negative influence by emphasizing the learning effects that the process of the activity offered and the friendship building with other participants. Conversely, when consumers receive positive feedback, managers can recognize the consumers in public or give consumers valuable rewards.
Figure 1 Conceptual model showing the hypotheses 1-6

Table 1 Results of regression analysis

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>Purchase intention of the new product</th>
<th>Behavioral intention of the parent brand</th>
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<td><strong>Independent variables</strong></td>
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<tr>
<td>Brand engagement</td>
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<td>.67***</td>
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<td>Feedback valence</td>
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<td>Preference difference</td>
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<td>Task difficulty</td>
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<td><strong>Model fit</strong></td>
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<td>$R^2a$</td>
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<tr>
<td>$F (11,117)$</td>
<td>24.07</td>
<td>30.16</td>
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</table>

*p<.05. ** p<.01. *** p<.001

REFERENCES


Whereas tracking and targeting consumers while shopping online has been in extensive focus of marketing practice and research for the last decade it lives a shadowy existence in the context of health care marketing. This is quite surprising as online targeting can help to overcome the anonymity of the internet. The technique of behavioral targeting offers the possibility to learn (more) about the online-shopper, comparable to an offline-pharmacist, who gains more and more information about his customer with every visit. Thus targeting enables online pharmacies to help with words and deeds as consumers become recognizable. In consequence, false medication, adverse effects, and inadequate self-treatment - just to name a few - can be prevented. Whereas, most consumers see targeting as interference with an individual's exercise of the right to privacy, we propose that according to the theory of reciprocity (Gouldner, 1984; Becker 1986) consumers will welcome health related targeting of themselves not only to reduce risk but also to optimize treatment effects. With a series of experiments we shed light on this nascent research gap and contribute to a better understanding of this phenomenon in the context of health care marketing.

References Available Upon Request
ABSTRACT

A considerable number of studies have focused on how to build and sustain strong and meaningful relationships with tourists, especially when the latter have an ever increasing number of choices and exhibit variety-seeking behavior. However, these studies have not focused on how attitudes toward a region or place can transfer to products. The aim of this study is shed the light on the transfer of attitudes and its impact on tourist’s willingness to support regional products.

Data was collected using a questionnaire survey across 14 regions. The total number of respondents was 3,323, and the completed and usable surveys were 1,109 in total. To test hypotheses, each respondent answered questions pertaining to one specific region (the region they had visited as a tourist, which represents the tourist’s direct experience). The questions included attitude toward a region’s attributes (Quality and Pleasing), the perceived value for money of its regional products, and tourists’ willingness to support the regional products. A total of five hypotheses were tested with Structural Equation Modelling (SEM) and Statistical Package for the Social Sciences (SPSS).

Results from this study provide support for the idea that attitude toward a region’s attributes (Quality and Pleasing) has a positive impact on the perceived value for money of its regional products. This confirms the transfer of attitude from a region or place to products and shows that tourists’ associations with a region translate into associations about products from that region. The association between regions (place) and its products is thus supported. In addition, attitudes toward a region’s attributes strengthen a customer’s willingness to support the region’s products. Lastly, men and women vary in their responses across the model.

References available upon request
ADAPTING COMMUNICATION MESSAGES TO REWARD AND PUNISHMENT SENSITIVITY OF TARGETED AUDIENCES IN FIGHTING OBESITY

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INTRODUCTION

Communicating about a strong threat to health together with recommending changes in habits easy to implement is often presented in the literature as an effective strategy to convince individuals to switch to healthier behaviors (Witte and Allen 2000). However, the effectiveness of this strategy depends on the goal pursued (e.g. change in behavior, detection of sicknesses; Rothman and Salovey, 1997) and consumers’ attitude towards risks.

Individual variables such as reward and punishment sensitivity (Gray, 1981) or promotion/prevention orientation (Higgins, 2000) appear to be good predictors of risky behaviors. A substantial body of scientific literature has revealed the strong association between reward sensitivity and (over-)consumption of alcohol (Franken, 2002), cigarette (O’Connor, Stewart and Watt, 2009), drugs (Dawe, Gullo and Loxton, 2004) and junk food (Davis, Patte, Levitan, Reid, Tweed and Curtis, 2007).

However, depending on differential sensitivity to reward or punishment, each individual reacts in various ways to the same information (Cesario, Grant and Higgins, 2004; Chernev, 2004). Promoting a diet with a positive message (e.g. "If you eat the right amount of fruit and vegetable, you can keep yourself safe from illness and maintain an overall good health") is more persuasive for people sensitive to reward. Promoting a diet with a negative message (e.g. "If you do not eat the right amount of fruit and vegetable, you are more likely to be overweight and to have heart conditions") is a more persuasive strategy when targeting people sensitive to punishment (Cesario et al., 2004). The congruence between strategic individual information and the promotion or prevention orientation is known as regulatory fit and has a beneficial effect on persuasion and behavioral change.

However it is important to take into account the attributes of the products. People sensitive to reward pay more attention to hedonic attributes (e.g. the taste of an ice-cream), whereas utilitarian attributes (e.g. the calorie content of an ice-cream) will be valued by people sensitive to punishment (Chernev, 2004).

Hence, in the context of food consumption, we propose that valuating positive hedonic attributes of healthy food has a positive effect on people sensitive to reward in a strategy directed at helping them adopting a healthier lifestyle. This is known as the first condition of regulatory fit. Conversely, emphasizing negative utilitarian attributes of junk food has a positive effect for persuasion strategies aimed at people sensitive to punishment. This is the second condition of regulatory fit.

RESEARCH METHODS

Participants (N=24 right-handed undergraduate students; 12 female, 12 male; age: M=21.4±2.2) received a monetary compensation (10 euros) for volunteering in the experiment that received all
local, regional and national ethics authorization as required by the French Bioethics laws. They were informed that they were participating in a study on nutritional habits and health promotion. Similar to many studies on food consumption, all were asked to fast during the 4 hours preceding the experiment in order to increase the value placed on food consumption. To test the effect of valence (positive vs negative) and attribute (hedonic vs utilitarian) on persuasion depending on sensitivity to reward and punishment, four categories of public health promotion ads –combining text and images- were designed. We built templates of ads used by the French authorities in anti-obesity campaigns to guarantee familiarity with the lay-out, the logos and the wording seen on billboards and magazines:

1. Health Benefits linked to eating fruit and vegetable (positive utilitarian);
2. Health Risks linked to eating junk food (negative utilitarian);
3. Pleasure of eating fruit and vegetable (positive hedonic);
4. Disgust of junk food (negative hedonic).

Each participant evaluated each message category in a counterbalanced order. Upon arrival, participants were presented with 10 food pictures (among which 5 junk food items) and asked to rate their intention to eat junk food and healthy food on a 9-point Likert scale. They had to sit in front of a computer screen onto which the ads were displayed. Sensors were placed on two of their left fingers to assess their level of arousal based on the computation of the percentage of change in their electrodermal activity compared to a baseline measured prior to the experiment. Within each category of messages, 10 different messages were presented successively in a block design (due to the relaxation time constraints of recording electrodermal activity). To measure persuasion, participants evaluated the response efficacy and their self-efficacy. Ten pictures of food were then presented for which they self-reported their intention to eat. At the end of the experiment a questionnaire was used to assess sensitivity to reward and punishment: the 24-item Behavioral Inhibition System/Behavioral Activation System (BIS/BAS; Carver & White, 1994).

RESULTS AND DISCUSSION

Results reveal that sensitivity to reward is positively correlated with prior intention to eat junk food ($r = 0.412, p < 0.05$), which confirms that sensitivity to reward is positively correlated with eating behaviors that imply a risk for health. Sensitivity to punishment exhibits no correlation with prior intention to eat healthy or junk food.

To test for the effect of regulatory fit between the type of message employed and the participants’ sensitivity to reward or to punishment, multiple regression analyses were used. For each category of messages and each dependent variable (response efficacy, self-efficacy, arousal and healthy consumption intention of junk and healthy food), we tested both the effect of reward and punishment sensitivity and their prior intention to eat junk food, using a backward approach to select the most appropriate model.

We found significant effects of sensitivity to reward and prior intention to eat junk food in the no regulatory fit conditions (positive utilitarian, negative utilitarian and negative hedonic). Prior intention to eat junk food impacts response efficacy when positive and utilitarian messages are presented ($R^2 = 0.318, p < 0.05$). Sensitivity to reward has a significant effect on response efficacy ($R^2 = 0.286, p < 0.05$) and self-efficacy ($R^2 = 0.195, p < 0.05$) when messages are negative and hedonic. Sensitivity to reward also has a positive effect on response efficacy ($R^2 = 0.222, p < 0.05$) and on the percentage of change in electrodermal activity when messages are negative and utilitarian ($R^2 = 0.191, p < 0.01$). When messages are negative and utilitarian, a higher level of electrodermal activity and response efficacy -without any significant increase in self-efficacy and intention to eat
healthy food after exposure to ads- suggests that individuals perceive the threat to be strong but too difficult to overcome (Witte and Allen, 2000). Instead, increased response efficacy in both partial fit conditions (positive and utilitarian, negative and hedonic conditions) without any significant increase in electrodermal activity and intention to eat healthy food after exposure to messages suggests that the recommendation is considered feasible but not engaging enough.

In regulatory fit conditions (positive and hedonic messages), sensitivity to reward and prior intention to eat junk food have a positive effect on all dependent variables. They have a positive effect on response efficacy ($R^2 = 0.403$, $p < 0.001$), self-efficacy ($R^2 = 0.246$, $p < 0.05$), percentage of electrodermal activity change ($R^2 = 0.521$, $p < 0.001$) and also on intention to eat healthy food after exposure to the ads ($R^2 = 0.298$, $p < 0.05$). It is only under regulatory fit conditions (negative and utilitarian messages) that sensitivity to punishment has a positive impact on response efficacy ($R^2 = 0.217$, $p < 0.05$).

Therefore, our findings confirm those of Cesario et al. (2004) and Chernev (2004), highlighting the importance of taking into account regulatory fit when dealing with the valence and the attributes of the message, and the necessity of adapting public health strategies to the target audience.

Our results also reveal a limitation of the current public health communication strategies. Individuals with high sensitivity to reward and high prior intention to eat junk food develop an intention to eat healthy food after exposure to positive and hedonic messages. However, there is no negative effect on intention to eat junk food is found, whatever the condition.

**CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE**

This study challenges the well-accepted idea that fear-appeal messages are most efficient at convincing people to change eating behaviors. Promoting the taste of healthy food and, more generally, emphasizing the pleasure and benefits of adopting healthy food behaviors is more effective especially for people prone to taking risks for their health. Using physiological measures to complement more classical self-reported declarative measures to assess the effectiveness of communication messages in public health turned to be greatly beneficial.

Our findings highlight the relationship between sensitivity to reward and intention to eat junk food. We show that individuals with high sensitivity to reward and high intentions to eat junk food are more likely to be persuaded by positive and hedonic health messages while negative and utilitarian content seem to be more efficient for individuals with high sensitivity to punishment.

A clear theoretical implication of our work is the need to integrate the concepts of reward and punishment as moderators in models dealing with appeal to fear sensitivity (see Witte and Allen, 2000 for early suggestions). It also requires taking into account regulatory fit -including both valence (positive vs. negative) and attribute types (hedonic vs. utilitarian)- in theoretical approaches (Higgins, 2000).

Our results also reveal a current limitation of health messages. Wherease promoting healthy eating habits increases intentions to consume healthy food, reducing the consumption of unhealthy food is not easy since no significant decrease in the intention to eat junk food was observed, even under regulatory fit conditions.

Finally, from a managerial perspective, our findings highlight the importance of considering a differential approach (i.e. not a one-size-fits-all) when targeting population(s) and developing public
health messages (Oullier, 2013; Petit et al., 2011). People prone to taking health risks might be easier to persuade to adopt the recommended healthy behavior when exposed to positive messages promoting food hedonic attributes. The next step is methodological with a combination of self-reported and (neuro)physiological measures to evaluate the effectiveness of communication messages in fighting obesity or other public health threats (Oullier & Sauneron, 2010).

References Available Upon Request
THE RELATIVE CONTRIBUTION OF LOVE AND TRUST TOWARD CUSTOMER LOYALTY

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ABSTRACT

Maintaining a long term relationship with customers is a challenge for organizations (Gummesson, 2008; Oliver, 1999). A key objective for organizations seeking to build customer loyalty may be to create superior customer experience. Scholars have called for varied views on customer experience (e.g., Verhoef et al., 2009). Amongst the relevant studies of interpersonal relationships in the disciplines of marketing and psychology, it is noteworthy that scholars have specifically called for a study of love. The contribution of love remains to be explored in the business context. Compared with love, the concept of trust is well recognized for its significance to a long term business. In most studies of interpersonal relationships across the disciplines of marketing and psychology, trust appears to be the critical factor in engaging customers in a relationship (e.g., Johnson and Grayson, 2000; Rempel et al., 1985). The likely interaction between love and trust foreshadowed in prior studies (e.g., Fehr, 1993) suggests the need of studying both factors of love and trust simultaneously. Yet, to the authors’ knowledge, the relative contribution of love and trust to loyalty has never been examined in the context of commercial relationships. Therefore, this study aims to examine these two constructs, love and trust, in providing an insight into customer loyalty in the business context.

References Available Upon Request
POST-PURCHASE DRAMA: DO THE RETAILERS LOSE FROM GIRLS GONE WILD IN FAST FASHION ENVIRONMENTS?

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ABSTRACT

Young, female consumers are driven to purchase apparel products from fast fashion retailers (e.g., Zara, H&M, Forever 21) because the products are limited in number (i.e., scarce) (Mittone and Savadori, 2009), only available for a limited time (i.e., perishable) (Cachon and Swinney, 2011), and inexpensive (Byun and Sternquist, 2011). These appealing characteristics encourage positive attitudes and subsequent purchase behavior (Homer and Kahle, 1988; Kahle, 1980), which is likely to be impulsive (Bhardwaj and Fairhurst, 2009; Verplanken and Sato, 2011). However, feelings of regret following impulse buying behavior may lead to product returns (D’Innocenzio, 2011). Based on this reasoning, the following hypotheses were developed: H1: Perceived perishability is positively related to attitude toward fast fashion retailers; H2: Perceived scarcity is positively related to attitude toward fast fashion retailers; H3: Perceived low price is positively related to attitude toward fast fashion retailers; H4: Attitude toward fast fashion retailers is positively related to impulse buying behavior in fast fashion retail environments; H5: Impulse buying behavior in fast fashion retail environments is positively related to negative post-purchase emotional response; and H6: Negative post-purchase emotional response is positively related to product returning behavior in fast fashion retail environments.

To test the hypotheses, a convenience sample of 303 female undergraduate students completed a questionnaire containing multi-item scales based on previous literature (e.g., Rook and Fisher, 1995). Structural equation modeling was used to analyze the data. The final model showed moderate, but acceptable, fit ($\chi^2$ (697) = 2586.45, $p = .00$; CFI = .85; TLI = .84; RMSEA = .08). The paths to attitude toward fast fashion retailers from perceived perishability ($\gamma = .14$, $t = 2.13$, $p \leq .03$), perceived scarcity ($\gamma = .16$, $t = 2.21$, $p \leq .03$), and low price ($\gamma = .05$, $t = 5.62$, $p \leq .00$) were all positive and significant. Thus, H1, H2, and H3 were supported. The path between attitude and impulse buying was positive and significant ($\gamma = .08$, $t = 8.50$, $p \leq .00$), thus supporting H4. H5 was supported because the path between impulse buying at fast fashion retailers and negative post-purchase emotional response was positive and significant ($\gamma = .04$, $t = 4.16$, $p \leq .00$). The last hypothesis proposed a positive relationship between negative post-purchase emotional response and product returning behavior. The path was positive and significant ($\gamma = .12$, $t = 7.30$, $p \leq .00$). Thus, H6 was supported.

The results of the current study suggest that perceptions of scarcity, perishability, and low cost do have an indirect impact on young, female consumers’ impulse buying behavior via their attitudes toward fast fashion retailers. However, because impulse buying is associated with frequent product returns (Kang and Johnson, 2009), fast fashion retailers may need to restrict returns or increase prices slightly to compensate for lost profits. The moderate fit of the model suggests that other constructs have an impact on consumers’ behavior in fast fashion retail environments. These additional antecedents and consequences of fast fashion consumption behavior may offer insights to practitioners and contribute to the process of theory building.

References available upon request
CUSTOMER EXPECTATION OF OUT-OF-STOCKS IN AN OMNI-CHANNEL CONTEXT: A CALL FOR SUPPLY CHAIN MANAGEMENT RESEARCH

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ABSTRACT

The increased use of e-commerce has caused the distinctions between the physical and digital retail environments to continually diminish, giving rise to omni-channel strategies and retail experiences for consumers (Brynjolfsson, Hu, and Rahman, 2013; Rigby, 2011). Shoppers are increasingly accessing retail websites from smartphones while in retail stores and buying product online when faced with the physical unavailability of desired products on-shelf. This current shift provides interesting new research opportunities for supply chain management (SCM) scholars, as such switching behavior has significant implications for demand forecasting, inventory visibility, and product distribution in the retail supply chain. Hence, a better understanding of how customers are impacted by retail out-of-stocks in an omni-channel setting is necessary, particularly since inventory availability is a key retail supply chain management performance measure.

A thorough review of the extant literature that addresses customer responses to out-of-stocks shows that only little advancement in knowledge has been made in exploring retail channel settings beyond the traditional brick-and-mortar format, such as online. More importantly, no research to-date has considered customer responses to stockouts in a multi- or even omni-channel context. Thus, the focus of this paper is to start dialogue on such responses and suggest a conceptual framework and research agenda for future exploratory consideration. Using expectation-disconfirmation theory (Oliver, 1980) as a theoretical lens, we argue that together with the shift in the retail environment, customer behavior in response to supply chain failures, such as stockouts, will change. Our primary contention is that the omni-channel experience will directly influence customer expectations of inventory availability and access, causing interesting differences in the type and magnitude of behavioral responses. Our conceptual model illustrates that in an omni-channel retail environment customer expectations of product availability and potential negative responses to supply chain failures, such as stockouts, should be seen as integrated processes across different channels rather than individual instances related to only one channel.

We identified three key retail supply chain management research areas that are likely to be impacted by this change: demand forecasting, inventory management and replenishment, and out-of-stocks root causes. In terms of demand forecasting, we suggest that future research is needed to enhance the understanding of "true" primary channel demand vs. demand due to a stockout in the primary channel, as well as research on aggregate forecasting across all channels. Supply chain management scholars should also rethink inventory allocation and replenishment processes since customers have the opportunity to purchase the same SKU through different channels. Scholars might also reconsider the definition of a “stockout” in an omni-channel retail environment because of the ability to instantaneously switch channels. Furthermore, root causes of stockouts in an omni-channel environment may differ from root causes in a traditional retail setting and requires further research.

References Available Upon Request
A CROSS-NATIONAL STUDY ON CULTURE AND PERCEIVED SERVICE QUALITY: A MULTI-DIMENSIONAL, HIERARCHICAL FRAMEWORK

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ABSTRACT

The main objectives of the study were to examine the role of culture in consumers’ perceptions of service quality in both a developing and a developed country context and to ascertain the implications, if any, for service quality model building in context.

An exploratory, cross-national, qualitative approach was adopted, utilizing semi-structured interviews. This approach allowed the authors to explore the phenomenon of service quality from the consumers’ viewpoint without a priori assumptions in both developing and developed country contexts.

Analyses of the data led to the emergence of a holistic, multi-dimensional hierarchical framework called Conceptualization of Service Quality in Cultural Context (CSQCC). The models in both contexts were structurally similar and demonstrate that there are universal aspects that consumers in both countries utilize in their evaluations of service quality, although importance weightings may differ.

Nevertheless, we found that culture has an over-arching influence on all elements deemed necessary by consumers in their service quality perceptions. More specifically, unique ‘cultural triggers’ were found to exert a strong influence on service quality. In addition, aspects of human resources and operational variables emerged as key elements within the CSQCC framework.

A key limitation of the current study is that the CSQCC is a conceptual model and thus requires operationalization and testing. Furthermore, the interactions between marketing, human resources, and operational interfaces potentially make measurement tasks somewhat more complex and challenging.

Culture and human behavior are deeply intertwined, and the marketplace tends to exhibit consumer behaviors that are not ‘culture free’. Therefore, multinationals and global firms need to be environmentally sensitive, identify the ‘cultural triggers’ in potential markets, and assess their likely impact on service quality delivery. The CSQCC in its current state but especially when operationalized would be a useful tool in this regard.

References Available Upon Request
ABSTRACT

Much of the work in the past has been done pertaining to entertainment marketing – where researchers have included it under the category of product placement or branded entertainment or sponsorship. But this article makes an effort to clearly draw lines of distinction between entertainment marketing with traditional marketing. The paper puts forward the concept where entertainment marketing has been viewed from two perspectives – one as a category of product and the other as an enjoyable activity. Based on an understanding of its nature, a conceptual framework of entertainment marketing is also presented in the paper. The framework has been designed based on three important drivers of entertainment marketing – the consumer, the industry and the factors responsible for pursuit of entertainment marketing.

Keywords: Entertainment, Traditional marketing, Entertainment marketing and Conceptual framework

INTRODUCTION

Of late advertisers are making conscious efforts to produce ads with higher entertainment level (CNN Money 2007). They do this, by focusing on what is not considered as entertaining by audiences (Tellis 1998) or by deciding at which place entertainment should be plugged in an advertisement for desired responses (Armstrong 2010). Despite all this, audiences still have negative attitude towards advertisements (Gupta et al. 2000). For many, advertisements are still obstructive, irritating and annoying – as they block the flow of entertainment (Gould et al. 2000). Nearly 40% of the US families have resorted to adopting DVRs (Digital Video Recorder) for watching uninterrupted flow of their favorite television programs (Nielson 2010). Audiences are even resorting to techniques like zapping for ad avoidance (Pervan and Martin 2002; Avery and Ferraro 2000). Moreover many times the consumers are either busy doing some work or multitasking at the time of their exposure to advertisements. This gave marketers the vacuum to try for something more engrossing and entertaining as compared to the traditional form of advertising for capturing consumers’ attention. The respite for such a problem for both – marketers and consumers – came in the form of entertainment marketing. Many times researchers have used entertainment marketing in synonyms with terms like product placement or embedded marketing– where advertisements or promotions are inserted in TV, Print media channels (Nelson 2002). Entertainment marketing seems to be marketing of entertainment. Many times researchers have used entertainment marketing in synonyms with terms like product placement or embedded marketing- where advertisements or promotions are inserted in TV, Print media channels (Nelson 2002). Entertainment marketing seems to be marketing of entertainment. But in reality it is far broader in scope. This article makes an effort to not only understand the concepts involved in entertainment marketing but also tries to cover the various forms of new and old marketing formats that entertainment marketing unfolds in itself. The article also presents a conceptual framework of entertainment marketing, which not only integrates consumers and industry perspectives but also underlines the factors compelling people towards entertainment marketing.

ENTERTAINMENT – A COMPLEX PHENOMENON

Defining entertainment was a cumbersome task for researchers as it is more of an attitude towards things rather than a tangible category of commodity (Dyers 1973). Kaser and Oelkers (2008) have tried to associate entertainment with money and time. According to them entertainment is something...
which people are willing to not only splurge money for but also to spare time for it. Entertainment products like sports, films, music, art, games are variable, perishable and intangible. They are basically high identity and high involvement products (Neale 2010). Rather, entertainment marketing can be rightly said to be a highly ‘consumer- driven activity’ (McKee and Collis 2009).

Researchers find it difficult to determine what entertainment includes under its purview. (Klimmt and Vorderer 2003). Many have tried to explain entertainment from the perspective of users like as a product (a performance, a film etc.) or as a reaction to a product (Zillmann and Bryant 1994) or as an experience that one undergoes while consuming it through media (Vorderer 2001). For the purpose of this article we have also explained entertainment from users perspective - but it not only includes the entertainment experiences drawn through the usage of media but also includes all entertainment activities which consumer undertakes to relax, amuse or divert himself completely from stressful activities of the day like shopping, playing, traveling etc. One thing is common to all the entertainment activities - their execution will give the user a feeling of enjoyment and happiness (Bosshart and Macconi 1998; Zillmann and Bryant 1994).

ENTERTAINMENT MARKETING – A BLESSING IN DISGUISE

With the complexity of consumers’ mindset it is becoming highly difficult for the marketer to attract, convince and sell his product. Advertising, promotion and sponsorships are losing their charm. Rather, marketers are trying to devise hybrid techniques of selling products (Balasubramanian 1994; Baker and Crawford 1995) – with the intention of not making an overt attempt to sell the product to the consumer (d’Astous and Chartier 2000). The entertainment marketing finds its way in these settings. Entertainment marketing has its roots from the overarching theories and practices of marketing – with nuances of advertising, promotion, sponsorship – for selling of - not only entertainment products like films, music, games but also for non- entertainment product and services (like soaps, chocolates, cars, cold drinks etc) through the channel of entertainment being woven around marketing activities. The concept of entertainment marketing which this article tends to put forward has been divided into two broad concepts (Figure 1) – ‘marketing of entertainment’ and ‘marketing through entertainment.’

Marketing of entertainment

It is a concept where entertainment is treated as a product. It is provided by entertainment industry and is divided as core product and product extensions. Core product includes the product like film, sports, music, events etc. while product extension includes all the marketing activities undertaken to promote the core product like promotion, coverage etc. This form of entertainment marketing is similar to the traditional form of marketing the only difference is the characteristics of the product and its need of consumption.

Marketing through entertainment

It is a concept where entertainment is not treated as a product but is considered as an activity. Those activities the execution of whom will give the beneficiary a feeling of being entertained. Marketers can promote any product at the time when the audience is immersed in these activities without hampering their flow of entertainment and can get them noticed too. Wherever the consumer has a desire of recreation accompanied by a disposable income in conglomeration with free time and a desire of satisfaction of entertainment – marketing through entertainment finds its space.
Its possible forms could be placing of advertisement at shopping malls, sponsoring of big events like sports matches, awards shows, live concert etc, giving pamphlets or magazines to people at the time when they are leisurely travelling – all these activities by the marketers does not annoy the consumer. Another and the most popular form of marketing through entertainment is product placement – where the product is placed in a mediated environment that flows with the dramatic entertainment and catches the consumers eye. It works well for famous brands (Ephron 2003) and also to some extent for novel or innovative products (Karrh 1998). The present article is predominantly focused on marketing through entertainment – that is marketing of products around the entertaining activities of consumers.

Thus entertainment marketing finds its way in traditional marketing concepts and it is also used for marketing for a new category of a product - entertainment product. Still it has some striking differences with the traditional forms of marketing. To a name a few they are –

- Former is an unobtrusive form of marketing
- Entertainment marketing is a covert form of marketing
- The persuasive intent of marketing a product is disguised in entertainment marketing as opposed to advertising or promotion where the consumer is well aware of it.
- The settings of entertainment are different from advertising as the consumer himself chooses the environment to get entertained.
- Its consumers, industry and the motivations for consuming entertainment product are entirely different from other forms of marketing.

THE CONCEPTUAL FRAMEWORK

The theoretical foundation of the marketing of entertainment and marketing through entertainment gives the understanding of how marketers can use entertainment as a product or as an activity. The present framework (Figure 2) is basically inclined towards pursuing entertainment as an activity i.e. marketing through entertainment. The framework governs aspects about consumers – their behavior, attitude about industry – forms and types, and lastly the factors which draws people towards entertainment – which ultimately can be leveraged upon by the marketers for promoting their product.

Consumers

Behavior
Depending upon their participation in the process of entertainment the behavior of the entertainment consumer can be broadly classified as under the four categories:

A passive entertainment consumer is one who does not make much of interaction in the entertainment process rather he simply sits and enjoys and absorbs the entertainment experience just like watching a movie or sports events, reading the favorite novel etc. This form of entertainment was hugely prevalent historically in the form of live action events like chariot racing, gladiator battles (Zillmann 2000b)

An educational entertainment consumer is one who participates in the entertainment process – same level of engagement is there as is expected from someone when solving a complex problem. The consumer gets fully immersed in the event and starts interacting with the event. There is an integration of entertainment and education for eliciting more of participation from the consumer. Recently researchers have describes it as “Entertainment education”, “Edutainment” or “Infotainment” (Singhal, Cody, Rogers and Sabido 2004; Singhal and Rogers 2002).
An **escapist entertainment consumer** is one who seeks evasion from real life through entertainment in the form of amusement park, recreational centers and video games. These consumers are deeply immersed in entertainment than the other two forms of earlier mentioned consumers. Many a times the escapism for consumers is in the form of fictional world being created by media (Henning and Vorderer 2001).

An **esthetic entertainment consumer** is one who apart from the entertainment experiences also engrosses himself in the visual and cultural delight of the event. For instance – appreciating the paintings of an artist or admiring the artefacts of the museum.

**Attitude**

While indulging an entertainment activity the audience undergoes several changes in attitude like physiological, cognitive and affective. At the core of entertainment experience is pleasure or enjoyment. Earlier pleasure was associated with affective response but of late neuroscientists have proclaimed that both cognitive and affective responses work simultaneously in the brain (Davidson 2002). Rather entertainment has more than affective attitude. Any audience while witnessing entertainment activity can have feelings of calmness, serenity, happiness, thrill and adventure and even can have feelings of sadness and aggression. He can even resort to thinking while undertaking activities like watching a movie with a social cause.

**Industry**

**Types**

*Live* entertainment industry includes all those experiences where entertainment is presented in a live setting like – tourism, recreation, sports, hospitality etc. The live entertainment products have given abundance of entertainment and marketing opportunities to both marketers as well as consumers (Sayre and King 2003).

*Mediated* entertainment industry refers to the entertainment through media like radio, print, television and Internet. Media, particularly television and internet, have the capacity of not only transporting the audiences to a fictional land away from reality but also enabling them to interact with characters that are imaginative (Vorderer, Klimmt and Ritterfield 2004)

The time frames and lifestyles of modern society have paved ways for entertainment industry to expand and flourish in the areas of production, distribution and retail of entertainment products. The future of entertainment marketing seems to be much brighter than what it is today - as the urge and zeal of entertainment products will grow leaps and bounds in the near future (Wolf 1999)

**Forms (Experiential)**

Classifying entertainment as product or service is not possible rather it is an experience – an involved experience. The study of entertainment has been considered as the most complex and cumbersome for the coming century (Bryant 2004). On the basis of its nature - experiential – entertainment industry can be further categorized as Live, Destinations, Venue, Mediated and Stars and Celebrities (Figure 3).

Out of the categories mentioned above Mediated and Stars and celebrities fall in the realm of marketing of entertainment and Destinations, Venue and Live come under the category of marketing
through entertainment. The reasons for putting them in different categories of entertainment marketing are as follows:

1) Marketing of entertainment (including mediated, stars and celebrities) – Come under the category of marketing of entertainment products like films, music, gaming etc. While stars and celebrities are still used in the context of traditional advertising.

2) Marketing through entertainment (including Live, destinations and venue) – come under the category of marketing through entertainment as here any product or service – not necessary an entertainment product- can be marketed wrapped under the entertainment experience.

Factors

Leisure
One of the early leisure researchers have described leisure as a flow of experience whereby although the person have full charge of his actions but as he is so immersed in the activity he tends to forgets the surroundings (Csikszentmihalyi 1990). Aristotle described leisure as no work and time for one’s own self. People indulge in leisure activities like swimming, playing, dancing, shopping, and travelling- to name a few. Leisure activities can be classified as amusement or recreational- where amusement refers to visiting parks, clubs, theatre etc while recreational activity means going to hotels, resorts, spas etc. According to a recent survey by Bureau of Labour Statistics 2012 average hours per day spent by a civilian in US for leisure activities on weekends is 4.85 hours and 6.57 hours on weekends .When an individual is at its best of time with best of mindset, any marketing subtly done at this juncture will have high chances of getting his attention and deliver desired results.

Loneliness
Lack of time for each other is pushing more and more people towards loneliness (Forman and Sriram 1991). Loneliness is all prevalent –in all age groups and at all societal class. It is mostly found in women than in men (Yang 2009). It can have devastating effects like negative feelings, uneasiness, unpleasantness (Osterman 2001) decline in productive functioning (Cacioppo and Patrick 2008) emptiness (Weiss 1973) and in some cases to the extent of suicidal attempts (Perlman and Landolt 1999).

Loneliness is often described as a feeling (Sawir et al. 2008). It can be caused by a number of reasons like abundance of difficulties (Gardner et al. 2005) psychological troubles (Young 1982) interpersonal conflict (Sermat 1978). Psychologists have identified two types of loneliness - social isolation and emotional loneliness (Green et al. 2001). Emotional loneliness is further classified as family loneliness and romantic loneliness (Di Tommaso et al. 2003).

Any person who is struck by loneliness will resort to measures of entertainment like travelling, reading, gaming, watching movies etc. Many a times people also tend to go for shopping for combating loneliness (Conaway 1994; Kang and Ridgway 1996). Those marketers who advertise at this time will make their efforts obvious to the consumers and will also irritate them. So the respite comes in the form of entertainment marketing. By displaying advertisement at pivotal shopping points, giving pamphlets in the trains, distributing magazines with specialized advertising in the flight can all attract the consumer in a manner which has nuances of the choice of consumer (by picking an activity aptly fit for fighting his loneliness) and marketing preferences woven around his preferred entertainment activity by the marketer.

Disposable Income
Disposable income in simple language refers to the income left in the hands of an individual for spending or saving after making provisions of taxes. Any individual who intends to spend money on any of the activities apart from necessities of life like food, clothing and shelter have to take decisions predominantly not on the basis of his income but on the basis of his disposable income. Entertainment marketers have to leverage upon not only the desire of an individual to be entertained but also the amount of money which he has in his pocket for spending. For the consumer also, they have to choose that entertainment activity which is in conglomeration with their free time, desire and disposable income.

**Effects**

Like any other traditional marketing activity the outcome of entertainment marketing can also have both positive and negative reactions. A consumer can possibly simply retain the information presented via entertainment marketing and use it at a later stage of making purchase decision.

Another outcome could be possibly building an intention to buy a product. Probably the consumer had some idea about the product that is being advertised and when he gets ample information at a time when he is free to understand it – he probably builds an intention for it. Sometimes the consumer already had the intention and the entertainment marketing just gives it a boost at a relevant place say shopping mall. The consumer finally makes a decision of purchasing and finds himself actually in the store paying for the product.

In other case, the consumer might be not at all aware of the product and he learns about it through entertainment marketing. Educational consumer always prefers learning new thing through entertainment (Singhal & Rogers, 2002; Singhal et al., 2004).

Sometimes the consequence of entertainment marketing could be complete waste of all the efforts. The audience can completely ignore marketers effort. He can return from his entertainment activity and even after using an entertainment product can completely overlook the marketing campaign hidden in it. There lies the biggest problem of marketers. As has been rightly said by someone “the infuriating paradox of product placement is that if you notice it, it is bad. But if you don’t notice it, it is worthless. It is such a narrow line that either the viewer or the advertiser feels betrayed” (Euphron 2003)

**CONCLUSION - APPLICATION OF THE CONCEPTUAL FRAMEWORK**

The applicability of the conceptualized model can be explained further through few examples from the life of an ordinary person where we can aptly infer the implication and usefulness of entertainment marketing. A student was alone in the hostel and he needed a break from his life and studies (Factor - Monotony) He went out to watch a horror movie (Consumer Behavior – Passive). The movie (Industry – Mediated) had few nerve catching sequences (Consumer Attitude - Physiological). Throughout the movie the protagonist drove BMW (Marketing through Entertainment) which caught the students attention. The student at the end came out of the theatre relaxed – gaining nothing tangible but awareness about BMW.

A father on a weekend intends to take his family for some outing (Factor – Leisure). The family plans for an exciting visit to the zoo (Consumer Behavior – Escapist). The zoo (Industry Experiential - Venue) was a lively and exuberant place for the children. They enjoyed there and the guide gave them the information about extinction of tigers (Consumer Attitude – Cognitive). They waited at the restaurant in the zoo for their meals to be served- in the meantime father caught hold of a polio
awareness advertisement (*Marketing through entertainment*) in the restaurant. The father realized that one of the child has to be immunized before the dates (*Effect – Learning*).

A group of friends decided to go to a newly opened Venice theme (*Consumer Behavior – Aesthetic*) based shopping mall (*Industry – Destination*). As they had no money in their pockets their intention was just to explore the place (*Factor – Leisure/Monotony*). While enjoying in the mall they were just mesmerized by the surrounding (*Consumer Attitude – Affective*). They spend the entire day in the mall and came back with probably no information about the whereabouts of the marketing campaigns (*Effects – Ignorance*).

The above mentioned three examples gave us a comprehensive picture of how different people have different situation in which they resort to entertainment and how marketing can be plugged in between these entertainment options to deliver sometimes desired and sometimes not so desired results. What further needs to be done is to have empirical findings to validate and strengthen the conceptual framework for further understanding and deepening the concept of entertainment marketing – predominantly marketing through entertainment where entertainment is perceived as a activity and not as a product.

**REFERENCES**


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ELABORATIVE CONCEPT OF ENTERTAINMENT MARKETING
Figure 1: Concept of Entertainment Marketing
Figure 2: Conceptual Framework of Entertainment Marketing

Figure 3: Experiential genre (Adapted from Shay 2008)

<table>
<thead>
<tr>
<th>Live</th>
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<th>Venue</th>
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<td>Concerts</td>
<td>Resorts</td>
<td>Malls</td>
<td>Film</td>
<td>Star System</td>
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<td>Drama, Comedy</td>
<td>Cruise Ships</td>
<td>Parks</td>
<td>Television</td>
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<td>Circus, Dance</td>
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<td>Casinos</td>
<td>Internet</td>
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<td>Opera</td>
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MAKE BRAND LOVE, NOT WAR – THE POWER OF COMBINING EXPLICIT AND IMPLICIT BRAND ATTITUDE MEASUREMENT TO DETECT BRAND AFFECTION

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ABSTRACT

Motivated by the success of major brands like Coca-Cola or Apple, marketing researchers continuously try to better measure consumers’ brand perception and behavior. The comprehensive analysis of a brand’s intangible value drivers is therefore one of the main subjects in brand research and brand management. Important question especially arise from the customer-brand relation: Why do consumers love specific brands, why do they hate some and how does love turn into hate? In order to better understand the underlying brand mechanics, a growing number of marketing researchers not only explores the explicit (conscious) elements of brand affection, but also their implicit (unconscious) facets. Still, research studying consumers’ underlying implicit, in terms of automatic evaluations of a brand is scarce. Against this background, our paper presents two studies that combine implicit and explicit measures of brand attitude with regard to two major brands (Coca-Cola and Adidas) and two different consumer brand touch points. Our results show that implicit and explicit brand attitudes significantly differ regarding the analyzed brands and the analyzed brand touch points. Furthermore, our results indicate that the implicit side of brand attitude can show a totally different picture of the brand depending on the analyzed brand touch point, enabling marketing managers to better detect and counter unplanned or unwanted brand attitude changes.
FRIEND OR FOE? A SMALL BUSINESS SUCCESS STORY OF COLLABORATING WITH COMPETITORS USING SOCIAL MEDIA

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ABSTRACT

The purpose of this paper is to share the social media success story of Lexington Beerworks, a craft beer taproom located in Lexington, KY. As the paper will delineate, Lexington Beerworks’ success stems from some conventional social media usage similar to Blakeman and Brown’s (2010) recommendation; however, a great deal of Lexington Beerworks’ social media success is a result of unconventional use of social media, particularly its collaboration with its main competitors.

Keywords: Social Media, Community, Competitors, Craft Beer

INTRODUCTION

It’s no surprise to anyone that social media use in small businesses is growing at an exponential rate. Given the costs of traditional advertising, social media provides a means for smaller, younger businesses to get their name in the public eye. One just has to look at who they “like” on Facebook or follow on Twitter to see that the makeup of their “friends or followers” is slowly changing from individual people to organizations. In their article, Blakeman and Brown (2010) discussed three key aspects of social media: content, connection and community. These “3 Cs” provide a starting point to build your social media platform. Does your business want to emphasize content? Then, blogging should be your focus. Connection? Think about emphasizing Twitter or LinkedIn. Community? Plan to spend some time on Facebook. For many businesses, all three aspects are imperative to promoting their business in the social media environment. The purpose of this paper is to share the social media success story of Lexington Beerworks, a craft beer taproom located in Lexington, KY. As the paper below will delineate, Lexington Beerworks’ success stems from some conventional social media usage similar to Blakeman and Brown’s (2010) recommendation; however, a great deal of Lexington Beerworks’ social media success is a result of unconventional use of social media.

In recent years, books have been written about small business success stories using social media (e.g. Meyerson 2010), so there is nothing novel about another small business success story that stems from social media. However, the story we are going to tell is unique. In addition to focusing on content, connection and community (Blakeman and Brown 2010), Lexington Beerworks emphasizes an additional aspect that differentiates itself from other social media success stories. This local business has collaborated with friends and foes to enhance the community surround its organization, as well as its competitors. Examples given in the following paper will demonstrate how Lexington Beerworks will even go so far as to promote its direct competitors via social media. Local media have picked up on this collaboration between Lexington Beerworks and its direct competitors (Country Boy and West Sixth); all three businesses have benefited from positive public relations. Consider this quote from a recent article:
“We [owners of Country Boy] know that you're not going to come over here and drink at Country Boy every night of the week…. What we want is to get you one night of the week, and the other nights you might be at Beerworks, or you may be at West Sixth — that's great for everybody, because you're spreading your dollar around but you're keeping it in town” (Brewer 2010, p. 35).

The results from this unconventional approach have been phenomenal. Businesses should consider following Beerworks’ lead and turn their foes into friends to enhance their business. While some organizations use social media to differentiate themselves from competitors, Beerworks is using social media to connect to its competitors. The following paper will provide a brief overview of the company, followed by examples of the company’s conventional use of social media, and then concluding with its unique approach at collaborating with the competition.

COMPANY INFORMATION ~ LEXINGTON BEERWORKS

Lexington Beerworks is a craft beer taproom that specializes in the sale of specialty craft beers. Additionally, it has retail component that focuses on selling homebrew supplies. The concept was born when three colleagues began brainstorming business ideas over their lunch hour. As beer enthusiasts who had expertise in home brewing, yet were constantly frustrated by the difficulty in locally procuring the necessary brewing supplies and expertise, they saw an opportunity to spread their knowledge and build a business. The market for craft beer is growing steadily. The growth for craft beer was 11% by volume in 2010 while the overall beer market declined by 1% (www.brewersassociation.com). The combination of a growing market and consumers demand for specialty beers made the decision to open Beerworks an easy one. Given this, these three colleagues pursued their dreams by forming an LLC, obtaining a small business loan, breaking ground on construction, and ultimately, opening the doors to Lexington Beerworks. Beerworks was ready to position itself in the market as the one place “devoted to the craft.” With 12 rotating taps and an extensive collection of bottled craft beer, customers at Beerworks can experience new specialty beers daily, as well as buy homebrew supplies, and take classes on how to brew beer.

Given the resource constraints for any small business, Beerworks relied heavily on social media to spread the word and create buzz. Long before physically opening its doors, the owners of Beerworks recognized that social media was critical to building awareness in the community. Initial steps included creating a website, blog, Facebook page, and Twitter account. The following sections will detail how these tools were used to create successful content, connection, community and collaboration that ultimately led to the successful opening months of Lexington Beerworks (see Table 1).

SOCIAL MEDIA

Content

Blakeman and Brown (2010) recommend that businesses who want to focus on content should start a blog surrounding their company. Initially, this is exactly what Beerworks did. Prior to opening its doors, all three owners had blogs that focused on a variety of content-driven topics. The initial blog posts focused on content surrounding the business opportunity of a craft beer taproom and homebrew
supplies. Other posts focused on location, types of beers, as well as a post dedicated to educating consumers on craft beer itself. From the beginning, Beerworks was focused on educating and connecting with customers. While the owners of Beerworks may not have realized it at the time, they were acting on advice that social media experts have given regarding content. “When creating online content, the idea is to give quite a bit of value with the free information you provide your prospects” (Clark 2010, p. 17). Beerworks was providing free content on the attributes and importance of craft beers. As stated earlier, the market for craft beer is growing and many consumers do not have access to the information they needed. Through its blogging, Beerworks was able to provide this value to its target market, even before the doors opened.

After the store opened, Beerworks’ blog entries slowed almost to a stop. They found that customers no longer needed the content-laden blog posts since they were experiencing the craft beer industry in the retail setting. In an effort to continue to focus on content, Beerworks began using Facebook and Twitter as vehicles to relay specific content at a quicker, easier pace. According to marketing expert, Ann Handley, “content is relevant and useful information that your visitors will find helpful, educational, interesting or (sometimes) just plain fun” (Handley 2010, p. 52). For Beerworks, this advice meant finding content that appealed to fellow craft beer enthusiasts like themselves. Beerworks began posting videos from different breweries about specific beers about to be tapped or that were part of a special event. When Lexington Beerworks offered a special tasting flight for barrel aged imperial beers, a video was posted each day leading up to the event highlighting the specifics of each beer. Additionally, content posts related to pairing beer with food are popular. For example, when eating spicy Thai food, the recommended beer pairing is an IPA. Beerworks is providing this free, valuable information in the hopes that customers will stop by to purchase a growler of that perfect beer to complement their meal at home. All of these examples represent interesting and educational ways that Beerworks relayed content to their target market via social media.

From the standpoint of successful social media content, Beerworks found blogging to be critical at the pre-opening stage; however, it took up more time once the store opened. Given this, they chose to capitalize on the micro-blogging abilities of Facebook and Twitter to more detailed content in a less time consuming manner. Beerworks understood the critical importance of content in capturing the attention of its customers.

Connection

When it comes to connecting customers with a business, Twitter is the recommended media vehicle (Blakeman and Brown 2010). Regardless of the industry, most businesses can benefit by connecting to their customers online. A Cone Business in Social Media Study found that “an overwhelming majority of consumers – 93 percent – believes that companies should have a social media presence of some kind” (Handley, p. 50). In other words, customers expect it. Twitter is an easy, inexpensive way to have an online presence and spread information about a business. For Beerworks, Twitter is a major part of their daily social media schedule (see Figure 1). A typical day involves at least 30-60 minutes of time dedicated to tweeting. As social media expert Micek states, “Twitter is something that you add on to your normal routine, you need to think of ‘reallocating your time’ differently than you have in the past” (Micek 2010, p. 201). When using Twitter, it is important to “put keywords in your profile description” (Micek 2010, p. 203), this will ensure your target can find you on Twitter. Beerworks has down just this with Twitter. Their profile description reads, "Lexington's premiere craft beer taproom and home brew
supply. Love great beer? Interested in learning? Visit us on N. Limestone!” This profile description highlights the focal aspects of their businesses: craft beer and home brew supplies.

According to one of the owners, “Twitter is more of a fast-paced microblog, so it's more appropriate for frequent, short posts.” Lexington Beerworks has seen success with tweets regarding their differentiators, such as their large seating area inside, the nice outdoor seating and the copper top bar. Additionally, anytime a keg is switched out, a tweet goes out to build excitement about the new offering. Beerworks takes pride in their open and honest tweets. For example, when other local craft beer related businesses opened in town, Beerworks used Twitter to help get the word out that the craft beer market was growing. In fact, Lexington Beerworks’ owners were even in attendance at their competitors’ opening night. As is detailed below, Beerworks took the route of collaborating with their competitors instead of competing. Beerworks could have easily offered an incredible special to directly compete with their competitors’ opening night. Being “true to yourself and authentic on Twitter” can pay off with engaged followers (Micek 2010, p. 209).

Gaining a loyal Twitter following requires daily dedication to connecting with your customers; however, these efforts are economically inexpensive and will pay off when your customers connect with your business. One way to enhance the impact of Twitter is through posts that are re-tweeted (Meyerson 2010). For Lexington Beerworks, the most re-tweeted posts focus around special beers or inventory that Beerworks has. In the craft beer industry, there are special kegs that can be difficult to find and are a big draw to beer enthusiasts; these tweets tend to get shared quickly among craft beer enthusiasts. Photos of the bar, or events at Beerworks, are also shared quite a bit. Beerworks has also hosted special events with different organizations (i.e., different clubs, young professional groups) and those postings with photos are likely to get shared amongst participants.

Beerworks has successfully used Twitter to connect the business with its customers. While Twitter is a great way to connect, Beerworks wanted to enhance their customers’ connection to its business as well. To do this, they are rolling out a unique recommendation program to help promote the trial of new beers for their customers. Given the vast amount of specialty beers available and the different styles of beer in the market, it can be a difficult task for consumers to select a beer they would like to try. To try and offset the uncertainty present when selecting a new beer, Beerworks has created a way to recommend beers based on a customer’s ratings. To do this, they have developed a platform for having the customer rate beers on a scale of 1 to 5 and then as the focal customer provides their evaluation of the beers on a test flight, they will get personalized recommendations based on the ratings of other customers. The goal behind this program is to help educate consumers and match preferences with offerings in a less intimidating way. This unique recommendation program will provide yet another way for customers to connect with the company.

**Community**

While Twitter’s main focus is on connecting customers with the business, Facebook’s focus expands on that to connect customers with other customers; this aspect helps to continue to reinforce the community surrounding the business. Facebook has been an integral part of Beerworks’ marketing efforts. Initially, the strategy was to build awareness of Beerworks. Once the doors opened, Beerworks used Facebook to induce trial. On the first day that the page was created, Beerworks had 71 likes. By opening night, they had almost 700 followers and a full house (with customers waiting outside to get in). After less than four
months of being in business, they now have over 1400 likes. One way that Beerworks induced trial and increased the Facebook presence was through check-ins. Customers could “check-in” on Facebook together and receive instant “happy hour pricing.” By offering this consumer promotion (discount pricing), Beerworks was able to induce trial, but also build a community of customers who “checked-in” to the taproom.

Beerworks has found Facebook useful in promoting what is currently on tap, any new bottled beers that have come in, as well as specials on homebrew supplies. For example, during the Valentine season, Beerworks offered a free ingredient kit with the purchase of a starter equipment kit and saw increased traffic from this promotion on Facebook. By using online promotions via Facebook, customers were given incentive to visit Beerworks and check out their homebrew inventory. Special events are also a key part of building some excitement around the products sold at Beerworks. When homebrew classes were first being announced, the announcement was posted on Facebook and the first class was full within 2 days. Friends connected with friends on Facebook to ensure they were taking the classes together. This is a great example of the community that a business can build on Facebook. A similar approach was used to promote a special stout and chocolates pairing for Valentine’s Day. Again, the response from consumers was great and the Valentine special chocolate/beer pairing was a big success.

Beerworks has further engaged their Facebook community by encouraging fans to add content. This helps to spread buzz about Beerworks through a viral marketing technique, while also making the customers feel like an integral part of the community (Smith 2010). For example, customers have posted photos of their homebrew set up in action to Lexington Beerworks’ Facebook timeline. Other home brewers have posted updates on their homebrew after visiting Beerworks or taking a beginners’ homebrew class at the store. Customers have even posted products they think Beerworks should add to their product line – the most interesting being a hop inspired flavored lip balm. Further, Beerworks has encouraged interactivity through customer polls. Before opening earlier this year, Beerworks posted an update asking consumers to submit their best names for a new beer. The top ones were then available for consumers to vote on and the winner received a free t-shirt. Interestingly enough, the winner made it a point to attend Beerworks’ opening night with his t-shirt on for show; this added bonus helped promote Beerworks’ social media in the retail setting. Polls are also used to get feedback or opinions on different types of beers. All of this community feedback has been critical to the success of Beerworks; they understand the critical importance of building a customer community via social media.

**COLLABORATING WITH COMPETITORS**

Beerworks has successfully used blogging, Twitter and Facebook, along with other vehicles to disseminate content, connect with customers, and build a community of customers. All of these steps are more or less common in social media marketing today. However, one key element that capitalizes on all of this is what Beerworks is doing with its surrounding competitors. Research examining cooperation among competitors has largely focused on formal relationships between vertical competitors (i.e., Bengtsson and Kock 1999) that occur through strategic alliances or some other formal means of cooperation. However, cooperation can also occur for horizontal competitive relationships and these horizontal relationships are fundamentally different from vertical relationships (Bengtsson and Kock 2000). Both types of collaboration provide value to the firm and can play a huge role in helping a business grow. While there has been research addressing horizontal relationships, most have examined formalized alliances in the domain of R&D and innovation within larger, established organizations (e.g.,
Powell, Koput and Smith-Doerr 1996; Rindfleisch 2000). However, for the small start-up firm, collaboration among competitors is more likely to occur in an informal fashion. Most often, horizontal cooperation is characterized as being informal in nature, difficult to observe and rarely include economic exchange (Bengtsson and Kock 1999). Beerworks has opted to collaborate with its competitors, both direct and indirect, in an effort to build a community that expands beyond customers to its competitors. Unlike most of the cooperation that occurs between competitors, the strategy they have followed to develop this social exchange has been visible to other companies and customers through the use of social media. Here are some successful examples of how Beerworks has collaborated with its indirect (vertical) and direct (horizontal) competitors and promoted this cooperation through their social media strategy.

**Vertical Collaboration**

Many special events have connected Beerworks with other local businesses that provide services outside of the purview of Beerworks’ product offerings. By collaborating with other businesses, they are able to offer unique events to attract customers. For example, they have created an event called “Flight and Bite,” where Beerworks partners with food vendors in the area to offer beer and food pairings for customers. For instance, Beerworks is currently collaborating with Lexington Pasta, a business located in the same block that specializes in creating fresh pasta. The companies are jointly promoting the event through Facebook and Twitter. The event will pair four different beers with different pasta offerings; this event provides a way to educate consumers about beer and pasta, as well as the combination of the two. It is also a great way to drive more customers to the area and promote two businesses with one event. Since consumers today have limited discretionary income, some might argue that partnering with another company is taking dollars away from Beerworks; however, Beerworks sees the opportunity to cooperate with another business to expand their reach.

Another neighbor to Beerworks is a steakhouse that is a local institution. Given the popularity of craft beer and the crowd that Beerworks draws on weekends, Columbia Steakhouse now offers hamburger sliders “To Go” for customers to bring into Beerworks. This is another example of how collaboration with other businesses is providing extra value to both the business and ultimately the end consumer. Similarly, when selecting chocolates for the Valentine’s Day event, Beerworks worked with Old Kentucky Chocolate to select the perfect chocolates to pair with stout beer. Photos of the chocolates and beer were posted to Facebook to help promote the event. Customers can still buy small boxes of Old Kentucky Chocolate at Beerworks. By far the best seller – Bourbon Balls (not shocking – it is KY after all!).

Collaboration has also occurred with suppliers of Beerworks. Alltech, also located in Lexington, is working on a new beer to complement their Kentucky Ale product line (the first one to be introduced in 6 years). Alltech wanted customer feedback on the beer prior to launch. They contacted Beerworks and arranged for the new Coffee Stout Ale to be available on tap for a limited time. Beerworks used Twitter and Facebook to announce this event and promote it as the customer’s chance to be a part of the test market. Alltech, in turn, re-tweeted the post to almost 1200 followers to help spread the word. The brewer was at Beerworks the night it went on tap to get customer feedback about the beer. Again, collaboration with the community and spreading the word through social media is a strategy that Beerworks fully embraces.
Horizontal Collaboration

The previous examples all detail how Beerworks has collaborated with indirect competitors, or businesses that are all vying for the customers’ discretionary income. However, a key aspect of Beerworks collaboration strategy is to also collaborate with direct competitors. In this case, Beerworks and its direct competitors share the common goal of selling more craft beer. The local Lexington area faced the entrants of three craft beer retail locations within a six month timespan. Instead of trying to bash and outwit the competition, Beerworks has taken the approach to work together with their competitors to build the craft beer market. Each of the players in the craft beer market has a unique offering for consumers that facilitate the collaboration among the different organizations. All three have rotating taps pouring beer for consumers. The differentiation comes from other aspects. Beerworks is also a home brew supply store and is focused on educating consumers about beer (whether it is one that they drink while at the store, or one that they brew at home). Country Boy Brewing brews their own beer and offers that unique product offering to consumers. Finally, the third player in the market, West Sixth, will brew their own beer on-site and have plans to open a beer garden for customers.

The objective of each business is not to own any one set of customers, but rather to encourage customers to become patrons of all three. For example, “during Country Boy’s opening weekend, the owners of West Sixth and Beerworks made multiple appearances, and have even been encouraging their own customers to go to the brewery to check it out” (Brewer 2010, p. 35). After visiting Country Boy on opening night, Lexington Beerworks posted the following on Facebook: “We had many good beers at Country Boy Brewing this afternoon and can’t wait to try more. Good job on the taproom – it’s looking great!” (2/7/12) Additionally, Beerworks posted a picture of the newly opened place on their own timeline. In response, Country Boy posted, “It was also great to have the guys from Lexington Beerworks in the house last night! So many great beer spots in Lexington!” (2/8/12). Unlike most cooperation with direct competitors, the strategy utilized here is highly visible to others and thus promotes a sense of camaraderie for beer enthusiasts.

In addition to encouraging their own customers to check out their competitors’ locations, Beerworks is also in the works with their direct competitors to start a rotating trivia night. All three businesses use Facebook and Twitter to mention exciting events happening at the other locations. These businesses are actively using social media to collaborate with the direct competitors to enhance the craft beer market. The attitude among the competitors is that there is enough to go around for all to accomplish their goals. In a local story highlighting the three companies, Greg Leimer (a partner in Lexington Beerworks) is quoted as saying, “We’re going to focus on making sure that we’re a happy beer family here in Lexington — that we’re supporting them and really growing the craft brew market,” (Brewer 2010, p. 35). Other small businesses may consider connecting with their competitors, direct or indirect, online and in person to enhance their chances of success.

CONCLUSION

The use of social media has helped make the launch of this new business a success. By creating hype and excitement about the business concept prior to launch and then utilizing social media on a daily basis to keep customers engaged, Beerworks has positioned itself strategically within the Lexington business community. As a still young business, the long-term success of Beerworks is still unknown; however, all signs point to a bright a future. At this point, the owners are ecstatic with the response they
have received from the community and customers. According to one of the owners, “Business has exceeded our initial conservative estimates. Using social media has helped us build awareness and create momentum for the business. As we continue to grow, we will utilize the different elements of social media that have been effective in the past at reaching our customers and connecting with the community surrounding craft beer.” Furthermore, customers seem genuinely happy as well. Several have made use of the recommendation feature on Facebook, or tweeted about a night out at Lexington Beerworks including recommending it to others. The response to special events and collaborations with competitors has been well received. Social media has provided a solid foundation for Lexington Beerworks’ marketing strategy, and it is sure to be a fundamental aspect in all things to come. Cheers.
TABLE 1
Overview of Lexington Beerworks’ Social Media Marketing Strategy

<table>
<thead>
<tr>
<th>Goal</th>
<th>Examples</th>
<th>Medium Used</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Content</strong></td>
<td>Background about the business and home brewing</td>
<td>Blog</td>
</tr>
<tr>
<td></td>
<td>- “How we got here and where we want to go” (<a href="http://www.lexingtonbeerworks.com">www.lexingtonbeerworks.com</a>)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- “A winning combination” (<a href="http://www.lexingtonbeerworks.com">www.lexingtonbeerworks.com</a>)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Education on food and beer pairings</td>
<td>Facebook</td>
</tr>
<tr>
<td></td>
<td>- “Beer with dessert? Absolutely. We’ve got Flying Dog or Founder’s Porters that taste great with chocolate and other rich sweets. Or, have some Schlafly Hefeweizen to wash down a piece of key lime pie.” (Lexington Beerworks’ Facebook post – 1/24/12)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information about the beers on tap</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Posting videos from different breweries highlight beers that are currently on tap</td>
<td></td>
</tr>
<tr>
<td><strong>Connection</strong></td>
<td>Keg rotations</td>
<td>Twitter</td>
</tr>
<tr>
<td></td>
<td>- “Schlafly Oatmeal Stout is now on tap. Left Hand Ambidextrous is off (you guys really like that stuff!)” (Lexington Beerworks Tweet – 3/24/12)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Highlight key differentiators</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- “We’re lovin’ that 5-day forecast! Mid 70s and sunny all week calls for some fine craft beers on our fine patio.” (Lexington Beerworks Tweet – 3/12/12)</td>
<td></td>
</tr>
</tbody>
</table>
| **Community** | Facebook check-ins  
- $1 off with check-in  
Special events (i.e., homebrew classes, special tasting flights)  
- “We’re now taking reservations for our first ‘Introduction to Home Brewing’ class...” (Lexington Beerworks’ Facebook post – 2/23/12)  
- “See you all tonight to try these 4 awesome beers at once. Share this event with your friends if you haven’t yet!” (Lexington Beerworks’ Facebook post – 2/22/12) |
| --- | --- |
| **Collaboration** | Collaboration with other businesses  
- “Did you know that our friend Flo at Columbia’s Steakhouse is now delivering her special Cheeseburger sliders and Buffalo Chicken sliders to Beerworks? We’ve got menus on the bar and on each table, so it’s as easy as making a call and they’ll walk them over!” (Lexington Beerworks’ Facebook post – 3/28/12)  
- “’@BGFoodTrucks: Cluckin Burger and Lexington Beer Works are teaming up Friday April 6th for a cluckin good happy hour :)’ can't wait!” (Retweeted from Cluckin Burger by Lexington Beerworks – 3/28/12)  
Collaboration with competitors  
- “Country Boy Brewing makes some fantastic brews. We can’t wait to carry a few up here at Beerworks!” (Lexington Beerworks’ Facebook post – 3/1/12) | Facebook  
Twitter |
REFERENCES


ABSTRACT

Throughout history, happiness has been proposed as the “highest good” that a person can seek in life; more and more, the attainment of this “holy grail” is sought and promised by the consumption of products and brands. By targeting this telos, marketers and researchers have recognized that specific emotional brand characteristics (such as the capacity to make people happy) have become the silver bullet for successful brand management (e.g., Bettingen and Luédicke 2009; Holbrook 1982). Consumers no longer want to buy brands only for what they are: they also select them for the emotional experiences that they deliver. It is therefore essential to identify the respective brand emotions that are influenceable and of high behavioral relevance. Because happiness is an emotion with these characteristics (e.g., Soscia 2007), it is worthwhile to devote attention to the topic of brand happiness. This research paper aims to provide a first insight into the definition, measurement and behavioral relevance of the brand happiness construct. To this end, different emotions are collected and collated within an overall construct of brand happiness.

According to the definition of happiness as a short-term emotional state (e.g., Delle Fave et al. 2011), brand happiness is defined as a moment-based consumer’s experience of pleasant emotions released at different brand touch points. Drawing on Brakus, Schmitt and Zarantonello (2009) and Thomson, MacInnis and Park (2005), the scale development process of this research paper is made up of four separate studies. Study 1 is qualitative in nature, consisting of 68 personal interviews with consumers and experts, as well as an extensive literature review. Study 2 serves to reduce the items generated in Study 1. Here, 187 consumers were asked to evaluate how well the identified items describe a brand that makes them happy (items with low means and low factor loadings were excluded from further analyses). Study 3 (n = 206) further reduces unimportant items based on low factor loadings. The factor analysis on the remaining 12 items reveals a four-factor solution: joy (emotions that reflect consumers’ exuberance towards brands), vigor (a high degree of activation and vitality), pride (feelings of self-enhancement in relation to the brand), and serenity (emotional harmony and balance regarding the brand). In a next step, a new sample (n = 435) was used to further assess the developed brand happiness scale. Different models were tested (a one-factor model, a second-order model, and a four-factor model) to uncover the relationship of the four factors to the greater brand happiness construct. The four-factor model exhibits the best fit. To test the nomological validity of the brand happiness scale, the effects of brand happiness on brand behavior were proven. Applying the appraisal theories (e.g., Lazarus 1991), the proposed hypotheses state that the experience of brand happiness results in a desire to re-experience it (through purchase and word-of-mouth). The results support the hypotheses that brand happiness positively influences purchase intention and word-of-mouth behavior, and thus provide evidence of the importance of brand happiness for brand success. Therefore, practitioners are prompted to create brands and brand experiences that make consumers happy.

References Available Upon Request
A REVIEW OF BRAND LOVE – CONCEPTUAL CONSIDERATIONS AND THEIR RELEVANCE FOR BUSINESS

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INTRODUCTION

The concept of brand love and romantic customer-brand relationships has experienced a phase of increased interest among marketers and researchers. This paper aims to give a holistic overview about the current state of the academic discussion of brand love and emphasizes the conflicts in assessing the construct by itself as well as antecedents and consequences. Considering the relevance of these conceptual issues for business practice, we discuss passionbrands and lovemarks.

BACKGROUND

The brand love concept is rooted in the assumption that theories of interpersonal love can be applied to the consumer-brand relationship context. Sternberg’s (1986) triangular theory of love indicates that interpersonal love has three highly correlated dimensions, which are intimacy, passion and decision/commitment. He created a love typology which covers eight different types of interpersonal love each defined by a combination (presence/absence) of the three dimensions. For instance, romantic love is defined as the presence of intimacy and passion and a lack of decision/commitment. Shimp and Madden (1988) build upon this theory to develop a conceptual framework on consumer-object relationships. According to their study, the relationship between a consumer and an object bases on three components, which are liking, yearning and decision/commitment. They argue that meeting all three requirements leads to brand loyalty that is seen as the equivalent of Sternberg’s complete love. Shimp and Madden’s inhibited desire would respectively transfer to romantic love in Sternberg’s model.

Few researchers like Heinrich, Bauer and Mühl (2006) argue that all three components need to be existent in order for brand love to occur. Consequently, they argue brand loyalty to be part of the brand love concept. However, Whang, Allen, Sahoury and Zhang (2004) give reasons that brand love and brand loyalty are different concepts. In order to be coherent with that perspective, the measurement of brand love should exclude the decision/commitment component. Whang et al. (2004) argue that consumers can experience passionate and emotional love for a brand. It might converge into a romantic brand love over time. Fournier (1998) suggests a six-faceted brand relationship quality construct (BRQ) which assumes that love and passion are core elements of consumer-brand relationships and that people are able to develop close and intimate relationships with brands comparable to interpersonal ones.

Evaluating studies published in peer-reviewed journals, we identify two competing frameworks: (i) the application of the interpersonal theory of love and (ii) the meaning-based one of consumer-object relations suggested by Fournier (1998). Both frameworks are criticized for not providing the “true” (by means) research frame and we have no clear indication which framework will prevail over the long run.

ANTECEDENTS, MEASUREMENT MODELS, AND CONSEQUENCES
Carroll and Ahuvia (2006) suggest definition of brand love that is “the degree of passionate emotional attachment that a satisfied consumer has for a particular trade name”. In contrast, Keh, Pang, and Peng (2007) define brand love “as the intimate, passionate, and committed relationship between a customer and a brand, characterized by its reciprocal, purposive, multiplex, and dynamic properties”. Moreover, Rossiter (2012) defines brand loves as “achieved only when “Deep Affection” and “Separation Anxiety” are jointly felt in relation to the potential love object.” Results from Carroll and Ahuvia (2006) suggest that hedonic products yield a higher degree of brand love than utilitarian ones. The same holds for self-expressive brands, which are associated with stronger brand love. Bergkvist and Bech-Larsen (2010) enlarged the framework by two additional antecedents: brand identification and sense of community. Ismail and Spinelli (2012) focus on fashion brand love and conclude an impact of brand image on brand love. Additionally, Batra, Ahuvia, and Bagozzi (2012) argue that brand quality can be considered as an antecedent. Long-Tolbert and Gammoh (2012) investigate brand love in service relationships. They found three interpersonal antecedents that contribute to brand love: gratitude, partner quality, and social support.

Next, we discuss a differentiation to related concepts. Some authors assume emotional brand attachment and brand love are similar concepts (e.g., Carroll and Ahuvia, 2006; Thomson et al., 2005) but there are researchers (e.g., Hwang & Kandampully, 2012) suggesting a clear separation. They state that emotional attachment in comparison to brand love requires less intensity of emotional response towards an object. Brand attitude favorability, brand satisfaction and brand involvement are distinctive constructs that unequal to brand love (Thomson et al., 2005). Experienced satisfaction over a longer period can lead to brand love, but the absence of satisfaction does not preclude the development of brand love. Therefore, it may or may not be considered as antecedent of brand love. Batra et al. (2012) state that often a clear distinction between love as emotion (short-term) or as relationship (long-term) is not made when studying brand love. Finally, brand love is different from brand affect. The latter can be interpreted as brand liking (Carroll and Ahuvia, 2006). It also needs to be distinguished from customer delight as it can have a positive influence on brand love as mentioned by Sarkar (2011).

These concepts have in common that the consumer has positive feelings for a brand. However, they vary in their intensity and differ in their occurrence as well as in their experienced length. In general, one can say that a romantic customer brand relationship is one form of brand relationship. Clearly desired by companies as it can be the foundation for developing the relationship to the ultimate level which would be the loyalty relationship as per Shimp and Madden (1988).

Consolidating previous research, we have different brand love scales available. Carroll and Ahuvia’s (2006) brand love scale features one dimension comprised of ten items with Likert-type responses. Its uni-dimensionality is criticized from authors who assume brand love to be a multidimensional construct (e.g., Albert, Merunka, and Valette-Florence, 2009). Thomson, MacInnis, and Whan Park (2005) provide empirical evidence from five studies using two different survey versions with Likert-type scales. They develop a 10-item scale proving information captured by first and second order constructs. Albert et al. (2009) developed their assessment in a Web-based survey using 10 point Likert-type scale and projective statements. Rossiter (2012) introduces a C-OAR-SE-based measure that distinguishes brand love from brand linking. This measurement approach is criticized by Ahuvia, Bagozzi, and Batra (2013) because it rejects the psychometric properties which have been established as a standard. Bagozzi, Batra, and Ahuvia (2013) provide an updated and extended version of their brand love scale distinguishing between four versions. These differ on the number of items measured by the scale. They stress the 26 item scale as the best one to use. Noticeably, they introduce the idea of a brand love prototype.
Challenging the lack of explanatory studies for theory development they combine telephone interviews and follow-up depth interviews with an online survey.

The number of identified brand love dimensions varies from three up to 11 which shows that there is not much consensus. Thompson et al. (2005) suggest passion, affection and connection as dimensions which is similar to Keh et al. (2007) who propose emotion, conation, and cognition. Carroll and Ahuvia's (2006) research led to five dimensions which are passion, attachment, positive evaluations of the brand, positive emotions in response to the brand, and declaration of love for the brand. Batra et al. (2012) were able to identify seven dimensions that describe brand love from a consumer's point of view. These dimensions are positive attitude valence, self-brand integration, positive emotional connection, separation distress, long-term relationship, passion-driven behavior and attitude strength. Eventually, Albert et al. (2008) introduce 11 dimensions which presents the most extensive collection of brand love dimensions. Apart from the recurring dimensions (e.g. passion, duration of relationship and declaration of affect) Albert et al. state the following dimensions: self-congruity, dreams, memories, pleasure, attraction, uniqueness, beauty and trust. Ortiz and Harrison (2011) mention four dimensions which apply to consumer-retail love relationships. These dimensions are nostalgia, comfort, it's me and aspiration.

The dimensions of brand love are heterogeneous, so that we do not expect the consequences revealed in the individual studies fitting each other in a consistent manner. Thomson et al. (2005), for instance provide evidence for an increased willingness to pay a premium price increased brand loyalty. A strong emotional bond to the favorite brand leads to repeated purchases and ignorance for competing products (Carroll & Ahuvia, 2006). Moreover, they outline brand love’s influence on positive Word-Of-Mouth (WOM) for the brand. People that love a brand are likely to share their excitement over the brand with other people. Batra et al. (2012) explain positive WOM as well as the resistance to negative information with their prototype model. Bergkvist and Bech-Larsen (2010) confirm the impact on brand loyalty and expanded WOM to active engagement which includes e.g., the visit of brand websites or the purchase of merchandise. People experiencing brand love are more willing to spend additional time, energy, money or other resources beyond the actual purchase and consumption of the product.

Albert et al. (2009) conclude that passion and affection (brand love components) are predictors for brand trust, loyalty and positive WOM. The study of Albert and Merunka (2013) confirms that brand love has a positive influence on brand commitment and the willingness to accept premium prices. Similarly, Hwang and Kadampully (2012) confirm the impact on loyalty aspect for the luxury fashion sector. Extending this view, Ortiz and Harrison (2011) argue that brand love in a retail setting leads to higher commitment, increased customer satisfaction, and an overall increased profitability for a company.

Passion brands are the implementation of brand love knowledge with a focus on the passion element. Edwards and Day (2005) state that passion brands themselves distinguish from normal brands through three characteristics. Passion brands are brands with an active belief, their confidence is rooted in capability and finally they stay vibrant in a changing world. Newlin (2009) describes passion brands as engaging customers in a way that it becomes part of one’s own identity. It causes people to rethink their habits and to reevaluate their relationship to others when they feel differently including brand advocacy and beyond. This is a deep emotional connection that is built between a brand and the customer – a feeling of love. Newlin states that consumers go through several phases until a brand can become a passion brand. She presents seven accelerators of passion brands which are for example work the worldview, not age, race or gender and differentiate on design.
According to the definition of Roberts (2006) lovemarks are “brands, events and experiences that people passionately love.” Some brands are able to create long-lasting emotional bonds and therefore become lovemarks. Roberts (2006) stresses three dimensions (mystery, intimacy and sensuality). A lovemark is a combination of high levels of respect and love. He uses a love/respect diagram to differentiate lovemarks from products, brands and fads. Lovemarks need a solid foundation which is build by performance, innovation, reputation and honesty. Apart from that, the advertising industry embraced the brand love concept and its implications for emotional advertising (Pang, Keh and Peng, 2009, Wagner 2014).

CONCLUSIONS

Despite the substantial empirical research efforts the antecedents, measurement models and the consequences of brand love remain unclear in the academic discussion. This literature review outlines the conceptual roots that-in addition to sampling differences-contribute to conflicting results in empirical research. This study identifies two competing frameworks: (i) the application of the interpersonal theory of love and (ii) the meaning-based one of consumer-object relations. Further research on brand love would strongly benefit from a symbiosis of both presented frameworks.

In addition to that, we identify the following high priority venues for further research: An international comparison of brand love (differences/similarities as well as the impact of cultural framings; intensity and duration of brand love; relationship stages of brand love including the idea of waning brand love; and, Implicit measurement methodologies for assessing brand love. The following are medium priority venues for future research: Brand love and its connection with brand hate and brand avoidance; brand love in the service industry; brand love in B2B relationships; and, virtual brand love. Finally, we identify the following as promising, yet lower priority venues for future research: Additional antecedents and outcomes of brand love; applicability and differences of brand love classified by product categories (e.g., brand love relationships in retailing, fashion etc.).

The research about brand love is still in an early stage where it is necessary to build a solid foundation. Most research on brand love has been conducted in the US and it seems interesting to see if brand love varies by country and how much it is influenced by culture. The stages of brand love i.e. the development process, the duration as well as the termination of this special kind of customer-brand relationship could be useful for the practical application of brand love in business. The literature review also revealed that it is quite unclear if brand hate is the opposite of brand love and how these two are connected. Furthermore, brand love is a concept that applies to various settings (e.g., B2B vs. B2C) and categories (brand love for services vs. products) which has been addressed in the past but in a very limited scope.

To conclude, the topic brand love has received increased attention among researchers and marketers over the last years. Since a substantial proportion of brands fail to become a passionbrand or lovemark, this field provides scholars with a suited opportunity to overcome one positivism bias in their research.

REFERENCES AVAILABLE UPON REQUEST
POWER OF BRANDS IN RECALLING NOSTALGIC MEMORIES AMONG YOUNG ADULTS: AN EXPLORATORY STUDY

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INTRODUCTION

Conventional branding theory suggests that the purpose of brand identity is to give the brand a structure for what it should stand for in customers’ minds (Kapferer 2004; Keller 2001) and the brand image is referred to as the meaning a brand has for consumers (Aaker 1996), which is primarily understood as an outcome of brand identity. From a broader perspective, Keller (2003) introduced the concept of brand knowledge, referring to a consumer’s cognitive brand representation, which includes information about a brand that the consumer has acquired over time, including awareness, attributes, benefits, images, thoughts, feelings, attitudes, and experiences. From a consumer memory perspective, these brand-related feelings and experiences are stored in consumer ‘nostalgic memories’ that play a major role in shaping their future brand relationships (Braun-Latour, Grinley and Loftus 2006; Nedungadi 1990; Biehal and Chakravarti 1986). Therefore it is important to understand how and why these nostalgic brand memories exist in consumer mind addressing calls of research in evoking nostalgic memories in consumer behaviour and branding (Grisaffe and Nguyen 2011; LaTour, LaTour and Zinkhan 2010; Havlena and Holak 1991). The aim of the study is to investigate the power of classic brands in retrieving nostalgic memories. Specifically the study examines; a) Do these brands evoke nostalgic childhood memories? b) Why these brands are associated with nostalgic experiences? and c) Can these nostalgic memories be connected in advertising strategies?

CONCEPTUAL REVIEW

Nostalgic Memories Associated with Brands

In addition to brand’s physical attributes and personality characteristics, brands that are associated with life event experiences can be stored in consumer memory. In particular, nostalgic memories those are emotional and self significant have a strong influence in shaping consumer’s future consumption behaviour and branding decisions (Braun-Latour, Grinley and Loftus 2006; Nedungadi 1990; Biehal and Chakravarti 1986). Nostalgia was first described by Johannes Hofer in 1688 and recently it has received increased attention from marketers and advertisers (Havlena and Holak 1991). The word nostalgia is derived from two Greek roots: ‘nostos’ meaning to return to one’s native land and ‘algos’ referring to ‘pain’, suffering, or grief (Daniels 1985). Holbrook and Schindler (1991: 330) defines nostalgia as ‘a preference (general liking, positive attitude, or favourable affect) toward objects (people, places, or things) that were more common (popular, fashionable, or widely circulated) when one was younger (in early adulthood, in adolescence, in childhood, or even before birth)’.

Nostalgic experiences contain both pleasant and unpleasant emotional components (Holak and Havlena (1992). This ‘bittersweet’ quality of the emotion is a distinguishing characteristic of the nostalgic condition. In terms of time, it refers back to an earlier period in an individual’s life, ranging from ten to seventy years, and draws on biased or selective recall of past experiences.
Recurrent themes in the context of persons, objects, and events have been examined in nostalgia related studies; people included family, relatives and friends connected to past-experiences; objects such as photographs, paintings, piano, toys, clothing, jewellery, books and cars recall enjoyable events in the past, and events include holidays, birthdays, and cities that provide nostalgic experiences. These object and event-related experiences can be related to specific brands which consumers may have stored and remember in their memories.

**Childhood Memories Associated with Brands**

Existing research on consumer-brand relationships posit that childhood brand memories have a significant influence. Fournier (1998) claimed that relationships formed earlier in life held great emotional significance and were often those that resulted in the strongest consumer-brand. Ji (2002) suggested that relationships children form with brands early in life are more imbedded than those formed later in life. Lupton (1994) reported that earliest memories were closely linked to familial relationships and as stated by Braun-LaTour et al. (2007), early childhood exposure to a brand is a way to create an emotional attachment. Consumers store these childhood brand-related experiences in their autobiographical memory. Autobiographical memory is a type of episodic memory that is personal and self-related (Conway and Rubin 1993), and when people recall autobiographical events, they get a feeling of reliving the moment, “seeing” the experience transpire in the mind's eye, and taking in the emotions of that event (Schacter 1996). Thus, building on childhood memories that are brand related is paramount to understand insights towards their future brand consumption decisions.

**Nostalgic Themes in Advertising**

As noted by Havlena and Holak (1991), recently there has been an increased attention to nostalgic themes in advertising strategies and product management. Because nostalgia connects individuals, objects and events across time and place, such themes and emotions are relevant to communication providers or facilitators (telecommunications, greeting cards, photographs) which allow individuals to share life experiences at a particular point in time.

Advertising for products may consciously evoke past associations and memories to create or recall positive affective responses. Some advertisers recognize the emotional impact of connecting to consumer memories (Sujan et al. 1993). Thus triggering personal memories in marketing communicates benefits through the nostalgia created by the consumer recollection process.

**METHODOLOGY**

McGregor (2007) suggested the importance of qualitative dimensions in understanding consumer experiences, and this study followed a qualitative approach employing the storytelling research method to elicit consumers' early childhood brand memories, which is recognised as the most appropriate qualitative method in digging nostalgic memories (LaTour, LaTour and Zinkhan 2010; Braun-LaTour et al. 2007). Initially, level 5 undergraduate students in the Consumer Behaviour module were asked to identify classic brands and the most common 10 brands were selected for the study. 30 British students aged between 19-23 years in the University of Hull participated in the study. They were asked to talk through freely about their childhood brand memories when showed each brand logo and the answers were voice recorded. In the analysis, meaning condensation and categorisation approach (Kvale 1996)
was followed and differentiated between nostalgic brand memories and other attributes related to brand knowledge.

**RESULTS AND DISCUSSION**

Results of the study discovered childhood brand-related memories as listed below. Essentially, all classic brands had nostalgic memory stories associated with positive emotional responses. Together with these nostalgic memories, informants have also revealed their experience on other brand attributes such as brand characteristics and benefits for majority of these classic brands. As these brand stories reveal, informants have nostalgic memories for these brands mainly because a) these brands are associated with their significant lifetime events such as birthdays, Christmas and school holidays in the childhood age; b) these brands and consumption situations are highly surrounded by their loved ones such as parents, grandparents, family and friends.

<table>
<thead>
<tr>
<th>Brand</th>
<th>Nostalgic memory components</th>
<th>Brand Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca Cola</td>
<td>Reminds Christmas celebrations. Having it as a treat when younger Trying to copy the font- compete with younger sister Have it in cinemas Being hyper when younger Having it after cough medicine</td>
<td>Emotions: Happy, fun, cool, relief</td>
</tr>
<tr>
<td>LEGO</td>
<td>Presented by dad for Christmas Hours spent playing with siblings and friends Got it for my Birthday Build together in the family</td>
<td>Emotions: Fun, happy, innocence, enjoy,</td>
</tr>
<tr>
<td>Haribo</td>
<td>Present for younger sibling Treat from parents Cannot wait to open the box Happy times with friends Go to the store to just buy Play and experience sweetness</td>
<td>Emotions: anxious, happy, playful</td>
</tr>
<tr>
<td>Heinz</td>
<td>Smell of soup at dinner Grand ma’s love and cuddling Mum’s favourite and my one and only bake bean brand</td>
<td>Emotions: Warm, true love</td>
</tr>
<tr>
<td>Cadbury</td>
<td>My friend always have one on her Had an Advent Calendar for every Christmas Visited Cadbury world during school holidays.</td>
<td>No. 1 choice</td>
</tr>
</tbody>
</table>
Emotions: Happy, Fun
- Jack Daniels
  Celebrating birthday party with friends
  Family Celebration of success with family members
Emotions: Fun, enjoy
- McDonalds
  Celebrating birthdays with friends and family
  Addicted to Big Mac when younger
Emotions: Happiness
- PG Tips
  Routine in the morning with parents.
  Remember being ill and having tea
  Using it/monkey for toys, colouring the boxes when young
  Smell of tea
Emotions: Warm, Reassuring
- Disney
  Watching Disney movies with family
  Visit Disneyland during school holidays (Magic Kingdom etc).
  Wearing Disney outfits/characters in fancy dress parade (Mickey Mouse, Princesses)
Emotions: Fun, enjoy, happy, exciting

When considered the applicability of these nostalgic memories in advertising strategies, we can uncover a perfect match of these reported nostalgic brand memories and the current advertising campaigns. The recent Coca Cola advert for the festive season (http://www.youtube.com/watch?v=BZQp-ExVYkQ); the ‘Let’s Build’ LEGO commercial (http://www.youtube.com/watch?v=rwQqkX3qZak) and the ‘Nintendo 3DS - Holiday TV Commercial’ (http://www.youtube.com/watch?v=nORgM4lpslk) are few examples that reflect a perfect match between the advertising messages and the nostalgic brand memories.

CONCLUSION

Consumer brand related memories play a major role in shaping their future brand relationships (Braun-Latour, Grinley and Loftus 2006; Nedungadi 1990; Biehal and Chakravarti 1986) and therefore this study examined the power of classic brands in retrieving nostalgic memories. Qualitative data uncovers that these brands are capable of evoking affective childhood memories mainly because these memories are related to their loved ones and significant lifetime events. These uncovered nostalgic memories are also noticeable in current advertising campaigns for few brands such as Coke, LEGO and Nintendo. The study contributes to theory by uncovering the power of classic brands in evoking consumer nostalgic memories and identifying why these memories are important to them. Managerially, the study identifies nostalgic themes that can be used in designing advertising strategies.

References Available Upon Request
INTRODUCTION

Many studies in marketing science address the emotional relationship between brands and consumers (e.g. Fournier 1998; Fournier and Yao 1997; Nobre 2011; Patwardhan and Balasubramanian 2011; Robinson and Kates 2005; Veloutsou 2007). In recent times, attention has focused particularly on constructs such as brand love or emotional brand attachment (e.g. Albert, Merunka and Vallette-Florence 2007; Batra, Ahuvia, and Bagozzi 2012; Bergkvist and Bech-Larsen 2010; Carroll and Ahuvia 2006; Fetscherin and Conway Dato-on 2012; Heinrich, Albrecht and Bauer 2012; Thomson, MacInnis and Park 2005; Malär et al. 2011; Rossiter 2012). These constructs have a positive influence on behavioral constructs such as brand loyalty and word-of-mouth.

While the relationship with the brand has gained special attention in the consumer context, the emotional relationship between brands and employees has been hardly considered. Corresponding research papers in the employee context focus on the constructs commitment and identification (e.g. King 2010; King and Grace 2010; Punjaisri, Wilson and Evanschitzky 2009). However, especially emotional feelings towards the brand which are associated with brand love can lead employees to act as “brand citizens”. Brand citizens are employees who exhibit behavior aimed at promoting the brand (e.g., by recommending the brand to customers and acquaintances, by showing active involvement in brand activities). Possible consequences of brand citizenship behavior are consumers' enhanced brand satisfaction and brand loyalty and, therefore, greater brand success for companies.

Thus, the aim of this research paper is to expand the current discussion on emotional brand-consumer relationships by investigating the topic of emotional brand-employee relationships. On the one hand, the focus lies on conceptualizing and operationalizing the construct employee brand love as the ultimate expression of an emotional brand-employee relationship. On the other hand, we identify key determinants and consequences of employee brand love.

CONCEPTUALIZATION

Sternberg’s definition of love is the most widely-accepted scientific approach to defining love. According the Sternberg’s Triangular Theory of Love, love is defined as consisting of the three basic dimensions "intimacy", "passion" and "commitment" (Sternberg 1986). Sternberg’s Triangular Theory of Love relates to interpersonal relationships. Shimp and Madden (1998) adapted this theory to the relationship that exists between consumers and objects, thereby delivering the basis for the conceptualization of the construct employee brand love, which is introduced in the current research paper. In line with Sternberg (1986) and Shimp and Madden (1988), our conceptualization is based on the dimensions commitment, intimacy and passion.
Commitment is defined as the employee's long-term intention to maintain a relationship with the brand. The dimension of intimacy covers the cognitive elements of the employee-brand relationship. Intimacy presupposes knowledge structures concerning various aspects of the brand that generate a belief in superior brand qualities. The third dimension, passion, relates to the intensity and depth of the affective link between the brand and the employee. This, in turn, means that employees would feel a sense of loss if the brand were no longer available (Fournier 1998).

Based on the insights gained from the theoretical considerations, employee brand love is defined as follows: Employee brand love is a latent construct that describes the extent of an employee's psychological tie to the brand. If employee brand love exists, employees reveal a high degree of commitment, intimacy and passion towards the brand.

MODEL DEVELOPMENT

We developed a conceptual model in order to measure antecedents and consequences of employee brand love. As antecedents, we included actual self-congruity and ideal self-congruity into the model. The behavioral consequences of employee brand love are captured by in-role brand behavior and extra-role brand behavior. This model is empirically tested later.

The construct of actual self-congruity describes the correspondence of the brand personality with the actual self-concept of an individual (Sirgy et al. 1991). The construct of ideal self-congruity describes the closeness of the brand personality to the ideal self-concept. In this comparison, the consumer not only assumes his or her real personality, as is the case for actual self-congruency, but also compares it with the personality traits he or she would like to possess (Sirgy et al. 1991). Carroll and Ahuvia (2006) demonstrated that individuals tend to develop brand love if a brand is suitable for reflecting their personality. We conclude from this that actual and ideal self-congruity have a positive influence on employee brand love.

On the basis of Morhart, Herzog, and Tomczak (2009), we define brand behavior as the contribution of employees (both on and off the job) to the branding efforts of a company. These contributions are divided into in-role behavior and extra-role behavior of employees. In-role behavior refers to behavior of employees that meets the standard requirements of a job. If an employee does not fulfill these standards, he or she is sanctioned, via reduced wages or dismissal. Extra-role behavior refers to the discretionary behavior of employees that exceeds the standard requirements of a job and supports the branding efforts of the company. This behavior is neither formally rewarded, nor sanctioned when absent. According to social identity theory, employees with a positive attitude toward a brand will identify with it and derive parts of their social identity from it. A brand which is not successful in the market will fail to elicit a positive social identity in its employees. Consequently, employees with brand love will want the brand to be successful. Thus, they support the brand by showing in-role and extra-role behavior in order to preserve their own social identity (Dutton, Dukerich, and Harquail 1994).

METHOD

The data for the empirical investigation of the measurement model, as well as the antecedents and consequences of employee brand love, were collected using an anonymous online survey with sales representatives of an insurance company. The choice of this specific target group is justified in that the
employees surveyed represent the interface between the company and the customer. They therefore act as brand ambassadors. Consequently, the brand love they experience and their resulting behavior are of special relevance for the success of the company. 721 sales representatives were requested to participate in the study. A total of 85 individuals participated. The response rate was 11.8 percent.

The construct of employee brand love was measured by nine items reflecting the three dimensions commitment, intimacy, and passion. Commitment was operationalized on the basis of O’Reilly and Chatman (1986). For the constructs of intimacy and passion the scales of Nguyen and Nguyen (2011) and Papista and Dimitriadis (2012) were adjusted to the context of the current study. The employee brand love construct is a second-order construct with three dimensions. As covariation among the dimensions’ items is assumed, a reflective measurement is seen as appropriate. However, the dimensions are seen as formative indicators of the second-order construct, because they are considered to be independent of each other (Jarvis, MacKenzie and Podsakoff 2003). For all the other constructs we used reflective measurements which have previously demonstrated to be adequate.

**RESULTS AND DISCUSSION**

The first step in validating the construct employee brand love was to perform an exploratory factor analysis with the use of the software SPSS 21. It was shown that the postulated three-factor structure could not be identified, but that the indicators load on two factors. The allocation of the items to the dimension commitment corresponds to the original conceptualization of the factor. However, with regard to the second factor, the structure does not correspond to that of the conceptualization. Both the indicators of passion as well as of intimacy load on the same factor. The result indicates that the items of both dimensions belong together, contrary to the original conceptualization. For this reason, we decided to combine the two dimensions into one factor. With the exception of one indicator (“understanding the brand and its feelings”), high indicator loadings were reported, whereupon we retained all the other indicators. As the items for the new factor mainly concern the affective components of brand love, we labeled it passion. In a second step, each factor was individually subjected to an analysis. Consistently positive results are reported. External validity and discriminant validity are confirmed.

To test the conceptual model, structural equation analysis was used employing the software PLS Graph 3.0 (Chin 2003). In order to be in a position to investigate the antecedents and consequences of each individual dimension, both brand love dimensions are treated as separate constructs in the following analysis. Actual self-congruency was identified as a crucial trigger for brand love. The relevance of ideal self-congruency can only be accounted for in this study through commitment. We assume that context factors, such as the industry or the product, are responsible for whether ideal self-congruency contributes to the establishment of brand love or not. The results reveal that employee brand love drives the brand behavior of employees. The in-role brand behavior is only affected by commitment, not by passion. Extra-role brand behavior is affected by both commitment and passion. The effects of employee brand love on extra-role brand behavior are, in general, stronger than the effects on in-role brand behavior. Therefore, the results disclose that employee brand love particularly affects brand behavior that goes beyond the standard requirements of a job. This is of highlighted importance to turn employees into brand champions.

The results obtained in this study lead to important managerial implications. The employee brand love scale can be useful in developing a strong emotional relationship of employees towards the brand they
work for. Furthermore, by generating employee brand love companies may achieve that their employees act as “brand citizens”. Finally, managers should bear in mind that congruency between employee and brand personality seems to influence employee brand love. Consequently, when recruiting new employees companies should ensure a high fit between the employee and the brand in this regard.

The current research paper is a first approach to conceptualize and measure employee brand love. Therefore, it provides many avenues for future research. The current conceptual model focuses on antecedents that are related to self-congruency. Future research might be able to detect additional factors that drive employee brand love. With respect to the consequences, it is of interest to investigate the factors that are affected by extra-role brand behavior to gain further insight into the effects caused by employee brand love. Besides, we assessed employee brand love on the basis of only one company. Consequently, we must acknowledge that the results from our data are not generalizable. Future research is well advised to validate the measurement model using other firms.

References available upon request
ABSTRACT

This study contributes to insights of the effectiveness of identification on passionate love. But more differentiated in comparison to previous research we show direct effects of the two dimensions of identification, self-reflection and self-enhancement as important influence factors of passionate love. According to Steinberg’s (1986) Triangular Theory of Love, love is not only triggered by emotional aspects that are beyond reason. So utilitarian attributes that are more down-to-earth and realistic namely quality value, price value, and uniqueness can be relevant drivers of love. But more important, is their influence constant during the course of a relationship? We detected that the emphasis of these central influence factors differ with rising duration of the relationship. With increasing duration of a relationship the role of self-reflection for the feeling of passion towards the brand becomes more significant. The effect of self-enhancement surprisingly decreases with increasing relationship duration. Regarding the rational antecedents of passionate brand love, we see different effects considering the mediation and moderation analyses.

References Available Upon Request
1. INTRODUCTION

“I will always love you…” Directed at your partner, these words seem to make perfect sense. But on the same side we still do not even though what exactly it means "to love" someone (Sternberg 1986). And furthermore, we are not capable of assessing if we will always love our partner the same way and – for the same reasons. Just as often as we express “the deepest and most meaningful of sentiments” (Rubin 1970) towards our partner, we also say that we love our car, our motorcycle or also a specific brand. So what does this emotional cry mean in a consumer-brand context? As falling in love also means high intimacy and commitment, particularly passion was identified as a main component of interpersonal love relationships (Sternberg 1997). With regard to consumer behavior, many researchers even considered passion as the most important dimension of love for a brand (i.a. Albert et al. 2013). Relating to the consequences of brand love, several studies have shown positive effects: They explored that high levels of brand love subsequently lead to outcomes favorable for brands such as positive word-of-mouth (Carroll and Ahuvia 2006), a higher willingness to pay a price premium (Thomson et al. 2005; Albert et al. 2013) and higher brand loyalty (Fournier 1998; Bauer et al. 2007; Agrawal et al. 2012).

“So, why do I love this brand?” Or more accurately, what are the antecedents of being passionate about a brand? Furthermore, how do they exert their influence? Knowledge about the factors that drive consumers’ passionate feelings for a brand is scarce (Albert et al. 2013). Taking analogies from interpersonal love research subsequently focused on emotional antecedents of brand love such as brand trust and in particular identification by arguing that love is the inclusion of other persons or objects in one’s identity (Carroll and Ahuvia 2006; Albert et al. 2009; Bergkvist and Bech-Larsen 2010; Albert et al. 2013). Recent research in this product-related area discovered that hedonic products have a positive effect on brand love (Carroll and Ahuvia 2006; Bauer et al. 2007). But this does not mean that brand love only results from hedonic attributes or benefits. Just as in interpersonal relationships, how we emotionally perceive our partner is also based on rational attributes (Steinberg 1986; Aaker 1996). So qualities that are more down-to-earth and realistic such as an individual’s physiology, age, vocation, religion or other demographic characteristics are relevant drivers of love, leading to a more pragmatical type of love (Lee 1977). Apparently brand love is based on a more rational grounding. In addition to unique emotional features (such as a brand’s aesthetic appeal), rational features like exceptional performance bear a significant impact on brand love (Batra et al. 2012). Nonetheless, whether rational aspects represented by functional characteristics of a product directly bolster love in a consumer-brand context or indirectly by being used in order to shape one’s identity still remains to be investigated.

Relationship stage models posit that relationships, relational behaviors and feelings change over time (Avtgis et al. 1998). At the same time, the way love emanates and consequently how it is affected by certain influential factors depends on the evolutionary course of the underlying relationship (Whan Park et al. 2010). Sternberg (1986) exemplifies that the “course of passion” is related to the duration or age of a relationship. In the beginning of a relationship passion and excitement instantly surge. Over the course of time the initially impulsive and emotional relationship turns into a more realistic and companionate partnership (Hatfield and Sprecher 1986; Sternberg 1986). Sternberg’s Theory suggests that close relationships in general change over time. Consequently different influencing factors become more weightly (Sternberg 1986).

Hence, the starting point of this investigation is the perceived value of a brand’s offerings, more precisely the functional dimensions quality and price (value for money). Inasmuch as brands play a significant role in shaping one’s identity, the uniqueness of a brand compared to common brands can lead to high emotional relationships between consumers and brands (Carroll and Ahuvia 2006; Schreier
Thus the uniqueness value of a brand’s offerings is also included in our research. Whether these antecedents hold a direct effect on brand love or whether their influence is mediated by the brand’s ability to become an important part of one’s identity is the topic of our analysis.

Building upon previous studies (Carroll and Ahuvia 2006; Bergkvist and Bech-Larsen 2010), the effect of identification is more profoundly examined, as this construct is decomposed between two dimensions and we look at the possible mediating character of identification between brand perception and passionate brand love. On the one side of identification we find the degree to which a specific brand reflects one’s inner self (self-reflection) and on the other side there is the extent to which the contemplated brand reflects one’s social self (self-enhancement). Finally, aiming to gain more profound insights into the processes leading to high levels of passionate love, it is investigated whether the expected effects vary with increasing length of the contemplated relationship. Thus we break ground by adding the duration of the relationship to our study as a moderating variable as well.

2. CONCEPTUAL BACKGROUND AND HYPOTHESES

Within the consumer-brand domain, similar to interpersonal relationships, strong affective feelings such as love or other related constructs serve as a fundamental grounding for long-lasting and close relationships (Belk 1988; Fournier 1998). Drawing from theories within the psychological domain such as Sternberg’s (1986) Triangular Theory of Love, the brand love construct is based on the multidimensional construct interpersonal love being present in a relationship between individuals (Shimp and Madden 1988), asserting that the feeling of love towards a brand is highly similar to interpersonal love within a romantic relationship (Whang et al. 2004; Albert et al. 2009). Even though brand love has become a major topic in marketing still no universally accepted definition exists (Albert et al. 2008; Batra et al. 2012). Indeed simply transferring the characteristics of interpersonal love into a marketing context raises difficulties, as the feelings a person holds for a brand are not perfectly analogous to the feelings one has for another person (Carroll and Ahuvia 2006; Batra et al. 2012). One of the main differences is that interpersonal love is an outcome of a bidirectional interaction, whereas love for an object such as a product or a brand is unidirectional (Whang et al. 2004).

Existing studies centered on the conceptualization of the construct, (Shimp and Madden, 1988; Whang et al. 2004; Ahuvia 2005; Carroll and Ahuvia 2006; Batra et al. 2012) applying the interpersonal phenomenon of love into a consumer-brand context (Hendrick and Hendrick 1986; Sterngberg 1986). As no common conceptualization regarding the underlying dimensions of this construct exists (Batra et al. 2012), various approaches suggest that brand love can be conceptualized as a multidimensional construct (i.a. Albert et al. 2008; Batra et al. 2012). A broad consensus can be reached as brand love involves a passionate feeling for a brand (Fournier 1998; Carroll and Ahuvia 2006; Matzler et al. 2007). Along the lines of research on interpersonal love relationships, passion was identified as a main component of love besides intimacy and commitment (Sternberg 1997). Yet, Albert et al. (2013) conducted an isolated examination of the brand passion by considering this construct as a strong positive feeling toward a brand. Hence, in order to further investigate the relevant antecedents of this construct, we analyze the passionate side of brand love in accordance with the conceptualization by Carroll and Ahuvia (2006) who define brand love as “the degree of passionate emotional attachment a satisfied consumer has for a particular trade name”.

By reflecting one’s inner self or enhancing the self towards one’s social surrounding, objects serve as a means of self-expression or of differentiation from other members within the social environment
respectively (Bauer et al. 2004; Ahuvia 2005; Carroll and Ahuvia 2006; Bergkvist et al. 2010). If a consumer identifies with a brand he or she senses some sort of connection. The brand becomes part of one’s self and this sensation can lead to positive thoughts and even enthusiastic emotions (Bauer et al. 2004; Einwiller et al. 2006). Hereupon passionate feelings such as brand love occur if the level of integration in the self-concept is high. (Albert et al. 2009).

As interpersonal also means the integration of a loved person’s identity into one’s self, brands as well as offered products are consumed by consumers in order to shape their identity and extend their self-concept (Ahuvia 2005). This self-concept on the one hand involves a personal perspective at which one’s inner self is reflected (personal identity) and also a social perspective where an individual strives to enhance his or her social self (social identity) (Ashforth and Mael 1989; Carroll and Ahuvia 2006). This becomes evident considering that consumption activities can either take place in a private environment or in broad public (Matzler 2007). When a brand is a means that either reflects the consumer’s personality or helps to enhance the consumer’s self in his or her social environment, a passionate feeling for that brand should arise. Hence, we postulate the following hypotheses:

H1: The more the brand reflects the consumer’s personality in the social environment, the higher is the passionate feeling for that brand.

H2: The more the brand enhances the consumer’s personality in the social environment, the higher is the passionate feeling for that brand.

In order to become the ultimate expression of one’s self-concept and to strengthen personal self-esteem the characteristics of a brand and its offerings have to be of high value for a consumer (Ashforth and Mael 1989). The products or brands we consume as well as the beloved objects we possess play an important role in our lives. (Ahuvia 2005; Bauer et al. 2007) In this context love is a common consumption-related emotion which an individual might perceive after experiencing or using a certain product or service (Richins 1997, in: Ahuvia 2005, 171). Thus the impact of characteristics of a brand and in particular the perceived value derived from the consumption of a brand’s products or services, which Zeithaml (1988) defines as “the consumer's overall assessment of the utility […] based on perceptions of what is received and what is given” on brand love becomes evident. As consumption activities can lead to different evaluative outcomes, perceived value can comprise of a variety of facets, such as utilitarian (or functional) or hedonic value (Babin et al. 1994; Carroll and Ahuvia 2006). Following Consumption-Value Theory (Sheth et al. 1991), the perceived value of a brand’s offering leading to consumer choice can be multidimensional encompassing several components of value: functional, social, and emotional value (Sheth et al. 1991; Sweeney and Soutar 2001).

Consumers’ belief in the superior functional performance of a product or a brand in addition to hedonic, emotional or social aspects also leads to strong affective responses and thus holds a strong influence on brand love (Fournier 1998; Carroll and Ahuvia 2006). This functional value of a brand’s offerings again consists of different sub-components, namely quality/performance (covering the perceived benefit through a product’s quality and expected performance) and price/value for money (the price-related utility derived from the product consumed due to the reduction its perceived costs). Consequently the following hypotheses result from these considerations:

H3: Perceived quality-related value has a positive effect on passionate brand love.

H4: Perceived price-related value has a positive effect on passionate brand love.
From a consumer perspective not all brands or products qualify to create passionate feelings. Individuals tend to engage in passionate relationships only with a few selected brands they perceive as unique (Hoyer and MacInnis 2001; Thomson, MacInnis and Park 2005; Bauer et al. 2007). People therefore attribute greater perceived value to products that are uncommon and thus more suitable to express one’s self-uniqueness and to distinct oneself from others (Whang et al. 2004; Schreier 2006; Bauer et al. 2007). Furthermore, once a consumer views a certain brand as irreplaceable and unique, any thoughts of removal inevitably lead to separation anxiety (Fournier 1998). Thus the uniqueness of a brand can be viewed as a prerequisite of a strong and emotional relationship between a consumer and a brand. Accordingly the following hypothesis applies:

H5: The uniqueness of a brand has a positive effect on passionate brand love.

Furthermore the identification with a brand depends on the perceived distinctiveness (Ashforth and Mael 1989). Thus individuals tend to identify with brands depending on their valued characteristics. If an individual identifies strongly with a brand he or she is likely to perceive positive feelings about it. Consistently we propose the following hypotheses:

H6a: The effects of the perceived quality-related value and price-related value as well as the uniqueness of a brand on passionate brand love (postulated in H3-H5) are mediated by the self-reflection through the brand.

H6b: The effects of the perceived quality-related value and price-related value as well as the uniqueness of a brand on passionate brand love (postulated in H3-H5) are mediated by the self-enhancement through the brand.

Stage theories of relationship development posit that interpersonal relationships usually mature over time (Hatfield and Sprecher 1986). Being the affective outcome of a strong and interactive relationship, it is apparent that brand love is also of a dynamic nature (Whang et al. 2004). Just as interpersonal relationships evolve from time to time, within the course of a close consumer-brand relationship the strength and the passionate feeling for a brand passes different stages. Sternberg (1986) exemplifies that the “course of passion” depends on the duration of a relationship. With increasing duration some effective factors appear to have a stronger and some factors to have a weaker impact on the intensity of love (Hatfield and Sprecher 1986; Sternberg 1986). In line with this rationale, the beginning of a relationship is characterized by a surge in passion (Hatfield and Sprecher 1986; Sternberg 1986). This arousal can be directly perceived upon experiencing an attractive object. In this stage which is characterized by excitement and vulnerability, the positive effect of obvious amenities of a consumed object such as the perceived quality and expected performance should come to fruition. This positive effect quickly peaks but also fades after a certain period of time inducing passionate love to become a more companionate love in which the experienced level of passion decreases. Directly perceivable qualities no longer play a major role and more realistic expectations break through (Hatfield and Sprecher 1986; Sternberg 1986). Applying these considerations the following hypothesis results:

H7: The in H1-H6b postulated hypotheses are moderated by the duration of the relationship, such that with increasing duration the impact of perceived quality-related value, price-related value, uniqueness on brand love which is mediated by self-reflection and self-enhancement differs.
3. EMPIRICAL STUDY

3.1 Study Participants and Procedure

In order to examine the postulated hypotheses an empirical study was conducted from June to July 2013. The study focused on two brands, namely the automotive brand BMW and the beer brand Beck’s, as our pretest revealed both these brands are predominantly hedonic regarding their concept but with the necessity of performing also in aspects being more down-to-earth. Further, these brands are well known. The survey was provided as an online questionnaire. The questionnaire was completed by 175 participants ranging from the age of 14 to 59 but most of them are between 25 and 29 years old. Gender is distributed almost equally as 48.6 % are female and 51.4 % are male. 110 participants were questioned about the brand BMW, 65 participants gave their statement on the brand Beck’s.

3.2 Measures

All indicators are formulated as to serve a seven-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree. Quality and price value is measured by applying the corresponding dimensions of the Sweeney and Soutar (2001) product value scale. Uniqueness, duration and passionate love are taken from Albert, Merunka, and Valette-Florence (2009). To operationalize Self-Reflection and Self-Enhancement we adapted the scale from Carroll and Ahuvia (2006). All measurement models consist of reflective indicators, as they mirror the effect of the construct (Jarvis, MacKenzie and Podsakoff, 2003). Cronbach’s Alpha and Item-to-Total-Correlations were satisfying for all multi-item measures as their lowest Alpha is 0.72 for the quality dimension of product value.

3.3 Data Analysis and Hypotheses Test

To test our specified hypotheses, we conducted a moderated mediation analyses to measure all dependencies at once and to ensure a higher statistical power (Preacher et al. 2007). We applied the 'process' procedure of Hayes to realize moderated mediation analyses by using his (Hayes, 2013). After test the data for statistical assumptions we ran different moderated mediation analyses changing the independent variable to test the mediation effect of identification on passion for the independent variables quality, price and uniqueness. To assess model validity we used the explained variance. In the ‘quality’-model R² of passion is 58 %, in the ‘price’-model explained variance is 57 %, and for the ‘uniqueness’-model R² is 61 %.

In all, our postulated models perform well as most of the relationships are statistical significant. We see a robust effect of both dimensions of identification, namely self-reflection (H1) and self-enhancement (H2), on brand love. In consideration of the main effects, self-reflection is of higher importance than self-enhancement. Both carry out positive effects. Further, quality (H3), price (H4), and uniqueness (H5) directly affect passionate brand love in a positive manner. But quality and price are of less relevance compared to uniqueness. Regarding the main effects we see mediated effects of quality and uniqueness on passionate love carried out by self-reflection (H6a) and the self-enhancement (H6b) as confidence levels for indirect effects are positive and do not include zero. The main effect of price is not mediated through identification as confidence intervals for indirect effects do include zero. Additionally, some interaction effects of the three considered independent variables with relationship duration are statistically significant (H7).

In all tested moderated mediation models the effect of self-reflection and self-enhancement depends on the relationship duration. With increasing duration, self-reflection gets more important for passion
whereas self-enhancement gets less important. Beyond that, concerning the interaction effects between duration and quality, price, and uniqueness, respectively, we see differentiated effects. The interaction effects of duration and quality on passion as well as on self-enhancement are not statistically significant ($p>0.1$). Statistically significant is the interaction effect of duration and quality on self-reflection ($p=0.07$) but the effect is negative. In the price model we see only one statistically significant interaction effect regarding the price component ($p=0.04$): Under consideration of the relationship duration, price is only of relevance for self-reflection with increasing duration. Accordingly to this, the pick-a-point approach (Hayes and Matthes, 2009) only shows a significant main effect of price on self-reflection when relationship duration is high. Regarding uniqueness, the moderation analysis considering relationship duration confirms the first order effects of uniqueness on self-reflection and self-enhancement as stable. The only one interaction between duration and uniqueness being statistically significant is that on passionate love ($p=0.07$). The effect of uniqueness on passion increases with higher duration of the relationship.

4. DISCUSSION
Our study contributes to insights of the effectiveness of identification on passionate love (Carroll and Ahuvia 2006; Bauer et al. 2007; Bergkvist and Bech-Larsen 2010; Albert et al. 2013). But more differentiated in comparison to previous research (i.a. Carroll and Ahuvia 2006; Bauer et al. 2007; Bergkvist et al. 2010) we show direct effects of the two dimensions of identification, namely self-reflection and self-enhancement on passionate love. Thereby, self-reflection is dominant as it carries out double the impact of self-enhancement. A passionate feeling for a brand primarily arises when it is capable of reflecting the consumer’s personality but only secondly when the brand enhances the self within the consumer’s social environment. This finding is consistent with research on romantic partnerships showing that the partner in particular should fit the actual self (Turner and Onorato, 1999). Furthermore, with increasing relationship duration the role of self-reflection for the feeling of passion towards the brand becomes more significant. With respect to brand relationships, this effect should emanate from increasing intimacy in longer-lasting relationships (Fournier 1998). The effect of self-enhancement surprisingly decreases with increasing relationship duration. We assume that the brand loses its ability to attract others over time as the customer and his/her brand gets more common for the social group. Lacking feedback of others is possibly responsible for the decreasing role of self-enhancement for passionate brand love.

Regarding the antecedents of passionate brand love, namely quality value, price value, and uniqueness we see different effects considering the mediation and moderation analyses. Quality is partially mediated by identification that means quality perception regarding the brand’s products strengthens the identity tie between the consumer and the brand resulting in passionate love. But quality also bears a direct effect on passionate love. A significant interaction effect shows decreasing importance of quality for self-reflection when the relationship is longer-lasting. It is to assume that quality is a sketchy cue for matching a brand with the self. Over the course of time the consumer gets more critical and expectations become more realistic resulting in a decreasing effect of quality. Price value interestingly is not of importance for self-reflection or self-enhancement but carries out a slightly direct effect on passionate love. Interaction analysis furthermore shows a significant effect of price value on self-reflection when the relationships duration is higher (moderated mediation). In contrast to the discussion on the quality effectiveness, price value is of rather crucial nature but only in longer-lasting relationships. Hence, consumers seemingly intensify their crucial consideration of relationship costs and benefits over time what directly affects the identification with the brand, here self-reflection.
Uniqueness carries out the strongest effect on passion. Additionally, uniqueness affects self-reflection and self-enhancement indirectly resulting in passionate love. In contrast to quality, uniqueness is more relevant to self-reflection than to self-enhancement. Interaction analysis regarding duration shows that the effect of uniqueness on passion increases with relationship duration. Probably a brand benefits from remaining unique over time, as consumers attribute even greater value to products that are unique as they are evidentially perceived as something special. This finding fits to the finding that self-enhancement is of less importance for passionate love with increasing relationship duration. We suggested this effect as existent because a consumer and his/her brand is less conspicuous over time. Increasing uniqueness could solve this problem. Regarding the effect of uniqueness on identification, interaction effects with duration are not significant. Uniqueness supposedly is a more elaborated cue in judging a brand for identification and is hence more stable over time compared to other antecedents.

5. IMPLICATIONS AND FURTHER RESEARCH

Knowing that affective constructs such as passionate love play a central role in building strong consumer-brand relationships, it is of high importance for marketing practice and research to better understand what are the underlying mechanisms that drive passionate feelings for a brand. We identified two dimensions of identification as important influence factors of passionate love. It is feasible to comprehend that hedonic products holding more symbolic benefits serve as a means for self-reflection and also self-enhancement and consequentially leading to more passionate feelings (i.a. Carroll and Ahuvia 2006). But all the more, apart from hedonic characteristics, other more tangible factors exert an influence as well. Our study pointed out that utilitarian and realistic attributes such as perceived quality, price and uniqueness as well are important triggers of both identification and passionate love. Furthermore, we detected that their influence is not constant during the course of a relationship.

Firms have already identified that affective constructs such as passionate love play a major part in the acquisition and retention of customers. Hence advertising and product presentation has changed as it has become more and more emotionally charged, neglecting to highlight the core functional assets that also make up a brand’s offerings (Batra et al. 2012). Yet our results show that in exactly the same way as emotional attributes drive passionate feelings for a brand these realistic and rather unemotional aspects are also capable of evoking passionate love.

Being one of the first studies to investigate the interdependent effects of functional antecedents of passionate love, this study bears some limitations. Regarding the influencing factors of passionate love we first and foremost turned our attention to functional dimensions of perceived value. But as, according to Consumption-value theory (Sheth et al. 1991), perceived value is a multifaceted construct other dimensions such as social, epistemic, or conditional value should be taken into consideration in prospective research. Moreover, the subject matter of our study are hedonic brands. For this reason, future research should tie in with our approach by including utilitarian brands. Concerning the moderating effect of duration on the posited hypotheses, time series analysis could provide even more profound results. In consonance with recent studies, we focused on love as a passionate emotional attachment towards a brand (i.a. Carroll and Ahuvia 2006; Albert et al. 2013). According to Sternberg’s (1986) Triangular Theory of Love this construct, besides passion, consists of two other dimensions, namely intimacy and commitment that should as well be the center of future research.
Figure 1: conceptual model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality (Sweeney &amp; Soutar 2001)</td>
<td>Products of this brand have consistent quality</td>
<td>0.714</td>
</tr>
<tr>
<td></td>
<td>… are well made</td>
<td></td>
</tr>
<tr>
<td></td>
<td>… have an acceptable standard of quality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>… have great workmanship</td>
<td></td>
</tr>
<tr>
<td></td>
<td>… would last a long time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>… would perform consistently</td>
<td></td>
</tr>
<tr>
<td>Price value (Sweeney &amp; Soutar 2001)</td>
<td>Products of this brand are reasonably priced</td>
<td>0.858</td>
</tr>
<tr>
<td></td>
<td>… offer value for money</td>
<td></td>
</tr>
<tr>
<td></td>
<td>… are good products for the price</td>
<td></td>
</tr>
<tr>
<td></td>
<td>… would be economical</td>
<td></td>
</tr>
<tr>
<td>Uniqueness (Albert, Merunka &amp; Valette-Florence 2009)</td>
<td>This brand is special</td>
<td>0.855</td>
</tr>
<tr>
<td></td>
<td>This brand is unique</td>
<td></td>
</tr>
<tr>
<td>Self-Reflection (Carroll &amp; Ahuvia 2006)</td>
<td>This brand symbolizes the kind of person I really am inside.</td>
<td>0.952</td>
</tr>
<tr>
<td></td>
<td>This brand reflects my personality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This brand is an extension of my inner self.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This brand mirrors the real me</td>
<td></td>
</tr>
<tr>
<td>Self-Enhancement (Carroll &amp; Ahuvia 2006)</td>
<td>This brand has a positive impact on what others think of me.</td>
<td>0.928</td>
</tr>
<tr>
<td></td>
<td>This brand improves the way society views me.</td>
<td></td>
</tr>
<tr>
<td>Passion (Albert, Merunka &amp; Valette-Florence 2009)</td>
<td>There is something almost ‘ magical’ about my relationship with this brand</td>
<td>0.872</td>
</tr>
<tr>
<td></td>
<td>There is nothing more important to me than my relationship with this brand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I idealize this brand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>By buying this brand, I take pleasure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Discovering new products from this brand is a pure pleasure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am always happy to use this brand</td>
<td></td>
</tr>
<tr>
<td>Duration (Albert, Merunka &amp; Valette-Florence 2009)</td>
<td>(I feel that) this brand has accompanied me for many years</td>
<td>0.852</td>
</tr>
<tr>
<td></td>
<td>I have been using this brand for a long time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I have not changed brand since long</td>
<td></td>
</tr>
</tbody>
</table>
### Table 1: Indicators of the Latent Constructs and Indicator Loadings

<table>
<thead>
<tr>
<th>Quality Model</th>
<th>First Order Effect</th>
<th>Interaction Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effect of...</strong></td>
<td><strong>on...</strong></td>
<td><strong>Self-Reflection</strong></td>
</tr>
<tr>
<td></td>
<td>coeff</td>
<td>t-value</td>
</tr>
<tr>
<td>Quality</td>
<td>0.282</td>
<td>4.14</td>
</tr>
<tr>
<td>Duration</td>
<td>0.412</td>
<td>6.06</td>
</tr>
<tr>
<td>Self-Reflection</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>Self-Enhancement</td>
<td>/</td>
<td>/</td>
</tr>
</tbody>
</table>

### Table 2: Results of Regression Analyses

<table>
<thead>
<tr>
<th>Variables</th>
<th>X</th>
<th>Quality</th>
<th>Price</th>
<th>Uniqueness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>X</strong></td>
<td><strong>Quality</strong></td>
<td><strong>Price</strong></td>
<td><strong>Uniqueness</strong></td>
<td></td>
</tr>
<tr>
<td>Duration</td>
<td>-1.000</td>
<td>0.170</td>
<td>1.99</td>
<td>0.108</td>
</tr>
<tr>
<td>Duration</td>
<td>0.000</td>
<td>0.149</td>
<td>2.73</td>
<td>0.101</td>
</tr>
<tr>
<td>Duration</td>
<td>1.000</td>
<td>0.127</td>
<td>1.86</td>
<td>0.094</td>
</tr>
</tbody>
</table>

Conditional indirect effects (Mediation) of X on Passion at values of the moderator Duration

<table>
<thead>
<tr>
<th>Effect</th>
<th>LLCI</th>
<th>ULCI</th>
<th>Effect</th>
<th>LLCI</th>
<th>ULCI</th>
<th>Effect</th>
<th>LLCI</th>
<th>ULCI</th>
<th>Effect</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
</table>

Conditional direct effects of X on Passionate Love at conditional values of the moderator

<table>
<thead>
<tr>
<th>Effect</th>
<th>t-value</th>
<th>Effect</th>
<th>t-value</th>
<th>Effect</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration</td>
<td>-1.000</td>
<td>0.170</td>
<td>1.99</td>
<td>0.108</td>
<td>1.42</td>
</tr>
<tr>
<td>Duration</td>
<td>0.000</td>
<td>0.149</td>
<td>2.73</td>
<td>0.101</td>
<td>1.83</td>
</tr>
<tr>
<td>Duration</td>
<td>1.000</td>
<td>0.127</td>
<td>1.86</td>
<td>0.094</td>
<td>1.09</td>
</tr>
</tbody>
</table>
Table 3: Conditional Direct and Indirect Effects

<table>
<thead>
<tr>
<th></th>
<th>Duration</th>
<th>Lower Level Confidence Interval</th>
<th>Upper Level Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner Self Duration</td>
<td>-1.000</td>
<td>0.0788 -0.002 0.203</td>
<td>-0.014 -0.080 0.029</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
<td>0.0989 0.048 0.181</td>
<td>0.036 -0.010 0.100</td>
</tr>
<tr>
<td></td>
<td>1.000</td>
<td>0.0792 0.000 0.179</td>
<td>0.129 0.031 0.259</td>
</tr>
<tr>
<td>Social Self Duration</td>
<td>-1.000</td>
<td>0.1250 0.046 0.262</td>
<td>-0.009 -0.101 0.078</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
<td>0.0484 0.011 0.103</td>
<td>-0.002 -0.039 0.034</td>
</tr>
<tr>
<td></td>
<td>1.000</td>
<td>0.0019 -0.037 0.052</td>
<td>0.000 -0.041 0.028</td>
</tr>
</tbody>
</table>

LLCI = Lower Level Confidence Interval, ULCI = Upper Level Confidence Interval (Bootstrapping)

Values for quantitative moderators are the mean and plus/minus one SD from mean

References


THE EFFECT OF PRIVATE LABELS’ IMAGE ON RETAILER’S BRAND IMAGE

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ABSTRACT

Although the importance of private labels—defined as brands which are “owned and controlled by an organization whose primary economic commitment is distribution” (Schutte 1969, p. 9)—has grown over the last decades, private labels’ and retailer’s brand image, as well as potential image transfer effects, have seldom been addressed in previous research (Kremer and Viot 2012; Vahie and Paswan 2006). This, despite the fact that the image of private labels and that of the retailer brand are critical variables with respect to differentiation and loyalty because they influence consumers’ attitudes and, consequently, shopping and patronage behavior (Collins-Dodd and Lindley 2003; Lee 2004; Mazurski and Jacoby 1986). Additionally, analyses have rarely accounted for the fact that most retailers nowadays manage a broad private label portfolio—from no-frills to premium brands. This especially holds true for the research on potential feedback (or reciprocal spillover) effects from private labels’ to retailer’s brand image which have been studied solely at an aggregate level in the past (Kremer and Viot 2012). Therefore, we investigated if the image of differently positioned FMCG private labels exerts an impact on retailer’s brand image. Furthermore, we analyzed if retailer’s brand image affects retailer loyalty.

To test our hypotheses, which derived from categorization and associative network theory (Anderson 1983; Rosch et al. 1976), as well as from the results of previous research (Kremer and Viot 2012; Osman 1993), two pre-tests with 60 respondents in each, and a main study with 255 participants were conducted. As far as the stimuli are concerned, we focused on the image of a leading Austrian food retailer who currently owns more than 60 private labels, and we examined potential feedback effects from a discount private label’s, a premium store brand’s, and a value-added private label’s image.

With respect to retailer’s brand and private labels’ image, exploratory factor analyses revealed a three-factor solution. In line with Kremer and Viot (2012), these factors were labeled “price”, “supply”, and “values”. As hypothesized, analysis using structural equation modeling revealed that the image of value-added private labels reinforces retailer’s brand image which, in turn, positively affects retailer loyalty. The image of discount and premium private labels, on the other hand, did not exert an impact on retailer’s brand image. Thus, the findings indicate that image transfer effects of private labels’ on retailer’s brand image vary according to the positioning of the store brands. Though, when the analyses were conducted with respect to the different image dimensions, the price dimension, the supply dimension, and the values dimension of the discount private label’s image and of the premium private label’s image affected the corresponding image dimensions of the retailer brand. Therefore, retailers should not only promote those store brands which have a congruent image with the retailer brand but should also highlight those image dimensions of the private labels that could reinforce the intended image of the retailer.

References Available Upon Request
CONSUMERS HELPING CONSUMERS; THE ROLE OF PSYCHOLOGICAL NEED FULFILLMENT IN AN ONLINE REVIEWER COMMUNITY

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Charla Mathwick, Portland State University, USA, charlam@sba.pdx.edu

ABSTRACT

Today, customers producing product reviews for consumption by other consumers have become a ubiquitous feature associated with online commerce and are an influential example of consumer co-creation (Hennig-Thurau et al. 2004; Kozinets et al. 2010; Senecal and Nantel 2004; Weiss et al. 2008). Despite important research focusing on how customer reviews influence shopping outcomes, little research has examined how the act of reviewing benefits the well-being of consumer reviewers. We examine this under-researched area by focusing on how a change in a ranking system influences participant well-being in a product reviewing community. Content analysis of reviewers’ posts, following a critical incident involving a change in the reviewer ranking system, suggests fulfillment of psychological needs, dimensions of psychological well-being, may be critical aspects that underlie active reviewer participation. Rank utilized as a feedback mechanism to signal competency development elicited positive sentiments by reviewers, whereas ranking elements perceived as lacking in integrity or reducing one’s autonomy, elicited negative sentiments. Emergent findings lend empirical support for a conceptual market helping behavior model (Bendapudi et al. 1996) and for the integration of adaptation theory of well-being (Diener et al. 2006) with self-determination theory (Deci and Ryan 2002). While the impetus to write reviews may reflect a mix between altruistic and egoistic motives, platforms that enable the fulfillment of individual’s psychological needs at various levels may foster participation through the well-being experienced. Retailer reviewing platform design elements that foster social relatedness through direct interaction with other consumers and provide feedback in writing competency may support and sustain reviewer participation.

References Available Upon Request
IDENTIFYING COMPULSIVE BUYERS: AN EXAMINATION OF EXISTING SCALES FROM THE PERSPECTIVE OF MEDICAL PRACTITIONERS

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Nancy Hodges, Ph.D., The University of North Carolina Greensboro, USA, nancy_hodges@uncg.edu

INTRODUCTION

In a consumption-driven society wherein material possessions are considered a reflection of the self (Belk, 1988), it is not uncommon for consumers to become obsessed with buying things. At the extreme end of this obsession, compulsive buying behavior (CBB) has received increased attention over the past 25 years. CBB is defined as a form of excessive buying behavior that leads to negative consequences, such as personal distress, marital or family disruption, financial debt, and even legal problems (Black, Repertinger, Gaffney, & Gabel, 1998; Christenson et al., 1994; Goldsmith & McElroy, 2000).

Most consumer research on CBB has been conducted using participants who self-identify as compulsive buyers. However, there is some degree of misunderstanding among the general population regarding what CBB is and what it entails (Müller & Mitchell, 2011), perhaps due to the trivialization of the behavior by the media (e.g., “Retail Therapy”). Most studies rely on existing scales to identify compulsive buyers for research purposes, however, several studies have revealed problems with the psychometric properties of these scales (Cole & Sherrell, 1995; Manolis, Roberts, & Kyshyap, 2008; Ridgway et al., 2008). Thus, the purpose of this study was to examine the scales typically used to identify CBB from the perspective of practitioners who treat individuals with the disorder in order to better understand how to identify it.

BACKGROUND

General Information about Compulsive Buying Behavior

CBB has been conceptualized as a compulsive behavior in which the individual uses shopping as a compensation mechanism due to feelings of emptiness or as an escape from unpleasant situations or negative feelings (Neuner, Raab, & Reisch, 2005; O’Guinn & Faber, 1989). Mueller, Mitchell, Marino, and Ertelt (2010) posit that compulsive buyers are often preoccupied with shopping to the extent that they devote all of their resources (i.e., time and money) to it. According to Goldsmith and McElroy (2000), CBB shares characteristics with impulse-control disorders, obsessive compulsive disorders, and substance use disorders. Thus, researchers have drawn from these classifications to develop a set of operational criteria to identify compulsive buyers for research purposes. The most widely used criteria were proposed by McElroy, Keck, Pope, Smith, and Strakowski (1994). According to these authors, a consumer can be considered a compulsive buyer if he or she: (1) experiences frequent preoccupation with buying or shopping, or experiences frequent impulses to buy or shop that are irresistible, intrusive and/or senseless, and (2) frequently buys more than what he or she can afford, buys unnecessary items, or shops for more extended periods of time than intended. The authors specify that thoughts about buying should cause marked distress, be time-consuming, significantly interfere with social or occupational functioning, or result in financial problems.

Along with the screening criteria proposed by McElroy et al. (1994), researchers have developed several instruments to facilitate the identification of compulsive buyers (e.g., Christenson et al., 1994; Edwards, 1993; Faber & O’Guinn, 1992; Lejoyeux, Tassain, Solomon, & Adès, 1997) of which two have been
most frequently used in the consumer research literature: Faber and O’Guinn’s (1992) Compulsive Buying Scale and Edward’s (1993) Compulsive Buying Scale. The former is a unidimensional scale comprised of 7 items developed as a screening instrument to distinguish between compulsive and non-compulsive buyers. The latter scale is comprised of 13 items reflecting four dimensions designed to identify compulsive buyers along a continuum from normal to addictive consumption.

Assessment Issues

Although the scales developed by Faber and O’Guinn (1992) and Edwards (1993) have advanced the study of CBB, as with all surveys there are concerns as to their psychometric properties. Manolis et al. (2008), evaluated the two scales and put forth three major criticisms: (1) both include problematic items; (2) both tap constructs distinct from compulsive buying; and (3) both provide an overly restrictive view of compulsive buying. The authors added that both scales “Capture separate constructs or different dimensions of the same compulsive buying construct” (p. 162).

Given the psychometric issues highlighted in the literature and the fact that such scales are widely used in CBB research, insight that can be used to improve measures employed to identify compulsive buyers is needed. It is critically important to be able to accurately identify those affected by the disorder for the study of its causes and consequences, as well as development of effective treatments (Manolis et al., 2008).

METHODOLOGY

Three main objectives were developed to address the purpose of this study: (1) to review the two CBB scales that have been used most frequently within the consumer research literature, (2) to identify areas in need of further development within them, and (3) to offer suggestions for refining the scales from the perspective of medical practitioners who treat patients with CBB. Considering that research in this area is limited, a qualitative approach to the topic was deemed appropriate. In-depth interviews were conducted with six mental health providers (i.e., psychologists and counselors). Rather than collecting data from consumers as to the appropriateness of the scales, interviewing mental health providers who deal with individuals affected by CBB and similar disorders on a daily basis offers valuable insight into the topic.

Participants were recruited through referrals. Time in practice ranged from 4 years to 20. Three males and three females comprised the sample. Interviews were conducted face to face over a two-month period. Interviews lasted from 30 minutes to an hour and a half and were conducted in the participant’s office. Four of the six interviews were audiotaped with participant consent. Two participants preferred not to be audiotaped, therefore detailed notes were taken during and after each interview.

Participants were asked to share the strategies used in determining whether an individual is facing shopping or buying problems. Participants were shown the scales developed by Faber and O’Guinn (1992) and Edwards (1993) and were asked to read the items and provide their professional opinions regarding scale construction. Participants were told that these scales were used in the field of consumer research and in some clinical studies to identify compulsive buyers, however, specific questions about the scales were not posed. Instead, participants were asked to talk freely about them.

As is the practice within qualitative research, interviews were conducted with a small number of participants until the researchers noted repetition in the responses (Kvale, 1996; McCracken, 1988).
Recorded interviews were transcribed verbatim. Then, following Spiggle’s (1994) suggestion for qualitative data analysis and interpretation, patterns in the data were identified and labeled, and conceptual links between patterns were defined and examined for similarities and differences. A set of thematic categories emerged and relationships across these categories were identified to develop characteristics and dimensions within each theme. As a result, three main themes were identified and are used to structure the following interpretation: Discovering the Behavior, Describing the Experience, and Diagnosing the Disorder.

RESULTS AND DISCUSSION

Discovering the Behavior

Participants pointed out that, most often, an individual begins therapy not because of CBB but because of some other affliction. It is only during the therapy sessions that they begin to notice traits associated with CBB. According to some participants, this is because it is not viewed as a problem, at least in the beginning. As Charles indicates,

*The fact that society does not recognize it [CBB] as a problem means that clients often do not recognize it as a problem either. They don’t come for therapy because of that; rather, they come due to other situations and then it suddenly surfaces.*

Unlike alcohol and drug abuse, excessive consumption of goods is condoned by society (Benson, as cited in Ridgway et al., 2008, p. 622). Buying is not only seen as a positive behavior, but even encouraged as a social activity and as a form of escape from negative situations or emotions (O’Guinn & Faber, 2005). Consumers may find it difficult to recognize that they have the disorder, in part because this is not the message they are getting from the media. Messages about consumption and its promotion within contemporary society obscure the line between normal buying and CBB. As Liz commented, “One of the biggest challenges is for the person to recognize that he has a problem.” Thus, scales that are used to identify compulsive buyers for research purposes need to account for the potential for denial or misunderstanding on the part of the person being asked to self-identify.

Describing the Experience

Clarity is of vital importance when identifying potential compulsive buyers. Participants’ reviews of both the Faber and O’Guinn (1992) and Edwards (1993) scales point to the need for refinement of the wording. For example, when discussing Edwards’ Compulsive Buying Scale, Sarah pointed out that the item “I feel ‘high’ when I go on a buying spree,” could be confusing and easily misinterpreted, because of the word “high.” Likewise, Charles reacted to this and other items in the scale (e.g., “I go on buying binges,” “I go on a buying binge when I’m upset…”),

*My major concern is that the individual understands what a “binge” is, or in the item “I feel ‘high’ when I go on a buying spree,” that the individual knows what does it means when it says “I feel high.”*

To solve this issue, participants suggested rephrasing the items, explaining the terms, or simply replacing them. As Sarah said, “It might be beneficial to explain the expression ‘high,’ or change the word to excited, very happy; [change it] to what the [researcher] wants to say with [the word] ‘high’.” Moreover, participants also felt that several items in the Faber and O’Guinn (1992) scale might be too general, and therefore cannot provide information about behaviors necessarily attributable to CBB.
In addition, Sarah had a problem with the last scale item (i.e., “Made only the minimum payment on my credit cards”). She argues that this does not provide information specific to CBB, instead it might simply indicate that “the person might have financial problems but those financial problems might not have anything to do with compulsive buying.” Manolis et al. (2008) highlighted similar problems with the same items in their review of these scales.

**Diagnosing the Disorder**

Participants in this study believe that the scales are good screening instruments, but that they are not the only measures that should be employed to identify a compulsive buyer. That is, the scales should be complementary to rather than stand-alone in the identification of compulsive buyers. As Liz commented, “[the scales] could help me to identify [individuals affected] but there must be another instrument, like more directed as to identify pathology or symptoms.” Likewise, Sarah expressed, “A scale gives me information about the behavior, characteristics that can be attributed or associated to the diagnostic, but for me, to make a diagnosis, I need to be able to complement several tools.”

To be able to identify compulsive buyers, Sarah explains that it is necessary to consider (1) predisposition to engage in the behavior, (2) characteristics and symptomatology associated with the behavior, (3) frequency, and (4) the impact of the behavior. She explains that “scales only provide me with certain characteristics, symptoms associated to the disorder… but presence of characteristics does not necessarily suggest presence of the disorder. That’s why it is so necessary to use several tools.” Alan echoes her response, stating: “I believe that an instrument would be a complement, obviously, but one also has to follow the information that one gathers during the initial interview.”

**CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE**

It is estimated that approximately 19 million Americans are affected by CBB (Koran et al., 2006). The study of negative types of consumption such as CBB is of particular importance to consumer research, as it provides a more complete picture of the meanings of consumption, and offers new perspectives on important dimensions and processes associated with the “normal” consumer (Faber & O’Guinn, 1992). However, understanding negative consumer behaviors requires accurately identifying individuals that are at risk for or affected by them. Although the scales developed by Faber and O’Guinn (1992) and Edwards (1993) have contributed significantly to the advancement of the study of CBB, findings of this study point to a continued need for revision. In particular, scales used to identify compulsive buyers for research purposes should account for respondents’ potential unawareness and/or misunderstanding and possibly even denial of the disorder.

This study supports findings of previous studies discussing the challenges of using the two most commonly employed CBB scales in consumer research (e.g., Cole & Sherrell, 1995; Manolis et al., 2008). Findings of this study also point to the need for further clarity of the items and greater comprehensiveness of the scales. Use of a valid and reliable scale (i.e., one that addresses issues of wording and content), together with a more complete assessment of the behavior, as reflected through the use of several additional questions specific to the behavior, could be the key to successful identification of compulsive buyers for consumer research purposes.

**References Available Upon Request**
INTRODUCTION

Approximately four million women become mothers every year in the United States alone (CDC, 2013). Motherhood is often seen as a life changing experience, and one that carries with it a great deal of significance for a woman’s identity and self-concept (Michaels & Goldberg, 1988). Indeed, according to Michaels, Hoffman, and Goldberg (1982), the transition to parenthood is likely the most universally-occurring adult developmental transition, and one that has psychological, sociocultural, and biological implications. Women in particular experience profound psychological and biological changes, including noticeable appearance-related changes such as an increased body size and/or different body shape. As a result, a new mother is faced with having to forge a new, postpartum identity, and consumption often plays an important role in this process (Prothero, 2002; Thomsen & Sorensen, 2006). This study examines how new mothers use consumption to establish identity and the importance of consumption in conveying this identity to others.

The notion of the looking-glass self suggests that we imagine the reaction of others towards us. That is, we “take-on” the role of the other in understanding the self (Solomon, 2009). Consequently, the self is a reflected self, and according to Cooley (1902) is composed of three elements: the imagination of our appearance to the other person, the imagination of the other person’s judgment of that appearance, and a resulting responsive feeling, such as pride or mortification. In terms of consumption, the "looking glass self" requires the proper mix of products to deliver a satisfactory reflection. Feedback from others confirming that one "looks the part" via these products helps to confirm identity and validate the self (Solomon, 1983).

The influence of others on a new mother’s perception of self is also important, but has yet to be addressed in consumption research. Dahl, Argo, and Morales (2011) suggest that women use other women as a reference point in gauging appearance, and Lin and Kulik (2002) found that social comparison with a single, thin peer was sufficient to significantly reduce a female’s satisfaction with her body. In this same study, it was found that women may compare themselves with peers more frequently than with media ideals because there is greater exposure to and therefore opportunity for comparison with peers. Thus, it is likely that a new mother’s social referents similarly influence her perceptions of appearance, which can impact how she feels about the self, thereby prompting her to use consumption as a means to achieve greater satisfaction with the body/self.

While it has been shown that consumption helps establish identities during transitional periods (Guy & Banim, 2000; Thomsen & Sorensen, 2006), how it does this during the transition to motherhood has yet to be examined. Likewise, it is not known whether or to what degree consumption of specific products, such as apparel, facilitate identity transition. As will be explored in this study, the way that a new mother uses appearance to adapt to specific situations sheds light on the social pressures that she feels during this time in her life. Thus, this study offers a better understanding of new mothers as consumers...
and has important implications not just for research on identity and consumption, but for marketers looking to target this large and increasingly influential consumer segment.

**METHODOLOGY**

Three questions were developed to guide this study: (1) How does a new mother view her postpartum self and identity?, (2) What role do others play in this conception of self and identity?, and (3) How does she use consumption to manage the two? As little is known about the topic, a qualitative research design was deemed necessary. Specifically, Cooley’s (1902) looking glass theory was employed to explore the phenomenon of how new mothers use consumption to manage their identities. In this study, “new mothers” refers to first-time, biological mothers of children less than two years of age.

Upon receipt of IRB approval, in-depth interviews were conducted with fourteen new mothers. Interviews lasted from 30 minutes to two hours and were audio-recorded with participant consent. Participants were obtained via snowball sampling and were asked about their experiences with becoming a new mother and the role of consumption (e.g. product acquisition and use). All participants were over 18 years of age and were married.

Interviews were transcribed verbatim and form the basis of a thematic interpretation of the data. Specifically, Spiggle’s (1994) suggestions for qualitative data analysis and interpretation were followed, wherein patterns in the data were first identified and labeled. Then, conceptual links between patterns were defined and examined for similarities and differences. A set of thematic categories emerged and relationships across these categories were identified to develop characteristics and dimensions of each theme. As a result of this iterative process of analysis, three main themes were identified and are used to structure the following interpretation: *Hot (or Not) Wife*, *My Child, Myself*, and *I Am Mom*. Pseudonyms are used in place of real names to protect confidentiality.

**RESULTS AND DISCUSSION**

*Hot (or Not) Wife*

Participant responses pointed to the importance of looking good in the eyes of their husbands. Moreover, their perceptions of how they think their husband’s imagine them to look plays a very important role in their consumption experiences. Whether it be purchasing clothing that makes them “feel cuter,” wearing clothing that fits their body more loosely, or going to the lengths of plastic surgery to reclaim their pre-baby body, participants described engaging in various consumption-related efforts to achieve the image that they want their husbands to have of them. As Daphne explained, “If my husband thinks I’m sexy, then I feel sexy.”

For some participants, being self-conscious about one’s immediate post-baby size influenced how they thought their husbands viewed their bodies. For example, Nicole talked about how she felt when going out in public with her husband after having the baby:

_I’d think all these people were looking at him like “Why are you with this fat cow?” I was conscious of my husband and the fact that he hadn’t changed really and I had changed, gone through this big body change, and I was bigger than I wanted to be._
As a result, Nicole talked about how she made more of an effort to dress up and buy products that made her feel better: “I tried to buy new stuff so if we go on a date night I try to put on jeans and a cute top.”

Another participant, Kate, was surprised when her husband commented negatively on her post-baby appearance.

One day I got out of the shower and my husband saw me and he didn’t realize I had gained that much weight and he said “You look big” and I [was] shocked because he had never said that. He kind of likes curvy women, and [when] he told me, [it] made me think that I definitely need to lose my weight. So I was stressed and I asked [my husband] if I needed plastic surgery or something. He, of course, said no.

In this case, Kate had not really imagined what she looked like to her husband until he commented on her appearance. She interpreted his comment as a suggestion that she should lose weight and responded by considering plastic surgery.

A study by Ogle et al. (2011) found that spouses influence perceptions of the body among postpartum women, and that most husband-wife interactions concerning the body are positive and supportive during the postpartum period. In contrast, the experiences of participants in the present study suggest that though most husbands are positive and supportive of their wives’ postpartum bodies, participants nevertheless imagine that their husbands perceive their appearance negatively in comparison with the pre-pregnancy period.

My Child, Myself

Participants talked about how important the child’s appearance was to their identity as new mothers, in that they felt that if their child looked cute, neat, or trendy, then others would perceive them as being good mothers. Collett (2005) examined women’s use of children as props for impression management and found that it is common to use well-dressed and groomed children to confirm one’s identity as a “good mother.” New mothers may even use brands to craft how they want others to see them through their children. That is, by using the appearance of their children, they can create a favorable image of themselves as mothers. For example, Nicole explained that she does not necessarily care about what others think about her looks, but she feels differently when it comes to her children.

But like my kids, I don’t know, I’m so proud of them and I love them and I think it sounds bad, but for lack of better words, I like to show them off.

Moreover, it is interesting to note that most participants enjoyed, and in fact participated in, shopping for their children much more frequently than shopping for themselves. Mary suggested that some mothers may be more concerned with the brands their babies wear rather than their own appearance.

Well some new moms are focused on certain brands for their baby and even crave those brand products. I am influenced by my friends and cousins because they buy the high-end brands.

I Am Mom

Perhaps one of the most clear and prominent issues that emerged from the data was that participants wanted others to see them as mothers. That is, as Paige says, “I guess I always want to look the role,
and I want people to see me as a mom.” In general, as new mothers, participants assumed that others’ perceptions of them included a judgment of their mothering skills and abilities. For example, Cathy discussed how she felt others saw her because of her young appearance:

*I’m almost 30 and look like I’m still 16/17 years old, so I feel like if I go out dressed like a teenager, it’s like “Oh that’s a baby having a baby.” But if I’m dressed decent and have my wedding ring on, they’re like “Oh she’s married she must be older than she looks.”*

Likewise, Naomi had a very specific idea of how she hoped others will see her:

*I think I try to put more of an effort when I do go out, especially when we’re all, the whole family, all of us together, because I do feel like I want to be seen as a young, vibrant mother who still can take care of herself, who still can have her own little bit of cuteness.*

Each participant had a slightly different idea of what a “mom” looks like to others; however, most wanted others to look at them and see a mother. More specifically, most wanted to be seen as trendy mothers, in as much as having this confirmation seemed to provide them with greater self-esteem and confidence. Considering that mothers control more than $2.1 trillion in household spending and can be exceptionally loyal customers (“Marketing to New Moms”, 2011), it is important for marketers and retailers to offer options that help new mothers achieve the trendy yet “mom appropriate” look they desire.

**CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE**

Becoming a mother is a major milestone in the lives of many women; however, this life stage is accompanied by many physical, mental, and emotional changes. It is also a time when a woman may have doubts about her new identity and therefore rely on others’ perceptions of her to confirm this identity. By viewing herself through another’s eyes, a new mother can feel either satisfied or dissatisfied with her postpartum self and resulting identity. As this study reveals, a new mother’s perceptions of how others see her may not always be accurate, however such perceptions are often used in the development of her own views of the self, the body, and her identity as a mother.

Consumption is frequently used during major life transitions to ease the turbulence that results from the transitional period. As seen in this study, new mothers purchase products both for themselves and for their children for the purposes of helping to make the transition to becoming a mother easier. Whether it is buying clothing to help make them feel more attractive or purchasing certain trendy brands for their children, new mothers rely on consumption to try to achieve a desired image of “mother” in the eyes of others.

This study contributes to the literature on appearance-related consumption and identity by focusing on new mothers, a group that has been overlooked thus far in the research. Moreover, this study provides insight for practitioners that are looking to better understand new mothers as a large and influential consumer market. Mothers make most of the household expenditure decisions today and can be very loyal customers. Understanding their needs and wants as consumers can help marketers and retailers capture their loyalty early and maintain it for the long-term.

References Available Upon Request
We investigate the dynamic trends of online product ratings and explanations by examining a sample of 2,595 online product ratings of 14 randomly drawn apparel products from landsend.com. Contrary to the predominant declining sequential and/or temporal trends reported in previous studies, we find a predominant increasing sequential trend. We extend the diagnosticity assessment explanation offered by Godes and Silva (2012) by considering how changes of reviewer similarity and review information may affect the diagnostic value of prior reviews in customer decision making, thus explain both the increasing trend in our sample and the declining trend in previous studies. We find support to the idea that diagnostic value of prior reviews is high, leading customers to make good purchase decisions and give higher reviews over time, when reviewer dissimilarity and information noise do not increase; When reviewer dissimilarity and information noise increase overtime, prior reviews may mislead and confuse customers, leading bad purchase decisions and thus a declining review trend.

References Available Upon Request
TOWARD AN UNDERSTANDING OF CONSUMER FEEDBACK IN THE ONLINE ENVIRONMENT: DOES MANAGERIAL PARTICIPATION HELP?

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INTRODUCTION

The monitoring and management of consumer generated WOM present major challenges for firms (Stewart and Kamins 2002). More specifically, the prevalence of electronic Word-of-Mouth (WOM) and the potential implications of consumer generated information for the attitude and behavior of other consumers substantiate the need for firms to identify and manage the effects of information exchange in online review forums. Traditionally, to minimize the proliferation of negative information among consumers, and to the advantage of their brands, firms have responded to consumer discontent with direct communications as well as through consumer informed product related improvements (Stewart and Kamins 2002; Chen et al. 2003; Sproull and Arriaga 2007). The marketing literature indicates that such responses have led to improvements in brand perception, and increased sales (Albrecht and Zemke 1985; Bitner et al. 1990; Chen et al. 2003; Haugtvedt et al. 2005; Roehm and Brady 2007). In online forums consumers are not directly expressing their discontent to the organization, but such expression is generally between consumers and conducted in public, in the sense that the organization as well as other consumers can observe and react to it. This level of opinion exchange and its rapid spread in the online environment present new challenges to the organization and these issues have not been fully addressed by current theoretical and empirical work.

In this paper we empirically examine the use of managerial presence and responsiveness as a strategy for influencing consumer attitudes in the online environment. More specifically, we evaluate the impact of managerial response on consumer attitudes, as reflected in the valence of the reviews in future periods. We also examine the effects of specific managerial response strategies in terms of responding to negative reviews, those from salient reviewers, as well as the influence of response timeliness and the disclosure of managerial identity.

METHODOLOGY

To investigate whether overt management participation produces favorable response from consumers in online review forums we gather a sample of 67,418 chronologically archived hotel reviews from TripAdvisor.com over a 10 year period (2001-2011)—from the website’s inception. TripAdvisor.com is the leading travel review platform and our sample consists of 156 hotels located in midsized US cities. The data are comprehensive for each sample location—presenting every consumer review and corresponding managerial response (if available) published on TripAdvisor.com up to the time of data collection.

Our unit of analysis is a consumer authored review \((i)\) for a hotel \((j)\). Key variables used to test our hypotheses focus on key characteristics of these reviews. We evaluate future review valence \([FutureReviewValence_{ij}]\), negative review \([NegReview_{ij}]\), reviewer saliency \([Salient_{i}]\), response timeliness \([Timely_{ij}]\), and managerial identity disclosure \([Disclosure_{ij}]\). These variables are not explicitly
defined in the dataset, however we have operationalized them per the guidance in the existing literature in complaint management, crisis communication, and online word of mouth.

Our dependent variable, future review valence \( \text{FutureReviewValence}_{ij} \), is designed to capture and aggregate consumer attitudes toward each hotel over the 30-day period immediately following the review posting. This variable is a forward-looking measure of the overall average review valence. Negative Reviews \( \text{NegReview}_{ij} \) correspond with those that have received a ‘negative’ consumer rating—typically ranging from 1-2 as is common in the existing literature (Mayzlin 2006; Froman et al. 2008). We create the dummy variable \( \text{Salient}_i \) to identify helpful reviewers and use it to isolate the impact of such reviewers on managerial response strategy and future review valence. For those reviews which receive a response from a hotel manager, the \( \text{Timely}_{ij} \) variable counts the number of days between the review posting and the managerial response. Consistent with the approach of Froman et al. (2008), whose investigation focused on the impact of reviewer’s disclosure of social information, we use the voluntary inclusion of real name in a post as our measure of identity-disclosure \( \text{Disclosure}_{ij} \). To control for hotel specific factors that may affect future review valence, we include the total number of reviews received by each hotel \( j \) \( \text{TReviews}_j \), its location city \( \text{City}_j \), and the industry star rating \( \text{Star}_j \) as covariates.

Our empirical models estimate the aggregate impact of managerial participation in online forums and the nature of reviews generating response. Our first model is estimated using the full sample of 67,418 reviews and focuses on the implications of review and reviewer characteristics, namely negative valence and saliency respectively.

\[
\text{FutureReviewValence}_{ij} = \alpha + \beta_1 \text{Responded}_{ij} + \beta_2 \text{NegReview}_{ij} + \beta_3 \text{Saliency}_i + \beta_4 (\text{NegReview}_{ij} \times \text{Saliency}_i \times \text{Responded}_{ij}) + \beta_5 X_j + \epsilon_{ij} \quad (1)
\]

In this model, the dependent variable is the future valance of review \( i \) at time \( t \). The second model focuses on the nature of managerial response and is estimated on a restricted sample of only those reviews with managerial responses. We specify the following model conditional on managerial response, to explicitly evaluate our expectations for the impact of managerial timeliness and identity disclosure,

\[
\text{FutureReviewValence}_{ij} = \alpha + \beta_1 \text{NegReview}_{ij} + \beta_2 \text{Saliency}_i + \beta_3 (\text{NegReview}_{ij} \times \text{Saliency}_{ij} \times \text{Responded}_{ij}) + \beta_4 \text{Timely}_{ij} + \beta_5 \text{Disclosure}_{ij} + \beta_6 X_j + \epsilon_{ij} \quad (2)
\]

**RESULTS AND DISCUSSION**

A key objective for this study is to identify whether managerial participation in online review forums is relevant to consumer perception—as captured by future review rating valence. In general, our results provide support for unconcealed managerial participation in online review forums and suggest that managerial response strategies and overall brand perception are influenced by negative information. In this section, we analyze the nature and implications of managerial participation and present the results of the models detailed in the previous section. While model 2 produces the strongest \( R^2 \) value (\( R^2 = .183 \))
versus the $R^2 = .132$ produced by model 1), we find that all two models are strongly significant ($p > F = .000$).

**Participation**

We expect that overt participation in review forums will engender favorable response from future reviewers. The resulting significance level of this hypothesized relationship between participation and future review valence is high ($\beta = .059, p < .01$). Having established that participation generates a positive effect, our concerns turn to the strategies associated with managerial response. We want to see if how they respond matters - with our next set of results.

**Review Evaluation**

Moving from the somewhat ambiguous suggestion for active participation, we address the tactical side of the manager’s participation decision. We anticipate that the decision to respond will be influenced by the overall valence of the consumer review, and the saliency of its author. The results indicate that negative review ratings ($NegReview_{ij}$) decrease future review valence ($FutureReviewValence_{ij}$) ($\beta = - .331, p < .01$). Additionally, controlling for valence, the impact of reviews written by salient reviewers ($Saliency_i$) is observed to be positive ($\beta = .010, p < .10$). Interacting $NegReview_{ij}$, $Saliency_i$, and $Responded_{ij}$ allows us to test the effect of managerial response to a negative review written by a salient reviewer on future review ratings. This relationship suggests that managers can expect positive future review valence as a direct result of responding to negative reviews from salient reviewers ($\beta = .128, p < .01$), consistent with what we observe in model 1.

**Nature of Response**

We next explore the role of timeliness and the disclosure of identifying information on the overall impact of managerial participation. While the average number of hotel responses is shown to increase annually, we observe that the average number of days elapsed between the initial review post and the hotel response has decreased from a high of 134.5 days in 2005 to 7.69 days in 2011—the fastest average turn around to-date. The results corresponding to model 2 suggest that the more timely the managerial response the less negative the impact on future review valence. More specifically, responding later than 30 days after a review is posted is shown to have a negative effect on future review valence ($\beta = - .101, p < .05$)—which lends some support to our expectation. We next explore the presumed positive influence of identity-descriptive information by hotel managers responding to consumer reviews on the overall valence of post-response reviews using the regression model 2. Among the 7,179 response observations we find that identity disclosure by hotel managers ($Disclosure_{ij}$) positively impacts the future review ratings. $FutureReviewValence_{ij}$ is shown to be improved ($\beta = .058, p < .01$).

**Robustness Checks**

We conclude our empirical analysis with three robustness checks specific to the effects captured in our models. First, we examine the influx of initial reviews to assess whether the continuously increasing number of reviews recorded over the data period corresponds in any way to the number of hotels being reviewed. Our second robustness check concerns the launch of the TripAdvisor for Business division.
This internal business unit was established by TripAdvisor in May 2010 for the purpose of providing hotel managers with a service of ongoing monitoring for the detection of negative information. Finally, we assess the longevity of the observed effects of managerial participation on future review valence over future review periods of 60 and 90 days. Overall, we achieve consistent results from each of our robustness checks.

CONCLUSIONS

Consumer attitudes towards individual brands, as measured by future review valence, are shown to be influenced by managerial participation, responding to negative reviews by salient reviewers, managerial identity disclosure, and the timeliness of managerial response. This study presents valuable insights for practitioners. Managerial engagement of consumers in the online environment is shown to have a positive impact on consumer attitudes. This finding encourages managerial attention to the potential for safeguarding their brand’s reputation in consumer driven review forums. In the context of the review forum environment, our findings suggest that consumers treat manager participation as a signal of sincerity—evidenced by the positive future review valence of responding firms. Complementary to the general findings supporting managerial participation, we also empirically establish that this participation effect is subject to strategic effort.

The data produced by online review communities not only allow for the effective detection of negative information, but they also simultaneously provide the firm with opportunities for strategic action in their evaluation of potential threats and response. Our results offer confirmation of the potentially damaging effects of expressed dissatisfaction among consumers in the online environment as well as the potential for combating these negative effects through the strategic efforts of the firm. Our results offer insights specific to the online review community and as such provides managers in this area with clear, implementable guidelines for effectively managing the compliant process in the online environment and securing the long-term benefits of positive consumer perception.

References available upon request
DEVELOPING A RETURNS COMPETENCY: THE INFLUENCE OF COLLABORATION AND INFORMATION TECHNOLOGY

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ABSTRACT

In recent years, product returns have been of increasing interest to academics and managers as firms seek to maximize profits through implementing efficient supply chain management practices. Approximately 8.8% of all retail products are returned, costing US firms billions of dollars per year. In response to the significant impact returns can have on the bottom line, firms have begun to leverage their supply chain relationships to facilitate improved management of returns and obtain an advantage over competitors. Developing a competency in product returns can be an important part of a firm’s supply chain strategy and transform returns into a profit center by extending the productivity of materials, resources and labor. Firms like Xerox, Canon, Estée Lauder, Caterpillar, Nike, and others have all found ways to utilize returns to positively impact performance.

The research undertaken here investigates constructs that continue to deserve attention as they are central to the supply chain management discipline. Through collaboration firms can improve their ability to handle returns, but our research introduces information technology as providing a moderating influence over the impact of collaboration in the advancement of a returns competency. One way firms maximize the advantages they receive from collaboration is through enhanced information sharing via the use of information technology. Specifically, we posit that information technology enhances the impact of collaboration through the information sharing that takes place between firms as they develop a competency in information technology operations. Our work develops a theoretical framework and three research hypotheses. An empirical study involving 267 firms is discussed where the hypotheses are tested. Results indicate support for the positive implications of a returns competency on the logistics performance of the firm.
CO-BRANDING STRATEGIES OF HIGH-TECH PRODUCTS AND LUXURY BRANDS: A CROSS-CULTURAL PERSPECTIVE

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ABSTRACT

The aim of this study is to analyze the different components of consumers’ attitude towards co-branded products. We focus on the cognitive and the affective components. It is getting popular to find co-branded products that include brands belonging to very distant product categories; besides, product fit and brand fit also might assume a different relevance. We focus on the specific category of high-tech, luxury co-branded products (HLCPs) to explore consumers’ purchasing intention toward this alliance. Finally, we compare the behavior of consumers from two different countries – Spain and Taiwan – in order to assess the role played by cultural features on the purchasing process of co-branded products. Therefore, it is likely to hypothesize that the buying behavior of Spanish consumers differs from that of Taiwanese consumers, in the purchase of HLCPs.

The method of empirical analysis is a survey and took an innovative direction and analyzed consumers’ behavior with respect to genuine products existing in the marketplace (specifically, “Samsung Giorgio Armani” and “LG Prada” cell phones). Two different versions of questionnaire were prepared and distributed to respondents randomly. Participants were 311 and 528 undergraduate students in Taiwan and Spain respectively. Employing seven-point Likert scale to each measurement. Reliabilities were then assessed and confirmed. Path analysis and a multi-group analysis among factors in two countries were performed. Different parameter estimates failed to be statistically significant in different samples, thus we eventually considered two constrained versions of the general theoretical model, except for some direct paths fixed to zero.

The results show that Spanish and Taiwanese consumers do share some common opinions about HLCPs, even though several differences remain. It appears that Spanish consumers mainly consider product fit, while Taiwanese consumers mainly base their decisions on brand fit. The magnitude of the effect of brand fit on the cognitive response is larger for Taiwan than for Spain. Overall, these results partly contradict previous evidence on the role that brands and fashion exert on consumers coming from individualistic cultures. Provided that Spanish consumers mainly base their purchasing decisions on the affective response, and, on the contrary, Taiwanese consumers focus on the cognitive response.

References Available Upon Request
FROM OUTSOURCING TO INSOURCING BRAND MANAGEMENT: HOW NETWORKING HELPS SMES TO BECOME MORE BRAND-ORIENTED?

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ABSTRACT

This conceptual paper develops a model that describes how small and medium-sized enterprises (SMEs) can use their networks to become more brand-oriented. Most often, researchers assume brand orientation as something that simply originates from inside the firm. This study, while acknowledging the internal perspective on strategy formation, argues that firms can develop a brand orientation also through and within networks. The present study builds on and extends the view that SMEs develop their brands with the help of their network partners by explaining how networks can also be used for changing company philosophy. That is, instead of focusing on how the brand is developed and branding-related problems solved by relying on network partners, this study emphasizes the question of how firms construct their strategic orientation and develop a positive attitude towards brands through and within networks. Specifically, the proposed model describes how firms progress from outsourcing brand management to their network partners to insourcing brand management from them, and how this process contributes to SME brand orientation. The study adopts a marketing agency as an example of a network partner having a positive effect on a firm’s brand orientation. The model consists of five stages, namely 1) Early stage, 2) Developing stage, 3) Implementation stage, 4) Reorientation stage, and 5) Confirmation stage. At the early stage, the firm and the agency come into contact and start building a relationship as the firm seeks help and expertise from outside the company. However, it may not necessarily know what it exactly wants when it initially contacts the agency, making it dependent on the recommendations the agency makes. The interaction between the two nevertheless represents a starting point for the development of a brand orientation as it compels the firm to think about its brand and business. At the following stages, the relationship continues to evolve. Importantly, as the firm continuously thinks about its brand, it better understands how to integrate it with its other business activities. Consequently, the first signs of brand orientation start to show as the firm takes a more active role in relation to branding. Stages one through three represent the outsourcing phase in the development of SME brand orientation. That is, the firm may lack adequate skills for branding and hence is dependent on what the agency does; also, it may not be totally convinced of the relevance of branding. Consequently, the firm may find it practical to outsource branding to an outside partner rather than control it itself. However, as the benefits of branding start to concretize after the implementation stage, the firm progresses towards insourcing brand management. This refers to the reorientation stage. As brand performance increases, the company becomes more confident that its investments in branding are justifiable. Furthermore, the firm may also find that it does not necessarily need to rely on external partners as the interaction with the agency at the earlier stages has allowed it to develop an understanding of its brand and what is needed to manage it effectively. However, the firm may still continue cooperating with the agency, but the cooperation changes its form as the firm now takes more control over its brand building.

Future research endeavors to further improve the model may address, for instance, 1) the effect of others in the network, 2) continuation of the relationship, and 3) timescale and outsourcing/insourcing overlap. Empirical validation of the model is also called for.
INTRODUCTION

Over recent years numerous casinos have been established in the Asia-Pacific region, and competition has intensified among the various establishments to attract the most lucrative players. As exemplified by the competitive activities of the various casinos in Macau, Malaysia, Singapore and the Philippines, the region’s casino industry is transitioning from a traditional state-by-state monopoly-style model into a more internationalized open market where competition is unpredictable and not necessarily confined to local jurisdictions. Having survived through this fast changing environment, casino marketers have learnt that competitive advantage involves establishing and maintaining good relationships with existing players. The profitability of such strategies has been evidenced by various reports demonstrating positive relationships between customer loyalty and profitability (see Kale and Klugsberger, 2007; Watson and Kale, 2003).

Given the dynamism and competitiveness of the Asia-Pacific casino environment, those who have patronized a particular casino may not remain loyal when competitors are luring them with more attractive offerings. It may depend on the nature of their loyalty. Researchers have operationalized customer loyalty into behavioural and attitudinal dimensions (e.g. Dick and Basu, 1994). Whilst behavioural loyalty guarantees shorter run customer retention, positive attitudes (attitudinal loyalty) have connotations of genuine loyalty and long-term profitability for the firm (Kumar and Shah, 2004). In the casino context, it is evident that not all returning casino players have a positive disposition and not all gamblers retain positive attitudes. Players who return may either be genuinely loyal to the casino, or spuriously loyal, because of situational factors such as locational constraints on choice, or positive experiences of winning. Attitudinal loyalty (sometimes described as behavioural intentions) may determine loyalty more accurately than behaviours (Phillips, Tandoh, Noble and Bush, 2004). Attitudinal indicators may assist casino marketers to separate those who patronise the establishment for reasons of genuine affinity, from those who visit because of availability and convenience. Personal circumstances such as experiencing a series of losses may hamper the return visitation of previously well-disposed players, and changed financial circumstances may constrain their subsequent gaming activities. However the more positively disposed clients will generate word-of-mouth communication and provide referrals. These customers will retain their commitment to the casino and prospective profitability on the basis of their behavioural indicators. Though building attitudinal loyalty is important for competitive advantage, most forms are also seeking shorter-term benefits which are often manifested by customer behavioural loyalty. Understanding the prospective short- and longer-term effects might assist casino marketers with their decision making and strategy development. In light of these considerations the present study adopts two-dimensional loyalty to investigate the relationship between casino service quality and casino player loyalty.

METHODOLOGY

Sample
To understand the quality-loyalty relationship in casino settings, prospective respondents were recruited within various gaming rooms with a view to obtaining a sample that accommodated all relevant target audiences and was generalizable. The relevant casino has designated various rooms within the gaming area: a General Gaming Room (GGR) that has been created to cater for different types of gamblers including tourists and regular low-end players; an International Gaming Room (IGR) that is mainly for medium-volume players; and the VIP Gaming Room (VIPGR) aimed exclusively at high rollers or premium players. Each room provides players with an area for resting and dining outside their playing time and is generally targeted at the holders of membership cards. The survey was conducted within the various rest areas and questionnaires were administered to customers who were having a break from playing. Of the various respondents to the questionnaire, the researchers sought their consent randomly to participate in an interview.

Measures

Service quality Since the present study was conducted within a casino setting, the researchers have adopted an instrument which was explicitly designed to measure casino service quality - Wong and Fong’s (2011) 12-item CASERV. CASERV is a refinement of the service quality model originally proposed by Rust and Oliver (1994) and assesses four facets of casino service offerings: game service, service environment, food service and service delivery. A rigorous development and validation process involving the conduct of three separate studies was adopted to determine the empirical scale that is used in the case of CASERV. This process resulted in good validities and reliability. The scale also offers the advantage of having been developed on the basis of an Asia-Pacific sample. It was selected as the preferred approach for the conduct of the current study for the reasons noted above. A five point likert-type scale was used to measure CASERV, with 1 = strongly disagree; and 5 = strongly agree. Higher scores are indicative of more positive perceptions of casino service quality. In the present study the applicable Cronbach’s alpha values for these dimensions are respectively: .75 (for game service), .74 (for service environment), .89 (for service delivery), and .72 (for food service).

Attitudinal loyalty Zeithaml et al.’s (1996) Behavioural-Intentions Battery (BIB) was used to measure customer attitudinal loyalty. The original BIB is a 13-item scale which measures five behavioural dimensions, namely; Loyalty, Switch, Pay More, External Response, and Internal Response. The researchers reviewed these items in consultation with senior marketing executives based at the survey casino and ultimately adapted five items to suit the purposes and context of the present study. Participants were asked to indicate their likelihood (1 = very unlikely; 5 = very likely) of saying positive things about the casino and recommending it to others. Higher scores are indicative of more favourable behavioural intentions. The Cronbach’s Alpha coefficient for this adapted scale is .81.

Behavioural loyalty Customer behavioural loyalty was measured on the basis of frequency of annual customer visitation. This was consistent with the approach adopted by the survey casino to measure customer loyalty and retention. Since the customer cohort consisted of both domestic and international players, the casino uses differential scales to measure their loyalty. The casino divides the two player groups into VIP and non-VIP players. In the case of domestic VIP players, those who visit the casino on more than 22 occasions over the course of a year are classified as high frequency visitors (HFVs), those visiting between 16 and 18 occasions as medium frequent visitors (MFVs), and those visiting on fewer than 8 occasions as low frequency visitors (LFVs). In the case of domestic non-VIP players, customers who visit more than 12 times a year are considered HFVs; those who visit between 8 and 10 times are
MFVs, and those below 4 times within a year are LFVs. The scales that are applied in the case of international players differ greatly from their domestic counterparts. In the case of international VIP players, those who visit more than 6 times yearly are classified as HFVs, those who visit between 4 and 5 times are MFVs, and those who visit on fewer than 2 occasions are LFVs. For non-VIP customers, anyone who visits more than 4 times is considered to be a HFV, those who visit between 2 to 3 times are MFVs, and those who visit on less than 1 occasion are LFVs. The study adopted these categories and recorded them into a five-point Likert-type scale for each group (1 = least frequent, representing LFVs, 3 = most frequent, representing HFVs).

Data collection

The survey was undertaken during non-playing periods in designated guest rooms within the casino where players recuperate and have refreshments. Prior to commencing the survey, the researchers informed prospective respondents about the purpose of the investigation, and expressed a determination to find means of enhancing the provision of customer services. Respondents were asked to provide consent for their participation and were assured of anonymity. As a means of providing encouragement, the researchers offered respondents complimentary tickets to the magic show that was then being staged within the casino complex. In total 304 completed and usable questionnaires were returned to the researchers, amounting to 76% of the 400 surveys that were distributed. Of the total usable sample, 174 (57.9%) were male. Slightly over half were domestic players. Most customers were over 25 years old, married and in full-time employment. A majority were either self-employed or held quite senior positions (e.g. management or supervisory). Almost 58% per cent of the respondents had a college education and over 55 per cent earned in excess of US$50k per annum. More than half of the respondents were Malaysian residents and most of the others originated in neighbouring countries and territories (Singapore, Thailand, Indonesia, and Hong Kong). Over 95 per cent of the respondents completed the English language version of the survey, though the researchers had translated the questionnaires into Chinese, Thai and Malay as a backup.

RESULTS AND DISCUSSION

Correlations, mean and standard deviation for the study variables are obtained prior to testing the proposed relationships. The results show that the four factors of CASERV explained 42 and 34 per cent of the variance in customer attitudinal and behavioural loyalty respectively at \( p < .0005 \). A review of the coefficients table indicates that two of the CASERV factors contributed significantly to both dimensions of customer loyalty—service environment and service delivery. The respective scores were \( \beta = .37, t = 4.01, p < .001 \) and \( \beta = .43, t = 4.94, p < .0005 \) for attitudinal loyalty; \( \beta = .32, t = 3.92, p < .001 \) and \( \beta = .41, t = 4.62, p < .0005 \) for behavioural loyalty. When splitting the sample into two groups, namely international and domestic players, CASERV explained significant variance in attitudinal loyalty in both cases \( (R^2 = 38; 32 \text{ respectively}, \ p < .0005) \); however, the portion of variance in behavioural loyalty was insignificant in the case of domestic players.

To understand how customers perceive casino service quality and how their perceptions affect loyalty, the researchers undertook one-way between-group analyses of variance (ANOVA) by separating the respondents into three groups: LFVs, MFVs and HFVs. The results indicate that there were statistically significant differences in the overall service quality scores across the three groups at \( p < .05 \) level. Post-hoc comparisons using the Turkey HSD test indicated that the mean score for LFVs \( (M = 42.57, SD = \)
5.58) differed significantly from what was reported for the MFVs ($M = 48.12, SD = 5.23$) and HFVs ($M = 48.38, SD = 5.98$). When analysing customer perceptions of each of the CASERV dimensions, significant differences were only evident for customers from different groups on the basis of mean scores in the case of Service Delivery; and the effective size was .09. The Turkey HSD analysis demonstrates a large gap between the mean scores for the LFVs and the HFVs and MFVs. When the same analysis was used to compare the mean scores for each group on the basis of attitudinal loyalty, substantial inter-group differentials were evident. The MFVs and LFVs generally reported higher scores than the HFVs, indicative of positive attitudes towards the casino.

**CONCLUSIONS AND IMPLICATIONS**

Service quality is a key determinant of casino sustainability and competitive advantage. In addressing this claim the present paper provides insights into the relationship between service quality and customer loyalty which was operationalized into attitudinal and behavioural dimensions. The researchers surveyed gaming-focused customers from segments that are classified on the basis of visiting frequency. The results indicate that CASERV explains significant variance in customer loyalty. In particular, Service environment and service delivery make substantial contributions to both attitudinal and behavioural loyalty. The former is an indicator of the casino facilities and atmosphere, whereas the latter concerns the interactions between casino customers and service representatives, especially in the case of casino hosts. The results reflect the importance of casino frontline employees for managing customer relationships and for determining service quality. The finding that service quality explained significant variance in the attitudinal loyalty of domestic players, but not their behavioural loyalty has important implications for casino managers. It provides a cautionary note to casinos that service quality is important in attracting player patronage and behavioural intentions. Actual patronage (or behavioural loyalty) is affected when service quality is perceived favourably. On the other hand, although frequency of visit is indicative of the loyalty of casino customers, the practice should not imply prejudice or discrimination towards LFVs. Such an implication risks influencing customer perceptions of service quality. Defined as overall judgements about an entity’s overall service excellence, service quality may also be viewed as a comparison of services that customers expect from the provider with their perceptions of service performance. Although their expectations may be optimised, it is unsurprising and logical that players in different groups expect differential levels of service. Casinos would be well advised to manage player expectations and make appropriate adjustments based on their level of loyalty.

The findings have particular implications for casinos within Asia that are seeking to gain competitive advantage and maintain their profitability in an increasingly competitive market environment. The study has proposed guidelines for the enhancement of casino service provision and has identified where such improvements are most needed.

**References Available Upon Request**
INFORMATION SHARING ALWAYS HELPS TEAM DECISIONS?
THE HIDDEN PROFILE CONDITION

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ABSTRACT

Firms generally take the pool of information shared by team members as an advantage of teamwork in the decision-making process. Yet information sharing has not been as impactful under certain circumstances. Adopting the “hidden profile” paradigm, we examine the relationships between information sharing and team decisional outcomes. Specifically, we argue that information sharing benefits team decisional outcomes only when information is equally distributed among all decision makers in a team. When information is unequally distributed, it is not information sharing, but information use, that facilitates team decision making. Furthermore, our results show that the hidden profile problem aggravates in functionally diverse teams. Through this study, we suggest that information use is the ultimate gateway that leads decision makers to optimal decision outcomes.

References available upon request
There has been much research already conducted with regard to Small to Medium Enterprises (SMEs) technology companies and their management techniques; however there is still a lack of studies focusing more specifically on relationship marketing in high-technology based SMEs. This study looks to expand the research carried out by Parry et al. (2011), which looked to develop an understanding of marketing and customer relationships in software SMEs. This paper will look most specifically at the clients of a high-technology based SME from South Wales as the importance of customer relationships in this context.

Relationship Marketing, Entrepreneurial Marketing, SMEs, Customer Perspective, Hi-Tech

INTRODUCTION

There has been much research already conducted with regard to SME technology companies and their management techniques (Murphy and Ledwith 2007), however there are still a lack of studies focusing more specifically on marketing in SME technology companies (Harrison et al. 2004, Hausman 2005). For technology driven companies, it is important to advance from generic traditional marketing functions into effective, responsive and resource-optimised style technical marketing solutions that are applicable to the sector. Many of the methods and approaches used in taking technology to market are based upon models developed for an economic era that no longer exists (Bjerke and Hultman 2002), before the evolution of computer, such as McCarthy’s 4P’s and Booms and Bitner’s 7P’s. It is not without some surprise then to observe that many accepted marketing methods are out of date for the dynamic technology driven economic and global era that firms now have to compete within (Helander and Ulkuniemi 2006). The reality for many high technology based small firms, and SMEs in general, is that whilst a deep understanding of the technology exists within the firm little, if any, knowledge of how to take the technology to a viable market exists, or even what the market is looking for, meaning that these firms will develop innovative technologies without knowing what their customers or the market in general really wants (Alajoutsijarvi et al. 2000).

This study looks to expand the research carried out by Parry et al. (2011), which looked to develop an understanding of marketing and customer relationships in software SMEs. This paper will look most specifically at the clients of a high-technology based SME from South Wales (Company A) as the importance of customer relationships in this context in evident in previous literature (Helander and Ulkuniemi 2006; Ojasalo et al. 2008) however previous studies have focused mainly on the company perspective. In comparison to the study carried out by Parry et al. (2011), this study will focus on just the customer perspective as the researcher believes that this is most pertinent to continue on from where the previous study ended. As per the future research suggested by Parry et al. (2011) this researcher has spent 18 months as a participant observer within a software SME as part of a Knowledge Transfer style program. As part of this study the researcher was able to spend time conducting semi-structured interviews with the Company A’s clients, which is what this paper will focus on. This study hopes to add to the increasing research
in entrepreneurship and small business research (Coviello and Jones 2004; Hohenthal 2006) and also to contribute to the limited but ever growing knowledge of marketing in software SMEs by investigating the customer perspective of the relationship. The objectives of the study are as follows:

- To expand and follow on from the previous study (Parry et al. 2011) to develop insights into the expectations of software customers and to endorse and add key attributes which customers value in the software supply relationship.
- To compare the results between two studies to discover if there is a relationship between the expectations of customers in different geographical locations and industry sectors.

**LITERATURE REVIEW**

**Relationship Marketing**

Existing marketing literature emphasises trust as a fundamental concept characterising most interpersonal and inter-organisational relationships. Therefore, trust-based relationships build one of the most obvious characteristics of the conditio-humanae (Elster 2000). Yet in business-to-business marketing, trust is still a concept that is in need of clarification and theoretical scrutiny. The domain and limitations of trust in business relationships need to be defined and scrupulously analysed (Mouzas et al. 2008).

Gil-Saura et al. (2009) suggest that the literature on B2B relationships has produced a number of definitions of trust that show some differences. A first issue is who is doing the trusting. A few definitions refer to inter-personal trust, that is, trust in the contact person; however most studies adopt the concept of inter-organisational trust (Morgan and Hunt 1994; Anderson and Narus 1990). Blois (1999) questioned that organisations could trust, as trust involves an emotive component, and concluded that “inter-organisational trust is a short-hand for two sets of individuals each of which is trusting the organisation of which the others are members”.

According to Hogan (1998), buyers of services are not only concerned with the transfer of services, but also with the quality of the interaction with their suppliers. There is a trend among manufacturers to reduce the number of suppliers to a group of key, valued ones, with whom they wish to maintain true relationships, not mere transactions. Understanding what makes B2B relationships lasting and stable is one of the main areas of academic interest in the study of organisational relations (Chumpitaz and Paparoidamis 2007).

Relationship marketing, which has constituted a major shift in the way business was perceived in the last two decades (Morgan and Hunt 1994) is considered as the philosophical predecessor of customer relationship management (CRM) (Zablah et al. 2004). Relationship marketing differentiates itself from the transaction-oriented marketing approach by emphasising the process of maintaining and enhancing on-going relationships with customers as well as identifying and establishing new ones (Gronroos 1994; Hunt et al. 2006; Das 2009). Hunt et al. (2006) propose that the relationship marketing theory has the potential to increase our understanding of many aspects of business strategy.

The literature highlights the need for trust and relationship building between businesses and organisations, but also between organisations. With the longitudinal relationships that come with b2b purchasing, there is a greater need for much more in-depth relationship marketing and CRM to
insure that the customer acts as an advocate but also is willing to help with the creation of new products or services.

**SME Marketing**

The study of marketing in SMEs’ has been recognised as a problematic area for researchers for over 20 years (Chaston and Mangles 2002; Siu and Kirby 1998). SME marketing in practice is thought to be largely done through networking (Gilmore et al. 2001) or a combination of transaction, relationship, interaction and network marketing (Brodie et al. 1997).

SMEs do not conform to the conventional marketing characteristics of marketing textbook theories; instead their marketing is characterised by the limitations outlined previously (Gilmore et al. 2001). Thus SME marketing is likely to be haphazard, informal, loose, unstructured, spontaneous, reactive, built upon and conforming to industry norms.

Research on small businesses and their marketing activities has been largely limited to explanations of certain types of behaviour observed in small businesses (Hannon and Atherton 1998; Smith and Whittaker 1998; Huang and Brown 1999), or on the search for factors that are missing or present barriers in smaller businesses, accounting for their apparent inability to apply or use marketing ideas and concepts that were often developed for larger businesses (Barber et al. 1989; O'Brien 1998; Freel 2000). Theory development in SMEs research seems to be somewhat limited in general. The work that has been done is more applied in nature, taking the form of prescriptive or descriptive frameworks and “models”, on how to apply certain business and management theories to the smaller business (e.g. Carson 1990; Brooksbank 1996; Valos and Baker 1996; Brooksbank 1999). Some authors are investigating the applicability of alternative paradigms based on creativity, semiotics and art and employing alternative methodologies such as biography (Fillis 2002).

The vast majority of business enterprises in the world are small businesses (European Commission 2003; Small Business Administration 2009). By returning to small business marketing we can then collectively speak to and represent this vast majority. Carson (1990) noted the path that services marketing took to eventually break into mainstream marketing. It started as a niche/fringe sub-field but eventually became a dominant part of marketing because, as he suggested 80% of business is service. That is too big to ignore. Likewise, small business represents an even larger portion of business and therefore should not be ignored (Hansen and Eggers 2010).

For entrepreneurs, tactics for using the marketing mix diverge from the traditional progression of product development, pricing, promotion, and distribution. Entrepreneurs prefer direct interchanges and building personal relationships. Likewise, the tactics behind entrepreneurs’ marketing intelligence is based on personal observation and contact information, rather than formal research (Stokes 2000).

**High Technology Based Small Business Marketing**

The IT industry in the UK is comprised of a mixture of businesses of different sizes, so a study of the marketing experience, perceptions and activities in this sector provides an opportunity to consider whether marketing differences are dependent on firm size. Much of the earlier research on marketing in small businesses has suggested that conventional marketing theory and practice, developed mostly with reference to large firms is not applicable to small firms, but there have been few direct comparative studies (Jones and Rowley 2009).
Very little attention has been directed towards marketing of high technology based small businesses. One notable exception is the contribution from Boussouara and Deakins (1999). They found that small hi-tech businesses associated marketing primarily with dealing with customers, developing products and developing new markets. They also concluded that traditional marketing tools are inappropriate, whilst the social networks of entrepreneurs and strategic alliances are wholly appropriate to this business context (Jones et al. 2009).

The relationship marketing literature recognizes the value of customer and stakeholder networks (Christopher et al. 1995; Gronroos 1982; Hunt and Morgan 1994; Payne 2006). Successful entrepreneurs recognize the value of building long-term relationships and spend considerable time with customers and in networking (Stokes 2000). Gilmore et al. (2001) and Hill (2001) discovered that SME owner-manager networks existed in various guises, including: personal contact networks, social networks, business networks, and marketing networks. Such networks are unlikely however, to compete with large firms who have the resources and strategic management capabilities to conceive and to develop future new core competencies. Smaller firm networks are rarely equipped for the long-term planning process (Shrader et al. 1989) and therefore the likelihood is that small firms will often operate in niche markets that are not served by large firms (Carson 1985; Christensen 1997; Eden et al. 1997).

**METHODOLOGY**

**Semi-Structured Interviews**

In order to explore the dyadic relationships between the SME and its customers, semi-structured interviews were conducted as a means of exploring the customer’s experiences and expectations of their relationships with the SME. Semi-structured interviews have previously been used to explore marketing in SMEs with the aim of gaining an understanding and meaning whilst allowing flexibility with an element of structure (Gilmore et al. 2001; O’Donnell 2004).

**Research Process**

A list of 47 current customers was provided by Company A. Each customer was contacted via email asking if they would be willing to participate in a short meeting to discover their views about Company A, reasons for using Company A and also any improvements that think could be implemented.

Of those who responded 23 (49%) customers declined to participate in the survey, such reasons for the decline were – customer was happy with the service and didn’t feel the need to contribute; did not want to communicate due to a bad relationship with the company; simply did no reply. 24 (51%) customers agreed to participate in the survey. Due to location and time limitations 16 (67%) customer in total were surveyed over a period of 6 weeks. Each customer took part in a face to face interview, which took on average 38minutes to complete. The total recording time for the 16 interviews was 9hrs 58mins. Each interview was recorded and a consent form was completed to ensure anonymity of answers to enable each customer the ability to talk freely.

Once each interview was completed the recordings were transcribed onto question sheets. All of the transcriptions were then text mined and comments from the transcripts were sorted into categories or themes to enable further analysis of the results in a consistent manner.

**RESULTS AND DISCUSSION**
After the transcripts were created from each interview they were text mined to look for recurring themes to highlight the most important aspects of a relationship with software SME. The number of occurrences of each theme can be seen in appendix 1. This paper looks at the top 3 recurring topics in more detail as these were deemed by the researcher to be of the most importance in relation to this study and relationship marketing within high technology based SMEs, the top 3 recurring topics also fit alongside the top scoring attributes from the previous study by Parry et al. (2011). Moreover, looking at the attributes that were occurring throughout the study it can be seen that some of the key attributes discovered by Parry et al. (2011) are not relevant across all high-technology based SMEs. With this in a mind a new key attributes list has been created by the authors, which can be seen in the final section of this paper.

**Account Management**

There were no specific questions relating to account management in the questionnaire, however this was a recurring theme that was mentioned by nearly all clients when asked what their views of our Support and Service were. The biggest issue was having the ability to have someone dedicated to the customer who knows the customer’s account and also who knows the industry. The type of account management mentioned varied from:

>“An internal liaison where you can discuss something and then either someone can correct you over the phone, or put a ticket on if you need to.”

To

>“Would’ve expected a slightly more thorough approach in terms of ‘ok we’ve done the deal, this is where we’ve got to now’ and as other things become available because of the changing world what would be relevant to us, would this work for us? Where is our site, even if it’s every 6 months, it would have been nice to have a chat with someone. Our business has changed since we’ve had the site we’ve changed a lot, and I don’t feel that Company A has the real sense of that.”

This shows that the customers all want some form of personal interaction throughout their time spent with Company A. This interaction needs to be much more pro-active rather than reactive as it perceived to be at the moment. Having this type of account management would not be possible with the current head count, however with some investment this perception of the business could be turned around. A customer even suggested that they would be willing to pay more for account management:

>“I would have been happy to have paid double to do things differently”

Another customer pointed out very clearly:

>“Business is all about relationships”

And at the moment the relationships with our customers appears to be one sided and slightly frustrated:

>“You come in, we’ve bought into the concept, but don’t think Company A have bought into ours, it needs to be a 2way street. The best partnerships are 2 way.”
“I think the personal side of things has gone and to me, whether that’s me being old school, but people buy from people, and to have someone completely anonymous isn’t right.”

Customers also requested regular communication as part of this pro-active account management process to be kept informed of what developments we are undertaking and any business news etc.

**Support**

As with the account management section there were not specific questions regarding ‘support’, however all customers had something to say about our support services. Not all the responses were negative. Most customers were happy with the way in which the extranet service works, however they were unhappy with the responses and time to respond. In total there are 51 comments about support throughout all of the transcripts. This is an extremely high response rate, showing that this is an issue that is at the forefront of all of our customers’ minds, and something that should be addresses immediately. Positive:

“I like using the extranet as we have a record of what is happening”

“I think it’s a good idea, having it all central and you can refer back to things”

“It’s good for reporting bugs, some helpdesk requests, so the general things”

“The process works, having an intranet works because I can record the details and there is traceability, if you could just manage expectations that would be great.”

Negative:

“I don’t mind raising support tickets, but I get annoyed the response is slow, I have to chase.”

“I feel a bit weird that it’s going to millions of people, a pool of IT geeks, and don’t know who I’m talking to all the time, it’s all anonymous.”

“I found the tickets very hard to start with, I like to make a phone call and ask how to deal with something, the problem with the tickets I might put something into writing and maybe put it in the wrong way, the reply is wrong, I reply back – can be very drawn out.”

“They are dismissive, we’re asking specific questions of IT specialists and we often get blinded by science. A little bit too technical”

“I’ve found them frustrating in the length of time they take”

“I think there needs to be a customer service point, where you can elevate something, or sometimes it isn’t a ticket – should keep the tickets, but what happens here is someone sends and email and someone converts it to a ticket.”

**Product and Service Development**

This question was very open asking how Company A could improve, in terms of service and product. Along with the categories of Support and Training these were the most in-depth responses that were received. The main themes around this question were:
Communication & Account Management:

“Communicate. It does seem to be a generally IT thing. When I get the rep in from our IT Company I say the same things...communicate.”

“Our business has evolved and changed, and for you to understand those changes would have been helpful for you, and every 3 - 6 months to have a visit and find out what is going on, you might be able to put ideas to us to help out site.”

“Want a quarterly review with someone knocking on our door and telling us what our site is doing and how we can improve it, and what developments are happening in house that would be relevant to us and our industry.”

Product Development & Roadmaps:

“Both of us need to be thinking more end to end, there isn’t a line between platforms”

“I wish you told us your developments and dragged us along with you”

“There has been very little in terms of product and website development.”

Managing Expectations:

“We gave you a requirements list and asked if you could do stuff, and you said yes to everything – but when it came down to it, it was yes we can but it’s a different process, so we’ve have to change our own internal processes to get things to fit.”

“There’s a slight tendency to over commit”

“The MD thought it was over sold compared to what you provided for us. Our expectations weren’t met.”

Product Features

“There is a great time to great a chunk of the market to grab if you have a ‘prolinkweb’ platform, which does everything that prolinkweb does and looks better and does more as well”

“The e-marketing admin bit is still not working for us correctly, we were sort of under the understanding that we’d be able to get rich customer data, drill it down, get all of the people who ordered ‘x’ and be able to market to them”

“One click orders, automatic product ordering”

All of these improvements suggested will help with the development of the product as well as development of the services we provide pre and post-sale. This again highlights the fact that Company A needs to be pro-active rather than reactive.

CONCLUSION
This study has looked at the customers' perspective with regards to the main attributes that they would expect to see when embarking on a project with a high technology based SME. These attributes highlight the need for a good relationship to be built not just at the start of the project but throughout the lifecycle of the time working together. This further informs the research by Parry et al. (2011) and Pollard and Simberova (2012) that the need for high technology based SMEs to focus on better Relationship Marketing, to ensure that they are not just product focused as is the norm for this style of company. This research makes a contribution to the theory of relationship marketing and management by providing insight into the customer-perceived value of relationships in high technology based SMEs.

The data mined from the previous study was inputted into a table to show the frequency of words used throughout the semi-structured interviews. This study has looked at the themes that were recurrent and it can be seen that the most recurrent themes act as additional attributes to the previous study. This shows that the additional research that has been conducted for this study as an extension to the Parry et al. (2011) study confirm the attributes that are most highly rated by the customer when looking to work with high technology based SMEs are Account Management; Support; Product Development and Features. The authors have remodeled the key attributes by Parry et al. (2011) to show a more focused framework with which to build upon. The new key attributes can be seen below:

- Account Management
- Aftercare Support
- Product and Service Development
- Relationship Communication
- Software Functionality
- Software Quality
- Trustworthiness of the supplier
- Understanding of requirement

The primary contribution of this study was to add to the limited literature and research on customer relationships in high technology based SMEs, by providing insight into the customers’ perspective, which again is a further extension from the Parry et al. (2011) study.

Looking at the research carried out for this study and the previous research carried out by Parry et al. (2011) it can be seen that high technology based SMEs should be proactive in developing an underlying relationship and dialogue with current customers and also prospective customers to help not only with the lifecycle of the project, but also with the development of the product, ensuring that all customers’ (old and new) have their needs met.

The managerial implications for this study shows that SMEs need to:

- Improve the relationship marketing that is currently carried out (if at all) between customers and prospective customers to ensure that the lifecycle of the project runs smoothly.
- Enhance research and development opportunities by proactive communication with customers to ensure that their needs are met at each stage.
- Focus on the Human Interaction carried out when dealing with support queries as well as development requests. This is vital in achieving customer satisfaction with current customers.
From this study there is also a potential for more research into relationship marketing within high technology SMEs and also SMEs in general. It is important that future research includes:

- Participant-observer studies whereby the researcher is immersed in a longitudinal study in other high technology based SMEs and SMEs in general.
- Case study research with a high technology based SME to see the effects of implementing the above research and the positive or negative effects on the not only the sales of the business but also the culture and perceptions of the actors within the business.

REFERENCES


**APPENDIX 1**

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Themes generated from research and occurrence count
“DON’T DRINK AND DRIVE”: CAN SENSORY AND EXPERIENTIAL FACTORS INFLUENCE EFFECTIVENESS OF ALCOHOL WARNING MESSAGES?

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INTRODUCTION

“Every day, almost 30 people in the United States die in motor vehicle crashes that involve an alcohol-impaired driver. This amounts to one death every 48 minutes. The annual cost of alcohol-related crashes totals more than $51 billion... In 2010, 10,228 people were killed in alcohol-impaired driving crashes, accounting for nearly one-third (31%) of all traffic-related deaths in the United States.” (CDC.gov report)

As the above statistics highlight, high levels of alcohol consumption can lead to fatal outcomes across a wide range of scenarios and especially when operating vehicles. While moderate levels of alcohol consumption can have positive outcomes in terms of relaxation, enjoyment, and positive affect (Steele and Josephs 1990), excessive levels of alcohol consumption can lead to high levels of intoxication, with potential negative outcomes (Hull and Bond 1986; Park and Grant 2005).

Given the potential adverse outcomes related to high levels of alcohol consumption, not surprisingly, there has been strong public policy and regulatory related attempts to curb excessive levels of drinking (and especially “drinking and driving”). Most of the public policy and regulatory attempts have focused on devising effective warning messages and labels.

To the best of our knowledge, no prior study has examined the effects of incorporating sensory cue elements in alcohol warning messages on desired consumption volume or the potential mediating effects of perceived intoxication. In that regard, in this research, we take an important first step and examine how the color of the font on a warning label can influence desired consumption volume and the mediating effects of perceived intoxication levels. In addition, we incorporate an experiential element by examining the effects of warning messages after participants have consumed a limited amount of alcohol to see how these messages influence desire for additional alcohol. Giving participants the opportunity to actually sample the alcoholic beverage also allows us to examine the role of perceived intoxication in influencing the effectiveness of alcohol warning messages. Specifically, in this research, we examine whether a consumer will desire to consume fewer glasses of a sampled alcoholic beverage if s/he is exposed to an alcohol warning label printed in red (vs. blue) font. In addition, we also examine the role of perceived intoxication (after sampling a small volume of an alcoholic beverage) in determining the effectiveness of the alcohol warning label.

Understanding how warning label font color influences desired consumption volume has strong social and regulatory implications as well as conceptual implications. Specifically, the results of our two studies show that consumers desire to consume a lower volume of alcoholic beverages if the font of the warning label associated with the beverage is red (vs. blue) and that this effect of font color on desired consumption is mediated by perceived intoxication levels. Policy makers, bar/restaurant managers, or beverage manufacturers who want to encourage responsible alcohol consumption might thus consider...
using red fonts on warning labels. From a conceptual perspective, while prior studies have examined different aspects related to the effectiveness of warning labels, these studies have usually taken place in controlled laboratory settings when alcohol was not present. One limitation of these prior laboratory studies is that participant’s responses were likely influenced by demand effects as well as social desirability biases. In addition, because these studies took place in a controlled setting where participants were engaged in the experimental task, it is unclear how warning labels might influence judgment and decision making in a naturalistic setting, when participants actually consume alcohol. Hence, the findings of this research are likely to have higher ecological validity and stronger practical relevance. In summary, the present research contributes to the literature by examining how visual cues related to font color influence desired consumption in a field setting where participants actually consumed the alcohol; in addition, we also examine the mediating effects of perceived intoxication.

Before discussing the results of our two experimental studies we briefly discuss the literature related to the psychological and physiological effects of color to build the link between warning label font color and desired consumption.

BACKGROUND

Prior research shows that colors have a pervasive impact on consumers’ judgment and decision making (Gorn, Chattopadhyay, Yi and Dahl 1997). Colors are typically described based on three dimensions: value (i.e., the lightness or darkness), saturation (i.e., the amount of pigment) and hue (i.e., the wavelength) of the color. In this research, we focus specifically on hue and use the term hue and color interchangeably.

Given that red and blue represent the opposite ends of the spectrum, most marketing research related to the effects of colors has focused on these two contrasting hues (Labrecque and Milne 2012; Mehta and Zhu 2009). Consistent with prior research, we examine how red or blue fonts on warning labels might influence desired consumption volume.

Why might red or blue fonts influence desired consumption? Prior research has demonstrated that colors can unconsciously evoke psychological and physiological responses. For instance, red is arousing while blue is calming (Valdez and Mehraban 1994). In terms of psychological response, red (blue) activates avoidance (approach) motivation and can enhance performance on detail oriented (creative) tasks (Mehta and Zhu 2009). Incidentally, many of the physiological and psychological effects of red hues are similar to the effects of small doses of alcohol consumption since alcohol can also lead to arousal, and impaired performance (Steele and Josephs 1990). In this research we build on the idea that both moderate levels of alcohol consumption and red (vs. blue) hues have similar effects on consumers and propose that after being exposed to a warning label with a red (vs. blue) font and subsequently consuming an alcoholic beverage, consumers might misattribute some of their responses to the alcohol rather than to the warning label. We thus predict that this misattribution will lead to enhanced perceived intoxication after exposure to a warning label with red (vs. blue) font and decreased desired consumption volume. Hence, we propose the following hypotheses.

**H1:** After consuming an alcoholic beverage, consumers exposed to warning labels with red (vs. blue) fonts will desire to consume fewer glasses of the alcoholic beverage.
**H2:** Consumers exposed to warning labels with red (vs. blue) fonts while sampling an alcoholic beverage will have higher perceived intoxication.

**H3:** Perceived intoxication will mediate the effects of warning label font color on desired consumption volume.

**STUDY 1**

The objective of Study 1 was to test H1 and examine the basic effect of warning label font color on desired alcohol consumption. Study 1 was a one factor between-subjects field experiment with two experimental conditions (warning label font color: red vs. blue). The field experiment took place during the reception of a campus event at a major university in France and was conducted in collaboration with the event staff.

Participants were shown a warning message typed in either a red or blue font, based on the experimental condition they were randomly assigned to, and were then given a glass containing two ounces of wine. In order to ensure ecological validity, the warning message content was based on actual alcohol warning messages used across various countries (USA, France, etc.). Specifically, the warning message highlighted that consumption of alcoholic beverages impairs ability to drive a car or operate machinery and may even cause health problems; moreover, alcohol consumption may cause reduced consciousness and drunk driving may cause disability or death.

After consuming the two ounce wine sample, participants were asked to complete a short survey to evaluate the wine. The survey contained a few filler questions as well as the key dependent measure of desired consumption volume (“If given a choice how many additional glasses of wine would you like to have?”).

**Results**

The results of Study 1 were consistent with H1 and showed that merely changing the color of the font that an alcohol warning label message is printed in can significantly influence the amount of alcohol consumers desire to consume. Next, in Study 2 we test H2 and more directly examine the process driving the influence of warning label font color on desired consumption.

**STUDY 2**

The purpose of Study 2 was to test H2 and H3 and examine whether the effects observed in Study 1 were driven by differences in perceived intoxication. Thus, Study 2 examines the mediating effect of perceived intoxication on the relationship between warning label font color and desired consumption.

The procedure and design were similar to that of Study 1 except that after consuming the wine, in addition to rating the number of glasses they would like to consume, participants also rated their perceived level of intoxication.

**Results**
Consistent with H1 and the results of Study 1, participants who were exposed to the warning label with the red (vs. blue) font desired to consume fewer glasses of wine. In addition, as predicted by H2, participants who were exposed to the warning label with the red (vs. blue) font felt more intoxicated. Finally, in support of H3 we find that perceived intoxication mediates the effects of font color on desired consumption volume.

**GENERAL DISCUSSION**

The results of two experimental field studies which involved actual alcohol consumption show that warning label font color can decrease desired consumption of alcohol. In addition, the decreased consumption after exposure to alcohol warning labels with red (vs. blue) font appears to be mediated by enhanced perceived intoxication.

The results of our two studies have important social and regulatory implications. For instance, regulators, bars, restaurants, night clubs or even product manufacturers wanting to encourage responsible alcohol consumption might consider strategically using different colored fonts in their messages. Specifically, regulators and other entities might discourage use of specific hues such as blue in warning label messages and instead encourage use of red colored warning fonts.

*References available upon request*
HOW TO CATCH THE GENERATION Y:
IDENTIFYING ECO-INNOVATORS AMONG YOUNG CUSTOMERS

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ABSTRACT

In a world of limited natural resources, the need for ecological considerations in product development and consumption is obvious. The environmental impact of innovations are therefore of interest to research and practice. By developing new economical products, companies are able to gain competitive advantage and improve the corporate image. Further new market segments can be captured and ecological innovations have a positive impact on long term employment. Despite their economic and environmental relevance, the flop rate of innovations in general reaches alarming levels. The success of eco-innovations ultimately depends on the individual adoption decision of the customer. Hence, the question arises, why do eco-innovators adopt ecological innovations? To answer this question the two areas of consumer characteristics have to be taken into account: environmental consciousness and consumer innovativeness. Additionally, the present study focuses on the promising market segment of the younger consumers (generation Y) out of three reasons. Firstly, young consumers have a high spending power (Moses 2000) and they are willing and able to consume (Abela 2006). Secondly, young consumers are more open to innovative technologies (Steenkamp et al. 1999). And thirdly, younger consumers tend to be more aware of existing and upcoming environmental problems (Franzen and Meyer 2010). At a first glance the first and second reason seem to contradict the third one. The ability and willingness to gather material possessions (i.e., consumerism) has been seen as one of the antecedents of environmental problems. But if we do understand what triggers the adoption decision for an ecological innovation; the increasing green purchasing power of young consumers will be for the benefit of the environment and the society in general. To sum up, young consumers are future innovators, workers and consumers. Therefore, young consumers are a promising target group of eco-innovations. The present research sheds light on this target group by identifying factors that influence eco-innovativeness of the younger generation.

We propose and empirically test an integrative model to explain innovativeness in the domain of ecological innovations. To test the theoretical model empirically a cross-sectional study is conducted. A paper and pencil survey was administered to 446 young consumers, which are between 18 and 29 years old. Structural equation modeling led to the result that joyful consumption is an important antecedent of domain-specific eco-innovativeness. Additionally, a biospheric value orientation leads to higher eco-innovativeness, whereas altruistic values reduce eco-innovativeness. The results show that practitioners and product designers have to take into account not only the benefit for nature but also the hedonic component of a new product.

References Available Upon Request
DESIGN EFFECTS ON FINDINGS IN SIMULATIONS COMPARING FORMATIVE AND REFLECTIVE MEASUREMENT SPECIFICATIONS

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ABSTRACT

In a highly-cited paper on formative measurement, Jarvis, MacKenzie, and Podsakoff (2003; henceforth JMP) use simulation results to argue that “misspecification of even one formatively measured construct within a typical structural equation model can have very serious consequences for the theoretical conclusions drawn from that model” (JMP, p. 212). Aguirre-Urreta and Marakas (2012; henceforth AUM) extend JMP’s simulations to focus on differences in the standardized structural coefficients between the formative and reflective specifications. They conclude “that a lack of attention to the metric of latent variables is responsible for the posited bias [from reflective analyses of formative measures], and when considering the relationships in their standardized form neither the direction nor the magnitude of relationships are biased to the degree previously discussed” (AUM, p. 124). They further note that “the consequences [of alternative measurement specifications] might not be as bleak and dire as previously thought” (AUM, p. 137). Jarvis, MacKenzie, and Podsakoff (2012, p. 144) respond “that the consequences of measurement model misspecification are exactly as dire as previously thought. Those consequences simply never had anything to do with the standardized parameter estimates.”

The present study clarifies several issues in the debate between JMP and AUM. One especially important point is that differences in unstandardized estimates from formative and reflective specifications depend on the arbitrary metrics of the latent constructs. Standardizing the constructs to have unit variance facilitates comparison of the structural coefficients across measurement models, but other scalings could be used to make the differences as large or as small as desired. Therefore, “bias” in terms of the observed unstandardized coefficients is uninterpretable rather than “dire.” The study also shows that because reflective analyses use measure unreliability to disattenuate structural relationships between constructs, reflective specifications can magnify the correlation between other constructs in the model. The amount of magnification varies with the degree of measurement error (or inversely with the degree of reliability).

Finally, the study explains why AUM observe a greater discrepancy between formative and reflective specifications when the construct involved is endogenous, which “increases as the intercorrelation among the formative items increases, a finding not reported in previous research” (AUM, p. 130). This result is an artefact of the simulation design, which forces uncorrelated indicators in the formative specification to be correlated in the reflective specification. An alternative and more justifiable specification of the formative model in the simulation design would not have produced this result when contrasted with the reflective specification (AUM; Cadogan and Lee 2012; Rigdon 2012).

References are available upon request.
THE IMPACT OF MARKET ORIENTATION ON BOUNDARY-SPANNING EMPLOYEES

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ABSTRACT

Sales positions typically have a higher level of employee turnover; it is not uncommon for companies to experience turnover rates of up to 50% for new sales people over their first couple years (Futrell & Parasuraman, 1984). This results in added costs to the firm in terms of lost productivity and training costs. In order to improve the financial performance of the sales force, sales managers (as well as human resource managers) are in search of ways to reduce employee turnover. Market orientation has typically been studied as an indicator of a firm’s commitment external customer relationships (Narver & Slater 1990; Kohli & Jaworski 1990) and has been repeatedly shown to have positive consequences as measured by metrics focused on external constituencies. However, market orientation has not been studied in terms of its impact on internal organizational relationships with the exception of Lings and Greenley (2009). This research proposes that market orientation should positively impact the internal marketing of an organization which will have a positive impact on boundary spanning employees. Drawing on job-demands resources theory (Demerouti, et al. 2001) and theory of conservation of resources (Hobfoll, 1988), this study develops a model which posits that increased market orientation has positive internal consequences in terms of reduced role stressors (both conflict and ambiguity), increased job satisfaction, and reduced turnover intentions for sales people who serve as the customer facing contact point. Also, this study proposes and investigates grit, defined as dedication in enduring long-term goals (Duckworth et al., 2007), as a moderator of the relationship between job satisfaction and turnover intentions.

References Available Upon Request
SOCIAL MEDIA AND CUSTOMER ENGAGEMENT:
DYADIC WORD-OF-MOUTH

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ABSTRACT

According to Hansen et al. (2011), social media technologies have changed the nature of interactions between customers and companies, engendering radically new ways of interacting and, essentially, revolutionizing marketing. This revolution centers on the fact that current and potential customers are using social media to engage both companies and other consumers about products and services (Garretson, 2008). In today’s world of electronic word-of-mouth, marketers must capture attention and also create continuing dyadic interactions via ongoing customer engagement. According to Mike DiLorenzo, director of social media marketing and strategy for the NHL, “Social networks aren’t about web sites. They’re about experiences” (Wyshynski, 2009). The current research explores engagement in social networking sites through the use of both qualitative and quantitative research methods. The findings from the descriptive research indicated that, simply put, engagement is defined as meaningful two-way communication. However, the desire to build relationships as the main motivation in engagement was not shown in the statistical analysis. The results showed that content is a more significant driver of engagement than is the desire to build a relationship. These findings are noteworthy for marketing professionals in that “content is king” when it comes to incentivizing users to engage.

References available upon request
AN EMPIRICAL INVESTIGATION OF REMOTE MOBILE PAYMENT ADOPTION

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ABSTRACT

Despite being predicted to be one of the future’s most successful mobile services, mobile payments (MPs) have achieved limited acceptance in developed countries to date. Due to this limited success, examination of consumer adoption behavior is a key issue in order to provide important managerial information for the development and marketing of MP systems according to consumers’ needs. The imminent release of a central database for remote MP (RMP) in April 2014 by the UK Payments Council emphasizes the timeliness of this area. Currently MP research has largely ignored the variations between different MP solutions, has failed to compare factors affecting different user types, and no empirical research relating to MP adoption has been conducted in the context of the UK to date.

This study applies the Unified Theory of Acceptance and Use of Technology (UTAUT) extended with perceived risk. The devised research model postulates that performance expectancy, effort expectancy, social influence, and perceived risk influence UK RMP users’ and non-users’ intentions to use, or continue using, the technology. In keeping with existing quantitative MP adoption research, a survey methodology employing a questionnaire as the data collection method was utilized. Confirmatory factor analysis was conducted by utilizing AMOS Version 20.0 to examine the measurement model which was then followed by examination of the structural relationships. In order to compare the factors affecting users and non-users of RMP, multi-group moderation was undertaken.

The model fit indices and standardized factor loadings determined a good measurement model (CMIN/DF 1.829; GFI 0.904; CFI 0.981; RMSEA 0.046; PCLOSE 0.812; standardized factor loadings ≥0.76). Whilst the findings of the structural model analysis revealed that performance expectancy, effort expectancy, social influence, and perceived risk all significantly influenced non-users behavioral intention, only the effects of performance expectancy and perceived risk were significant for existing users of RMP. These findings support target market segmentation for RMP. Marketers should focus on emphasizing the utility and security of RMPs in communications with both current and potential users. Moreover, marketers should attempt to identify ‘opinion leaders’ in order to encourage positive word-of-mouth promotion, and emphasize the ease of using RMP, in communications with non-users of RMP.

References available upon request.
New product development has been viewed by some scholars as a process of organizational learning comprehending the acquisition, dissemination, and utilization of information (Day 1994; Moorman 1995; Moorman and Miner 1997). New product development is based on discovery and creation processes, or generative learning (Moorman and Miner 1997) which is an outcome of a learning orientation (Baker and Sinkula 1999). In spite of its importance, the concept of a learning orientation has not been explored sufficiently in the new product development (NPD) context. This study aims to fill this void in the literature by theoretically exploring the link between organizational learning orientation and new product competitive advantage and the mediating effects of memory level and memory dispersion on this link at the NPD project level. The suggested research model was based on six hypotheses. According to the proposed model, learning-oriented organizations create strong organizational memories that lead to higher levels of new product competitive advantage.

References Available Upon Request
TRUST, CONFLICTS, AND ORIENTATION INTERACT IN MEASURING EXPORT PERFORMANCE

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ABSTRACT

Dynamic environments, especially that of the global arena, force firms to operate in condensed timeframes. Such constrains call at times for specific moves and strategies. One such case is when firms, usually small and resource-constrained such as Born Globals, approach foreign markets through the use of local intermediaries (e.g. distributors). Using such entry modes enables firms to create a rapid foothold in a large number of markets, but it may also lead to conflict between the partners and eventually damage the firm’s international performance. The purpose of this study is to examine firms’ interaction orientation and type of entry mode as antecedents of trust, and their impact on conflict arising from differences of opinion. The findings support the framework presented, indicating that conflicts result from lower levels of trust between the parties and also from the absence of expressed intentions regarding collaboration and sharing.

Reference Available Upon Request
EMPOWERING FEMALE ENTREPRENEURS THROUGH SOCIAL MEDIA:
A CONCEPTUAL MODEL

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ABSTRACT

Women account for just under 50 percent of the world’s population (UN 2010) at approximately 3.55 billion women. Though women represent almost half of the world, they do not comprise half of the world’s workforce. Worldwide, the percentage of women in the labor force varies widely, from a low of 12 percent in Qatar to a high of 53 percent in Mozambique (UN 2011). Women also ‘bear a disproportionate burden of the world’s poverty,’ as they are more likely to be poor, suffer from hunger, deprived of healthcare, and denied basic rights in the workplace (UN Women 2013; OCED 2008). Not only are women more vulnerable, they are also less likely to have access to property and land (OECD 2008). Worldwide trends indicate that, in almost all cases, women are paid less than men, with the 2008 wage gap average holding at approximately 17 percent (UN Women 2013). For example, the United Nations reports that, across 68 studied countries (with the exception of Qatar, the Isle of Man, and Paraguay), women in the manufacturing sector earn less than average when compared to men (UN 2011). Additionally, women are relatively overrepresented in lower-paying and more intensive jobs, such as domestic service, agricultural production and manufacturing of clothing and household goods, and are more likely to work part-time in comparison with men (OECD 2008). Further, wage gaps are most disparate for management positions (OECD 2008). Finally, women spend more hours working per day and carry the bulk of the workload in family life worldwide (UN 2010). Nonetheless, there are indications that greater access to economic opportunities, such as increasing workforce participation, can have a positive impact on poverty reduction in low-income economies. One way to improve access to economic opportunities for women is to increase their entrepreneurial activities. With an estimated 224 million women globally starting or running their own businesses (Kelley et al. 2012), there is tremendous opportunity to improve worldwide economic conditions through a better understanding of the tools that empower these women entrepreneurs. One of these tools is social media. This paper develops a conceptual model of the role social media can play in increasing empowerment of female entrepreneurs.

References available upon request
DRIVERS OF INTER-ORGANIZATIONAL TRUST IN BUYER-SELLER RELATIONSHIPS: A FSQCA ANALYSIS

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ABSTRACT

Inter-organizational trust is a key characteristic of buyer-seller relationships (Handfield and Bechtel 2002; Kwon and Suh 2004). This paper investigates the drivers of buyer and seller inter-organizational trust. Previous studies have attempted to investigate the drivers of inter-organizational trust. However, these studies are dominantly based on monadic data collection. Furthermore, most of these studies base their research designs on either traditional case analysis, or use correlation-based statistical techniques to test the suggested antecedents. The former approach relies on very small sample sizes, which does not provide the basis for generating generalizeable conclusions. The latter approach neglects and overlooks identifying equifinal configurations and distinguishing between necessary and sufficient conditions driving buyer-seller relationship outcomes. This study addresses these shortcomings. This is done by using fuzzy set qualitative comparative analysis (fsQCA). FsQCA is fundamentally set-theoretic and uses Boolean algebra to compare qualitatively evaluated attributes of social phenomena (Ragin 2000; Fiss 2007). We include relationship-specific investments (RSI), the role of inter-personal trust, the perception of the business partner’s opportunistic behavior, as well as outcomes of the relationship as conditions driving inter-organizational trust. We use a dyadic research design, which allows for an examination of configurations of important conditions of buyer’s as well as seller’s inter-organizational trust with data collected from the pertinent party.

Main findings of the study are that (seller’s) RSI and inter-personal trust are not sufficient by themselves to induce the buyer’s inter-organizational trust; the causal configuration seen most often is outcome (buyer’s relationship performance) driven when there is also no opportunism. In cases where RSI drives inter-organizational trust, this must be complemented by the absence of opportunism or by inter-personal trust. Furthermore, the presence of opportunism alone does not drive the absence of inter-organizational trust, it needs to be complemented by a lack of inter-personal trust. Alternatively, combinations of other conditions can result in the same absence of inter-organizational trust, however, no mono-causal driver can be found. Regarding the seller’s inter-organizational trust the impact of inter-personal trust is more profound. However, that must also be combined with either absence of opportunistic behavior or relationship performance. The most often observed combination is based on the presence of inter-personal trust and absence of opportunistic behavior (both as core conditions) complemented by relationship performance (as the secondary condition). The buyer’s RSI acts as a peripheral condition. In terms of non-existence of seller’s inter-organizational trust, absence of inter-personal trust is the key. However, that also combined with buyer’s opportunistic behavior or absence of relationship performance (as secondary conditions) is effective. This enlightens our understanding of buyer-seller relationships and contradicts a body of the literature which rests heavily on regression-based statistics and demands that every antecedent meets statistical significance criteria.

(References Available Upon Request)
CONSUMERS’ ROLE IN VALUE CO-CREATION THROUGH PARTICIPATION AND KNOWLEDGE: A HEALTHCARE PERSPECTIVE

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ABSTRACT

Previous studies have only focused on consumer participation as part of the consumers’ role in engaging in service delivery. Yet, what is unknown is whether the level of resources or knowledge and skills across services, customers and situations influence the co-creation of the consumer. From a service-dominant logic perspective, the purpose of this research is to expand the literature on consumers’ role in service delivery by exploring value co-creation in low versus high knowledge context in healthcare experiences. As a co-creator of value (Vargo and Lusch 2008), the author proposes that the higher the level of participation and level of operant resources a consumer contributes, the higher degree of value co-creation. Thus, a theoretical framework is put forth for value co-creation in low versus high knowledge situations with the level of participation and operant resources of a consumer.

References available upon request.
CONSUMER-BRAND ENGAGEMENT:
TOWARD A COMPREHENSIVE THEORETICAL FRAMEWORK

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ABSTRACT

Consumer-brand engagement (CBE) is a recent concept in the marketing literature expanding the domain of relationship marketing. CBE has been seen by both academics and practitioners as a fundamental driver of the consumer decision-making process. Our study was aimed at drafting a first ecological foundation of the CBE construct. Our research aims were: 1) to identify the constitutive dimensions of CBE and how they relate with one another (i.e. social interactions; emotional and cognitive clues; brand-related behaviors) from a twofold consumers’ and practitioners’ perspective; 2) to detect the evolutionary phases of the CBE process. Our findings reveal that, to become “engaging” a brand should be carrier of a meaningful psychological bond thanks to the synergistic interlacement of four experiential dimensions: hedonic, existential, heudaimonic and interpersonal. These four experiential dimensions are crucial to allow for the building of a “covenant” between consumers and their brands that triggers a CBE bond. The nature and the emotional essence of this covenant seems to evolve with the time passing by and the increase in the touch-points between consumers and brands. More specifically, the CBE experience seems to develop in three subsequent phases, marked by the progressive synergistic intensification of the four experiential dimensions.

References Available Upon Request
LESS RISK, MORE FUN?
THE ROLE OF OWNERSHIP RISK PERCEPTION
FOR ACCESS-BASED SERVICE VALUE PERCEPTION AND USAGE

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ABSTRACT

Services that give customers access to goods, such as car sharing, bike sharing, or rental platforms for fashion items or tools, have been receiving an increasing attention as an alternative to ownership (e.g., Bardhi and Eckhardt 2012; Botsman and Rogers 2010; Gansky 2010; Moeller and Wittkowski 2010). As Lovelock and Gummesson (2004, p. 34) note, such “marketing transactions that do not involve a transfer of ownership are distinctively different from those that do.” This is mainly due to customers neither acquiring full property rights to the accessed product nor the risks and responsibilities attached to ownership Moeller and Wittkowski 2010; Wirtz and Ehret 2009), but rather engaging in “a temporary and circumstantial consumption context” (Bardhi and Eckhardt 2012, p. 882). However, the connection between the “burdens of ownership (Berry and Maricle 1973)—i.e., risks and responsibilities that come with owning a good—and the evaluation as well as the usage of access-based services has not been sufficiently investigated. Based on risk perception theory (Mitchell 1999), we hypothesize the effects of different risk dimensions (financial, performance, social) on the utilitarian and hedonic value of an access-based service as well as its actual usage. Using a unique dataset that links survey and actual usage data of car sharing users, we test seven corresponding hypotheses. The results reveal that the value and the usage of an access-based service are influenced by consumers’ risk perception of ownership. While the utilitarian value of an access-based service is positively influenced by financial and performance risk, the hedonic value is driven by performance and social risk; access-based service usage is positively influenced by financial and social risk as well as the service’s utilitarian value. On a theoretical level our study contributes to the growing research on access-based consumption by advancing the understanding of consumers’ decision processes and usage patterns. Moreover, several managerial implications can be derived from our research results. For instance, companies should highlight the social risk of ownership and highlight the temporary and experiential nature of their access-based services.

References available upon request.
EXTENDED STAKEHOLDER ORIENTATION: INFLUENCE ON INNOVATION AND FIRM PERFORMANCE

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ABSTRACT

Stakeholder theory and market orientation both provide valuable insights to researchers and managers alike on fundamentals related to sustainable competitive advantage (Grinstein 2008a; Grinstein and Goldman 2011; Kirca, Jayachandran, & Bearden 2005; Laplume, Sonpar, & Litz 2008). Market orientation, where orientation is defined collectively as the culture, policies, organization and management practices within a firm (Ferrell, Gonzalez-Padron, Hult & Maignan 2010), views customers and competitors as core stakeholders (Narver & Slater 1990), while stakeholder theory suggests a broader focus to include two more groups as core stakeholders: employees and shareholders. Scholars suggest that a broader stakeholder focus can enhance our understanding of the drivers necessary for sustainable firm performance (Maignan, Gonzalez-Padron, Hult, & Ferrell 2011; Matsuno, Mentzer, & Rentz 2000). Extended stakeholder orientation (XSO) is conceptualized here as an integrative approach that responds to calls to investigate market orientation and stakeholder theory (Ferrell et al. 2010, Narver & Slater 1990). The second order XSO construct is composed of orientations to core or ‘essential’ stakeholders – customers, competitors, employees and shareholders (Greenley, Hooley & Rudd 2005; Yau, Chow & Sin et al. 2007). XSO includes embedded proactive considerations for each stakeholder in accord with suggestions by Narver et al. (2004). Additionally, amid market and technological turbulence virtually dictating the need for innovation (Christensen, Suarez, & Utterback 1998), this study also develops an innovation orientation scale to investigate the relationship of stakeholder orientation to innovation orientation. We conducted two pilot studies (n=400) for an exploratory factor analysis which yielded scales for responsive and proactive customer, competitor, employee and shareholder orientations. A separate sample (n=360) was obtained from across the USA in diversified industries with public and private companies ranging from small to large corporations to conduct a confirmatory factor analysis. Results were encouraging based on CB-SEM analysis. Model fit parameters were within guidelines and results significant at the p<.001 level (Hair et al. 2010). We found XSO is positively correlated to firm performance with 60% variance explained. XSO is also positively correlated to innovation orientation which acts as a partial mediator to firm performance. In summary this empirical study shows extended stakeholder orientation is key to firm performance and innovation. The implication for management practice is that proactive considerations and a balanced approach to core stakeholders should be integral to the firm. For researchers the study provides a baseline to further investigate salience of stakeholders and interactive effects among them. Moreover, alternative analytical methods such as PLS-SEM may provide additional insights since CB-SEM overall model fit requirements may tend to result in elimination of otherwise important content (Binz, Patel & Wanzenried 2014).

References: Available upon request
ABSTRACT

Recently, an open-source strategy has received considerable attention among for-profit organizations. In open-source projects, such as Google’s Android project, an open-source firm (e.g., Google) takes a portion of profits that its partners (e.g., application developers) earn from selling application and in-application advertisements. However, such a use of profit-sharing scheme and the role of in-application advertisements as a source of profits have not been well-studied in the literature on open-source strategy. Thus, we propose a mathematical model to understand how the profit-sharing percentage that an open-source firm takes from application developers affects profits of the open-source firm from applications and in-application advertisements. Our proposed model shows that (1) the size of the user network (e.g., the number of Android users) plays a more important role in generating profits from advertisements than those from applications and (2) the open-source firm may experience a decline in its profit by increasing its own profit share percentage too much.

References available upon request
ABSTRACT

The effect of distance on a consumer’s perception of a foreign country is yet to be concluded. Although country image, or country of origin, has been a hot topic in the fields of international business and marketing for several decades, scant attention has been paid to its institutional antecedents. By introducing institutional distance as an antecedent of country image, this paper differentiate the three dimensions of country image and find that technological country image is negatively related to institutional distance, that economical country image is not related to institutional distance, and that political distance is positively related to institutional distance. The same patterns of results are seen in three dimensions relationships with brand recognition. Beyond these interesting findings, we further discuss the conditional effect of global identity and product involvement on the relationship between institutional distance and country image. Both global identity and product involvement are found to negatively moderate the magnitude of institutional distance’s effect on country image. Further discussion and research direction are provided.

References available upon request
Inter-organizational networks are important business-to-business marketing relationships composed of two or more organizations that uniquely combine inter-firm resources and core capabilities to enhance performance and ultimately create a mutual competitive advantage (Barney 1991; Mintzberg, Ahlstrand and Lampel 2008; Powell 1990; Ring and Van de Ven 1994). In response to competitive pressures, inter-organizational networks are replacing vertically integrated, multi-divisional organizations as a strategy to compete through collaboration (Achrol 1997; Bleeke and Ernst 1993; Weber and Khademian 2008). Such networks knit together specialized organizations in ongoing, collaborative exchange relationships to competitively position organizations within the market. The literature indicates that relationship commitment and trust are essential to participation in inter-organizational networks; however, this perspective has not been addressed from the standpoint of a testable research framework.

The commitment-trust theory of relationship marketing (Morgan and Hunt 1994) provides a framework for exploring the interdependency and reciprocity inherent in exchange relationships and can be extended to inter-organizational networks. Fundamentally, inter-organizational networks seek to capture strengths from exchange members and synergistically enhance efficiency and effectiveness (Brass, Galaskiewicz, Greve and Tasi 2004). Together, relationship commitment and trust lead to cooperation (Morgan and Hunt 1994) that in turn allows organizations to efficiently and effectively respond to and compete in the global marketplace (Newell and Swan 2000; Zaheer, Gözübüyük and Milanov 2010; Zaheer and Harris 2005). Commitment-trust theory and the relationship marketing literature provide a useful conceptual framework for exploring the antecedents to participation in inter-organizational relationships and the mediating effect of relationship commitment and trust on participation.

This paper contributes to the literature by extending the commitment-trust theory of relationship marketing (Morgan and Hunt 1994) to inter-organizational networks. Specifically, this paper provides a research framework that identifies antecedents and consequences of relationship commitment and trust related to participation in inter-organizational networks. Propositions are developed and future research directions are provided. The model serves as a framework for testing these relationships in the near future using a high-involvement service setting.

References Available Upon Request
CONSUMER PRODUCT EVALUATION UPDATING: THE IMPACT OF ONLINE AND INTERPERSONAL SOCIAL INFLUENCE ON EVALUATION CERTAINTY

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ABSTRACT

With the ever growing reliance on the Internet as a critical source of consumer information, there have been calls to continue to explore the impact of digital information on consumer choice and decision-making. The research fulfills the call in part by investigating the roles of online social influence (OSI) and interpersonal social influence (ISI) on consumer product-related attitudes and evaluations. The authors propose that, when consumers seek information regarding products, they form an initial product-related attitude (i.e. evaluation) of the object, and subsequently update or validate this evaluation as more information is received from sources of social influence. More specifically, it is suggested that the certainty with which they hold this product evaluation changes based on the match between existing product attitudes and incoming information. We review the existing literature on attitude certainty and online and interpersonal influence to present three hypotheses regarding the proposed process of product evaluation updating. This research provides many potential contributions to the retail marketing and consumer behavior literature. First, this work begins to integrate consumer influence from an online setting with interpersonal influence to determine the impact of such influence on product-related attitudes. By suggesting that these forms of influence interact to impact the certainty of product-related attitudes, the current research adds depth to existing literature regarding the antecedents and consequences of attitude certainty. We further explore the power of social influence in its various mediums and how this influence affects the intention and behavior of consumers in an online retail setting. The current research has implications for the manner in which online retailers present their product information and connect consumers through user reviews of products by suggesting that higher quality and more personalized information from these various sources will impact the certainty with which product evaluations are held.

References Available Upon Request
Effective sports marketing must convey information to fans. The marketer has only some control over events, and the manager must work with each day’s developments, but subtle cues in the marketing message may result in different interpretations and have strong ties to psychological processes. Social media share characteristics such as instantaneous communication, interactivity, and democracy of content (often without editors), which allows some flexibility for the marketer but also the potential for different cues to be passed on to fans. The paper reviews the effects of pronouns within the context of the messages and shows the differences in pronoun and article usage, and potential effects on behavior, among various sports organizations.

References Available Upon Request
THE ROLE OF GENDER IN CO-BRANDING STRATEGIES OF HI-TECH BRANDS AND LUXURY

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ABSTRACT

The aim of this study is to analyze the different components of consumers’ attitude (cognitive and affective components) towards co-branded products. We compare the consumer behavior from gender differences. Several marketing studies have discussed how gender differentiates and influences consumers’ attitudes and behaviors. Our attention to HLCPs is mainly due to the fact that they represent an interesting case of brands that are characterized by both functional attributes in which cognitive aspects are predominant, and symbolic attributes where affective aspects are key. Provided that men and women seem to assign different importance to both aspects, HLCPs represent a perfect setting to explore the differences in consumer behavior between men and women.

The empirical analysis has been conducted by means of a survey with genuine products, “Samsung Giorgio Armani” and “LG Prada” cell phones. Participants for this study were undergraduate students from one major university in Spain (493 respondents in total, Male: 193; Female: 300). We adopt ANOVA (analyses of variance) to test our hypotheses. Based on the ABC model of attitudes, the three components of consumer attitude – affect, cognitive and behavioral intention – are individually affected by four factors, Attitude toward luxury goods, Product fit, Band fit, and Acceptance of high-tech products. In order to obtain results that can give more detailed and interesting results, we performed twelve 2 (gender: male, female) × 2 (factors: high, low) ANOVA tests. We sorted the four factors into high and low, with respect to the median of the sum of the items. The empirical results show two significant interaction effects of gender differences with (1) product fit and (2) acceptance of high-tech products. Male consumers’ recommendation to buy is higher when their acceptance of high-tech products and the perceived level of product fit are higher.

Concerning the results which present significant interaction effect, gender only plays an interacting role in the relationships between (1) product fit and recommendation to buy, and (2) acceptance of high-tech products and recommendation to buy. In the case of product fit, high product fit is more critical in order to attract male consumers than female consumers to recommend others to buy HLCPs.

References Available Upon Request
CONSUMER INVOLVEMENT IN NUTRITION: THE EFFECT OF REGULATORY FOCUS

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ABSTRACT

Little research has examined the determinants of consumer involvement in nutrition. This study seeks to address this gap by examining the effect of regulatory focus on consumer involvement in nutrition. The fundamental motivational differences that the regulatory focus theory discusses (Higgins 1997) can explain consumer behavior in the domain of health and nutrition. It is proposed that promotion focus is positively related to consumers’ involvement in nutrition and prevention focus is not related to consumers’ involvement in nutrition. In addition, it is proposed that gender moderates the effect of promotional focus on involvement in nutrition such that the effect is stronger among males, compared to females. The hypotheses were tested in a national level study conducted in Taiwan. Data were collected from 1125 adults aged 20 to 64. Nutrition involvement was measured using the five item scale proposed by Chandon and Wansink (2007). Promotion and prevention focus were measured using the Regulatory Focus Questionnaire (RFQ) (Higgins, Friedman, Harlow, Idson, Ayduk, and Taylor, 2001). Hypotheses were tested by regressing promotion, prevention and the product of promotion and gender on nutrition involvement. The model supports the hypotheses (Adj. R squared = .03; Promotion – beta = .17; p = .00; Prevention – beta = -.03; p= .33; Gender x Promotion – beta = -.08; p =.01; Gender was coded as females =2, males =1). The study, thus, found that promotion focus leads to nutritional involvement and that prevention focus is not related to nutritional involvement. Gender moderates the effect of promotion focus on nutritional involvement. The results of this study points to the potential applicability of the regulatory focus theory to the study of a range of issues that impacts marketing and public policy.

References available upon request
WHAT DRIVES ANTI-BRAND COMMUNITY BEHAVIOURS: AN EXAMINATION OF ONLINE HATE OF TECHNOLOGY BRANDS

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INTRODUCTION

Spurred by growing customer empowerment and rebellion, brands have in recent years increasingly become targets of negative attention and anti-branding. Anti-branding refers to rejection and anti-consumption of specific brands by consumers (Cromie & Ewing, 2009; Lee, Motion, & Conroy, 2009; Zavestoski, 2002), and as such constitutes an area traditionally ignored in branding research (Lee, Fernandez, & Hyman, 2009). In contrast to brand boycott, where activists generally hope to resume relationship with the brand once their requests have been granted (Klein et al., 2004), consumers engaged in anti-branding have a long term commitment to brand rejection (Sandikci & Ekici, 2009). Three different theoretical perspectives in marketing offer insights into anti-branding: consumer culture, brand relationships, and identity theory research. Consumers can reject brands on the grounds that they represent an oppressing mass-market culture from which they wish to emancipate (Holt, 2002; Kozinets, 2002). In this case, brands adopting socially irresponsible behaviours which contravene consumer’s ideologies and moral principles will be the targets of hatred (Lee et al., 2011). From a relational perspective, consumers can also engage in disloyalty, because the brand has failed as a relationship partner. They might have experienced dissatisfaction with the product or service (Lee et al., 2009), and thus decide to permanently stop consuming it. Finally, the brand and its personality express values or meaning that might be in contradiction with consumer’s identity projects (Arnould & Thompson, 2005). Self-identity creation is an important aspect of brand consumption, and an undesired brand meaning leads to an undesired expression of the self, pushing consumer to actively avoid said brand (Hogg & Banister, 2001).

In addition to being an individualistic endeavour, anti-branding is closely related to communal consumption, which becomes a key channel for consumers’ emancipation (Dalli & Corciolani, 2008; Dalli, et al., 2006). The concept of anti-brand community captures the notion that consumers assemble around a shared brand hate and it represents a recent theoretical development. Building on New Social Movement theory (Kozinets & Handelman, 2004), it focuses on the collective action of consumer activists in the face of an oppressing opponent (Touraine, 1977), the brand. Members of anti-brand communities reject brands, their imposed meanings, practices and ideologies (Hollenbeck & Zinkhan, 2010). By the virtue of being forged in a shared context, customers’ opposing actions and emotions toward brands are amplified in their reach and impact (Hollenbeck & Zinkhan, 2006). Anti-brand community participation is a growing phenomenon in online and offline settings, as suggested by recent research (Hollenbeck & Zinkhan, 2006, 2010; Krishnamurthy & Kucuk, 2009). Examples of successful and widespread anti-brand communities target brands such as Tesco (Palmer et al., 2013), Coca-Cola (Yazicioglu & Borak, 2012) or Starbucks (Thompson et al., 2006). Despite their obvious growth and power, social forms of anti-branding are still largely overlooked in the literature (Hogg et al., 2009).

RESEARCH FOCUS
The formation of online anti-brand communities is a fact, much like the repercussions that collective consumer action can have on brand reputation and legitimacy (Palmer et al., 2013). The study of online anti-brand community has been overlooked and is thus urgently needed, as their formation and actions can be problematic for the brand under attack. Online consumers in particular are more active, social, participative and resistant, therefore increasing the power and reach of their actions (Kucuk, 2008). Negative effects may expand beyond the community and reach outsiders, and negative actions and interactions have more powerful and longer-lasting effects than positive ones (Baumeister et al., 2001). However, very little is known about the reasons that drive group participation behaviour in such contexts. The paper addresses this gap.

The current study aims to examine group participation behaviour in the context of anti-brand community. We propose that group participation is affected by individual-related, brand-related and social factors. We firstly conceptualize the social factors under the heading of anti-brand community participation. It is three-dimensional concept composed of community identification, community engagement and social approval. Certain people construe themselves as members, as belonging to the community, thus identifying with the community (Bagozzi & Dholakia, 2006; Dholakia, Bagozzi, & Pearo, 2004). This identification is a conscious, cognitive and affective process, which is shown to impact members’ community membership (Algesheimer, et al., 2005). Community engagement is the intrinsic motivation of members to interact and cooperate with the community, based on the benefits they extract from this participation (Algesheimer et al., 2005), and it is also hypothesised to be a precursor of community loyalty. Social approval from the other members of the community is an important factor influencing belonging in the community.

Individual-level factors comprise oppositional attitudinal loyalty, which refers to the loyalty that individuals have to another brand. Brand material value expresses the materialism of consumers (Richins, 2004) and refers to the importance of brands in the life of an individual. In line with the positive brand relationships (Veloutsou, 2007), the negative relationship with the brand is indicated by the need of an individual to receive information about the brand (brand communication) and the negative emotions that this individual feels towards this brand. A second brand-related factor is the collective memory, or the degree to which the social network of individuals shares information and has feelings towards the brand (Veloutsou & Moutinho, 2009) and in this case has a negative valence. Anti-brand community participation mediates the relationship between the anti-brand group participation behaviour and the oppositional attitudinal loyalty, brand material value, negative brand relationship and collective memory.

**METHODOLOGY**

A total of 37 items capture the nine constructs in the current study. A 4-item scale adapted from Richins (2004) measures brand material value. Social approval (SA), brand community engagement (BCE) and brand community identification (BCI) originate in Algesheimer et al. (2005). Collective memory (CM) is adapted from Veloutsou and Moutinho (2009). Negative emotional exchange (NEE) and willingness to receive brand communication (BC) were developed by Veloutsou (2007). The scales for oppositional attitudinal loyalty (OAL) and group participation behaviour (GPB) were developed for this study, based on qualitative interviews.
The study focuses on anti-brand communities hosted online. To capture individual members of such communities, the study sampled communities related to multinational corporate brands, as multinationals (Balabanis, 2013) and strong brands (Kay, 2005; Awasthi et al., 2012) are more prone to boycott and anti-brand movements. A special focus was placed on technology brands, as this is an industry where consumers can feel particularly disempowered, and lacking freedom (Cromie and Ewing, 2009). Having identified 113 suitable online anti-brand communities, the study data was collected using an online survey instrument, which was posted in the open space of the communities, inviting members to voluntarily answer it. A sample of 307 respondents was retained for the analysis. Two nationalities dominate in the sample: the US (27.4%) and the K (19.2%). The average age is just over 31 years with the oldest respondent being 83. Considering education, 75% cent has a University/College degree or higher.

RESULTS

The measurement model includes the scales, their reliability and validity. The results of CFA (reflective causal model) are satisfactory with Chi2 = 513.36, df = 393; RMSEA = .032; CFI at 0.974; GFI at 0.904; and CMIN equal 1.306. All standardized loadings are above 0.5 and constructs display good average validity with Cronbach alpha ranging from 0.71 to 0.92. The fit indexes for the structural models show an acceptable fit with Chi2 = 603.32, df = 393; RMSEA = .035 with the upper confidence interval at 0.042; CFI at 0.957; GFI at 0.892; TLI at 0.959, and CMIN below the recommended level of 2 at 1.381 (Hair et al., 2006). All the paths are significant at the .01 level.

DISCUSSION AND CONCLUSION

The aim of this paper was to empirically examine factors influencing behavioural participation in an online anti-brand community. The results based on data collected on several online brand-communities hosted on social media paint a complex picture of relationships. The findings show community identification, community engagement and social approval as key mediating concepts in the prediction of group participation behaviour, community engagement fully mediating the impact of identification on behaviours in accordance with Algesheimer et al. (2005). Engagement is itself an outcome of negative communication relationship, which also acts as an influencer of community identification. Community identification is a function of brand relationship quality, oppositional attitudinal loyalty and social approval. The key drivers of community participation are thus brand material value, oppositional attitudinal loyalty, negative brand relationship and collective memory, through the mediating effect of community engagement and identification, and social approval.

This paper makes two important contributions to research in branding. The paper furthers our understanding of anti-brand movements, by showing how the phenomenon of anti-branding leads to online anti-brand community behaviour. Understanding which motives have the ability to expand consumer activism to the social realm is of major importance, as collective action bears the potential to amplify brand harm. Knowing which elements need to be monitored to control activist behaviour is of major importance for the hated brands (Lee, Motion and Conroy, 2009). This research shows that some of the drivers of anti-brand community participation can be much more easily controlled by the brand (e.g. the brand relationship quality), whereas others seem to fall beyond their control (e.g. brand material value or oppositional loyalty).
The study also expands online brand community research by focusing on communities of brands haters, by proposing new drivers to community behaviour, which were not identified in existing consumer community research. Current research has identified the importance of consumer/brand relationship in generating community participation (McAlexander et al., 2002; Algesheimer et al., 2005), including aspects of loyalty (Marzocchi et al., 2013; O’Sullivan et al., 2011), communication and emotional exchange (Veloutsou and Moutinho, 2009). It had however never been proven that the negative or oppositional version of these variables could lead to community participation in the same way. Moreover, an interesting antecedent to participation in brand-related communities, is the brand material value, which indicates that the members of anti-brand communities are not necessarily rejecting brands as a concept, but rather focus their rejection on one specific brand, making them anti-loyal customers, or market activists (Iyers and Muncy, 2009).

The present study exhibits limitations in a number of ways. Methodologically, a choice was made to focus solely on large multinational corporations, with a special interest for technological brands, limiting the scope of applicability to other types of brands, and sizes of companies. Furthermore, other possible influencers of anti-brand community could be considered, as previous studies suggest that elements such as ethnocentrism, religion, health or environmental consciousness could play a role in online anti-brand movements (Kaynak and Eksi, 2013). Further research should also aim at uncovering the specific mechanisms of anti-brand community participation, delving into the intensity of the resistance, as it seems that anti-brand communities exist at the nexus of activist brand resistance, and passive brand rejection (Hogg et al., 2009). Finally, another avenue for exploration would constitute the short versus long-term impact of such anti-brand movements (Awasthi et al., 2012), in order to qualify the real harm done to brands in the long run, and understand to which extant brand can suffer, or recover from anti-brand community actions.

References available upon request
COMPULSIVE BUYING BEHAVIOR: RELATIONSHIP WITH IMPULSE BUYING AND A PROPOSED MODEL OF ANTECEDENTS

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ABSTRACT

The paper highlights key research findings regarding compulsive buying behavior and aims at describing the relationship between compulsive buying and an alternative buying phenomenon, i.e. impulse buying. These nonstandard buying behaviors are frequently found alongside each other in consumer research literature. Two common views of the relationship between compulsive buying and impulse buying are discussed and combined to form a hybrid conceptualization. Impulse buying is conceived to be associated with positive affective states, while compulsive buying is primarily driven by negative affect and characterized by an increasing loss of consumer self-control. A proposed model of compulsive buying antecedents is offered based on escape theory and some key findings in research. Higher levels of consumer depression, greater materialistic values, lower self-esteem, greater abilities to fantasize and tendencies to impulse buy, and higher levels of anxiety and obsessive-compulsiveness are all suggested to have direct, positive correlations with compulsive buying behavior.

References Available Upon Request
MODERATING EFFECTS OF PSYCHIC DISTANCE ON THE GAPS MODEL OF SERVICE QUALITY

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INTRODUCTION

This research proposal seeks to compare marketing aspects of private primary and secondary education institutions in both the United States and China. The present proposal is a follow up to unpublished research conducted in China in 2009. The previous work involved a 145-question survey completed by 18 member schools of the Association of China and Mongolia International Schools (ACAMIS). Part of the survey was a Service Quality Gaps Model Audit (Zeithaml, Bitner, and Gremler, 2008), which measures five different problems in service delivery.

Presently, the proposal is to re-administer the survey to ACAMIS members as well as a sample of U.S. based private schools. Gap 1 of the Gaps Model of Service Quality (Zeithaml, Parasuraman, and Berry, 1990) involves the distance between customer expected service levels and a firm’s perceptions of those consumer expectations. The research questions are thus: Do intangible service providers experience an increased Provider Gap 1 when operating in a foreign market? Do the psychic distances (market experience and cultural background) of key executives moderate the presence of a Provider Gap 1?

Additional research questions that pertain to a key performance measure of these types of institutions are: What key attributes of an international school affect enrollment levels? Do these change over time? These additional questions would be examined through an exploratory process to identify indicators with significant relationships with enrollment levels. The 2009 data will then be compared to the newly collected data to identify patterns of change.

THEORETICAL BACKGROUND

The theory leading to the examination of Provider Gap 1, and of Psychic Distance, is based in the Psychic Distance literature itself. Psychic distance is the sum-effect from factors that inhibit the flow of information to and from the market (Johanson & Vahlne, 1977), one result of which would be a misunderstanding of customer expectations, or Provider Gap 1. The perceived lack of relevant information is assumed to result in higher market uncertainty (Johanson & Vahlne, 1977). Markets with shorter psychic distances are said to be more easily assessable (Brewer, 2007), and it is those assessments, or familiarity (Ellis, 2008) that makes less-foreign markets preferable.

International schools in China tend to hire foreign managers for executive positions such as head of school, head of academics, and head of communications. These schools then could be described as organizations with foreign management, providing a foreign product (Western educational programs), under a foreign business model (distinctly different from local schools). Although the student bodies are usually made up of a majority of students from foreign families, there are also local students, too (in this case Chinese). And the cultural and national diversity amongst the students would be much greater than
would be expected at a similar institution in the U.S. market. This would open up the possibility of a greater Provider Gap 1.

Experience with such a culturally diverse customer base would be expected to result in a familiarity with their needs. Therefore, we would anticipate that the experience and cultural backgrounds (the psychic distance) of senior managers to play a moderating role in understanding customer expectations.

RESEARCH DESIGN

The research will be conducted in two simultaneous surveys, one to ACAMIS members in China, the other to a sample of private schools in the United States. The U.S. sample will be chosen to match the China sample in such ways as curriculum, study body size, price, etc. In order to examine the moderating effect of psychic distance the survey will be updated to include items to capture the experience and cultural backgrounds of top school managers.

Analysis of the results of the gaps model audit will begin with the checking of measurement invariance between the China and U.S. samples. Then, averages of scores for each gap will be compiled. On the audit, each of the five gaps is measured by between 2 and 8 items. The outcome will be one score for each gap per school. Data from China and U.S. schools can then be compared using analysis of variance to check group means and regression to analyze the moderation effects of Psychic Distance.

An additional goal of the research is to examine the data with regards to what aspects of these organizations have the greatest impact on enrollment levels, a key performance goal of most schools. The survey includes over 100 questions about these schools’ facilities, processes, employees, strategy, etc. Using methods such as exploratory factor analysis or stepwise regression, we will attempt to identify those indicators that most heavily impact school enrollment levels. Comparisons of the China and U.S. data may uncover differences present in the two markets.

CONTRIBUTIONS

The gaps model audit data would contribute to the knowledge regarding the experience of similar service organizations in different national markets, particularly with regards to understanding the customer. Additionally, this study would add to the psychic distance literature with a unique treatment as a moderator of Provider Gap 1.

The analysis of the impact on enrollment levels, although exploratory in nature, could shed light on areas of significance for such organizations. This could inform future research. The longitudinal data will show the level of stability of these effective organizational attributes over time. Examining the results of the China and U.S. samples, then, would compare and contrast the important aspects of similar intangible service firms that operate in different national markets.

REFERENCES


TOWARDS A NEW HIERARCHY OF PERSONAL VALUES: ACTIVATING VALUES IN BICULTURALS THROUGH LANGUAGE

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ABSTRACT

The modern world is a cultural mosaic, and many people continue to move across borders, contributing more and more to this ongoing process. This reality increases levels of diversity and cultural innovation around the world and also develops biculturalism, which is the internalization of two different cultures. So how can the use of different languages influence the way biculturals judge themselves? This study aims to study personal values in an innovative way, proposing that values are not very stable as proposed in the main theory about this construct. The results of a field experiment show that Brazilian-Argentine biculturals can ‘slide’ between self-enhancing and self-transcendence value’s dimensions according to the language they are dealing with.

References available upon request
REESTABLISHING INTRAPERSONAL BALANCE THROUGH RESTORATION: AN INTEGRATED FRAMEWORK TO ESCAPE DISSONANCE

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ABSTRACT

The shift towards a higher level of societies’ environmental concern has been mirrored in the increasing number of research studies conducted within an environmental context. Yet, the research is at times not well developed theoretically, leading to the need for an expansion of marketing thought to incorporate environmental responsibility within established theories used in the discipline. The current conceptual research study is a direct response to this request by proposing an integrative framework that incorporates six commonly applied theoretical constructs within the marketing literature: balance theory, social comparison theory, cognitive dissonance, escape theory, restoration theory, and negative self-conscious emotions. Balance theory is adapted to an overarching umbrella that interconnects various concepts into one comprehensive framework, which is put forward within the context of environmentalism and ecological behavior. This study extends the scope of social comparison theory by arguing that social competition is not the only behavioral outcome of social comparison as behavior can also be tailored towards reestablishing an intrapersonal balance. In addition, restorative behavior is adjusted to incorporate ecological and environmentally conscious behavior, a concept not introduced into the literature up to this point. Finally, balance theory was conceptualized with a more significant focus on the internal balance within humans instead of focusing on the balance among triadic relationships. Overall, the proposed framework’s main contribution is its flexibility as it warrants to be extended to different contexts beyond environmental consciousness and ecological behavior. Thus, it is a relatively general theoretical construct. Indeed, individuals experience social comparison in nearly every aspect of their life. Marketing research addresses social comparison in contexts ranging from reactions to models in advertising to encounters with service providers. Lastly, the integrative framework and the accompanying propositions are expected to result in an identification of additional significant factors that will allow the casual explanation of ecological behavior.

References Available Upon Request.
ABSTRACT

This study aims to examine the relationship between perceived brand orientation and service quality in online and offline education context. 476 questionnaires were completed by undergraduate students of a particular university in Australia. Structural equation modeling was employed in this study to examine the associations between perceived brand orientation (PBO) and service quality (SERVQUAL). This study provides empirical evidence that perceived brand orientation has a positive and significant relationship with service quality in both online and offline course delivery. The ‘interaction’ dimension of PBO is significantly related to all elements of SERVQUAL in both sample groups, whereas the ‘affect’ dimension is only significantly related to the ‘tangibles’ dimension in the online sample groups, and not significantly related to any SERVQUAL elements in the offline sample groups.

References Available Upon Request
INTRODUCTION

Social media today is highly sought after by marketers as it is being hailed as the turning point in how brands will be marketed (Owyang et al. 2009; Qualman 2010; Li and Bernoff 2011). Nonetheless, a careful evaluation needs to be done on the issues and risks this social platform presents as people are becoming overwhelmed with the fast paced society and its faster information production and distribution (Shenk 2003). Saturation, referred to as a communication overload (Shaw 1976), is one aspect of social networking sites’ risks that can negatively affect the brand-consumer relationship. Saturation is driven by information quantity (Streufert and Driver 1965; Jacoby 1977; Kerr and Hiltz 1982; Hiltz and Turrof 1985; Johnson 1998; Shenk 2003), the number of the channels or communities people engage in (Power and Wren 2011) and subsequently the limit to the number of online social relationships consumers can maintain with other members or brands at any given time (Buys and Larsen 1979; Dunbar 1993).

RESEARCH HYPOTHESIS

The paper examines the effect of saturation on customer-brand relationship in online communities (Nokia online community on Facebook). The study adopts a mixed-method approach.

STUDY ONE METHOD AND MAJOR FINDINGS

A qualitative research methodology was used based on semi-structured face to face interviews with open ended questions. The study was conducted with a sample of 31 interviewees, covering thirteen female and eighteen male respondents. The interviews were recorded for later transcription and coding in NVivo 8. The questionnaire spanned across 40 questions with the average interview taking up to 30 minutes. The study found two key saturation variables; Information overload and proneness in joining online communities.

Unmanageable information quantity had been described as being a sort of shelling from companies as shown in the following statement;

“If they’re shelling me with too many messages I don’t like this. I’m a banker can’t have every second an email or message from a site telling me something not important. Really overdoing it. This is why I use the word shelling. And this is why I left some groups because of that.”

Proneness in joining online communities was stated to be caused through the current hype of joining several online communities as described by one respondent;

“Joining more online communities is a double edge sword. With more groups you’re more involved, more information. But you can get overwhelmed. Once you’re in you can’t leave the group especially if it’s well done, becomes addictive. You have to go, it’s in your blood.” (Zeina, 34 years old, female, Lebanese)

STUDY TWO METHOD AND MAJOR FINDINGS
Using the finding from study one and further conceptualization from the literature, the second phase generated a conceptual model which was tested on 273 respondents who are members of Nokia online community on Facebook and found empirical proof that the two saturation variables affected the brand-consumer model.

Using LISREL 8.8 to estimate the model, the findings show significant effect of saturation on customer-brand relationship. The estimation of the model shows a good fit with $X^2=576.29(210)$, $P$-Value = 0.0, $CFI= 0.953$, $RMSEA = .082$, $NNFI = .943$. Information overload is a key saturation factor that has significant direct and indirect effect on other variables.

**CONTRIBUTIONS**

The saturation effect is an important variable that has emerged from the model, showing that with time online communities are being negatively affected due to their own hype and popularity amongst users. This variable negatively affects users’ experience and might hinder the growth that online communities are having in our world today.

**REFERENCES**


DECOMPOSING RISK PERCEPTIONS IN INTER-ORGANIZATIONAL SETTINGS

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ABSTRACT

Despite the rapid growth and potential for technology-based services from a technology and productivity perspective, the biggest challenges that managers often face are gaining customer acceptance and increasing usage of these new innovative services. In the B2C field, studies of self-service technology show that the perceived risk is an important factor influencing the usage of service technology. Whereas research has explored different risk types that emerge in consumer settings such as functional and psychological risk, research on risk perception in B2B setting still lacks a detailed examination of the different facets risk can take on in technology-based service adoption. Some studies indicate that there might be different views and perceptions of the risk involved in technology-based services between customers and providers. Our study addresses this gap and aims to develop a holistic understanding of the types of risk customers perceive when using a technology-based service. We investigate what types of risk are emergent in technology-based service encounters and whether customers and providers perceive these risks differently. We conducted 49 qualitative interviews with providers and customers in two industries in four countries. Our study emphasizes the importance of functional and financial risks as expected in a B2B context, but also sheds light on the fact that business customers have personal and psychological fears that hinder them from using technology-based services. Most importantly, we show that gaps in the perception and evaluation of risk exist between customers and providers: customers doubt the functionality of technology-based services; they emphasize privacy risk as a main hindrance and worry about their own role in a service, whereas only few providers are aware of the customers’ fears.

References available on request
ABSTRACT

Overweight and obesity rates are increasing worldwide. Public authorities tackle this problem by developing interventions that help people to adopt healthier eating habits. One of these interventions is providing information in the form of nutritional labels. This study claims that the use of colors on nutritional label’s background might help consumers to choose healthier options. Results suggest that using red background increases willingness to pay (W2P) and purchase intention of a non-healthy product. Contrarily, using blue background has a reversed effect (i.e. reduces W2P and purchase intentions). Findings suggest that a blue background on nutritional labels may stimulate healthier behavior.

References available upon request
THIS CANNOT BE A PRIVATE LABEL: EFFECTS OF PRIVATE LABELS ON CONSUMER SENSORY EVALUATION

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ABSTRACT

Despite the growing number of premium private labels, many consumers still perceive these products as lower in quality and cheaper substitutes than national brands. This paper proposes a boundary condition for this phenomenon by examining the moderating role of brand disclosure in the relationship between brand label (national brand vs. private label) and sensory evaluation for different product categories. Results show that brand disclosure can reverse consumer sensory evaluation, demonstrating a negative perceptual bias against private labels. When consumers are informed of brand label, national brands taste better than private labels; however, results reverse in blind tests. This paper explores possible strategies for retailers to deal with the gap between private labels and national brands.

References Available Upon Request
UNDERSTANDING CONDITIONS OF SALES FORCE FRUSTRATION

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ABSTRACT

This article attempts to advance the personal selling and sales management literature by analyzing the negative consequences that may emanate from salespeople’s daily work experiences. The overall purpose of this article is to detect holistic workplace conditions, which result in frustration experiences in the sales force. Frustration is associated with an emotional reaction caused by an event or situation that interferes with an individual’s ability to accomplish his or her day-to-day duties effectively (Keenan and Newton 1984; Spector 1999). Drawing on role theory and social identity theory, and based on previous empirical research on sales management, we focus on two major sets of factors when seeking to explain conditions resulting in frustration in the sales force. Specifically, the objective of this article is to examine how salespeople’s perceptions of role stress (Singh et al. 1994), that is, role conflict, role ambiguity and role overload, and social conflict (Spector 1987), that is, intragroup conflict, intergroup conflict, and supervisor conflict, influence the development of frustration in the workplace.

This study proposes that the extent to which salespeople experience frustration at work differs based on the degree to which their work conditions are characterized by role stress and social conflicts. This notion implies that role stressors and social conflicts combine to constellations of work environments, which result in sales force frustration. In addition, this notion implies that the presence of single frustrators may not necessarily lead to frustration. However, the existence of multiple combined factors in a work environment may unleash the effects of single frustrators and by so doing increase the experience of frustration. The question that arises is: What do such constellations of work environments look like? To answer this question, we employed a fuzzy set approach and analyzed the higher-order interactions between role stressors and social conflicts to understand frustration in the sales force.

Data were collected in a web-based survey with salespeople from multiple firms. In sum, 118 respondents participated in the survey. Data analysis started with the estimation of the measurement model. After that, we performed a fsQCA using the fs/QCA software program (Ragin et al. 2007). The results from this study reveal four configurations of factors leading to sales force frustration that differ to the extent to which dimensions of role stress and social conflict exist. Coverage values for these configurations reveal an overall value of the combined configurations of 59%, which indicates that a substantial proportion of the outcome is ‘explained’ by the four configurations. In addition, the results reveal that supervisor conflict appears to be one of the most critical factors resulting in sales force frustration as it is a core factor in three of the four configurations. In sum, this study shows that frustration is likely to occur in situations where both perceptions of role stress and social conflict combine to workplace situations which overwhelm salespeople.

References Available Upon Request
WHITE LIES AND PARDONS: THE ROLE OF CONSUMER FORGIVENESS IN RELATIONSHIPS WITH SERVICE PROVIDERS

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ABSTRACT

This paper investigates what happens in a consumer / service provider relationship when the provider intentionally deceives the customer. More concretely, the current research explores how consumers react to different levels of deception on the part of the service provider. Furthermore, how does the consumers relationship with the brand impact how they respond to the deception? After experiencing a significant deception, is the committed consumer more likely to forgive the provider with whom they have a strong relationship, or will a stronger relationship result in a more pronounced perception of betrayal and thus cause a greater negative response between the customer and the firm? Results indicate that those who were devoted to the relationship did indeed not display negative psychological effects or generate negative firm attitudes after a firm significantly misbehaved. On the other hand, those less devoted reported a decrease in attitude toward the brand and suffered increased negative mood following the bad behavior. This pattern fits with the idea that individuals often treat their preferred brands as relationship partners.

References Available Upon Request
STUDENT PERCEPTIONS ON CLASSROOM TO CORPORATION TRANSITIONAL MARKETING ACTIVITIES

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INTRODUCTION

The competition for students to land a full-time position in marketing is challenging. As such, the collegiate marketing curriculum should include activities that prepare students for the professional workplace and that build resume credentials beyond a college degree. Applying course concepts in a professional setting also assists students in connecting theory and practice. Initiatives that adequately equip students with professional skills and experiences that make them attractive job applicants are critical in marketing where the demands for competency and execution are high (Schlee and Harich 2010).

In this study students were assigned to complete a client-based qualitative or quantitative research project as part of required marketing courses. They also had the opportunity to participate in a national competition and a professional marketing association. Assessment was utilized to determine their perceptions of the transitional marketing activities.

LITERATURE REVIEW

The effectiveness of using client-based projects in terms of student learning is reported in the literature (Parsons and Lepkowska-White, 2009; Raska, Weisenbach Keller, and Shaw 2013). It is further suggested that client-based projects get students to think more creatively, critically, and quantitatively about real world marketing problems (Askim-Lovseth and O’Keefe 2012, Bove and Davies 2009, Strauss 2011). Prospective employers look for creative and critical thinking skills in new hires and thus it is important to hone these skills with undergraduate marketing students.

Using in-class as well as national competitions to motivate students is also well-established (Rundle-Thiele and Kuhn, 2008; Stutts and West 2005, Vander Schee 2012). Competitions also foster participation, teamwork, and leadership (Garver and Roberts 2013, Wooldridge 2008). However, the outcomes of being involved in professional marketing associations are not as clearly documented.

It is not as clear whether students perceive these initiatives that go beyond traditional classroom assessment as beneficial to their collegiate experience and job prospects after graduation. What kind of student takes the initiative to participate and how can faculty replicate their motivations in other students? One finding is that students involved in collegiate associations utilize extracurricular activities, such as competitions to a greater degree to distinguish themselves from other students (Roulin and Bangerter 2013). This exploratory study sets out to investigate student perceptions on client-based marketing projects, national competitions and professional association activities.

METHOD

Students in four sections of upper level marketing courses at a small liberal arts college were assigned to complete a client-based qualitative or quantitative research project in groups of three or four. This
course requirement culminated in a 25 to 30-page professional report delivered to the class and to the client in writing and as a presentation. The qualitative research project required in the Consumer Behavior course involved in-depth interviews, observation and conducting focus groups. The objective was to obtain industry and consumer insights regarding a particular client-based buyer behavior phenomenon. The quantitative research project required in the Marketing Research course included secondary research to gain industry insights and then survey administration and analysis of the results for a specific client-based marketing problem.

Students could then also choose to participate in one of several national marketing competitions ranging from marketing strategy, marketing research, integrated marketing communication to professional selling. They could also become involved in the collegiate chapter of a professional marketing association (i.e., American Marketing Association). Students were surveyed at the end of the semester to determine the extent to which they perceived the activities as good career preparation, building their resume credentials and enhanced their learning in general as well as specific skills such as communication and teamwork.

RESULTS AND DISCUSSION

The survey was completed by 29 (39%) marketing majors, 30 (40%) business administration majors and 16 (21%) students from other disciplines for a total of 75 students. Most students had at least two years of collegiate experience with 48% senior, 45% junior and 7% sophomore survey respondents. Students had more experience with research projects (91% qualitative and 71% quantitative) than with professional association membership (45%) or national competition participation (27%). This was expected because the client-based research projects were course requirements whereas the professional association membership and national competition participation were encouraged but optional.

In general students more strongly agreed (on a 5-point Likert scale with 1 as strongly disagree and 5 as strongly agree) that participating in a national competition (M=4.55, SD= 0.89, n=20), and a professional association (M=4.76, SD= 0.50, n=34) enhanced their resume more so than the qualitative (M=3.85, SD= 1.00, n=68) or quantitative (M=3.96, SD= 1.08, n=53) research projects. However, application of course concepts had stronger agreement with the research projects (qualitative M=4.65, quantitative M=4.62) than with national competitions (M=4.25) or professional association membership (M=4.24). Other survey items inquiring about learning, teamwork and communication skills were relatively equal between agree and strongly agree for each activity.

CONCLUSIONS

Further investigation is needed to determine if student characteristics or activity characteristics have a greater influence on perceived effectiveness in making the student a more attractive job applicant. For example, perhaps those who chose to participate in the professional association did so because they saw it as a resume building activity from the outset whereas the research projects were required of all students enrolled in particular courses. Replication of the study with a larger sample will assist in making the results more generalizable. Finally, the value of other practice-based student learning activities such as marketing internships should also be explored. Experiences that transition from the college classroom to the professional workplace are meaningful as prior studies suggest internships help students to solve real-world marketing problems and positively influence employment prospects (Hoyle
and Goffnett 2013; Weible and McClure 2011). Student perspectives compared to client-based projects, competitions and professional associations should also be investigated.

REFERENCES

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THE RELATIONSHIP BETWEEN MATERIALISM AND ENVIRONMENTAL
CONSCIOUSNESS: A MULTILEVEL ANALYSIS

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ABSTRACT

Based on the assumption that materialistic values may be an important cause for overconsumption and thus contribute to the depletion of natural resources, this research investigates the relationship between materialism and environmental consciousness using a publically-available, large-scale sample of 63,077 consumers in 49 countries. Results of a multilevel analysis suggest that there is a significant amount of heterogeneity in the relationship between materialistic values and consumers’ willingness to give part of their income for the environment. Specifically, we find a statistically significant influence of materialistic values on willingness to give money for the environment in countries with a high GDP per capita, individualistic countries, and countries with a low level of power distance (e.g., β=.256 for Switzerland, β=.243 for New Zealand, β=.214 for Australia, β=.208 for Sweden, and β=.204 for Germany). On the other hand, this relationship is non-significant for countries with a lower GDP per capita, less individualistic countries, and countries with a high level of power distance (e.g. China, Ethiopia, Ghana, Mexico, and Thailand). The implications of these findings are discussed and avenues for future research are suggested.

References Available Upon Request
ABSTRACT

Increasingly consumers participate in virtual communities to share and exchange their knowledge and experiences. Through interaction in this virtual setting, relationships are established as members develop an understanding of communal norms, values and practices. Virtual communities thus contribute to consumption culture, justifying a better understanding of participation and interactions, and its impact on consumers. The reciprocal relations along with member conflicts are inherent aspects of virtual community culture that arise from shifts in power. How individuals participate and interact with other virtual community members has been substantially studied across e-marketing, consumer behavior and communication research. Drawing from concepts and theories outside of these research disciplines, this study extends existing thinking by exploring the development of networks in light of reciprocal relations, member tension and conflict, influenced by the characteristics of the virtual community and its focal consumption activity.

The Industrial Marketing Purchasing (IMP) Group, this study considers the influence of the characteristics of the environment (i.e. the virtual community), exchange processes (i.e the cooperative and competitive behaviors of members), and network positions (i.e member roles and hierarchies) on how networks of members are formed and structured is also explored. The depth of understanding on network development from the IMP Group is particularly insightful for this study into virtual communities consisting of complex webs of interactions.

Netnographic and ethnographic research techniques conducted by one of the authors over a 15-month period informs the findings of the study. WatchZone, the pseudonym for an internationally renowned virtual luxury-timepiece collector community was chosen as the research site. The focal consumption activity; the collecting of luxury time pieces meant that interactions between members had depth, as WatchZone is an information source to gain intricate details. Through the use of offline and online interviews, participant observation and lurking, active participation (both online and offline) and copious field notes lead to a data set that provided rich insights into WatchZone.

The development of networks within WatchZone is clearly influenced by the following factors: the characteristics of WatchZone; cooperative and competitive behaviours; members’ involvement and participation in the community; and the exchange that occurs through communal activities are emergent themes. On the surface, the interaction in the form of participation in communal practices and activities often leads to a member’s affiliation to the community. Whilst on a deeper level, the characteristics of the WatchZone community, the involvement and participation of members, the types of exchange and interaction processes concerning trust, cooperation and competition demonstrate that the formation and development of virtual networks is multifaceted.

References Available Upon Request
ABSTRACT

Customer loyalty has become a major source of competitive advantage for many businesses. The goal of our study was to determine the impact of social media communication on hotel program loyalty. We contend that social media communication style and information quality will impact consumer social media behavior which will in turn lead to increased loyalty to hotel reward programs. Utilizing an online random sample of 575 participants, our study determines that communication style and information quality are important to engaging members in social media behaviors. By having members engage in social media behavior, they will increase the benefits (knowledge/education) from C2C communication as well as experience other benefits such as enjoyment.

The goal of our study is to determine the impact of social media communication on hotel program loyalty. We contend that social media communication style and information quality will impact consumer social media behavior which will in turn lead to increased loyalty to hotel retention programs.

Loyalty programs provide both psychological and economic value to program members. Earning rewards gives consumers a sense of appreciation and recognition. This psychological experience increases the transaction utility of a purchase and the likelihood of continuing the relationship (Lemon, White, & Winer, 2002). Furthermore, it increases the overall value perception of staying in the relationship by feeling important (Bitner, 1995). An additional psychological benefit of loyalty programs includes the opportunity to indulge in guilt-free luxuries (Liu, 2007). Economic value is provided by the rewards that are offered to members for repeat purchase behavior. These rewards positively reinforce repeat purchase behavior and condition the customers to continue doing business with the company.

Businesses which actively take part in increasing social media communication with consumers will see increases in behaviors and such increases should ultimately impact loyalty. This study has shown that communication style and information quality are important to engaging members in social media behaviors. By having members engage in social media behavior they will increase the benefits (knowledge/education) from C2C communication as well as experience other benefits such as enjoyment.

References available upon request
CONTROL CREATES COMFORT: THE IMPORTANCE OF PROACTIVE RESPONSE TO PRIVACY CONCERNS

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ABSTRACT

Recent marketing essays emphasize the need for the marketing discipline to encompass more than merely solving immediate problems with a narrow focus on consumers and mandate a broadening of the field to include value creation for all citizen-consumers. We provide a mixed methods approach and contribute to the privacy theory literature by examining important attitudinal components, within a broader citizen-consumer ‘marketing as society’ context. Study 1 qualitatively analyzes a total of 332 citizen comments collected during a two month period from a forum. Study 2 provides a quantitative structural equation model, utilizing a 291 non-student US-based sample. Our findings show that an individual’s ability to have control over private information is an imperative consideration from which to devise an adequate marketing message; in turn, the societally-relevant policy will be well received by the citizen-consumer.

Given the importance of consumer privacy concerns, there is a need to address public policy oriented questions relating to privacy and how to design privacy policies (Balasubramanian et al. 2002). Specifically, governmental organizations must understand how to design privacy policies which achieve an appropriate balance so that the saliency of information privacy concerns is achieved. We examine this question with a mixed methods approach; first, a qualitative study identifies the important policy themes and then a quantitative structural equation model tests the relationships between them (e.g. Adjei, Noble and Noble 2010). Our paper first introduces privacy theory and the surrounding literature as a framework for our inquiry. Next, we discuss the substantive domain of the public policy in question, Vehicle Miles Traveled (VMT), identifying it as an important transportation policy for which a state Department of Transportation needs to mitigate consumer-citizen privacy concerns. Following this, we delve into our hypotheses and introduce a qualitative study [Study 1] which examines 332 comments surrounding a transportation initiative to derive key concepts and their relative importance for consumers. We then examine a quantitative structural equation model with a 291 non-student quota convenience sample [Study 2] to test our hypotheses.

An individual’s ability to have control over private information is an imperative consideration from which to devise an adequate marketing message; in turn, the societally-relevant policy will be well received by the citizen-consumer. Our two studies provide implications for government policy makers, such as an understanding of the impact of personality traits. Such individual differences include need for control among others, and are directly related to information privacy.

References available upon request
ABSTRACT

Marketing managers must have some strategic tools to better understand and manage their brands on a competitive market (Aaker, 1991). The concept of brand equity is one of them since the value added by the brand (Farquhar, 1989) is a key issue in marketing (Ailawadi, Lehmann and Neslin, 2003; Ailawadi and Keller 2004). This research develops and tests a new conceptualization of Consumer-Based Retailer Brand Equity (CB-RBE).

This new conceptualization and the associated metric can serve retailers in the way they manage and build their brands since previous brand equity measures are too complex and not adapted to the retailers specificities (Ailawadi and Keller, 2004, Hartman and Spiro, 2005, Burt and Davies, 2010). This metric is 1) grounded in theory, 2) based on consumers’ evaluations because they are the beneficiaries of retailers’ offer, 3) statistically reliable and valid (without discriminant validity issues nor overlap problems), 4) established with the appropriate approach (i.e., PLS-SEM to obtain the LVS) and finally 5) easy to track and manage for practitioners.

This analysis enables researchers to compute the impact-performance matrix and to identify specific dimensions to work on, to prioritize strategic activities for potential improvements and to enhance the value they can offer to consumers (Hair, Ringle and Sarstedt, 2011; Sarstedt et al., 2012). Indeed, the enhancement in rescaling the impact scores on a scale from 0 to 10 enables to compare dimensions from different models even if these models do not have the same number of dimensions.

References: References Available Upon Request.
UH-OH, TIGER IS IN TROUBLE:
EMPIRICAL ANALYSIS OF CONSUMERS’ MORAL REASONING STRATEGIES AND
THEIR IMPLICATIONS FOR ENDORSED BRANDS

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ABSTRACT

Celebrity athlete endorsers are often engaged in immoral transgressions that cannot be controlled by marketers. While previous research on celebrity endorsement has emphasized how utilizing athletes could enhance persuasiveness of marketing communications, empirical research on consumer responses to athletes’ transgression and their associated brands remains sparse in the literature. In the present study, we focus on moral reasoning strategy (e.g., moral decoupling referring to exclusion of immorality in evaluation process: Bhattacharjee et al., 2012; moral rationalization referring to justification of immorality in evaluation process: Bandura et al., 1996) as a main processing mechanism. In two experimental studies, we identified the existence of a distinct moral reasoning process (i.e., moral coupling) which allows consumers to integrate judgments of morality and performance of a transgressed athlete. Study 1 examined the effect of moral reasoning priming on consumers’ judgments of a transgressed athlete’s morality and performance. Study 2 utilized path analyses to examine causal relations between different types of moral reasoning choices, attitude toward the athlete (AAth), attitude toward the endorsed brand (ABrd), and purchase intent (PI).

In Study 1, we primed participants (n=97) into one of four moral reasoning conditions (moral coupling: MC; moral decoupling: MD; moral rationalization: MR; and control condition). Participants were then asked to read an article about an athlete’s transgression and to report their evaluations of the athlete’s immorality and performance. A set of ANOVAs revealed that the MC group exhibited different facets of athlete evaluations than the MD or the MR. In particular, the MC condition reported significantly lower levels of performance and morality evaluations than the MR condition. In addition, the MC condition showed significantly lower levels of performance evaluations than the MD condition.

Since the selection of moral reasoning strategy was primed rather than chosen by participants, Study 2 (n=218) examined the impact of consumers’ moral reasoning choice on athlete and endorsed brand evaluations. We had participants read articles about an athlete’s transgression then select their own moral reasoning strategy. Participants then read another article about endorsement deal and reported their AAth, ABrd, and PI. To test each model employing different moral reasoning choices, three structural models were examined. The results showed that the MC reasoning had a negative and significant impact on AAth and ABrd. In addition, in the MD and MR models, only the MR reasoning had a positive and significant direct impact on AAth. Interestingly, only MD reasoning had a marginal positive impact on ABrd. Lastly, indirect effect of MC on PI was negative and significant, while the indirect effects of MD and MR on PI were both positive and significant. Our empirical results demonstrate that consumers’ moral reasoning strategy plays an important role in understanding the impact of athlete’s transgression on endorsed brands.

References available upon request
ABSTRACT

Given the theoretical importance and empirical evidence of price matching guarantees (PMGs), marketing researchers have paid close attention to the area. A price matching guarantee (PMG) is an efficient promotion strategy that many retailers use to signal to consumers that they have competitively lower prices. While some interesting academic research has been done on the general topic, an advantage of this proposed study is that it is one of the first to explore a comparison of online price matching guarantees (OPMGs) - those which match Internet competitor on-line prices - with the PMGs of traditional retail stores. At a time when traditional retailers are struggling to compete with on-line retailers, such as Amazon, this topic is of significant strategic importance. In this paper, the author conceptually examines PMGs and investigates through past research how PMGs affect both consumers and retailers. The author then concludes with a proposed empirical study that examines OPMGs and their effect on the marketplace.

References Available Upon Request
An Investigation on the Role of Disruptive Technology Adoption on New Product Market Performance and Launch Timeliness

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ABSTRACT

In order to increase productivity and efficiency during new product development (NPD), innovation managers are often faced with the question of adopting new technologies (Barczak et al., 2007). This could range from adopting newer physical systems used for product development (e.g. rapid prototyping systems, CRM software, etc.) to the adoption of quality methodologies (e.g. Six Sigma or Lean) in order to optimize productivity across different phases of product development. The benefits of integrating new technology into the NPD process appear obvious as previous literature has found that the adoption of new technologies can drastically impact innovation processes and services (Lyytinen and Rose, 2003). However, as employees tend to meet procedural changes with reluctance, technology adoption can be risky (Morgan and Inks, 2001; Lyytinen and Rose, 2003). Further complicating this dilemma is the disruptiveness of the technology. By definition, disruptive technologies differ drastically from a preceding generation’s technologies, leading to a steeper learning curve, more short-term sacrifices, and increased reluctance from employees and end users (Morgan and Inks, 2001, Sherif et al., 2006).

As we investigate, while the adoption of disruptive technologies may improve new product market performance, the adoption process could also slow down a new product’s launch time (Christensen, 1997; Lyytinen and Rose, 2003). In order to alleviate the negative impact of technology adoption on product launch timeliness, we also consider four moderators: the size of the firm, the information technology (IT) capabilities of the firm, the goal congruency of the NPD team, and the existence of a new technology champion. A survey of 198 new product development practitioners, as conducted by the Product Development and Management Association (PDMA), reveals that the adoption of disruptive technologies, organizational innovativeness, and a firm’s market orientation all lead to more market success for a new product. However, while organizational innovativeness and market orientation are likely to lead to quicker launch times, the introduction of disruptive technologies are likely to lead to slower launch times and missed deadlines. Fortunately, the slower launch times were found to be moderated by the existence of a technology champion and strong IT capabilities. Team cohesion and firm size did not exhibit moderating relationships. In sum, while firms may benefit from introducing cutting-edge, disruptive technologies into their NPD processes, they must have the proper capabilities in place to ensure that these new technologies do not slow down their new product launch times.

References Available Upon Request
ABSTRACT

The focus of this conceptual paper is the phenomenon of buyer insecurity. An antecedent/consequence model is presented that considers specific threats and risks that contribute to a buyer’s feelings of insecurity, as well as a complex variable that is believed to moderate the relationship between buyer insecurity and relationship quality. While the reasons for these feelings of insecurity may not always be apparent to the buyer, a set of threats and risks can produce emotions of doubt, worry and low self-esteem. Buyer insecurity is defined as the state of experiencing negative feelings (reflected as doubt, worry and low self-esteem) within the buyer-seller relationship that are a direct result of the antecedent organizational forces of job insecurity and role ambiguity.

A review of the literature to date does not appear to provide a direct examination of how these antecedents affect buyer insecurity. However, borrowing from management and organizational research, it is possible to construct a model of buyer insecurity that encapsulates key threats that are likely to yield these negative feelings and potentially influence the quality of the buyer-seller relationship. The model presented posits two key moderating factors, the level of social support and the salesperson’s emotional intelligence. Therefore, reflecting upon key organizational antecedents, the two moderating factors, and consequences of buyer insecurity, we develop a conceptual model and offer a set of six propositions.

The paper contributes to the existing literature by examining the emotional state of a buyer during a buyer-seller exchange. By considering the buyer’s feelings of insecurity (as reflected by doubt, low self-esteem, and worry) within a marketing exchange, researchers may be better able to understand when and how an individual seller may actually be constructively adapting to a buyer during the exchange, and when a seller may be reinforcing a buyer’s insecurity within the exchange. A seller who is able to judge these emotions and use this information to facilitate the exchange should be able to improve the quality of the relationship.

References Available Upon Request
DEFINING MOMENTS: TRANSFORMATIONAL RELATIONSHIP EVENTS AND
CHANNEL RELATIONSHIPS

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ABSTRACT

While extant research on relationship development suggests relationships evolve through incremental change over long periods of time, a single event between exchange partners can ignite dramatic (positive or negative) transformational change. Evidence of transformational relationship events (TREs) is presented to support this premise. Related research streams are identified and integrated (1) to uniquely define TREs against other critical relationship events and (2) to create a model of disruptive relationship change. We identify three underlying transformational mechanisms (customer gratitude/betrayal, customer reciprocity, and relational sensemaking) that facilitate relationship change (customer-company identification, loyalty behavior, relationship velocity) and impact financial performance. We test the conceptual model on on-going, channel relationships and identify several implications for relationship marketing theory and practice. While the majority of relationship marketing initiatives are grounded in lifecycle theories of development, integrating the TRE perspective provides a much richer understanding of relationship change that can inform relationship marketing strategy.

References Available Upon Request
THE EFFECTS OF PERSONALITY TRAITS ON SOCIAL MEDIA INVOLVEMENT AND ELECTRONIC WORD OF MOUTH

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ABSTRACT

Within the last decade, social media has become an integral part of many companies’ promotion strategies. Marketing research, however, has largely under-examined the antecedents of consumer social media involvement (SMI) as well as its effects on consumer behaviors such as word of mouth (WOM) activity. Utilizing Mowen’s (2000) 3M theory of personality, we posit that the compound traits of opinion leadership and opinion seeking have effects on the situational trait of social media involvement (SMI), which effects the surface trait of WOM. Furthermore, in line with the 3M theory, we posit that the elemental personality traits of neuroticism, openness to experience, extraversion, need for material resources, need for arousal, and agreeableness have direct effects on the compound traits of opinion leadership and opinion seeking. A conceptual model is proposed, and is empirically tested. The results show support for the model, and implications are discussed.

References Available Upon Request
Testing the Concepts of Market Mavenism and Opinion Leadership in China

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Abstract

Market mavenism and opinion leadership are two important consumer influential concepts in the marketing communication literature. This study presents two research questions: (1) are the concepts of market mavenism and opinion leadership valid in the Chinese context? and (2) what are the demographic, psychological, and behavioral differences in predicting market mavenism and opinion leadership? This study extends the consumer influential literature and provides a richer picture of market mavenism and opinion leadership. The results based on the survey sample drawn from 316 Chinese respondents are illuminating: market mavenism and opinion leadership were indeed distinctive yet related concepts. Price-value consciousness, altruism, monochronicity, and income all significantly and positively influenced market mavenism while only price-value consciousness and monochronicity significantly and positively predicted opinion leadership. Altruism and income showed statistically significant difference in explaining market mavenism and opinion leadership.

References Available Upon Request
INTRODUCTION

Fourteen million people in 185 countries do it weekly. These enviable numbers have been achieved by Zumba® Fitness in just over a decade. Established in 2001, this company boasts “the world’s leading branded fitness program” (Zumba® Fitness, 2013). How does a company create such a widespread, yet loyal following? The research presented here seeks to investigate how business success is achieved by observing some of the particular elements in Zumba’s business model: brand love, sense of community, attitude toward fees.

Working out, dancing, and fitness merchandise are not new concepts. However, Zumba® Fitness sells all of these concepts to an eager consumer through a carefully planned marketing strategy which incorporates a party-like atmosphere, emphasizes Latin and international music, and utilizes a massive worldwide network of instructors to promote the brand. Instructors pay to earn an initial license and receive continuing education training. To maintain a license, instructors must repeat the training yearly, or join the Zumba® Instructor Network (ZIN) for a monthly fee. Zumba's business model (targeting instructors and end consumers) is innovative and different. This study’s motivation is to understand why Zumba® has been successful at accomplishing the status of a lifestyle brand--one that consumers love.

Prior work describes a dual nature of groups devoted to brands. As such, these groups are enticing to members due to characteristics of the brand as well as characteristics of the group itself (Carlson, Suter, Brown, 2008). This is the basis for the inclusion of brand love and sense of community in the proposed model. Brand love embodies the full range of positive emotional response to the brand while sense of community represents bonds with the group. In order to account for more practical motives for ZIN membership, attitude toward fees is also included. These constructs will be discussed in detail below.

Brand Love is a prototypically defined construct. In total, the items that comprise the measurement scale for the construct are meant to embody typical emotions, attitudes, and behaviors that one might experience as a result of love for a brand. In recognition of the deeply sophisticated and personal nature of an individual’s love, the researchers who developed the measure suggest this is a more effective means of tapping into the concept than any attempt to more directly measure it (Batra et al., 2012). The result, though, is a measure that covers a broad conceptual domain and is represented by a complex configuration of first- and second-order sub-constructs.

Brand love includes 7 sub-factors. Some of these can further be broken down into sub-factors of their own. Thus, Brand Love can be seen as a third-order super-factor with a total of 14 components including measures such as Attitude Strength, Attitude Valence, Passion-driven Behaviors, Long-term Relationship, Self-Brand Integration, and others (Batra et al., 2012). This intricate structure mirrors the sophistication of one of the most intangible human experiences. With this tool, a host of research questions that would previously have been difficult if not impossible to tackle can now be investigated.
Sense of Community (SOC) can be defined as “a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members’ needs will be met through their commitment to be together” (McMillan and Chavis, 1986). SOC became of interest to social scientists when several scholars sought a deeper understanding of the experience of members of a community, as an extension of academic work in the social organization of communities. The center of this experience is the feeling of being a part of the community. SOC is a concise phrasing of this that is used commonly across literature from multiple disciplines. The construct contains four sub-parts: membership, influence, needs fulfillment, and emotional connection. Each of these sub-parts is discussed below.

Membership is defined as “a feeling that one has invested part of oneself to become a member and therefore has a right to belong” (Aronson and Mills, 1959). For SOC, membership provides a boundary or distinction that defines the community in the mind of the individual. This boundary is a source of “emotional safety” which allows for the group intimacy necessary for the creation of shared meanings among group members (McMillan and Chavis, 1986). Influence describes bilateral relationship between the individual and the community. The member may feel that he or she can exercise influence on the group. Additionally, the group or community will likely influence the individual if he or she is actually a member. Though these two forces seem counterproductive, in the community setting, each force works. Indeed, together, they play a functional role in attracting individuals to communities (McMillan and Chavis, 1986). Needs fulfillment, the third facet of SOC, is akin to reinforcement of the individual’s decision to take part in the community. This means that maintaining membership to a community must yield a reward to the member. Though this reward may come in different forms, particularly in different types of communities, it must exist or members would cease to associate with the community (McMillan and Chavis, 1986). Finally, SOC is derived from shared emotional connection. The connection may result from a shared history or simply from interactions. These interactions become pieces of shared history as time passes. The quantity and quality of interactions contribute to the connection among community members. Emotional connection may also be affected by members’ level of investment in the community and the extent to which the community centers on some form of spiritual bond (McMillan and Chavis, 1986). Regardless, community members tend to feel an emotional connection with the community beyond simple membership.

Cheng and Moore (2013) thoroughly cover the most significant research on behavioral pricing in their latest appraisal. As they mention in their study, buyers are confronted with a complex set of phenomena that affects them when obtaining an offering. Price is a physical stimulus, and it raises emotional responses. The choice to join ZIN and maintain a membership could be seen as a special situation where emotion plays a very important role in the decision making process. Not only does paying ZIN fees represent a purchase where price would function as described above, it also represents affiliating oneself with a group. This latter decision is one in which emotional response is critical, making price a major consideration.

This study posits that Brand Love, SOC, and Attitude towards ZIN Membership Fees have an impact on Zumba instructors’ intentions to purchase or renew ZIN membership. To isolate the emotional impact of the last decision factor, the number of classes an instructor gives is expected to control for the impact of financial gains associated with membership. Proposed hypotheses are listed below.
H1: An individual’s Attitude toward Zumba Instructor Network Fees will be positively associated with that individual’s Purchase Intentions with regard to network membership.

H2: An individual’s love for the Zumba brand will be positively associated with that individual’s Purchase Intentions with regard to network membership.

H3: An individual’s Sense of Community (SOC) regarding the Zumba Instructor Network will be positively associated with that individual’s Purchase Intentions with regard to network membership.

H4 (a-c): The number of classes an individual teaches per week will moderate the relationship between that individual’s (a) Attitude toward Zumba Instructor Network Fees, (b) love for the Zumba brand, and (c) Sense of Community and Purchase Intentions with regard to network membership such that an individual who teaches more classes will show a weaker association between the antecedents and his or her Purchase Intentions.

METHODOLOGY

Prior to a complete test of the conceptual model described above, a pilot study of the core model was conducted to assess the relationships described in Hypotheses 1-3. For the pilot study, a computer-aided survey was used to collect data regarding the focal constructs. The survey was administered to 40 active Zumba instructors. The instructors that constituted the convenience sample were contacted for participation through Zumba instructor training sessions.

An abbreviated 14-item version of the Brand Love scale, which is nearly 90 items in its original form, was used following the procedure laid forth in work by Hartley (working paper). The abbreviated scale represents each of the fourteen sub-factors as well as reflecting the overall factor structure of the super-construct. SOC was gauged using the 8-item subscale developed by McMillan and Chavis (1988). Once again the factor structure was maintained in the process of scale summation. Attitude toward Fees was measured with a 5-item scale adapted from the work of Maddox (1976). Lastly, Purchase Intentions were surveyed with a 5-item scale adapted from Dhruv, et al. (1998). All of the scales were presented with Lickert scale response options. Responses to all of the above scale items were tested to ensure normality and scale reliabilities.

At this moment, data collection for the main study is ongoing. A broader, more varied sample is being gathered through the use of Zumba’s online directory of instructors for email contact and survey distribution. With this data, a full test of the Hypotheses presented above will be conducted. In order to assess the proposed moderated mediation model, the PROCESS technique developed by Andrew Hayes will be applied. Results, as available, will be provided and discussed during the conference presentation. It is the authors’ hope and expectation to have completed analysis by that time.

RESULTS AND DISCUSSION

Preliminary results provide initial support for the proposed model. Though a small number of the measurement items displayed borderline kurtosis and skewness statistics, this was attributed to the limited range of subjects the sampling method engendered. In spite of these concerns, all 9 scales and sub-scales demonstrated high levels of reliability with the single Cronbach’s alpha that was less than the
desired level of .700 registering at .662. This was deemed acceptable particularly given that the underlying set of items constituted a sub-scale that was then subsumed under a broader scale.

Regression analyses indicated that the correlations between Attitude Toward Fees, Brand Love, and SOC and the outcome variable Purchase Intentions were all significant (p≤.002) and in the expected direction (positive coefficient Betas). Interestingly, multiple regression analysis revealed an unexpected mediating role for SOC such that the effect of Brand Love on Purchase Intentions became non-significant (p=.811) when the antecedents were combined in the model. Brand Love was found to significantly and positively correlate with SOC (p=.000), and both Attitude toward Fees (p=.022) and SOC (p=.034) remained significant predictors of Purchase Intentions in the combined model. Of the two, SOC registered the higher standardized Beta coefficient at .430. This core model showed an R-square value of .415.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The mediating role of SOC on Brand Love, both of which are higher order constructs, begs greater scrutiny. This finding implies that Zumba should make the fostering of SOC among instructors a top priority with regard to marketing efforts. Further, efforts to promote the brand to instructors, who serve as the company’s primary market, should be couched in or coupled with these community-building promotions to insure optimal return on associated investments.

Beyond illuminating a conceptual relationship between Brand Love and SOC, the findings of this pilot study also offer support for the use of an abbreviated scale to gauge the former. While love could be seen as the gold standard for successful branding, it is certainly complex and difficult to measure, especially across brands. Even though the current sample was not conducive to CFA validation, the shortened scale used for this study would seem to be an instrument for accomplishing such measurement with a very manageable number of items.

Though the pilot test results were not entirely in line with expectations, they prove compelling as the revised core model shows good power in explaining Zumba instructors’ decisions to pay Zumba fees. Thus, the findings serve as a strong starting point for further investigation. A larger sample, particularly one that is more balanced with regard to key variables, should facilitate such investigation. For instance, an exploration of the impact of the number of classes an instructor teaches on the core model would be possible with a larger sample. In addition, a follow-up study could establish profiles of types of Zumba instructors in terms of the sub-factors of Brand Love and SOC. For this purpose, reliable cluster analysis would be feasible with a bigger sample.

This initial investigation provides interesting insight into the drivers of Zumba’s success. The unexpected relationship among two of those drivers is intriguing. While the importance of creating an inclusive atmosphere seems paramount, individuals’ view of the brand also has impact. Though this would seem instructive to Zumba’s management in its own right, the foundation for future research provided by this study may well be its greatest contribution. In particular, the support it lends for a meaningful yet succinct measure of Brand Love has implications for the study of Zumba, not to mention any other brand.

References Available Upon Request.
THE MEANING TRANSFER PROCESS IN CELEBRITY ENDORSEMENTS: A QUANTITATIVE EXPLORATION

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INTRODUCTION

Celebrity endorsement is an established marketing practice and the share of celebrity ads out of total ads aired is around 25-30% (Choi et al., 2005) in the west and as high as 50% in the east (Saxena, 2008). Celebrity endorsement has been researched since the last three decades but still there are confounding results. The fact remains that endorsement is costly affair for the marketer and there are risks of brand image dilution and financial loss among others. Thus, comprehensive model to explain celebrity endorsements would benefit academicians and practitioners alike. The present study thus builds and empirically validates a conceptual model of celebrity endorsements based on the relatively less researched ‘Meaning Transfer Model’ (MTM) of McCracken (1989).

BACKGROUND

Celebrity endorsement literature is extensive and is primarily divided into three categories; source credibility, matchup model and meaning transfer. Source credibility theory was developed from the psychology (Hovland and Weiss, 1951) and stated that attractiveness, trustworthiness and expertise (McGuire, 1969) as the key dimensions. The source credibility theory suggests that a credible source could positively affect the consumers’ attitude towards the advertised product (Friedman and Friedman, 1979; Atkin and Block, 1983; Goldsmith et al., 2000). However, source credibility studies have their own contradictions (Ohanian, 1991; Till and Busler, 2000).

The Match-up hypothesis/model explored the idea of fit between the endorsed brand and the celebrity (Kamins, 1990) and its subsequent impact on the consumers. Researchers have explained this concept in various expressions such as congruence (Fleck and Quester, 2007), consistency (Walker et al., 1992), match and fit (Kamins and Gupta, 1994) and match up (Bower and Landreth, 2001). However researchers of ‘match-up’ studies found the effect of celebrity and product congruency to vary depending on a lot of intervening factors such as involvement (Jain and Roy, 2012) source likeability (Kamins, 1990) and personality (Roy and Moorthi, 2011).

The Meaning Transfer Model (MTM) was proposed by McCracken (1986) to explain transfer of meaning from the culture and society to brands and to the consumers by possession of the brands. The MTM proposed that meanings got generated in a culture through various actions and interaction between the members of the society. These meanings got transferred from the culture and society to consumer goods or brands through forces such as fashion, marketing communication, arts etc. The same meanings were then consumed by the buyers through a set of rituals such as possession or gifting. Subsequently, MTM was extended to celebrity endorsements (McCracken, 1989). McCracken (1989) postulated that celebrities have some integrated meaning developed from the roles, campaigns and personal achievements. These are eventually transferred to the endorsed brands which are in turn transferred to the consumers while they purchase or consume the same. Research in MTM found celebrity traits and qualities to get transferred to the endorsed product (Langmeyer and Walker, 1991; Walker et al., 1992)
as well as negative meanings (Campbell and Warren, 2012). The possibility of reverse meaning transfer (brand to celebrity) was also observed (Roy and Moorthi, 2012) as it could help in brand alliance relationship (Halonen-Knight and Hurmerinta, 2010). Researchers in MTM have suggested the need to study the definition of a celebrity from the understanding of the consumers as a prior to understanding the MTM process (Halonen-Knight and Hurmerinta, 2010; Campbell and Warren, 2012; Liller and Allen, 2012).

Till date, as per the authors’ knowledge, there exists no model of meaning transfer that illustrates the constructs involved in celebrity/brand meaning and its antecedents and consequences. The present study intends to fill in this gap by first constructing a model of meaning transfer from the consumers’ perspective that would include the dimensions of meaning, and the antecedents, consequences and moderators. This was followed by empirically testing the model using survey data and valid measures for the model constructs.

**METHODOLOGY**

The research study adopted a mixed method approach. A set of eight focused group discussions (FGD) were conducted to understand the meaning transfer process from the consumers’ viewpoint. Five FGDs were conducted in the Central Indian city of Hyderabad and three in the East Indian city of Kolkata. These two cities belonged to the list of most populous cities of India and had a good diversity of people from different parts of the country settled there for work purpose. Each focus group had 8-10 participants and a total of 67 participants gave their insights in the focus group discussions. The groups had a fair balance of respondents from both genders and the age group range was 19-35. The data collected was content analyzed and using grounded theory methodology, the conceptual framework was developed. The conceptual framework had four stages of meaning transfer: Stage 1 was the Pre-Endorsement Stage related to the perceived identity of the celebrity. Stage 2 was the second pre-endorsement stage related to Celebrity Meaning. Celebrity meaning was composed of seven dimensions, namely: Personality, Credibility, Physical Appearance, Feelings (generated by the celebrity), Performance, Values (portrayed by the celebrity) and Cogent Power of the celebrity. Stage 3 was the Endorsement stage where meaning were transferred to the brand and all the celebrity meaning dimensions except Cogent Power were found to be transferred from the celebrity to the brand. Stage 4 was the Post Endorsement stage which was related to the consumer behavior. The dimensions of stage 4 were: Purchase Consideration, Recommendation and Consumption. Consumer Knowledge and Product Involvement were found to moderate the movement of meaning from Stage 2 to Stage 3 and Stage 3 to Stage 4 respectively.

Since some of the scales such as Credibility (Ohanian, 1990) and Brand Personality (Aaker, 1997) were readily available, they were adopted in the study. However, care was taken to ensure that the items match with the ones derived from the qualitative research phase. For the constructs celebrity identity, celebrity feelings, celebrity performance, celebrity values, and celebrity cogent power, the measurement items were obtained from the qualitative study. The final questionnaire was shown to three advertising professionals to ensure face validity of the items.

The main survey was conducted using a Mall intercept method at three shopping malls at three major Indian metro cities respectively. The respondents were asked a few questions about their favorite celebrity and favorite celebrity endorser. They were asked to answer the main study questions with
respect to their favorite celebrity endorser. A total of 483 usable questionnaires were obtained. The Average age of the respondents was 26.7 years with the range between 18-35 years. A Male: Female ratio close to 1:1 and a fair balance between student and non-student respondents was maintained. A total of 72 celebrity endorsers were named by the respondents as their favorite.

MAJOR RESULTS

The analysis was conducted in five phases. In the first phase, exploratory factor analysis (EFA) was conducted on all items used in the conceptual model to ensure unidimensionality of factor structure. The EFA results yielded a 19 factor solution (seven factors for Celebrity Meaning, six for Brand Meaning, three for consumer behavior, and one each for celebrity identity, consumer knowledge and product involvement) with KMO and Bartlett’s Test significant and 73% variance extracted. All factors had reasonably high internal consistency reliability (measured by Cronbach’s Alpha). In the second phase, Confirmatory Factor Analysis was conducted on the scales/factors obtained from the EFA to ensure convergent and discriminant validity of the same. Thus independent measurement models were first analyzed for convergent validity (AVE values were found to be higher than 0.6 for all constructs). This was followed by pairwise comparison of constructs using a Chi Square difference test between a correlated and restricted (correlation=1) model to ensure discriminant validity.

In the third phase, the conceptual model (Fig. 1) was tested without the moderators (H4 and H5) and the reverse meaning transfer (H6). However, before doing so, some constructs were reduced to first order level (using summated scales) to avoid having celebrity meaning and brand meaning as third order constructs and in turn to avoid a significant amount of residual variance. Thus the model had celebrity meaning, brand meaning and consumer behavior as second order constructs and celebrity identity as a first order construct. Results of the third phase suggested a significant and positive impact of celebrity identity (CI) on celebrity meaning (CM), CM on brand meaning (BM) and BM on consumer behavior (CB). The model fit statistics (CMIN/df = 1.893; GFI = 0.878; AGFI = 0.839; CFI = 0.912; RMR = 0.040; RMSEA = 0.067) suggested a reasonably good fit of the data to the model (table 1). Thus H1, 2 and 3 were supported.

In the fourth phase, the moderating effect of consumer knowledge (CK) and product involvement (PI) were tested. To achieve this, standardized scores were first computed for CI, CM, BM, CB, CK and PI. Next, interaction terms were created multiplying the scores of CM with CK and BM with PI respectively. The model created to test for moderation effects included the study constructs (CI, CM, BM, CB, CK and PI) and two interaction terms. This model also displayed acceptable fit (Phase four results suggested a significant and positive moderating impact of consumer knowledge about a celebrity (CK) on the transfer of meaning from the celebrity to the endorsed brand. A significant and negative moderating impact of Product Involvement (PI) was observed on the relation between brand meaning and consumer behavior. Both the direct effects of CK on BM and PI on CB were not found to be significant. Thus H4 and H5 were supported.

Phase 5 involved testing the same model in phase 3 with only the relation between CM and BM being reversed. The SEM results suggested a reasonably good model fit and a positive and significant effect of BM on CM. Thus H6 was supported.

DISCUSSION
The most important contribution present study is the construction and validation of a model of meaning transfer in celebrity endorsements. The authors have used a mixed method approach to identify the dimensions of celebrity and brand meaning thus contributing to the literature (McCracken, 1989; Elliott, 1994; Allen et al., 2008; Campbell and Warren, 2012). The study findings also support the meaning transfer phenomenon (McCracken, 1989; Campbell and Warren, 2012) empirically. Moreover, the study hints at a multidimensional approach to the measurement of meaning which encompasses various elements from source credibility literature and other areas in celebrity endorsement. The same may pave way for sorting out the confounding in previous literature. The celebrity identity construct contributes to a measurable definition of a celebrity as perceived by the consumers, thereby contradicting the use of image scales (Choi and Rifon, 2007) or credibility dimensions (Stever, 2008) to measure celebrity identity. The moderating impact of consumer knowledge is a very novel finding and is could be because of the correspondent inferences (Jones and Davis 1965) that the consumers have from their knowledge structure. The findings suggest that this would foster the meaning transfer. The role of product involvement in the success of celebrity endorsement has been researched (Jain et al., 2010; 2011) and the findings from the study only strengthen the same. The negative impact suggests that in case of a high involvement product, even a successful meaning transfer from the celebrity to the brand may not be sufficient to translate into buying behavior. Lastly, the evidence for reverse meaning transfer justifies the importance of the brand in contributing to the meaning generated about the celebrity (McCracken, 1989) and answers queries raised earlier (Halonen-Knight and Hurmerinta, 2010).

CONCLUSION

The present study has a few limitations which could be explored as scope for future research. First, the study focused on a developing nation. An extension of the present study could be to investigate the same phenomenon in a developed nation. A future extension could also explore a longitudinal impact of the meaning transfer. This would be able to explore whether meanings changed over time and whether the transfers also changed over time. To conclude, the present study empirically validates the MTM phenomenon in celebrity endorsements (McCracken, 1989) within its limitations. It also provides the practitioners with a more comprehensive (and complex) but more practical and usable model of celebrity endorsements.

References available upon request
AN ECLECTIC FRAMEWORK FOR SUSTAINABILITY REPORTS: IMPLICATIONS FOR
SOCIALLY RESPONSIBLE INVESTORS

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ABSTRACT

This paper joins in the debate about the relative merits of the varied sustainability reporting criteria in socially responsible investing. Socially responsible investors rely heavily on sustainability reports to evaluate a corporation. However, the limited disclosure, incommensurability, and constrained country of origin of sustainability reports make the evaluation difficult in practice. By introducing an eclectic framework, this paper aims to compare the existing reporting standards in terms of coverage rates. We believe convergence and holistic reporting are main trends of new sustainability reports and conclude that investors should combine different reporting indexes in making an investment decision.
THE IMPACT OF FACE AND SELF-CONSTRUAL ON SST AND INTERPERSONAL SERVICE ORIENTATIONS

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INTRODUCTION

The increased attention received by the widespread deployment of self-service technologies (SSTs) is well documented in the literature (Meuter et al., 2000, Collier and Kimes, 2013). SSTs include technologies such as automated hotel checkouts, restaurant kiosks, ATMs, and pay-at-the-pump services. A key facet of SSTs is their ability to enhance customer co-production of services. Specifically, customers are able to direct and control their service outcomes using technological devices like kiosks/tablets, etc. Service settings often provide customers the choice of an SST and human interaction, which we term as interpersonal interaction hereafter. While the customer’s decision to choose one over the other is likely to be influenced by operational factors (potential wait times, etc.), it is also influenced by individual personality traits/characteristics (desire for control, social interaction preferences, etc.)

In this study, we delve on two such personality constructs namely, face (self and other face) and self-construal (independence and interdependence) and evaluate their impacts on customers’ attitudes towards SSTs and interpersonal service encounters. While the concept of face alludes to the preservation of one’s own image as well as sometimes others’, self-construal is one’s self-image that is composed of an independent-self and an interdependent-self and is the individual-level equivalent to the cultural variability dimension of individualism-collectivism (Oetzel and Ting-Toomey 2003; Ting-Toomey and Takai 2006). We apply these two dichotomies to evaluate customer orientations towards an SST, where one directs his/her own outcome as opposed to an interpersonal service interaction, where the emphasis of interpersonal engagement and harmony are desirable. Implications for customer engagement and service recovery both in academic and managerial settings are suggested.

CONCEPTUAL BACKGROUND

Co-production refers to the simultaneity characteristics of service; the ability to produce and consume at the same time. As a process, it requires meaningful, cooperative contributions, to the service process (Auh et al. 2007). In this study, we apply the principle of customers’ production of services electronically and build two distinctive service orientations: self-service technology orientation and interpersonal service orientation. While self-service technology orientation (SSTO) is defined as a customer’s desire to produce a service by one’s self electronically, interpersonal service orientation (ISPO) is a customer’s proclivity to seek interpersonal interaction to consume a service (Collier and Kimes 2013). We frame this study using constructs adaptable in cross-cultural settings within one population, and examine how they impact SSTO and ISPO. Lastly, customers’ behavioral intentions are determined by their attitudes (Ajzen and Fishbein 1980), which are framed as SSTO and ISPO.

Face
Face is “a projected image of one’s self in a relational situation (Gudykunst and Ting-Toomey 1988). It is an individual’s desire about how he/she should be perceived by the world. Face concern is important because it “influence[s] the use of various facework and conflict strategies in intergroup and interpersonal encounters” (Oetzel and Ting-Toomey 2003, p. 600). It also dictates how an individual perceives and navigates interactions with others during an interpersonal encounter. Two broadly accepted forms of face are self-face and other-face (Ting-Toomey & Kurogi 1998; Oetzel and Ting-Toomey 2003). While self-face is the concern for one’s own image, other-face is the concern for another’s image (Oetzel and Ting-Toomey 2003). Since self-face is more about the protective concern for one’s own image (Ting-Toomey and Takai 2006), we posit a positive relationship with attitudes towards SST-based encounters. Additionally, we believe that greater levels of other-face, which is concern for the other person indicates a positive inclination towards interpersonal service orientation. Therefore, we posit that

\[ H1a: \text{There will be a significant positive relationship between self-face and SSTO.} \]
\[ H1b: \text{There will be a significant positive relationship between other face and ISPO.} \]

**Self-Construal**

A key construct that could impact a consumer’s decision to adopt SST is self-construal. Specifically, self-construal is defined as “one’s self-image and is composed of an independent and an interdependent self” (Oetzel and Ting-Toomey 2003, p.603). “Independent-self individuals tend to make sense of their environment through autonomous-self lenses and interdependent-self individuals tend to make sense of their surrounding through in-group-self lenses” (Ting-Toomey and Oetzel 2001, p. 33). In other words, self-construal allows people to identify and perceive themselves in a distinct and particular manner.

The extant literature suggests that self-construal varies across cultures. While the independent-self is more salient in the individualistic culture, the interdependent-self relates to the collectivist culture (Somech 2000). Also, independent self-construal is related to low-context (LC) communication and interdependent self-construal is related to high-context (HC) communication across cultures (Gudykunst et al. 1996). There is also a correlation between self-construal and conflict styles, which is important to understand from a service recovery perspective. Independent-self individuals tend to use more dominating conflict styles than interdependent-self individuals; whereas interdependent-self individuals tend to use more avoiding, obliging, and compromising styles than independent-self individuals (Oetzel and Ting-Toomey 2003). Ting-Toomey and Chung (1996) also noted that individuals inclined to independent-self have higher perceived importance for conversational clarity than individuals with interdependent-self. Conversely, interdependent-self persons have higher perceived importance of not hurting the listener’s feelings and avoid devaluation by the listener in conversations as opposed to independent-self persons. Given this divergence, we posit that

\[ H2a: \text{There will be a significant positive relationship between independent self-construal and SSTO.} \]
\[ H2b: \text{There will be a significant negative relationship between independent self-construal and ISPO.} \]
\[ H2c: \text{There will be a significant negative relationship between interdependent self-construal and SSTO.} \]
\[ H2d: \text{There will be a significant positive relationship between interdependent self-construal and ISPO.} \]
Our final hypotheses address the relationships between preferred service orientations namely SSTO and ISPO and the behavioral intention to use SSTs (BI). We posit that

\[ \text{H3: There will be a significant positive relationship between SSTO and the behavioral intention to use them.} \]
\[ \text{H4: There will be a significant negative relationship between ISPO and the behavioral intention to use SSTs.} \]

DATA, MEASURES AND METHODOLOGY

Data was collected at a major North Eastern university in the United States by electronically surveying graduate students. A total of 3405 graduate students were invited via e-mail to participate in a web-based survey. The final usable sample was 505 indicating a net response rate of 14.83%. 64% of respondents were male, while 36% were female. In terms of age, 46% were between 18-25 years and 43% between 26-33 years. While 34% reported spending 1-5 nights in a hotel within the past 12 months, 34% spent 6-10 nights, and 27% spent 11 or more nights.

The study was conducted in a hotel setting as it offers great potential for rich interpersonal interactions combined with the availability of self-directed technology options (SSTs) for customers. The item measures for face and self-construal were adapted from Oetzel and Ting-Toomey (2003) and Singelis (1994). The measures for attitudes toward SST-based service encounters and interpersonal encounters were developed for this study. The measures were based on a review of the literature (Dabholkar, 1996) and respondent observations in Meuter et al. (2000) All items were subjected to a Principal Components Analysis to determine discriminant validity. All reliabilities were above the recommended cutoff of 0.70. Detailed psychometric properties along with items in the individual scales will be available in the presentation upon acceptance. The means of items were taken to build observed measures.

FINDINGS AND IMPLICATIONS

We estimated our research model within a path analysis framework using Mplus. Findings show that all of the hypothesized relationships (except, hypothesis H2c) were strongly supported (p<0.01). The study is the first of its kind where constructs used in cross-cultural research settings are examined within the context of orientations towards self-service technologies and interpersonal service together. Findings strongly suggest that the two personality constructs of face and self-construal significantly impact attitudes towards technology-based self-produced services and interpersonal service options. The positive impact of both self-face and the independent self-construal on SST orientation evidenced in this study suggest several implications on how customers with such orientations need to be treated, especially from a context of service recovery in the event that the SST fails. Face theory reflects on the need to preserve status, social worth etc. Antagonizing such customers by blaming them outright for SST failures can have significant negative consequences on customer evaluations of service. On the contrary, the positive impact of other-face (the proclivity to the preserve other person’s status) on ISPO, combined with the positive effect of interdependent self-construal on ISPO reflects on the importance of providing superior interpersonal service to start with.
The study results suggest the need to investigate the combined effects of face and self-construal on service recovery as well. Both face and self-construal are not restricted to specific cultures, although they vary across them (Oetzel and Ting-Toomey 2003). The effects of how these constructs vary across cultures and their impacts on service orientation preferences will be worthwhile to examine for future research. Cross-cultural contexts that capture variability in these constructs, while also being salient for the markets in question for practitioners will build on our understanding of service orientations as the growth of SSTs expand around the globe.

References Available on Request
DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE STRATEGIES: A FRESH PERSPECTIVE

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INTRODUCTION

An increasing number of firms are voluntarily reporting their CSR initiatives and disclosing their social, environmental and economic impact (KPMG, 2008). CSR reporting can help the firm shape its reputation in the market place (Sen et al., 2006). It can also provide an opportunity for companies to engage stakeholders in an ongoing dialogue (GRI, 2012; Nikolaeva & Bicho, 2011). Ultimately, CSR reporting provides marketers with a tool to engage with multiple stakeholder groups, build lasting relationships and create value for the firm (Bhattacharya & Korschun 2008; Ferrell, et al., 2010; Hult, et al., 2011).

While CSR reporting has gained popularity within the business community, scholars have shown less interest in the topic (Chen & Bouvain, 2009; Ziek, 2009). With the evolution of CSR reporting practices and the widespread adoption of the GRI Guidelines, there is a need for researchers to further explore the determinants of CSR reporting (Holder-Webb, et al., 2009). That is the primary objective of this research.

Researchers have relied on a broad theoretical framework to explain CSR reporting strategies. Legitimacy theory, stakeholder theory and institutional theory have all been used to help explain the determinants of CSR reporting (Gray et al., 1995; Milne & Patten, 2002; O’Dwyer, 2003; Oliver, 1991). However, no one theory effectively explains a firm’s CSR disclosure strategy (Cormier et al., 2005). Several scholars have suggested that when used together, these theories provide a more comprehensive explanation (Adams & Whelan, 2009; Deegan & Blomquist, 2006; Gray et al., 1995).

A review of the literature reveals that CSR disclosure research has focused on descriptive analyses of disclosures across countries and time periods, the impact of disclosures on corporate social and financial performance and empirical research that examines the determinants of reporting (Nikolaeva & Bicho, 2011; Reverte, 2009). Researchers have also examined the determinants of CSR reporting (Boesso & Kumar, 2007; Cormier & Magnan, 1999; Roberts, 1992; Reverte, 2009). From this research, two competing theoretical models emerged (Ullmann, 1985; Adams, 2002).

Ullmann’s (1985) theoretical model relied heavily on performance. Due to his influence, much of the disclosure research that followed focused on the determinants of CSR disclosure volume and quality. While a broad array of independent variables has been examined, researchers have tended to focus on only a small number of variables rather than look at larger constructs. Adams (2002) offered an alternative theoretical model that organized the variables into three high-level constructs: (1) corporate characteristics, (2) general contextual factors and (3) internal contextual factors.

While both models were useful, reporting practices have evolved with the increased use of normative standards like the GRI Guidelines. For firms that use the GRI, their disclosure strategy includes determining their desired GRI application level and deciding whether or not to pursue third-party assurance (Gamerschlag et al., 2011; GRI, 2012; Moneva et al., 2006). Given the depth of prior research and changes brought about by the GRI guidelines, there is a need to more fully understand what
factors are determinants of a company’s CSR disclosure strategy.

**METHODOLOGY**

This study examined the relationship between a four-dimensional model of reporting determinants and a firm’s CSR disclosure strategy. It included the following constructs: non-financial corporate characteristics, the firm’s financial performance, the involvement of the firm’s stakeholders and environmental turbulence.

This model serves to both replicate and extend past research. Constructs that are replicated include corporate characteristics, which was used in prior research by Adams (2002), and the firm’s financial performance which was as a key construct utilized by Ullmann (1985). The two new constructs that extend the research are stakeholder involvement and environmental turbulence. This research examines the involvement of the firm’s stakeholders and builds upon Ullmann’s (1985) model rather than focusing on the stakeholders’ power to control resources. It also builds on Adams’ (2002) model by examining measures that exemplify environmental turbulence.

This study employed mixed methods. The qualitative portion of the study included interviews with five executives responsible for determining their firm’s CSR disclosure strategy. These semi-structured, in-depth interviews (Fontana & Frey, 1994) were used to gain additional insights into the suitability of the proposed constructs and provide a greater understanding of the managerial implications.

For the quantitative portion of the study, hypotheses were posited for each of the explanatory variables. The variables chosen to represent non-financial corporate characteristics include the firm size (Cormier & Magnan, 2003; Cormier, Magnan & Van Velthoven, 2005), firm age (Roberts, 1992), the presence of a board level CSR committee (Cowen et al., 1987) and the corporate governance structure (Boesso & Kumar, 2007). The variables used represent firm financial performance included lagged return on equity (Roberts, 1992) and systemic risk (Roberts, 1992). Stakeholder involvement was represented by the number of stakeholders referenced (Kateb, 2012), the sponsorship of a philanthropic foundation (Roberts, 1992), media exposure (Hyman & Mathur 2005; Nikolaeva & Bicho, 2011) and corporate reputation (Othman et al., 2011).

Environmental turbulence includes political and economic factors. Economic turbulence was measured by assessing performance risk and demand instability (Haleblian and Finkelstein, 1993) as well as GDP growth (Aiginger, 2005). Political turbulence was examined using three indices developed by the Political Risk Services Group (PRSG) to assess political risks. These include the Law and Order Index, the Government Stability Index and the Bureaucratic Quality Index.

Three control variables were also included in this study. The first of these is the firm’s industry membership (Adams et al., 1998; Cowen et al., 1987; Hackston & Milne, 1996; Holder-Webb et al., 2009; Patten, 1991; Roberts, 1992) which was included because certain industries are known to have more intense competition, more scrutiny from regulators and/or be more visible by consumers. The number of countries in which the company operates (Ge & McVay, 2010) and the number of years a firm has reported were also used as controls.
A sample of global publicly traded firms was drawn from a reporting registry maintained by the Global Reporting Initiative. The data set was derived from the 2011 GRI Registry. This resulted in a sample of 535 global publicly traded firms.

This study deviated from past CSR disclosure research in that it relied upon secondary data derived from the GRI registry, Capital IQ and public databases and business press to acquire information on publicly traded firms. Past studies have relied upon primary data developed through the use of content analysis. This limited both the number of firms that could be examined and the generalizability.

RESULTS AND DISCUSSION

This research consisted of both qualitative and quantitative analysis. The five qualitative interviews provided insights into the suitability of the proposed constructs and into each firm’s approach to reporting. While the companies represented in the interviews chose a range of application levels, only one firm chose to pursue third party assurance. The executives described the focus of their firm’s CSR reports but did not suggest anything that would raise concern about the suitability of the proposed constructs.

In the quantitative analysis, only four of the 19 predictor variables were found to be statistically significant of the firm’s choice of GRI application level. The strongest predictor in the model was years reported (p = .000) followed by bureaucratic quality (p = .003), government stability (p = .015) and the presence of a corporate foundation (p = .046). For third party assurance, five of the 19 predictor variables were statistically significant. Years reported was the strongest predictor followed by bureaucratic quality (p = .000), government stability (p = .002), the Law and Order Index (p = .007), the corporate governance ratio (p = .009) and Beta (p = .024).

None of the hypotheses that predicted the firm’s level of CSR disclosure was supported. There were relationships observed, however, between the presence of a corporate foundation, government stability and bureaucracy quality and the firm’s choice of application level. While these relationships were predicted as positive, they were instead found to be negative.

The only hypotheses in the study that were supported were predictors of the firm’s choice of third party assurance. Governance structure, systemic risk, and the Law and Order Index were all supported. There was also a relationship between government stability and the firm’s choice of third party assurance. However, it was predicted as positive but was found instead to be negative.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

While only one of the four constructs was supported, the combination of predictive variables shown to be related help strengthen our understanding of disclosure strategy. Four key concepts emerged that firms must consider. These include stakeholder salience, environmental turbulence, mimetic behavior, and the role of institutional norms in shaping their CSR disclosure strategy.

Stakeholder salience suggests that firms prioritize stakeholders based on their power, their legitimacy and the urgency of their issue (Mitchell, et. al, 1997). Practitioners should use these criteria to determine which stakeholders should be the focus of the firm’s CSR disclosures. In this study,
government was most powerful not just because of its interactions with the firm, but also because of its ability to create a turbulent business environment. Researchers should rely on stakeholder salience to determine if employees, customers, shareholders, non-governmental organizations and others should be examined.

Environmental turbulence has resulted from decreased government stability and decreased bureaucratic quality. This has led firms to choose higher application levels and pursue third party assurance. This has also created a need to further understand environmental turbulence and the role of the business environment in shaping firms’ disclosure strategies.

The firm’s pursuit of legitimacy means it must also monitor the environment and be ready to engage in a legitimization process. In this challenging environment, practitioners must also be prepared to modify their firm’s CSR reporting strategy in order to meet society’s expectations and the expectations of key stakeholders (Ader, 1995, Neu et al., 1998; Yongvanich & Guthrie, 2006). In the future, conceptual models used to explain CSR disclosure strategies should include both specific stakeholders and environmental turbulence.

In developing disclosure strategies, practitioners and researchers must also be aware of criteria that guide the choice of comparator firms and the mimetic behaviors that result. Firms have based their disclosure strategy on those firms with reporting experience rather than those who are the largest or oldest. Given this research, practitioners should proactively consider how they choose comparator firms. Those charged with developing the firm’s disclosure strategy should be aware of how institutional norms, values and beliefs shape the firm’s business environment and its strategy for reporting (Hoffman, 1999; Jackson & Apostolakou, 2010; Nikolaeva & Bicho, 2011).

Scholars also must better understand the criteria that guide the choice of comparator firms. It is crucial to understand the comparison process and how mimetic behaviors develop. It is also important to understand how the practices a firm adopts guides its reporting. Ultimately, scholars must understand how the firm’s experience influences institutional norms that guide its disclosure strategy.

Finally this study helps strengthen our understanding of theories used to explain a firm’s CSR disclosure strategy. Ultimately, institutional, stakeholder and legitimacy theories all have a role in explaining the determinants of a firm’s disclosure strategy and must work in concert with one another if disclosure strategies are to be explained sufficiently.

References Available Upon Request
CONSUMER ONLINE BRAND ENGAGEMENT AND BRAND EQUITY CREATION.
AN EMPIRICAL RESEARCH ON THE ITALIAN LUXURY FASHION BRANDS

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ABSTRACT

The arguments proposed in this article move in line with theoretical perspectives that consider the brand as a “social shared cognitive resource”, and not an “intellectual proprietary one”, and the consumer as active actor in to brand equity creation process. The specific aims of this paper are the following ones: 1. to analyze the “spontaneous” initiatives of digital brand engagement involving Italian luxury fashion brands; 2. to conduct an observational netnography in order to explore the experience of the brand on the Web, based on the spontaneous conversations of consumers. These latter are traced in the digital tools, proprietary (digital brand communities, institutional Facebook page, Website) and non-proprietary ones (blogs, forums, business communities, video blogs, etc.); 3. to pick the managerial implications out useful for brand equity management in the luxury fashion industry.

References Available Upon Request
Recent evidence suggests a dramatic increase in social media marketing activities across industries. By analyzing pioneering brands in the luxury sector, this study explores the impacts of social media marketing efforts on brand equity and its consequences. Based on a survey of 397 French and Chinese luxury brand customers who follow the brands in social media, we developed a structural equation model to support our research hypotheses. Our study contributes to the growing social media branding literature by confirming that social media marketing efforts can be identified and measured as a holistic concept incorporating five aspects: entertainment, interaction, trendiness, customization, and word of mouth. Moreover, our findings demonstrate the links between social media marketing efforts, brand equity, and its consequences including preference, loyalty, and price premium. We discuss the implications of our findings for future research and managerial practices and strategies of luxury brands aiming to grow brand equity in social media environments.

References Available Upon Request
THE RELATIONSHIPS OF COGNITION, PLAYFULNESS, ENJOYMENT AND IDENTITY EXPRESSION IN COMPUTER GAMING

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ABSTRACT

Contributing to playfulness, enjoyment, cognitive and identity domains, the paper examines the role of need for cognition and playfulness towards the enjoyment and identity expressiveness. From a survey with 221 respondents, the result unveils that need for cognition (NFC) enhances the likelihood in experiencing playfulness in computer game. Experiencing playfulness then leads to encountering enjoyment, and subsequently enjoyment positively influences the likelihood of expressing both social identity and self-identity, especially for male. Hence, playfulness mediates NFC influencing enjoyment, and the path of playfulness and enjoyment mediates playfulness influencing expressing social identity and self-identity. The findings imply that the extent to which an individual gamer enjoy playing computer games will determine how likely they share their identity to their gaming peers.

References available upon request
SERVICE FAILURES AS VALUE CO-DESTRUCTION MOMENTS

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ABSTRACT

Although Service-Dominant (S-D) Logic is an emerging school of thought in marketing literature, recovery strategies after service failures continue to be conceptualized under the good-dominant logic paradigm. This paper proposes a different conceptualization for service failures and recoveries strategies in the S-D Logic framework. Thus, we re-conceptualize service failures as co-destruction moments due to the fact that when a service failure occurs some forms of consumption value (functional, social, emotional, epistemic, and conditional) are co-destroyed (co-destruction-moment) in a similar way that they co-created during the value co-creation. Moreover, we introduce a Mechanism of Value Restoration (MVR) in order to identify and restore the loss value as a more effective service recovery strategy by applying Prahalad and Ramaswamy’s DART (dialogue, access, risk assessment and transparency) model.

References available upon request
ABSTRACT

Considerable research on sponsorship effectiveness has treated sponsor recall and recognition as main indicators of successful sponsorship. However, relatively little research has been conducted to examine if high brand recognition at a cognitive level translates into more desirable brand-related outcomes such as brand preference and purchase behavior. Instead of treating cognitive, affective, and behavioral sponsorship outcomes simultaneously, we examine the hierarchical relationship between these outcomes involving fans of the National Association for Stock Car Auto Racing (NASCAR) fans. In particular, we focus on the mediating effects of sponsorship-linked communication efforts (i.e., driver-sponsor articulation, sponsorship-themed advertising and promotion) between cognitive and affective sponsor evaluations.

Utilizing a structural equation model (SEM), we hypothesize that driver-sponsor articulation and sponsorship-themed advertising and promotion mediate the influence of sponsor awareness on sponsor attitude. Results from the NASCAR fans (N = 249) showed that perceived sponsor awareness alone does not have a direct effect on brand attitudes but the effect is fully mediated by sponsorship-linked marketing communications (i.e., driver-sponsor articulation, sponsorship-themed advertising and promotion).

Our results provide empirical evidence on building brand preference through sponsorship, amplifying the effect of sponsor brand awareness. Both indirect (articulation) and direct (event-themed promotions and advertising) sponsorship-linked communications were shown to significantly increase affective sponsor brand evaluations. A full mediation model suggests that sponsor awareness alone does not directly affect brand attitude but through other leveraging efforts. This finding has implications for sponsors with relatively high recall and recognition that they should still invest additional resources to translate high awareness level to affective sponsor evaluation, which increases purchase intent.

References available upon request
Inexperienced sales professionals face high probability of failure, especially in the exploration stage of their career (Cron and Slocum 1986; Dixon et al. 2005). As a result, their learning and performance orientation along with their supervisors’ support is key to their motivation and success (Dixon et al. 2003; Kholi et al. 1998; Sujan et al. 1994). This research investigates an unexplored area of the attribution theory which should help young salespeople, sales managers, and sales educators understand better the relationship between believing in luck and becoming successful.

The theory of attribution plays a major role in helping understand how sales professionals react to failure and bounce back (e.g., Dixon et al. 2001). The theory also is of particular importance in education to analyze how learners interpret performance and redirect effort (Weiner 1979). The attribution theory is concerned with individuals’ search for causes of their failures and successes; a natural tendency to redirect effort on appropriate behavior en route to improved performance (Heider 1958; Kelley 1967). Three central causal dimensions have been discerned, namely stability, locus, and controllability (Weiner 1979). Stability refers to the extent to which the cause of failure or success is perceived as being stable (native ability or task difficulty), or unstable (effort or luck). Locus deals with one’s perception of the location of the cause, namely internal (native ability or effort), or external (task difficulty or luck). Finally, controllability relates to individuals’ perception of their ability to affect their achievement by controlling the cause (effort), or not (native ability, task difficulty, and luck). Consequently, the attribution theory considers luck as an unstable, external, and uncontrollable cause of individuals’ achievement (Kelley 1967; Weiner 1979). Research on the instrumental impact of luck on sales outcomes is scarce, yet it is an essential topic since the very nature of the market environment, competitors, and customers, leave salespeople in the face of numberless instable, external, and uncontrollable sources of uncertainty and failure (Le Bon 2014). We propose a model to capture the potential influence of accidental luck and provoked luck on young salespeople’s performance. We suggest that salespeople’s effort as reflected in their activities influence sales opportunities. In turn, sales opportunities open fortuitous and auspicious situations leading respectively to accidental luck and provoked luck. Accidental luck and provoked luck are then hypothesized to provide positive outcomes such as sales performance. We control for regular sales process which also influences sales performance.

Findings show that accidental luck and provoked luck impact sales performance, along with regular sales process. To the best of our knowledge, this research is the first to separate luck into two dimensions—accidental and provoked—and examine its effect on sales performance. Although considered as an unstable, external, and uncontrollable cause in the attribution theory, luck should be viewed as a manageable determinant of personal achievement. Such findings call for a deeper understanding of how luck could be integrated into sales performance theories and reinforce salespeople’s self-determination, motivation, and success.

References Available Upon Request.
PROTECTING THE FRANCHISE BRAND IN THE AGE OF SOCIAL MEDIA

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ABSTRACT

While social media provides numerous inexpensive and easy ways to reach and interact with target customers, these new communication channels present significant challenges to marketing practitioners by empowering consumers to spread messages of which firms have no control over the content. This research examines the importance of corporate social media response strategy in the face of brand negative publicity from a franchise business. Franchise retailers are in the unique position in that franchisor and franchisee have a joint responsibility to maintain the corporate brand image (Rubin 1978). A single negative incident that occurred in one franchise branch may harm the overall brand image and result in customers’ adverse behaviors toward other branches bearing the same franchise brand. Therefore, the main purpose of this study is to investigate how the message structure as well as other executional elements of a social media response strategy influence customers’ perception of the franchise brand in the condition of consumer-initiated negative brand publicity. The initial experimental study result demonstrates that issuing a statement about franchise ownership separation is effective in safeguarding the franchise brand. In addition, we examine the roles of two moderators: stance and timing. This research contributes to a better understanding of franchise brand reactions to negative brand publicity and reputation management in a social media context.

References Available Upon Request
EMOTIONAL ADS: WHICH EFFICIENCY TOWARD OLDER PERSONS?

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ABSTRACT

The aging population is an important phenomenon that characterizes our century. For years, seniors will represent the most important segment of the population, because of their demographic and economic potential (Lewis, 2012). It is therefore necessary to identify the most effective factor that influences the beliefs, attitudes and behaviors of older consumers. It is clear that academic and managerial literature present little or no response regarding the preferred type of advertising to reach seniors: practitioners seem to recommend the use of informational messages in nature but with elements related to modes of presentation of more than 60 years and their families that may convey emotions (Tréguer 2002; Wydouw, 1995). While researchers highlight the ambiguity of results contrasting the effectiveness of informational messages vs emotional messages, it has been established that people of different ages respond differently to both emotional advertisements (Mroczek and Kolarz, 1998) and for informational advertisements (Moore- Shay and Lutz, 2000). In addition, several researchers in social psychology and gerontology have established different theories to better understand and explain the motivations and behaviors of the elderly as the "socio-emotional selectivity" (Carstensen and Charles, 1998 Carstensen, Isaacowitz and Charles, 1999).

This theory posulates that the more we approach the end of life, the more we reorganized the hierarchy of our goals to prioritize emotionally directed goals rather than those related to knowledge (Fung, Carstensen and Rice, 2005). Because chronological age is inversely correlated with the perceived time left to live, the theory of socio-emotional selectivity posits that emotional goals become more important with age. To better clarify the mechanisms of advertising persuasion and attitude formation process for seniors, we decided to select advertisements varying in their content (emotional vs. informational) for unknown brand. We created our own printed advertisements for an intergenerational product, namely the trip. 600 individuals participated in the study, 300 elderly (between 60 and 75 years old) recruited in Paris and 300 young adults (20-35 years old). Each individual was exposed to two ads and answer to some questions regarding their chronological age, their emotional reactions, beliefs and attitudes towards advertising and the advertised brand. The results of this research led to the conclusion that chronological age influences cognitive (memorization, beliefs) and affective (emotional reactions, attitudes) responses. At first, it was shown that older respond differently than younger individuals with regard to informational advertising. Indeed, cognitive responses, such as remembering the brand name, beliefs toward the ad and toward the brand, are less favorable among 60-75 year olds than in 20-35 years. Moreover, the positive influence of chronological age on affective responses of seniors to advertising is another interesting result of our research. In addition, our research shows that, when being exposed to emotional ads, people more than 60 years memorize better emotional information, develop more favorable emotional reactions, attitudes toward the ad and toward the product than younger individuals. These results may help brands and advertisers better communicate with seniors mainly by creating emotional ads.

References Available Upon Request
ABSTRACT

Though not explicitly specified, a large body of research across marketing, psychology, and social psychology suggests there are two frameworks by which to understand customer identification with organizations and brands. The first is considered a deductive model of identification (DMI) in which a strong and appealing identity is created and communicated to a targeted group of customers. The second is an inductive model of identification (IMI) in which customers are allowed to imbue the organization or brand identity with meaning. Though these two models are not mutually exclusive, each draws on different theories. As a result, their prescriptions for practice can contradict each other. To clarify these differences, the current research details the separate research streams of the IMI and DMI and their key differences. Then, a study is detailed that tests and provides support for a key aspect of the IMI. The results of the experiment suggest greater self-brand congruity can be engendered with a brand that is less clearly defined (i.e. has low brand image clarity). Overall, the current research evidences that marketing practitioners may need to consider another strategy of engendering identification. Inherent in this strategy is that a brand’s identity can be intentionally vague and that self-categorization is not a state, but a series of events in which customers are prompted to consider the brand in relation to their self.

References Available Upon Request
INDIANAPOLIS: LEVERAGING THE SPORTS STRATEGY

Special Session for the Brand Leveraging via Events and Sponsorship Track

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INTRODUCTION

Indianapolis has successfully leveraged the sports and events business for community and economic development. Most widely known for the Indianapolis Motor Speedway and the Amateur Sports Capital strategy, the city is home to a number of leading and innovative sports businesses. Between 1979 and 2011, 400 major sporting events generated a $2 billion economic impact (Q&A: Indianapolis Sports Strategy 2013). Despite this substantive economic impact, Indianapolis is not recognized as a leader in the sports industry. Further, the original position around amateur sports has started to decay and the competition around the hosting of mega-events is more intense than ever as other cities see the merits of sports event strategies.

The special session will provide a panel discussion on the work underway to develop the next sports strategy for the Indianapolis sports industry. The panel will be comprised of three representatives from the Indianapolis sports industry and Dr. Jay Gladden, who is coordinating IUPUI’s work in support of the new strategy. Panelists will be chosen to represent people and organizations that have been a part of the Indianapolis sports landscape for a variety time frames. The panel will provide an overview of the history of the strategy, the unique opportunities that exist in Indianapolis, and some initial ideas on strategies that will be pursued to leverage sports to develop the Indianapolis brand.

History

The City of Indianapolis has a long and significant history related to the development of the sports business. The Indianapolis Motor Speedway (opened in 1909) has long provided a foundation and reputation around hosting elite sports events. This strategy was extended in the 1970s when a group of community leaders from municipal government, the philanthropic community, and the business industry leveraged sports as a vehicle to revitalize downtown Indianapolis and eliminate disparaging nicknames such as “Indianoplace” and “Naptown” (Smith 2011).

The strategy, often referred to as the “Amateur Sports Capital Strategy” because of its ability to attract amateur sports events and organizations, also held a heavy dose of professional sports. In fact, the genesis of the strategy was a concerted community effort to keep the then American Basketball Association’s Indiana Pacers in Indiana. The strategy fully took flight with the passage of the Amateur Sports Act of 1978. The Act established the United States Olympic Committee and national governing bodies for each sport. Indianapolis quickly sought to attract a variety of national governing bodies in what current Notre Dame Athletic Director Jack Swarbrick described as a three step process:

“First, we needed to win some of these governing bodies’ headquarters placement in Indy. Second, we needed to build world class facilities to house the eventual games. And following the successful completion of the first two things, we needed to win bids to host major championships” (“Q&A: Indianapolis Sports Strategy, 2013).
All three prongs of the strategy were executed. Prominent national governing bodies such as USA Track & Field, USA Gymnastics, and USA Diving located their headquarters in Indianapolis. The crowning achievement was attracting the National Collegiate Athletic Association (NCAA) from Overland Park, Kansas in 1999.

World class facilities were developed. For example, the Indiana University Natatorium on the IUPUI campus, which opened in the early 1980s is still one of the pre-eminent competitive natatoriums in the world. Events also followed. Starting with the Pan American Games in 1987, Indianapolis is a regular host to major national and international competitions. With the NCAA’s move to Indianapolis, the city became a regular host of the men’s and women’s Division I basketball Final Four.

Another early legacy of the initial sports strategy was the creation of the nation’s first organization to attract sporting events – the Indiana Sports Corporation. Today, the Indiana Sports Corporation remains a best practice among sports commissions regularly working on and supporting multiple mega-events simultaneously. Super Bowl XLVI provided a testament to the work of “Sports Corp” and the collaborative spirit of the city. In February of 2012, Indianapolis staged a Super Bowl that was met with rave reviews. The city’s compact downtown was packed with fans for the 10 days prior to the game and numerous ancillary activities provided a diversity of experiences and events. Glowing media attention followed, and Indianapolis is a finalist for the 2018 Super Bowl (to be decided in May, 2014).

The Present

Despite the unique success of the Indy sports strategy and the wide variety of sports expertise, Indianapolis is not seen as a leader in the sports business. Its position around amateur sports culminated with the attraction of the NCAA in 1999 and has seen little growth since. Further, the loss of a once-premier tennis facility built during the development of the strategy, and the gradual deterioration of three other sports-strategy facilities (IU Natatorium, Carroll Stadium and the Indianapolis Velodrome) are symbols of stagnation or decay. Indy’s position related to the hosting of mega-events is being challenged as never before as cities and states are now offering cash incentives to lure mega-events.

Due to the nearly 40 year focus on sports as a strategy, there is now a significant city economy related to sports. In addition, there are a number of elements within this economy that lead the sports industry. For example, Indianapolis is home to:

- Superordinate collegiate governing body (NCAA) and connected high school organizations (NFHS, NIAAA)
- Progressive national governing bodies (USA Gymnastics, USA Football, USA Track & Field)
- Best practice sports commission (Indiana Sports Corporation) which has established the model for recruiting and hosting mega-events
- Pre-eminent auto race and race track (Indianapolis 500) and most successful motorsports marketing agency in the world (JMI)
- Recognized best practice businesses that leverage the passion of sports fans and enthusiasts (Finish Line, MainGate, LIDS, Sport Graphics)
• Successful **professional teams** playing in **state-of-the-art stadiums and arenas** (Colts, Pacers, Fever, and Indians)

• The **largest mini-marathon** in the country (One America Mini-Marathon)

• The **Premier membership organization** related to sports medicine and health (ACSM)

Despite this diverse presence of best practices, when members of the Indianapolis sports business community travel throughout the world, they are often faced with the question of “why are you located in Indianapolis?” The frustration in having to answer this question serves as a mobilizing force around this next effort related to sports strategy creation. In some ways, Indianapolis was a victim of its success. As the industry grew and diversified, it became more difficult to continue a focus on a cohesive sports strategy. As a result, Indianapolis experienced a period of time in which discussions about the sports strategy waned.

**Today**

Starting in 2013, a group of people from the sports business, municipal government, and higher education began discussion about better connecting the sports industry in Indianapolis and better leveraging its breadth for positive outcomes. Representatives from both the public sector and private sector have embarked on conversations about the next iteration of the Indianapolis sports strategy.

The purpose of this special session is to discuss the utilization of sports, and sports events as a strategic brand management tool for cities. The presentation will highlight the key success factors and points of innovation to date and share information on the discussions related to the next elements of the sports strategy that include: enhanced network connections, sharing of best practices, collective branding and promotion, talent development and economic development.

**References Available Upon Request**
FIRM CAPABILITIES AND GROWTH: THE MODERATING EFFECT OF MARKET CONDITIONS

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ABSTRACT

Past research on organizational capabilities has mainly focused on the impact of individual capabilities (e.g., marketing, R&D, or operations) in isolation within a short time-span (see Krasnikov and Jayachandran 2008 for review). However, in practice capabilities coexist within an organization and are intertwined. They are also developed over a long time and are embedded within the firm (Grewal and Slotegraaf 2007). In addition, the performance impact of capabilities may vary under different conditions (Moorman and Slotegraaf 1999). Building on the contingency theory, this study examines the impact of multiple firm capabilities and their interactions on firm growth under different market conditions using a panel data from 612 U.S public firms across 16 years in over 60 industries. More specifically, this study empirically examines (1) how different organizational capabilities (marketing, R&D, operations) interact and impact firm sales growth and profit growth simultaneously over a long period of time; (2) how external boundary conditions (market munificence and complexity) influence the interactive effects (complementarity vs. substitution) of these capabilities. The results suggest that R&D (operations) capabilities positively (negatively) reinforce the effects of marketing capabilities on firm growth and that such effects vary across different market conditions. Researchers and managers can gain insights from this study regarding how to manage and deploy multiple resources and capabilities simultaneously under different market conditions to drive firm growth.

References Available Upon Request
INTRODUCTION

In 2012, brand communication strategies shifted as expenditures on Internet advertising in the US exceeded those spent on print for the first time. These trends point to the importance of brands using online brand communities (OBC) to build consumer-brand connections. However, despite the insights derived from prior OBC literature, there is minimal research investigating consumer-brand connections in an OBC. Though this stream of literature is helpful in explaining general motives for brand community engagement, it neglects to include research related to the power of branding. Consequently, when the context is shifted from general motives of engagement to brand-related predictors that influence consumer engagement, there is marginal research.

The aims in the present research are three-fold. First, building upon Zhou et al. (2012) and Dholakia and colleagues work in the OBC literature, we develop a model that accounts for individual differences for consumer-brand connections in an OBC. We consider self-motives and brand engagement in self-concept (BESC) (Sprott et al. 2009) as key predictors to OBC identification and interactivity. Further, the consumer behavior literature is drawn upon to include such brand related constructs as susceptibility of normative influence (SNI) (Bearden et al. 1989), consumer innovativeness (CI) (Buamgartner and Steenkamp 1996) and opinion leadership (OL) (Huffaker 2010) to develop our theoretical model. Second, we present a marketing based theoretical model to conceptualize the larger role of OBCs by examining the role of self-motives and consumer-brand engagement in an OBC. Finally, we consider the implications of our framework and the impact on the consumer-brand relationship in OBCs and marketing practice in general.

THEORETICAL BACKGROUND AND HYPOTHESES

It is generally agreed that consumers use brands to reinforce and express their individual self-concepts (Fournier 1998). Based on this premise this research uses, Dholakia et al.’s (2004) framework to explore consumer motives. Specifically we explore self-discovery (intrinsic desire to learn about oneself), maintaining interpersonal connectivity (to obtain many psychological benefits), and social enhancement (perceived value and increased social status attributed to social acceptance by a group). In the context of this research, identifying with an OBC often has emotional significance (Tajfel, 1978) and provides internal benefits. From a social identity perspective, brand community identification implies a sense of emotional connection with the group and is characterized by attachment or affective commitment (Bagozzi and Dholakia 2002). When motivated to engage in OBCs, consumers’ social identities are likely to incorporate in-group loyalty and exhibit citizenship behaviors (Bergami and Bagozzi 2000). This helps explain why motivations enhance social identity within an OBC. Consequently, consumers’ internal motivations may vary (i.e., social enhancement, interpersonal interconnectivity, or self-discovery), but the net effect is similar in terms of desiring identification with particular OBCs. This suggests the following hypothesis:

H1: Strong internal motivations will positively predict higher levels of OBC identification.
Brand engagement in self-concept (BESC) is a consumer’s general propensity to incorporate important brands in the self-concept (Sprott et al. 2009). In a brand community context, the role of consumer self-concept is highlighted in several qualitative studies. One for example, McAlexander, Schouten, and Koenig (2002) found that participation in the Jeep Brandfest event heightened brand engagement and integration of the Jeep brand with self-concept. These results imply that, as consumers engage with a set of brands, their self-concept will ‘extend’ to the brand and identify more closely with other brand users. Consequently, given the growing significance of online branding and brand communities, a probable outcome is that BESC leads to a stronger OBC identity. This suggests the following hypothesis:

**H2:** BESC will positively predict higher levels of OBC identification.

BESC is likely to be influenced by several individual difference factors that also play important roles in a consumer’s OBC identity. For this reason, BESC is modeled as a central mediator within the proposed model. One such antecedent of BESC is susceptibility of normative influence (SNI) (Bearden et al. 1989). SNI is an individuals need to seek information and enhance their image with significant others through buying and using brands. Consumers who are high SNI are likely to have strong interest in the potential value of OBCs to their identity. Consequently, BESC is expected to mediate the relationship to SNI and OBC identification. This suggests the following hypothesis:

**H3:** The effect of SNI on OBC identification will be mediated by BESC.

It is also proposed that BESC will mediate consumer innovativeness (CI). CI represents the extent to which consumers are open to new ideas and are driven to make decisions autonomously (Baumgartner and Steenkamp 1996). Research indicates that high CI consumers are motivated to seek out various forms of OBCs (e.g., user generated content, blogs, discussion boards) during the pre-purchase stage of product consumption (Kim and Eastin 2011). It is therefore expected that high CI consumers will seek out and identify with self-important brands, regardless of other external communication influences. Consequently, BESC is expected to mediate the relationship to CIs and OBC identification. This suggests the following hypothesis:

**H4:** The effect of CI on OBC identification will be mediated by BESC.

Finally, in terms of mediation, it is proposed that BESC will mediate opinion leaders (OLs). OL’s have the ability to drive and influence a dialog within a community (Huffaker 2010). As OLs’ interaction levels increase across various mediums, they derive pleasure by influencing group members and communicating brand information to opinion seekers. This reinforces OLs’ desire to share more about the brands they consume and strengthens their positions as leaders in the brand community. Thus, we expect OLs to have relatively high levels of BESC. Consequently, BESC is expected to mediate the relationship to OLs and OBC identification. This suggests the following hypothesis:

**H5:** The effect of OL on OBC identification will be mediated by BESC.

Additionally, self-motives for OBC identification and interaction are likely to be influenced by individual difference factors. In particular, SNI and BESC should play important roles as antecedents to self-motives. Consumers participate in OBCs, in part, to exchange product experiences and to seek information about brands (Wu and Fang 2010). Consequently, it is expected that consumers who are high in SNI and BESC will be self-motivated to identify and interact with OBCs. This suggests the following hypotheses:

**H6a:** The effect of SNI on OBC identification and OBC interaction will be mediated by self-motives.
H6b: *The effect of BESC on OBC identification and OBC will be mediated by self-motives.*

The model proposes that OBC identity and self-motives impact levels of OBC interactivity. OBC interactivity refers to reciprocal activities such as information exchange or group meetings (Kahn and McDonough III 1997), which result in higher levels of brand community interactivity. It is expected that as group identity strengthens, community interactivity should increase (Algesheimer et al. 2004; Dholakia et al. 2004). Finally, given past research pointing to the role of self-motives on BC engagement, stronger self-motives should influence levels of OBC interactivity, not just through OBC identification, but also directly. This suggests the following hypotheses:

**H7:** *Consumers with high OBC identity will be positively related to OBC interactivity.*

**H8:** *Consumers with strong self-motives will be positively related to OBC interactivity.*

### RESEARCH METHODS

Data collection was done using a reputable online survey firm, which produced a national panel sample of young to middle age adults (N=215). The sample’s mean age was 35 (SD = 9.10). Sixty-percent of the respondents were female and the median income was $55,000. Further the following questionnaire items were asked; BESC was measured using Sprott et al.’s (2009) 8-item scale. The self-motive scale was adapted from Dholakia et al. (2004) for the following constructs: self-discovery, maintaining interpersonal interconnectivity and social enhancement. SNI was measured using the 9-items from the normative dimension of Bearden et al.’s (1989) 12-item scale. OL was measured using Gnambs and Batinic’s (2011) 9-item scale while CI was assessed using Baumgartner and Steenkamp’s (1996) 10-item scale. OBC identification was adapted from Algesheimer et al.’s (2005) 5-item community identification scale and OBC interactivity was adapted from Wu and Fang’s (2010) 6-item scale.

### RESULTS AND DISCUSSION

The dimensionality, reliability and convergent and discriminant validity of the scales were examined using a CFA procedure (AMOS 18). Following the guidelines of Steenkamp, ter Hofstede and Wedel (1999) led to the deletion of several scale items. The removal of these items did not alter the latent construct measured as correlations between the initial scales and revised scales ranged from .98 to .86. Consequently, a seven-factor measurement model was tested using CFA. The fit indices suggested that the measurement model exhibited strong fit. Although the $\chi^2$ fit statistic was significant [$\chi^2 (168) = 215.59, p < .05$], given well-known inflation problems due to large sample size and model complexity, other fit indicators were examined and all of these were acceptable (CFI=.99; TLI=.99; RMSEA=.04; SRMR=.04). All of the composite reliabilities exceeded .70, indicating internal consistency. All constructs demonstrated convergent validity as their AVE scores were .50 or greater and all squared correlations were less than the smallest AVE scores, suggesting each of the constructs exhibited discriminant validity (Fornell and Larcker 1981).

The proposed model was estimated and direct hypothesized paths were explored. The results found that $[\chi^2[177] =229.90, p < .005]$ was significant and all other goodness of fit indices were acceptable (e.g., TLI=.98; CFI=.99; SMSR=.05; RMSEA=.04). As seen in Table 1, all but one hypothesis were supported. As proposed in H1, consumers with stronger self-motives were found to have more positive OBC identities ($\beta = .61; p < .001$). BESC positively predicted higher levels of OBC identification as proposed in H2 ($\beta = .17; p < .01$). Next, the two antecedents of OBC interactivity were explored. As
predicted, both high OBC identification (H7) and stronger self-motives (H8) led to higher levels of OBC interaction ($\beta = .71; p < .001; \beta = .24; p < .001$, respectively).

The mediation effects of H3-H6b were explored using the recommendations of Zhao, Lynch and Chen (2010). The direct path SNI→BESC was significant ($\beta = .42; p < .001$), however when tested for the mediation effect, H3 was not supported. The result found a direct-only nonmediation (SNI → OBC ID, $\beta = .46; p < .001$). The direct path CI→BESC was significant ($\beta = .21; p < .01$), as well as the mediation, thus H4 was supported. The results found that the mediation is an indirect-only mediation (CI → OBC ID, $\beta = .15; \text{N.S.}$). The direct path OL→BESC was significant ($\beta = .24; p < .001$), as well as the mediation, thus H5 was supported. The results found that the mediation is complementary mediation (OL→OBC ID, $\beta = .37; p < .001$). Next, the mediation effect of self-motives on SNI and BESC was explored. The direct path SNI-self-motives (H6a) was significant ($\beta = .51; p < .001$), as well as the mediation, thus H6a was supported. The results found that the mediation is complementary mediation (SNI→self-motives, $\beta = .46; p < .001$). The direct path SNI→ self-motives was significant ($\beta = .27; p < .01$), as well as the mediation, thus H6b was supported. The results found that the mediation is complementary mediation (BESC→self-motives, $\beta = .40; p < .001$).

**CONCLUSION AND IMPLICATIONS FOR THEORY AND PRACTICE**

Through studying several brand-related antecedents of OBC identity and interactivity, and making and elaborating on the distinction between self-motives and specific brand-related motives, our broad objective of conceptualizing a typology that explains the larger role of OBC community members in a nomological net was achieved. Further, exploring the proposed model using a representative western sample achieved our secondary goal. The debate we put forward is that prior literature explored OBCs using motives as the primary means for exploring OBC identity and interactivity. Further, when brand-related variables were explored, research investigated them as outcomes. In this research, we studied and elaborated on four brand-related antecedents and mediators (BESC, SNI, OL, and CI), found quantitative support and differing roles for BESC as a mediator.

In addition to these findings, this study advances managerial practice in two main ways. First, the proposed model offers marketing managers good news regarding how to enhance the interactivity of their OBCs. As we enter the era of one-to-one marketing and big data, the role of OBCs and who participates in them will become more relevant to provide effective strategic solutions, useful metrics, and greater brand value. Second, marketing managers can use co-creation of OBCs as a marketing tactic to strengthen the community’s brand identification. By developing strategies that build community cohesiveness, learning, sharing, and socializing through co-developing, marketing managers will generate higher levels of OBC participation (Zaglia 2013).

References available upon request
This study proposes and investigates a structural model explaining the paths that lead to the urge for impulse purchasing of fashion products. This study empirically tests a theoretical model of fashion products impulse buying by examining the associations between fashion involvement, brand love, hedonic consumption tendency, positive affect, fashion impulse tendency, shopping enjoyment, in-store browsing and urge to impulse-buy a fashion product. The urge to impulse-buy a fashion product can be mainly explained by fashion involvement which directly and indirectly influences several related variables such as shopping enjoyment and in-store browsing, and fashion impulse tendency. On the other hand, brand love and hedonic consumption tendency are positively influenced by the positive affect that consumers feel when visiting stores, which stimulates them to impulse-buy a fashion product. Despite the voluminous literature on impulse purchasing, relatively little is known about impulse purchasing in the fashion industry. This study fills that gap by proposing a model explaining the urge for impulse purchases of fashion products during the shopping experience by focusing for the very first time on the role of brand love impulse purchasing.

References available upon request
ONLINE CONSUMPTION COMMUNITY MEMBERSHIP: THE ROLE OF SENSE OF COMMUNITY AND SOCIAL IDENTITY

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ABSTRACT

Technological and societal changes have culminated in substantial shifts in the ways in which people interact in the business world and socially. These shifts are embodied in the emergence of online consumption communities—internet-based social groups inexorably linked to consumption behaviors. As social media grow in number and popularity, so does the individual’s opportunity to join these communities. Guided by prior research, this work uses a grounded theory approach to develop an understanding of the decision to join such groups. The result is the proposal of a general model of online consumption community membership motives, participation, and benefits. In addition, the text focuses on the interplay between community membership and the individual’s sense of community and social identity.

Keywords: Consumption community, Online community, Social media, Sense of community, Social identity, Grounded theory, Content analysis
INTRODUCTION

In recent years, technology has fundamentally altered the means through which people communicate. Innovations in electronic communication continue to transform the business world in ways that will not fully manifest themselves for years to come. Business is not the only aspect of life to witness such transformation. Indeed, the very essence of social activity has been altered. In today’s world, many children carry phones that enable nearly instantaneous global communication while most people had never even heard of the internet just 20 years ago. People have embraced the ease and speed of electronic communication. This growing acceptance is exemplified by the burgeoning of groups that lie at the intersection of business and electronic social interaction—online consumption communities.

It is apparent from the prevalence of such groups that consumers enjoy the relationships they engender. In fact, these communities could be seen as the social circles of not only the future, but also of today. Individuals are confronted with the option to join consumption communities with increasing frequency. However, not every purchase leads the consumer to join a new community. Limitations on individuals’ time and energy make this a near impossibility, but many consumers do decide to join communities. Social psychology tenets dictate that group membership decisions are rooted in the individual’s existing self-concept (Myers 2009). Prior research from the marketing discipline indicates that consumers’ purchase decisions are tied to this same influence (Sirgy et al. 1991). However, other findings support a phenomenon deemed transformational consumption, whereby the consumer alters or constructs his identity through the experience yielded by a particular type of good or service (Kleine et al. 2009). Given their basis in purchases, these effects are expected to carry over to consumption communities.

Unfortunately, no theoretical consensus seems to exist regarding these influential networks of consumers. In order to remedy this shortcoming, grounded theory must be developed. Related prior research and preliminary theory which guide this work will be discussed below. Next, the qualitative methods and the findings of this study will be detailed. This test will propose a conceptual model of the consumption community membership decision and group participation as well as the psychological results thereof. Finally, a suggested course of action for future research will be provided.

REVIEW OF LITERATURE

Consumption Communities

These groups are defined as “communities…created and preserved by...what men consumed” (Boorstin 1974). As naturally occurring social structures, communities have been studied for nearly a century, tracing back to the very foundation of sociology. Early work in this area was not based on consumption, but rather addressed more core aspects of society such as religion or race (Weber 1922). Once characterized as constrained to geographic areas, communities are now more broadly defined to focus on the “quality of character of human relationship without reference to location” (Gusfield 1978). These “relational” communities have flourished as communication technology has grown (Wilson 1990). A prime example can be found in the online setting, particularly in consumption communities.

Sense of Community
Building from foundational work in the social organization of communities, scholars pursued a greater understanding of community members’ experience. At the core of this experience is the feeling of being integrated into the community—a sense of community (SOC). SOC can be defined as “a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members’ needs will be met through their commitment to be together” (McMillan and Chavis 1986). The construct consists of four sub-parts: membership, influence, needs fulfillment, and emotional connection. Membership serves as a boundary and acts as a source of “emotional safety” which allows for group intimacy. Influence refers to a bilateral relationship between the individual and the community whereby the member may feel that he or she can exert influence on the group and vice versa. The third facet of SOC, needs fulfillment, is akin to reinforcement of the individual’s decision to take part in the community through some form of benefit. Finally, SOC is derived from emotional connection or the creation of shared meanings among community members (McMillan and Chavis 1986).

From church members to science-fiction fans, members of all sorts of communities report experiencing SOC (Peterson et al. 2008). In the marketing context, SOC was found to play an integral role in individuals’ devotion to certain brands, resulting in behaviors that benefit the brand (Carlson et al. 2008). These findings, though noteworthy, do not fully explain the part SOC may play in consumption community membership decisions. Specifically, the purely group-related outcomes of SOC are neglected. Hence, the question remains: What conditions contribute to consumption community membership and SOC development?

**Social Identity**

Social Identity (SI) is defined as “our way of thinking about ourselves and others based on social groupings” (Hannum 2007). According to the theory of SI, individuals categorize others and themselves based on perceived group memberships. In order to maintain their self-esteem, people identify with certain groups and evaluate those groups in comparison to others, generally in a positive manner (Tajfel and Turner 1979). The evaluative component of SI sets it apart from SOC, perhaps more clearly than any other facet of the constructs. SI has been shown to predict behaviors including pro-environmental behavior, organizational citizenship behaviors, and increased group commitment, as well as other brand-related outcomes like change in perceptions and purchases (Bergami and Bagozzi 2000; Dunlap and McCright 2008; Lam et al. 2010). Despite its frequent application in marketing, the role of SI in online consumption community membership remains unclear.

**METHODOLOGY**

An online questionnaire was utilized to allow for efficient data collection without restricting the range of participants to members of any particular consumption communities. A student sample is justified in light of these goals and because the present analysis is not intended to draw conclusions about variations between different groups. In addition, the typical college student’s familiarity with internet-based social networks increases the probability that they will have experience with online consumption communities. As such, participants consisted of students from a university in the southeastern United States.

A projective technique was employed in order to elicit experiences of consumption communities whereby a series of events were delineated and a few questions posed. The use of this projective technique rests on the expectation that respondents will reply to the questions based on their own
experiences of consumption communities. The interview prompt asked interviewees to imagine that a friend joined an online group that is devoted to the use and maintenance of cars. In order to avoid priming or biasing effects, the scenario was intentionally general with only the definition of a consumption community and enough description to ensure that respondents understood the nature of the group the fictional friend joined. Relative preference for the product category should have had minimal impact based on the description of the hypothetical friend’s interest for the product. The scenario should have allowed the participants to project on the friend their own feelings derived from such a group for which they would hold a similar (high) level of interest.

Respondents were asked 5 open-ended questions related to the decision to join such communities with a particular focus on motives and influences regarding the membership decision, the benefits thereof and the impact of membership on the individual’s self-concept. Responses from the final set of 56 interviews were transcribed and subjected to content analysis on a question-by-question basis in accordance with the methods of Charmaz (2006). Open coding of responses yielded from 6 to 12 initial codes, depending on the question. To ensure adequate grounds for meaningful interpretation, only pertinent responses that fell under a code that met the 10% occurrence decision rule were retained for analysis. A representative set of the coding for each question was reviewed for credibility by a second researcher with expertise in qualitative data coding. Coder agreement was above 98%, and the few discrepancies that arose were resolved through discussion. All statements were assigned as many codes as they embodied; therefore, code occurrences do not sum to sample size. After the initial coding, the author developed higher level, axial codes to link conceptually related open codes. These axial codes represent the emerging themes of the overall data. Incidence rates for axial codes were calculated as the overall proportion of participants whose answers reflected the axial code. Finally, these axial codes were linked from the data of one question to that of another. Thus, networks of themes were developed to represent the consumption community experience as described by the participants. For clarity, the questions will be discussed individually first with the combined findings to follow.

RESULTS AND DISCUSSION

The first question posed to informants was “What could make your friend decide to join the group?” Codes of Belonging, Shared Meaning, Member Attributes, Others’ Influence, and Status constitute the first axial code of Group Togetherness. Conceptualized as a desire to be part of a group, Belonging arose in the comments of 10 respondents. Whereas, Shared Meaning, which occurred 18 times, refers to interests the individual has in common with group members. Member Attributes occurred 5 times and taps into positive qualities of the members, in general. Others’ Influence, described 4 times, reflects desire on the part of the individual to act in accordance with group members. The final open code of the first axial code was Status—an improvement to the individual’s image that could occur through association with the group. Group Togetherness was therefore reflected in comments of 30 individuals (56.6% occurrence). The second axial code, Interest-based, is an amalgamation of the four open codes of Hobby/Interest, Product Attributes, Company Attributes, and Brand Attributes. Perceptions of all of these concepts are influenced by the focal interest of the group and are therefore interpreted as more or less direct references to that interest. In any case, they draw on the same sentiment: consumption behavior tied to the focal activity of the community. As open codes, Hobby/Interest, Product Attributes, Company Attributes, and Brand Attributes appeared 5, 12, 3, and 11 times, respectively. After accounting for code overlap, Interest-based was assigned to comments of 24 individuals, or 35.3% of participants. The open codes of Membership Perks and Product Knowledge were linked to form the
The second question read “How do you think your friend would participate in the group?” In total, three axial codes emerged from the responses. The most prevalent axial code, Nature of Participation, subsumed the open codes of Group Responsibilities, Promote, and Sharing Information. These open codes were reflected in 7, 7, and 20 responses to combine for an incidence rate of 59.6% for Nature of Participation. The second axial code for question two was Participation Context. Participation Context consists of the initial codes of Online and Offline, referring to the avenue for group interaction. In conjunction, the codes were assigned 30 times, yielding an incidence rate of 48.1%. The final axial code for Question 2 is Participation Level which is an indication of how intensely involved an individual is in the community. Responses to Question 2 of this sort ranged from Frequently to Inactively. The resulting incidence rate for Participation Level was 30.8%. An open code that did not group with others, but bears mentioning is Personality, which occurred in 15.4% of Question 2 responses.

The third question was “What do you think your friend will gain from participating in the group?” The responses culminated in three axial codes: Developmental Benefits, Informational Benefits, and Experiential Benefits. Developmental Benefits implies that individuals can grow through community membership. These responses include Personal and Social Growth, which in sum occurred in 61.1% of statements. Informational Benefits comprised Product Use Information, Company Knowledge, and Brand Knowledge and refers to the attainment of knowledge through group membership. Altogether, the axial code was tied to 59.3% of participants. Experiential Benefits are positive emotional outcomes from community interaction. The open codes that reflect Experiential Benefits are Acceptance, Emotional Benefit, and Entertainment. The incidence rate for Experiential Benefits was 44.4%.

For the fourth question, participants were asked if they thought their friend “could discover unexpected benefits after joining the group” and if so, “what could they be?” This question was intended to elicit deeper thought on the benefits of consumption community membership. As such, many of the response categories mirror, those from the previous question. Though the open codes varied to some degree, the Developmental and Informational Benefits axial codes re-emerged in Question 4. Developmental Benefits arose from the open codes of Networking, Self-Discovery, and Social Benefits. Though their respective occurrence rates sum to a whopping 80.4%, the three codes appeared in 59.3% of responses after adjustments for overlap. For Question 4, the Informational Benefits theme derives from the codes Inside Information and Product Information with a resulting incidence rate of 43.1%. A new axial code, Access Benefits, also emerged. Access Benefits embodies the access to resources and special offers reflected in the codes Deals and Resources. The incidence rate for Access Benefits came to 31.4%.
The final question was “Do you think that participating in the group could change who your friend is as a person? If so, how?” Well over half (62.5%) supported the idea of personal change with 23.2% of the total believing that a person’s core attitudes could change as a result of group membership. These beliefs were coded Traits. The axial code of Social Change, which refers to a shift in the individual’s social patterns and occurred a total of 9 times, emerged through the open codes of Group Differences and Social Development. A lone open code, Change Product Use, appeared with a frequency of 12.5% and refers to a difference in the individual’s attitude towards, use of, or knowledge of a particular product.

Synthesis

The questions analyzed were designed to tap into the actual decision to join consumption communities. Exploration of the key topics of motivations for joining communities, the benefits of doing so, and aspects of participation in communities provided a number of insights. A host of responses were given regarding each facet of the consumption community experience, yet recurring themes emerged.

Many influences have the potential to drive a person to a consumption community. Despite the variety, fit into three broad categories. The first class of motivations is social. In this situation, the enticement of social activity or development is at work. Alternately, the driving force behind the membership decision may be purely interest-based. Here, the consumer is infatuated with an interest or hobby and seeks to celebrate those feelings. Of note are responses that made reference to the concept of brand despite the intentional omission of any such reference in the backdrop of the interview questions. Finally, the prospective community member may join in an attempt to meet some utilitarian need or desire to be up to date. It is logical that these themes would reach beyond motivations for joining consumption communities to the benefits reaped. Developmental and Experiential benefits map back to social motivations, while Informational and Access benefits correspond with Awareness motives. The consistency of these categories across the topic areas reinforces the findings from each.

In terms of informants’ assertions about community participation, interpretation is perhaps a little less certain. It is interesting that, even though the online presence of the community was explicitly stated in the scenario that preceded the interview, respondents often referred to in vivo interactions. In any case, it is evident that three aspects of participation—the nature, level, and context—are distinguishable.

Finally, changes in SOC and SI were indicated by most respondents as potential results of that participation. Even among the respondents who thought a person’s identity could become tied to consumption community membership, the exact way this change was described varied greatly. Perhaps these differences reflect discrepancies in the ways individuals would participate. Taken together, these results yield the proposed model depicted in Figure 1 below.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The research discussed here offers extensive insight into the individual’s experience of online consumption communities. Though individuals will experience internet-based consumption communities differently, this text highlights some commonalities in perceptions of the groups. In sum, the findings presented here provide support for a conceptual framework that includes context-specific elements critical to the explanation of consumption community membership and its consequences. Still, the proposed model needs to be tested quantitatively. Prior theory and the work presented here suggest
that deeply personal social outcomes are feasible. However, it seems that across individuals they may or may not occur. Social motives and Awareness motives represent very different reasons for membership. Logically, the motivations from which group participation derives should affect that participation, ultimately determining the impact on the individual—possibly the development of SOC and SI.

For instance, maybe a person joins for social reasons, takes a leadership role in frequent offline interactions, and enjoys an enriched social network while another joins for more practical purposes, occasionally utilizes an online forum as a passive member, and merely learns more about the group’s focal activity. The nature of the consumption community experience may determine the individual’s fate, in a manner of speaking, in that it may irrevocably transform that individual’s life. But, then again, it might not. Though the majority of respondents expressed a belief that the potential for personal change is real, a sizeable proportion (37.5%) rejected the possibility. While others suggest more or less major changes as a byproduct of group membership, these people do not buy in to the notion, at all. How could this be? Perhaps the difference arises from different perceptions of membership motives. But, it is also feasible that some engrained difference between people leads to the varying views. It could be that some are prone to such life-altering change while others are not. References to a large number of benefits that are either informational or social suggest that constructs such as Need for Cognition and Need for Affiliation may come into play, for example. Which particular differences come into play is impossible to determine from the current research. It is, however, an interesting question with major implications for consumption communities of all types.

These hypothetical situations are not intended as arguments but more so as fodder for future investigation. Another area for such investigation is an assessment of boundary conditions for the proposed model in terms of different types of communities. Aspects of the focal activity or interest of a community may alter greatly the importance or impact of different constructs from the model. Likewise, the incidence of SOC and SI may be quite different for individuals with diverse cultural backgrounds. Logically, a culture’s measure on a dimension such as collectivism should affect the decision by members of that culture to join an online consumption community and the social and psychological results of that decision. It would be interesting to learn the exact impact of this type of difference, particularly given the diverse membership that internet-based groups can accommodate.

The smattering of follow-up research mentioned here is meant solely as a survey. As stated before, the purpose of the current examination is to provide a groundwork for a more complete explanation of online consumption community members’ behavior. Such an explanation could facilitate the development of community member profiles which would be invaluable for managers. As the groups mushroom and the typical consumer’s social existence becomes increasingly digitized, greater understanding of the topic area will prove instructive for both academics and practitioners of marketing.

Online consumption communities are a phenomenon of growing popularity among marketers and consumers. Beyond an emerging form of social interaction that offers an appealing convenience in today’s world of hustle and bustle, consumption communities represent an opportunity for firms to weave their products into the fabric of consumers’ lives and, consequently, their wallets. The research proposed here will contribute to improved knowledge of the factors that influence an individual’s choice to join online consumption communities and the impact of that choice, including potential gains and even an altered sense of self. This knowledge will prove invaluable to firms who strive to differentiate their products and instrumental to scholars who seek to make better sense of the marketing world.
Table 1:

Response Code Key

<table>
<thead>
<tr>
<th>Themes and Subthemes with Definitions</th>
<th>Occurrences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Question 1: Motivations</strong></td>
<td>(n=53)</td>
</tr>
<tr>
<td><strong>Group Togetherness</strong></td>
<td></td>
</tr>
<tr>
<td>Belonging- some form of need or desire</td>
<td>18</td>
</tr>
<tr>
<td>to be part of a group</td>
<td>(34.0%)</td>
</tr>
<tr>
<td>Shared Meaning- common interests among</td>
<td>10</td>
</tr>
<tr>
<td>group members and the individual</td>
<td>(18.9%)</td>
</tr>
<tr>
<td>Member Attributes- qualities specific to</td>
<td>5</td>
</tr>
<tr>
<td>group members as individuals</td>
<td>(9.4%)</td>
</tr>
<tr>
<td>Others' Influence- influence of friends</td>
<td>4</td>
</tr>
<tr>
<td>of the individual already in the group</td>
<td>(7.6%)</td>
</tr>
<tr>
<td>Status- the ability to derive some sort of social</td>
<td>2</td>
</tr>
<tr>
<td>Status</td>
<td>(3.8%)</td>
</tr>
<tr>
<td><strong>Interest-based</strong></td>
<td></td>
</tr>
<tr>
<td>Hobby/Interest- the activity represents an area</td>
<td>5</td>
</tr>
<tr>
<td>of interest or hobby for the individual</td>
<td>(9.4%)</td>
</tr>
<tr>
<td>Product Attributes- qualities specific to the</td>
<td>12</td>
</tr>
<tr>
<td>Product</td>
<td>(22.6%)</td>
</tr>
<tr>
<td>Company Attributes- qualities specific to the</td>
<td>3</td>
</tr>
<tr>
<td>the company</td>
<td>(5.7%)</td>
</tr>
<tr>
<td>Brand Attributes- qualities specific to the brand</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>(20.8%)</td>
</tr>
<tr>
<td><strong>Awareness Motives</strong></td>
<td></td>
</tr>
<tr>
<td>Product Knowledge- desire to gain or the</td>
<td>19</td>
</tr>
<tr>
<td>availability of product-related knowledge</td>
<td>(35.9%)</td>
</tr>
<tr>
<td>Membership Perks- direct or explicit benefits</td>
<td>12</td>
</tr>
<tr>
<td>available only to group members</td>
<td>(22.6%)</td>
</tr>
<tr>
<td><strong>Socialize</strong></td>
<td></td>
</tr>
<tr>
<td>Socialize- social interaction or events</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>(26.4%)</td>
</tr>
<tr>
<td><strong>Question 2: Participation</strong></td>
<td>(n=52)</td>
</tr>
<tr>
<td><strong>Nature</strong></td>
<td></td>
</tr>
<tr>
<td>Group Responsibilities- taking on a leadership</td>
<td>7</td>
</tr>
<tr>
<td>role or contributing to the group</td>
<td>(13.5%)</td>
</tr>
<tr>
<td>Promote- trying to draw other people to the</td>
<td>7</td>
</tr>
<tr>
<td><strong>group or promote the group</strong></td>
<td>(13.5%)</td>
</tr>
<tr>
<td>Sharing Info- learning as well as providing information and opinions</td>
<td>20</td>
</tr>
<tr>
<td><strong>Context</strong></td>
<td>(38.5%)</td>
</tr>
<tr>
<td>Offline- participating in events or meetings in person</td>
<td>19</td>
</tr>
<tr>
<td>Online- posting on or visiting online forums</td>
<td>11</td>
</tr>
<tr>
<td><strong>Level</strong></td>
<td>(21.2%)</td>
</tr>
<tr>
<td>Frequently- participating frequently or regularly</td>
<td>8</td>
</tr>
<tr>
<td>Inactively- participation through passive means such as observation or not at all</td>
<td>3</td>
</tr>
<tr>
<td>Infrequently- participating only occasionally</td>
<td>5</td>
</tr>
<tr>
<td><strong>Personality</strong></td>
<td>(5.8%)</td>
</tr>
<tr>
<td>Personality- participation will vary from person to person</td>
<td>8</td>
</tr>
</tbody>
</table>

**Question 3: Benefits** (n=54)

**Developmental**
- Personal Growth- knowledge or know-how unrelated to a product, brand, or company | 3 |
  | (5.6%) |
- Social Growth- attaining friends, social contacts, status, or social connections | 30 |
  | (55.6%) |

**Informational**
- Product Use Information- previously unattained knowledge related to the product | 23 |
  | (42.6%) |
- Company Knowledge- previously unattained knowledge related to a company | 1 |
  | (1.9%) |
- Brand Knowledge- previously unattained knowledge related to a brand | 8 |
  | (14.8%) |

**Experiential**
- Acceptance- a feeling of belonging, membership or camaraderie | 9 |
  | (16.7%) |
- Emotional Benefit- any emotional benefit beyond that of entertainment or acceptance | 6 |
  | (11.1%) |
- Entertainment- experiences, fun, or enjoyment related to group participation | 9 |
  | (16.7%) |

**Question 4: Additional Benefits** (n=51)

**Developmental**
- Networking- contacts that may benefit the individual | 13 |
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionally</td>
<td></td>
<td>(25.5%)</td>
</tr>
<tr>
<td>Self-Discovery</td>
<td>improvement of one’s self or broadening of one’s perspective</td>
<td>(11.8%)</td>
</tr>
<tr>
<td>Social Benefits</td>
<td>making new social contacts</td>
<td>(43.1%)</td>
</tr>
<tr>
<td>Informational</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inside Info</td>
<td>information gained solely through group membership</td>
<td>(7.8%)</td>
</tr>
<tr>
<td>Product Info</td>
<td>product-related information</td>
<td>(35.3%)</td>
</tr>
<tr>
<td>Access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deals</td>
<td>coupons, discounts, and other promotions</td>
<td>(23.5%)</td>
</tr>
<tr>
<td>Resources</td>
<td>resources that are product-related or otherwise</td>
<td>(7.8%)</td>
</tr>
<tr>
<td>Question 5: Personal Impact</td>
<td>(n=56)</td>
<td></td>
</tr>
<tr>
<td>Personal Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive</td>
<td>any response that generally supports the notion of personal change</td>
<td>(62.5%)</td>
</tr>
<tr>
<td>Negative</td>
<td>any response that generally does not support the notion of personal change</td>
<td>(37.5%)</td>
</tr>
<tr>
<td>Traits</td>
<td>changes in the individual’s personality traits or general attitudes</td>
<td>(22.2%)</td>
</tr>
<tr>
<td>Social</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Differences</td>
<td>involvement with the focal group versus with other groups</td>
<td>(7.1%)</td>
</tr>
<tr>
<td>Social Development</td>
<td>change in social skills or in the social roles the individual enacts</td>
<td>(8.9%)</td>
</tr>
<tr>
<td>Product Use</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change Product Use</td>
<td>changed attitudes towards, use of or knowledge of the product</td>
<td>(12.5%)</td>
</tr>
</tbody>
</table>
Figure 1:

Proposed Conceptual Model of Online Consumption Community Member Behavior
REFERENCES


ENGAGING CUSTOMER PREFERENCE THROUGH TRADE CREDIT:
AN INVESTIGATION OF THE IMPACT OF PAYMENT TERMS ON BRAND EQUITY

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Since organizations rarely collect immediate payment from business-to-business sales, trade credit structures financial and sales relationships between suppliers and customers (Asselbergh 1999). In this context, managing days’ sales outstanding (DSO), or the average number of days a company takes to collect revenue from business customers after a sale, represents a critical financial and marketing issue. If DSO indicates how quickly a company turns sales into cash (Bragg 2005), its extension also favors business opportunities and product quality demonstration when more generous payment terms are granted to customers (Emery and Nayar 1998; Smith 1987). Thus, trade credit can be viewed as a lubricant that facilitates sales through the attraction of customers’ business (Cheng and Pike 2003; Emery and Nayar 1998), or the signal of brand quality through additional time for the customer to test the product (Long et al. 1993). This research examines the extent to which credit terms offered by salespeople influence customers’ average payment delay and their perception of the supplier’s brand equity (i.e., brand attitude, brand trust, brand preference).

We propose and test a model where customer importance, bargaining power, along with relationship length and quality with the salesperson influence customers’ average payment delay. In turn, payment terms is hypothesized to reflect customers’ evaluation of the supplier in terms of brand equity as reflected in brand attitude, brand trust, and brand preference. We also control for the influence of customers’ financial difficulties and invoice correctness on average payment delay.

Findings show that customer importance positively relates to payment delay along with the customer’s bargaining power. Relationship length with the supplier negatively impacts payment delay while relationship quality does not influence delayed payment. Payment delay negatively reflects customers brand attitude, brand trust, and brand preference. Concerning the control variables, invoice correctness does not have a significant influence on payment delay whereas financial difficulties do.

To the best of our knowledge, this research is the first to empirically test the impact of payment terms granted by the sales force on customers’ perception of suppliers’ brand equity. Findings contradict the accounting literature which suggests that payment delay should be seen as an implicit warranty period to enhance positive brand evaluation (Long et al. 1993). In fact, payment delay relates to customers’ perception of low brand equity. Moreover, by revealing a negative relationship between payment delay and customers’ brand attitude, brand trust, and brand preference, this research shows that trade credit may not attract customers’ business and signal brand quality in the long run. Hence, companies’ sales organizations may jeopardize their own incoming cash flows and financial stability with improper usage of trade credit.

References Available Upon Request.
THE PERSPECTIVE OF SMALL RETAILERS ON SUSTAINABILITY: AN EXPLORATORY STUDY FOR SCALE DEVELOPMENT

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INTRODUCTION

The retail industry has grown globally with retail revenues above $11.5 trillion (2010) and expected growth to $20 trillion by 2020 (Court and Narasimhan 2010). Discerning companies recognize that to be truly green they must holistically address the 3E’s (i.e., ecology, environment, and economy). It is more than selling green products; the retailer must also make green decisions for the betterment of society. Best known for their greenness are the big-box US retailers. Nevertheless, the small US retailers account for 40% of all retail sales and provide jobs for around eight million people; therefore, managements’ collective environmental sustainability decisions have a significant impact on the 3E’s. Almost 95% of retailers have one store outlet in the US and thus small retailers make up most of the retailing industry (Independent Retailer 2011). The multiple retail footprints (1,067,984 in 2010) on US soil of which 1,041,996 (97.6%) represents the footprints of small retailers (SBA.gov 2011), thus their collective impact on the built environment warrants research as to their sustainability attitudes and behaviors.

BACKGROUND

For clarity, the built environment and its scope must be operationalized in order to understand the level of impact possible from multiple small retail establishments. The built environment includes land use patterns, transportation systems, and design features that together provide opportunities for travel and physical activity (Transportation Research Board Institute of Medicine of the National Academies 2005, p. XII). The current study focuses on the small retailers’ attitudes and behavioral choices within the design aspect of the built environment. The current study tests scales to measure attitudes toward decisions that impact the 3E’s including economic, stocking and promotional choices, natural resource consumption behaviors, and value chain relationship decisions.

Stakeholder pressure on US retailers (e.g., special interest groups, customers, consumers, community members) to conduct their business in an environmentally sustainable manner and to offer environmentally friendly products continues to increase. According to a 2008 survey, 72% of retailers surveyed admitted that customer demand is the primary reason for change over other stakeholder pressure (National Retail Federation 2008). Thus, a significant economic benefit for the green utopian
company (i.e., all members of the supply chain addressing the 3-E’s at the same level) is to strategically address the expectations of a greening society to gain a unique competitive advantage through implementation of best practices in environmental and fiscal sustainability that is difficult and arduous for competitors to replicate (Kotler and Keller 2009). Therefore, from a holistic perspective this study also examines scales to measure small retailers’ perceptions of the needed level of response to stakeholders’ pressure for environmentally responsible behavior. When addressing a changing retail environment, retailers’ choices impact the design aspect of the built environment.

With the three $E$’s as the company’s focus, success involves significant efforts in aligning with like-minded, self-regulating value chain members in order to create and maintain satisfaction, loyalty, and trust (Phillips, Liu, and Costello 1998). Decisions within the value chain such as product liability, material usage and resource choices, lifecycle considerations, and eco-efficiency must align among members. From a profitability viewpoint (demand chain in mind), sustainability decisions are weighed against standards, costs, and resource availability for product conceptualization, product development, and supply chain and manufacturing process decisions. Taking this integrative approach necessitates tying short-term behavior decisions to long-term corporate profitability and environmental sustainability. This current study takes a holistic approach to examine small retailers attitude toward environmentally sustainable value chain (Bayat, Sundararajan, Gustafson, Jr., and Zimmers Jr. 2011). Small retailers with limited advertising budgets may have difficulty overcoming consumer ambivalent attitudes toward their greenness unless they strategically market using a holistic approach to environmental sustainability that includes alignment with likeminded value chain members. Successful retailing of green products means management embraces a cradle-to-cradle mentality with long and short-term sustainable decisions cycling continuously through feedback loops of knowledge acquisition process development through production/product improvements.

For an organization to succeed over the long run, it must be financially sound and take steps to minimize negative environmental and ecological impacts while behaving in a manner that conforms to societal norms. The triple bottom line is the notion of corporate accountability and reporting the value of an organization based on the concept of integrated economic, environmental, and social activities (Savitz and Weber 2006). The 3-E’s – economic (economy) – profitability; environmental (environment) – air quality, water quality, energy usage, waste produced; and social (economy, ecology and environmental) impact of retailers’ sustainable decisions on the community (Hirshberg 2008) adapts well to the triple bottom line concept. Overall, there is little academic research on the interface between sustainability as defined by the triple bottom line and small retailers. Understanding the attitudes and behaviors of the small retailer is paramount when viewing the retail industry holistically Opportunities to gain ecological
and environmental sustainability may not resonate with a small retailer whose ownership believe in the single (economic) bottom line only.

**RESEARCH METHODS**

This study collected data from managers and owners of small retailers (< 100 employees) from the States of Georgia and Florida to identify attitudes and environmentally sustainable behaviors that impact the built environment. The sample identified as, “retailers” are those selling products (i.e., goods or services) to end users (Stern and El-Ansary 1992) and defined as *independently owned and operated, organized for profit, and not dominant in its field* (SBA 2012), but did not include franchises. In order to accurately measure the concepts in the study, depth interviews with small retailers were conducted to create a survey instrument. This was a first pre-tested on a small sample of business owners. The survey (available upon request) consisted of 36 quantitative questions using a seven-point Likert scale. No demographic information was collected as all respondents were identified as meeting the criteria of this study. The sample was made up of 58 small business managers and owners. This study is the first step in the development of a scale of small retailers’ attitudes towards sustainability. The study relies on subjective self-report measures developed specifically for the small retail industry that may reflect response bias. However, steps such as guarantee of anonymity were taken during data collection to reduce response bias to enhance generalizability.

**RESULTS AND DISCUSSION**

Since the measures were created specifically for this study, exploratory factor analysis (EFA) was conducted using SPSS® 21.0. EFA was used in order to begin the process to purify the measures and determine which items could be used in future research for further scale purification and validation. For each theorized construct, principal components analysis with a fixed number of factors was used with a varimax rotation. Items with low communalities or cross loadings were dropped (Hair Jr., et al. 2010). Attitude toward the triple bottom line loaded on three factors as originally conceptualized for the multidimensional scale (i.e., ecology, environment and economic) consisting of nine items; however, the items did not load as conceptualized. The findings did make sense theoretically if looked at from a different perspective, which focused on economics and Friedman’s theory of rational choice. The construct was re-evaluated and analyzed from this perspective and is a good candidate for future refinement. Factor 1 is composed of 5 items that reflect the dimension in which the environment and ecology are of equal importance. The total variance explained by this factor is 61.835% and the Cronbach alpha of .823 indicates acceptable reliability (Hair Jr. et al 2010). Factor 2 is composed of two items (thus under-identified) that reflect the dimension that economics and the environment are equally
important. The total variance explained by this factor is 83.221% and the Cronbach alpha of .784. Factor 3 is composed of two items that reflect the dimension that economics are more important than the environment. Total variance explained by this factor is 61.462%, but the Cronbach alpha is only .371. Perception of the retailers’ ability to be environmentally sustainable is operationally defined as a unidimensional construct that measures the retailers’ perception of their ability to financially afford to engage in environmentally sustainable behavior. This was measured with a scale consisting of four items. All items loaded on one factor; however, the low communality of one item suggested that it should be removed. After its removal, the total variance explained is 60.766% and the Cronbach alpha is .663. Removal of an additional item would improve the reliability to .746. In this preliminary analysis, the recommendation is that the item be re-tested and possibly re-worded for clarity.

Perception of stakeholder pressures is operationally defined as a multi-dimensional construct that measures small retailers’ perception of the need to respond stakeholder pressures as to environmental decisions internal to the retail establishment. This was measured with a scale containing nine items. Two items were initially dropped due to low communalities. The remaining factors loaded with a three-factor solution. Factor 1 represents the dimension of retailers’ perceptions of green washing. The total variance explained is 92.712% and the Cronbach alpha is .918. Factor 2 represents the dimension of retailers’ perceptions of conforming to external pressures. The total variance explained is 57.067% and the Cronbach alpha is .617. Factor 3 represents the dimension of retailers’ perceptions of societal demands. The total variance explained is 64.833% and the Cronbach alpha is .455. The results indicate that this construct requires more refinement and will benefit from additional research.

Supplier/distributor decision behavior is operationally defined as one’s perception of ability to influence decisions surrounding supply chain member behavior. This was measured with a scale containing six (6) items. The items loaded on one factor; however, one item was removed due to a low communality. The total variance explains 54.987% of the variance and has a Cronbach alpha of .784. Environment assessment behavior is operationally defined as engagement in environmental assessment directly related to the retail establishment. This unidimensional measure is a scale containing three (3) items. All items loaded on one factor, which explains 57.404% of the variance and the Cronbach alpha is .646. Deleting an item would have not improved alpha and would have left the measure under-identified. The results indicate that this research is a good first-step towards developing measures that reflect small retailers’ perceptions of sustainability and their role in preserving the environment as well as their attitudes and opinions of the costs of implementing sustainable practices. None of the results indicate that any measure should be deleted from future research but rather, improved upon and further refined.

References available upon request
Special Session Proposal

From Customer Engagement to the Customer Journey – Understanding the drivers of engagement in B2C and B2B environments

Description: Engaging prospects, customers, clients, and past customers have become an area of increased interest for companies that engage in both consumer and business-focused sales and marketing. While customer engagement has become increasingly popularized by the technology sector and digital marketing efforts, engagement is necessary for traditional consumer-focused businesses and business-to-business endeavors. There are two related, but potentially different approaches to customer relationship development; the user engagement model and the customer journey model. This special session will address user engagement model research as well as customer journey research.

Why it is important: The traditional approach of funnel and pipeline development through marketing processes and sales engagement are being challenged by an increasing focus on developing ongoing relationships and engagement with customers, users, and prospects. New models of engagement are being developed in practice and deployments of these approaches are happening faster than researchers can respond. Understanding the trends and drivers for customer engagement and the customer journey provides insights into areas for further investigation and research.

Special Session Presentations:

1) Understanding factors that contribute to deepening user commitment on User Generated Content sites – a presentation of a proposed model being researched as a component of a dissertation project looking at how user commitment is influenced by non-functional factors. This model draws upon theory from sociology and psychology disciplines (Social Penetration Theory) and economic theory (Social Exchange Theory) to provide a lens for understanding the contributors to user commitment. – David Altounian

2) Rethinking the Customer Journey – Brands are facing an increasingly complex number of digital marketing options to engage with customers in a personalized approach. To combat this complexity, many brands are seeking to focus on a few key areas. Building a Single View of the Customer will allow brands to consolidate and leverage their data across multiple channels, understanding the Customer Journey will help brands to engage with relevant content and messaging at the right time, and optimizing content will ensure digital assets are maximized. Using case studies and examples based on practitioner experience, we will review how several brands have both executed campaigns to drive customer engagement as well as how they have engaged in mapping the customer journey. – Rob Wiley

3) User Benefit and Adoption in Self-Reflection/Web-based Counseling Tools – Adopting a 4-stage approach to the development of a new social network, Kissaah, authors examine the research question – How and to what extent does an interactive web-based platform provide a structured reflective process conducive to producing generative self-knowledge benefiting the user at the time of a major life transition? What are the user benefit values that drive engagement and usage? – Victoria Woo
4) **Perishability and Digital Content: Challenges to Consumer Engagement and Journey** – The perishable nature of services is a problem not shared by digital offerings – which can be easily be stored and used even after the service has been delivered. This phenomenon has been termed “persistence” (Boyd 2014), as opposed to the term “ephemerality” (used by communications scholars Pavlik and McIntosh, 2011), or more traditionally in services marketing literature, “perishability” (Zeithaml 1981). With persistence, however, comes a new consumer challenge – keeping and maintaining content in the face of constant software upgrades and hardware improvements. Anyone with a collection of “vintage” 8-track tapes knows the challenge of consuming content held in an obsolete medium/format/platform. This is perhaps an extreme example, but with quickening improvement cycles (for example, Android 2.3-based cellphone users were no longer supported after an approximate 2-year run in the U.S.), users are increasingly stuck with data held in less-than-easily-accessible formats. Customers’ engagement (O’Brien and Toms 2010) with their own content is thus challenged and the customer journey is threatened or even thwarted. – Scott Roberts

**Special Session Speakers:**

**David Altounian** is an Assistant Professor of Entrepreneurship in the School of Business and Management at St. Edwards University. He is the former Founder, Co-Chairman and CEO of Motion Computing, a leading provider of mobile computing products for vertical markets. Motion was formed in 2001 and now serves customers around the world. He also was a founder of iTaggit Inc., an early web 2.0 company focused on item management.

Mr. Altounian has almost 30 years of management and staff experience in the technology sector. Prior to starting Motion he was with Dell Computer Corporation, where he served in marketing executive positions for both the relaunch of the notebook computer business in 1994 and the creation and launch of the Precision workstation product businesses in 1997. He worked for two years in the United Kingdom as the General Manager, Workstation Line of Business for Europe, Middle East, and Africa.

In addition to his experience at Dell, Mr. Altounian managed marketing and new business development teams for leading technology companies including Motorola, Compaq Computer Corporation and Ashton-Tate. He is a named inventor on 10 patents and a published author.

Mr. Altounian earned his MBA at Kellogg School of Management at Northwestern University and is currently completing his Ph.D. at Oklahoma State University.

**Rob Wiley** is a Visiting Professor, Taylor University and a Corporate Development Principal at ExactTarget, a Salesforce.com company. ExactTarget is a leading provider of on-demand interactive marketing software solutions. He has 17 years of practical and leadership experience in technology, sales, market research, and brand management with previous experience at Eli Lilly and Ford Motor Company. Rob holds a MBA from the Fuqua School of Business at Duke University and a Bachelor of Science in Mathematics from Taylor University.

**Victoria Woo** is a professional entrepreneur with over 20 years experience in start-ups, international business development, general management, and bridging academia with business communities. She
founded Kissaah Pte Ltd., a game in development that will urge its users to consider their values and strengths in such a way that they can construct the path to their ideal futures. Her aim, toward which she applies the unique ability to craft and perpetuate creative designs for which she is known, is to cultivate a society of individuals and businesses capable of aligning their strengths with their goals.

As an adjunct team-lecturer for the Stanford Technology Ventures Program, Victoria uses the Kissaah game platform to provide mentoring and guidance in academic work. She has conducted Kissaah workshops for budding entrepreneurs in Vietnam and Singapore.

In the past 7 years, Victoria was in executive education development for Harvard and INSEAD. She has developed and implemented marketing strategies to facilitate communication and cooperation among world-wide business partners, alumni, and clients. She was active in program design and delivery of customer programs for senior leaders and high potential managers. She has also founded a number of businesses and organizations, including Arivick International, a consulting firm that assists Asian businesses and start-ups to formulate Asia Pacific strategies and source equity, and bSuccess.com, a unified messaging and project management software firm, which was subsequently acquired by 2bsure.com, of which she became Vice President of Business Development, responsible for hiring employees and fundraising. She has launched and supported award-winning products and strengthened market shares for a number of Asia Pacific companies, and is known for her ability to leverage in and facilitate the bridging of differing schools of thought.

She is a Ph.D. candidate at the Weatherhead School of Management at Case Western Reserve University, her research interests include the impact of transitions on the lens through which individuals experience new realities, sustaining and attaining eudaimonia in the age of flux, mechanisms towards capturing transformative power of change. Her research has lead to development of measurements such as Transformation Quotient™ and Productive Serendipity™.

Scott Roberts is Associate Professor of Marketing and Director of the Hispanic Marketing Institute at The University of the Incarnate Word (San Antonio). He was formerly Associate Professor of Digital Media Management at St. Edward’s University (Austin) as well as Associate Dean of that university’s business school. He has published and/or presented over 70 professional and academic papers in marketing, technology, consumer behavior and related areas.
Could brands associated with mostly negative information—those with poor reputations—be perceived as superior to unrecognized brands? A reasonable consumer should value reputation; however, it is also sensible to put a heavy weight on brand recognition. To investigate this question, the authors study consumers’ inferences about brand quality in five domains. Results suggest that brands associated with predominantly negative information are indeed perceived as of higher quality than unrecognized brands. In addition, when consumer inferences are predicted based on different memory cues, the frequency of encountering a brand dominates what people profess to know about it. The authors explore the ecological rationality of this strategy by studying the relationship between expert-judged quality and consumer knowledge.
THE BIG DATA HIERARCHY: A MULTI-STAGE PERSPECTIVE ON IMPLEMENTING BIG DATA

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ABSTRACT

Firms increasingly have access to a variety of data from sources such as customers, transactions, social media, and other stakeholders. Marketers use the term Big Data to describe this avalanche of information which they view as critical to providing a better understanding of customers and markets. This research uses a qualitative approach, through interviews with marketing managers, to evaluate the scope of Big Data, develop a hierarchy of how firms use data to make marketing decisions, describe the external and internal factors that influence where a firm falls within the hierarchy, and identify four specific transition factors that allow firms to develop Big Data capabilities. We find that the key factors that determine the level of Big Data decision making are the firm environment, competition, organizational structure, interdepartmental dynamics, and executive commitment. To transition to a higher level of data driven decision making, firms must consider their current and future capabilities in terms of data, analytics, people, and organization.
ADVANCING STAKEHOLDER MARKETING THROUGH RESOURCE-BASED THEORY

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ABSTRACT

The creation and exchange of value offerings for different stakeholders has become a central component of marketing. Despite the increasing adoption of the stakeholder view among marketing academics, stakeholder marketing is still in its infancy. By applying resource-based theory (RBT) to stakeholder marketing, the paper provides a theoretical foundation to encourage further research in this stream. Because any stakeholder group or relationship can serve as a strategic resource for the firm, RBT is particularly relevant to stakeholder marketing. A critical review leads to a set of research questions aligned with five major themes for future research integrating RBT and stakeholder marketing.

References Available Upon Request
In this research, we extend findings from the numerical cognition literature to explore and test how retail spatial arrangement of prices can influence value perceptions and choice. Specifically, we demonstrate that presenting options in an ordered price sequence increases consumers’ preference for higher priced items depending on the spatial direction of the display. The results of two studies provide evidence that in horizontal displays, consumers are more likely to select the higher-priced items when prices follow a descending (vs. ascending) sequence. In contrast, when the products are arranged in a vertical format, consumers are more likely to select the higher-priced items when the products are presented in ascending order (vs. descending). The findings of this paper have important implications for retail product displays and menu designs.

References Available Upon Request
Recent research shows that the impact of red (vs. black) prices on store savings perception is moderated by gender. This paper investigates the interaction between colored prices (red vs. black) and financial scarcity (high vs. low) on perception of savings. With about 50 percent of consumers having less than 3 months worth of funds to cover their monthly expenses, further investigation on the moderating effect of financial scarcity is important since bias in price evaluations could cause adverse financial consequences for those already experiencing financial hardship. This research reports findings from two experiments that assessed the relationship between colored prices and financial scarcity. These studies revealed that high financial scarcity individuals perceived greater savings with red prices relative to black prices, whereas low financial scarcity individuals did not (studies 1 and 2). High financial scarcity participants appeared to use the associations they had with red prices as a heuristic such that associations related to sales/discounts resulted in higher perception of savings.

References Available Upon Request
BOTTOM OF THE PYRAMID, MARKETING AND GLOBAL MARKETS:
MULTIDISCIPLINARY DISCOURSES AND EMERGING LITERATURE

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ABSTRACT

In marketing and social sciences, the literature on the bottom of the pyramid (BOP) is rich, multidisciplinary, and uniquely diverse regarding its contents and contributions. Since the publication of Prahalad’s (1998, 2002, 2006) seminal works on this topic, a wide array of writings and investigations have appeared in this area that represent multidisciplinary discourses and new contents. This paper revisits and reviews the topic of the BOP and its multidisciplinary investigations (2002-2014) that relate to marketing. The paper’s major contribution is to lay the foundation for other review-based studies that may be seeking multidisciplinary discourses and analysis. Future academic research can benefit by looking at those issues that provide opportunities for future research and practice.

The work specifically assesses the BOP topic and its changing research domains and multidisciplinary agendas. As of 2014, the BOP literature continues to grow and remains multifaceted. For this purpose, this paper will review and analyze over 60 empirical and non-empirical contributions and surveys from the areas of agency theory, institutions, entrepreneurship and business issues, ethics, social issues, and marketing. Additional areas include MNC-related issues, poverty, and technology. In short, BOP-related investigations and analysis are important in marketing because of their relevance and applications and provide major opportunities to businesses that sell consumer and industrial products. The paper’s major contribution is to lay the foundation for other review-based studies that may be interested in interdisciplinary discussions. Future academic research can benefit by looking at those issues that remain hidden in other disciplines.

References Available on Request.
MONET’S, NYMPHEAS... $11 MILLION; ROTHKO’S, WHITE... $73 MILLION; MY YOUNGEST SON’S, THE BURIAL OF OUR DOG ROVER... PRICELESS!: CONSUMER BEHAVIOR IN THE FINE ART MARKET

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ABSTRACT

Today’s international fine art market annually accounts for billions of dollars in revenue, millions of jobs, and boasts consumers who are among the world’s wealthiest and most influential individuals. Outside of the financial impact of the industry, the fine art market is unique in that it provides value for consumers on multiple levels: social, financial, and aesthetic. Despite the complexity and enormity of the fine art market, limited research has been conducted related to consumer behavior within it. A qualitative, interview based, study was conducted in order to build theory and extend the literature about consumer motivations in the purchase and sale of fine art, and how intimacy can be created between the consumers of fine art and the creators of it.

References Available Upon Request
GOING UNDER THE NEEDLE FOR YOUR BRAND: TATTOOING AS THE NEW MARKET MEDIUM

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ABSTRACT

This conceptual paper proposes Carnival as a relevant and useful theory with which academics and practitioners can better understand concepts such as consumer generated advertisement and how to better engage consumers in positive brand communications. We propose that the Internet can provide the necessary conditions for modern day Carnival to take place. Consumer generate advertising is becoming an increasingly popular form of caricature and ridicule. Individuals in society with traditionally low societal power have access to the Internet and are able to upload videos and caricatures mocking brands, politicians and individuals. Prior to the Internet, individuals would not have had access to the mass distribution capabilities of YouTube, Facebook, My Space and more. Russian philosopher and theorist Mikhail Bakhtin (1895-1976) explores themes related to communication and protest through the concept of carnival. In today’s society, similar themes are increasingly prevalent in modern communication channels, specifically the Internet. With the increasing popularity of consumer-generated content related to brands, consumers often engage in mass public dialogues like those originally developed and discussed by Bakhtin.
ABSTRACT

The global sports market accounts for an estimated $146.4 billion dollars in revenues, millions of jobs, and some of the most passionate and connected consumers of any industry in the world. The global sports sponsorship market alone is expected to hit an astounding $45 billion in 2014 and this market is expected to grow at the rate of 4% or more over the next several years. Athletes are gaining more and more power over the marketing and distribution of brand messaging because of the international acclaim and fanaticism they attract. Traditional mediums for sponsorships include: clothing, product placement, banners and guerrilla campaigns. However, there exists a new and controversial medium for sports sponsorship: that of sponsorship tattoos. Sponsorship tattooing is the act of adorning skin with a corporate logo, slogan or symbol in exchange for a financial incentive. While the popularity of logo tattooing is growing, no research has been conducted as to consumer response to the placement of commercial art on athletes. A series of propositions are presented herein based on an extensive literature review.

References Available Upon Request
INFUSING PERSONALITY TO BRANDS: THE KEY INFLUENCE OF SME OWNER/MANAGERS

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ABSTRACT

As consumers go into relationships in their own personal lives, it has been argued that consumers may understand brand relationships better by personifying the brand. This process by which brands forms a relationship with consumers is based on the theory of anthropomorphism of brands. For this study, brand as a person is defined as brand personality and other human-like traits which may be linked to functional attributes and benefits. Importantly, no research today has studied this dimension in detail in relation to the personality of SME brand owner/managers (O/Ms). Our aim is to explore the link between the personality of the brand O/M and that of the brand. Thirty case studies were used for data collection. Semi-structured interviews offered sufficient structure to keep the interview on the right track and also flexibility for appropriate discussion and exploration. Data was analyzed through thematic coding. NVivo helped to systematically and objectively compare and contrast theory-driven and data-driven codes. Two key findings emerged from the study: 1. a clear indication that there are close similarities between personality traits of O/Ms and their brands, and 2. two distinctive types of brand personalities emerged, one being more rational and the other more social. This study sustains prior arguments that organizational identity in SMEs often mirrors the personality and characteristics of the owners. Some implications may indicate that 1) this brand dimension may help improve brand emotional relationships with consumers and may also reinforce a coherent brand identity; 2) training programs for O/Ms designed to develop brand strategic tools such as brand personality may assist brand SMEs to become more competitive in the marketplace.

References Available Upon Request
LEVERAGING SYNESTHESIA FOR NOVEL IDEA GENERATION

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ABSTRACT

A firm’s ability to constantly generate new products is strongly related to the capacity to achieve a competitive advantage, especially in times of uncertainty (Grønhaug and Kaufmann 1988; Han, Kim and Srivastava 1998). Not surprisingly, a recent survey of more than 1,500 senior executives conducted by the Boston Consulting Group in 2013, indicated that executives rate the importance of innovation as higher than ever (Wagner, Taylor and Foo 2013). In this effort, idea generation is of critical importance as it is tightly related to innovation success (Soo, Devinney, Midgley and Deering 2002). A relevant concept here is synesthesia, which permits associations among seemingly-unrelated cognitive sensations (e.g. hearing colors) (Ramachandran and Hubbard 2005). Although generally considered “fixed”, recent evidence suggests that a type of pseudo-synesthesia may be acquired through training (Colizoli, et al., 2012). This study draws from associative theory to explore the unexamined link between learned synesthesia and creativity.

References available upon request
CREATE OR APPROPRIATE? STRATEGIC ALIGNMENT PREFERENCE IN INCUMBENT-NEW VENTURE ALLIANCES AND INNOVATION OUTCOMES

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ABSTRACT

Incumbent inertia, defined as the inability to enact internal change in the face of significant external change (Ghemawat, 1991; Gilbert, 2005), leads to the downfall of incumbents in industries in which they once had a competitive stronghold. Incumbents that fail to enact internal change and innovate suffer from the capability-rigidity paradox (Leonard-Barton, 1992; Atuahene-Gima, 2005) in which more success leads to reinforcing commitment to a firm’s current course of action (Gilbert, 2005). Firms are able to build competitive advantage via resource deployments and developing capabilities that allow them to outperform competitors (Day, 1994), but capabilities that led to previous success may cause firms to become uncompetitive as the competitive landscape changes. Previous research suggests that firms are better able to overcome incumbent inertia by entering vertical alliances (i.e., different levels of the value chain). While the majority of horizontal alliance research focuses on firms that are similar in size and resources; in this study we suggest that the incumbent-new venture dyad is an exception to knowledge transfer and redundancy issues that plague horizontal partnerships. By entering into alliances with new ventures, incumbent firms can become more innovative and overcome incumbent inertia that affects firms entrenched in product and market positions. In a sample of 693 incumbent-new venture partnerships over a period of four years, this study investigates how the strategic emphasis of incumbents impacts the number of partnerships with new ventures and subsequently innovation outcomes. The results show that incumbent firms with a strategic emphasis on value creation enter more partnerships with new ventures to gain access to innovative ideas. In addition, an incumbent’s age and new venture’s legitimacy are investigated as to how they may impact the relationship between strategic emphasis and the number of partnerships with new ventures. As firms become older, the relationship between strategic emphasis and the number of partnerships with new ventures is strengthened. The results show that a new venture’s legitimacy has no impact on the relationship between strategic emphasis and number of partnerships. Finally, the results show that incumbents become more innovative when they enter into more partnerships with new ventures, a key to overcoming incumbent inertia.

References Available Upon Request
ABSTRACT

One of the most significant current discussions in project management and innovation management literature is New Product Development (NPD) projects, and they are enormously clear environments to be observed the terms of uncertainty, turbulence and volatility. Continuous improvement and learning is vital for NPD project teams and, hence, are better able to take advantage of new opportunities in the complexity of today’s business markets. Team trust supports team creativity and learning, and promotes a better learning climate in an organization, and so team trust is especially crucial for uncertain and turbulence environments which require special capabilities such as adaptability, creativity, learning etc. In this study, we focus on examining whether there is a mediation effect of team trust between team factors, which are team autonomy, team member experience and team stability, and team learning.

Findings support that team autonomy, team stability, and team member experience are significantly and positively associated with team trust. Also, mediation influences have been tested between team factors and team learning through team trust. There is complementary mediation between team autonomy and team member experience, and team learning. Also, there is indirect-only mediation between team stability and team learning. Hence, team trust provides better relationship between team factors and team learning.

This study has explored the importance of team trust for team learning. Trust becomes prominent by affecting outcomes and processes indirectly and changes relationships in team. It is also apparent from this study that team trust changes relations and the degree of effect among variables. This situation reflects importance of trust in project teams as so an important variable in organizations studies. Trust holds team together and opens ways to develop and survive good relations and network in team. Another result to emerge from this study is that team trust fully mediates the relationship between team stability and team learning. Our results reveal that if team members trust each other, team might have a learning climate for members. So, this result emphasizes the importance of trust by demonstrating that team members do not be part of team learning without trust, no matter if they have been working together for a long time.

References Available Upon Request
Market orientation represents a fundamental theoretical domain within the marketing literature and, arguably, one of the most important contributions of marketing thought to the business discipline (Menguc and Auh 2006). This study contributes to the extant literature by developing and testing an integrated framework of the influence of an organization’s top management teams and board of directors on market orientation and the subsequent impact on innovation and firm performance. First, extending perspectives that top management influences an organization’s market orientation (e.g., Jaworski and Kohli 1993), behavioral integration within top management teams (Hambrick 2004; Simsek et al. 2005) and control exerted by board of directors (Walters et al. 2010) are examined as antecedents of market orientation. Second, shedding further light on the relationship between market orientation and innovation (e.g., Grinstein 2008; Han et al. 1998), two types of innovation, namely exploratory innovation and exploitative innovation (Jansen et al. 2006), are investigated as outcomes of market orientation.

The proposed framework was tested using data collected from 234 executives (either CEOs or members of top management teams). Adopting the cultural perspective, market orientation is defined in terms of three dimensions – customer orientation (where employees place a customer’s satisfaction first and foremost), competitor orientation (where all existing and potential competitors are actively monitored), and inter-functional coordination (where active coordination across different organizational functions is encouraged) (Narver and Slater 1990). The findings demonstrate that both behavioral integration, which was conceptualized as a higher-order construct with three components – collaboration, joint decision making, and exchange of ideas, and control exerted by the board of directors were found to enhance market orientation. The findings also show that, in organizations with market-orientated cultures, both exploratory and exploitative innovations are likely to flourish. Yet, of the two types of innovation, only exploitative innovation was related to performance. As exploratory innovations involve higher upfront costs and risks as well as yield lagged returns, their influence on performance is perhaps likely to materialize over a longer period of time as compared to exploitative innovations. Overall, the findings demonstrate that strategic leadership and upper echelons (i.e., top management teams and board of directors) influence strategic resources (i.e., market orientation), strategic actions (i.e., exploratory and exploitative innovation), and firm performance (e.g., Geletkanycz and Hambrick 1997; Ketchen et al. 2007).

References Available Upon Request
I'M PROUD OF IT: CONSUMER TECHNOLOGY APPROPRIATION AND PSYCHOLOGICAL OWNERSHIP

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INTRODUCTION

While a common narrative is that we are increasingly living in a “technology-mediated” world, a quick assessment of emerging digital technologies suggests that today’s standards will soon seem old-fashioned and quaint. For example, advances in circuitry, flexible displays, projection, and wearable computing promise to literally and figuratively weave technology into the fabric of our lives.

While researchers have long sought to understand when, why and how consumers choose to adopt new technologies (Davis, Bagozzi, & Warshaw, 1989; Rogers, 1962, 2003; Srinivasan, Lilien, & Rangaswamy, 2002), such research typically focuses on the point in time at which a consumer or organization purchases a new technology product (Van Ittersum & Feinberg, 2010). In this conceptual paper, we argue that as technology becomes increasingly pervasive, a critical question today is less whether consumers accept or adopt technology (Davis, 1989), but rather whether and how they appropriate value in its use (Vargo & Lusch, 2004).

Psychological ownership refers to feelings of possession towards a target object, invoking feelings of “mine!” (Jussila, Tarkiainen, Sarstedt, & Hair, 2013; Pierce, Kostova, & Dirks, 2003: 86). Similarly, technology appropriation is the extent to which users take possession of a technology through customization and idiosyncratic use (Orlikowski, 2000). We propose that as consumers use technology, psychological ownership may emerge both toward the technological medium itself as well as toward the people, brands, and products consumers communicate with through the medium, driving their perceptions of value in use. To understand this process, we draw on the information systems theory of technology appropriation (Gaskin & Lyytinen, 2012; Orlikowski, 2000) to propose that psychological ownership is enabled by technologies which facilitate consumer technology appropriation.

In this paper we examine consumer technology appropriation through the lens of self-design (Moreau & Herd, 2010) to explain and predict psychological ownership, distinguishing it from related concepts such as perceived ease of use (Davis, 1989) and customization (Franke, Keinz, & Steger, 2009). Appropriation refers to the “way in which technology or technological artifacts are adopted, shaped and then used” (Carroll, Howard, Vetere, Peck, & Murphy, 2002: 2). According to Dourish (2003:467), technology appropriation “might involve customization in the traditional sense... but it might also simply involve making use of the technology... to serve new ends." Users pick and choose among affordances, or elements, of a technology product or service, trying and appropriating some, not choosing or even discarding or disappropriating others (Carroll, et al., 2002).

We propose that one of the key ways that consumers appropriate technology is to communicate or interact with it and that this process of technology appropriation enhances their sense of psychological ownership over the technology or digital medium. By empowering consumers to communicate both with a medium as well as through a medium to other people (Hoffman & Novak, 1996), computer-mediated
communication enhances consumers’ sense of control, encourages their investment and even “co-construction” of self (Belk, 2013), and augments their sense of intimate knowledge of the medium, facilitating the emergence of psychological ownership.

We further propose that pride plays a multifaceted role in understanding consumers’ appropriation and psychological ownership of technology. Pride is a self-conscious emotion that has recently generated significant interest in psychology (Tracy & Robins, 2007b) and marketing (Decrop & Derbaix, 2010). A review of the limited literature of pride and ownership in consumer behavior produces seemingly conflicting results. On one hand, researchers find that “pride of ownership” affects willingness to pay (Townsend & Shu, 2010), suggesting pride operates subsequent to a consumer’s ownership (psychological or legal) of a product. Further, this pride affects outcomes only in a public consumption context (Di Muro & Noseworthy, 2013). On the other hand, other researchers find that pride of accomplishment from customization has a positive impact on psychological ownership (Kirk & Swain, 2013) and willingness to pay (Franke, Schreier, & Kaiser, 2010), suggesting that pride operates as an antecedent to psychological ownership.

A more detailed examination of theoretical and empirical research about pride suggests an explanation for these divergent findings. Tracy and Robins (2007b) find strong evidence of two facets of pride, each with different antecedents which depend on an individual’s attribution of the source. Authentic pride results from public or self-assessment of an individual’s effort and is unstable and controllable (“I did well on this exam because I studied hard”), while hubristic pride results from an individual’s assessment of their own innate ability, which is stable and uncontrollable (“The exam was easy for me because I am smart;” Tracy & Robins, 2007a). We propose that authentic pride serves as a driver of psychological ownership because it reflects a consumer’s cognitive acknowledgement of their own investment of self in a task. At the same time, once psychological ownership emerges, a product becomes an extension of self (Belk, 1988) and hubristic pride, as a global assessment of the self, moderates the effect of psychological ownership on outcomes, especially in a public consumption context or on a public outcome such as word of mouth. In this paper, we explore multiple sources of both authentic and hubristic pride as they relate to consumer technology appropriation, psychological ownership, and consumer valuation of product and process, and discuss moderating effects of situation and person.

References available upon request
BRANDS – WHAT’S LOVE GOT TO DO WITH IT?

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ABSTRACT

Brands are all around us and impact our lives in more ways than we can imagine. Not surprising, extant literature revolving around the notion of brand is rich and varied. However, not enough research attention has been given to family as a decision making unit and brands preferred by this unit. We first propose a conceptual framework outlining various decision making domains of family decision making unit and use secondary data to understand if there are clusters of brands preferred by mothers and kids, jointly or individually. The findings indicate that most of the brands fall within the domain of food for indulgence and entertainment. We also discuss these findings and suggest implications for researchers and marketers.

Keywords: Loved brands, Family members, Brand choice, Decision making domain.
INTRODUCTION

The answer is – everything. This is why some brands of cookies crumble while others don’t; we all scream for some brands of ice-cream, go all mushy about one brand of diamonds or chocolates, and lovingly say ‘I can’t believe it is not butter’. On a more serious note, brands are all around us and impact our lives in more ways than we can imagine. Not surprising, extant literature revolving around the notion of brand is rich and varied. Brands mean very different things to different people and serve different functions for different stakeholders (Keller and Lehman 2006). Firms try to go through an extensive process to ensure that their brands are positioned just right in the minds of right target consumers, and if everything goes right, it results in greater customer loyalty and enhanced competitive advantage for the firm. However, it is not just the end result of a firm’s marketing activity, but also impacted by the activities of consumer and other stakeholders in terms of usage. Most agree that the end result of a branding exercise is the result of the complete experience that customers have with products, and to that extent captures the relationship between a firm and consumer, with brand serving as a value creation platform (Lusch, Vargo and O’Brien 2007).

Several scholars have looked at this notion of relationship between consumers and brands under the rubric of brand sensitivity, brand attachment, brand commitment, brand trust, brand loyalty, and more recently brand love (cf. Albert, Merunka and Pierre Valette-Florence 2008; Batra, Ahuvia, & Bagozzi 2012; Caroll and Ahuvia 2006; Keller and Lehman 2006). Relying on these studies which indicate that there is a possibility of strong emotional attachment, may be even a feeling of love between a brand and a consumer, we wondered what would happen when more consumers and/or decision makers are introduced in a single consumer-brand love equation. Does this love triangle (or a merry go round in an extreme case) result in confusion, chaos and discord in the Garden of Eden? We investigate this question in the context of family as a decision making unit with multiple family members involved in making a decision about a particular brand. Specifically, we explore the kind of brands where there is a confluence of brand love among family members and the brands where there is a difference in the way family members view the brand.

This research, although exploratory should be useful to brand managers who have to target multiple decision makers for the same product. The research should also provide some impetus for researchers investigating branding to multiple decision makers, especially in a family. Towards this goal, we first examine the literature on family as a buying unit, followed by marketing strategies aimed at family as a buying unit. We then look at the data and try to make sense of the type of products where there is convergence of love and the type of products where family members beg to differ. Finally, we discuss the results in terms of managerial and future research implications.

FAMILY AS A BUYING UNIT

We pick family as a decision making unit because, it embodies mutual love and caring for one another in every part of the world. It would not be unreasonable to assume that family members love one another and would pick brands that show their love for one another. On the other hand, different family members are at different stages of their life cycle and knowledge levels, and they would bring all that to bear on their decision about the brands (Sheth 1974) meant for people they love and care for. Families often make decisions as buying center, rather than a single individual making all the decisions, where children, spouses and other family members exert forces on the decision making process. According to
Sheth (1974), buying motives and evaluative beliefs play important roles in determining the extent of influence exerted by different family members. It also largely depends on the product/service category that is being purchased and the risk associated with the decision making. If the perceived risk of making a wrong decision is high, the higher is the chances of a joint decision making. The propensity of joint family decision making increases with higher importance or higher involvement of the product category.

However, for products or services that satisfy hedonic needs and/or in low involvement decision making situations, those members of the family for whom the value congruence is most salient would have the highest influence on the final decision. Based on the composition of a typical family, we argue that the family decision making consists of three entities – father, mother and children, and some brands considered and bought by a family will fall into three primary domains - decisions made by father, mother and children. Further, we argue that there will some overlaps between these three domains, and some brand decisions will be made jointly by father and child (e.g. sports equipment), mother and child (e.g. apparel, food, toys, entertainment etc.), mother and father (e.g. the early school choice), and by all members (father, mother and children) of the family (e.g. car, upholstery). Figure 1 presents the decision making domains associated with different family members and the domains of confluences. In this study, we focus on domains related to brand choices made by mothers and children.

MARKETING STRATEGIES TO TARGET FAMILIES

While parents have been the prime targets of marketers as individuals or as pairs, the introduction of kids adds a new dimension that complicates this decision making process. Also, since our focus in this study is on mother and children, we start our discussion with marketing strategies aimed at children. Traditionally, marketers used to segment kids markets based on demographic factors such as age and gender: girls (0-2), boys (4-6). Later, marketers started to segment children markets based on other demographic factors, i.e. household income, geography, and race/ethnicity (Preston & White, 2004). In late 1990s marketers started to segment children markets based on lifestyle factors, the benefits sought (i.e. long lasting), and the product usage (i.e. heavy vs. light user) (McNeal, 1999). Also, with the increase in the ‘pester power’ of kids; it became more difficult to ignore children completely from advertisements. Although, advertising to children is widely debated (Rose, Merchant, & Bakir, 2012), several companies still directly market to children as they are the end consumers. Today, children are considered as ‘influential’ by marketers (Preston & White, 2004). In order to better understand this market, there are several market research agencies focusing on brands favored by children. This highlights the importance of kids as target consumers.

Recently the range of product categories that children are noticed to be a part of the purchase decision making process has expanded (McDonald & Lavelle, 2001). It is not just traditional categories of breakfast cereal and toys anymore. It includes categories such as technology and healthy food too. In mid 1980s, marketers believed that children are not only influencers but they also have their own current and future spending powers. In 2000-2001 the direct influence of kids under 12 on the spending of families was estimated to be around $200-$300 billion (McDonald & Lavelle, 2001). This number had reached $1.2 trillion in 2012 (Goodwin, 2013). Children not only influence brands, but also determine to a great degree the kind of behavior that will be exerted by the family. For example, a kid’s behavior for wanting a particular tablet will have subsequent impact on the choice made by the parents. Therefore, it becomes imperative for companies to emphasize the salient values for children.
Viewed from a societal and public policy perspective, there has been a backlash against advertising to kids in many countries. Since kids below 15 years old lack a completely developed resistance to implicit persuasion, they are easy targets for subliminal advertisements, i.e., preferences are mediated by non-conscious, non-rational means that are impossible to resist (Nairn & Fine, 2008). Therefore, advertising to kids has always been under the scanner. Some companies have proactively eschewed advertising to kids, e.g., Pepsi and Coke have pledged not to advertise to children below 18 years of age. This lack of ability makes it difficult for companies to target children. One obvious way is to reach out to the parents of the kids, and if they are convinced, chances of that brand being purchased become higher.

Notwithstanding these problems, the biggest obstacle in marketing to children is the need to convince parents as well about the value embedded in the products. Parents are the ones who ultimately shell out the money for the purchase. Similar to a buying center in B2B marketing, marketing to children requires convincing all the parties involved to initiate a purchase process. Appealing to both parents and children is required to varying degrees depending on the product category. For example, an Ipad might be used by both parent and kids for satisfying different desires. The parent might want the tablet for checking their emails and stay connected in situations that they do not have access to a P/C or their laptop, while the kid would want the tablet for entertainment purposes. Ipad appeals to both moms and kids will leads to a less resistance in purchase decision making process.

This process of decision making might differ for hedonic or impulsive purchase such as chocolates or candies (Hirschman & Holbrook, 1982). This follows the experiential route mentioned by Holbrook and Hirschman (1982). Family members may make impulsive decisions to satisfy their moods and desires. For example, consumption of candies and chocolates might be impulsive and the parent might give way to the child (even though the parent might also enjoy instant gratification by consuming the candy).

Brand positioning is a part of the brand identity and value proposition which should be communicated actively to the target audience (Aaker & Joachimsthaler, 2000). Kalafatis et al. (2000) define brand positioning as an iterative process which includes deliberate and proactive actions aimed at the definition of distinct consumer perceptions. Two common brand positioning strategies are adopted by marketers: functional (for rational purchases) versus emotional (for hedonic/experiential purchases). In functional brand positioning strategy consumers are assumed to be rational consumers who go through a process in which they decide on the level of importance of a brand’s attribute in a product category, collect information about competing brands’ attributes in the market, and finally choose the optimal brand based on their judgment rule (Bhat & Reddy, 1998). Such brands are named “utility brands”. In contrast, in emotional brand positioning strategy consumers are considered as individuals with emotional needs motivated to seek products and services that offer intangible benefits to satisfy these needs (Holbrook & O'Shaughnessy, 1984). These brands are called “identity brands” and are said to be more successful in creating stronger loyalty (Chunovic, 2001).

In the case of our focal family members, both mothers and children look to satisfy both functional and hedonic needs through different brands, not just for themselves, but also for other family members, e.g., mothers making decisions for their children. Fast food restaurants generally satisfy the hedonic needs, whereas, the breakfast cereals satiate the utilitarian needs. However, the times are changing. Several food brands, including utilitarian ones are vying to show more emotional/hedonic appeals (e.g., cereals using love and caring to position their brands) in their advertisements as well (Rose et al., 2012). The line between functional and emotional advertising in family advertisements is becoming obscure.
VALUE CONGRUENCY AND FAMILY DECISION MAKING

Drawing from extant literature, we define values as general beliefs about the significance of behaviors or end states (Schwartz, 1992). Decision makers draw on their values for decision making. To explain the linkage between decision maker’s values and values embedded in a brand or a product, the notion of value congruency has been extensively used in the literature (Boxx, Odom, & Dunn, 1991; Edwards & Cable, 2009; Zhang & Bloemer, 2008). Value congruency influences consumer-brand relationship, consisting of quality, satisfaction, trust, affective commitment and loyalty (Zhang & Bloemer, 2008). It also reduces the negative perceptions about a brand. According to Sirgy et al. (2000) self-brand congruity is an important determinant of retail patronage. Kressman et al (2006) find that self-image brand-image congruence positively affects brand loyalty directly and indirectly. In accordance with the literature, when parents and kids hold a brand in high regard (there is a value congruency), they share common processing leading to similar expectations. Values attain primal importance in a parents – kid brand context since it is more difficult to evaluate the functional attributes alone. Relying on these arguments and evidences, we focus on the following research questions:

RQ1: Which brands are most preferred by mothers and children, jointly or individually; and if they could be grouped into some logical clusters?

METHOD

In order to find answers for the research question, we focus on products which fall under the domain of most preferred brands by kids and mothers, individually or jointly. We looked at the secondary database published by “SmartyPants.” SmartyPants gathers and publishes the list of most loved brands by moms and kids on a yearly basis starting 2009. The database consists of responses from 7000 families (moms and kids) across USA, encompassing all major ethnicities (65% White, 20% Hispanic, 15% African American), and economic classes. The age of kids surveyed in this data set is between 6 to 12 years where they fall into the concrete to formal operational levels (Nairn & Fine, 2008). Brands are ranked on the basis of “momfinity” score for mothers and “kidfinity” score for kids. These scores refer to the affinity scores towards brands which are based on various dimensions such as desirability and likeability. Table 1 contains the momfinity and kidfinity scores and the brand ranking for the top brands in both mom’s and kid’s list. Table 2 contains the brands that show up in either mom’s list or kid’s list. We next, took the brands in Table 1, and categorized them into four groups (Table 3) – (1) Food for Health and Nutrition (utilitarian), (2) Food for Indulgence (hedonic), (3) Technology for Entertainment/ Learning (utilitarian and hedonic), and (4) Entertainment (hedonic). This categorization was subjectively done by two of the doctoral students, with a third person, a marketing faculty, cross checking the groupings. Out of these four categories, food for indulgence is purely an instant gratification. Brands in rest of the categories provide both instant and future gratification.

As expected, several top brands for moms and kids are same, confirming that brands do appeal to moms and kids. Some brands such as Amazon and YouTube are only preferred by moms. Obviously, both these brands have several things of interest for moms with relation to kids and for self-indulgence or distraction from the daily grind. Some brands such as Xbox and Kool-Aid only come in the top list for kids. These brands find more links with kids than with moms, as they do not meet the values and gratification needs of moms. Interestingly, the category that has the highest number of brands is “Food for indulgence” for both moms and kids. Few brands feature in food for Nutrition and Technology for
entertainment/learning. The category with the second highest number of brands is Entertainment, where there is probably value congruence between moms and kids.

**DISCUSSION**

Although the assertion that the marketing to families entails satiating the concerns and needs of various family members, no study so far has actually looked in the categories where more than one party in the family buying unit are looked at as decision makers. It is this gap that we hope to address by developing a conceptual framework that links values of various family members to brand affinity and subsequent brand value or profitability. The groupings of products show an interesting pattern. Most of the products loved jointly by both moms and kids fall under the food for indulgence category. The second largest group of products falls in the entertainment domain. Moms want their kids to be happy, and kids want food that makes them happy, and marketers want to capture this common ground.

**RESEARCH IMPLICATIONS**

Marketing researchers has explored few facets of family as a buying unit; however, there is scope for additional work. A brief summary from table 1, 2 and 3 shows that most brands preferred by kids and moms are foods that provide distraction or indulgence. Brands falling under this category focus on hedonic and experiential needs. Hedonic consumption is a widely under-researched area (Alba & Williams 2013), especially within the context of a family as a decision making unit. Brands need to identify ways to satiate both moms and kids to create higher purchase intentions. One obvious proposition is that brands that are catering to both moms and kids (i.e., are preferred by both) will tend to have higher brand equity, and subsequently higher profits or market share. Profitability or revenue might not be the perfect dependent variable since several industries are involved, and each industry has different standards. For example, Apple is certainly the most valuable company in terms of profits and revenue among its peers and Disney Channel is market leader in its field, yet their revenues/profits would be vastly different. A more accurate assessment of a brand’s strength would be its relative market share in that category/sub category. Alternatively, another dependent variable that could be looked at would be the creation of market based assets (Srivastava, Shervani, & Fahey, 1998). Market based assets are assets that increase the residual value of a business. The main components of residual value of a business are size, loyalty and quality of customer base.

Another important area of future research is to identify the types of appeals used by marketers to target consumers in this case. Also, the effectiveness of the appeals should be assessed. There is scant research on the application of value congruency in advertising. Researchers should integrate this concept in advertising/brands domain and identify more rigorous methods for positioning and differentiating brands in the context of children advertising. Another obvious area of future research would be to test the extent of influence exerted by kids and moms in a purchase where both have vested interests. In some cases moms would accede to the wishes of the child and in others, moms would make the final decision. Finally, more research is needed in the area of ethical and public policy implications of the sort of brands aimed at families. Why aren’t more utilitarian brands on this list? As marketers, isn’t it our responsibility to see that our kids do well in studies? These are just a few of research implications that emerge out of this exploratory study. In this study, we provide a framework for testing the role of each member in the family decision making. Specifically, fathers/kids and mothers/kids domain are severely
under researched and warrant additional research. Sporting equipment, leisure, hardware tools, all would come under the father-kid domain.

**IMPLICATIONS FOR MARKETERS**

This exploratory study has several important implications for marketers. To start with, the findings have important positioning and advertising implications. Specifically, it would answer an important question – to whom should the advertising and positioning be targeted at? Or using value congruency framework, can an advertising appeal be aimed at both moms and kids at the same time? There is evidence that most food advertising consists of some degree of fantasies (Rose et al., 2012). The children in the Smartypants survey are of similar age group (8 to 15 years) of the sample for Rose et al (2012) who still are to completely develop their understanding of advertising intent. With advertising to children increasingly under scanner, companies now need to focus on eliciting positive responses from moms.

**CONCLUSION**

This study provides a conceptual framework for looking at family purchasing decisions. Specifically, this paper provides a framework with which the family purchase decisions can be categorized, and a company’s positioning and branding decisions can be decided using the value congruency framework. Family as a buying unit has received less attention in Marketing literature, and there is a need to explore this area further. Finally, the paper also presents few directions to empirically test the proposed framework. The authors hope that this paper contributes to the growing field of family buying behavior.

**REFERENCES**


Figure 1: Confluence of Decision Making in a Family

Decisions made jointly by mother and father

Brand decisions made by father alone

Decisions made jointly by mother, father and kids

Brand decisions made by mother alone

Brand decisions made by kids alone

Decisions made jointly by father and kids

Decisions made jointly by mother and kids
<table>
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<tr>
<th>Brand Rank for Moms</th>
<th>Brand Rank for Kids</th>
<th>Brand Name</th>
<th>Brand Score for Moms</th>
<th>Brand Score for Kids</th>
<th>Mom - Kids score</th>
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Table 2: Brands Preferred by Either Moms or Kids Only

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<td>Animal Planet</td>
<td>827</td>
<td>39</td>
<td>Kool Aid</td>
<td>814</td>
</tr>
<tr>
<td>35</td>
<td>Cheese-it</td>
<td>826</td>
<td>41</td>
<td>Pizza Hut</td>
<td>813</td>
</tr>
<tr>
<td>37</td>
<td>Disney.com</td>
<td>825</td>
<td>42</td>
<td>Mario</td>
<td>811</td>
</tr>
<tr>
<td>38</td>
<td>Monopoly</td>
<td>825</td>
<td>44</td>
<td>Foot</td>
<td>808</td>
</tr>
<tr>
<td>39</td>
<td>Nike</td>
<td>824</td>
<td>45</td>
<td>Kinect</td>
<td>806</td>
</tr>
<tr>
<td>41</td>
<td>Quaker Chewy</td>
<td>821</td>
<td>46</td>
<td>Playstation</td>
<td>804</td>
</tr>
<tr>
<td>45</td>
<td>Discovery</td>
<td>812</td>
<td>48</td>
<td>Itunes</td>
<td>797</td>
</tr>
<tr>
<td>47</td>
<td>Olive Garden</td>
<td>812</td>
<td>49</td>
<td>Gamestop</td>
<td>796</td>
</tr>
<tr>
<td>49</td>
<td>Juicy Juice</td>
<td>811</td>
<td>50</td>
<td>Ringpop</td>
<td>796</td>
</tr>
<tr>
<td>50</td>
<td>Kellogg's rice k</td>
<td>811</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3: Categorization of Jointly Scored Brands

<table>
<thead>
<tr>
<th>Preferred more by moms</th>
<th>Food for Health and Nutrition</th>
<th>Food for Indulgence</th>
<th>Technology for Entertainment/Learning</th>
<th>Entertainment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Eggo</td>
<td>Snickers</td>
<td>Crayola</td>
<td>Disney Channel</td>
</tr>
<tr>
<td></td>
<td>Reese</td>
<td>Goldfish</td>
<td>Disney</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Goldfish</td>
<td>Twix</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chips ahoy</td>
<td>Starburst</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred equally by moms and kids</td>
<td>Kit Kat</td>
<td>Pringles</td>
<td></td>
<td>Netflix</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DQ</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Popsicle</td>
<td>Kraft Mac and Cheese</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hershey</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>M&amp;M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred more by kids</td>
<td>Caprisun</td>
<td>Lays</td>
<td>Apple</td>
<td>YouTube</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Doritos</td>
<td>Wii</td>
<td>Toys R Us</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oreo</td>
<td>IPod Touch</td>
<td>Nickelodeon</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cheetos</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION

In the last 15 years it has been established that consumers willingly look for others likeminded individuals and they are seeking for interaction around activities or objects that they are passionate about. They are forming communities that are focusing in this activity or object and they enjoy interacting having as common ground the activity or object of interest (Koh and Kim, 2004). The activities can vary and they include the support of branded services (i.e. Carlson et al., 2008) or goods (i.e Algesheimer, Dholakia and Hermann, 2005; Bagozzi and Dholakia, 2006; Matzler, Pichler, Füller and Mooradian, 2011; Marzocchi, Morandin and Bergami, 2013). It is acknowledged that in these occasions brands can act as agents for development or relationships both the brand itself but also with other likeminded individuals (Veloutsou, 1999).

The ability of people to find these likeminded individuals has been facilitated from the introduction of the internet and the development of various services that are facilitated through internet mediated communications (McKenna, Green and Gleason, 2002). The internet mediated communications can take various forms, including e-mail, chat or online video contact. In the context of online brand related groups it is at least desired (Carlson, Suter, and Brown, 2008; Madupu and Cooley, 2010), if not required (Muniz and O’Guinn, 2001; Ducheneaut and Moore, 2004; Yee 2006; Hsu and Lu; 2007; Yee 2007), to relate to other individuals who are members of the group. Participants join such communities mainly to dispel their loneliness, meet like-minded others, and receive companionship and social support (McKenna & Bargh, 1999).

The interaction in brand related groups may take different forms, such as includes the information and knowledge sharing, the participation in and engagement with various online activities (Hsu and Lu, 2007; Siitonenm, 2007). All brand communities offer rich opportunities for interaction with consumers, facilitating the building, fostering, strengthening and maintenance of in-depth and lasting relationships which link consumers to a brand (Algesheimer et al., 2005; Bagozzi and Dholakia, 2006; Matzler et al., 2011) and active participation is perceived as important for the brand community’s survival (Casaló et al, 2008). It is expected that the existence of strong brand related groups supporting a brand (brand communities) will bring several benefits to the brand, including foster consumer loyalty to the brand around which the community is developed (Muniz and O’Guinn, 2001; Algesheimer et al., 2005; Andersen, 2005) and as new products adoption and from opposing new product from brands (Thompson and Sinha 2008).

Although interaction amongst members is desired in all brand related groups, it is more evident in some, to the extent that it is almost compulsory if one wants to be a member of the group and benefit from it. For example, online strategy games are populated by individuals who share common interests, they are socially interacting via the Internet, develop on online relationship amongst
themselves, exchange information, in a platforms that allows then escape for reality and engage in an imaginary world that they can escape in since they are creating it and ruling it (Hsu and Lu; 2007; Siitonenm, 2007).

It is established that people want to join these brand related groups. However, very little is known on their loyalty to these groups as it is expressed by their willingness to actively reveal in other people outside the membership of these groups that they are actually engage in the groups, and even introduce this group of new people. The promotion of the community to non-members is seen as an indicator or the loyalty towards the community and the community provider (Koh and Kim, 2004).

**RESEARCH FOCUS**

The promotion of the community (Algesheimer et al., 2005), or recommendation of the brand community to non-members who are currently outside the community is especially important because it may help to attract new members to the community, ensuring future participation in the community and guaranteeing its survival in the long term (Casaló, Flavián and Guinalíu, 2010). Community members promote the community to various potential new members, but more frequently among their closer friends and relatives (Koh & Kim, 2004) and thus they are adding communication channels in the interactions with people they already know outside the community but they know they share a common interest. Furthermore, when community members promote their virtual brand community, for instance through positive word-of-mouth behaviours, they are coincidentally promoting the brand around which their community is developed (Koh and Kim, 2004). Therefore, it is apparent that the examination of the factors that are driving the brand related group recommendation is of interest. This paper is having as a contest of investigation the online multiplayer strategy games.

Online multiplayer strategy games typically encourage interaction between players and in the case of strategy games most of the times they go even as far as demanding it. Collaboration with other players is in most cases a prerequisite for making progress in a game, while competition between players is often encouraged (Siitonenm, 2007). Community membership could be attributed to many different motives, an intrinsic need for sharing and develop social ties, that are often anonymous, can be recognised in all members (Ouwersloot and Odekernen-Schroder, 2008). The feelings that people have for the brand and the individual consumer-brand relationship can be a strong motivator for joining other people with the same interests in a brand related group. Brands also act as agents that facilitate other relationships which consumers form (Veloutsou, 2009). A relationship with the brand is defined through the feelings that are developed from the side of the consumer for the brand and the intended communication that the consumer wants to engage with (Veloutsou, 2007). Social interaction is a strong motive for playing multiplayer games and for forming lasting social relationships with other gamers (Siitonenm, 2007).

There is limited research in the extent that the participation to an online community and their social identification with this community might influence its members in the recommendation of this community to other individuals that are not a part of the community. Some of the past research suggests that the participation to the community can lead to loyalty to the brand (Marzocchi, Morandin and Bergami, 2013). It is acknowledged that the virtual community activity, measured through knowledge sharing activity, is a very strong predictor of community promotion to non-
members (Koh and Kim, 2004). It is also suggested that the engagement with the brand community will lead to loyalty and satisfaction to the brand and the community (Brodie, Illic, Juric and Hollebeek, 2011).

**METHODOLOGY**

After reviewing the literature an initial pull of measurement options with alternative items was identified. All the items of the identified measures were translated to Greek and back translated to English. A marketing academic who is native speaker in English with an academic who is a native speaker in Greek and works in an English speaking University for over 15 years checked the two English versions of the questionnaire and confirmed that there are no discrepancies in the meaning of the questions.

Before collecting the quantitative data and in order to make the final choice of items for the research instrument and get some insight on the rationality of the model in the Greek context, four semi structured interviews with people playing online strategy games in Greek servers were contacted, three of them via online video and one face to face. The subjects were chosen to represent players with different profiles. They belonged in different age groups, each one of them was playing a different strategy game with different intensity and had varied experience in the game, based on the years that they were engaging in online strategy games playing. These discussions helped in the choice of measures and items and the development of the final instrument.

In the final instrument, Brand Relationships was conceptualised as Two Way Communication and Emotional Exchange, Two Way Communication was measure using 5 items and Emotional Exchange was measured using 4 items (adapted from Veloutsou, 1997). Socialising was measured with 4 items (adapted from Yee, 2007). The interaction in the Brand Community was conceptualised as Brand Community Engagement and Brand Community Identification, the Brand community engagement was measured with 4 items (adapted from Algesheimer et al, 2005) and Brand Community Identification was measured with 4 items (adapted from Algesheimer et al, 2005). The Brand Community Recommendation Intentions was measured with 5 items (two of them adapted from Algesheimer et al., 2005 and 3 from Zeithaml, Berry and Parasuraman., 1995). All responses were recorded using a 5-point Likert scale (1=Strongly Agree, 5=Strongly Disagree).

The quantitative data was collected through an online instrument. The respondents were approached in online strategy games or in forum related to a specific game. They were asked to state the strategy game they are playing and answer the remaining questionnaire having in mind this particular game. Respondents were recruited through snowball sampling. Snowball sampling was chosen because the population was hidden and difficult to access and during the interviews it became apparent that the players had reservations to respond to questionnaires that are distributed from outsiders. The researchers identified people who were already playing strategy games, and asked them to post a letter with a link of the research instrument in their fellow online players. To achieve that, it was attempted to identify individuals who did play all the popular strategy games in Greek servers. Some of these research ambassadors, were willing to help, and distributed the questionnaire widely, while others just completed the questionnaire and did not further distribute it. One of the researchers was also playing an online game and posted the questionnaire in this game. Using this procedure, in total 596 respondents started completing the questionnaire and 384 (64.42%) fully completed it. Most of
the respondents were playing the online strategy game for over 2 years (280), were playing Ikariam (183), were spending varied time playing the game, with the categories 2-5, 5-10, 10-20 and 20-30 hours a week all having more than 50 respondents, were male (334), were 18-24 years old (145), closely followed from the 25-34 years old category (123), were living in Greece (357) and were working full time (147).

RESULTS

The study follows a measure validation procedure with confirmatory factor analysis (CFA) as suggested by Andersson-Cederholm and Gyimothy (1988). In the measurement model, all standardized loadings are above or close to .56 and t-values are significant (p<0.01), with the exception of the item “I am willing to give feedback to the managers of this game” of the variable Two Way Communication an item with a loading of .40, but was kept for conceptual reasons, to secure face validity. The constructs are internally consistent with a Cronbach Alpha for all of them above .80, while the convergent validity indicators are good since AVE above .51 and the CR over .80 for all constructs, as suggested by Hair, Black, Babin and Anderson (2010).

Given that the sample size is over 250 and there are 27 items, the data fits well to the model with a Chi-square=635.64, df=282 (and significant as required), Chi-square/df=2.25 (within the threshold 2-3 that is perceived as acceptable), CFI=.94 and TLI=.93 (with the advice for both to be over .92), GFI=.89, RMSEA=.06 (with the advice to be less than .07), benchmarks suggested by Hair, Black, Babin and Anderson (2010). Structural equation modelling with maximum likelihood estimation was used to test the derived hypotheses (table 1). In the predictive model the statistics also demonstrate that the data fits the model at a satisfactory level, with Chi-square=751.43, df=286, Chi-square/df=2.63, CFI=.92, TLI=.92, GFI=.87 and RMSEA=.06. All the paths were significant at the .05 level.

CONCLUSION

Using as a contest the online strategy games, this study examines whether the relationship of the members with the brand and their need to socialise with other likeminded people will predict their participation to the community and whether the participation in the community will predict the degree they promote the community to non-members through recommendation of the community to outsiders.

The results of this study suggest that the individual’s need to socialise as well as the strength of the relationship with the brand are good predictors of the participation of gamers in the brand communities, both in terms of the engagement they have with the community and the degree they identify with the community. Furthermore, it confirms previous findings that are suggesting that the more active the participation with the brand community, the more likely it is to have positive behaviour towards it, in this case more likely to recommend it to others.

Managers who want their company initiated community to grow should recognise that embedding in the community practices the opportunity to the members to engage in the community and identify with it will facilitate the further development of the community.

References available upon request
Nonprofit organizations (NPOs) that cannot rely on public (i.e. government) funds are dependent on donations and volunteers to remain operational. Most rely on persuasive messages to inform, educate, and convince message recipients to donate. However, the effectiveness of these efforts to affect philanthropy, gift-giving, and fundraising is a gap in the cause marketing literature (Dunn et al. 2007).

Because researchers and practitioners need to understand the various underlying processes in order to develop campaigns and programs that translate into long-term behavioral changes (Smith et al. 1994), two studies were conducted to determine what messages resonate with potential donors. First a qualitative review and content analysis of existing NPO ads determined two key components: 1) most commonly used format; and 2) most commonly used phrasing of messages asking for contributions. The second study relied on the results of Study 1 to develop nonprofit ads that implemented, and manipulated, the messages identified to determine if some are more effective than others.

A total of 125 ads from a variety of nonprofit organizations were sampled, and their content analyzed for length, use of imagery, use of text, music, spokespeople, voice over, and appeal messages related to donating. It was discovered that most NPO ads (70.4%) do not include contribution requests, but when they did, a variety of messages were used. The phraseology that appeared more often was a temporal framing “for less than X amount over X time period,” which has been leveraged by nonprofit organizations making donation requests in this analysis 54.1% of the time. Specifically, the phrase “for less than a dollar a day” was used in 13.5% of the donation messages.

As Study 1 found no one dominant format, a combination of still image photography and text on the screen accompanied by music was used in Study 2 because pictorial display is often used in nonprofit advertising to create effects of vividness (Barnett and Hammond 1999; Isen and Noonberg 1979; Perrine and Heather 2000; Thornton, Kirchner, and Jacobs 1991). A key step in developing effective messages is comparing the desired message with a no-message control or alternative messages (Rucker and Petty 2006). Therefore, Study 2 evaluated normative and minimal giving messages in this way.

Data were collected online (n = 235) and analyzed using a one-way ANOVA, finding a significant difference \(F(1, 80) = 5.168, p = .026\) between high \(M = 4.40\) and low \(M = 3.68\) injunctive normative messages, but no significance between high and low descriptive norms \((p = .740)\). Analysis also showed significance \(F(1,51) = 6.211, p = .016\) between the “even a penny” minimal giving message \(M = 2.13\) and a control group \(M = 3.26\), as well as “even a dollar” \(F(1, 57), p = .020, M = 2.28\) and the control group \(M = 3.33\). There was no significance \((p = .167)\) between “for less than a dollar a day” and the control group, meaning the message NPOS use most does not appear to resonate with audiences. Research shows if behavioral influence techniques are overused, consumers may turn against entities that use them (Mowen and Minor 2006). Also interesting is that “even a dollar” was significant, as it was not in the initial research (Cialdini and Schroeder 1976). The time between studies is a potential cause as today’s audiences may view a dollar as a minimum donation.

References available upon request
ABSTRACT

A search for the perfect ingredients to achieve brand loyal consumers has been popular focus in brand literature and studies have proposed numerous brand loyalty patterns. But how much of the brand loyalty is explained by resistance to change? As the typical human tendency is to strive for consistency and status quo rather than continuously look for new and alternative behavior it is likely that brand loyalty is partly explained by resistance to change. This paper empirically tests the role of resistance to change in brand loyalty in the consumables market. We test two models, first with brand satisfaction and brand trust as assumed antecedents of attitudinal and behavioral brand loyalty, and a second model in which resistance to change is added to explain attitudinal and behavioral brand loyalty. Attitudinal brand loyalty is considered as an antecedent to behavioral brand loyalty in both models.

Our data included 808 effective responses that were collected through an online questionnaire link posted on a Finnish confectionary company’s Facebook wall. First a confirmatory factor analysis was conducted. All factor loadings are greater than the general threshold limit of 0.5. In addition, discriminant validity is supported, as the square root of Average variance extracted (AVE) of each construct is greater than the correlation with other constructs. Moreover, composite reliability statistics indicate adequate internal consistency of the constructs.

Structural equation modeling was used to test the hypothesized relationships between the constructs. First we calculated the results for Model 1. All paths except the relationship between brand trust and behavioral brand loyalty were found significant. Brand satisfaction was found to positively influence on attitudinal brand loyalty (0.28) and behavioral brand loyalty (0.40). Attitudinal brand loyalty was found indeed as an antecedent to behavioral loyalty (0.49). However, when exploring the results of Model 2 the positions of the loyalty antecedents are shifted. In Model 2 the effect of brand satisfaction to attitudinal loyalty fell out of significance and resistance to change rose as a significant construct to explain attitudinal brand loyalty (0.60). On one hand this brings up an interesting discussion whether consumers’ attitudinal loyalty is connected to the brand or does it occur just because of their embedded habits? On the other hand, when consumers are resistant to change, are they actually so emotionally attached to brand that they become attitudinally brand loyal? This result brings more light to the debate of brand loyalty among consumable goods. It has been stated that attitudinal measures might not be reasonable in brand loyalty research among consumable goods. Nevertheless, in our research setting resistance to change is found to be a very significant factor to attitudinal loyalty.

The comparison of the two models generated interesting results. Due to Model 2, we found a new pattern to explain brand loyalty in the consumable goods market. In addition the goodness of-fit – measures for Model 2 ($\chi^2=445.890; \text{df}=80; p<0.001; \text{RMSEA}=0.075; \text{CFI}=0.95$) achieved better results than Model 1 ($\chi^2=394.863; \text{df}=48; p<0.001; \text{RMSEA}=0.095; \text{CFI}=0.94$). Since the effect of resistance to change in loyalty has sprung only a few studies the results of this paper encourage for more empirical testing.

References Available Upon Request
The delivery of health care has been experiencing a shift away from a provider-centered model toward a more patient-centered, shared decision-making model (Reyna et al. 2009). In this new, two-way communication model, patients take active roles as partners with the service provider in order to understand the medical options and come to informed decisions (Sheridan et al. 2004). Such informed decision-making is a critical focus of the US Department of Human Health Services (HHS); as such shared decision-making provides a public means for improving transparency and quality of health services (HHS 2011). However, in order for these goals to be realized and for patients to be able to fully participate in the health decision-making process, we must understand the impact of different communication approaches (cf., Waters et al. 2006) on consumers’ knowledge and comprehension of the risks and benefits of the treatment options as well as consumers’ affect and confidence regarding the decision-process.

Prior research has tried to understand the optimal method of presenting health-related information, focusing on decision aids such as tables and graphs (e.g., Smerecnik et al. 2010). Many of these studies have found that using such visual aids, compared to presenting this information textually only, improves comprehension and decision-making (Galesic et al. 2009; Waters et al. 2006; Zikmund-Fisher et al. 2008). However, when it comes to comparing these risk presentation formats (e.g., table, bar graph, icon array), the literature does not have a consensus on the most effective format. Some studies suggest that tables enhance accuracy the most (e.g., Meyer et al. 1997), while others have found that graphs are superior (e.g., Smerecnik et al. 2010; Tait et al. 2010).

In this paper, we seek to clarify these conflicting results. In particular, we focus on the specific type of knowledge being assessed. Much of the prior literature assesses knowledge with a mix of verbatim (factual accuracy) and gist (comprehension) questions, pooling these together. Yet, verbatim knowledge and gist knowledge are different constructs. Verbatim knowledge assesses an individual’s ability to read numbers from the graphs and tables, while gist knowledge assesses the individual’s overall impression and ability to understand the essentials of the information (Hawley et al. 2008; Tait et al. 2010). While two prior papers have investigated these constructs separately, they found conflicting results. Hawley et al. (2008) found that tables outperform icon arrays with respect to verbatim knowledge, but not gist knowledge, while Tait et al. (2010) found icon arrays outperform tables on both constructs. Thus, there is a need to further investigate how format influences these constructs. In addition, neither paper fully investigates the relationship of format, verbatim knowledge, gist knowledge, and behavior. The Tait et al. paper only assesses knowledge. The Hawley et al. paper finds a positive association between gist knowledge and superior choice, but this could be an artifact of their method. In their study, verbatim questions were asked first, followed by gist questions, and then the treatment decision. Thus, it is possible that the earlier knowledge questions primed participants to consider this information artificially increasing its impact on behavior. We seek to remove this potential confound by asking about treatment decisions first, followed by verbatim and gist questions. In addition, to avoid the possibility that
verbatim or gist questions might prime the other construct, we randomize which set of questions are asked first.

In addition to examining the cognitive impact of different presentation formats, our paper also builds on the prior literature by considering two additional paths by which display format might influence behavior (an affective path and a processing fluency path). By examining all of these factors simultaneously, we present a richer framework for understanding how display format influences decision-making. Our findings make several theoretical contributions. First, our paper clarifies the cognitive process for medical decision-making, finding that the impact of display format on decision-making is mediated consecutively by verbatim and gist knowledge and adds that processing fluency enhances this cognitive process as well as creating a path on its own. Second, our paper identifies a multi-path model of decision-making, showing that display formats influence decision-making through both cognitive and emotional paths and that affect can also enhance the cognitive path when it is integrated with cognitive processing. Implications of these findings for better engaging patients and encouraging improved decision-making are discussed.

THEORETICAL FRAMEWORK AND HYPOTHESES

We begin by considering the cognitive path which involves the relationship among format, verbatim knowledge, gist knowledge, and behavior. We expect that verbatim knowledge will mediate the impact of display format on gist knowledge while gist knowledge drives the behavioral response. Medical contexts involving presentation of various disease risks are fraught with stress and negative affect. In such contexts (i.e., those with negative valence), people generally focus on bottom-top, local processing (Isbell et al. 2013). That is, people will first try to understand specific information pieces, then be able to see the bigger picture, and finally reach a decision. Such bottom-top, local processing suggests that individuals will first focus on verbatim information (i.e., specific numbers/information present), then abstract this to see the bigger picture (i.e., gist knowledge / comprehension), and finally make a decision. Hence, we predict that display format will influence behavioral intention cognitively by first influencing verbatim knowledge and then influencing gist knowledge. That is, we expect:

H1: (a) Verbatim knowledge will mediate the relationship between display format and gist knowledge, and (b) Gist knowledge will mediate the relationship between verbatim knowledge and behavior.

While prior research on risk presentation has assumed a largely cognitive process, much psychological work suggests both affective and cognitive routes to persuasion. For example, Storbeck and Clore (2007) find that affect and cognition are integrated and complementary in their impact on judgments. In particular, the affect-as-information (AAI) paradigm supports that emotions are highly related with what we know, leading people to rely on their affective responses while adapting their behaviors (Isbell et al. 2013). In the current context, it is possible that different display formats differentially facilitate stimulus processing. Such facilitation of stimulus processing can evoke positive affect (Winkielman and Cacioppo 2001). If such positive affect is used as an input into behavior, then individuals may interpret this positive affect as a signal that the environment is safe or favorable (Isbell et al. 2013), leading to approach behavior (Fredrickson 2001; Watson et al. 1999). More specifically, more pleasing formats may signal that the decision of treatment is easier, less stressful, and/or less overwhelming, leading to an increased likelihood that an individual will accept treatment. Thus, we predict:
H2: Affect will mediate the relationship between display format and behavior.

While we expect affect to have direct effects on behavior, we also expect affect will moderate the impact of both verbatim knowledge and gist knowledge on behavior. According to the broaden-and-build theory of positive emotions (Fredrickson 2001), positive affect broadens cognitive thought-action repertoires and builds intellectual, social and psychological resources. In addition, positive affect broadens attention, cognition, and the ability to integrate diverse materials, and strengthens coping resources (Aspinwall 2001; Isen 1990). With positive affect, people are more motivated to engage with their environments and show approach behaviors (Fredrickson 2001). In the current context, these findings suggest that positive affect should increase individuals’ ability to process and integrate information as well as increase their ability to cope with the threat posed by treatment. As such, individuals with higher levels of positive affect who best understand the risk information should show an increased likelihood of choosing treatment. Thus, we predict:

H3: Affect will moderate the relationships between (a) verbatim knowledge and behavior and (b) gist knowledge and behavior.

Finally, we consider the role of processing fluency as an additional path by which display format might influence behavior. Processing fluency has been defined as “ease of processing information about a stimulus” or “a feeling of ease associated with a cognitive operation” and has been shown to influence task-integral behavior (e.g. Oppenheimer 2008). In addition, the less effort involved in an action, the more likely individuals are to engage in that behavior (Song and Schwarz 2008). This finding suggests that display formats that are perceived as easier to process will increase the likelihood individuals will accept treatment and may enhance cognitive operations (i.e., gist and verbatim knowledge). Thus, we predict:

H4: Processing fluency will (a) mediate the relationship between display format and behavior and (b) positively influence both verbatim and gist knowledge.

METHODOLOGY

To test these hypotheses, we conducted a 2 (question order: verbatim first, gist first) x 5 (display format: icon array, bar graph – frequency, bar graph – probability, table – frequency, table – probability) between-subjects experiment with 354 student participants. Participants were presented a scenario informing them that they were at risk for a fatal cancer and including information about the relevant risks with and without treatment; risk information was presented using one of the five display formats1. After reading the scenario, participants were asked about their likelihood of getting treatment (5 items, 7-point scales, $\alpha = .91$), their emotions towards the decision (7-point scales: pleasant, easy, scary, stressful, overwhelming, certain; $\alpha = .78$), 4 verbatim and 3 gist questions (order counter-balanced), and processing fluency (degree information was (1-7 scales): understandable, helpful for decision-making, easy to use; $\alpha = .85$).

RESULTS

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1 The display formats used in the experiment can be obtained from the first author upon request.
Question Order. There were no effects of question order on any of the dependent variables nor did it interact with any variables. Therefore, it will not be discussed further.

Hypothesis 1: Cognitive Path. To test this hypothesis, we conducted analyses examining each of the individual paths and then used bootstrapping to test the two mediated paths. As expected, display format had a significant effect on verbatim knowledge \( (F(4, 342) = 26.76, p < .0001) \), but no direct effects on gist knowledge \( (F(4,344) = 1.234, p > .2) \) or behavior \( (F(4,346)=.842, p > .4) \). Verbatim knowledge had a marginally significant effect on gist knowledge \( (\beta = .08, p < .001) \), but no direct effect on behavior \( (\beta = .03, p > .4) \). Gist knowledge significantly affected behavior \( (\beta = .26, p < .005) \). Bootstrapping with 5,000 samples confirmed that verbatim knowledge mediated the effect of display format on gist knowledge and that gist knowledge mediated the effect of verbatim knowledge on behavior. Thus, Hypothesis 1 is supported.

Finally, to examine the significant effect of format on verbatim knowledge, post-comparison tests using Tukey’s method were used. Tables with frequency information \( (M_{tf} = 3.43) \) and with probability information \( (M_{tp} = 3.07) \) resulted in significantly greater accuracy than all other formats \( (M_i = 2.06, M_{bf} = 1.32, M_{bp} = 2.14, p’s < .05) \); in addition, the bar graph with frequency information resulted in significantly lower levels of accuracy than all other conditions \( (p’s < .02; no other differences were significant (p’s >.1)).

Hypotheses 2 and 3: Affect. To test hypotheses 2 and 3, we expanded the models tested above to include affect. Specifically, we ran (1) an ANOVA with affect as the DV and display format as the IV and (2) a regression with behavior as the DV and verbatim knowledge, gist knowledge, affect, affect * verbatim, and affect * gist as the predictors. As expected, there was a significant effect of display format on affect \( (F(4, 346) = 3.04, p < .02) \) and a significant effect of affect on behavior \( (\beta = .16, p < .007) \). A bootstrap analysis with 5,000 samples confirmed that affect mediated the link between display format and behavior. These results support Hypothesis 2.

In addition, as discussed previously, there was a significant effect of gist knowledge on behavior, but no direct effect of verbatim knowledge on behavior. However, as expected, affect moderated these effects. There was a marginally significant affect x verbatim knowledge interaction \( (\beta = .07, p < .1) \) and a marginally significant affect x gist knowledge interaction \( (\beta = .15, p < .09) \). Examination of these interactions revealed that both verbatim and gist knowledge became more strongly predictive of behavior as affect increased. These results provide tentative support for Hypothesis 3. Finally, post-hoc tests revealed that the table with frequency information \( (M_{tf} = 3.09) \) resulted in significantly higher affect than all other conditions \( (M_i = 2.75, M_{bf} = 2.5, M_{bp} = 2.64, p’s < 0.06), except for the table with probability information \( (M_{tp} =2.85, p >.1).\)

Hypothesis 4: Processing Fluency. Analyses examining each of the individual paths along with bootstrapping to test for mediation were used to test H4. There was a marginally significant effect of display format on processing fluency \( (F(4, 344) = 2.30, p < .06) \) and a significant effect of processing fluency on behavior \( (\beta = .2, p < .001) \). A bootstrap mediation test with 5,000 samples confirmed that processing fluency mediated the relationship between display format and behavior, supporting H4a. In addition, as predicted, processing fluency positively enhanced both verbatim \( (\beta = .23, p < .0001) \) and gist knowledge \( (\beta = .08, p < .004) \), supporting H4b. Post-hoc tests revealed that icon arrays \( (M_i = 3.9) \)
resulted in significantly lower levels of processing fluency than all other conditions ($M_{tf} = 4.4$, $M_{tp} = 4.5$, $M_{bp} = 4.4$, $p$’s < .05), except bar graphs with frequency information ($M_{bf} = 4.0$, $p > .5$).

CONCLUSIONS AND IMPLICATIONS

Prior research has investigated the impact of display format on a variety of factors (e.g., knowledge, behavior, affect), but has not investigated these factors simultaneously nor have they investigated the underlying relationship among verbatim knowledge, gist knowledge, and behavior. Our theoretical model proposes and tests different paths by which display formats may influence behavior. The findings suggest that not only does display format influence behavior via a cognitive path, but that emotions can also have a considerable impact. Processing fluency also influences behavior and enhances both knowledge and understanding. In addition, our results clarify the relationship among verbatim knowledge, gist knowledge, and behavior, showing that verbatim knowledge is a precursor to gist knowledge and that gist knowledge drives behavior. Further, because behavior questions were asked prior to knowledge and comprehension questions and the order of knowledge and comprehension questions were counter-balanced, we can be confident that these results reflect the true relationship among these constructs and are not an artifact of the method. We should note, however, that the experiment was conducted with student subjects. While we had a range of numeracy in the sample, a future study with a non-student sample will be carried out to be able to generalize the findings to the general population.

Our results provide new insights into how display formats influence consumer decision-making and offer suggestions for how healthcare actors, such as doctors, medicine practitioners, news and healthcare articles, can better present risk information to ensure full engagement of patients both emotionally and cognitively for informed decision-making. Tables with frequency information resulted in the highest levels of accuracy and the most optimal decisions. Participants also reported more positive affect in response to information displayed in this format. Interestingly, while tables performed better when they presented risks as frequencies, graphs performed better when presenting probabilistic information. This finding should be further investigated in future research. Finally, healthcare actors should consider patients’ emotions during the decision process. A decision-making process that is pleasant, relatively easy, and not scary, stressful or overwhelming will result in improved decision-making and “feel good” marketing in healthcare.

REFERENCES


DOES FIRM STRATEGIC INTERNATIONAL ORIENTATIONS SYNERGYZE?

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ABSTRACT

Firm strategic orientations continue to draw scholars' attention. While research on various aspects of orientations is voluminous and plethora of research has found orientations to contribute to organizational success and performance, little is known about the interplay among orientations, specifically their possible synergistic interactions and how they affect performance. Although scholars have argued that firms should employ multiple orientations, most prior studies have assessed the impacts of individual orientations on performance. Notably, the international context of orientations have been under-researched. Internationalization in a globalizing world is the most common strategy for expanding sales and allows firms to achieve higher levels of performance.

This survey-based study focuses on three orientations (market - IMO, entrepreneurship - IEO and learning - ILO) in an international context. Scales were derived from the literature slightly adjusted to the study's context. Systematic sampling technique resulted in 103 participating senior managers of international firms. Multiple regression analysis was used. Each set of tests included two models (the first with the individual three orientations, followed by the second that included the orientation interaction terms). The models were significant and the additions of the interaction terms led to a significance change in $R^2$. The individual IMO and IEO constructs had significant positive effect on overall performance and its sub-dimensions in both models. However, ILO is almost consistently unrelated to overall performance and its sub-dimensions in both models. When the interaction terms were added, IMOxIEO and IMOxILO were significantly related with the satisfaction sub-dimension only (positively and negatively, respectively). Interestingly, the IEOxILO interaction term was consistently related negatively with overall performance and its sub-dimensions.

The results indicate that the standalone IMO and IEO affect performance individually and play a positive role in enhancing performance interactively. Thus, these two orientations exhibit positive synergy. However, the standalone ILO does not affect performance and it exhibited negative synergy with IMO and IEO. In other words, emphasizing ILO in addition to IMO/IEO diminished the impact of the latter orientations on performance.

We conclude that international orientations have positive and negative synergistic effects on performance. We contend that managers responsible for international operations need to recognize that considering multiple international orientations when setting strategies may carry a potential bounded rationality penalty. Such managers that have been exposed to research documenting a relationship of an individual orientation with performance might incorrectly assume that multiple orientations should be always employed simultaneously. This study argues for caution when combining several orientations, which may result in a sub-optimal approach.

References available upon request.
CONCEPTUALIZING AND OPERATIONALIZING THE REVERSE INTERNATIONALIZATION PHENOMENA OF FIRMS

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ABSTRACT

Internationalization is a two way street and firms can move through its processes forward and backward. Reverse internationalization (RI) is a common but crucial phenomenon for firms that operate in a world of heightened globalization. However, while research on internationalization is voluminous, the exploration of RI remains limited. In light of the 2008-9 economical global crises, many international firms worldwide have experienced RI episodes. Given that scholars and practitioners have been sending warning signals about a potential global crisis on the horizon, and given that RI must be considered as a serious strategy, revisiting the RI domain, its patterns and drivers, is a topical and important research area. Notably, the literature has not converged on its definition and drivers and a clearer and richer view of RI is needed to facilitate its conceptualization. Many previous studies were restricted in the range of RI forms included and analyzed RI using mainly one dimension.

Grounded in data emerged from field in-depth interviews of executives from twenty internationalizing firms, this study employs a qualitative approach. The primary objective is exploratory work and theory development. The study illuminates the RI phenomenon further, proposes a broader conceptualization and operationalization of RI, and develops propositions. The exploratory nature is limited to an in-firm analysis of RI patterns and antecedents situated within an internal (e.g., reduced knowledge of the firm) and external (e.g., foreign market dynamics) factors context. The basic unit of analysis is the reduction in firms' cross border activities. Content story approach was used as main analytic tool. The study built on the stage-based internationalization models and on the resource-based-view theory.

Findings show that RI emerges as a multifaceted formative construct reflecting a reduction in firms’ activities on one or more of four dimensions. These include the (i) number of active foreign markets, (ii) width/length of product lines, (iii) stage of internationalization, and (iv) pace of internationalization. Additionally, various internal and external factors (i.e., international knowledge/experience, planning/strategy/formalization of the internationalization process, intensity/complexity of international services, and various characteristics of the international environment such as turbulence, competition, and customers' demand and preferences for services) foster RI. Since firms apply sophisticated forms of international exposure, RI domain should address its wide-ranging forms with a clearer and richer view that facilitates RI's conceptualization.

The study concludes with a model of RI patterns and drivers that aims at directing future research. Managers learn to pay attention to likely episodes in internationalization that may arise and lead to RI and of ways to approach them.

References available upon request
Prior research on communications of strategic brand alliances assesses spillover effects of these alliances on consumer attitudes toward brands (Simonin and Ruth 1998; Baumgarth 2004). However, social media strategies have shifted firms’ months-long bureaucratic approval processes of formal alliances to real-time brand-to-brand communications, or interbrand communications (IBCs). This has given firms the ability to co-create brand value, alongside consumer value co-creation. The purpose of this research is to identify and examine the effects of IBCs—using social media—on brand co-creation of value via spillover effects. We simulate an IBC in a controlled between-subjects experiment and use SEM to evaluate the spillover effects of IBCs on consumers’ attitudes to brands. Our results indicate IBCs have positive spillover effects on consumer attitudes toward brands but that those effects are moderated by brand familiarity. However, we fail to find support for consumer attitudes to IBCs leading to consumer-brand engagement. This initial research on IBCs has theoretical implications for social media, brand management, and marketing communications research, as well as practical implications for firms adding IBCs to their communications strategies. We conclude with insights for extending research on IBC characteristics and spillover effects.

References available upon request
Although Corporate Social Responsibility (CSR) has been an issue of major concern for marketers for more than half a century, less attention has been paid to its international marketing dimensions. However, there is a sufficient critical mass of articles on the link between CSR and international marketing to warrant attention. Thus, the aim of our study is to systematically review, assess, and synthesize extant research on the subject. Specifically, we have three major objectives: (a) to identify and analyze the theories that provided the theoretical background of articles on the subject; (b) to assess the research methodologies employed; and (c) to organize and discuss the key thematic issues addressed.

Using a combination of electronic and manual literature search methods, we have identified 132 studies that appeared in 107 articles and were published in 61 academic journals during the period 1993-2013. Theoretically, slightly over a third of the articles were not anchored on a specific theory, and this was particularly true during the early stages of this research. The remainder employed one of the following theories: stakeholder theory (20.6%), institutional theory (8.4%), resource-based view (5.6%), resource-dependence theory (3.7%), legitimacy theory (3.7%), and information processing theory (2.8%). Theories used less frequently were: signaling theory, agency theory and upper echelons theory. A tenth of articles used multiple theories. Methodologically, pertinent articles were characterized by growing sophistication and rigor, as demonstrated by a gradual shift of research from descriptive to formalized, from exploratory to causal, from widening the range of focal country settings, from extending the unit of analysis to cover both firms and various stakeholder groups, from non-probability to probability sampling designs, from single to combined data collection methods, and from univariate and bivariate analytical methods to structural equation modeling. Empirically, this literature covered a wide range of issues, with the most commonly studied being those focusing on the elements of international marketing strategy, external environmental influences, and CSR practices, such as stakeholder management, cause-related marketing and philanthropy, and performance-related issues (although limited attention was paid to social and financial performance). The least studied issues referred to internal influences (e.g., organizational and managerial considerations), consumer retaliation and boycotts, CSR communications, and factors stimulating or obstructing CSR adoption. In conclusion, the literature on CSR issues in international marketing seems to have a rapidly developing and widely spreading pattern, which is characterized by increasing sophistication, innovative elements, and useful insights. This is particularly true of the last four years, in which reach on the subject has grown at an unprecedented pace. Since this body of research is expected to grow further in the future, as a result of increasing public concern and sensitivity to social-related issues, the imposition of stringent legislation, and the intensification of competition on a global scale, we end up with a comprehensive list of future research avenues that fall under nine different categories. Our review contributes to the international marketing discipline in three different ways: (a) it synthesizes a novel body of research characterized by great fragmentation and diversity into an organized and holistic framework; (b) it creates an inventory of knowledge that could help marketing scholars to advance research on the subject, and practitioners to gain insights into the role of CSR issues in their foreign operations; and (c) it offers public policymakers a framework for formulating sound policies to encourage socially responsible behavior among international firms.
This study aims to understand the underlying mechanism of Chinese consumers’ online group buying intention to gain strategic consumer insights and advance the theoretical understanding of online consumer behavior. Recognizing the social connotation of consumers’ online group buying behavior, this study pays special attention to the factors pertaining to social relationships—susceptibility to normative influence, need for uniqueness, and perceived homophily as key antecedents driving online group purchase. An online survey was conducted with nonstudent adult respondents. Hierarchical regression results show that two counterintuitive factors—consumer need for uniqueness and perceived homophily significantly and positively influenced online group buying intention, while susceptibility to normative influence did not. Based on the Beta coefficients in the regression, consumer need for uniqueness emerged as a more powerful antecedent than perceived homophily. Additional statistical analysis suggests that consumer need for uniqueness appeared to be a possible mediator between normative influence and online group buying intention, thereby dramatically diminishing the effect of normative influence on online group buying intention. Results indicate that participating in the popular yet innovative trend of online group buying constitutes an important means for consumers to seek uniqueness in a socially approved manner. Although collectivist Chinese societies emphasize the need to be part of the mass, being too similar to others may lead to countervailing pressures for distinctiveness. In fact, the findings may reveal a cultural paradox that when Chinese consumers engage in online group buying which already meets the expectation of collectivism, their need to feel unique may be stronger.

References Available Upon Request
EXPRESSIONS OF (DIS)RESPECT:
UNDERSTANDING RESPECT IN A CONSUMER CONTEXT

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ABSTRACT

What (dis)satisfies consumers is a central question in marketing research (Luo and Homburg 2007). Existing work has largely focused on the role of judgments of product or service performance (e.g., Falk et al. 2010), complaint handling (e.g., Zheng et al. 2013), and equity perceptions (e.g., Oliver and Swan 1989) as antecedents of satisfaction. The current work suggests that satisfaction is also likely to be strongly influenced by the inferences that consumers draw about the extent to which the firm showed them respect. We expect that such inferences can be drawn from a wide variety of firm actions. As such, respect may account for some of the impact of a variety of known antecedents of satisfaction, but it might also be capable of explaining additional variance in the satisfaction response.

Respect plays a central role in the quality and outcomes of interpersonal interactions (Lind 1989). It has been characterized as a fundamental entitlement (Miller 2001). Actions and words that convey a lack of respect can be enormously upsetting (Sennett 2003). Conversely, respectful relationships are more rewarding and likely to endure (Murphy 2007; Sleebos, Ellemers, and de Glider 2006). Despite the demonstrated importance of respect in interpersonal settings, it has received little attention in the context of marketing exchanges (Berry 1996; Costley, Friend, and Babis 2005). The purpose of the current work was to provide an initial investigation into the role respect might play in consumers’ satisfaction response.

Four-hundred and fifty participants (students at two universities) recounted either a satisfying or dissatisfying purchase experience and completed a variety of relevant measures. As expected, dissatisfying experiences were associated with poor product, service, and post-purchase service performance. They were also more likely to result in lower attitudes toward the store, more negative affect, more negative word-of-mouth, and reduced repurchase behavior. More relevant to the current ideas, dissatisfying incidents were characterized by perceptions of a lack of respect and reduced self-esteem. Within each type of reported experience (i.e., both satisfying and dissatisfying), inferences of (dis)respect predicted satisfaction, beyond the variance explained by the three performance variables (product, service, and post-purchase service). Additional analyses suggested that the relationship between respect and satisfaction was mediated by self-esteem and affect. Also consistent with our broad ideas, inferred (dis)respect had a stronger influence on self-esteem and (dis)satisfaction when it came from a seller with which consumers had previously perceived to have a strong relationship.

References available upon request.
We Clapped for the Hologram: Authenticity in Experiential Consumption

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ABSTRACT

For experiential marketers or for service providers, holographic technology implies labor cost-savings, standardizing customer interaction, and potential revenue opportunities through simultaneous experiential replication. The novelty of holograms has encouraged businesses to rapidly adopt their use, however, little is known about consumers’ reactions to and interactions with virtually-replicated experiential consumption. In this paper, we propose and test a model of how holographic experiences can still lead consumers to have positive, seemingly-authentic consumption experiences, even though the mode of presentation is inauthentic. The results of an experiment demonstrate few significant differences between control, live performance, and holographic performance groups with respect to various outcomes of experiential consumption. Further, we find no significant differences between groups on consumers’ likelihood to watch again, likelihood to recommend the performance, and willingness-to-pay. These findings suggest that, although holographic technology is currently costly, the ability to replicate experiential consumption could be cost efficient in the long-run. We conclude with insights for extending research on holographic experiential consumption.

References available upon request.
ABSTRACT

Being a dream brand and distinctive among other competitors often results from the brand aspiration signals conveyed by the brand that consumers choose to display and process. Conceptual models of social psychology recognize that an individual’s strong aspiration works as a driving force towards the motives for action and create behavior when time tends to be consistent with the aspiration that the individual pursues (Sheldon et al. 2004; Pyszczynski et al. 2004; Sheldon 2004; Kasser and Ryan 1993, 1996; Kim et al. 2003). Building on these notions, the effect of aspirations on consumer luxury brand preference have been demonstrated (e.g. Truong et al. 2012). Recognizing the importance of goal oriented motives for developing strong behavior, practitioners too focused on imparting aspirational values over and above their stiff price competition to get a competitive advantage.

Despite this interest, branding literature offers limited guidance on the observable characteristics of consumers’ brand aspirations that might influence behavior. This understanding is vital for several reasons. First, increased attention on consumers’ aspirations in the academic literature has gained support for managing consumers’ brand attachment (Park et al. 2006). Second, the significance of brand aspirations in shaping consumer behavior is interesting as self-determination theory in social psychology. Ryan and Deci (2000) suggest that individual motivation is concerned with the development and functioning of personality in the social environment. Third, an individual’s aspirations determine their important life decisions, define specific perceived values and also influences and shape the perceptions, judgments and behavior (Kasser 2002; Weinstein et al. 2009). Thus, the present study addresses this need for a measure of Brand Aspirations by empirically constructing and validating a measure of consumers’ brand aspirations and further tests its impact on consumer brand relationship outcomes.

References Available Upon Request
INTRODUCTION

There is an increasing interest in the study of the role played by emotions in marketing and advertising in the recent years. According to Hirschman and Holbrook (1982), they may often be crucial as "primary motivator of behaviour", playing an important role in both cognitive processes and outcomes (Erevelles, 1998). Effect of emotions on implicit brand placement processing is, hitherto, an unexplored area. This study examines the impact of positive emotions (happy, interest) and level of character-brand interaction on consumers' implicit attitudes towards brand placements. In the experiments conducted, it was observed that consumers in a positive emotional state were more likely to respond favourably to the placed brands when the character interaction with the placed brand was low. The industry implications are discussed in herein.

BACKGROUND

Previous studies have observed that emotions influence consumer attitudes and behaviour (Bagozzi et al., 1999; Cohen and Areni, 1991). This is the driving force for research focussing on the role of emotions in marketing communications. For instance, Holbrook and Batra (1987) examined the relationship between attitudes and consumers' responses to emotional ads. Burke and Edell (1989) have investigated individual difference that may moderate consumers' responses to emotional experiences induced by advertisements (Murry and Dacin, 1996). Extant studies have also highlighted a wide array of emotions that can be evoked by advertising messages. Within marketing communication, brand placements, a "new genre of marketing tools" (Weaver and Oliver, 2000), is becoming important for the practitioners. Factors, such as, advertising wear out (Blair and Rabuck, 1998) and media fragmentation are often attributed to the growing adoption of this strategy across markets as companies are compelled to identify new ways to capture consumer attention and most importantly sustain their interest.

Brand placements are processed differently than traditional advertisement (Babin and Carder, 1996; DeLorme and Reid, 1999; Gould et al., 2000; Gupta and Gould, 1997; Karrh, 1998; Nebenzahl and Secunda, 1993). More research has examined the effectiveness of brand placements in various media-television shows (Russell, 2002; Karrh et al., 2003, in games (Nelson 2002; Lee, 2004), or game-players' attitudes towards the commercial practice (Youn et al., 2003; Nelson, 2002). These researches indicate that viewers "like" product placements because they enhance realism, aid in character development and provide a sense of familiarity, as opposed to traditional advertising.

The cognitive research involves studies exploring the memory effects, measured through recognition or recall (Babin and Carder, 1996; Gupta and Lord, 1998; Johnstone and Dodd, 2000; Karrh, 1998; Nelson, 2002). However, if the brand placements operate less consciously, these recall/recognition measures may be inadequate and implicit measures may be more desirable. One reason is that consumers often do not verbalize thoughts about issues they are not consciously aware of (Synnott, 1991; Heath, 2007).
According to Yang (2006), the use of implicit memory in measuring communication objectives has been desirous due to the limitations of explicit memory tests to detect advertising effects (Duke and Carlson, 1993; Krishnan and Chakravarti, 1999; Schmitt, 1994). The contention being that the brand placement effects may occur through sub-conscious as well as conscious processes. For instance, it has been observed that although the audience may not explicitly recall or recognize brand names after exposure to brand placement sequences, the brand names may still impact on the familiarity and in certain studies, preference for the brands (Russell, 1998; Law and Braun, 2000; Law and Braun-LaTour, 2003). Thus, implicit attitude may detect exposure effects that were not discernable through explicit memory measures (Duke, 1995; Duke and Carlson, 1994; Krishnan and Chakravarti, 1993; Krishnan and Shapiro, 1996; Shapiro and Krishnan, 2001).

The Hierarchy of Processing Model, which incorporates both the rational component and emotional component of message processing, posits that high attention would lead to explicit processing and active learning to form "perceptual" memories which can be analysed to form "analytical" memories (Heath, 2007). The analytical memories will create brand-linked beliefs, which may lead to attitude change and influence buyer behaviour. The implication is then that emotion presented through the medium may influence the consumers’ behaviour without their awareness (Damasio, 2004).

The brand-linked beliefs may result in an overt change in attitudes, which consumers can counter-argue and nullify, but the emotional response generated by the brand association is "automatic, internal, and self generated, and the resulting changes in attitude will therefore be covert". The implication being that since "you cannot counter-argue attitude changes which are covert and which you are not aware of... through the medium of an emotionally competent brand association, advertisers can influence the buying decision – 'persuade' – without the customers awareness" (Heath, 2007:30). This study looks at two positive emotions (Happy and Interest) to examine the relationship between positive emotions and brand placement effectiveness. Thus, implicit brand attitude strengths formed through positive placement sequences will be greater for positive emotions as compared to the control (littleHappiness/littleInterest).

**Hypothesis 1:** Positive emotions in a placement sequence will lead to greater degree of implicit brand attitudes than for sequences with minimum emotions (control).

Russell (2002: 313) has observed that modality and plot connection play an important role in influencing memory and attitudes. D’astous and Francis (2000) have observed that specific placements were positively evaluated "when the principal actor was present, when the placement was manifest, and when the brand was integrated well in the movie scene. Since high character brand integration (plot modality) will invite higher attention to the brand, it is hypothesised that:

**Hypothesis 2:** Implicit attitudes formation will be greater for brands placed in the placement sequence with low character-brand interaction level (CIL) than those, which were placed in high character-brand interaction context.

**RESEARCH METHODS**

An experiment, using existing television shows with placements depicting the plot connection (placement modality) was adopted. However, Russell (2002) points out that it has the danger of "introducing unwanted noise". In order to maintain the integrity of the framework, the stimuli adopted
per experimental cell was such that the treatment cells were manipulated on high and low CIL levels and emotions elicited were happy, interest or control (little Happiness/littleInterest). This allowed some measure of experimental control in manipulating the main variables. Since it allowed for an opportunity to empirically test the stimuli, "which vary only on certain specified dimensions", it maximized the internal validity of the experiment (Russell, 2002:309).

To minimise demand artefact for both explicit and implicit task, a between subject design was adopted for this study. However, it was not possible to anticipate all the background factors, which could influence the dependent variables in a consumer-based experiment. "External validity is an elusive and perhaps an unattainable goal for consumer research" (Lynch, 1982:231). To study implicit measures of the participants, an implicit attitude test (IAT) experiment was conducted using Plan software package (Intel, 2007). For each cell (in total six) a separate online questionnaire to measure explicit self report and implicit task was designed using Qualtrics survey creation tool. For six identified stimuli, six different treatment cells were designed to study the implicit-explicit measure.

**Participant Profile**

There were 216 participants, with 36 respondents in each of the six conditions. The gender quota for each cell was such that the ratio of male and female participants was 50:50. The participants ranged in age from 22 to 61, with a mean age of 34 years (SD=1.072). The participants, allocated to each treatment cell randomly, were drawn from the UK population and did not focus on student -only sample. Each cell had randomly allocated 36 participants. The manipulation checks were conducted for emotions and CIL. Score test was conducted to establish the means across each of the treatment cells to check for manipulation of emotions (Happy, Interest and LittleHappiness/LittleInterest (control) and Character-brand Interaction Level (CIL). For the latter, the participants were asked to complete a 7-point likert scale on "For one of the characters, the emotions seemed to be a direct consequence of their experience with the brand (main brand per stimuli) placed in the clip", to judge the strength of the emotional bond shown between the character and the brand and based on this two conditions were established High and Low.

**RESULTS AND DISCUSSION**

The implicit association strength indicative of the implicit attitude was measured by the IAT effect (Dscore) (Nosek et al., 2007). The latter was calculated by following the improved IAT scoring algorithms provided by Greenwald et al., (2003:214). Importantly, the following points were taken into account-any reaction time longer than 10,000milliseconds were eliminated. All responses were greater than 400 milliseconds and therefore, no data had to be removed. This is consistent with the recommendation that any participant should be removed if 10 percent of his or her reaction time is shorter than 300 milliseconds (De Houwer et al., 2009). A two-way independent Anova was conducted that examined the effect of emotion and CIL on implicit attitude (Dscore). There was a significant main effect of emotion on implicit attitude F(2, 220)= 4.770, p =.009. The interaction effect between CIL and emotions on implicit attitude was not significant F (2, 222)=0.543, p=n.s.

The Bonferroni post hoc test indicates that implicit attitudes were stronger for Happy (M=.267, SE = 0.040) and Interest (M= .362, SE = 0.037) than for placed brands in the control stimuli (M=.194, SE=0.041) thus supporting hypothesis 1. The high character interaction level within the placement
sequence (stimuli) shows a decrease in the implicit attitudes for all treatment cells-Happy (M=.275, SE=.065; M=.260, SE=.055); Interest (M=.413, SE=.051; M=.312, SE=.055) as compared to Control (M=.262; SE=.058; M=.127, SE=.056) supporting hypothesis 2. The emotion*CIL interaction effects were observed to be non-significant. In context of the findings of this study, it is observed that positive emotions have a significant main impact on implicit attitudes. They were seen to be stronger for placements eliciting positive emotions than control placements. Both emotions were attention intensive but they still impacted on the automatic attitudes at subconscious level. So the role of emotion and formation of subconscious processing of information invites further research. However, the placement modality and execution factors such as characters placed alongside brands do not indicate any differential impacts on the automatic processing of the placed brands for placement sequences evoking positive emotions.

The implicit attitudes, it is observed, are hindered by the high interaction of the characters with brands in a placement sequence irrespective of the positive emotions it evokes indicating that meaning transferred from celebrity to brand (McCracken, 1989) may not operate at the implicit attitude level. This implies that choice of characters and plot modality may need to be revised when designing communication strategies for enhancing brand attitude strengths. Another important dimension which has been observed for Interest is the novelty–complexity (Fredrickson, 1998; Izard, 1977; Silvia, 2005). In his model of appraisal, Scherer (2001) has mentions that one of the first judgments in the appraisal sequence is a "novelty check" i.e. an event's newness or unfamiliarity. This may have a particularly important implication for the evaluation of brand placements. The findings suggest that novelty of a stimulus is perceptive for implicit processing as well given the high means for implicit attitudes in interest evoking stimuli.

There is, thus, a need to better understand how emotions and character-brand interactions influence the brand building process. The latter is a critical concept in marketing. The study aims to provide a two-pronged benefit: a) it will add to the extant knowledge, possible contribution of a new framework to measure this fast evolving marketing strategy; b) it aims to provide a fresh perspective of how consumers connect with brands. This would be crucial when formulating both advertising and brand strategies.

References available upon request
INTRODUCTION

There is ample recognition that social media tools (for example, Facebook, Twitter, Youtube, and LinkedIn) are being used by marketers to influence consumer preferences and purchase decisions and to generate word of mouth (Kumar and Mirchandani, 2012). However, social media usage in the sales function and/or organization is still in an early stage, and research in this area is required. Previous related research has looked at some determinants of technology adoption by salespeople, such as sales force automation (SFA) or customer relationship management (CRM) tools (Jelinek, Ahearne and Schililwaert, 2006; Richard, Thirkell and Huff, 2007; Speier and Venkatesh, 2002). However, social media tools differ from SFA or CRM not only in their relative newness, but also in the sales purposes they can help to achieve for example, prospecting for customers, obtaining market information, promoting products, and identifying candidates for sales positions, among others). In addition, most previous research has examined the individual salesperson’s adoption of technology, rather than the adoption of technology by the sales organization, which could be considered a more strategic issue for a company.

Building on the mentioned literature, but adapting the analytical framework to the context of social media tools, our research addresses these gaps by studying the determinants of social media usage in the sales organization. We analyze both individual and organizational factors (namely, sales managers’ and organizations’ competence and commitment with social media), plus customer engagement in social media as an external/contextual factor, and investigate how these variables predict social media usage and the nature of those relationships. We control for size of the company, size of the sales force, and age of the sales manager.

RESEARCH QUESTION AND HYPOTHESES:

Our general research question is: What determines the use of social media tools in the sales organization? More specifically, our research hypotheses are:

H1a: Individual competence in social media and organizational usage of social media are positively related.
H1b: Individual commitment to social media and organizational usage of social media are positively related.
H1c: There are synergistic effects between individual competence and individual commitment in affecting organizational usage of social media in sales.
H2a: Organizational competence in social media and organizational usage of social media in sales are positively related.
H2b: Organizational commitment to social media and organizational usage of social media in sales are positively related.
H2c: There are synergistic effects between organizational competence and organizational commitment in affecting organizational usage of social media in sales.
H3: Customer engagement in social media tools and organizational usage of social media are positively related.
H4a: Individual competence mediates the relationship between customer engagement in social media tools and organizational usage of social media in sales.
H4b: Individual commitment mediates the relationship between customer engagement in social media tools and organizational usage of social media in sales.
H4c: Organizational competence mediates the relationship between customer engagement in social media tools and organizational usage of social media in sales.
H4d: Organizational commitment mediates the relationship between customer engagement in social media tools and organizational usage of social media in sales.

RESEARCH METHODOLOGY

We surveyed 220 sales managers of companies operating in varied industries in the United States of America. These sales managers were all members of the Sales Management Association. To test our model empirically we conducted multiple regression analysis. The dependent variable, organizational usage of social media in sales, was measured by asking sales managers to rate from 0 to 10 the intensity of their company’s social media usage in the sales organization. Multiple items were used to measure the independent variables of our model, which can be summarized as: sales managers’ individual factors (competence and commitment with respect to social media), organizational factors (competence and commitment with respect to social media), and customers’ engagement in social media. We control for size of the company, size of the sales team, and age of the sales manager. The main and moderating effects (H1 to H3) were tested through the following multiple regression model:

\[
\text{SM}_{-}\text{Use}_{-}\text{Sales} = \beta_0 + \beta_1 \text{ind}_{-}\text{comp}_{-}\text{et} + \beta_2 \text{ind}_{-}\text{commit} + \beta_3 \text{org}_{-}\text{compet} + \beta_4 \text{org}_{-}\text{commit} + \beta_5 \text{cust}_{-}\text{engage} \\
+ \beta_6 \text{ind}_{-}\text{comp}_{-}\text{et} \times \text{ind}_{-}\text{commit} + \beta_7 \text{org}_{-}\text{compet} \times \text{org}_{-}\text{commit} \\
+ \beta_8 \text{org}_{-}\text{size} + \beta_9 \text{team}_{-}\text{size} + \beta_{10} \text{ind}_{-}\text{age} + \epsilon
\]

The mediating effects (H4) were tested through a Sobel Test.

RESULTS

Main effects: we find organizational competence, customer engagement, individual commitment, and organizational commitment (in that order of significance) to be associated with organizational usage of social media in sales. Individual competence is not.

Moderating/synergistic effects: we find an interaction effect between individual competence and individual commitment, but not between organizational competence and organizational commitment.
Mediating effects: we find that the effect of customer engagement is partially mediated by all four other predictors. However, the mediating effect is much stronger for the organizational factors than for the individual factors.

- For organizational factors, the mediating effect is 48.5% for competence and 50.1% for commitment.
- For individual factors, the mediating effect is 17.4% for competence and 19.1% for commitment.

REFERENCES


SHOPPING or buying with a mobile device (M-shopping henceforth) has become an increasingly important topic that has drawn much attention in both industry and academia. Forrester Research (Hudson 2013) predicts that marketing spending on activities and promotions using mobile platforms is expected to increase 100% by 2015. M-shopping is also expected to grow substantially compared to the rest of the retail space. Deloitte Consulting (2012) predicts that $31 billion worth of retail revenues will be transacted using mobile devices by 2016. While total retail revenue annual growth rate is forecasted at 4% - 6% for 2014 through 2017, mobile commerce is estimated to grow at 21% - 40% (Mulpuru 2013). The growth in M-shopping provides ample potential for marketers and advertisers to leverage the channel. Using a unique dataset from an Internet-based firm, we are able to compare customers’ behaviors based on whether they use mobile devices, i.e., smartphones, tablets, and/or personal computers (PCs) when composing, modifying or placing orders online. We find that purchase probability and order size, i.e., the size of the order in dollars, increase as customers become accustomed to M-shopping. In addition to the cumulative effect, orders that are made with one or more mobile devices are more likely to lead to shorter times-to-next-order than PC-only orders. However, not all mobile orders are the same. Orders made with two or more device types are larger than those that are made with only a single device, e.g., smartphone-only orders. Orders made with all three device types, i.e., smartphones, tablets, and PCs, are the largest. We propose that customers utilize mobile devices because the technology provides ubiquitous convenience, which leads them to incorporate M-shopping into their habitual routines. Managerially, we recommend that firms should not only promote their mobile platforms, but also encourage their customers to engage through multiple devices, including PCs. Firms can increase their customers’ spending by leveraging anytime, anywhere access and customer engagement via multiple devices.

References available upon request
THE EFFECTS OF ONLINE NEGATIVE WORD-OF-MOUTH – AN EMPIRICAL STUDY

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ABSTRACT

Previous studies on the effects of word-of-mouth (WOM) have rarely distinguished the effect of creating and reading WOM messages. This paper investigates how posting and viewing online negative word-of-mouth (NWOM) affect customers’ subsequent purchase behaviors. We also identify different types of negative emotions expressed in NWOM and examine their impact. Using a dataset that combines customers’ posting and viewing activities on the firm’s online forum and their purchase and redemption histories, we find the interaction effect between posting and redeeming to be positive, and viewing to be negative. Regarding emotions, anger has a negative effect, while concern has a positive effect. We propose an explanation for these findings, and discuss their implications and applications.

Keywords: Negative word-of-mouth, NWOM, Posting, Viewing, Emotion, Sentiment analysis

INTRODUCTION

Given the ubiquity of online forums and social networking sites (SNS), customers are able to voice and share their opinions in ways that could not have been possible just a few decades ago, especially when they experience dissatisfaction with a brand. Such negative word-of-mouth (NWOM) is observable not only by other customers, but also by the firm itself. Thus, these social technologies motivate a firm to understand the sentiments and the consequences of these negative messages (Chevalier and Mayzlin 2006; Fournier and Avery 2011). This engagement also changes the power dynamics between customers and a firm. The NWOM can potentially influence not only the posters themselves, but also their fellow customers who observe the negative expressions (Pitt, Berthon, Watson, and Zinkhan 2002).

The phenomenon of electronic word-of-mouth (e-WOM) has spurred streams of recent research in consumer complaining behavior (CCB) and sentiment analysis. In the CCB literature, consumer complaints are thought to be triggered by negative feelings or emotions from perceived dissatisfaction (Day 1984; Landon 1980), and such emotions are believed to affect attitudes toward brands, purchase intentions, and purchase decisions (Maute and Dubés 1999; Riegner 2007). However, previous studies examined customers’ negative emotions in a less accurate manner: (1) negative emotions were self-reported by asking participants to rate the intensity of a few negative emotions, which may not accurately measure such emotions; (2) the effect of writing/posting and reading/viewing NWOM was not distinguished although these activities may involve different cognitive or emotional mechanisms; (3) most studies were not able to estimate the impact of NWOM on actual purchase behaviors.

In this paper, we consider customers' complaints posted on an online public forum as NWOM and investigate the effects of posting and viewing NWOM, as well as the effect of expressing different
negative emotions. We also address the aforementioned shortcomings of previous research by conducting a sentiment analysis on the customers’ NWOM messages and linking the NWOM activities to their actual purchase records. Using a unique dataset that comprises customers’ viewing and posting NWOM on a firm’s community website and their purchase and redemption behaviors, we address the following questions: 1) How does posting or viewing NWOM about a firm affect the customers’ subsequent purchase behaviors? 2) What types of emotions are expressed in customers’ NWOM, and what is the effect of expressing emotions on purchase behaviors? Lastly, we provide managerial insights about how a firm should respond to NWOM activities.

In the following sections, we propose a review on relevant literature on how posting or viewing NWOM may influence subsequent purchase behaviors. Next, we present our conceptualization by proposing hypotheses and research questions about the effect of posting and viewing NWOM on purchase behaviors. Then, we present the data and methods including a detailed explanation about content coding and sentiment analysis procedures, followed by the results. Finally, we discuss implications for theory development and managerial insight.

**LITERATURE REVIEW**

Since the dawn of Web 2.0 technology, digital media have allowed consumers and companies to interact without the constraints of time and space at low cost (Pitt et al. 2002). What distinguishes e-WOM from traditional WOM is its unprecedented scalability, speed of diffusion, accessibility (or storability), measurability, interaction in public space, to name a few (Andreassen and Streukens 2009; Chrysanthos Dellarocas 2003). Such characteristics of e-WOM have enabled researchers and practitioners to examine its various effects. One of the major areas of research regarding WOM is the effect of WOM valence (i.e., whether WOM is positive, negative, or neutral). (C. Dellarocas, Awad, and Zhang 2004; Liu 2006). Liu (2006) argues that valence implies the cognitive consequence of consumers’ attitudes toward a brand. Because positive WOM (PWOM) enhances expected quality and brand attitude, whereas NWOM dampens them, PWOM leads to a recommendation for product purchase and NWOM elicits product denigration, rumor, and private complaining (Liu 2006, p. 76). In particular, scholars have shown that NWOM activities diminish purchase intentions and sales (Chevalier and Mayzlin 2006; Huang and Chen 2006; Mizerski 1982; Wyatt and Badger 1984). Some even demonstrated that the impact of NWOM on decreasing sales is greater than the impact of PWOM on increasing sales (Mittal, Ross, and Baldasare 1998; Park and Lee 2009), suggesting how NWOM can critically harm product/service evaluations and revenue growth.

What is less clear from the previous literature on NWOM or private/public complaining behavior is the distinction between the effect of posting (i.e., expressing) and viewing (i.e., receiving) NWOM. Studies on negative reviews have mainly looked at the effect of reading NWOM messages on their receivers (Basuroy, Chatterjee, and Ravid 2003; Chevalier and Mayzlin 2006; Liu 2006). General consensus is that exposure to NWOM taints brand impressions and reduces product sales (Chevalier and Mayzlin 2006; Liu 2006). Other studies have elaborated the conditions under which NWOM reception has a positive or negative effect. For instance, Chan and Cui (2011) showed that attribute-based (i.e., product-evaluative) NWOM has an aggravating effect because it escalates dissatisfaction among those who were exposed to such negative messages from other customers (i.e., attitude polarization), while experience-based NWOM has an alleviating effect (i.e., downward comparison). Berger and his colleagues (2010)
demonstrated that NWOM decreases purchase likelihood and actual sales for brands that already have broad awareness, whereas it positively affects sales for unknown products.

Compared to reception studies, the effect of expressing NWOM has been less frequently investigated. Research on motivations of NWOM suggests that reasons for engaging in NWOM communications is (1) to prevent others from experiencing the same problem that they had encountered, (2) to vent their anger through NWOM as a way of reducing cognitive dissonance, (3) to retaliate against the offering company, and (4) to seek advice on how to solve their problems (Hennig-Thurau et al. 2004; Sundaram, Mitra, and Webster 1998). Grégoire and his colleagues (2009) examined how revenge and avoidance desires of online complainers change over time depending on the strength of the customer-firm relationships (measured as trust, commitment, and social benefits) and the solution that the firm offers (e.g., apology or compensation). Their findings suggest that the desire to seek revenge decreases over time, but does so slowly among firms' best customers (what they called as a "love-becomes-hate effect"). They also found that when a firm offers a solution such as an apology or compensation after the online complaint, the customers who have strong relationships with the firm are more amenable to these recovery attempts than customers with weak relationships. This finding implies that the ex-ante strength of a customer-firm relationship has a moderating effect.

What is also less explored in WOM research is the role of emotions expressed in WOM messages (Kim and Gupta 2012). Recent studies in social and cognitive psychology have suggested that negative emotions triggered by customers' dissatisfaction with a product or service influence both NWOM senders and receivers' emotional state and the subsequent cognitive and behavioral stages (Ladhari 2007; Maute and Dubés 1999; Riegner 2007; Schoefer and Diamantopoulos 2009). Several other studies have classified negative emotions that are relevant to consumption experiences (Bracewell 2008; Izard 1977; Parrott 2001; Westbrook 1987; Westbrook and Oliver 1991). Overall, these studies identified anger, contempt, disgust, shame, guilt, sadness, fear, and surprise as a set of negative emotions associated with dissatisfying consumption experience. To identify real-time emotions from empirical data, researchers employ a set of methodologies that are referred to as sentiment analysis. Advertising and marketing researchers in particular apply these techniques to understand how positive, neutral, or negative emotions expressed in online WOM affect a consumer’s product evaluation (Berger et al. 2010; Kim and Gupta 2012). Managerial studies have also shown how analyzing online feedback data can reveal actionable strategies for firms to improve their brand image or service offerings (Gerdes, Stringam, and Brookshire 2008; Pullman, McGuire, and Cleveland 2005).

HYPOTHESES AND RESEARCH QUESTIONS

Based on the previous findings on the effect of posting and viewing NWOM, we pose two separate hypotheses and one prediction concerning the effect of viewing NWOM and posting NWOM. Given the context of this study (i.e., online NWOM posted on a well-known loyalty program’s community website due to a policy change that affects all existing members), we argue that viewers of NWOM messages are more likely to be informed about the problems associated with the dissatisfying experience (i.e., policy change), share the public’s sentiments, and decrease their purchase behaviors. We do not expect to see a positive effect of viewing. From the previous NWOM literature, a positive effect would only occur if (1) a brand is not well-known (i.e., negativity publicity effect as in Berger et al. 2010), and (2) if a NWOM receiver thinks other people’s negative experience is worse than his own negative experience, lowering his evaluation criteria (i.e., downward comparison). In our study, the focal brand is well-known (over
two-thirds of Canadian households are members of the brand). The event that triggered NWOM is a policy change, which has the same impact on everyone. Thus, it is not likely that people will make social comparisons among each other. Formally, we form the following hypothesis:

**H1**: Viewing NWOM will decrease future purchase behavior.

Regarding the impact of posting, we identify two contrasting forces. On the one hand, posting NWOM indicates the customer has a dissatisfying experience, which may lead to a decrease in subsequent purchases. On the other hand, according to extant research, posting NWOM may help customers vent their negative feelings and resolve their desire to retaliate, which leads to an increase in purchase behavior. Thus, we predict that the two contrasting forces will lead to an insignificant change in behaviors.

**Prediction**: The venting effect of posting NWOM counteracts the negative effect from the dissatisfying experience, and leads to an insignificant change in subsequent purchase behaviors.

Finally, we examine the interaction effect between posting NWOM and redeeming points. In other words, even though a customer has experienced dissatisfaction, if he or she is reminded of the value of the brand, how would his or her subsequent purchase behaviors change? Similar to a recovery attempt (Grégoire et al. 2009), redeeming points is an activity that not only reinforces the value of the brand to a customer, but it is also an indicator of the strength of his engagement and length of his commitment with the firm. Thus, we argue that the positive effect of posting is greater among those who are more committed/loyal/engaged customers, and predict that the interaction between posting NWOM and redeeming points has a positive effect.

**H2**: If a customer posts NWOM but extracts welfare from the firm through point redemption, his subsequent purchase behaviors will increase.

We also explore the types of negative emotions that are expressed in NWOM messages and how different negative emotions in NWOM messages influence future purchase behavior. Since there have been few studies that link each emotion and its effect on purchase behavior, we pose the following research questions.

**RQ1**: What types of negative emotions are found in customers’ NWOM messages?

**RQ2**: Is there a differential effect of each negative emotion on future purchase behavior?

**DATA COLLECTION**

Our data came from a large coalition loyalty program that maintains a social media forum. Members can earn points for purchases at sponsors in different product categories including groceries, gas, and credit card. They may redeem them for a variety of rewards such as gift cards, merchandise, airline tickets, and hotel rooms. At the end of 2011, the loyalty program announced a policy change - earned points would expire after five years - that affected all existing customers and triggered NWOM on their community. The company provided us with transaction and redemption records of posters (N=75), viewers (N=713), and a control group (N=10,000), as well as records of posting (116 NWOM messages) and viewing
activities (logs of page visits and views). The data offered a unique opportunity to measure the effect of posting and viewing online NWOM on purchase behaviors.

The study period is 15 weeks, dating back to four weeks prior to the policy change announcement to 11 weeks after the announcement to account for the pre-announcement purchase and redemption behaviors of posters and viewers. We use a one-week window as period length because we suspect that accumulation behavior is somewhat periodic on a weekly basis, with two of the major sponsors being a grocery store and a gas company.

**METHODOLOGY**

*Propensity Score Model - controlling for pre-existing propensity to visit the online forum.* Before we proceed with our main regressions that will test our hypotheses, we address the possibility of self-selection, e.g., customers who visit the online forum may have higher spending to begin with. In other words, confounding may be an issue, since such pre-existing characteristics could potentially affect both the customers’ online and subsequent purchase behaviors. Per practice in various fields such as marketing, medicines, education, etc. that examine observational data, we begin our analyses with a propensity score model (e.g., Rosenbaum and Rubin 1983; Rubin 1997; Hansen 2004; Bakhtiari et al. 2013), which predicts the relationship between forum participation and pre-period purchase behaviors. Propensity scores for forum visit are estimated using a logistic regression, as specified in Equation (1):

\[
isAPosterOrViewer = \frac{1}{1 + e^{-(\beta_0 + \beta_1 \ln(1 + m_i) + \beta_2 \ln(1 + r_i))}}
\]

where \(m_i\) is the total points accumulated by individual \(i\) in the pre-period, and \(r_i\) is the total points used to redeem rewards by individual \(i\) in the pre-period. After estimating the logistic model, we calculated the propensity scores, which are the predicted values using the model estimates. We then employ nearest neighborhood matching without replacement, at a ratio of 1:1, i.e. 1 customer who posted or viewed on the forum to 1 customer who did not. In other words, we create a control group that is closely matched to the forum visitors, and as expected, the forum visitors’ covariate distributions are much more similar with those of the matched control group than with those of the full control sample. Final sample consists of 732 forum visitors (i.e., posters or viewers) and 732 matched controls.

*Model 1 - the effects of NWOM.* After obtaining a propensity score for each individual in our matched sample, we continue with our regression models by incorporating it as a covariate. To determine whether posting or viewing NWOM influences future purchase behavior, we aggregate our transactional data up to a weekly level, and estimate the effects on points earned from purchases and/or promotional events with the following random coefficient model:

\[
\ln(y_{it}) = (\alpha_0 + \alpha_i) + \beta_1 x_{it} + \beta_2 r_{it} + \beta_3 x_{it} r_{it} + \beta_4 v_{it} + \beta_5 s_t + \beta_6 p_i + \epsilon_{it}
\]

where \(y_{it}\) is the points from a purchase that a customer \(i\) makes in week \(t\). We use points as a proxy for a customer’s expenditures because we do not directly observe the customers’ actual dollars spent. However, we can infer a customer’s expenditures from points, since 1 point is equivalent to every $30 spent. Values of \(t\) ranging from one to four represent the weeks prior to the announcement of the policy...
change, and 5 to 15 for after the announcement. Binary variables $x_{it}$, $r_{it}$, $v_{it}$ indicate whether customer $i$ has posted, redeemed, or viewed respectively on or after week $t$. The regression is adjusted by the propensity score of each individual $i$, $p_i$. Fixed effect $\alpha_0$ is the average across the population. To account for unobserved heterogeneous response from each individual $i$, $\alpha_i$ is the random effect that represent the unobserved heterogeneous response for each individual $i$. It is assumed to be independently and identically distributed (i.i.d.) with a normal distribution. To control for seasonality, the log weekly average of points from the control group (i.e., who have neither viewed nor redeemed), is used ($s_t$).

**Model 2- the effects of emotions.** In addition to determining whether posting or viewing NWOM causes a change in purchase behaviors, we are interested in examining how the emotions expressed in NWOM may also have an impact. The first step is to perform sentiment analysis on our NWOM texts. Since the explosion of “big data” and social media technologies, textual analyses have become increasingly important for both academics and practitioners in marketing and advertising. Conventional textual analyses use a simple scale that classifies a text’s sentiment as positive, neutral or negative. As illustrated in the following sections, we propose a method that analyzes texts by two dimensions – types of emotions and their intensities – instead of the simple scale. Finally, after identifying and quantifying these emotions, we incorporate them in linear regressions to determine their effects on subsequent purchase behaviors.

**Sentiment Analysis.** Our goal is to identify the types of emotions that are embedded in NWOM and quantify the level of intensity of such emotions. Generally speaking, textual analysis involves two aspects – what is being expressed, and how much is being expressed. In our context, we are interested in identifying the types of emotions that are embedded in a word-of-mouth message, as well as quantifying the level of intensity of such emotion.

Consistent with previous findings that dissatisfied customers exhibit anger, disgust, sadness, and surprise (Bracewell 2008; Izard 1977; Parrott 2001; Westbrook 1987), we coded the following emotion categories: 1) anger 2) disappointment, and 3) concern, i.e., doubt, surprise, confusion, and neutral comments. Two independent coders identified the emotion keywords for each post, and categorized it into one of the three emotions (Krippendorff’s alpha = .79). 57% of posts are classified with anger 29% with disappointment, and 13% with concern.

**Sentiment Scoring.** For a given post, we then quantify the level of intensity of each emotion. Intensity is defined with two attributes – the number of emotional keywords a message contains (e.g., “this program is now useless to me” versus “this evil program is now useless to me”), and the rarity of the keyword (e.g., “I am angry” versus “I am outraged”). Both of these attributes are captured by calculating word frequency. To be more precise with an example, if message $a$ contains more emotional words than message $b$, the magnitude of the log-product of $a$’s keyword frequencies will be greater than that of $b$’s. Furthermore, a less frequent keyword yields a higher negative log value, and hence will contribute more to a message’s emotion score than a common word.

Treating all the posts as one corpus, we first calculate the occurrence frequency of each keyword that corresponds to anger, disappointment, or concern. Then, for each message, we compute its emotion score, which we define as the log-product of its keyword log-frequencies. Mathematically, it is:
\[ ES = \ln \left( \prod_i - \ln(F_i) \right) \frac{1}{\text{Message Length}} \] 

(3),

where \( F_i \) is the occurrence frequency of keyword \( i \), and \( n \) is the number of keywords a post contains. Since a post may contain keywords across different emotions, it can have non-zero scores for more than one emotion.

**Modeling Expenditures and Frequencies using Emotion Scores.** We apply the emotion scores from Equation (3) to a linear regression model, which is expressed as follows:

\[
\ln(y_{it}) = (\alpha_0 + \alpha_i) + \beta_1 \text{not}\_x_{it} + \beta_2 \text{anger}_{it} + \beta_3 \text{disappointment}_{it} + \beta_4 \text{concern}_{it} + \beta_5 \text{angerPlus}_{it} + \beta_6 \text{disappointmentPlus}_{it} + \beta_7 \text{concernPlus}_{it} + \beta_8 v_{it} + \beta_9 r_{it} + \beta_{10} s_t + \beta_{11} p_i + \epsilon_{it}
\]

(4),

where, similar to Model 1, \( y_{it} \) is the reward points from a purchase that a customer \( i \) makes in week \( t \). The variable \( \text{not}\_x_{it} \) is a binary variable: if it is equal to zero, it indicates that a given customer \( i \) has posted during or after week \( t \). \( r_{it} \) and \( v_{it} \) are also binary variables, indicating whether a customer \( i \) has redeemed points for rewards or viewed NWOM posts respectively. Having observed a piecewise relationship between the sentiments and purchase behaviors, we represent each emotion using two variables. First, the overall effects are represented by the scores obtained from the textual analysis using Equation (3), \( \text{anger}_{it} \), \( \text{disappointment}_{it} \), and \( \text{concern}_{it} \). For anger, disappointment, and concern scores greater than 3.8, 0.8 and 0.2 (i.e., the piecewise inflection points) respectively, we also include the high-sentiment effects, namely, \( \text{angerPlus}_{it} \), \( \text{disappointmentPlus}_{it} \), and \( \text{concernPlus}_{it} \) into the regression, where \( \text{angerPlus}_{it} = 0 \) if \( \text{anger}_{it} < 3.8 \), otherwise it is \( \text{anger}_{it} \) (and similarly for \( \text{disappointmentPlus}_{it} \), and \( \text{concernPlus}_{it} \)). The residuals are denoted as \( \epsilon_{it} \) as in our previous model in Equation (2). Again, \( s_t \) (i.e., the natural logarithm of weekly average points earned from the control group) is entered into the model to control for seasonality, and \( p_i \) is the propensity score for each individual.

**RESULTS**

The propensity score model estimates the likelihood that an individual will post or visit the company’s online forum. The estimate results show that both points accumulated and points used for reward redemption are positive and significant, i.e., 0.36, \( p \text{-value} < .001 \) for \( \ln(m_{it}+1) \) and 0.04, \( p \text{-value} < .05 \) for \( \ln(r_{it} + 1) \). The results suggest that on average, forum visitors are more engaged with the firm to begin with. This finding also confirms that matching forum visitors with only the control individuals that exhibit similar a priori behaviors is necessarily to reduce confounding and self-selection bias.

Model 1 quantifies how posting or viewing NWOM impact future purchase behaviors (i.e., points earned), and the results are summarized in Table 1. Viewing NWOM has a significant negative effect (-0.15, \( p < .001 \)). Thus, Hypothesis 1 is supported. The results also show that the effect of posting without redeeming is not significant, consistent with our prediction. Testing Hypothesis 2, the interaction between posting and redeeming is positive and significant on points (0.42, \( p < .05 \)). Customers who post NWOM and redeem points are likely to increase weekly expenditures and purchase incidences, supporting Hypothesis 2. Both seasonality and pre-existing propensity to visit the forum have significant and positive impact.
For our second model, anger has a significant and negative (-0.04 to -0.20, \( p < .05 \)) effect on purchase behaviors. High-level of concern, on the other hand, has a positive and significant effect (+0.33, \( p < .05 \)). These findings suggest that customers who experience intense negative emotions (e.g., anger), are likely to decrease spending at the firm. On the other hand, customers expressing high-degree of concerns (e.g., doubts, surprise, or questions) online tend to increase future purchases. This latter observation is consistent with theories related to customer engagement, which have been shown to increase customer loyalty and mediate negative effects that have happened ex-ante. Finally, seasonality and pre-existing propensity to visit the company forum have significant effects.

**DISCUSSION**

This study examined the effect of posting and viewing NWOM on consumers’ purchase behaviors and the role of expressing negative emotions in a firm’s online community forum. The results showed that (1) viewing NWOM has a negative effect on future purchases, (2) the positive effect of posting is moderated by redemption behavior, and (3) expressing negative emotions, especially intense emotions such as anger tends to discourage purchase behaviors.

The negative impact of viewing NWOM is consistent with previous findings that NWOM leads to a decrease in product sales (Basuroy et al. 2003; Chevalier and Mayzlin 2006; Liu 2006). In our study, members of a loyalty program read complaints by other members about a policy change (i.e., introduction of expiration date) that affected everyone in the community in a less beneficial way. The introduction of expiration date, which had not existed, is most likely perceived as negative by most customers. Thus, the customers who viewed the NWOM messages and are now informed about other customers’ negative evaluations about the policy change would develop even more negative sentiments toward the firm’s decision. In line with Chan and Cui’s study (2011) on the aggravating effect of reading attribute-based (i.e., product-evaluative) NWOM, customers who were exposed to such negative messages further strengthen their negative evaluations toward the object of complaining (i.e., attitude polarization), which in turn decrease purchase behaviors.

We also found that the effect of posting NWOM is mediated by whether a customer is engaged with the brand or not (i.e., whether a customer redeemed their points). This suggests that the positive impact of venting negative feelings and the chance to be reminded of a brand’s benefit (i.e., gaining through redeeming points accumulated using the given brand) produces a synergy effect. Different emotions also have different impact. We identified distinctive negative emotions such as anger, disappointment, concern, surprise, confusion, and doubt are expressed in NWOM messages. We demonstrated that different types of emotions may have differential effects on purchase behaviors. Anger tends to have a negative impact, whereas concern is more likely to have a positive impact. The findings from this study imply that depending on the types of emotions experienced, consumers may decide upon different attribution routes and coping strategies, and such differences will result in different behavioral outcomes.

**CONTRIBUTIONS AND MANAGERIAL IMPLICATIONS**

This paper presents important contributions and implications. Empirically, we provided quantified evidence that shows how posting or reading NWOM messages influences behaviors. There are very few, if any, studies that examined how NWOM impacts consumers who create those messages and who consume them. Synthesizing literature from both NWOM communications and CCB, we demonstrated
that viewing NWOM has a negative effect but posting NWOM may pose a positive effect depending on the expressed emotions. We also found the mediating role of redeeming for those who express their complaints online to other consumers and the focal firm.

Methodologically, we demonstrated a scoring technique that quantifies the intensity levels of various types of emotions of a given post. We showed how this technique can help researchers and practitioners better understand the effects of negative sentiments expressed by customers. Our methodology differs from conventional techniques, which classify messages simply as positive or negative. Given the “big data” trend of the current climate in advertising and marketing, and the fact that much of the online social interaction is captured in texts, our methodological demonstration should prove to be helpful.

Managerially, our findings suggest that companies should customize strategies to handle NWOM messages. Since the effect of posting and viewing differs depending on whether a customer is a message receiver or creator, companies should develop different response strategies for the two types of customers. At the same time, companies should also actively engage complainers and remind the customers the benefits they offer. In addition, brand managers should be cautious about emotionally intense words (e.g., anger or frustration related words) and provide reactive interventions (e.g., in the form of apology or compensation).

This study has limitations and raise questions for future research. With only 116 messages created by 76 complainers, it was not possible to observe a variety of negative emotions discussed in the previous literature and test the differential effects of all possible negative emotions. With a larger sample size, we will be able to identify a wider range of emotions and their effects. Also, this study used data from a company in a particular industry (e.g., loyalty program). The problem that triggered NWOM was also unique – a policy change that influences every customer in the program – compared to other NWOM or complaint research that looked at product or service reviews directed to unknown other customers. Future research should investigate NWOM generated in a more general context from diverse industry types.

REFERENCES


## APPENDIX

### Table 1
*Model Estimates - The Effects of Emotions*

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-0.81 (0.24)</td>
<td>-0.78 (0.28)**</td>
</tr>
<tr>
<td>Posting</td>
<td>-0.12 (0.10)</td>
<td></td>
</tr>
<tr>
<td>Interaction Posting * Redeeming</td>
<td>0.39 (0.18)*</td>
<td></td>
</tr>
<tr>
<td>NOT posting</td>
<td></td>
<td>-0.21 (0.16)</td>
</tr>
<tr>
<td>Anger score – overall</td>
<td>-0.20 (0.08)*</td>
<td></td>
</tr>
<tr>
<td>Anger score – high-sentiments</td>
<td>0.16 (0.08)*</td>
<td></td>
</tr>
<tr>
<td>Disappointment score – overall</td>
<td>0.91 (0.60)</td>
<td></td>
</tr>
<tr>
<td>Disappointment score – high Sentiments</td>
<td>-0.97 (0.59)+</td>
<td></td>
</tr>
<tr>
<td>Concern score – overall</td>
<td>-2.83 (1.63)+</td>
<td></td>
</tr>
<tr>
<td>Concern score – high sentiments</td>
<td>3.16 (1.59)*</td>
<td></td>
</tr>
<tr>
<td>Viewing</td>
<td>-0.13 (0.03)**</td>
<td>-0.15 (0.36)**</td>
</tr>
<tr>
<td>Redeeming</td>
<td>-0.01 (0.04)</td>
<td>0.04 (0.04)</td>
</tr>
<tr>
<td>Seasonality (logged)</td>
<td>0.41 (0.07)**</td>
<td>0.46 (0.07)**</td>
</tr>
<tr>
<td>Propensity Score</td>
<td>18.57 (0.37)**</td>
<td>18.66 (0.37)**</td>
</tr>
<tr>
<td>Random Intercept Covariance</td>
<td>0.46 (0.68)</td>
<td>0.46 (0.68)</td>
</tr>
</tbody>
</table>

*Note.* Standard errors are presented in parentheses. + *p < .10, * *p < .05, ** *p < .01, *** *p < .001
SALESPEOPLE AND THE VERIFICATION PROCESS: THE CRITICAL ROLE SALESPEOPLE CAN PLAY IN FIRM VERIFICATION STRATEGIES

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ABSTRACT

Relationship marketing has garnered significant attention recently from business strategy researchers with findings indicating that firms engaged in strong relationships with their exchange partners can accrue significant relational benefits. However, research has also indicated that there are potential downsides for exchange partners that grow too close, develop too much trust, and expose themselves to opportunism. Gundlach and Cannon (2010) suggest that exchange partners can protect themselves against opportunism through the use of verifications strategies, including direct and indirect monitoring of exchange partners. Given their unique position at the interface of the exchange process, salespeople are potentially well suited to be actively involved in the informal monitoring function for organizations. In this paper, we explore the opportunity for salespeople to play a critical role for organizations in a monitoring capacity and identify the key factors that contribute to salesperson success in such a role. The proposed research indicates ways in which salespeople can operate more efficiently for their organizations and outlines additional benefits to the organization such as greater and more current market intelligence.

References Available Upon Request
IS THERE SUCH A THING AS REVERSE PSYCHOLOGY?

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ABSTRACT

As little children, we were frequently admonished by our parents to "eat our vegetables. After the broccoli sits on our plate for a half hour, our exasperated parents decide to take control of the situation. "Fine," they say. "Don’t eat your vegetables. I bet you can’t finish your plate anyway." Defiantly, we shove all the vegetables in our mouths, chew, and swallow. It is not that we’re happy we ate the vegetables—more so that we’ve emerged victorious over what we’ve been told not to do. Meanwhile, our parents have actually claimed victory over us using the tactic commonly known as reverse psychology.

Reverse psychology, better known in the psychology literature as strategic self-anticonformity (SSA), is defined as a requestor’s advocacy of a position that is opposite of his or her true position (MacDonald, Nail and Harper 2011; Nail, Di Domenico and MacDonald 2013). Research on reverse psychology, as a compliance technique, is recent in the psychology literature and has been limited to interpersonal communications (MacDonald et. al 2011; Nail et al. 2013). However, a recent trend in marketing promotions expands this notion of reverse psychology to include not only interpersonal communications but also communications to a wider target base. More specifically, marketers have utilized reverse psychology as a way to: (1) promote a product to the entire market, without deliberatively excluding a specific market segment (e.g. Little Caesar’s “Do not call this number” “Do not visit our website” campaign), (2) promote a product to a certain targeted segment while purposefully excluding another (e.g. Dr. Pepper’s “Not for women” campaign), and finally, (3) promote a certain company or brand image (e.g. Patagonia sustainability initiative “Do not buy this jacket”).

Generally, the success of reverse psychology, SSA, as an influence technique is attributed to the source’s ability to conceal the fact that s/he is using a persuasion tactic (MacDonald et al. 2011; Nail et al. 2013), and his or her knowledge of the expected negativity, contradiction and disagreeableness from the influence target (MacDonald et al. 2011). The expected negativity, disagreeableness and contradiction is akin to the concept of psychological reactance, which suggests that if an individual’s freedom is reduced or threatened, he or she will be motivated to reestablish the lost freedom (Brehm 1966).

The purpose of this research is further the understanding of reverse psychology as a persuasion technique (MacDonald et al. 2011; Nail et al. 2013). Specifically, we would like to examine when and why reverse psychology can be used effectively or ineffectively as a persuasion technique? How does framing play into the effectiveness of the persuasion attempt? And finally, how does reactance to a specific reverse psychology attempt affect behavioral intentions, attitude towards the behavior and pass-along rate? By understanding this persuasion technique, we hope to extend it to marketing promotions.

References available upon request
SCIENTOMETRIC ANALYSIS OF MARKETING THEORETICIANS

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ABSTRACT

Albert Einstein notably asserted that “It would be possible to describe everything scientifically, but it would make no sense; it would be without meaning, as if you described a Beethoven symphony as a variation of wave pressure.” Cast against the backdrop of Einstein’s assertion, the present research critically examines the enduring yet unresolved controversy regarding marketing as a science. Consider that the marketing discipline is nearing its first-century of inception and the Journal of Marketing is approaching its eighth decade of publication. Yet there is a paucity of theory formation within the marketing discipline and marketing academicians still debate the epistemology of marketing itself. The century between 1913 and 2013 witnessed a dearth of theory development toward advancement of a cohesive body of marketing knowledge. Shankar (2009) concurs: “…marketing has long been the poor relation, intellectually, to other management disciplines with the academic study of management itself pretty low down the social science pecking order.” He specifically calls for the current research toward “elevating the scholarly, intellectual or academic status of marketing” (p.683).

Epistemology is the study of knowledge and understanding, and is the basis for theory building. Theory building is important because it is the fundamental framework for analysis, facilitating hypothesis testing and is essential for advancing marketing knowledge and practice. Sutton and Staw (1995) suggest that “the lack of consensus on exactly what theory is may explain why it is so difficult to develop strong theories in the behavioral sciences” (p. 372). Following which, they suggest five “wrong-way” signs for what theory is. “Marketing theory” has been sparse at best, and is largely borrowed from classical and neo-classical economics, contractual law theory, and allied social sciences. None of the above has led to a high degree of self-development or generation of original theories of marketing. The reality is that effects applications of extant theories dominate marketing after one century.

This research seeks to critically review a body of marketing theory to illuminate gaps in the epistemic foundations of marketing knowledge development, and to critically assess the generation and advancement of the marketing theories within a consonant framework. The goal is to empirically assess the impact of marketing theoreticians’ contributions to knowledge advancement to marketing and allied social science disciplines, using scientometrics. Second, this study seeks to identify a body of theoretical development emanating from the marketing discipline that has been proffered by outstanding marketing academicians. The research aspiration is to potentially link the theoreticians to the epistemic process in the marketing discipline. The applied contributions of this study are to glean implications from this analysis toward proffering normative insights into the development of both emerging marketing scholars as well as promoting theory development within the marketing discipline. The attendant questions to answer are: Should emerging scholars learn how to develop theory? How should the Ph.D. pedagogy and curricula address the development of theory in the discipline? Grounded in a relevant sub dynamic of the theory of composition, and using scientometric analysis (Nalimov and Mulchenko, 1969), the domain of references across the allied behavioral science literatures will be empirically assessed.

REFERENCES References Available Upon Request
STRATEGIC TRADE-OFFS IN HOTEL BEST RATE GUARANTEES
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INTRODUCTION

Ever-growing access to information represents a disruptive influence on many traditional industries. With an increase in access to a wide range of distribution channels, consumers experience greater pricing transparency than at any time in the past. At the same time, expansion of revenue management systems within the hospitality industry has led to a proliferation of rates and increased frequency of rate adjustment as property managers seek to optimize the match between prices offered and willingness to pay of each individual customer in a highly competitive market. Increased pricing disparities across distribution channels has shaped the opinions of consumers, who have responded by engaging in higher levels of search behavior in an effort to secure better deals, and a decrease in perceived pricing fairness (Gazzoli, Kim, and Palakurthi 2008). Through promoting greater search effort on the part of customers, hoteliers effectively increase their competitor set, cutting into potential margins. Major hotel chains have responded through adoption of “Best Rate Guarantee” (BRG) policies and “Look No Further” lowest rate marketing messages, offering to match lower prices for identical rooms. Generally, these offers include an additional incentive in an effort to reassure customers that booking directly will always result in the lowest prices. The current study examines differences between the pricing strategies selected by different hotel chains. Specifically, frequency of BRG compliance compared to the magnitude of self-imposed penalties for violations.

THEORETICAL BACKGROUND

Following classic Bertrand price competition, sellers of perfectly homogeneous products (e.g. a night in a particular hotel on a given date) ought to set the same price. To the contrary, empirical evidence indicates that some degree of price dispersion exists within the hospitality industry (Demircifti, Cobanoglu, Beldona, and Cummings 2010; Toh, Raven, and DeKay 2011). Several plausible causal arguments have been put forth. Varian (1980) presented a model with both informed and uninformed consumers present in a market. Informed consumers always purchase from the price leader, while uninformed consumers purchase from a seller selected randomly, as long as the price is below some reserve threshold. In equilibrium, this leads sellers to vary their prices randomly, following a mixed strategy. One implication of Varian’s model is that price leadership should vary between different sellers, depending on the outcome of each random pricing process. Brynjolfsson and Smith (2000) offered two alternative sources of heterogeneity leading to price dispersion in the context of internet retail sales: customer awareness and customer trust. More prominent sellers and more trusted sellers have the ability to obtain a pricing premium. Jiang (2002), when talking about factors that reduce consumers’ incentive to search, included customer comfort and familiarity with a shopping website. Customer comfort and familiarity are closely related to customer trust. A credible price-matching policy causes consumers both to perceive prices as better and reduce further searching behavior (Srivastava and Lurie 2001).

Carvell and Quan (2008) presented a rationale for hotels to offer rooms to the public at rates above the minimum offered through Online Travel Agents (OTAs) under certain circumstances, even in the presence of a BRG. The usual mark-up obtained by wholesalers is 20% (Carvell and Quan 2008). If the
BRG discount incurred beyond matching is less than the wholesaler mark-up, a price-matched booking still offers a greater yield to the hotel operator than would be captured from sale through an OTA. The hotel may choose not to undercut suggested retail pricing offered through OTAs directly. Offering rooms at a rate that is subject to a BRG claim could, effectively, serve as an indirect discounting channel, providing hotel operators with a potentially useful revenue management option. The downside is that reservations that would already be captured by the hotel’s website even in the absence of a pricing advantage are also subject to best rate guarantees and associated discount, resulting in a trade-off situation where hotel management balances the number of additional bookings recaptured from OTAs against the revenue cannibalized from existing sales.

Offering a BRG allows hotel chains to signal potential customers that further search is unlikely to provide any benefit. As long as the search has non-zero cost, the customer is strictly better off discontinuing the search and booking a reservation. If, as a result, customer search decreases, this increases the value to the chain in violating the BRG pledge by increasing rates above the market minimum, capturing additional revenue. Each hotel chain sets their own penalty, which is incurred whenever a customer successfully challenges a rate that violates the guarantee to always offer the lowest available price. Heterogeneity in BRG terms, in the form of larger or smaller penalties, should lead to heterogeneity in pricing policies in the form of frequency of BRG compliance.

Hypothesis: Hotel chains with larger BRG penalties will be more likely to offer room rates that match or beat the lowest publicly-available third-party rate.

METHODOLOGY

In order to test for strategic decision-making based on leveraging the gains from offering a BRG pledge, prices for hotel rooms from each of the fifty most populous metropolitan areas within the United States (United States Census Bureau 2013) were collected and evaluated for pricing parity. Two dates (one a weeknight, the other a Saturday night) were selected and the price for a double-occupancy one-night stay was checked for fifteen properties in each designated metropolitan area. All prices were collected from Kayak.com, which offers a consolidated report of prices available from a wide variety of other online sources, including both directly from the hotel’s website and through OTAs. This process was repeated daily starting 21 days prior to each target date. For each property and date combination, all available prices offered were recorded. The data was analyzed to determine average price dispersion and frequency the in-house channel offered the best available price.

RESULTS AND DISCUSSION

A custom-developed automated web scraper was used to collect pricing data. This allowed all prices to be collected within a 15-minute time period each day. Prices for any given property through all channels were collected simultaneously. Each data collection captured the prices of 15 properties in each of 50 cities for 2 reservation dates. Prices for 1,500 reservations were collected daily for 21 days, or 31,500 total reservation requests. On average, each reservation search returned 6.82 prices per property, for a total of 214,758 offered prices. Reservation requests that returned fewer than three prices were dropped from consideration to remove instances where pricing parity was solely a function of limited data. Hotel properties were then aggregated by hotel chain. Choice Hotels was dropped from consideration at this stage. Inspection of the data collected identified an issue whereby direct-channel prices from Choice
brands (e.g. Comfort Inn, Quality Inn, Econolodge and Clarion) were typically non-refundable rates, while all other channels offered refundable rates. Hilton was not represented in the data set due to an idiosyncrasy of the data collection method. Excluding Choice and Hilton, the five largest hotel groups based on number of US rooms are Intercontinental Hotel Group (IHG), Marriott International, Wyndham Hotel Group, Starwood Hotels and Resorts, and Best Western (MKG Analysis 2013). These five chains were retained for further analysis, while chains with smaller footprints and independent hotels were discarded.

Each of the five chains analyzed offers a BRG policy, differing primarily in the details of the recompense offered to consumers when a successful claim of a lower price is submitted. In all five cases, consumers must submit a claim within twenty-four hours of booking, the submitted price must be for an identical or equivalent room type, and the price must be generally available to the public (i.e. no discounted group rates (e.g., AAA) or opaque booking sites (e.g., Hotwire.com)). Each of the chains offers to match the external price on a successful claim, while also offering some additional compensation to the consumer (penalty to the chain). The form of this additional benefit ranges from a low of a 10% discount (Wyndham) to a high of a free night’s stay (IHG).

While hotel price parity researchers frequently use $4 or 2% as the threshold for determining whether or not two prices are different (Gazzoli, Kim, and Palakurthi 2008), typically under BRG terms a differential of only $1 is necessary for a valid claim. This lower threshold is used in the current research. Of the five chains studied in the current research, IHG offers the most generous compensation to customers with a verified BRG claim, matching the lower rate and offering the first night of the reservation without charge. IHG was the least likely to violate their BRG, as the direct channel from the hotel’s website had the lowest rate 89.15% of the time. Marriott, which offers a 25% discount beyond price match, had the second greatest frequency of offering the lowest rates through direct channels at 86.14% of the time. Best Western ranked in the middle both in terms of additional compensation ($100 gift card) and best rate frequency (83.81%). Starwood offers customers with a verified claim a choice of either an additional 10% off the matched room rate or a bonus of 2,000 SPG points (approximate value: $70) and had the lowest rate 75.32% of the time. Wyndham has the least generous compensation offer (10% discount) and was the least likely to offer the lowest available rate (63.47% of the time).

Chains which offer lower levels of additional compensation are also more likely to violate the terms of their guarantee. This finding is consistent with a strategic trade-off being made between the penalty cost of the discount offered and the ability to capture additional revenue through adopting a mixed strategy, attempting to charge a pricing premium. The lower the additional compensation offered through BRG terms, the more likely a chain was to violate the pledge. In the majority of cases, the hotel’s website offered the lowest prices. The chains most likely to deviate from the minimum level were those which suffered the least cost for doing so.

**CONCLUSION AND FUTURE DIRECTIONS**

The major take-away from this research is evidence hotel chains appear to engage in strategic decision-making balancing the self-imposed financial penalty for violating their “best rate” pledge against the frequency with which they are willing to engage in such violations. Greater penalties are associated with higher levels of compliance. One limitation of the current study is that causal direction of this relationship is impossible to determine based upon the data collected. Future long-term data collection
would be required to track shifts in compliance rates over time. Most notable would be trends around a shift in BRG policy or comparing pre- and post-shift pricing behavior of a chain.

REFERENCES


INVESTIGATING THE DRIVERS THAT DETERMINES BRAND LOYALTY: A STUDY OF THE EXPERIENCE-COMMITMENT-LOYALTY CONSTRUCT

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INTRODUCTION

The marketing field first took an interest in brand loyalty on an academic level through Copeland’s work in 1923 (cited in Kabiraj and Shanmugan, 2011, p. 288), with the understanding that brand loyalty existed only at the behavioural level. At this time, brand loyalty was measured using factors such as purchase sequences, percentage of total purchases, and purchase probability (Kumar and Advani, 2005; Kabiraj and Shanmugan, 2011; Iglesias et al, 2011). This notion led to a focus on price, functionality, and quality when marketing products and services, with the expectation that customers would develop a repeated purchase pattern if these factors met the customer’s criteria. However, another level of loyalty was revealed during the 1950’s, as brand loyalty became an increasingly popular research area. Several researchers, such as Cunningham (1967), Day (1969) and Jacoby (1971), began to recognise that the attitudinal aspects of brand loyalty were just as important as the behavioural aspects. As it became apparent that brands often held an emotional component as well as a functional one, marketing strategies shifted to focus on relationships and value creation (Iglesias et al, 2011). Wel et al (2011) explained the two components of the phenomenon that is brand loyalty, by stating that in addition to having the intention to repurchase a brand, brand loyalists also have to hold some degree of emotional connection and/or commitment towards the brand. Therefore, the main focus of this paper would be on the two aforementioned factors, brand experience and brand commitment within automotive sector, which have received increasing attention from scholars during the last decade. These factors have already been established to have a connection to brand loyalty. However, as brand commitment consists of both affective and continuance commitment (Fullerton, 2003; Iglesias et al, 2011; Batra et al, 2012), it is still somewhat unclear about which of these aspects of commitment has the greatest, or most important impact on brand loyalty. Moreover, the existing research and literature surrounding the brand experience construct is extensive. However, it is not entirely clear regarding this construct’s relationship to brand loyalty. While some authors claim that it affects brand loyalty directly, others have found that it is a dependent variable, which, alone does not have any immediate effect on brand loyalty. This study also aims to establish a connection between brand experience and brand loyalty as far as automotive sector is concerned, both with and without commitment as a mediator.

BRAND EXPERIENCE

In recent times, both academics and marketing practitioners have recognised that it is crucial to manage the customer’s experience if value creation is to be achieved (Berry et al., 2002; Iglesias et al., 2010). As such, marketing is shifting its focus from quality to experience (Klaus and Maklan, 2013), and it is therefore becoming increasingly important to be able to define and develop brand experience if organisations hope to gain a competitive advantage in the market (Ismail et al., 2011). As the concept of brand experience was introduced, it quickly received recognition by several scholars, and thereafter, the concept became an equivalent to value creation (Carù and Cova, 2003; Ponsonby-McCabe and Boyle, 2006; Iglesias et al, 2011). However, even though most agree that brand experience entails value creation, and holds great importance to the marketing field, an
agreement of a common definition is not yet available. Moreover, brand experience has evolved into a generic concept that spans across several experience categories such as service experience, product experience, customer experience, etc. (Zarantonello and Schmitt, 2010). Consequently, brand experience now consists of several dimensions, and regrettably, an agreement is yet to be reached as to which dimensions are more appropriate. As such, the complexity surrounding brand experience increases, and a review of the present dimensions is therefore in order. In context, Brakus et al (2009) located the four dimensions sensorial, affective, behavioural and intellectual, to be the most important aspects of brand experience. These dimensions are supported by scholars such as Ismail et al (2011), Zarantonello and Schmitt (2010), Iglesias et al (2011), and Hultén (2011). This, in addition to the fact that the four dimensions were tested across over 30 different brands in various industries, means that the dimensions are considered to be both valid and reliable, and directly applicable to the automotive industry, as this industry actually took part in the research. The authors will therefore apply these four dimensions of brand experience when moving forward with the primary research later on.

BRAND COMMITMENT

Brand commitment is an attitudinal concept that has received increasing interest within the marketing field during the last decades, and has been established as an important factor regarding relationship marketing and consumer behaviour (Morgan and Hunt, 1994; Sargeant and Lee, 2004; Sung and Campbell, 2009). In fact, Bozzo et al (2003) found that a committed consumer would be willing to make some sort of sacrifice in order to make the relationship work, which further stresses the importance of brand commitment in marketing. As such, brand commitment can be defined as “an enduring desire to maintain a valued relationship” (Berry and Parasuraman, 1991, p. 316). The value and importance of brand commitment is clearly displayed in the aforementioned definition, as it illustrates that a highly committed consumer will work harder to maintain a relationship with a brand than a consumer that holds no, or low commitment to a brand. However, researchers in the marketing field have been more concerned with commitment in a organisational context, where organisational and employee commitment is in focus, rather than consumer commitment towards the actual brand (Allen and Meyer, 1990; Burmann and Zeplin, 2005; Burmann et al., 2009; Gong et al., 2009; Priyadarshi, 2011). Nevertheless, consumer brand commitment is still an important construct, and it is crucial that marketers are aware of the importance of building and maintaining consumer relationships, as this is closely linked with commitment.

METHODOLOGY

As the automotive industry holds a high level of brand involvement for consumers when they are making a purchase decision (Rosenbaum-Elliot et al., 2011), this industry was considered to be highly suitable as the field of study considering the purpose of the research. This study therefore used car owners between the ages 40-70 in Oslo, Norway, as the target population from which research data was collected. Moreover, as automobiles are high-priced products with a long life cycle, it was more likely that consumers over the age of forty would have owned several cars, and as such, they have had the opportunity to create preferences and loyalty towards a specific car brand. In order to make sure that the sample was in fact representative for the population, quota sampling was used. As this research did not contain many attribute variables, the quotas was only determined based on the population’s division of gender and age. The sample size consisted of a 0,1 per cent quota for each group, which provided the survey with a total of 232 respondents. Several authors researching brand loyalty measures has recognised that this is a sufficient sample size (Iglesias et al, 2011; Sahin
et al., 2011; Loureiro et al., 2012), and as there was no way of calculating the appropriate sample size when a non-probability sampling technique was being used (Saunders et al., 2012), this was considered to be a suitable size. As such, these were the quotas being used in the research in order to make them representative for the population. While the attribute variables was formulated through one numeric question (age) and two category questions (gender and car brand), the rest of the questionnaire consisted of rating questions in the form of a five-point likert scale, which according to Saunders et al. (2012) is useful when collection opinion data. Using the likert scale, respondents were asked to rate the extent to which the statements in the questionnaire described his or her experiences, commitment and loyalty related to the car brand they were in possession of. Brand experiences consist of sensorial, behavioural, attitudinal and intellectual dimensions. These four experience dimensions were measured using a twelve item scale introduced by Brakus et al. (2009), where each dimension held three items. Moreover, loyalty was measured by adopting five items used by Yoo and Donthu (2001) and Brakus et al. (2009). These five items covered both attitudinal and behavioural loyalty. Finally, brand commitment was measured using a three item scale by Evanschitzky et al. (2006), which measured affective commitment, and a four item scale adopted from Allen and Meyer (1990), who originally introduced an eight item scale for measuring organisational continuance commitment. The eight item scale was modified in order to make it a valid measure for brand continuance commitment, leaving it with four modified items.

**FINDINGS & DISCUSSION**

On an average, respondents were of 56 years with a standard deviation of 9.5 years. There were 118 males and 114 female respondents in total. All data were processed using the statistical analysis program SAS jmp. The purpose of the data analysis was to establish relationships between different variables, both independently and dependently. In order to move forward with establishing relationships between the different variables in the research, the researchers used the principal components method by applying Confirmatory Factor Analysis (CFA) in SAS jmp to capture as much of the variance in the original variables as possible, while using a minimum of components. The numbers extracted from the CFA analysis enabled us to calculate the average variance extracted for each main variable which helped us to narrow down what used to be 24 items to four items, making the rest of the analysis much more comprehensible. The four items left that were to be analysed further now consisted of the main characteristics of brand experience, continuance commitment, affective commitment, and brand loyalty. Furthermore, chi-square tests were also run to establish connections between different variables after establishing relative hypotheses. During data analysis, all null hypotheses were rejected, except from the ones regarding continuance commitment, suggesting that there was not a significant relationship between continuance commitment and brand loyalty, neither directly nor indirectly as a mediator. As continuance commitment was revealed as a non-significant determinant for the brand loyalty construct, the research paper has confirmed what had been assumed by several researchers in the literature review. It was still a significant finding however, as there was little research actually confirming the theory that continuance commitment did not affect brand loyalty, particularly in the experience-commitment-loyalty construct. Moreover, the authors found, with a 99% certainty, that brand experience had a significant influence on brand loyalty, both as a stand alone and mediated factor. Similarly, there was a 99% certainty that affective commitment influenced brand loyalty both individually and as a mediator between experience and loyalty. The findings above were not considered to be completely reliable however, as 20% of the cells had an expected count of less than 5, which indicated that the chi-square test could be suspected as unreliable. According to Gripsrud et al (2010), when this occurs, it is prudent to perform a pearson correlation test as well, in order to
confirm that the data can in fact be relied upon. Therefore, Pearson’s correlation test was also performed. Pearson’s correlation tests revealed that three null hypotheses which were rejected in the chi-square test were also rejected in this test too, with a p<.0001 probability, meaning that there was in fact a statistically significant correlation between brand experience and brand loyalty, affective commitment and brand loyalty, and affective commitment as a mediator between brand experience and brand loyalty. Moreover, the three relationships all held a correlation between 0.6 and 0.7, meaning that the correlations were all significantly different from null considering the 5% scale. In addition, the probability values p<.0001 confirmed that there was in fact a 99% probability that brand experience, affective commitment and brand loyalty was connected. Again, the null hypotheses regarding continuance commitment was not rejected, and as such, continuance commitment was confirmed as a variable that had no considerable influence on brand loyalty, neither as an individual or a mediating factor. As the findings from the chi-square test was proven to be reliable, the data suggested a model somewhat similar to that of Iglesias et al (2011). There were however, differences between this model suggested by Iglesias et al (2011) and the findings in this research. In fact, the research project undertaken by the aforementioned authors did not establish a direct link between brand experience and brand loyalty. Instead, they found that brand experience acted as an indirect variable, only affecting brand loyalty when mediated by affective commitment. As discussed earlier in the section, this research revealed brand experience as both a dependent and independent variable, and as such, the structural model of these research findings would look somewhat different. The new structural model of the research findings illustrated how the data analysis revealed both direct and indirect relationships between experience, affective commitment, and loyalty, and to which degree the relationships were significant. It also showed how two relative hypotheses were kept, by establishing that these relationships were not significant.

**CONCLUSION AND IMPLICATIONS**

Based on the findings, assumptions can be drawn related to the mind-set of the loyal consumer. As stated in the literature review, loyal consumers are emotional creatures which are highly driven by their desire to maintain a relationship with the brand they feel an emotional connection with. As continuance commitment was found to not have any considerable impact on the consumer’s loyalty towards a brand, it is assumed that factors such as price and other available alternatives does not influence this desire to maintain said relationship. As such, this research does not support the beliefs of Sung and Campbell (2009) when they stated that positive feelings of commitment towards a brand could occur when the consumer was faced with poor-quality alternatives or when the losses related to terminating the relationship was high. Consequently, even though feelings related to continuance commitment engages the consumer in a brand relationship, these feelings are not enough to develop feelings of loyalty in the consumer’s mind. organisations should therefore rather focus on creating positive brand experiences for the consumer, and establishing an emotional connection between the consumer and the brand, as this emotional connection is vital in establishing affective commitment, which was found to be an important driver of brand loyalty. Moreover, while this research has established that continuance commitment does not lead to brand loyalty, it has not established whether it can in fact have an opposite effect. Marketing managers could benefit from such research, as it would help establish whether continuance commitment could in fact damage the consumer’s loyalty towards the brand. As such, it would be useful for further research to explore the extent to which continuance commitment can have a negative impact on brand loyalty.

*References Available Upon Request*
DOES SEXUAL HUMOR WORK ON MARS, BUT NOT ON VENUS? EXPLORING CONSUMER ACCEPTANCE OF SEXUALLY HUMOROUS ADVERTISING BY GENDERED BRANDS

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ABSTRACT

In this paper, two studies demonstrate that the efficacy of sexual humor in advertising is more complicated than the conventional wisdom of “works for males, but not for females." The findings suggest that males and females tend not to exhibit significant differences in sexual humor evaluation (how funny is this?) but that advertising utilizing sexual humor is more likely (less likely) to generate positive attitudes (do I like this advertisement / brand?) when a masculine (feminine) brand is communicating with male (female) consumers. However, brand gender differences and the resultant consumer attitudinal differences can be eliminated through the use of gender-atypical brand personality. Taken together, the results show that the mere presence of sexual humor does not drive gender-based differences in advertising response; rather, it appears to be the fit of such humor with brand personality.

References Available Upon Request
CONTINGENT EFFECTS OF HUMOR TYPE AND COGNITIVE STYLE ON CONSUMER ATTITUDES

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ABSTRACT

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

Keywords: Humor, Cognitive Processing, Attitude Formation, Humor Type

INTRODUCTION

This paper explores the link between a consumer's underlying motivation to engage in cognitive activity (Need for Cognition, or NFC) and the efficacy of different types of humor. Humor stands as one of the most utilized execution elements in consumer communication as various forms of it are employed in around 20% of television advertisements (Beard 2008). There is no debating that advertisers have certainly leveraged humor in advertising, but there is substantial debate as to the efficacy of humor-based marketing communication efforts. Humor research has been complex; after undertaking a comprehensive review of the use of humor in advertising, Weinberger and Gulas (1992) conclude that "broad generalizations about the effect of humor in advertising are inappropriate" (p. 56). In this contextual spirit, the authors attempt to explicate the relationship of different types of humor (incongruity-based and disparagement-based) and consumer processing tendency

COGNITION AND PROCESSING STYLE

Researchers in a variety of fields have attempted to explicate attitude formation and change processes. Traditional theories stress the dominant role of effortful cognition in attitude formation. However, over the past few decades, researchers have been interested not only in cognitive-based effortful processing, but more “effortless” or automatic processing as well. One such theory, the Elaboration Likelihood Model (ELM), is offered by Petty and Cacioppo (1981). The model features an elaboration likelihood continuum, where consumer persuasion after exposure to a stimulus depends on the degree to which
people elaborate on the information embedded within that stimulus. This theory posits that in a central processing, high-elaboration-likelihood situation, cognition ("think about something, and then form attitudes") will largely drive attitude formation. However, rather than taking the central role of cognition as a given, the model posits that when an individual engages in peripheral processing, various environmental cues may be used as "shortcuts" in attitude formation. Whether a person adopts a more central or more peripheral processing style is a function of individual differences and situational factors.

Cacioppo and Petty (1982) define Need for Cognition (NFC) as “the tendency for an individual to engage in and enjoy thinking” (p. 116). The construct resulted from factor-analytic examinations of individuals' variation in this tendency; as Cacioppo, Petty, Feinstein, and Jarvis (1996) write, "much of the interindividual variation in people's tendency to engage in and enjoy effortful cognitive endeavors could be represented in terms of a single factor, which was called need for cognition" (p. 197).

NFC is one of recent history's most influential individual difference variables, having been extensively researched over the past 25 years and demonstrated to be related to other individual difference variables such as locus of control (Fletcher et al. 1986) as well as to moderate expectancies of success and achievement (Dickhauser and Reinhard 2006) and attitude change ( Petty et al. 1993). NFC has been shown to influence the ultimate processing route that an individual uses (Cacioppo and Petty 1982), as low-NFC individuals tend to rely more on peripheral cues, whereas high-NFC individuals usually engage in high-elaboration central processing. The construct measures an individual’s intrinsic motivation and not intellectual ability (Cacioppo et al. 1996), and persons high (compared to low) on NFC usually demonstrate a more positive attitude toward stimuli and tasks which are characterized by or require greater cognitive effort. Since high-NFC individuals generally process information more deeply than those low in NFC (Cacioppo and Petty 1982), they are more likely to discount stimulus elements that they deem irrelevant as input to overall attitude formation.

**COGNITION AND HUMOR**

One of the dominant theories in humor research over the past two centuries has been Incongruity-Resolution. It can be described generally as exposure to a stimulus that is “incongruous, surprising, peculiar, unusual, or different from what we normally expect” (Martin 2007, p. 63) which is resolved in a way that causes it to make sense. Incongruity theory is central to many modern theories of humor; for example, Raskin’s (1985) Semantic Script Theory, described by Simpson (2003) as: “A text is a joke if: The text fits with (either wholly or partially) two different scripts (i.e., a knowledge structure)” and “the two scripts are opposite in a special sense” (p. 30). Theorists embracing this perspective typically view some types of incongruity as being a defining characteristic of humor (e.g., Apter 1982); for instance, Ruch (1988, p. 861) writes that “two structural parameters are considered to be essential ingredients in all kinds of humour: incongruity…and the resolution of the incongruity” and Ruch and Hehl write “there is general agreement about the existence of this two-stage structure in the process of perceiving and understanding humor” (1998, p. 114). Thus, incongruity-resolution has been presented by some as an essential characteristic of humor.

While the degree to which an individual is motivated to elaborate on a stimulus has limited face validity as a predictor of how funny that individual will perceive a stimulus to be, it may play an important differential role in the resulting attitude formation. In general, humor has been hypothesized to be more subject to peripheral than central processing (Martin 2007), but whether a humorous message influences
resultant attitude formation might vary depending on the cognitive motivation of the message recipient or the strength of the advertising claims (Cline and Kellaris 1999). For instance, in an advertising setting, highly motivated, central processors who score high on NFC might base their attitudes on relevant, useful information (e.g., objective product ratings) and ignore peripheral aspects like humor, whereas low-NFC individuals may use a "this is funny, so I like it"-type heuristic and thus allow humor evaluation a direct effect on attitude formation. While past research has indicated that humor presence generally increases favorable attitudes toward an object (e.g., an advertisement), this basic process is likely to work differently for low- and high-NFC individuals, with those low on NFC being more likely to rely on peripheral cues in forming attitudes toward an object, thus making the conventional wisdom of “humor increases liking” more likely to occur. In other words, a low-NFC message recipient may let a basic affective response (“this is funny”) shape his or her overall attitude of the humorous object (“this is funny, so I like this”). Along the same lines, a high-NFC person is less likely to allow an affective cue (“this is funny”) to shape his or her overall attitude and will likely seek to engage cognitively when developing that attitude. Similarly to how attractiveness bias is less pronounced in high-NFC versus low-NFC participants, a “humor bias” of sorts will play less of a role in high-NFC versus low-NFC subjects in forming overall attitudes toward an object.

Zhang (1996a; 1996b) found evidence of this phenomenon, with brand attitudes and purchase intent measured after participants’ exposure to print humorous ads lower (higher) for participants with high (low) NFC scores. Interestingly, Geuens and De Pelsmacker (2002) failed to replicate those results finding that humor had a universally positive effect on respondents’ attitudes towards advertisements and the advertising brands. Both Zhang and Geuens and De Pelsmacker used incongruity-resolution based humor in an advertising setting, but it is worth noting that while Zhang's humorous manipulation (a cartoon with a pun about "shooting first and asking questions later") was tied directly to the brand (a camera, with the ad pointing out the need to "ask questions" before "shooting pictures"), Geuens and De Pelsmacker's stimulus was unrelated to the brand.

HUMOR PROCESSES: BEYOND COGNITION

Different underlying processes have been theorized as causing humor beside incongruity-resolution. For instance, humor is often hypothesized as stemming from a disparagement process. In disparagement, the humor functions as an attempt at establishing superiority, a tool to “include” some and “isolate” others (e.g., ethnic and sexist humor), or to allow us to "feel we are better than others" (Beard 2008, p. 47). This conceptualization treats humor as a form of aggression; as Martin (1998) writes, “Aristotle, for example, concluded that laughter arises primarily in response to weakness and ugliness” (p. 29). Hobbes shared this view, and in the 18th century ridicule was a popular technique of debate. Many prominent researchers continue to espouse the importance of disparagement in the genesis of humor, a sentiment echoed by Gruner (1996) who asserts that “to understand a piece of humorous material it is necessary only to find out who is ridiculed, how, and why” (as cited in Martin 1998, p. 29). Disparagement, when coupled with a playful cue indicating that a stimulus is humorous and not simply mean or abusive, is at the heart of a significant amount of humorous communication.

Speculation that different humor types may be processed differently has been researched with some success. For instance, Goel and Dolan (as cited in Martin 2007) examined brain activity by utilizing magnetic resonance imaging (MRI), finding that participants listening to jokes featuring more complex incongruity (i.e., semantic jokes) more extensively utilized temporal lobes involved in language
understanding, while those who listened to sound-based simple puns (i.e., phonological jokes) more extensively utilized the speech-processing left frontal lobe. Per the consideration here, given their inherently different natures (i.e. conative versus cognitive), it is posited that disparagement- and incongruity-based humor may result in differing application, based on cognitive processing differences, of humor evaluation. Whereas incongruity-based humor is a less personally involving process, the more personal, conatively driven disparagement humor might be more difficult for low-NFC participants to simply treat as a peripheral cue.

The Encyclopedia of Psychology entry under "Motivation: Philosophical Theories" describes the difference between cognitive and conative aspects as cognitive states having "a more subordinate role [in motivation]." whereas a more conative process is "capable of triggering action." It is speculated here that humor based on disparagement could theoretically “break through” the cognitive “barrier” characteristic of incongruity-driven humor. In other words, if a humorous advertisement featured strong disparagement humor, it may be more transparent to consumers and, in turn, the humor may have a greater effect on resultant evaluations. Rather than exhibiting the differential effects of incongruity-based humor on attitudes across low- and high-NFC individuals, whereby affective response directly transfers to attitude for low-NFC, but not high-NFC message recipients who display a tendency to employ central processing that weakens the humor's effect on overall attitude, disparagement based humor might be processed centrally by both low- and high-NFC respondents. Thus, this research posits that moving from incongruity-based humor to disparagement-based humor should effectively erase any NFC-driven attitudinal differences.

**HYPOTHESES**

Based on the preceding conceptual development, authors offer the following formal hypotheses:

**H1a:** In an incongruity-based humor setting, participants will assign a higher humor evaluation to a humor-containing stimulus than a non-humorous stimulus.

**H1b:** In a disparagement-based humor setting, participants will assign a higher humor evaluation to a humor-containing stimulus than a non-humorous stimulus.

**H2a:** The effect of incongruity-based humor on corresponding attitudes will be moderated by a participant's NFC, whereby attitudes of participants lower in NFC will be higher in the presence of humor compared to when humor is not present, but for participants higher in NFC, humor will have no effect on attitudes.

**H2b:** The effect of disparagement-based humor on corresponding attitudes will not be moderated by participants' NFC.

**STIMULUS DEVELOPMENT AND PRETESTS**

A five-step pretesting process was conducted to find a source image to use in conducting the experiment. In the first step of the process, an internet search was performed to select a number of pictures that would form the core of the stimuli. As the authors needed to utilize a non-humorous control condition, pictures that were prima-facie humorous in and of themselves, such as a baby in large sunglasses, were discarded. Pictures that would not easily lend themselves to humor, such as
photographs of a cemetery, were also discarded. A total of 15 pictures were selected from the initial set after discarding ones that did not meet the aforementioned criteria. Next, attitudes towards these pictures were tested. Thirty-nine undergraduate students, who volunteered to participate in the study, were each presented with a fifteen-page booklet, with each page containing one of the pictures and scales measuring humor evaluation and attitude towards the picture (henceforth A_picture). Three students declined to reveal their gender, and thus thirty-six usable booklets (20 female, 16 male) were obtained. Humor evaluation was measured using a six-item, seven-point, semantic differential scale (Chattopadhyay and Basu 1990) (humorous/not humorous, funny/not funny, amusing/not amusing, boring/not boring, playful/not playful, dull/not dull). A_picture was measured using a three-item, seven-point semantic scale (favorable/unfavorable, good/bad, like very much/dislike very much). Reliabilities were above the commonly accepted cut-off for Cronbach’s α of .80 for all but one picture, with humor evaluation reliabilities ranging from α=.85 to α=.94 and A_picture reliabilities ranging from α=.81 to α=.95.

To test for gender differences, a series of one-way ANOVAs with gender as the independent variable and humor evaluation and A_picture as dependent variables were run. No significant differences were found with humor evaluation as the dependent variable (all F’s < 1.58, all p’s > .10). However, some gender differences in the attitude towards the picture were observed. The attitude scores of the male participants were higher for pictures of a laptop (M = 5.1 vs. 4.3, F(1,34) = 6.5, p < .02), a yacht (M = 5.0 vs. 4.3, F(1,34) = 4.8, p < .04), and people skiing (M = 4.8 vs. 4.3, F(1,34) = 4.2, p < .05). Male participants’ attitudes were also directionally lower for a picture of a picnic (M = 4.0 vs. 3.5, F(1,34) = 2.9, p < .10). Female relative to male participants had a marginally higher score for a picture of shoppers (M = 4.4 vs. 4.0, F(1,34) = 2.4, p < .14). Next, subjects’ attitudes towards the pictures were evaluated. The mean attitude scores varied considerably, with “skydivers” (M = 4.3) scoring the highest, and “traffic jam” (M = 1.7) the lowest. The attitudinal differences between these highest and lowest liked pictures were statistically significant (t (35) = 9.2, p < .01). In order to avoid both potential ceiling effects and a situation where participants would fundamentally dislike the source object, the authors sought pictures that were “moderately liked”, that is, those whose attitude rating was significantly higher than the rating of the lowest rated picture (“traffic jam”), but significantly lower than the rating of the best-liked one (“skydivers”). Thus, pictures of an airport (M = 2.1) and a broken-down car (M = 1.9) were eliminated because their ratings were similar to that of the picture of the traffic jam (both p’s > .10). In terms of humor evaluation, the picture with the highest mean score (“skydivers”, M = 4.2) was rated significantly funnier than any other picture (p < .01) and was discarded. This left us with four options that met all three objectives of the pretest for the humor setting –“bike riders”, “dancers”, “joggers”, and “yard sale” – which were used for the remaining steps of the stimulus development process.

Next, three captions to accompany every picture were developed. The first one was merely descriptive of the picture and contained no humor. The second one contained disparagement-based humor, while the third one contained incongruity-based humor. We next conducted two pretests to ensure that the humor processes had been correctly operationalized through the selected captions. First, we asked two judges whether or not they thought the captioned pictures successfully achieved the humor presence as well as the intended dominant humor processes (incongruity-resolution or disparagement) when humor was present. A training manual was prepared and used in familiarizing the judges with the two humor processes. In addition to seeing the examples of each humor process provided in the manual, judges were asked to think of examples that they could recall having seen. Each training session lasted approximately one hour. One week later, the judges were given a brief refresher on the processes and
started coding the captioned pictures independent of each other by completing a forty-five page booklet. Each page contained a captioned picture (one of the 15 pictures and either a no-humor, disparagement-based humor, or incongruity-based humor caption). Care was taken to make the judging a challenging endeavor in order to minimize the possible capitalizing on chance; therefore, judges were instructed that the three captions accompanying each picture are not necessarily of the three different types, even though they always were. Finally, judges were given a fourth answer option, “other humor type”, for the instances when they thought humor was present, but they felt neither disparagement nor incongruity-resolution were responsible for it. To sum up, for each captioned picture, judges first determined whether or not humor was present, and if they answered yes, they were instructed to determine what the dominant humor process (disparagement, incongruity, or “other”) was. For each of the 45 captioned pictures the judges correctly identified the non-humorous and the humorous ones. The judges agreed on the second question (dominant humor process) 26 out of 30 times (87%). The three pictures that had at least one caption with disagreement between the judges (“airport”, “bike riders”, and “broken-down car”) were deemed to have failed the pretest.

Second, authors confirmed this expert evaluation through a pretest with participants similar to those we would use in the studies. Thirty-three undergraduate students were given a lecture on humor processes and reviewed examples of disparagement- and incongruity-based humor. During the next 30 minutes the students were split into 8 groups. Each group had between three and five members and there was at least one male and one female on every team. Each group was given one fifteen-page booklet to complete. Each page contained one of the pictures, and the three captions that went with it. The groups were asked to identify whether humor was present in each caption, and if so, what the dominant humor process was (“other humor process” was again included as an option). The groups worked independently of each other. While, once again, all no-humor captions were correctly identified, group responses for only two of the source pictures (“hiking” and “yard sale”) had 100% agreement with the hypothesized humor processes. The rest of the potential stimuli were discarded.

Thus, ultimately, one picture-caption set (“yard sale”) emerged as the optimal stimulus for the situation. The picture was simply an image of a yard sale in progress, with a few people in the midst of it. The non-humorous caption was “Lots of great bargains can be found at a yard sale,” the incongruity-humor caption was “Sure, the basketball hoop is for sale—but you have to get it down!” and the disparagement-humor caption was “I can’t believe I paid money for this junk when it was new, much less that these jokers are buying it used!”

**EXPERIMENT**

**Method and Participants**

Participants were 157 students at a large American university. Students were instructed that their participation in the study was completely voluntary. They completed the study during undergraduate class sessions, following a guest lecture by one of the authors. The study was in the form of a pencil-and-paper booklet which contained a captioned picture (the moderately-liked “yard sale” picture) with either a humorous or a non-humor caption, dependent measures, and an NFC scale, all interspersed among other non-related exercises. Attitude and humor evaluation were measured through the same scales used in the first pretest: humor evaluation was measured using a six-item, seven-point, semantic-differential scale (Chattopadhyay and Basu 1990; humorous/not humorous, funny/not funny,
amusing/not amusing, boring/not boring, playful/not playful, dull/not dull) and attitude towards the captioned picture (ACP) was measured through a three-item, seven-point semantic-differential scale (favorable/ unfavorable, good/bad, like very much/dislike very much). Participants also completed the 18-item shortened NFC scale developed by Cacioppo, Petty, and Kao (1984). This scale has been found to be both valid and gender neutral in a number of studies (see Cacioppo et al. 1996). Each NFC item was measured on a five-point scale, with 5 representing “extremely characteristic,” and 1 representing “extremely uncharacteristic.” Half of the items were reverse scored. Participants completed the booklet, including non-related exercises, in approximately 20 minutes. Participants were then debriefed and thanked for their participation.

Preliminary Validation

A manipulation check was conducted to determine if both humor manipulations were successful. Gender was also included as an independent variable to ensure that the efforts to create gender-neutral humorous captioned pictures were successful. A two-way ANOVA was conducted with humor evaluation as dependent variable and humor type (no-humor, disparagement-based, incongruity-based) and gender (female, male) as the independent variables. Humor evaluation was significantly higher in the presence of both disparagement (M = 4.53) and incongruity (M = 4.64) humor types than when humor was not present (M = 2.21, F(5,150) = 27.66, p < .01); post-hoc simple effect tests with Bonferroni adjustment of each humor type versus the control condition confirmed these differences were significant (both p < .01). Thus, each humor manipulation was deemed successful. Further, there was neither a significant main effect of gender (p > .47), nor a two-way interaction of humor presence x gender (p < .19).

Reliability analyses indicated that the rating scales of both dependent variables were acceptable, with Cronbach’s α = .94 for the six-item humor evaluation composite, and α = .90 for the four-item ACP composite. Likewise, the NFC scale was successfully implemented as Cronbach’s α = .94 with no individual item's deletion resulting in a substantially higher coefficient alpha.

Results

A series of regressions were conducted to test the hypotheses. Thus the three-level humor manipulation was coded into two variables according to the humor process present (DISP and INCON), with NFC treated as a continuous variable. Separate variables were created for the two-way interactions of humor presence and NFC (DISPxNFC and INCONxNFC). Per Aiken and West (1991), scores for the NFC scale were centered (the mean NFC score, 3.4156, was subtracted from each participant's NFC score) in order to reduce potential multicollinearity. The regression model with humor evaluation as dependent variable was significant (F(5,151) = 27.11, p < .01, R² = .47) with significant main effects for both types of humor: disparagement-based (β = .715, t(151) = 5.20, p < .01) and incongruity-based (β = .840, t(151) = 6.11, p < .01). No main effect was present for NFC (p > .83). Likewise, the two-way interactions of NFC with each humor type were not significant (both p > .31) – individual differences in NFC didn’t have an impact on humor evaluation. The results of the analogous regression with ACP as dependent variable were significant (F(5,151) = 7.94, p < .01, R² = .21). This regression analysis revealed that, as predicted, there was no two-way interaction between the disparagement-based humor and NFC (β = .21, t(151) = 1.22, p > .22). There was, however, a two-way interaction of incongruity-based humor and NFC (β = -.35, t(151) = -2.04, p < .05). These results provide initial support for the hypotheses that cognitive processing differences would indeed drive differential attitudinal results in the context of
incongruity-based, but not disparagement humor. As expected, the latter universally increased attitude as evidenced by a main effect of disparagement-based humor ($\beta = .60, t(151) = 4.39, p < .01$) and the lack of the aforementioned $\text{DISP} \times \text{NFC}$ interaction.

Next, the two humor conditions were analyzed independently. Per the hypothesized effects, in the incongruity-humor condition, the $\beta$-coefficient of NFC was significant and negative ($\beta = -.707, t(49) = -3.82, p < .01$), whereas in the disparagement-humor condition it was not significant ($\beta = -.148, t(53) = -0.68, p > .50$). To explore the interaction of $\text{INC} \times \text{NFC}$ in more detail, a regression analysis on participants in the incongruity-based humor and no-humor conditions was conducted, which examined the interaction between NFC and incongruity presence (“yes” vs. “no”) at values one standard deviation above and below the mean of NFC (Aiken and West 1991; Hayes 2013). For participants with low NFC (at least one standard deviation below the mean of NFC), there was a significant interaction of incongruity presence and NFC, ($\beta = -.733, t(103) = -4.07, p < .01$). However, for participants with high NFC (at least one standard deviation above the mean of NFC), there was no significant interaction ($\beta = .26, t(103) = .15, p > .88$). In sum, this study supports the above-formulated hypotheses. As expected, regardless of their differing cognitive motivation levels (NFC), participants by and large found the humorous captions (both incongruity-based and disparagement-based) to be funny. Simply stated, a person’s NFC doesn’t appear to influence his or her appreciation of humor. However, NFC-driven differences did emerge when considering the potential humor-to-attitude chain of effects: disparaging humor did not interact with NFC, while incongruity-based humor did indeed interact with NFC – a result supporting H2a and H2b, and Zhang’s findings (1996a). It appears that participants with high NFC levels are more likely to discount humor evaluation in forming their attitudes, whereas participants with low NFC levels use humor as a peripheral cue (“this is funny, so I like it”) in attitude formation.

**DISCUSSION**

Humor is widely utilized in consumer settings, and it is important for marketing practitioners to understand the individual differences that may effectively heighten or dampen its impact. When such a variable interacts with a prevalent advertising executional element, for instance, marketers would obviously be concerned with understanding that process. This investigation, however, demonstrates how contextually challenging leveraging humorous communication can be: there is not a simple across-the-board interaction between NFC and humorous content on resulting attitudes; instead, the relationship is rather nuanced and subtle.

In an incongruity-based humorous setting, when low-NFC participants viewed a humorous captioned picture, they allowed their affective reaction to the humor to color their overall attitude towards the captioned picture, an effect that did not occur with high-NFC participants. Given their preference for cognitive activity using central processing, the latter do not allow the humor evaluation to determine their attitude towards the stimuli. The effect – or lack thereof – of humor evaluation on attitude is in line with NFC’s overall role as a motivational, not biological, personality variable. When humor is essentially a one-stage cognitive process (e.g., “is this funny?”), differences do not exist.

However, differences in respondents’ processing style manifest themselves in defining the role of humor in attitude formation. Even then, the relationship between NFC and humor – and the resultant differential effect on attitudes – appears to be isolated to incongruity-based humor. This is not surprising, as this humor type offers perhaps the "best chance" for these cognitive processing differences
to manifest themselves as incongruity-resolution humor has been identified as a mainly cognitive process and, therefore, the influence of a person’s NFC in situations where such humor is present should be relatively strong. In contrast, disparagement-based humor is seen as employing a less cognitive and more conative process which should diminish NFC’s role. In light of this distinction, it is not surprising that the relationship between NFC and humor is indeed contingent on the type of humor employed, with the more aggressive humor type in disparagement effectively erasing the differences between low- and high-NFC individuals. It could be speculated that this occurs because unlike incongruity-based humor which is processed differently by low- vs. high-NFC people, disparagement-based humor is likely processed centrally by both low- and high-NFC respondents.

Overall, the outcome of this study suggests that the relationship between cognitive processing (as operationalized through NFC) and resultant attitudes is a complicated one, strongly contingent on humor type. Were only incongruity-based humor utilized, the results would have reinforced Zhang's (1996b) assertion that an individual's preferred cognitive processing style will play a key role in how humor affects attitude formation, but the current findings suggest that a more complex conceptualization of humor may be required if the effect is to be fully understood.

LIMITATIONS AND AREAS FOR FURTHER RESEARCH

One key limitation of this research and potential area for further research stems from the fact that only two humor processes – incongruity-resolution and disparagement – were utilized. There are other major humor processes that would be appropriate for a similar investigation. For instance, the arousal-safety type humor that has been conceptualized as primarily affective in nature (Speck 1991) was not utilized. Another potential humor type that would perhaps be ideal for a similar examination is sexual humor. Given its very nature, sexual humor seems, at face value, likely to be processed centrally by consumers and may affect attitudes in a manner similar to disparagement-based humor. However, given the debate as to whether there are fundamental gender-based differences in sexual humor appreciation and the speculation that men and women may exhibit fundamental differences in how they process it, it would be interesting to investigate whether, in the presence of sexual humor, NFC interacts with biological gender to affect the formation of resulting attitudes. Such an investigation would provide a richer view of the contingent relationship between NFC and humor.

It also must be noted that the current studies were conducted in a non-marketing setting, as a simple captioned-picture stimulus was utilized. Although this was a conscious decision made in an attempt to avoid some of the potential confounds that Zhang (1996a; 1996b) and Geuens and De Pelsmacker (2002) faced, a key next step would be to examine the interplay of NFC and multiple humor types in a consumer setting (e.g., advertising). In particular, comparative advertising often seems to leverage disparaging humor (i.e., one brand mocking another) and although there is a rich literature on comparative advertising, there has been no investigation as to the efficacy of and the potential moderating and mediating variables in a humorous comparative advertising.

A further limitation is that other potentially pertinent personality variables were not included in the study. For instance, humor’s effects are amplified in individuals high in Need for Humor (NFH), the motivation to process humorous stimuli (Kellaris and Cline 2007). These individuals consider humor to be an essential part of their lives, and self-identify as experts in its use. The relationship between NFH and NFC has also been explored, and their interaction has been shown to influence the effect of humor
on responses to ads (Cline, Altsech, and Kellaris 2003). Given that these studies, and much of our knowledge of humor’s effects on advertising efficacy, have been researched using incongruity-resolution type humor, an important next step would be to explore disparagement-based and potentially other types (e.g., sexual) through the lens of Need for Humor.

Finally, the sample of American undergraduate students this research was fielded with represents a serious limitation of the study. As humor has been demonstrated to possess universal as well as culture-specific elements (Alden, Hoyer, and Lee 1993), it is not clear whether the results would hold in a different cultural context. A replication study with a cross-cultural sample of respondents would definitely identify boundary conditions for the documented effect and increase the generalizability of this research.

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THE EFFICACY OF SEXUALIZED FEMALE MODELS IN YOUNG ADULT-MALE ORIENTED CIGARETTE ADVERTISING

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ABSTRACT

This paper explores the portrayal (efficacy) of female models in male-targeted cigarette print advertisements through a content analysis (experiment). We first describe the presence and portrayal of females through a content analysis on male-targeted cigarette advertisements in magazines; we find that, in aggregate, females are often used as sexually attractive decoration, and the overall female portrayal is fundamentally different (and unequal) to that of the male. We next investigate the efficacy of these portrayals through an experiment among young adult-aged male smokers and nonsmokers. Our experimental findings indicate that these sexually charged advertisements generate superior attitudinal results in non-smoking males than smoking males, a finding that—in conjunction with the portrayal of females in the content analysis—suggests potential societal and public policy implications.

Cigarette Advertising, Sexual Advertising, Female Portrayals, Content Analysis, Experiment

INTRODUCTION

Over the past four decades, researchers have noted that female models have become increasingly sexualized (Reichert and Carpenter 2004; Soley and Kurzbard 1986) and the cigarette industry has a decades-long history of contributing to this trend (e.g., Venkatesan and Losco 1975). Accordingly, the tobacco industry has increasingly relied on the conventional wisdom that "sex sells" to males, increasing its use of sexual themes in recent years (Sung and Hennink-Kaminski 2008).

In our first methodological section, we conduct a content analysis of young male targeted cigarette advertisements' female models (e.g., model attire) to illustrate this trend. In the second methodological section, we then explore the actual behavior of a group of individuals (young adult males) targeted by these sexualized advertisements. While adolescent smoking prevention has been the primary focus of tobacco control efforts (and academic research), this tremendous focus has resulted in a dearth of attention on young adults (18-24 years old), a group representing twice as many users, and per internal tobacco documents, a key strategic consumer for cigarette manufacturers (Ling and Glantz 2002).

We find that the addition of sexualized female models has the potential to increase male young adults' favorable attitudes towards cigarette advertising, but that this effect is primarily isolated to male non-smokers who don't have a smoking history (e.g., affinity and/or usage history with another cigarette brand or brands) that might dampen the female model's ability as a driver of positive attitudes. Stated simply, through both the lens of social learning theory and in the fact of government (e.g., the Master Settlement Agreement) efforts to curtail youth smoking, the two sections of the current research suggest a potentially doubly-troubling appraisal of the way females are utilized to increase young adult males' favorability towards cigarettes, and the efficacy with which this objective is accomplished.

LITERATURE REVIEW
Sexually-based appeals are more popular than ever (Gulas and Weinberger 2006), and conventional wisdom certainly suggests that "sex sells" to males but perhaps not as well to females. Some academic research seemingly confirms this assertion (LaTour and Henthorne 1993, Alexander and Judd 1986). Sengupta and Dahl (2008) further explicated these gender differences, demonstrating that while gratuitous, unnecessary use of sex in advertising is generally perceived as offensive by both women and men, fundamental gender differences (males reporting more positive attitudes towards gratuitously sexual advertisements than non-sexual ones, with the opposite true for females) do emerge in spontaneous settings.

Given that sexuality has been portrayed as the fundamental cause of gender inequality (Mackinnon 1989, Baker 2005), a higher-order consideration beyond questions of efficacy lies in the ethicality of the increased sexualization of female models in advertising. Sexual stereotyping is troubling given the media's integral role in socialization, especially into gender roles (Mackinnon 1989). Arguing for the detrimental effects of advertisements, Baker writes:

The media both reflect and reinforce traditional gender roles. Most people realize that the images in the media do not always, in fact rarely, reflect reality. However, that does not mean that these images are not influential...they help to reinforce how the ideal woman should look and behave. According to many advertisements, the ideal woman is an object that exists to satisfy men's sexual desires (2005, 13).

Social learning theory (e.g., Bandura 1977) provides a theoretical perspective for the importance of examining the depictions of sexual imagery in advertising. A basic tenet of social learning theory is that human behavior can be shaped and controlled by social systems. In particular, social learning theory places emphasis on the importance of observing and modeling the behaviors, attitudes, and emotional reactions of others (Bandura 1977). In other words, people can acquire knowledge, emotional reactions, and behavioral patterns by observing others’ experiences or thoughts. While interpersonal learning is a primary vessel, this social learning also occurs through exposure to pervasive cultural stimuli like advertising and other media. For instance, pervasive sexual stereotyping is often thought to have far-reaching effects; as Ford et al. write that "questions arise as to the impact the stereotypes may have on women, children, and society in general" (1998, 114). They cite studies suggesting that exposure to these stereotypes in advertising "has been found to have a causal traditionalizing effect on gender role values and detrimental effects on women's self concepts, achievement aspirations, and self images" (114).

**Female Sexuality in Cigarette Advertising**

Sexton and Haberman (1974) document a shift in the portrayals of women in cigarette ads from the 1950s to the 1960s to the 1970s, and found that the use of women serving a purely decorative purpose in these ads jumped sharply over the studied period. This is unsurprising, as smoking has been identified as a sexually relevant product category (Reid and Soley 1983) and is intertwined with sexuality in both mainstream entertainment like films (e.g., Escamilla, Cardock, and Kawachi 2000) and in advertising (e.g., Schooler, Basil, and Altman 1996), with cigarette advertising often conveys that people who smoke have high sex appeal (NCI 2008).

When repeatedly exposed to sexual content in cigarette advertising, consumers--especially youthful ones--might view smoking behavior as desirable, rebellious, and sexy; studies suggest that youth tend to
believe that smoking behavior conveys socially desirable attributes, such as being sexually attractive and sociable, learning not only from first-hand observation of peers, siblings, and parents who smoke, but the mass media (see Sung & Hennink-Kaminski 2008 for a review). These components can operate directly or in tandem; for instance, Pechmann and Knight (2002) find that advertising can "persuade via a one-step process;" in other words, "cigarette ads may directly teach adolescents that smoking has symbolic and/or physiological benefits," (14) but that cigarette advertising can also increase perceptions towards smoking and thereby (even without the individual consciously realizing it) increase attitudes towards peers who smoke (an example of a two-step process). Further, the use of executional elements like sexualized female models is not simply happenstance but likely a strategic decision on the part of cigarette advertisers. As King, Reid, and Becham (1994, 74) write: “It is presumed that cigarette…ads, like ads for other products, are not created in a random fashion…meticulous attention is paid to every executional detail of the created ad.”

Thus, consistent with social learning theory, a considerable amount of research has provided evidence that the portrayal of smoking associated with sexuality in the media and advertising can influence the smoking process in adolescents (Brown and Witherspoon 2002; Sussman 2005; Charlesworth and Glantz 2005). The 1998 Master Settlement Agreement (MSA) reached between 46 states (and five territories) and major tobacco companies did not specifically restrict magazine advertising, but did contain provisions that “no participating manufacturer may take any action, directly or indirectly, to target youths” (Krugman, Morrison, and Sung 2006, 198). While the FDA proposal for the restriction of cigarette advertising would have mandated that advertising in any publication with significant youth readership be limited to a “tombstone” text-only, black-and-white format (Krugman et al. 2006), this proposal did not ultimately pass. Rather, overall cigarette advertising spending increased post-MSA, and one particular increasing executional trend is the increased presence of sexually-themed advertising (Sung and Hennink-Kamminski 2008). In our first methodological section, we conduct a content analysis of a decade's worth of cigarette print advertising to illustrate that increased presence.

METHOD ONE: CONTENT ANALYSIS

We selected Rolling Stone (RS) and Sports Illustrated (SI) as representative male-targeted titles, since both SI and RS have primarily male readership; Mediamark Research Incorporated (MRI) estimates that as of Fall 2007, SI had an audience of 20.8 million readers (79% male, median age of male reader = 38.2) and RS’s audience was 12.1 million (59% male, median age of male reader = 30.9). Although both are classified as adult-oriented magazines, they each fit the FDA magazine standard of what constitutes targeting youth (Sung and Hennink-Kamminski 2008). We obtained cigarette advertisements from SI and RS by utilizing an existing database of cigarette ads prepared for the Department of Justice in tobacco industry litigation. This database contained a census of cigarette ads in these titles from 1994 to 2003. Following a qualitative content analysis by the first author, a quantitative coding scheme was developed. We adapted variables from extant research, including articles on sex in advertising (Reichert and Carpenter 2004; Reichert and Ramirez, 20000).

Four graduate students majoring in advertising and public relations coded the cigarette advertisements after being provided a training manual featuring theoretical and practical guidance for all variables present in the study. Additionally, all coders were trained in a two-hour in-person training session where
variables were reviewed and different examples of different levels of the variables were presented. Coders were provided with an electronic coding sheet.

We selected a sample (stratified on both brand and time) of 853 advertisements (52% SI, 48% RS) and 172 (20%) were used in calculating inter-coder reliabilities 20% of the total set, meeting the high end of methodological recommendations (Riffe, Lacy, and Fico 1998). Reliabilities ranged from 0.85 to 0.99, all of which were deemed acceptable as they either were equal to or greater than our minimum cutoff level of .75 (per Rust and Cooil 1994). Each of four coders coded approximately 170 advertisements.

CONTENT ANALYSIS FINDINGS

Model Attire / Nudity Level

Female models in cigarette advertisements were often dressed suggestively, exposing "skin" whereas males were very unlikely to be shown that way, especially when only one model was featured. There were repeated cases of a female whose purpose was simply to arouse the assumed male viewer and endow the cigarette advertisement with a sexual nature. Quantitative analyses confirmed gender-based differences. In the 643 advertisements featuring models, females (males) were significantly less (more) likely to be clothed demurely than males (females) ($\chi^2 (1) = 48.97, p < .001$) and significantly more (less) likely to be clothed in a suggestive manner ($\chi^2 (1) = 128.02, p < .001$) Specifically, of the 387 (512) advertisements featuring women (men), 43% (9%) featured at least one women (man) dressed suggestively, with 57% (91%) featuring at least one woman (man) dressed demurely.

Further, when only one gender was featured, females (males) in the 131 (256) female-only (male only) ads were significantly more (less) likely to be clothed in suggestive attire than were males (females) (54% vs. 3%), with the opposite true for demure clothing (95% vs. 41%). This disparity also held in the subset of 252 advertisements where both males and females were present, with advertisements more likely to feature suggestively clad females than males (37% vs. 15%). Overall, the obvious implication is that that these cigarette advertisers are often deliberately featuring attractive, suggestively dressed females, whereas they are more likely to feature aspirationally-appropriate (whether classic such as a cowboy or more trendy such as a club-goer) demurely dressed males.

Sexual Theme

When models are present, the product meaning conveyed through cigarette advertising was generally hedonic, communicating pleasure and usage-derived sensations. However, when only females were present, advertisements were more likely to feature sexual themes (especially that of sexual attractiveness), but the presence of men made the presence of sexual themes less likely (especially in the absence of females, where this use is virtually non-existent). Overall, of the 653 advertisements featuring models, 189 (29%) featured the theme of sexual attractiveness, 39 (6%) featured sexual behavior, 32 (5%) featured sexual voyeurism, and 30 (5%) featured sexual fantasy, but these themes were virtually non-existent when female models were not present in the advertisements (all relevant chi-square tests were significant at $p < .001$ level). Just 2% of the 256 advertisements featuring only male models featured any sexually-related theme. Of the 131 (252) advertisements where only females (both males and females) were present, all of these appeals were significantly more common. Sexual attractiveness was present in 64% (36%) of female-only (both male and female) ads, and corresponding
sexual behavior levels (5%, 12%), sexual voyeurism (8%, 8%), and sexual fantasy themes (8%, 9%) were also significantly more frequent.

While our overall content analysis findings (and the post-MSA increases in sexually themed cigarette ads) may be interpreted to suggest that cigarette advertisers believe sexualized females to be an efficacious advertising strategy--after all, advertisers do not systematically employ executional variables that they believe to be inefficacious--it does not by its very nature demonstrate the efficacy of these appeals in actually selling cigarettes. In other words, while studies of advertising content “provide an empirically-based benchmark for subsequent research efforts to link the content of cigarette…ads to ad-effects” (King et al. 1994, 74), they do not themselves speak to these ad effects. We therefore supplement our content analysis with an exploratory study examining the efficacy of the sexualized female in promoting a cigarette brand to a youthful (mean age of 21.5 years old) male audience, a consumer group that is integral in tobacco industry growth efforts (Ling and Glantz 2002).

THE EFFICACY OF SEXUALIZED FEMALES IN CIGARETTE ADVERTISING

Young Adult Males and Cigarettes

Young adult males (e.g., college students) have been identified as an attractive market by cigarette industry executives (Pollay 1995). For example, Phillip Morris executives described college students as attractive since "Students are tremendously loyal. If you catch them, they'll stick with you like glue" (Pollay 1995, 3) and because "the consumer, at this age and experience level, is more susceptible to change, has far reaching influence value, and is apt to retain habits for a longer period of time than the average consumer in the general market" (Pollay 1995, 3). After reviewing over 200 relevant tobacco industry documents, Ling and Glantz (2002) suggest that tobacco marketers regard smoking initiation not as an event, but as a process, one that begins with teenagers but that must be cultivated among young adults. They write that while there has been a primary focus on youth prevention, tobacco efforts at young adults have largely been ignored:

Public health efforts dwindle at the same time that tobacco industry efforts intensify. Young adults are an important target for the tobacco industry, particularly because they face major changes in their lives. The industry studies young adult attitudes, lifestyles, values, aspirations, and social patterns with a view toward making smoking a socially acceptable part of young adults' new activities. In spite of the industry's claim that it does not market to nonsmokers, the marketing plans for young adults enable the industry to recruit new smokers between the ages of 18 and 24 years and to encourage light, occasional, or experimenting adults are also the youngest legal marketing target in an industry they vastly outnumber teen smokers. Furthermore, young adult smokers. Furthermore, young adult who see young adults as their primary role models. (2002, 913)

Therefore, we considered college-aged males an ideal sample for a follow-up study. Our objective in this study is to compare the relative efficacy of cigarette advertisements featuring no female models with two different types of decorative female models: (1) suggestively attired, and (2) demurely attired. Additionally, we consider whether these female model manipulations would have the same influence in shaping attitudes towards cigarette advertising and the sponsoring cigarette brand among smokers and non-smokers, or if any asymmetric effects would be found.

Stimulus Development

Real-world cigarette brands have distinct brand images which we hypothesized could confound our results; therefore, we decided to use a brand that participants would have very low familiarity with. However, a benefit of utilizing a real brand would be that real-world graphics could be used in stimulus
development, so we therefore designed advertisements for a real-life European brand of cigarettes (Rothmans), which are not easily obtained and have no market share in the United States. We designed four advertisements for use in our study. Each advertisement was constructed using Adobe Photoshop, and featured identical hedonically-themed taglines (“Rothmans. Pure Pleasure.”) with a small picture of a pack of Rothmans cigarettes in the lower third of the ad, and a visual graphic in the upper section.

We designed two control ads. Both featured a scenic background, and one also had a male model smoking in the right-hand foreground of the image. We theorized that if there were no significant differences between the control ad with no male model and the second control ad featuring the male model, we could then conclude that the presence of the male model was not affecting participant attitudes (and we could then collapse these into one control condition).

Since illustrations or visuals are the most likely place for sexualized elements in advertising (Soley and Kurzbard 1986) we added appropriate images of attractive professional models to the suggestive and demure female advertisement prop portrayals (the demure model was dressed in a sweater and was from the Banana Republic clothing retailer’s online catalog, and the suggestive model was dressed in a bikini and was from the Sports Illustrated Swimsuit Edition online photography archive) and inserted them on the left-hand side of the advertisement.

Participants and Method

Two hundred and six male students at a large southeastern American university participated in this study. Two-hundred three participants provided their age, and although the total range was from 19 to 39 years old, 96% were twenty-five years old or younger. Participants were randomly assigned to a condition (one of two control ads, an ad featuring a demure female model, or an ad featuring a suggestive female model). Each participant received one advertisement as part of a booklet containing other unrelated activities. The first page of the booklet thanked them for participating, and assured them that their answers would be confidential. We asked participants to reveal their age, if they smoked cigarettes at all, and whether they considered themselves a “smoker.” Finally, we asked how familiar they were with Rothmans brand cigarettes, and their attitude towards Rothmans.

The second page contained the advertisement, along with a series of questions. All questions were answered on seven-point semantic scales. We asked all participants to evaluate the ad (unfavorable / favorable) and the Rothmans brand (unfavorable / favorable).. In the conditions containing a female model as advertisement prop, an additional questions were asked: how suggestively the female model was dressed (non-suggestively / suggestively). Finally, we asked an open-ended question (“Please tell us, in your own words, why you rated this advertisement like you did in the first question.”). We employed single-item (rather than multiple-item) measures since the measures related to a specific, singular object (the advertisement) and concrete attributes (e.g., attitudes). In such "doubly concrete constructs" the predictive validity of multiple-item and single-item measures is likely to be equivalent (Bergkvist and Rossiter 2007, 183). Additionally, as we were dealing with a potentially sensitive issue (smoking habits) and smokers have been found to under-report their usage (i.e. lower levels of smokers have been found when using self-reporting questionnaires versus other methods, such as nicotine levels (Gorber et al. 2009)), the use of single-item measures allowed participants to more quickly complete the study.

We randomly assigned the participants to each condition. We treated smoking status as a historical
variable, as self-reported by participants. Of the two hundred six male participants, eighty-six
participants smoked (41.7%), but only twenty-six (12.6%) considered themselves “smokers.” Because of
potential social desirability bias and historical understated self-reporting levels, we classified the eighty-
six participants who responded affirmatively to the question "do you ever smoke" as smokers, and the
one hundred twenty who responded “no” as non-smokers.

RESULTS

Familiarity with Rothmans

Participants were overwhelmingly unfamiliar with the Rothman’s brand \((M = 1.07, \text{ where } 1 = \text{not very familiar} \text{ and } 7 = \text{very familiar})\). Two hundred one (97.6%) participants rated their familiarity with the
brand as a “1.” We concluded that there was virtually no chance that preexisting notions about or
attitudes towards the actual European-based Rothmans brand would confound the research results.

Control Advertisements

We conducted a series of one-way ANOVAs with the control conditions (without male model vs. with
male model) as the independent variable, and \(A_{\text{ad}}\) and \(A_{\text{Rothmans}}\) as dependent variables. These tests
revealed no significant differences between the two control advertisements \((\text{all } ps > .43)\). In order to
rule out the possibility that a specific control ad could interact with smoking status \((\text{in other words, that}
\text{ a control ad was preferred to the other by either smokers or non-smokers})\) we next conducted two
ANOVAs with the same dependent variables, and both the control conditions \((\text{with vs. without male})\)
and smoker status \((\text{smoker vs. non-smoker})\) as independent variables. There were no significant
interaction effects present \((\text{all } ps > .28)\). We therefore concluded that (1) the control ads could be
collapsed into one level of a variable, and (2) the addition of female advertising props to the
advertisement seemed appropriate methodology for testing different advertising props.

Manipulation Check: Suggestive vs. Demure Female Advertisement Props

We conducted a 2 x 2 ANOVA of female model \((\text{suggestive vs. demure})\) on the perceived
suggestiveness of the advertisement. We tested it on all subjects in either of those two advertisement
prop-variable conditions. The test revealed a main effect of female model on perceived suggestiveness
\((M_{\text{suggestive}} = 5.90 \text{ vs. } M_{\text{demure}} = 2.43, F (1, 139) = 150.91, p < .001)\); we concluded that the manipulation
of female model \((\text{suggestive vs. demure})\) was successful.

Findings: Main Dependent Variables

We conducted a 3 x 2 ANOVA with female model \((\text{control vs. suggestive vs. demure})\) and smoker status
\((\text{smoker vs. non-smoker})\) as independent variables, and \(A_{\text{ad}}\) as the dependent variable. The overall model
was significant \((F(5, 199) = 770, p < .001)\). The test revealed a main effect for advertisement prop
\((M_{\text{control}} = 2.60 \text{ vs. } M_{\text{suggestive}} = 3.34 \text{ vs. } M_{\text{demure}} = 2.23, F (2,199) = 9.89, p < .001)\). Post-hoc analysis
(pairwise comparisons with Bonferroni adjustment) showed that the \(A_{\text{ad}}\) of the suggestive advertisement
prop was significantly higher than that of both the control condition \((p < .02)\) and the demure ad \((p < .001)\);
while the control was directionally higher than the demure advertisement prop on \(A_{\text{ad}}\), that
difference was not significant \((p > .46)\). The test also revealed a main effect for smoker status \((M_{\text{smoker}} =
3.06 vs. \( M_{\text{non-smoker}} = 2.39, F(1, 199) = 10.08, p < .01 \).

The analysis also revealed a significant 2-way interaction of advertisement prop x smoker status (\( M_{\text{control, smoker}} = 3.33 \) vs. \( M_{\text{control, non-smoker}} = 1.88 \) vs. \( M_{\text{suggestive, smoker}} = 3.42 \) vs. \( M_{\text{suggestive, non-smoker}} = 3.25 \) vs. \( M_{\text{demure, smoker}} = 2.42 \) vs. \( M_{\text{demure, non-smoker}} = 2.05, F(2, 199) = 3.48, p < .04 \)). Follow-up analysis confirmed mean attitudinal differences within both smoker (with suggestive and control conditions statistically equivalent, and both significantly higher than demure) and non-smoker (with control and demure conditions statistically equivalent, and suggestive significantly higher than both) conditions, at a minimum of 95% confidence level with Bonferroni adjustments. Further, these follow-up tests demonstrated that that same confidence level that the suggestive condition produced equivalent attitudes in both smokers and non-smokers.

We next conducted a similar 3 x 2 ANOVA with \( A_{\text{Rothmans}} \) as the dependent variable. Again, the overall model was significant (\( F(5, 199) = 8.69, p < .001 \)). The test revealed a main effect for advertisement prop (\( M_{\text{control}} = 2.77 \) vs. \( M_{\text{suggestive}} = 3.08 \) vs. \( M_{\text{demure}} = 2.38, F(2,199) = 4.68, p < .02 \)). Another post-hoc analysis showed that \( A_{\text{Rothmans}} \) of the suggestive advertisement prop was significantly higher than that of the demure ad (\( p < .01 \)), but not the control ad (\( p > .59 \)), nor was the control significantly higher than the demure advertisement prop (\( p > .30 \)). The test again revealed a main effect for smoker status (\( M_{\text{smoker}} = 3.19 \) vs. \( M_{\text{non-smoker}} = 2.29, F(1,199) = 22.22, p < .001 \)). Once again, the analysis revealed a significant 2-way interaction of model attire x smoker status on \( A_{\text{Rothmans}} \) (\( M_{\text{control, smoker}} = 3.58 \) vs. \( M_{\text{control, non-smoker}} = 1.95 \) vs. \( M_{\text{suggestive, smoker}} = 3.13 \) vs. \( M_{\text{suggestive, non-smoker}} = 3.03 \) vs. \( M_{\text{demure, smoker}} = 2.87 \) vs. \( M_{\text{demure, non-smoker}} = 1.88, F(2, 199) = 5.14, p < .01 \)).

Follow-up analysis revealed no attitudinal differences within the smoker conditions (control, demure, and suggestive conditions were statistically equivalent), but significant differences within non-smoker conditions (with suggestive significantly higher than control and demure conditions) at a minimum of 95% confidence level with Bonferroni adjustments. Again, at that confidence level, smokers and non-smokers were statistically equivalent in brand attitudes after viewing suggestive advertisements.

**Mediation Analysis**

In order to explore potential asymmetric mediation effects of suggestive advertising props on \( A_{\text{ad}} \)’s influence on \( A_{\text{brand}} \) for smokers and non-smokers, we created a variable called “suggestive prop presence.” All participants that viewed a demure advertising prop or in the control condition were classified as “0” (no suggestive advertising prop present), and all participants that viewed as suggestive advertising prop were classified as “1” (suggestive advertising prop present). We then conducted mediation analyses for both participants classified as smokers and those classified as non-smokers.

The mediation analysis revealed that for non-smokers, \( A_{\text{ad}} \) fully mediated the influence of suggestive advertising prop presence on \( A_{\text{Rothmans}} \). For smokers, while regressing \( A_{\text{ad}} \) on \( A_{\text{Rothmans}} \) revealed significant results (\( p < .001 \)), regressing the presence of a suggestive advertising prop on \( A_{\text{Rothmans}} \) showed nearly no effect (\( p > .87 \)). Therefore, we conclude that while for non-smokers we see full mediation, for smokers the presence of a suggestive advertising prop does have a significant effect on \( A_{\text{ad}} \) but very little influence on \( A_{\text{Rothmans}} \).

**DISCUSSION**
As the content analysis results clearly demonstrated, cigarette manufacturers and their advertising agencies frequently employ sexual themes and sexualized models in male-targeted advertisements, suggesting that they believe these efforts to be efficacious. Our findings of this experimental study on smoking and non-smoking young adult males support that supposition.

It is not surprising that male smokers would be more receptive to control ads (with no female models) than non-smokers; they do, of course, use the product category and therefore engage in the behavior that the advertisement is featuring. These suppositions are supported by open-ended participant feedback. Non-smokers' comments made it clear in language ranging from the straightforward (e.g., "I don't smoke") to the much more colorful (including comments featuring a variety of profanity regarding smoking and those who choose to smoke) that they had no interest in either the advertisement nor the brand, whereas smokers often were either much more positive (e.g., "I like the pure pleasure line") or at least less dismissive.

It is also not surprising, given the prevalence of sex in advertising and learned gender roles, that a demurely attired female model serving a purely decorative purpose might be largely rejected by males, regardless of smoking status (feedback from two smokers was that "she's dressed like a soccer mom" and "serves no purpose", and two non-smokers responded "what the heck does that woman have to do with anything?" and "that girl looks strange there"). The obvious interpretation is that women are not effective decoration in a cigarette advertisement unless they are sexually relevant. At least in a cigarette advertisement, a demurely dressed, non-sexual (but very attractive) woman who is serving no clear purpose aside from decoration (e.g., she's not smoking) is not a positive executional element, but rather "odd and out of place."

However, it is somewhat surprising that the addition of a suggestively attired female equalizes smokers' and non-smokers' attitudes towards the ad, raising non-smokers' (versus control) but having little effect on smokers'. Likewise, we consider it somewhat surprising that viewing a sexually themed ad featuring an attractive, suggestively dressed female had no effect on attitudes towards the Rothmans brand among smokers (versus either a control ad or even the lower-rated ad with a demure model), and perhaps even more unexpected that the impact of this sensuous model was enough to increase attitudes towards the Rothmans brand itself (and not simply the ad) in non-smokers. For the suggestive model, open-ended answers seemed to indicate that while smokers often enjoyed viewing the ad, they frequently had strong loyalty to a certain brand or wanted to know more about Rothmans (e.g., "that girl is hot but don't know about Rothman's (sic)" and "It's got a good chick but I smoke Camel Lights"). We also noticed that whereas in the control and demure conditions non-smokers would frequently say things like "I don't smoke" and "I hate smoking!" and rate attitudes toward the ad and brand very poorly, in the suggestive condition they often said the same things with less emphasis, and gave higher scores (e.g., a non-smoker who wrote "I don't smoke so this ad really isn't for me" and rated Aad 5, and another who said "she's an attractive girl but I still don't want to smoke" rated AAd 5, and another who said "I'm neutral toward it. I hate cigarettes" and still assigned both Aad and ARothmans a 5, and another who said "I'm neutral toward it. I hate cigarettes" and still assigned both Aad and ARothmans a 4). Others (both smokers and non-smokers) did consciously rate the ad higher and directly attributed that to the model (e.g., "I enjoy beautiful women and she is certainly hot" and "Quite frankly, that woman is gorgeous and I'm really just rating everything on her"). While there were also some males in both conditions that rejected the ad's blatant sexuality (e.g., "Hey, a woman in a bikini--I've never seen this before!" and "C'mon, this is so obvious (sic) with that girl"), we did not observe the same magnitude nor degree of anti-cigarette response from non-smokers as in the control and demure conditions.
Overall, whereas smokers' brand and category familiarity seemed to allow them to look past the advertisement's blatant sexuality (even if they enjoyed it) and assign very similar scores for A Rothmans regardless of the ad condition, non-smokers were much more likely to assign a positive score (even without an accompanying positive open-ended comment) when a suggestive female was present. It was as if the suggestive model flipped a switch in many non-smokers, allowing them to view something they were largely negatively aligned toward with much more tolerance and in some cases even great appreciation, a conclusion clearly supported by the mediation analysis. These non-smokers, having less expertise and no extant brand loyalties, also allow their attitudes towards advertisements inform their attitudes towards the cigarette brand.

CONCLUSION

Our findings suggest that (1) the use of sexualized females is a prevalent cigarette industry consumer communication strategy, and (2) it appears to be efficacious with a key strategic consumer. In total, if females are increasingly being stereotyped as sexual objects in male-targeted cigarette communications (and in the interest of increasing cigarette sales), this may imply two levels of societal concern: (1) as discussed previously, gender equality and socialization concerns, and (2) concern that if at-risk consumer targets (e.g., male youths and young adults) are positively influenced by these communications, they may be more likely to adopt smoking habits, counter to tobacco control efforts (e.g., the MSA). Our content analysis findings seem to support the first level of concern and our experiment supports effects that could feasibly lead to the second concern. In the final analysis, it appears that the Master Settlement Agreement left a rather effective door open to cigarette manufacturers in targeting young males (it effectively allowed a trade of stylized cartoons for stylized sexuality) and our current paper suggests that it may be a door that legislators and public policy advocates may want to undertake a more explicit attempt at closing.

REFERENCES


A STRUCTURAL EQUATION MODELING-BASED EXAMINATION OF THE PRIVATE LABEL BRAND (PLB) CONSUMER EVALUATION PROCESS

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ABSTRACT

The goal of this paper is to answer the question “What variables influence consumer private label brand (PLB) evaluations?” We employ structural equation modeling (SEM) in order to analyze a hypothesized process by which consumer-based evaluations of retailer and product category, along with perceived risk of the category and PLB all affect the ultimate PLB brand evaluation. PLBs have been heavily researched in academic marketing research journals but SEM-based research is minimal. Research has generally been conducted using model-building techniques which are then empirically tested using real-world data. Given the complexity of the process, an alternate approach is to use experimental techniques to gain first-hand PLB data and then analyze it using appropriate methodology. The current project represents a step in that direction. While the model is subject to limitations that call its utility into question, it does provide guidance for a future, more theoretically-sound a priori model and resulting SEM analysis.

Keywords: Private Label, SEM, Retail Brands, Perceived Risk

INTRODUCTION

The goal of this paper is to answer the question “What variables influence consumer private label brand (PLB) evaluations?” We employ structural equation modeling (SEM) in order to analyze a hypothesized process by which consumer-based evaluations of retailer and product category, along with perceived risk of the category and PLB all affect the ultimate PLB brand evaluation. PLBs have been heavily researched in academic marketing research journals (and a robust literature review is conducted below), but SEM-based research is minimal. Research has generally been conducted using model-building techniques which are then empirically tested using real-world data (e.g., scanner data from a retailer category in one specific category). Given the complexity of the process, an alternate approach is to use experimental techniques to gain first-hand (i.e., from the consumer) PLB data and then analyze it using appropriate methodology. The current project represents a step in that direction, as I use extant theory to conceptualize and operationalize a process by which PLB evaluations are developed by consumers and test the theoretical model using structural equation modeling. While the model is subject to theoretical, conceptual, and executional limitations that call its utility into question, it does provide guidance (and perhaps some evidence of the merit) of a future, more theoretically-sound a priori model and resulting SEM analysis.

LITERATURE REVIEW

PLBs are a heavily researched area in the marketing literature. Guided by the overall goal of this paper (explaining the PLB evaluation process) this literature review will focus on the following four areas:

1. Providing an overall picture of the private label brand phenomenon
2. Answering the question “Who buys PLBs?”
3. Answering the question “Why do consumers buy PLBs?”
4. Examining the role of the retailer in driving consumer PLB acceptance

The Private Label Brand Phenomenon

Private Label Brands (PLBs)—often referred to as “store brands,” “house brands,” and “own brands”—are defined as brands owned, controlled, and sold exclusively by a retailer (Raju et. al 1995). Regardless of whether one is speaking from a consumer, retailer, or competitor (e.g., national manufacturers’ branded products) point-of-view, PLBs are a key dynamic in today’s consumer packaged goods (CPG) environment. PLBs were first introduced over 100 years ago in a few categories, including tea (Raju et. al 1995). However, store brand sales were negligible through the 1950s (Soberman and Parker 2006) as retailers competed largely through branded national products. In addition to a minor focus on PLBs, many retailers sold “generics”—e.g., a plain white box with “Corn Flakes” in bold black font, containing little text beyond the brand name and required nutritional labeling (Murphy and Lacznia 1979)—by definition didn’t feature a brand name, and were a clear trade-off on price, image, and perceived quality (Soberman and Parker 2006). Generics were generally seen by consumers as inferior in quality both to brands and to private labels (Rosen 1984), and were, by nature, largely undifferentiated from one retailer to another. As retail consolidation became rampant, and one of the effects was as retailer evolved into larger chains, retailers increasingly dropped the generic products in favor of more focus on PLBs. Likewise, smaller national brands were cut, and consumers were left with the choice between a limited number of national brands and one, perhaps two, PLBs (Soberman and Parker 2006).

Retailers became increasingly focused on their “own brands.” For the first time, retailers were selling brands that were exclusively available in their stores (Hansen et al. 2006). Stepping back to view the entire store, retailers started to realize that no manufacturer could compete with a store-wide private label brand in terms of coverage (Hoch 1996). As retailers started to increasingly apply brand management techniques—for instance, positioning PLBs beyond price—PLBs became more attractive to consumers and more important to retailers, until we reach the point where we are today, with PLBs being a cornerstone of nearly every major retailer’s core strategy. Hansen et. al summarize this by stating that today “one of the most important activities for supermarket retailers is the creation and maintenance of their private label brands” (2006), and this assertion is supported by the 2000 Annual Report of Progressive Grocer where the #1 action rated as most likely for retailers was “Stress Private Label.” (Dowdell 2006). The result of this focus is that average dollar market share of PLBs increased from just over 15% in 1988 to 20% in 1998 (Ailawadi and Harlam 2004) and PLBs are the No. 1 seller in 240-plus grocery categories, roughly a quarter of total categories sold.

There is not a lot of mystery as to why retailers are focusing on PLBs. Research indicates that (1) PLBs have higher gross margins than national brands (Ailawadi and Harlam 2004) and can help increase category and total profits (Dhar et. al 2001), (2) that strong PLBs can increase consumer store loyalty (Grewal 2004, Corstjens and Lal 2000), (3) that a strong PLB program can also enable retailers to achieve more than their “fair share” of a category’s total sales (Dhar et. al 2001) and retailers that outpace competitors in a category (i.e., have high category development index (CDI) scores) generally have strong PLB programs (Dhar and Hoch 1997), and that (4) a strong PLB program can provide retailers increased power in their relationship vis-a-vis national brand manufacturers (Chintagunta et. al 2002). While the retail side of the equation is rather straightforward, the consumer side is much murkier, and that is where I turn my attention next.
PLBs: Consumer Dynamics

PLBs have achieved remarkable levels of consumer acceptance. Some examples (from Dardell and Tarnowski 2006):

- Approximately 85% of private label buyers say that it's a good alternative to brands.
- 59% percent of consumers say that it's "just as good" as national brands.
- One-third of consumers say that some private label items have "higher quality" than brands.
- Approximately 90% percent of consumers feel comfortable serving private label to their guests.
- 72% of consumers don't believe that national brands are worth the extra cost.
- 68% percent of consumers believe that private label is an extremely good value.

Using multiple regression, Sethuraman and Cole (1996) found the following demographic drivers were significant drivers of choosing national brand vs. store brands:

- Higher income (> $50K) or lower income (< $25K) households are willing to pay larger price premiums than middle-income households ($25-50K).
- Younger consumers are willing to pay larger price premiums than older consumers.
- Females are willing to pay larger price premiums than males.

Richardson et. al (1996) find that consumer propensity to purchase PLBs is more complicated and depends on a number of factors, relating both to the individual (both demographic and psychological) and the category (in terms of quality variation, value for money, consumer knowledge, etc.). In other research, Dhar and Hoch (1997) find that a consumer base that is less wealthy and more elderly significantly enhances store brand programs. However, Dick et. al (1995) find that the proportion of consumers buying PLBs drops dramatically after age 45+. This is just one example of numerous contradictory findings in the literature (note also that given the rapid growth of PLBs over the past decade, it stands to reason that consumer penetration has increased and may have rendered findings of even some newer articles obsolete). Overall, academic research has found that the consumers most likely to purchase PLBs are middle-income, moderately well-educated, and with large families. Nonetheless, the utility of these findings is a bit questionable. Demographic variables only account for a small percentage (4-5%) of the variation in PLB purchases (Sethuraman and Cole 1996), which has led some researchers to the belief that there are no significant differences whatsoever in demographics between PLB and national brand consumers (Sudhir and Talukdar 2004). This is supported by the 2001 findings of the PLMA that over 80% of consumers have purchased private label products (Sheinin and Wagner 2003).

Rather than attempting to attach demographic information to PLB usage, perhaps understanding (and targeting) these consumers is better accomplished by considering store-brand proclivity as a variable in-and-of-itself, and examining psychographic commonalities, rather than seeking associated demographic characteristics. For instance, Hansen et. al (2006) find (based on data from one retail store) that, across 10 product categories, households “do display similarities in their preference for store brands and marketing mix sensitivity across the categories” and suggest that “household-level factor estimates could be used in identifying the “store-brand prone” consumers and targeting these consumers in new product categories” (p. 88). Given this approach, it is appropriate to consider a next question: why do consumers purchase PLBs?
For the past 50 years, the primary attraction of generic products and private label brands has been their lower prices versus national brands. A walk through any major retailer will confirm the price discrepancy between PLBs and leading national brands. For instance, PLBs in grocery stores cost 10-30% less than national brands (Baltas 1997). The introduction of private labels does (given PLBs’ usual status as one of, if not the, lowest-priced brands in a category) add a brand that would theoretically appeal to price-conscious consumers. Accordingly, store brand consumers have been found to be more price-conscious than average consumers (Dick et al 1995).

Quality assumptions are another key driver of consumer acceptance or rejection of PLB products. The degree to which a consumer is uncertain of the quality of a PLB vs. a national brand will contribute to the success or lack thereof (Batra and Sinha 2000). Common sense would indicate that when PLBs, which are usually the lowest-priced brands in a category, start to make significant quality gains that at least a portion of that category’s consumer base would increasingly view them as a viable option. The key here is perceived value, defined by Dodds et al (1991 p. 316) as “a cognitive tradeoff between perceived quality and sacrifice.” When products are viewed by consumers as being “low quality” and “low price,” the perceived value will likely be poor despite the low price. However, when quality starts to increase—as has been the case with PLBs—and both absolute and relative (to national brands) pricing have remained roughly flat, it follows that perceived value would strengthen and appeal to value-conscious consumers.

However, this is not to say that all consumers—even value-conscious ones—will view PLBs as an attractive option. Garretson et. al (2002) write that consumers essentially have two main choices if they want to save money: (1) buy national brands while using coupons, shopping on deal, etc., or (2) buy private label brands. In answering the question “are these two options equally appealing to value-conscious consumers?” they find that value-consciousness is indeed exhibited through both of these behaviors, but that consumers generally prefer one or the other, and that preference is driven by the belief (or lack thereof) that price signifies quality. For consumers that believe this to a high degree, getting a special deal on a national brand means that they have proven themselves a “smart shopper” while getting the higher-quality brand at a value price. For consumers with less of a tendency to believe that price signifies quality, they seek “pure value” and are attracted to private label products (Garretson et. al 2002). Consumers that are “price-conscious” but not “promotion-sensitive” seem to make up the stereotypical “store brand shopper” (Baltas 1999 p. 321). This research can perhaps be connected to that of Lee (2004), who finds that consumers (I.E., Korean shoppers) compare PLBs to their self image in much the same way they do national brands. If these findings also apply to American consumers, consider a consumer who prides herself as “seeing through the marketing hype”; private labels may strongly appeal to her if she believes that she’s getting essentially the same product for a much reduced price since she’s not paying for advertising, promotion, and other national brand orientated costs.

Similarly, research by Ailawadi et. al (2001) segments consumers into four distinct groups: deal-focused consumers, store brand-focused consumers, deal and store brand users (use-all), and nonusers of both store brands and deals (use-none). As signified by the chosen consumer labels, PLBs appeal differently to each of these groups. As the authors write, by using this grouping “manufacturers and retailers have the opportunity to either avoid each other or compete head to head, depending on which segment they target” (p. 71).
Certain categories are much more developed in terms of private label share and penetration than others. There are, quite simply, categories in which value-conscious, store-brand focused consumers are much less likely to purchase PLBs than others. At a category level, one of the key drivers of PLB acceptance is risk, since “PLB buying increases as the consequences of making a purchase mistake decrease” (Batra and Sinha 2000 p 187). The findings of Erdem et. al (2004) also support this notion, as Americans are found to view PLBs with more uncertainty than shoppers in Spain or the U.K., and tend to be more risk averse than the European test subjects were. This risk aversion also plays into the findings of Batra and Sinha (2000), who find that consumers are more comfortable purchasing a PLB in a “search” category (where product benefits can be understood by reading a label) than an “experiential” category (where the product benefits have to be experienced to be understood).

Another related concept is that of consumer involvement. It stands to reason that the level of consumer involvement and overall evaluation of a category could either help or hurt PLB sales; depending on the category, consumers may say “I know this category, and there’s not a real difference between this store brand and the national brand” or they may say “In this category, you really get what you pay for.” It is in frequently purchased categories with high consumer involvement and low risk (e.g., milk) that private labels have perhaps their greatest potential with these consumers. Given that consumer contribution depends on the dollar margin of the unit purchased and also on the number and type of products purchased (Ailawadi and Harlam 2004), when retailers can establish loyal consumers in these categories they take a major step towards PLB success.

**PLB Dynamics: The Role of the Retailer**

Retailers are becoming more sophisticated with PLBs, and often not treating their PLBs with a one-rule-fits-all mentality (e.g., consistent pricing across categories at a percentage of the leading brand’s price). However, retailers have unique concepts (e.g., Target’s positioning differs from Food Lion’s differs from Publix’s) and these concepts are likely to carry over onto the “own brand” PLBs. Retailers with high-quality positionings may have an easier time conveying a high-quality PLB offering, and research suggests that the most important factor in explaining variation in price premiums brands can achieve versus PLBs is perceived quality differential (Sethuraman and Cole 1999). The importance of this consistency cannot be overstated; a high-quality PLB not only implies a high degree of relative quality to national brands, but low quality variability in the PLB product itself (Hoch and Banjeri 1993). High-quality products is a piece of retailer strategy that academic literature seems to take almost as a given for having a successful private label program, but the actual store experience can influence consumers as well. As Ailawadi and Keller (2004) write, “a pleasing in-store atmosphere provides substantial hedonic utility to consumers and encourages them to visit more often, stay longer, and buy more. Although it also improves consumers’ perceptions of the quality of merchandise in the store, consumers tend to associate it with higher prices” (p. 333).

**Hypothesis Generation and Resulting Model**

Given the preceding literature review, we next offer hypotheses. To reiterate, the stated goal of this paper is to explicate the process of consumer evaluations of PLB products. An obvious driver of this evaluation is going to be the retailer itself. Given that this product is the retailer’s “own brand,” consumer evaluations of PLBs are likely to be highly correlated to their evaluations of the PLB’s parent retailer. Therefore, it stands to reason that if a consumer has a highly positive evaluation of Target, she
will likely think more highly of Target’s PLBs; conversely, a consumer with a negative evaluation of Target will likely negatively evaluate Target’s PLBs.

Similarly, consumers will have inherent evaluations of the category itself. A consumer that has a high evaluation of snack nuts will likely evaluate PLB snack nuts more highly than one with a low evaluation of the category. Note that there are possible conflicting dynamics (as discussed previously regarding consumer involvement), as a consumer may have extremely high evaluation of the category and have the knowledge to say “PLBs are bad in this category” or that high evaluation may be driven by the leading brand or brands and PLB would be viewed as vastly inferior; however, ceteris paribus I posit that more often than not a high category evaluation will be positively correlated with a high PLB evaluation. Thus we have H1 and H2:

**H1**: Consumers’ evaluations of the retailer (store) will have a direct positive effect on their evaluation of that retailer’s PLB products.

**H2**: Consumers’ evaluations of the product category will have a direct positive effect on their evaluations of that category’s PLB products.

The PLB literature, as discussed, has demonstrated that perceived risk is a key driver of PLB acceptance. For instance, I may view milk as a very low risk product, and since there’s not a great penalty if I choose poorly I may be more inclined to buy private label brands. The same would probably not hold for products like automobile tires, or contraceptives, or other products where consequences could potentially be much drier. Therefore, the PLB evaluation will be negatively influenced by the consumers’ perceived risk associated with that product, which will be positively correlated with the perceived risk of the overall category. Finally, consumer’s evaluations of the PLB risk may be partially derived from their overall liking or lack thereof of a category. For instance, I may view cigarettes negatively, and therefore view them as higher in risk than someone with a positive view (note that an alternative hypothesis would be that the relationship between category evaluation and perceived risk would be bi-directional, with risk also negatively influencing category evaluation, but I include only the former in my model in keeping with parsimony). Thus we have H3:

**H3**: Consumer’s evaluations of PLB risk will have a direct negative effect on their evaluations of PLB products, with category risk negatively affecting PLB risk, and category evaluation negatively affecting category risk.

Structural equation modeling is an appropriate methodology to examine these hypothesis since I have hypothesized both direct and indirect effects of various variables on the ultimate PLB evaluation (thus rendering multiple regression of limited utility) and since I am going to be treating these key variables as latent (thus allowing more than one operational measure to be employed for each). The structural model and predicted relationships are found in Figure 1.

I treat retailer evaluation and category evaluation as exogenous variables, noting that there are myriad factors that influence those latent variables’ items’ values. Category risk, PLB risk, and PLB evaluation are conceptualized as endogenous variables; treated category risk as endogenous is questionable (as previously discussed), and I would expect the associated error to be very large, and for there to be a very low R-squared when category risk is regressed against category evaluation.

Note that this model is missing some key variables that were discussed in the literature review. For instance, the overwhelmingly important issue of price (absolute price, price gaps vs. national brand competitors, etc.) is not accounted for. Also, some consumer “conditions” (whether demographics, store
brand proclivity, or a more complex classification like Ailawadi et. al’s (2001) previously discussed four-groups classification schema) should likely have been analyzed integral to, or as antecedents to, the PLB evaluation process. These omissions are driven by the use of a preexisting data set which did not measure these other variables; while the hypotheses were developed a priori, I had an underlying knowledge of the data available to me for this specific class paper, and thus I have only a partial, simplified picture what is undoubtedly a more complicated process. With the caveat in mind (and given that I will discuss these omissions more in the limitations section), I move next to the methods section.

METHOD AND RESULTS

I first developed a retailer, product category, and brands to use as stimuli. For this paper, I chose a focal product category of cheese slices. I chose to use a fictitious retailer and fictitious brand in order to avoid possible confounds driven by pre-existing consumer perceptions of real-world examples. I developed a fictitious retailer with a price-quality neutral positioning and named it FoodMart, describing it as “FoodMart Supermarkets is a chain of supermarkets that offers quality foods at average prices. Their customers want good products at a fair price. When customers want both solid quality and prices, FoodMart Supermarkets is the top choice.” I chose to utilize the retailer’s own-name on the PLB because of two reasons (1) this is a very common practice among large retailers, and (2) research has suggested that this is the most effective way to go-to-market with PLBs (e.g., Dhar and Hoch 1997). The descriptions that subjects read are about the brand’s entry into the cheese slices category (e.g., Boyer brand Cheese Slices).

After my respondents read these descriptions, they completed a questionnaire featuring seven-point semantic scales to measure subject’s evaluation indexes of retailer, product category, and category brands. Retailer evaluation index, product category evaluation index, and brand evaluation index are operationalized using three semantic scale items that are very common in the marketing literature (anchored by unfavorable/favorable, negative/positive, bad/good, and unpleasant/pleasant). A consideration before proceeding further is whether or not the model is identified, given latent variables with three items apiece; that is, whether there are at least an equal number of observations and free model parameters (Kline 2005). In this case, a cursory glance reveals that there will be substantially more observations than parameters, and the model is also recursive given that none of the variable disturbances are correlated and none of the relationships are operationalized as bi-directional (Kline 2005). The questionnaire also featured three semantic scales designed to measure category and brand risk (anchored again by measures common in the marketing literature: high risk/low risk, unsafe/safe, and dangerous/not dangerous). The questionnaire was completed by 80 undergraduate students at a major southeastern university (interestingly, I had absolutely no missing data on any of the sections used in this analysis). SEM generally requires a much larger sample size (as Kline (2005) writes, “it is still a large-sample technique (pg. 10)”), so I will revisit the sample size later in terms of power analysis and the possibility of Type II errors.

Measurement Model

The five latent variables (retailer evaluation, category evaluation, category risk, PLB risk, and PLB evaluation) were first analyzed for reliability. Each coefficient alpha is extremely high (.95-.97); while in general a higher coefficient alpha is desirable, indicating items “hanging together” under their respective latent variables, in this case they could be troublesome. Because the items were grouped
together in blocks and not rotated in any way (see appendix for questionnaire) there is the potential here for respondent bias that artificially inflated these reliabilities.

Given that caveat, I next analyze the overall fit of the measurement model using confirmatory factor analysis (CFA) using AMOS 7.0. I perform a five-factor CFA with the 15 items. The CFA indicates the measurement model has roughly between a moderate and good level of fit. The chi-square test is statistically significant with high confidence ($\chi^2=116.5$, df=80, $p=.005$), but given that this test is extremely sensitive the sample size I also measure $\chi^2/\text{df} = 1.5$. While there is no agreement of what value (often 2, 3, or 5) indicates “good” fit (Kline 2005), the 1.5 score is lower than all of these rules-of-thumb. Hoelter’s N indicates at what sample size the chi-square test would have achieved significance; at a .05 level this equals 70, and given a total sample size of 80 this hints that the chi-square test’s significance overstates the limitation of the model’s utility. The goodness of fit index (GFI) which estimates the proportion of variability in my sample’s covariance matrix that is explained by this model (Kline 2005)—and is roughly analogous to the R-squared and widely reported—is .85, which is below the recommended level of .90 (Kline 2005) indicated that my measurement model has somewhat suspect explanatory power. The standardized root mean square residual (SRMR), an index measuring observed vs. predicted covariance fit (Kline 2005) is .03, below the typically suggested level of .10 and Hu and Bentler’s (1999) more restrictive recommendation of .08. The root mean square error of approximation (RMSEA) which measures lack of fit of the model to a population-based index and approximates a non-central chi-square distribution (and thus doesn’t assume perfect fit) (Kline 2005) is .076, below the generally accepted measure of reasonable fit (.08) but above Hu and Bentler’s more conservative .06 recommendation. Furthermore, the RMSEA’s upper confidence limit is .105, which is above the .10 level that can indicate poor fit. Thus, overall the RMSEA indicates moderate fit at best. The widely cited comparative fit index (CFI) comparing the measurement model to a null model (Kline 2005) is .98, well over both the acceptable rule-of-thumb of .90 and Hu and Bentler’s more conservative .95. The Tucker-Lewis Index (TLI), another comparative fit index, is .97, again better than the generally accepted .90 and Hu and Bentler’s .95. Finally, the Akaike Information Criterion (AIC) for the measurement model is 196.5, which I’ll use to compare to other potential models from this same data set. So overall, the measurement model indicates a moderate (perhaps towards good) fit of the data to my model. I next examine the structural equation model.

**Structural Equation Model**

I again estimate the overall fit of my model. The first consideration is whether or not my structural model is significantly different from the measurement model, which would indicate that the restrictions I posit are having a deleterious effect on the overall utility of the model. The structural model’s chi-square test is again statistically significant with high confidence ($\chi^2=131.84$, df=84, $p=.001$). Comparing this to the measurement model yields a chi-square statistic difference of 15.3 with 4 degrees of freedom, with $p=.004$. Therefore, the two models are statistically different (but the low chi-square difference could add to this black-and-white analysis a shade of grey, perhaps that the model is still of value.) Given the a priori ideal of SEM, rather than adding in paths I simply note this potential shortcoming of the model and proceed with the analysis of this more theoretically justified model.

The structural model’s $\chi^2/\text{df} = 1.6$, again lower than acceptable rules-of-thumb. Hoelter’s N (indicating at what sample size the chi-square test would have achieved significance at a .05 level) equals 64, perhaps indicating moderate fit. The goodness of fit index (GFI) is .84, again below the recommended
level of .90 (Kline 2005). The standardized root mean square residual (SRMR) is .06, again below even the more restrictive recommendation of .08. The root mean square error of approximation (RMSEA) is .085, just above the generally accepted measure of reasonable fit (.08) but below the .10 level that indicates poor fit (although the upper confidence interval is .11). The comparative fit index (CFI) is .97, well over both the acceptable rule-of-thumb of .90 and Hu and Bentler’s more conservative .95. The Tucker-Lewis Index (TLI) is .96, again better than the generally accepted .90 and Hu and Bentler’s .95. Finally, the Akaike Information Criterion (AIC) for the measurement model is 203.8, above the measurement model’s 196.5, but reasonably close; additionally, a similar measure, the expected cross validation index (ECVI)’s confidence intervals for the two models overlap and each contain the other’s index value, indicating that the two models are rather similar in fit. Overall, the theoretical model is roughly similar to the measurement model, but somewhat borderline on the borderline in terms of overall fit based on its fit measures alone.

Parameter Estimate Analysis

The next step in the SEM analysis is to examine the individual parameter estimates, especially in terms of the hypothesized relationship effects. One of the difficulties of SEM is that the chi-square test is the only true statistical test that is conducted, and given its rigidity it is rather rare to have an insignificant result. Given that, and based on the collective rules of thumb from SEM experts, my measurement model and structural model looked to be a moderate fit at worst; many of the fit statistics seemed to indicate an excellent fit (especially given only 80 subjects). However, the specific parameter estimates seem to confirm that I have simply “capitalized on chance” with the overall fit estimates, but that did not carry through to the parameter estimates.

Interestingly, retailer evaluation-PLB evaluation relationship is non-significant. This runs contrary to nearly all PLB research that would suggest that the single most important indicator of PLB success is the retailer’s equity. Also interestingly, the hypothesized negative relationships (category evaluation-category risk and PLB risk-PLB evaluation) are both highly significant and positive. This is essentially saying that my data suggest that for every increase in a consumer’s evaluation of the category a corresponding increase in their perceived risk will occur, and that for every increase in PLB risk a corresponding increase in PLB evaluation will occur. Of particular interest is the fact that when a multiple regression analysis (using the mean level of all the items for each variable) with PLB evaluation as the dependent variable and the other latent variables (retailer evaluation, category evaluation, category risk, PLB risk) as independent variables, all of the hypothesized relationships are in the hypothesized direction (positive or negative) and retailer risk and category risk are non-significant (or what many researchers would call “marginally significant” at the .05 confidence level) and retailer evaluation is strongly significant (p < .012). I would be remiss in not mentioning the limited statistical power in my SEM model. I had only N=80 in this study, and using shareware obtained from a colleague, at an alpha level of .05 I have a power statistic of .47. In order to have a power statistic of .80, I’d have needed a sample size of nearly double that (N=148).

LIMITATIONS AND CONCLUSION

The first and most major limitation is theoretical, namely that major variables that theory would perhaps demand be present are missing. Two of these are price and PLB typicality. The fact that price is not included anywhere in the conceptualization of the model is a fatal flaw, as perhaps the most important
component of PLB strategy is pricing, and evidence in academic research of that assertion abounds (e.g., Corstjens and Lal 2000, Ailawadi and Harlam 2004). In terms of typicality, while leading national brands, by their very nature, can be assumed to be typical of the categories they are in (e.g., Gatorade in sports drinks), but a PLB can also be viewed as very typical of a category (e.g., in a high PLB-share categories like internal analgesics) or atypical of a category (e.g., in a low PLB-share category like beer). Note that because PLB products to a large degree are perceived as “copycats” (Kumar and Steenkamp 2007) even in high-typicality situations, there is little chance that consumers will view a PLB as atypical because is it superior to the NB; it simply approaches the NB’s value equation (quality divided by price). The study is also flawed in the conceptualization given that there is probably no way that one category (in this case, cheese slices) could possibly serve as an exemplar for an entire phenomenon as robust as the private label phenomenon. Categories vary widely in terms of PLB performance and a theoretically improved version of this study would need to be repeated across many different categories (with different risk levels)—or build them in to the overall model—in order to have any semblance of external validity. Finally, the execution of the study was questionable. The stimulus design is conducive to answer bias with no rotation, no negatively scaled items, and in its “block” format, and the high correlations between PLB, retailer, and category evaluation items and risk items (and between both of those) indicate that bias might have occurred. The sample size was rather small (80 subjects). As stated in the opening, the goal of this paper is to answer the question “What variables influence consumer private label brand (PLB) evaluations?” I present an interesting first step, albeit a rough one. To proceed further, one would essentially need to start at the theoretical level and truly build an a priori model of the PLB evaluation process, then properly conceptualize and execute that model. There is enough here, however, for me to believe that this is indeed an executable project and that an SEM-based process analysis would be a valuable addition to the PLB marketing literature.

REFERENCES


**APPENDIX**

![Figure One. Proposed Model.](image-url)
HOW SOCIAL MEDIA WORKS – USING WEB ANALYTICS

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ABSTRACT

This study is intended to provide marketing practitioners with an overview of web analytics to explore the issue of how to define and measure the effectiveness of social media through analyzing the various activities of current/potential consumers as well as provide a comprehensive analysis of the effectiveness of digital content marketing using social media. These analytics answer broad questions about which types of social media metrics are best at referring traffic, about conversations at the organization’s website, and about comparing different social media channels, such as Facebook and Twitter in this study. These analytics employ time series analysis to specifically address activities in SNSs that effectively drive traffic to a website and accomplish business goals. This study is one of the first empirical investigations in the marketing communication field related to measuring social media’s effectiveness. The major goal of this study is to demonstrate the value of businesses’ efforts and to optimize their digital/social marketing strategy using web analytics. Based on this goal three research questions were identified: (1) can the model identify social media performance variables that are related to audience response which can be represented by website traffic?; (2) which social media sties are driving traffic to a firm’s website, specifically in B2B environment?; and (3) can the model provide insight into the importance of those variables? The results of the analysis are encouraging and suggest the model as specified was able to identify the social media variables that were significantly related to the companies’ website traffic. This finding implies that the traditional media variables of reach and frequency are still important in the social media space. As expected, the engagement variables are also a critical part of the social media experience. From a media strategy perspective, all three components – the number of messages and the size of the audience appear to work with active audience participation to produce effective communication in the social media environment.

References Available Upon Request
CULTURAL APPROPRIATION OF DEATH CELEBRATIONS:
THE CASE OF HALLOWEEN

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ABSTRACT

Major cultural death celebrations such as Mexico’s Day of the Dead, Halloween, and All Saint’s Day in many Christian countries, all involve the remembrance of the ancestral dead in various aspects. Holiday celebrations can differ in purpose. Some focus on recommitment - aiding in socialization of society’s members, social integration, and reaffirming commitment to values. Others serve as tension management holidays, enabling celebrants to “let off steam” or “let loose.” Tension management holidays only indirectly enforce shared beliefs by offering the occasional release from conformity and behavioral norms of society (Etzioni and Bloom 2004, Durkheim 1965). Studying holidays as cultural products offers a unique perspective of society’s cultural values and enhances our understanding of consumer interpretation of foreign consumption rituals.

Researchers have explored Halloween as a consumption ritual (Belk 1990; Levinson et al. 1992) with both carnivalesque (Belk 1994) and community building properties (Harris 2006; McKechnie and Tynan 2008). We find that newly adopted Halloween rituals are an under-researched consumption phenomenon, especially within the global context. One exception is McKechnie and Tynan’s (2008) study on British consumers’ celebrations. We respond to their call for further investigation on the diffusion of North American Halloween celebrations by conducting a qualitative study of Swedish Halloween celebrations. In doing so, we seek a deeper understanding of consumer perceptions of foreign celebrations, and the dimensions of their readiness to adopt unfamiliar practices. Through qualitative research methods including in-depth interviews, participant observations and open-ended questionnaires we seek to answer the following: Why is death celebrated? What fascinates consumers to dress up as “dead” or “dark” figures? What motivates Swedes to adopt yet another holiday? During the 2012 and 2013 fall seasons, we collected two rounds of open-ended questionnaires from High School students (96 in total), in-depth interviews with families (adults and children) and participant observation at Halloween themed resorts, trick or treating events and Halloween parties (children/family oriented). The data analysis entailed thematic coding through individual iterative hermeneutic analysis (Thompson 1997). In our findings we discuss four emergent themes: Embracing versus Resisting, Identity Play, Media and Retail Facilitation of Ritual Adoption, and Protecting Kids.

Global market participants often interpret and modify cultural practices and meanings to match their local backgrounds (Bennet 1999, Klitgaard Poulsen 1996). Based on extant research and this study’s findings it is clear that many consumers edit and engineer certain aspects of rituals to fit their needs (Etzioni 2004). Given the increasing popularity and growth of Halloween, our insights contribute to the literature by extending previous work on the mechanisms of adapting foreign culture celebrations (Kimura and Belk 2005) and add to the understanding that celebrating foreign holidays goes beyond national appropriation i.e. Americanization (Etzioni and Bloom 2004, Etzioni 2004).

References Available Upon Request.
SPONSORSHIP EFFECTIVENESS: THE IMPACT OF TRANSFORMATIONAL CONSUMPTION EXPERIENCES

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ABSTRACT

As technology such as DVR, television subscription services (e.g. Hulu), and video streaming (e.g. Netflix) continues to change the advertising game, more and more marketers are turning to sponsorship of live or interactive events to capture their target market (Schultz 2013). North American firms will spend nearly $14 billion on sports sponsorship in 2013 an expected increase of 6% over 2012 and almost three times the expected increase in overall ad spending (2.3%) for 2013 (IEG 2013). Of these sponsorships, title sponsorships are the most coveted with firms paying upwards of $35 million dollars for the naming rights of an event (e.g. Bank of America Chicago Marathon; IEG ImageTrack). According to research on experiential consumption, the experiences consumers have at the sponsored events can potentially impact their perception of the sponsoring brand (Dodson 1996 ; Schouten et al. 2007). In this study, we find that consumers reporting transformational consumption experiences, defined as intrinsically enjoyable experiences laden with intense emotional content, illustrated significantly greater change in brand integration than consumers who reported more mundane experiences. This relationship was mediated by the degree of self-transformation (measured by change in self efficacy) resulting from the event.

References Available Upon Request
INGREDIENT BRAND vs. HOST BRAND IN SMARTPHONE MARKET

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ABSTRACT

New market rules have changed the structure of market and pushed firms for new strategies to compete and survive in uncertain and competitive environment. Some significant market realities, such as easiness in gaining knowledge about product/service, and attainability alternative brands, forced organizations to find out new ways to reach market success, in addition to traditional competition tools. Firms must supply attractive and novel products faster and better while developing and presenting new ideas. However, not only either own brand or product/service capabilities may not be adequate for producing and marketing new products, but also firm may not perform these with sufficient speed. Hence, in the term of branding, marketers have increasingly turned to brand alliances strategies such as co-branding (e.g. Nike - Apple), composite branding (e.g. Special K frozen waffles) and ingredient branding (e.g. Intel – Dell).

Previous studies are mostly conceptual and empirical works revealing success of ingredient marketing strategies. They have majorly focused on retail products or some widely known technological products with similar ingredient brand examples. In this study we attempt to examine the importance of host and ingredient brand separately for consumer/user buying influence, and discuss results according to the current smartphone market developments in order to shed light to academicians and practitioners for further studies and practices in the market.

We have asked to respondents to measure the importance of phone (host brand), operating system (OS) (ingredient brand), and to compare with the OS brand results, processor brand (ingredient brand) in interval-level. Also, respondents were asked in categorical-level for their role in buying the smartphone, and other demographic questions. The results of this study show that smartphone, OS and processor brand are related with consumer/user’s influence for buying smartphones. Additionally, descriptive statistics present deeper insights about consumer approaches. For instance, the most of participants, who highlight the phone brand, OS brand and processor brand as important or extremely important, make own decision when they purchase the smartphone.

This study draws attention to that more research on this topic is essential to understand more clearly whether general brand strategies and concepts are adequate and compatible for ingredient branding. Hence, ingredient brands should be examined academically and practically for deeper insights, not only for smartphone market, but also for other markets/products.

References available upon request
INTRODUCTION

Sales researchers and managers have long sought to identify and promote effective selling practices that improve firm performance. One prominent stream of relational sales research has dealt with the concept of adaptive selling behavior (ASB). A meta-analysis of over 31,000 salespeople by Franke and Park (2006) identified antecedents and outcomes of ASB, but focused largely on U.S. salespeople. Thus, relatively little is known about such sales practices in alternative cultural contexts.

Given that the conceptualization of sales behaviors such as ASB are reflective of Western cultural dispositions (e.g., individualism, lower power distance, low uncertainty avoidance), there may be reason to expect differences in their efficacy in other cultures due to differences in value structures (Steenkamp 2001; Terpstra 1987). Cultural values serve as the basis for telling people what is appropriate in various situations (Schwartz 1999).

The present study seeks to increase knowledge in this area by investigating factors influencing the effective use of ASB amongst South Korean salespeople. This sample frame presents an interesting cultural counterpoint to the predominantly Western settings explored in prior sales behavior research. Using survey data from a multi-firm, industrial salesperson sample, we test a structural equation model that highlights factors that influence the effectiveness of ASB within this cultural context.

Characteristics of Korean Culture

Korea has transitioned from an agrarian economy to a predominantly young, urban, educated industrial society that has achieved remarkable growth (Hyun 2001). It is currently the 13th largest economy in the world in terms of GDP and the sixth largest trading partner for the U.S. In response to the 1997 Asian financial crisis, the Korean government placed increased emphasis on adopting Western business practices in hopes of spurring growth.

Many of these changes stand in direct conflict with their traditional culture, which has been largely influenced by Confucianism (Lee 1983). Given the speed of Korea’s economic transformation, it is not surprising that scholars have noted that contemporary Korean culture has become more complex and can be characterized as a composite of Asian and Western values. Ungson et al. (1997) noted that individualism and group cohesion are equally strong in Korea.

In Hofstede’s (1984) study, South Korea ranked as a highly collectivist country; hence, group harmony is highly valued. The ability of managers to instill Western-style relational selling approaches within these sales forces would likely be hindered by some preeminent cultural traits. Triandis (1989) noted that the applicability of exchange theories were more limited in collectivistic cultures compared to individualistic cultures. Paradoxically, while role relationships that include in-group members are
perceived as more respectful and intimate, those with out-group members can be manipulative and exploitative (Sinha 1982). Further, given the bureaucratic managerial style and the emphasis on formality in social interactions within collectivist settings, the range of adaptation in selling behavior is likely to be constrained. Consistent with prior culture research, we believe there is reason to expect differences in the manner by which ASB is adopted by salespeople.

Adaptive Selling Behavior, Group Interdependence, and Organizational Status

Salespeople use information they learn about a prospect in order to customize the content and format of their communication (Weitz 1981). Even simple adaptations, such as reactions to questions and body language, may reduce objections and improve rapport (Franke and Park 2006). Research largely concludes that ASB improves salesperson performance regardless of circumstance (Boorom, Goolsby and Ramsey 1998). While we expect the positive relationship between ASB and performance to be replicated in the South Korean context, the strength of the relationships should be influenced by two key contextual factors: work group interdependence and salesperson organizational tenure.

Salespeople operate as members of a collaborative team; thus, work group interdependence is a critical consideration (Bell and Kozlowski 2001). Groups often exercise discretion to establish the level of interaction necessary for task performance (Shea and Guzzo 1987). But teams may vary in level of interdependence, even when they are driven by shared goals and rewards.

Reflecting a “Confucian” work ethic, Korean employees’ work effort is primarily group oriented and harmonious (Ungson et al. 1997). It is the responsibility of members to maintain social equilibrium. These demands are rigid, making norms clearly defined and reliably imposed (Pelto 1968). To reinforce group goals, managers aspire to orderliness and workers show a preference for clear instructions and standardization (Hofstede 1984).

Based on these cultural features, overall success should be comparatively less dependent upon salespersons’ ability to independently execute ad hoc alterations in selling behavior. If adaptations are received poorly, it could result in a loss of face for the salesperson and reflect poorly on his organization, thereby disrupting the social equilibrium. This tendency should be reinforced for salespeople within more interdependent work groups, since the collective can more readily notice and sanction deviations.

H1: ASB and will be positively associated with salesperson performance.

H2: The relationship between ASB and sales performance will be negatively moderated by work group interdependence, such that the relationship will be weaker for salespeople who are members of more interdependent teams.

In Korean culture, organizational status is an especially revered attribute. Many organizations operate with a seniority-based wage system (Seong, Hong, and Park 2012). Promotions are often predicated on job tenure and age, with long-term employees enjoying levels of respect and recognition that eclipse those of newly hired workers (Lee 2003). In addition, employees with long tenure may be more inclined to adopt new roles to increase job satisfaction and self-efficacy (Duffy, Ganster, and Shaw 1998). Therefore, senior level salespeople could be motivated to incorporate ASB as one way of validating their
contribution to the organizational goals. Additionally, experienced salespeople can more easily practice adaptive selling (Spiro and Weitz 1990; Franke and Park 2006).

H3: The strength of the negative association between ASB* Interdependence and sales performance relationship will be diminished for salespeople with higher levels of sales experience.

**METHODOLOGY**

We used mail-based questionnaire to sample sales representatives from various Korean companies representing multiple industries. Surveys were accompanied with a letter encouraging participation from a ranking executive of the firm. The resulting response rate was 57.1%, (343 of the 600 salespeople contacted). Fifteen were excluded due to incomplete responses leaving a final sample size of 328. Respondents were predominantly male (79.9%), with an average of 7.75 years of job experience and a mean age of 35.2.

All measures were adapted from existing literature. Scales were translated to Korean and back-translated to English following procedures consistent with Brislin (1970). Unidimensionality was assessed through a CFA of all latent constructs using MPlus 7.1 (Muthen and Muthen 2013). Goodness of fit indices suggest the measurement model is an appropriate fit to the data: Satorra-Bentler $\chi^2(41) = 84, p < .01$; RMSEA = 0.057; CFI = 0.98; TLI = 0.97; SRMR = 0.03.

All estimated factor loadings were significant and all standardized estimates exceeded 0.50, suggesting convergence of the indicators upon their appropriate underlying factors. Pairwise correlations between constructs were significantly different than 1.0 with a 99% confidence interval, providing evidence of discriminant validity (Anderson and Gerbing 1988). Composites were computed for sales performance, ASB and sales team interdependence.

**RESULTS**

All hypothesis tests were conducted through a series of moderated multiple regression models with sales performance as the dependent variable. Model 1 presents main effect results, including ASB and control variables (Age, Gender and Company Identifiers). Replicating results from Franke and Park (2006), ASB was positively associated with sales performance ($\beta = 0.62, p < .01$). In Model 2, sales team interdependence and the ASB interaction were added to the model. The main effect of ASB ($\beta = 0.45, p < .01$) and sales team interdependence were significant ($\beta = 0.28, p < .01$). In support of H2, the influence of ASB upon performance is diminished for members of more interdependent sales teams ($\beta = -0.12, p < .01$).

Finally, the main effects of sales experience, interactions between ASB and interdependence, and between sales experience and interdependence were tested, with a three-way interaction term added (ASB*INTER*SALESEX). The main effects for ASB ($\beta = 0.45, p < .01$) and INTER ($\beta = 0.25, p < .01$) as well as the ASB*INTER ($\beta = -0.28, p < .01$) interaction remained significant. In support of H3, the negative moderating effect of team interdependence upon the ASB$\rightarrow$Performance relationship was diminished for salespeople with greater sales experience ($\beta = 0.18, p < .01$).

**DISCUSSION**
Korea is a culture in transition, one in which the successful adoption of new practices may require managers to account for embedded cultural differences. Although ASB levels may be lower for Korean salespeople relative to Western counterparts, results of this study confirmed a positive association between ASB and performance. These findings are particularly interesting, given that ASB is traditionally aligned with Western values. U.S. managers who have a Korean sales force should note that although Asian cultures possess collectivist values, salespeople might be less concerned about peer approval as they gain experience.

**IMPLICATIONS FOR THEORY AND PRACTICE**

Our study sheds new light on the commonly studied ASB → Performance relationship, as this relationship is not often studied in Eastern cultures. Workgroup interdependence negatively moderates the ASB → Performance relationship. Concern for peer approval often characterizes the collectivism-individualism concept; however, we find that the negative association between ASB*Interdependence → Performance was diminished for salespeople with greater sales experience. Multicultural studies should continue to examine the effect of employee experience.

This research adds to the growing recognition that the “individualism-collectivism” construct is an oversimplification that is unlikely to predict and explain behavior on a consistent basis (Omi 2012). This dichotomous conceptualization has been criticized as a coarse measure, and one that overlooks many situational and contextual factors that can explain the interrelated nature of individualistic and collectivist values in the pursuit of global goals (Lu 1998). Our finding that senior salespeople tended to adopt a more individualized selling approach through increased ASB supports the concept that collectivist values may be more complex than originally conceptualized. Indeed, gaining greater awareness of the efficacy of certain selling behaviors across cultures has clear implications in terms of sales performance, recruitment, and training.

*References Available Upon Request*
USE OF CONSUMERS WITH DISABILITIES IN ADVERTISING: A PROPOSAL FOR RESEARCH

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INTRODUCTION

According to a 2012 US Census Bureau report, in 2010 there were some 56.7 million members of the non-institutionalized US population that had a disability; this represented slightly more than 18% of the population. The report further stated that people with disabilities in the United States accounted for more than $200 billion in discretionary spending and also spurred technological innovation and entrepreneurship (US Census Bureau). Moreover, in 2008, the federal government spent an estimated $357 billion on programs for working-age people with disabilities; this was about 12% of total federal expenditures for the year (Brault 2012). However, a cursory examination of current advertising in the US would never lead to the conclusion that about one-in-five persons suffers from a disability, or that this group is a target for goods and services. Not surprisingly, there has not been much academic discourse on the image of disability in advertising.

While there has been a growing stream of research on the use and representation of members of different minority groups in advertising, surprisingly little attention has been paid to the use of people with disabilities in advertising and the impact of their use on consumer response to advertising. It could be argued that little attention is being paid because of the relative absence of people with disabilities in mainstream US advertising. Recently, however, the use of people with disabilities in advertising is generating interest for a variety of reasons.

Among the factors generating an increasing interest in the use of people with disabilities in advertising is the fact that marketers have started to use people with visible disabilities in advertising. For example, UK shoe company Clark’s has used a woman and a man in wheelchairs, as well as a woman with artificial legs and a man with one leg, in some of its print ads. Some stores in Europe have started to use mannequins with visible disabilities in their store windows (Hamilton 2013), and in the United States in 2012, both Target and Nordstrom garnered news for their use of a 6 year-old boy with Down’s syndrome in advertising spots (Berry 2012). Target used Ryan, the child, in its circular, and Nordstrom used him in its catalog.

However, in 2013, worldwide attention turned to the issue of the use of people with visible disabilities in advertising as a result of the coverage given to the arrest of South African Paralympian Oscar Pistorius on charges of murder of his girlfriend. At the time of his arrest, Pistorius had an advertising deal with Nike, which featured him as “the bullet in the chamber” in one print spot (Rushton 2013). This ad was subsequently withdrawn by Nike. The negative press that Pistorius’ arrest might have generated notwithstanding, the issue of the use of people with visible disabilities in advertising has started to attract attention, and the aim of this paper is to propose studies to contribute to this discourse.

BACKGROUND AND PROPOSITIONS

Distinctiveness in advertising
There has been a steady stream of research on the use of members of different minority groups in advertising, including in ads that are majority-targeted ads. Several different groups have been studied: African Americans (Whittler 1989; Whittler and Spira 2002); Asian Americans (Forehand and Deshpandé 2001; Lenoir et al. 2013); Hispanic Americans (Torres and Briggs 2007; Singh et al. 2008; Becerra and Korgaonkar, 2010); gay men and lesbian consumers (Oakenfull and Greenlee 2005; Oakenfull, McCarthy, and Greenlee 2008; Tsai, 2011); Korean immigrants to the US (Moon and Nelson 2008); and bilingual consumers (Noriega and Blair 2008). A common thread in this stream of research is that consumers of minority groups tend to have heightened feelings of minority self-awareness when they are exposed to same-minority group models in an ad, and this has a subsequent impact on their responses to the ad.

McGuire et al. (1978) initiated work on the distinctiveness postulate, the idea that people’s self-concept will be based on the extent of their representation in a social context. According to McGuire et al. (1978), “we notice in ourselves those aspects that are peculiar in our customary social milieu” (p. 512). They applied the postulate in a study of self-concept among young children. They hypothesized that in a mixed group, ethnic minority members would find their ethnicity more salient; and this salience would decrease as their numbers in the social environment increased. The results supported the distinctiveness postulate. This postulate has been used to study consumer response in marketing contexts. For example, Deshpandé and Stayman (1994) replicated the McGuire et al findings and also found that ethnic minority group members evaluated same-ethnicity spokesperson in an ad as more credible, and this perceived credibility had a subsequent impact on their attitudes toward the brand.

Forehand and Deshpandé (2001) conducted a study in which they assessed the impact of ethnic self-awareness on consumer response to ethnic advertising. They conducted their study among Caucasian Americans and Asian Americans, and used ethnic primes to trigger self-categorization by Asian Americans. They found that ethnic primes generated higher levels of ethnic self-awareness and participants responded more favorably in same-ethnicity model in advertising. These results were replicated in a second study and was evident when the model in the ad was Asian American. This study, along with the Deshpandé and Stayman (1994) study was replicated by Lenoir et al. (2013), who found that there were boundary conditions for the effects based on the generation (for example, first versus second) of the ethnic consumer. Johnson and Grier (2011) also found in their study of French consumers that we found that consumers’ numeric cultural distinctiveness impacted their attitude towards multicultural advertising.

Focusing on individual difference factors, some researchers have found that the strength of ethnic identification influenced the attention that consumers paid to ethnic information, as well purchase intentions and response to ads featuring ethnic models (Saenz & Aguirre 1991; Williams and Qualls 1989). In the realm of ethnic advertising, Aaker, Brumbaugh, and Grier (1999) found that felt similarity to an ethnic model in an ad and the view that the ad was targeting the consumer (given the ethnicity of the model and the ethnicity of the consumer) had an impact on consumer response to advertising. Grier and Brumbaugh (1999) also found that African American and gay consumers in their study created favorable links with ads that featured members of their groups, as a result of the group membership salience triggered by the ads.
Accommodation theory, (based on speech accommodation theory in communication; Giles, Coupland, and Coupland1991), which has been applied in the discourse on ethnic representation in advertising and the use of language in advertising (e.g., Koslow, Shamdasani, and Touchstone 1994; Holland and Gentry 1999; Moon and Nelson 2008), would also lend credence to the view that consumers will respond favorably to stimuli that “takes them into account.” Accommodation theory proposes that consumers respond favorably to the use of models that look like them in advertising because they believe that the advertiser is taking the members of these groups into account. Applying the foregoing discussion to the use of people with disabilities in ads, we derive the following propositions.

P1. Among consumers with high levels of felt-similarity to persons with disabilities (low levels of felt-similarity to persons with disabilities), an ad featuring a consumer with a visible disability will lead to (a) more (less) attention being paid to the ad; (b) more (less) time (effort) spent processing the ad; (c) more (less) favorable attitude toward the ad; (d) more (less) favorable attitude toward the brand in the ad; and (e) greater (lower) trial intentions than will an ad featuring a consumer with no visible disability.

**Persuasion knowledge, skepticism, and use of models with disability**

Various schools of thought in marketing also contend that consumers are aware of marketers’ efforts to persuade or influence them, and consumers oftentimes become skeptical of marketers’ efforts. Among these theories is the persuasion knowledge model (Friestad and Wright 1994), which is premised on the view that consumers have different levels of knowledge when it comes to the influence tactics used by marketers. The knowledge runs on a continuum from low persuasion knowledge to high persuasion knowledge. This knowledge of the persuasion intent or tactics of marketers influences consumers’ response to persuasion efforts. Friestad and Wright (1994) posited that persuasion knowledge causes consumers to pay attention to various aspects of an agent’s persuasion effort. This knowledge also leads to inferences as to what may have caused the agent of the communication to construct the persuasion effort in the way that the agent did. Importantly, consumers also develop ways to ‘cope’ with persuasion attempts, based on their knowledge of persuasion tactics.

Closely related to persuasion knowledge is consumer skepticism, as skepticism of marketers’ intentions and motives can be triggered by persuasion knowledge. Obermiller and Spangenberg (1998) defined skepticism toward advertising as a “tendency toward disbelief of advertising claims” (p. 160). These researchers argue that being skeptical toward advertising does not mean that a consumer will not believe any ad claim. They contend that highly skeptical consumers are more likely to disbelieve ad claims and less skeptical consumers more likely to believe ad claims. Skepticism can also extend to the motives of the advertiser, not just to the claims made in an ad.

Skepticism has been found to impact consumers’ response to environmental or green claims in advertising (do Paço and Reis 2012); response to corporate social responsibility efforts (Kim and Lee 2009; Elving 2013); firms’ motives in sponsorships (Forehand and Grier, 2003); and covert marketing efforts (Rotfeld 2008). Researchers have also found that it can be generated in response to persuasion efforts (Koslow 2000). Based on research in the domains of skepticism and persuasion knowledge, the following expectations arise.
**P2a.** Among consumers with high levels of felt-similarity to persons with disabilities, those with higher (lower) levels of persuasion knowledge will pay less (more) attention to an ad that features a model with a visible disability than to an ad that features a model with no visible disability.

**P2b.** Among consumers with high levels of felt-similarity to persons with disabilities, those with higher (lower) levels of persuasion knowledge will spend less (more) time (effort) processing an ad that features a model with a visible disability than to an ad that features a model with no visible disability.

**P2c.** Among consumers with high levels of felt-similarity to persons with disabilities, those with higher (lower) levels of persuasion knowledge will have less (more) favorable attitude toward an ad that features a model with a visible disability than to an ad that features a model with no visible disability.

**P2d.** Among consumers with high levels of felt-similarity to persons with disabilities, those with higher (lower) levels of persuasion knowledge will have less (more) favorable attitude toward the brand in an ad that features a model with a visible disability than to an ad that features a model with no visible disability.

**P2e.** Among consumers with high levels of felt-similarity to persons with disabilities, those with higher (lower) levels of persuasion knowledge will have lower (greater) trial intentions for the brand in an ad that features a model with a visible disability than to an ad that features a model with no visible disability.

**DISCUSSION**

The aim of this paper is to draw on various research streams to propose a framework to study the use of models with visible disabilities in advertising. This is in light of the dearth of literature on this subject and the recent move by some brands, including luxury brands, to use models with visible disabilities in their marketing communications. The propositions above can be tested in a series of experimental studies. The first set of propositions could be explored in Study 1, where the manipulated variable would be type of model in the ad, with ads featuring either a person with a visible disability or a person with no visible disability (see attachment for a mock example). Participants could be assigned to different groups of “felt-similarity” in response to a Likert scale item that would ask them to indicate the extent to which they feel similar to a person with a disability who is featured in a priming article. The measures for the dependent variables would be similar to measures that have been used in the long stream of research on attitudes and intentions.

In the case of the second set of propositions, these can be tested in a study similar to Study 1, with the extension being the impact of persuasion knowledge. The short-form persuasion knowledge scale proposed by Bearden, Hardesty, and Rose (2001) can be used, with participants divided into groups based on a median split of scores on the scale. The expectation is that the results would support the propositions. These findings would have implications for marketers, in terms of assurance regarding the use of models with disabilities in advertising. These studies would also contribute to this field that is ripe for investigation.

**References available upon request**
FROM PRODUCT-MARKET DATA TO BUSINESS INTELLIGENCE - - MARKETING PIONEERS WHO ENGAGED THEIR CLIENTS

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ABSTRACT

This paper is a historical review of how business information was transformed to business intelligence during the past half century when a bright group of pioneers established the foundations for organizing market/product information. The discussion moves beyond description and into an analytical mode, probing how and why their approaches succeeded. Included are: (1) a conceptual framework for business decision-making that enabled market information and product data specialists to offer user-friendly products; (2) the key role that coding played in reducing quantity and upgrading quality of data; (3) the wide variety of abstracts, indexes, and digests that were developed for customers; (4) brief portraits of a few pioneers in the field and how they succeeded in catering to diverse needs of clients by their product offerings; and (5) the specific path that organizations used to collaborate to “grow the field” even while they remained as keen rivals. In illuminating the early work of marketing information pioneers, we show how they enriched the field by building the data foundation on which organizations rely even now. We demonstrate that aggressive marketing strategies can be coupled with engaging clients and what the “take-away lessons” are for data mining today.

References Available Upon Request
Extant brand research has discussed the feedback effects of brand extensions from the three major perspectives of the characteristics of extensions, the characteristics of brands, and the characteristics of perceivers. The first stream specifically discusses the extension characteristics of accessibility-diagnosticsity, similarity, valence, and leveraging strategies. The second stream examines the brand characteristic of quality variability. The third stream examines the perceiver characteristics of cultural orientation, implicit personality theory, motivation level, need of cognition, processing style, self-construal, and self-regulatory focus. In comparison, findings of the first and third streams have been fruitful, while less is known about the influences of brand characteristics. Therefore, this research advances feedback extension research by examining the moderating effects of brand characteristics, specifically in the perspectives of brand similarity and cohesiveness.

Recent social cognition research has paid considerable attention to the influence of group entitativity on group perception. Entitativity refers to the wholeness of a group, or the degree to which a social aggregate is perceived as “having the nature of an entity,” and is characterized by proximity, similarity, and common fate. A high-entitative group is a collection of people bonded together in a coherent unit, such as task (e.g., airline flight crews) or intimacy (e.g., members of a family) groups. Extant research documents that the transference of group members’ behavioral traits is more salient in high-entitative groups consisting of similar and cohesive group members. The results imply that perceived entitativity moderates group perception, and the group members of high-entitative groups exert more influence on group impression formation. As with social groups, we argue that perceived entitativity moderates brand evaluation, and the brand extensions of high-entitative brands exert more influence on brand evaluations. As brand failure is more critical for brand management, we specifically examined the negative effects of unfavorable brand extensions on the evaluations of entitative brands. Capitalizing on the perceived entitativity theory, we propose that negative extension information instigates more salient impacts on high-entitative brands consisting of similar- or dissimilar-cohesive brand extensions.

The hypotheses were examined with a three-group between-subjects experimental design consisting of similar-cohesive, dissimilar-cohesive, and dissimilar-incohesive conditions. The results indicate that similar-cohesive and dissimilar-incohesive brands are perceived as high- and low-entitative brands and are more favorably and unfavorably evaluated, respectively. Moreover, brands with dissimilar extensions are perceived as high-entitative brands if the dissimilar extensions are perceived as cohesive. However, while perceived as high-entitative brands, the dissimilar-cohesive brands are not more favorably evaluated like the similar-cohesive brands do because the negative effect of brand dissimilarity counterbalances the positive effect of brand cohesiveness on brand evaluations. Moreover, negative extension information instigates more negative impacts on high- (vs. low-) entitative brands, including similar- and dissimilar-cohesive brands. The results parallel the findings of social group perception.

(References available upon request)
ABSTRACT

Innovations and new product development are the lifeblood of any firm. For firms active in markets characterized by competition, new product development (NPD) is essential because it contributes to firm survival as well as to competitiveness, and growth. New product development “can influence the competitive success, adaptation, and renewal of organizations” (Brown & Eisenhardt 1995, pg 344). New product development is a critical means by which product managers diversify, adapt, and even reinvent their firms to match evolving market and technical conditions. Also, new developments and changes occurring in the market force firms to develop more effective and competitive cultural orientations. High performance due to the adopted orientation results in sustainable competitive advantage and a powerful organizational culture (Zhou, Yim and Tse 2005). This research investigates relationships among radical innovation, market turbulence, and technological orientation, and their effects on NPD program performance. Employing a sample of 183 U.S. technology based companies, the study uses partial least square structural equation modeling (PLS-SEM) to test the hypothesized relationships.

In SmartPLS 2.0, standardized path coefficient values are generated by the PLS algorithm. As a follow-up analysis, a bootstrapping method is used to generate the significance of path coefficients. Organizational age and R&D expenditure were the control variables for our study as these might present an alternative explanation for the hypothesized relationships. The cross product of market turbulence and radical NPD had a significant effect on NPD program performance. This significant interaction effect suggests that indeed having a higher proportion of radical NPD projects impacts NPD program performance but this effect is likely to be less at higher levels of market turbulence. The results also indicate that technological orientation has a significant positive effect on NPD program performance. In total, these variables were able to explain about 13.8% ($R^2 = 0.138$) of variation in NPD program performance.

The goal of this research was to identify the effect of radical innovation, market orientation, and technological orientation on NPD program performance. Firms can enhance NPD program performance by fostering technological orientation. It seems that when a firm that harmonizes its structures, systems, and resources with market and technology and shows willingness to use the technology as a competitive element it has higher performance. By focusing on knowing more about their market as well as new and emerging technology, firms can generate better performance by seizing opportunities in emerging new product categories.

References Available Upon Request
THE CUSTOMER FISHBOWL: STRATEGIC APPROACHES TO CUSTOMER PRIVACY

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ABSTRACT

Customers are living in a fish bowl, where they are open to regular personal information surveillance by firms that threatens their privacy. This customer surveillance includes the collection, usage, and storage of customers’ personal information, such as for example personal identification details, consumption habits, and financial data. Due to advances in digital technology (e.g., optical scanners, location-tracking devices, computerized databases, web crawlers), one or more firms are often tracking the consumption decisions and behaviour of customers. Firms face a struggle to maintain the delicate balance between customer personal information surveillance and protecting the customer-firm relationship. In the short term, a firm is compelled to seek personal information from its customers in order to construct more attractive market offerings that enable a competitive edge against competitors. However in the long-term the implications of a surveillance activity by a firm may bring a negative reputation among customers and thus may decrease the attractiveness of that firm’s goods. Therefore firms need to manage their customer surveillance activity in a way that protects customer privacy. This article seeks understanding of how firms view customer privacy and how it is currently managed using in-depth interviews with 25 key managers in a large financial services firm. In doing so, it proposes a typology of customer privacy strategies and offers implications for practice and further academic study.

References available upon request.
THE EFFECT OF BRAND CRISIS ON CONSUMER’S RESPONSE: THE MODERATING ROLES OF BRAND ASSOCIATIONS AND BRAND-CUSTOMER RELATIONSHIP STRENGTH

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ABSTRACT

The purposes of this study are (1) to investigate the influence of the types of brand crisis on the change of consumer’s response such as emotions, attitude, trust, purchasing intention, and behaviors, (2) to analyze the moderating roles of the types of consumer’s brand association and brand-customer relationship strength on the consumer’s response to the types of brand crisis, and (3) to interpret this mechanism through information integration theory. For the purposes, two studies are conducted with integrative approach of qualitative and quantitative methods.

For study 1, a qualitative research method, ethnographic interview, targets domestic electronic market (Samsung Electronics/ LG Electronics: two pulling companies in electronic industry in Korea). In study 2 with an empirical model, a quantitative approach is conducted. Proposed hypotheses are examined by employing a 2 (brand crisis types: CA / CSR) * 2 (brand association types: CA / CSR) * 2 (brand-customer relationship strength: low / high) between-subjects factorial design. Variables for consumer’s response include consumer’s attitude, purchasing intention, and behaviors after exposure to negative information for brands.

It is shown from the study 1 that consumers with high brand-customer relationship strength are inclined to maintain their attitude, trust, and purchasing intention and the synergistic effect between consumer’s brand associations and brand-customer relationship strength significantly influences consumer’s response to the types of negative information for the brand. The results from Study 2 indicate that the three-way interaction effects with the types of brand crisis, the types of brand associations, and brand-customer relationship strength (low/high) on consumer’s response are significant. Specifically, consumers with strong brand-customer relationship strength and brand association related to CA (CSR) show more favorable response to brand crisis related to CA (CSR) rather than brand crisis related to CSR (CA). The results of this study could contribute to the research area and marketing practice related to brand crisis by providing crucial insights for in-depth understanding of the consumer’s response-mechanism to brand crises.

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PAYING MORE FOR VICTORIA THAN TONYA: THE MODERATING EFFECT OF BRAND ANTHROPOMORPHISM ON PHONETIC SYMBOLISM

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ABSTRACT

Women’s fashion items are frequently sold with women’s names (i.e. the Victoria dress); however, this trend does not occur in men’s fashion very often. When brands humanize the product by naming it with a person’s name (i.e. Lucky Jeans’s Lolita jeans), the brand is subtly anthropomorphized. Previous research finds that there is a universal positive effect for anthropomorphized brands. Additionally, previous literature also finds that there is a gender effect regarding the preference for the sounds of brands, where men like the sound of back vowels (o, a), and women like sound of front vowels (i, e). In a series of two experiments we find, consistent with previous literature, that women prefer brands with front vowels and that men prefer brands with back vowels in non-anthropomorphized ads. Conversely, the effect is reversed in anthropomorphized ads; we find that women prefer brands with back vowels and that men prefer brands with front vowels. We believe that the mechanism influencing this reversal is narrative transportation.

References available upon request
EXPLORING THE INFLUENCE OF BRAND INNOVATION ON MARKETING PERFORMANCE USING SIGNALING FRAMEWORK AND RESOURCE-BASED THEORY (RBT) APPROACH

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INTRODUCTION

Consumer markets are imperfect and asymmetric information exists between consumers and firms. Firms signal credible production and commitment to consumers by applying different levels of production and market standards. From consumer’s perspective, production standards are a proxy for product quality and a strong signal of the performance that they can expect from the product. The strong market credibility lowers the consumer’s information search cost and thus provides greater overall utility to consumers (Erdem & Swait 2004). Signaling theory suggest that brands are an important medium of quality assessment between the consumers and firms. This theory can be useful for describing behavior when two parties have access to different levels and types of information. One of the ways consumers can resolve their uncertainty is through signals from the brand, yet signaling theory does not address how this mechanism affects brand performance and influences a firm’s success and competitiveness. Resource based theory (RBT) can help bridge this knowledge gap as it incorporates traditional strategy insights concerning a firm's distinctive capabilities (Mahoney and Pandian 1992).

Brands are one such firm capability that are developed within an overall brand innovation strategy and that firms can draw upon to successfully compete in their markets (Kay, 1993). Firms use brands to signal unobservable quality and product performance expectations (Rao & Ruekert 1994). Brands give customers a positive emotional association regarding brand choice, purchase, consumption, and ownership experiences (Schmitt and Simonson 1997). A competitive brand positively assures customers about its quality and innovation (Gao et al. 2006). In light of these strategic marketing imperatives, RBT posits that firms must deploy their organizational resources in a manner that leads to the development and marketing of innovative brands. We explore how quality signals from a brand affect a firm’s performance and competitiveness through brand innovation. We examine intra-firm competition and how dynamic capabilities affect brand portfolio strategy. There is a paucity of research within the marketing and management literature on intra-firm dynamics that could provide a competitive advantage for a firm. We are advancing knowledge on intra-firm capabilities and their role in providing competitive advantage by providing empirical evidence that provides a new insight on signaling and resource-based theory. In the current study, we use different levels of innovativeness as a proxy for brand quality.

THEORETICAL BACKGROUND

Brand innovation strategy: Resource-based theory

RBT takes a firm-specific perspective on why organizations succeed or fail (Dickson 1996) and attributes superior financial performance to organizational capabilities and resources (Bharadwaj 2000; Combs and Ketchen 1999). It places resources at the center of competitive advantage, and therefore firm performance (Wernerfelt 1984). Resources are the basis for implementation of firm strategy (Hitt et al.
Within a product development and branding context, RBT contributes to the management of product development and innovation by highlighting how different functional and integrative capabilities affect product effectiveness (Verona 1999).

Prior research using RBT (e.g., Barney 1991; Wernerfelt 1984), while recognizing the role of marketing specific resources such as brands and customer and distribution relationships in gaining and sustaining competitive advantage (Combs and Ketchen 1999), have also generally downplayed the fundamental processes by which resources are transformed through managerial guidance into something that is of value to customer, and thus have contributed little to the existing marketing literature. Application of RBT to marketing is aided if we can identify resources that are both marketing specific (i.e., are generated and leveraged in large part through marketing activities) and potentially manifest at least some of the desired RBT attributes (i.e., appear to be difficult to imitate) (Srivastava, Fahey and Christensen 2001; Kozlenkova et al. 2013). We attempt to bridge this knowledge gap by demonstrating how dynamic capabilities affect brand innovation strategy.

**Signaling theory and its role in marketing**

Signaling theory focuses on the communication of information to convey positive firm characteristics. It attempts to reduce information asymmetry between two parties (Spence 2002). In a marketing context, these parties are usually a seller and buyer. Typically, the signaler (a product, person, or firm) sends a signal to the receiver (a firm or person) who in turn provides feedback to the signaler (Connelly et al. 2011). Kirmani and Rao (2000) posit that signaling is most useful for products whose quality is unknown prior to purchase. Consequently, a brand name can be an effective signal of unobserved quality (Rao, Qu & Ruekert 1999). A signal is defined as an action that the seller can take to convey information credibly about unobservable product quality to the buyer and its role is to resolve the consumer's classification problem in the face of potential deception by the seller (Boulding and Kirmani 1993).

Signaling theory suggests that firms give promises to consumers based on brand or firm values, but posits little about how the resources meet those promises and obtain competitive advantage. On the other hand, RBT suggests that proper management of market-based resources (i.e., marketing capabilities and assets) will lead to competitive advantage in the inter-firm competition, but suggests little about the intra-firm distribution of resources and how different brand signals from the heterogeneous brand offer (heterogeneous brand portfolio and brand extension strategy) affect consumers and brand performance. Whilst RBT suggests performance differences across firms can be attributed to the variance in firms’ resources and capabilities (Hitt et al. 2001), in this study we will take an *intra-*firm approach to such considerations. Intra-firm distribution of resources is best visible in a firm heterogeneous brand portfolio and brand extension strategy. RBT has theoretical limitations in marketing, because it is based on the premise of inter-firm competition, ignoring intra-firm allocation of resources and capabilities.

**Dynamic capabilities and brand innovation**

Dynamic capabilities view has evolved from the resources and capabilities theory (Wernerfelt 1984). Capabilities originate from activities undertaken by firms (Amit and Schoemaker 1993; Verona 1999) and represent a firm’s ability to persistently modify or create organizational configurations for competitive advantage (Helfat 1997). Capabilities are related to the deployment of firm resource (Teece, Pisano and Shuen 1997), and are an intentional and deliberate organizational response for man-aging the
changing competitive environment (Helfat et al. 2007). Marketing capabilities are linked to performance measures such as product effectiveness and process efficiency (Verona 1999). Empirical studies on dynamic capabilities have measured either components of dynamic capabilities or a specific dynamic capability. In this study, we focus on brand innovation as a specific dynamic capability of the firm because brand management has been shown to improve firm performance (O’ Sullivan and Abela 2007).

From a marketing perspective, dynamic capabilities reflect human capital, social capital and the cognition of managers involved in the creation, use and integration of market knowledge and marketing resources in order to match and create market and technological change (Bruni and Verona 2009). In their conceptualization of dynamic marketing capabilities, Bruni and Verona (2009) consider market knowledge as knowledge related to customer and competitor domains (Kohli and Jaworski 1990; Narver and Slater 1990). In light of this, marketing resources are tangible and intangible assets such as products, brands and distribution channels (Grant 1991). The ability to creatively and imaginatively make strategic decisions regarding such issues as market segmentation and product differentiation can positively affect the way customers perceive a new product's ability to fit with their market needs (Vicari & Troilo 1998).

Decisions about the new brand innovation, such as its pricing, its distribution, and its branding, can lead to an improvement of the product's overall quality (Urban & Hauser 1993). Specifically, brands are a set of differentiating promises that link a product to its customers (Ahmed and Zairi 1999). Marketers are under increasing pressure to demonstrate their contribution to firm performance (O’Sullivan and Abela 2007). In doing so, management must decide how to allocate resources in a manner that achieves the best possible market based performance. In light of this imperative, Aaker (1996) posits that good management starts with good measurement. The key to managing a brand portfolio is a common set of measures (Ahmed and Zairi 1999).

Innovation is a major driver of growth and expansion for firms. Given that every firm can be represented as a bundle of resources, skills, and competencies (Neel and Hii 1998), the effect of innovation is to transform a firm’s inner capabilities, making it more adaptive, better able to learn, to exploit new ideas (Maravelakis et al. 2006). Innovativeness of a brand is important for several reasons. Innovative brands present great opportunities for firms in terms of expansion and growth into new areas. However, they are associated with higher risk and management challenges (Danneels and Kleinschmidt 2001). Prior research reveals innovative products require more firm resources (Lynn, 1998; Lynn, et al., 1996). Innovation process is a combination of activities, such as market research, communication, design, process development, organizational restructuring, which are necessary to develop and support an innovative product (Maravelakis et al. 2006).

Dynamic marketing capabilities are different from ordinary marketing capabilities. Marketing capabilities help firms generate revenue in equilibrium by satisfying current customers, exploiting existing products and distribution channels, and advertising existing brands (Bruni and Versona, 2009), whereas dynamic marketing capabilities support firms in the process of changing from their stationary process (Day 1994). Market knowledge seems to serve as a complementary source of information which impacts decision making in the innovation process. Although a firm’s R&D gets the lion’s share during the innovation process, the generation of high quality knowledge regarding customers and competitors provides a shared view of future market trends and the possible market impact of new innovative products (Bruni & Verona 2009). Resources that enable the firm to develop new products include R&D and the knowledge of customer needs.
METHODOLOGY

Research Model

In this research, we use a two-stage estimation procedure to analyze a set of simultaneous econometric equations, in order to explore the role of brand innovation in the process by which firms’ dynamic capabilities (e.g., price, size, brand equity, R&D expenses) affect its market share.

(1) \( Y_1 \ in_j b = \beta_0 + \delta_1 f_j b + \delta_2 p_r b + \beta_1 t_b + \beta_2 r_b + \varepsilon_b \)

(2) \( Y_2 \ ms_b = \beta_0 + \beta_1 i_n_j b + \varepsilon_b \)

Where \( b = 1, \ldots, B \) (brands); \( i_n_j b \) represents innovation, which is a mediating variable in our recursive model; where \( j = 1, 2, 3 \); for 1 – conventional~; 2 – organic~; 3 – functional food brands. Market share \((ms_b)\) is dependent variable and represents an output performance measure. Firm size \((f_j b)\) is control variable; where \( j = 1, 2, 3 \); for 1 – retailers, 2 – SME, 3 – MNC. Price \((p_r b)\) is the control variable. The independent variables are represented with brand equity \((t_b)\) and R&D expenditures \((r_b)\). In the first stage, equations 3 and 4, we apply a multinomial regression model in the recursive modeling.

(3) \( Y \sim \text{Multinomial} \ (\pi_i) \)

(4) \( \pi_i = \frac{e^{X_i \beta_j}}{\sum_{k=1}^{3} e^{X_i \beta_k}} \), where \( j = 1, 2, 3 \) product / brand innovation level (conventional food, organic food, functional food brands)

We followe Greene (2003) and Shehata (2011). In contrast to the linear multivariate regression modeling, the endogeneity is assumed in the recursive modeling. However, the robustness of the model should be controlled with the model identification and robust standard errors using a bootstrap and / or jackknife estimation procedure. Identification of the system of simultaneous equations requires enough information, to be able to fit the complex functional form of the 3SLS model. The necessary condition for the model identification is \( m_i \leq (K - k_i) \) for any structural equation \((i)\), where \( m_i \) is the number of endogenous variables in an equation, \( k_i \) is the number of exogenous variables in an equation, and \( K \) is the number of exogenous variables in the overall model. The model is identified because equations market share 2 \( \leq 4 \), and brand innovation 1 \( \leq 1 \).

RESULTS AND DISCUSSION

Our findings for Model 1 show that all four dynamic capabilities (price, size, R&D and brand equity) have a significant impact on brand innovation, however their impact is most pronounced for SME and MNC consumer marketing firms, whereas for retailers only firm size has a significant impact. Similarly, Model 2 shows that brand innovation has a significant effect on market share but only in terms of functional innovation and not organic innovation per se. From these findings it seems that the relationship among firms’ dynamic capabilities, brand innovation and market share may be moderated by other firm characteristics such as firm-type, which we would explore further in our future research.

References available upon the request
COMPARATIVE EVALUATION AND FRAMING: HOW PRICE-QUALITY RELATIONSHIP IS VULNERABLE TO ATTRIBUTE FRAMING

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ABSTRACT

As many of our decisions rely on relativity in judgmental processes, consumers also conduct comparative evaluations to build most of their preferences, if not all. This research investigates how framing of product information influences the comparative evaluation process performed during purchase decisions. In particular, we study the impact of attribute framing on consumers’ perceptions and attitudes, and eventually on their preferences. In a series of six experiments, we show that consumers tend to perceive two products more differently from each other, when the focal attributes of products are framed negatively (vs. positively). We explain this greater perceptual difference in negative frames with stronger sensitivity to losses (vs. gains), which leads to the amplified unfavorability of the inferior product in negative frames. In addition to the perceptual shift, results also show that framing changes attitudes towards price. We observe a stronger price-quality association in negative (vs. positive) frames and explain this finding with the adversity of drawing quality inferences out of unfavorable information. Hence, consumers are more likely to build favorable attitudes for high-priced products, when attributes are framed negatively (vs. positively). As a result of this stronger price-quality inference, preference for the more expensive product is found to be greater when products are presented in negative frames than in positive frames. Overall, this research contributes to framing and pricing literatures by observing how the entire comparative decision process is shaped on the basis of attribute framing.

References Available Upon Request
PRIORITIZING RETAIL CSR STRATEGIES: DEVELOPING AND APPLYING THE KANO APPROACH

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ABSTRACT

Retailers’ decisions regarding CSR activities become ever more complex as the CSR domain widens. The “obesity epidemic” and attention to marketers’ roles (Chandon & Wansink 2012) have brought promotion of healthier eating patterns (ProHEP) firmly into retailers’ CSR portfolios (Lee et al. 2014). For prioritizing diverse CSR activities, the Kano concept (Kano et al. 1984) offers a theoretically grounded and managerially relevant framework, originally applied in the sphere of product attributes (e.g., Berger et al. 1993; Matzler & Hinterhuber 1998). This approach to understanding customer expectations for various attribute performance levels has since been applied the contexts of service marketing (e.g., Chen et al. 2011) and marketing strategy (Menguc and Auh 2006).

The present studies aim to: 1) evaluate the appropriateness of the Kano framework for prioritization of CSR strategies related to ProHEP; 2) test the application of Kano measures to specific CSR strategy options, drawing upon insights from consumer pilot survey data and managerial discussion groups; 3) deploy segmentation variables to profile customers’ expectations for CSR activities; 4) develop new measures to minimize ambiguities in the wording, given the scope for error in the traditional Kano measurement systems; 5) test the alternative Kano measures on six ProHEP strategies, based on a national US survey; 6) compare perceptions of the Kano positioning of ProHEP strategies for leading US grocery chains; 7) draw conclusions for CSR researchers and provide recommendations for retailers and other marketers seeking to prioritize their CSR investments.

Our empirical studies include five group discussions with a senior management panel, a “quasi-qualitative” consumer survey (n=236), a UK pilot survey (n=223), and a national survey of USA shoppers (n=1,107), testing and applying the new the methods of Kano measurement. By eliminating the need for alternating positive and negative questions, measurement error is reduced and clear distinctions demonstrated between the Kano functions of different ProHEP and other CSR activities. Contrasts also emerge in classifications by different stores’ clienteles, demographic groups, and healthy eating (non)adoption stages. Researchers have opportunities to extend this work, with further validation of our revised Kano methodology in other national and strategic contexts. The study offers retailers and other marketing practitioners a robust and customer-focused aid to prioritizing their CSR strategies.

References are available upon request.
A CONTENT ANALYSIS OF TEXTING AND DRIVING DANGER ADVERTISEMENTS

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ABSTRACT

Distracted driving, specifically texting and driving, in the US has become a public health problem in the US. In response, several ad campaigns designed to reduce this behavior among drivers are currently in press. Using content analysis, this study seeks to describe the existing print campaigns and compare to literature about the success of similar campaigns for other risky behaviors, for the purpose of informing future social marketing interventions that may help reduce this dangerous behavior. This is an exploratory study to identify elements and themes upon which further empirical work may be based.

Public Service announcements and corporate cause advertisements are a major element in social marketing campaigns, where companies, non-profit organizations and government agencies have sought to use marketing to promote positive behaviors among certain groups in a population (Andreasen 1994.) Following the methodology outlined by Kassarjian (1977), this study seeks to describe the themes and messages featured in current advertising campaigns aimed at decreasing texting and driving behaviors. Using 25 print, online and outdoor advertising images, with each image as a unit of analysis, the following research questions were addressed: RQ1: What types of images are used in Anti-distracted driving advertisements? RQ2: What consequence appeals are used in Anti-distracted driving advertisements? RQ3: What calls to action are used in Anti-distracted driving advertisements? RQ4: What are the sources of advertisements for anti-distracted driving?

The analysis yielded six categories: graphics, imagery, message, source, comparison of behavior or effects, and call to action. A total of 50 dimensions emerged within the categories and ratings by two investigators yielded an inter-rater reliability of .84. Nearly all of the ads used a combination of images and text while six used text only. Of those using images, about half used photographs and three fourths included a computer generated image. Seven ads included images of a crash, and eight included images of a road. The remaining most common images were mobile phones, parts of a car, and broken glass. An image of blood was included in three ads, as were the images of a child and a medical or hospital setting. Other images, each occurring once, included a gun, beer, corpse, and fire.

Messages in the advertisements included statistics about results of texting and driving behaviors. Seven of the ads included specific statistics (numbers). The potential consequences of this behavior illustrated in the ads included the driver’s death (6) someone else’s death (3), damage to a vehicle (6), potential for self-injury (5), and someone else’s injury (6). Of these, two highlighted damage to a vehicle, six mentioned the texter’s death, four mentioned someone else’s death, and two mentioned each damage to a vehicle and damage to other property. Three ads compared driving while distracted by texting or using a smartphone to other behaviors, including using a gun, drinking and driving, and being a detached, “stupid girl.” Nine ads used the word “don’t” in their call to action, seven directed readers to a website for more information, five used the word “stop,” and one each called readers to “wait to (text),” “join the conversation,” and “designate a texter.” Nineteen of the ads were corporate advertising, nine had some affiliation with non-profit organizations, seven with a government agency and one specifically with a law enforcement agency.

References Available Upon Request
MANAGING CRISIS OVERSEAS – AN EXPLORATIVE ANALYSIS OF APPLE’S WARRANTY CRISIS COMMUNICATION IN CHINA

INTRODUCTION

Guanxi, is defined as “durable social connections and networks a firm uses to exchange favors for organizational purpose” (Gu, Hung, & Tse 2008). Although guanxi has been found the dominant factor for business to succeed throughout China (Lovett, Simmons, & Kali 1999), scholars have noticed that guanxi is less salient than strategies in improving performance after China joined in the World Trade Organization (Law, Tse, & Zhou 2003). Scholars also found that guanxi won’t work in managing relationship with the public. Recently, Ye and Pang (2011) show how guanxi failed in helping a local company cope with its product-harm crisis. Thus the question comes, when building strong relationship with government no longer guarantee success in Chinese market, how and what multinational companies (MNCs) could do when facing crises in Chinese market? Most of current studies on crisis management suggest various managerial strategies when facing product-harm crisis (e.g. Cleeren, van Heerde, & Dekimpe 2013). However, the extant literature lacks information on how MNCs communicate crisis to consumers despite of their strong guanxi with the government. The purpose of this study is to fill in the gap through analyzing the case of Apple ®’s warranty crisis in China suggest guidelines for MNCs in China in such a multi-media era. The study also urges for an integration of social media into current crisis management theory frameworks, such as Coombs’ Situational Crisis Communication Theory (2007), Attribution theory (Kelley & Michela 1980), Image Restoration Theory (Benoit 1995) in dealing with crisis in the context of international business.

BACKGROUND

Since 1991, on the Ides of March, the state-owned China Central Television (CCTV) puts on a special show, the “International Day for Protecting Consumers’ Right”, every year to expose defective products, shady scams, and subpar services from well-known brands in China. The show is broadcasted to hundreds of millions of people all over China. Any exposure could be devastating to companies doing business in Mainland China, and the effects of the show could linger for years (People’s Daily, 2008). Due to the increasing market share of foreign brands, the show also exposes problems of well-known international brands if they fail to meet China’s “Three Guarantees” law. International brands that have been exposed in the past 6 years include Nokia (2007), Amarni (2007), flat-panel TVs by LG, Sony, Toshiba, and other foreign brands (2010), McDonald’s food quality issue (2012), and Carrefour’s expired fresh-food reshelf (2012).

In 2013, the show accuses Apple Inc. of shortchanging Chinese consumers (CCTV, 2013). It is revealed that when Chinese consumers take iPhones for repair, instead of offering a new device as written in the Warranty, consumers only get refurbished ones with the old back cover, which prevents Apple Inc. extending the original warranty to another year. Such an exposure by a third party media channel, CCTV, put Apple Inc. into a crisis because of the potential financial loss for the company and possible damage to the reputation of the brand.

THEORETICAL BACKGROUND

Crisis (George & Pratt 2012) is the “significant threat that can jeopardize an organization’s image, reputation, and financial stability (p. 32).” Therefore, organizations involved in a crisis would take a series of actions to respond to crisis situations and to minimize the effects of the crisis on their...
stakeholders. Researchers (Pearson & Mitroff, 1993) suggest that organizations should inform their stakeholders of the situation through communication in a timely manner through crisis communication strategies. It is also suggested that the communication between the organization and its public should happen prior to, during, and after the negative occurrence to minimize the damage to the image of the organization (Fearn-Banks, 1996). Once the image is damaged, it requires a long time to repair than compensation of financial losses (Benoit 1997). In order to understand Apple’s Warranty crisis in China, three theoretical frames are outlined first: Attribution Theory, Situational Crisis Communication (SCCT), and Image Restoration Theory.

Attribution theory explains the relation between a situation and the selection of communication strategies because human beings tend to search for causes of events in various situations (Kelly &Michela 1980). Three causal dimensions have been identified by researchers (McAuley, Duncan & Russell 1992; Wilson et al. 1993) when people make attributions: stability, external control, locus/personal control. Any explanation offered by actors could affect people's attributions in two ways: shaping people’s perceptions of the three attribution dimensions and affecting the people’s feelings (Weiner et al. 1988).

Referring to the Attribution theory that people tend to attribute events to external factors or to internal factors, especially for negative events like crises, SCCT examines the responsibility in a crisis situation and the acceptance of crisis responsibility found in the crisis response strategy. The basic assumption of SCCT is that crisis managers should refer to appropriate crisis response strategies as the crisis responsibility increases. Obviously, SCCT considers corporate reputation as the primary outcome for crisis response strategies. However, Coomb, Frandsen, Holladay, and Johansen (2010) admit that because of globalization, the explanation power of crisis communication theories need to be tested in the international context. This study, then, will apply SCCT to Apple’s warranty crisis case.

The third relevant theory is Benoit’s Image Restoration Discourse theory offers five broad categories of image repair strategies (1997). Denial, shifting the blame and evasion of responsibility aim to address the first component of persuasive attack, rejecting or reducing accused's responsibility for the act in question. Reducing offensiveness and corrective actions respond to the second component of persuasive attack: reducing offensiveness of the act attributed to the accused. And the strategy of mortification tries to restore an image by asking forgiveness. Firms’ image restoration discourse could also be used to affect different groups’ perceptions, such as using the social media.

**Integrating the Role of Social Media into Crisis Management Strategic Framework**

Bad news always travels faster than good ones, which is especially true in today’s social media era. Bad news gets circulated instantly not among the stakeholders but also the rest of the world. Coombs and Holladay (2006) recognize two shared characteristics of people involved in social media. First, not all of them are stakeholders. Second, they are active and willing to share messages they are interested.

Ye and Pang (2011) make the point that other than general crisis management rules, organizations should also be aware of the cultural and social differences, especially for multinational companies who operate in countries that don’t share the same social norms. Apple Inc. is an American company, and enters the Chinese market without forming any strategic alliance with local companies. On the one hand, Apple Inc. has full control over their Chinese subdivision (Apple China, 2013) because Apple China copies the operating system of Apple in the US without sufficient localization.
Given the complexity of Apple’s case, the paper seeks to answer the following questions:

1. *What type of crisis does Apple’s Crisis fall into the crisis framework?*
2. *What strategies have Apple Inc. use to manage this warranty crisis in Chinese market?*
3. *How do China’s main-stream media function in Apple’s Warranty Crisis process?*
4. *How do Social Medias function in Apple’s Warranty Crisis process?*

**METHODOLOGY**

Current study follows the case-study approach, a useful technique in examining problems in real organizational settings (Eisenhardt 1989; Perry 1998; Yin 2003). And this study aims to offer learning opportunities for multinational corporations of how to manage crisis in Chinese market. Data for this study is collected through documentation, from news stories, magazine articles, and blogs of social media, which is called an unobtrusive and exact approach (Ye & Pang 2011).

Since CCTV’s investigation on the World Consumer Right night was the starting point, key words of Apple, China, warranty, back-cover, consumer complaints, were used in searching for news report on both Baidu.com (Biggest Chinese Searching Engine) and Google.com. All data come from the Internet published from March 8th, a week before the starting point, to April 11th, 2013, two days after Apple’s operation VP was sent to China.

Messages were classified into six categories: News video slips from Chinese Central Television; Apple’s three public notices; news from China, 25 pieces from China’s Daily and 11 pieces from People’s Daily; News from the U.S., 9 pieces from CNN Money/Fortune, 14 pieces from Forbes, and 13 pieces from Wall Street Journals; news from third-party countries, other than the US (home country of Apple Inc.) and China (host country of Apple Inc.), including 6 pieces from BBC and 11 pieces from Reuters; social media, 4 pieces from TLN (Tea Leaf Nation, a major blog that offers news and comments from China to the western world), 43 pieces from Weiphone.com, a Chinese Apple Inc. Fan forum, and 5 pieces from the MacWorld, an American Apple Inc. Fan forum. Altogether 148 pieces of messages were included in this study. Such a collection of data aims to minimize potential one-side bias. All news media agencies were selected because of their elite prestige in newspapers/magazines circulations. And the two Internet-based fan forums were selected based on the size of their members. Tea Leaf Nation came to the scope of this study because of their partnership with major American media, such as the Washington Post and The Atlantic.

**RESULTS, DISCUSSION, AND IMPLICATIONS**

The data provide evidences to classify the case as Warranty Crisis for the following reasons (Fearn-Banks, 1996). Firstly, because Apple Inc. was criticized of purposely observe different post-sale standards in the Chinese markets and violation of Chinese Warranty Regulations (CCTV, 3/28), Apple’s Warranty/Back-Cover Crisis is organizational misdeed management misconduct. Therefore, Apple Inc. seems to be full responsibility for this crisis (People’s Daily 3/28). Secondly, in addition to emphasizing Apple’s full responsibility in the issue, messages from China’s mainstream media (CCTV, 3/15) also manage to trigger consumers’ negative responses by including the two intensifiers, “prior relationship reputation” and “crisis history”, recognized in SCCT (Coombs, 2004), as well as customers’ testimonies. Such messages affect the reputation and image of Apple Inc. (Reuters, 3/15).

The data also clearly tracked the coping strategies from Apple Inc., which answers the second research question. The coping strategies include diminishing the negative effects by lessening Apple’s connect to
the crisis so that customers could view the crisis less harmfully with the first notice (Apple China, 3/16). Then Apple Inc. denies the accusation from mainstream media in the second notice (Apple China, 3/23). Later, Apple, Inc. “quietly” changes the warranty policy to match Chinese regulations without issuing any formal notice (CCTV 3/27). Then, on April 1, Tim Cook, Apple Inc.’s CEO, apologizes to Chinese consumers in an open letter for their misunderstanding of Chinese warranty regulations and promises to change the warranty terms for iPhone4/4s sold in Chinese market. This response action is a full apology and falls into the scope of rebuild. Lastly, on April 9th, Apple Inc.’s operation VP, Jeff Williams, was sent to China to follow-up the crisis, an action to show concern and to rebuild reputation strategy. This series of actions also exemplify the integration of the three crisis communication theories discussed in the theoretical background part.

Now, let’s look at the third research question. Firstly, the mainstream media, TV and newspaper, disclosed the issue to the whole host market of Apple Inc. (CNN, 3/16) and brought attention from third parties other than home and host countries (Reuters 3/15). Secondly, the mainstream coverage successfully intensified the crisis by introducing the prior history of similar crisis of Apple Inc. (Coombs 2004). Thirdly, the vast number of mainstream coverage upgrades the crisis from single-customer level to nation-level (CCTV 3/15, 16, 18, 23; China Daily, 3/16, 20, 21, 22) and functions as government representative to urge Apple Inc. to abide by the Chinese Regulations (CCTV, 3/26, 28, 30; China Daily, 3/25 through 3/29).

The examination of Social Media is very complex especially on whether Apple should be responsible for this crisis or not. Social media, Weibo of Sina.com, exposed that several opinion leaders on Weibo were hired to generating to an outcry against Apple on Weibo and trigger Netizen’s Boycotting CCTV. At that moment, the Netizen attribute the responsibility of this event to CCTV and believe that crisis is just a product tampering with CCTV as the external agent who wants to cause damage to Apple (Coomb 2007). This information is included in all news broadcasted/circulated outside China, in both U.S and the third-party country, which obviously mislead the crisis management department of Apple and slowed down the crisis management process.

Theoretically, two factors have been ignored by SCCT: the effect of time. In describing the framework of SCCT, Coombs (1995; 1996; 2004; 2007) mentions the issue of the response time in the initial stage but response time is neither included nor emphasized in the framework. Firstly, organizations need to respond in a fast and efficient way. Volkswagen, exposed on the March 15th event, responded two days later than Apple’s first public notice acknowledging their misdeeds, apologize to the public, and then offer remediation strategy of product recall right away. Such an effective response saves the company from being exposed in Chinese mainstream media any further which saves the company’s image in a timely manner. The other factor is the role of social media, in Coombs’ SCCT media and social media are discussed from the perspective of organizations that could refer to media and social media to help restore their image not vice versa. Future research is needed to test the importance of media in the situation of crisis management. Managerially, this study suggests actions for MNCs who encounter crisis in Chinese market including: apologize quickly, save FACE in a timely manner. The findings show that the Apple’s Warranty Crisis could be treated as a preventable crisis because Apple has had similar problem Europe and other Asian countries. If proper actions have been taken to remediate the issue in Chinese market before the media accusation, such a crisis could be avoided. But there is no “if”.

References available upon request
EXPLORING THE CONCEPT OF CELEBRITY BRANDS AMONGST COLLEGE STUDENTS

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ABSTRACT

For more than 150 years, celebrities have been used by companies to endorse products. Today celebrities appear in approximately 20 percent of advertisements in the United States (Solomon 2009). Using celebrities as endorsers in advertising is not a new concept. In recent years, however, there has been ambiguity between the celebrity as a person and the celebrity as a marketable brand. Thus, the result is the concept known as “celebrity brands,” which has been coined by pop culture, but relatively ignored in academic research. The purpose of this work is to expand the knowledge of celebrities as more than endorsers and to identify and understand conceptually how consumers perceive celebrity brands. More specifically, this work addresses the following research questions: 1) how do consumers define celebrity brands; 2) what positive associations do consumers have about celebrity brands; and 3) what negative associations do consumers about celebrity brands. To address these research questions the authors conducted an exploratory study.

References Available Upon Request
INTERNAL MARKETING, RETAIL EMPLOYEE COMMITMENT, AND EMPLOYEE RESPONSE TO RETAIL THEFT: AN EXPLORATION

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INTRODUCTION

Inventory shrinkage, the financial loss to retailers attributable to a combination of employee theft, vendor fraud, shoplifting, and administrative errors, continues to be a major concern for US retailers. Of particular interest to this study is that portion of these losses that is attributable to retail employees, as, in the US, the bulk of shrinkage in the retail sector is attributable to this source. A National Retail Foundation Security 2011 report indicated that, of the $34.5 billion losses owing to shrinkage, 43.9 per cent was attributable to employee theft. Consequently, retailers have tried different strategies to stem this problem, among them encouraging employees to report shrinkage. The thesis in this study is that the nature of the relationship that employees have with retailers will influence the likelihood of their cooperation in this endeavor. This relationship will be based on internal marketing, which should lead to retail job satisfaction and employee commitment.

The aim of the paper is to link two streams of research—that on retail theft and that on internal marketing—in an effort to explain the ways that employees might commit to an organization in order to help it stem shrinkage attributable to employees. Therefore, this paper explores the impact of internal marketing (as determined by retailer rewards, retailer communication, and retailer training) on retailing job satisfaction and retail employee commitment, and the subsequent response to efforts to aid in stemming retail theft by employees. The paper builds on the stream of research on internal branding and its links to desired organizational outcomes by exploring the impact of internal branding on job satisfaction and organizational commitment in a retailing context.

BACKGROUND, HYPOTHESES, AND CONCEPTUAL MODEL

Berry and Parasuraman (1991) defined internal market as “attracting, developing, motivating and retaining qualified employees through job-products that satisfy their needs” (p. 151). They view it as “the philosophy of treating employees as customers” (p. 151). Opoku et al. (2009) posit that internal marketing is “the application of marketing-like tools to the employee market inside the firm to support customer consciousness and sales-mindedness; to create, at least, a stable workforce committed to customer service and to see employees as customers” (p. 319). The ultimate aim of engaging in “treating employees as customers” is to generate positive employee outcomes such as job satisfaction, employee commitment, and financial performance.

There have been increasing efforts to explore internal branding and its impact on organizational outcomes in retailing. Panigyrakis and Theodoridis (2009), for example, investigated the dimensions of internal marketing and their links to business performance. Their findings indicated that among the dimensions of internal marketing were formal interaction, reward systems, feedback, internal procedures and policies and internal customer orientation (ICO). These were found to positively influence business performance. Lings and Greenley (2010) explored internal marketing behaviors and their impact on employees’ marketing and other in-role behaviors, as well as on financial performance, as measured by
retail managers’ subjective evaluation of the financial performance of their stores. These researchers concluded that the internal marketing orientation of an organization had an impact on employees’ involvement in enacting strategic directives and on financial performance. Chang and Chang (2009) conducted a study in which they assessed how perceptions of internal marketing impacted organizational commitment among nurses. They conducted this study among registered nurses in two teaching hospitals in Taiwan. They found a positive link between perception of internal marketing and organizational commitment, with communication management having the greatest impact on organizational commitment.

We draw on the conceptualization of the internal branding factors proposed by researchers such as Punjaisri, Wilson, and Evanschitzky (2008), Zain et al (2009), and Wei and Atuahene-Gima (2009). They find that internal communication, training, and rewards are among the key factors that constitute internal marketing efforts. We propose that these factors contribute positively to retail employee job satisfaction, which subsequently impacts organizational commitment and employee intentions to disclose other employees’ theft. These views are in line with those postulated by Boichuk and Menguc (2013) in their study of the links among employee dissatisfaction, supervisor support, continuance commitment, and employee voice; employee voice, a dependent variable, was defined as employees’ willingness to share ideas for service improvements with their employers (travel agencies, in their studies). They found that supervisor support and continuance commitment interacted to positively impact employee voice among dissatisfied employees. The following hypotheses were tested, based on the foregoing discussion.

**Internal communication**

H1. There is a positive relationship between retailer internal communication and retail job satisfaction.

_H1. Retail training_  

H2. There is a positive relationship between retailer training and retail job satisfaction.

_H2. Retail rewards_  

H3. There is a positive relationship between retailer rewards and retail job satisfaction.

**Retail job satisfaction, organizational commitment, and employee retail theft disclosure intentions**

H4. Retail job satisfaction positively impacts organizational commitment.
H5. Retail job satisfaction positively impacts employee intentions to disclose employee theft.
H6. Organizational commitment positively impacts employee intentions to disclose employee theft.

**Mediation**

H7. Retail job satisfaction mediates the relationship between retail internal communication and employee intentions to disclose employee theft.
H8. Retail job satisfaction mediates the relationship between retail training and employee intentions to disclose employee theft.
H9. Retail job satisfaction mediates the relationship between retail rewards and employee intention to disclose employee theft.
H10. Organizational commitment mediates the relationship between retail job satisfaction and employee intention to disclose employee theft.
METHODOLOGY

A scenario-based experimental design was used to collect data among students enrolled in undergraduate business programs at a Midwestern US university. The students took part in exchange for partial course credit points. Two scenarios (available upon request) depicting a fictional retail store, Retailer R Us, were used as manipulations of some of the variables of interest in the study, in particular retail communication, retail training, and retail rewards. This kind of scenario-based experiment involving the use of vignettes to manipulate information has become one of the methods used in data collection in business research (see, for example, Song and Zinkhan 2008; Xie and Peng 2009; Morrison and Huppertz 2010; Neale and Fullerton 2010; and Rungtusanatham, Wallin, and Eckerd 2011; Boichuk and Menguc 2013). Participants in each of the two conditions were asked to read the vignette, which they were told was published recently in a leading business publication, and then to imagine that they were employees of the retail store in the vignette. They were asked to respond to a series of statements that followed, based on how they thought an employee working at this retail store would respond to each statement. These statements were measures of the variables in the model. A second part of the study gathered demographic information on participants. A total of 410 participants provided completed questionnaires. There were 165 women (40%) and 239 men (58%). The majority were aged 20-24 years (78%) and Caucasian (62%).

Measures

As indicated above, participants were instructed to imagine that they were employees of this store and to respond to the measures accordingly. The internal marketing variables were measured by asking participants to respond to the following question: “How do you think the average employee at Retailer R Us would rate the ________ at Retailer R Us?” Internal communications, training, and rewards were, in turn, inserted into the blank; and scales were 7-point Likert scales anchored by: Poor/Excellent; Bad/Good; and Unfavorable/Favorable. Organizational commitment was measured using the combined 12-item scale for affective and normative commitment proposed by Allen and Meyer (1990). These two kinds of commitment focus on loyalty to the organization and attachment to the organization. Retail employee job satisfaction was measured a short-form 7-item scale based on the scale developed by Macdonald and MacIntyre (1997). These were measured on 7-point Likert scales. Intention to disclose employee theft was measured by asking participants to indicate the likelihood that the average employee at this retail store would report co-workers who are involved in retail theft. This was measured a 3-item, 7-point Likert scale (Impossible/possible; Improbable/probable; Very unlikely/Very likely).

DATA ANALYSIS AND RESULTS

The data were analyzed using both SPSS v21 and Mplus v6. In the case of manipulation of the retail store information, participants in the positive retail store condition reported more positive feelings, while those in the negative retail store condition reported more negative feelings. Prior to performing a confirmatory factor analysis, the Kaiser-Meyer-Olkin (KMO) measure of sampling accuracy as well as Bartlett's test of sphericity were used to determine whether the data were appropriate for factor analysis (KMO = 0.965; values between 0.5 and 1.0 indicate factor analysis is appropriate; Bartlett's test: Chi-square = 16734.06, df = 780, p < 0.000; these indicate the data were appropriate for factor analysis). CFA and test of the structural model were conducted using Mplus 6 (Muthén and Muthén, 2010). We
used maximum likelihood estimation because all the variables were continuous. Assessments of the reliabilities of the scales used in the study were done using SPSS version 21. Cronbach alphas for the variables were as follows: retailer communication, 0.98; retailer training, 0.98; retailer rewards, 0.98; retail job satisfaction, 0.97; organizational commitment (affective and normative commitment), 0.93; and intention to disclose employee theft, 0.89.

An initial confirmatory factor analysis showed overall goodness of fit of the model indices to the data: Chi-square = 1452.65, df = 480, p-value = 0.000; CFI = 0.947; TLI = 0.942; RMSEA = 0.070; Standardized Root Mean Square Residual (SRMR) = 0.044. Items loaded on the appropriate factors, and the factor loadings were high (lowest = 0.567; highest = 0.980) and all significant at p < 0.000. We tested the structural model proposed in this study (Figure 1) using maximum likelihood method with Mplus 6 (Muthén and Muthén, 2010). The proposed structural model showed a good fit: $\chi^2 = 690.97$, df = 391, p = 0.000, CFI = 0.980; TLI = 0.978; RMSEA = 0.043; Standardized Root Mean Square Residual (SRMR) = 0.041 (Browne and Cudeck, 1993). Of the ten hypothesized relationships, all but two (H6: Est. = 0.091, p = 0.457; and H10: Est. = 0.081, p = 0.457)) were positive and significant.

**DISCUSSION AND CONCLUSION**

The aim of this study was to test a model that linked the streams of research on internal marketing and retail employee theft, in an effort to assess the impact of internal marketing variables on employee satisfaction and commitment, and subsequently on employee intention to disclose employee theft, equivalent to the concept of employee voice in other studies. The results indicate that internal marketing variables positively impact retail job satisfaction and that this satisfaction strongly impacts employee commitment; however, this commitment does not translate to intention to disclose employee theft. However, retail job satisfaction directly and positively impacts employee intention to disclose employee theft. In addition, retail job satisfaction mediates the relationship between the internal marketing variables and intention to disclose employee theft. Hence, retailers need to implement effective internal marketing mechanisms based on internal communications, training, and rewards, as this leads to high levels of job satisfaction and commitment. Job satisfaction in turn contributes to intentions to report other employees who engage in theft.

References Available Upon Request
A QUALITATIVE VIEW OF HAILERS: RETAIL SALESPEOPLE NEAR THE ENTRANCE OF RETAIL STORES

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INTRODUCTION

Retail salespeople are critical in customers’ perceptions of the retail environment and retail experiences. They occupy a pivotal and boundary-spanning position for retailers, as they are the primary point of contact between a retailer and customers (Bell et al. 2010). Westbrook (1981) named salespeople as the most influential component of overall retail store satisfaction. Retail salesperson behavior is a critical influence on the success or failure of a retailer because of its influence on consumer responses, including store patronage and purchase intentions (Darian et al. 2001), purchase decisions (Babin et al. 1999), perception of service quality (Mittal and Lassar 1996), and overall image of the retail store (Weitzl et al. 1989). This study examines a particular retail salesperson behavior that has been largely overlooked in the literature: retail salespeople standing and waiting for customers near the store entrance in traditional shopping malls. For purposes of this research, these retail salespeople are called “hailers.” The subsequent behavior of hailers after the initial greeting distinguishes them from designated “greeters.” Once hailers greet a customer, they attempt to continue the interaction, accompany the customer throughout the store, and attempt to influence the customer to make a purchase. Theory and the small amount of previous research that incorporates retail salespeople greeting customers as they enter the store suggests that a retail salesperson’s presence at the entrance of a store would be a positive influence. This practice is common and many retailers require their salespeople to stand within a few feet near the entrance. However, anecdotal evidence and initial exploratory results suggest the opposite. Many consumers feel uncomfortable with a hailer’s presence because they feel like the salesperson is waiting to use high pressure sales tactics on them. This image can lead to negative outcomes for the retailer. Also, this work addresses the calls that Babin et al. (1999) make for future research to investigate 1) the antecedents of attitude toward the salesperson in retail settings and 2) the effect of specific salesperson behaviors on a consumer’s attitude toward the salesperson and the retailer.

BACKGROUND

The way that retail and other service employees relate to customers plays a significant role in business success (Mittal and Lassar 1996). Salespeople greatly influence major retail purchase decisions (Babin et al. 1999). The strength of good salespeople constitutes one of the few remaining ways to achieve a competitive advantage in the retail industry (Sharma 2001). Because they may be the only personal contact with the retail establishment that customers have, the impressions that retail salespeople create are important to the retailer (Weitzel, Schwarzkopf, and Peach 1989). Additional research shows that various attributes of retail salespeople affect consumers’ emotions and behaviors. Guenzi, Johnson, and Cataido (2009) find that salesperson trustworthiness leads to loyalty intentions and perceived value through trust in the store. Ponder, Lueg, and Williams (2006) also find that customers often seek salesperson assistance because they are helpful, knowledgeable, and friendly, but a potential drawback is that retail salespeople are sometimes pushy and pressure the customers. Babin and Babin (2001) find that a salesperson’s appearance has a significant effect on schema typicality, patronage intentions,
hedonic shopping value, and utilitarian shopping value through emotions such as excitement and discomfort. Shao et al. (2004) find that consumers’ perceptions of appropriateness of service personnel’s dress lead to higher service quality expectations and purchase intent. Finally, Kim et al. (2009) find customers’ association with retail salesperson appearance and both positive and negative customer emotions, thoughts about the store image, and purchases.

**RESEARCH METHODS**

Because hailers have not been the focus of previous retail sales or atmospherics research, we begin with an exploratory, qualitative approach (Strauss and Corbin 1998). Insight into the consumer-retail salesperson interaction is gained through 33 in-depth interviews conducted with retail salespeople (16) and consumers (17). The in-depth interview method is appropriate when seeking to understand a phenomenon that has yet to be extensively explored (Lincoln and Guba 1985; Strauss and Corbin 1998). Open-coding methods are used to identify concepts with common properties and dimensions. Then, data are clustered into categories and subcategories to develop themes (Strauss and Corbin 1998). The retail salespeople are recruited from a traditional indoor mall, as well as experienced salespeople in upper-level marketing courses to serve as respondents. The tape-recorded interviews last approximately fifteen to thirty minutes each. Of the sixteen retail salespeople, six of the interviewees are male and ten of them are female. Twelve of the respondents are in their twenties, two are in their thirties, and two are in their forties. The seventeen consumers that serve as respondents are recruited from upper-level marketing courses. The respondents consist of seven males and ten females, all of whom are in their twenties.

**RESULTS AND DISCUSSION**

**Retail Salesperson In-depth Interviews**

Several themes emerge from the qualitative data: store policies, salesperson behavior, positive and negative consumer reactions, and situational characteristics.

*Store policies.* Nearly every respondent in the sample often stands near the entrance of the store, with the exception of one retail salesperson who stands behind a counter in a very small store. Several of the retail salespeople specifically mention written store policy to stand near the entrance of the store, although many more indicate that the manager gives verbal instructions to do so. Some salespeople come to consider being near the entrance as part of the store culture. Generally, the retail salespeople feel that the practice and policies about waiting for the customers at the entrance are appropriate and effective. They name several benefits, including: making the customer feel welcome to the store, increases sales, and is an effective form of loss prevention.

*We were always supposed to have someone in the front, when you walk in, just a few feet from the door.* (Men and women’s clothing, male)

However, some of the retail salespeople are somewhat resistant to the idea of having to stand near the entrance of the store. They sometimes feel uncomfortable because they are concerned that the customers may feel pressured or annoyed.

*Honestly, we don’t really like doing it that much, but we have to because the boss watches us on the video camera...he wants to make sure the customers are satisfied...we have to talk to them...*
within a certain time of them being in the store, but it really just ticks some of them off. (Outdoor gear, male)

Salesperson behavior. The retail salespeople also discuss exactly where they stand relative to the door and what they do while standing there, at an operational level. The majority of the respondents stand within several feet of the entrance. Half of the respondents mention that they try to keep busy near the entrance of the store by working on inventory, rather than simply standing near the doorway idly. This sends the message that assistance is available, but not forced on the customer. Other aspects of respondents’ communication with customers include telling them about promotions and smiling.

*We have three tables at the front, and we will fold those tables and make eye contact with them. We are always usually doing something. We try not to just stand there because then I think customers might be overwhelmed if they walk up and like three people standing there saying ‘how are you!’ (laughs). (Women’s clothes, female)*

Positive and negative consumer reactions. When asked about a time that their customer had a very positive response, the retail salespeople report three main categories of positive consumer reactions: friendliness, appreciativeness, and purchasing. The most commonly mentioned positive customer response is to be friendly to the salesperson, as they acknowledge their greeting, smile, and talk to the salesperson. Several other respondents talk about how some customers, who appreciate being greeted, engage the salespeople in lengthy conversations and interaction. Likewise, the respondents also discuss negative reactions they’ve experienced when standing near the entrance of the store. Almost every retail salesperson reports that many customers regularly ignore them and walk right past them, despite their greeting. A smaller number of customers who do not want any assistance from the salesperson become annoyed and may even rudely tell the salesperson to leave them alone.

*You speak to them and right off the bat, they are like, I’m just looking, don’t bother me I’m just looking. (Men and women’s shoes, male)*

Situational characteristics. Several retail salespeople also mention various situations in which they think it is better or worse for them to be near the entrance. Interestingly, the respondents mentioned retail density, or the presence of other customers, as both a positive and negative factor. Many respondents feel that when the store is busy with other customers, then potential customers have a positive response to a salesperson near the entrance because the store seems more desirable to others and there is assistance immediately available to them. Many also mentioned the benefits of salesperson having a smile, a positive attitude, and sincere tone of voice. The salespeople that seem happy to be there and ready to help are more likely to elicit positive responses from customers.

*If we are all busy with other customers... it usually encourages the customer to come on in because they see a nice smiling face of an employee waiting there to help them with all their needs. (Women’s clothes, female, store manager)*

**Consumer In-depth Interviews**

Several additional themes emerge from the consumer interviews: consumer reactions, situational characteristics, and salesperson characteristics.

Consumer reactions. Similar to the salespeople interviews, consumers discuss both positive and negative reactions to encountering a retail salesperson at the entrance of a store. Roughly half of the respondents
feel their presence is an indicator that the salesperson intends to provide customer service. Several respondents feel these salespeople are willing or anxious to help customers and are just doing their jobs. A couple of respondents report that having a salesperson available to offer assistance as they enter the store makes them feel important.

*Overall, it gives a good impression because they seem anxious to help you when you come in, it seems like their customer service is top notch. It makes me think it is a good quality store.* (male)

However, even many of the consumers who describe this practice as customer service still mention that it is bothersome. Many of the respondents talk about feeling bothered, annoyed, attacked, overwhelmed, or bombarded by a salesperson near the entrance. They feel that the salesperson is going to hassle them and use high pressure sales tactics. Several mention that they usually do not want to be stopped, but will be polite if the salesperson greets them. A common response is for the customers to say they do not need assistance. The majority of the respondents say that they are less likely to enter the store if a salesperson is standing near the entrance unless there is something specific that they really need.

*That would make me think that I was going to be hassled if I go there and I probably make me not even want to go in. It will be like, I walk in there and they will immediately pressure me to buy things...It makes me think the salesperson is working on commission.* (female)

**Situational characteristics.** The consumers also discuss some situational characteristics that play a role in how they view retail salespeople near the entrance of stores. Echoing a finding in retail salespeople interviews, most of the consumers feel that retail density plays a role in how they perceive a retail salesperson near the entrance of a store. Also consistent with the retail salespeople, there is not a consensus on whether retail density is positive or negative. The respondents also mention the type of store, in terms of familiarity with the store as situational characteristics that make a difference in their opinions of retail salespeople near the entrance. Several of the respondents have more positive feelings towards the salespeople if the store is new to them. If the store is familiar to the consumers, then they are more likely to be bothered by a salesperson in the door because they already know their way around.

*I like there to be some customers, and like a good environment, so you are not so bombarded by salespeople trying to get their commission and trying to sign you up for credit cards.* (female)

*It makes a difference if it is like a new store, and I’ve really never been there, I would kind of like them to maybe help me out. But, if it is a store that I’ve already been to and I already kind of know my way around, I don’t want them to bother me.* (male)

**Salesperson characteristics.** Almost all of the respondents discuss characteristics of the retail salesperson that make a difference in how consumers perceive them, including the appearance of the salespeople’s demeanor, their physical appearance, and where they stand physically in relation to the entrance of the store. Like the salespeople interviews, almost every consumer talks about the salesperson’s demeanor, in terms of whether they look like they want to be there or not. Consumers definitely prefer salespeople who are smiling and appear friendly.

*If someone was cheerful and helpful and positive before you walk into the store, compared to if someone were monotone or boring, you kind of get in a bad mood before you walk in... I don’t want someone who is just acting like they have to be there.* (male)

The qualitative findings from this study provide the basis for subsequent experimental testing.

**References and retail salesperson and consumer interview guides are available upon request**
**ABSTRACT**

Effective relationship marketing has been conceived to be both “defined by” and “dependent upon” trusted customer relationships. Developing trust appears imperative and central, yet the organizational problems of managing relationships in health services can easily become quite problematic among those with different perspectives of health services. There is both a profound asymmetry of knowledge between patients and physicians, and relationship communication problems that need to be considered by marketers of healthcare products and services. Effective health services are highly dependent upon the centrality of patient-physician relationships (PPRs). However, these cannot be considered simply as explicit “relationship marketing” transactions which, as defined by Palmatier (2008, p. ix), are primarily intended “to improve customer loyalty and the seller’s profits.”

This paper examines the PPR as central to effective healthcare. It then reconsiders the contexts of specific type of marketing relationships of health organizations to contribute a new perspective to the marketing literature. The hypothesis that humans differentiate their relationships into different kinds has been called relational models theory (Fiske, 1991, 1992) or, alternatively, relationship-specific social psychology (Wilson & Daly, 1997). The goal is of the paper is to contribute to the literature on the development of effective relationship marketing programs in a manner that is better attuned to the specific demands of the healthcare context.

Relational theory is useful to relationship marketing concerns in that it aids in describing the basic structures and operations in terms that are socially constructed as meaningful. The four fundamental models for organizing relationships are defined by Fiske (1991, 1992) as Communal Sharing, Authority Ranking, Equality Matching, and Market Pricing. These models function to construct, coordinate, and contest social actions, as well as providing the means to interpret, plan, and remember their significance.

The issue is an especially important one in that physicians are central actors in healthcare systems. Physicians provide more than simply the delivery of health as a transactional service; they are also important as information conduits and decision-makers (Limbu and Kay, 2011). Even more fundamentally, physicians are bound to serve patients—the Hippocratic Oath symbolically defines physician responsibilities much more broadly and in ethical terms. Moreover, the success of physician-patient interaction has a very real and definite effect on patients’ health. As Larson and Yao (2005) note, treatment outcomes and compliance to treatment are both significantly better when doctors show more empathy and take the time to make sure patients are clearly informed.

Since healthcare significantly impacts critical life decisions, considering healthcare services as an area of “relationship marketing” can raise different type of decision problems. Communication is critical for patients and also for trusted advisors who often make decisions for the elderly and infirm. Managers of healthcare organizations need to more broadly consider different type of social and relational contexts to be effective.
The PPR has been subject to considerable research attention over the past two decades, in both medical and marketing contexts. In the medical literature, discussion of the PPR has commonly been in the context of physician control over treatment and the necessity to talk to patients to acquire the information needed to diagnose disease conditions. The importance of the patient relationships to physicians tends to be framed within various professional tasks, such as effectively explaining treatment regimes.

In the marketing literature, on the other hand, the goal of examining PPR is often framed as one of enhancing service perceptions, communicating and influencing potential customers, and supporting medical or organizational brands. For example, PPRs have been a particularly important concern in the context of spending on pharmaceutical promotions (Kay and Limbu 2011). Yet the behavioral outcomes of marketing promotions have raised questions from the point of view of medical professionals. For example, Robinson et al. (2009) found that 55.9% of physicians believed that DTC advertisements affected interactions with patients by lengthening clinical encounters, and 80.7% indicated that this lead to patient requests for specific medications which was sometimes questionable. Moreover, two-thirds of physicians agreed that DTC advertising was changing patient expectations of physicians’ prescribing practices. Other studies indicate that DTC ads can have good and bad effects on quality of care, the doctor-patient relationship and affect health service utilization. Murray et al. (2003) note that physicians filled 69% of requests they deemed clinically inappropriate.

In spite of the widespread adoption of marketing concept by healthcare organizations, relationship marketing efforts may be at odds with the organizational mission goals or standards of medical service professionals. If marketing efforts are perceived by medical professionals as contentious, this will affect medical outcomes and quality. Issues of the specific medical information needs of consumers to improve medical performance and outcomes could certainly be better examined by marketers.

Finally, medical decisions are regularly knotty and problematical, as it is in end of life decisions. Fiske and Tetlock (1997) note that such internal or value conflict is rooted in the cognitive problem of incommensurability. People reject certain value trade-offs due to the fact that the requisite mental operations to make these decision are unfamiliar or especially difficult. People view health or life value trade-offs as impermissible; they respond with varying degrees of indignation and discomfort. The conflict occurs whenever a trade-off decision requires assessing the value of something governed by socially meaningful relations and operations of one relational model in the terms of a disparate relational model. Communal Sharing, Authority Ranking, Equality Matching, and Market Pricing are relational models that can provide new perspectives on such relationship marketing, communication, and decision problems.

References Available Upon Request
HEALTHCARE RESORT: AN INTEGRATED APPROACH TO RE-MODEL HEALTHCARE SERVICES

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ABSTRACT

With the increasing popularity of medical tourism practices, the healthcare industry, as one of the key service providers and stakeholders, is facing both challenges and opportunities. Healthcare, like hospitality, is an experience and credence service. Services with predominantly credence attributes are typically the case for highly specialized services or services that only occur once or twice in a lifetime, such as medical diagnoses and hospitalization. Credence services are the most difficult to verify because they often lack physical evidence of the service process. To evaluate the credence qualities of the service, inferences will be made based on experience-based portion of the total service delivery process.

One of the emerging trends in the industry is to introduce the concept of hospitality into hospitals. For example, Severt, Aiello, Elswick and Cyr (2008) explore an organization-wide philosophy of hospitality (i.e., hospitality centric philosophy) in a hospital setting. It is not new for the healthcare industry to learn from other industries including the hotel and entertainment industries (Cheung-Larivee, 2011a; Kaissi, 2012; Lee, 2004). Disney has also been marketing its services to hospitals even before the government demands an online patient satisfaction surveys. Florida Hospital’s children’s unit improved its patient satisfaction scores from the bottom 10 percent of the country to the top 10 percent one year after it hired Disney. The purpose of this study is to explore various ways to incorporate hospitality management practices and customer service into hospitals and opportunities that these proposed changes may bring to the healthcare industry in the U.S. This study focuses on, 1) market expansion, 2) integrated medical services, 3) quality measurement and creation of improved patient experience.

Proposition 1: A hospitality enhanced healthcare facility will not only be able to serve the needs of local residents but also patients who live in other states or countries. Proposition 2: A hospitality service enhanced healthcare facility is composed of three major functions: core medical service (the core medical product that patients value the most when they make decisions regarding their well-being), support service (informational and environmental services), and hospitality service (service that focuses on enhancing the total experience for patients, which is a proposed new addition to the traditional healthcare service structure). This model proposes a transformation from customer relationship management (CRM) to patient relationship management (PRM). Proposition 3: A hospitality enhanced medical facility will enable patients to enjoy an improved experience at the facility. Besides clinical outcomes, patient experience is valued as a critical component to measurement of quality outcome. Patients’ satisfaction is believed to improve recovery rate, speed up healing process, provide healing power of mind, and increase patient compliance.

In conclusion, our model illustrates how hospitals may expand their target market, generate more revenue, improve service quality, and build a strong loyalty program by creating hospitality enhanced healthcare facilities and implementing key customer service concept in the entertainment industry.

References Available Upon Request
WHAT MOTIVATE CONSUMERS TO PARTICIPATE IN ONLINE COMMUNITIES: A CRITICAL REVIEW OF EXTANT KNOWLEDGE

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ABSTRACT

The Internet has significantly changed the way how people interact and communicate with each other. The world witnessed the booming success of many social networking sites (SNSs) such as Facebook, Twitter, WeChat, YouTube, Pinterest, QQ, Flickr, and LinkedIn. People participate in the online communities on these SNSs to connect with other users (e.g., friends, family members, strangers), share information (e.g., blogs, photos, videos), and help individuals and organizations with other purposes (e.g., promoting new products, recruiting new members). Online communities refer to the persistent collections of people with common or complementary interests use Internet to interact with each other (Preece 2001).

Despite the consensus of the importance of consumer participation in online community, the literature lacks theoretical review and summary about what motivates consumers to participate in online community. Thus, the present study attempts to fill this gap by (1) reviewing and synthesizing the literature about the drives that are associated with consumer participation in online community, (2) describing what we know and do not know about the antecedents of consumer participation in online community, and (3) developing an agenda for future research to bridge the gaps in our knowledge.

Review of prior studies suggests that consumers participate in online community because of various motives. Our research framework accepts the work made by Etgar (2008) and proposes that consumers engage in online community to achieve various goals. A number of potentially relevant drives include the economic drives, and psychological and social drives. The economic drives include accessibility, time, low cost, usability, and ease of use. The psychological and social drives consist of group identity, attachment and engagement, self-expression, self-fulfillment, and trust. Furthermore, these potential drives are associated with consumer perceived utilitarian value and hedonic value based upon prior literature.

The present study summarizes what is currently known about the drives of consumer participation in online community. Next, we present a research framework that shows the association between these drives and perceived values and participation intention. Researchers may extend prior work in the following areas. First, more work is needed to develop the constructs of various drives. Zeithaml’s (1988) means-end approach to this conceptual development could be one potential way. Second, we can further address questions about the impacts of different consumer online participation drives on consumer online experience after the concepts and measures of these drives have been developed. Third, the impact of different types of contents on online communities needs more attention. Finally, more studies are needed to investigate the input from the firms which own and operate the online communities.

References Available Upon Request
AN EVALUATION OF THE DEMAND FOR ORPHAN DRUGS AS A RESPONSE TO
PROMOTIONAL EXPENDITURES

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ABSTRACT

Orphan drugs describe a subset of medicines which aim to serve rare diseases and therefore do not have a sizeable demand. As the market for these drugs is small, pharmaceutical companies do not have an incentive to manufacture this genre of drugs. However, in the USA, the Orphan Drug Act provides various incentives to manufacturer of these drugs. The USA is also one of the few countries that allow drugs companies to advertise “prescription only” drugs. This gives the opportunity to disseminate information about rare diseases and its potential cures to people who would not otherwise have known about these options. In our paper, we examine how the demand for orphan drugs has been influenced by these promotional expenditures. We examine the demand in response to the promotional expenditures for different companies, both by examining orphan drugs as a sub-set of all prescription drugs, as well as differentiating between different types of orphan drugs themselves. The results have potential implications for public policy about this important sector of health and medicine.

References Available Upon Request
THE EFFECT OF PRICES ON THE PRESCRIPTION BEHAVIOR OF PHARMACEUTICALS

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ABSTRACT

Health care spending has been increasing sharply and shifting towards outpatient care and drug prescriptions in particular. Despite the cost of prescription drugs being an important component of health expenditures, relatively little attention has been spent on the effects of prices on either aggregate demand or on physician prescription behavior. In this study we demonstrate how price elasticities can be obtained from prescription data where we also show the effects of constraints that are specified for prescribers (physicians). More specifically, the possible differential responsiveness of HMO (Health Maintenance Organization) and non-HMO physicians to drug prices may shed more light on the price sensitivity of pharmaceuticals. HMO physicians are directed by insurance providers to contain and reduce the cost of medication and treatment, which could guide their prescription decision. Our objective is to expand the rather limited empirical base of knowledge on this issue by studying the differential effects of price on HMO and non-HMO physician prescription behavior.

We examine an extensive database covering 11,235 prescriptions for 19 brands in four therapeutic classes, recorded by 2,320 physicians. We find that price effects on prescription choice are significantly negative and up to four times higher for HMO physicians, who, on average, exhibit an elastic response. Our findings are in contrast with those reported by previous studies using physician-level data.

References Available Upon Request
A MODIFIED RFMI FRAMEWORK AND STRATEGIC IMPLICATIONS FOR ANALYZING VIP CUSTOMERS IN LOGISTICS COMPANIES—A CASE STUDY OF JIAJI CO.LTD. IN CHINA

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ABSTRACT

The characteristics of an ‘ideal’ customer vary widely according to the requirements of different industries; however, it is generally unknown what kind of “ideal” customers contributes to the logistics industry, an industry characterized by high growth and volatility over the last few years. The RFM framework is one of the most popular customer segmentation models widely used in CRM (Fader et al.2005; Hughes 1995; Reinartz and Kumar 2003; Verhoef et al. 2003). However, little is known about the mechanisms that segment customers in the logistics industry. This paper aims to address these issues by presenting an integrated case study that investigate the RFMI model and marketing strategies of a giant logistics company in China.

Specifically, this study takes Jiaji Co. Ltd. in China, a large scaled private logistics corporation, as an example to propose a new marketing strategy for logistics companies. In the light of K-Means algorithm and customer relationship life cycle, we subdivide VIP customers into four categories, i.e. Honor, Diamond, Platinum, and Gold. In response to these different segments, we propose consequent strategies—locked-in strategy, differentiated marketing, reference marketing, and relationship marketing. We suggest that, by adopting and automating our RFMI practice, companies will be well placed to increase sales from their existing VIP customer base and to expand into new potentials – meeting their growth objective.

Specifically, by adopting our RFMI model and such marketing strategies in 2006, Jiaji had seen explosive growth, with the number of new outlets increasing to over 500 in 2007, and profits increased by 1% per month in these years. The sales reached ¥0.8billion RMB in 2008. Particularly, in 2009, Nanchang branch of Jiaji has finished the sales of ¥45.15million RMB, and profits of ¥2.11million RMB.

References Available Upon Request
ABSTRACT

Many companies are increasing the allocation of financial resources to social media management. For instance, companies with over $15.6 billion in revenue will invest about $19 million in social media this year (Tata Consulting Services 2013). However, the contribution of social media management to firm performance remains uncertain. Hence, in this paper, we attempt to fill this gap. Specifically, we propose that investment in social media management is positively related to performance through emotional capital. Furthermore, we posit that this relationship is stronger for firms that manage emotional brands and firms that have products with short life cycles.

Emotional capital refers to the emotional assets and emotional liabilities related to a brand (Abeysekera 2004). Emotional assets include positively polarized attributes such as pride, passion, love, attachment, and trust. While emotional liabilities include negative attributes such as anger and hate (Abeysekera 2004; Thomson, 1999; 22-25). Firms that are able to timely and accurately estimate the emotional capital of their brands can better manage the brand to take advantage of opportunities and to overcome threats. Furthermore, according to the Resource Based View (Barney 2005), the firms’ ability to efficiently manage a brand’s emotional capital can be an intangible company resource that is valuable, rare, imperfectly imitable or substitutable. Hence, emotional capital can be a source of competitive advantage and superior financial performance.

We further suggest that emotional capital is predicted by a firm’s social media usage and the level of ambidextrous interaction with its customers. Additionally, we argue that emotional capital leads to higher customer relationship performance for products with short rather than high product life cycles and for brands that employ emotional appeals. Practical and managerial implications are also discussed.

References Available Upon Request
New product development is a major strategic activity for many companies; however, it is one of the most complex activities. Peres, Muller, and Mahajan (2010) investigated the effect of innovation diffusion on new product growth and found that consumer network effects via social network and product network externalities have profound effects on new product diffusion. The study adds to the current research on new product development by exploring the interaction effect of Electronic marketing orientation (EMO), innovation and network externalities effects which most of the companies have not put in their agenda yet due to strategic and technological limitation.

The most fundamental transformation recently happening in business is the diffusion of E-business practice. EMO, E-market orientation (Shaltoni & West 2010; Fazlzadeh & Nezhad 2010) or E marketing (Tsiotsou & Vlachopoulou 2011; Asikhia 2009) is a new concept which reflects a transformation of marketing activities from the traditional brick-and-mortar era to the web 2.0 era. Companies use E-marketing as the main vehicle to engage in customer relationship management, promotion, preannouncement, and to deliver superior value to customers. E-marketing also helps enhance channel relationships (Sultan & Rohm 2004) and gain competitive advantage. Empirical evidence supports the adoption of the internet to perform business transactional activities, e.g. ordering, selling, and payment are positively associated with superior performance (Drennan & McColl-Kennedy 2003). We suggest that companies, who engage in strategic innovation, take advantage of EMO strategy, and build networking with other partners by harnessing power of network externalities, are likely to achieve new product success.

Most theoretical research has examined the role of strategic orientation on new product development, while strategic orientation is difficult for small companies to mimic. In comparison, EMO addresses the new dynamic marketing strategy which focuses on value creation and engagement instead of profit maximization. This strategy has been proved to be easy for small companies to duplicate. The study extends Kotler and Zaltman (1971)’s social marketing philosophy, and Vargo and Lusch (2008)’s Service Dominant Logic (SD). We argue that in a networked economy, instead of pushing products to consumers, managers require a new EMO mindset to integrate electronic media, virtual reality, online interaction, word of mouth communication, and consumer co-creation, and eventually to create value for the firm, customers, and the society.

References Available Upon Request
Effective marketing decision-making calls for a distinct organizational capability in order to apprehend the multiple links between the value creation process and strategic marketing decisions that are carried out at micro and macro levels. When thinking and designing a value proposition, marketing organizations are brought to pay close attention to the pivotal role of managers who are expected to identify and exploit different sources of value and participate in ethical marketing decision making processes. Marketing decisions cannot be dissociated from the firm’s core values and competences. As such they are likely to influence stakeholders’ choices and collective actions. In this paper, we focus on the microfoundations of ethical marketing decision making by providing evidence from decision making and cooperative schemes that result from macro and microenvironment imperatives and challenges. A particular emphasis has been placed on the theory of social exchange (Blau 1964; Sheth and Parvatiyar 1995; Tynan 1997) and ethical governance as well as the pivotal role of stakeholders in carrying out strategic marketing missions under economic, social and environmental constraints.

**MICRO MOTIVATIONS AND BEHAVIORAL STRATEGIES**

Micro and macrofoundation issues portray different orders of organizational behavior and rationale in response to economic, social, environmental and ethical challenges. Placed within a broad socio-economic canvas, the distinction between macro and microfoundations may be traced back to the study of the social phenomena, known as collectivism and individualism (Weber 1949; Hayek, 1945). A collectivist approach to social events places structures, institutions, and macroeconomic laws over the microfoundations that often result from individual choices and collective actions (Durkheim 1895; Olson 1959). By contrast, individualism underscores the importance of individual actions in complex decision-making processes (Williamson 1985; Ostrom 1990). The study of microfoundations of marketing decision making requires an understanding of the origin, process and outcome of managerial decisions that are carried out within different business contexts. Moreover, the analysis of firms’ microfoundations helps explicate how the behavioral strategies are conceived (e.g. momentum, feedback and inferential and anticipatory behavioral strategies) and how the stakeholders are likely to respond to feedback, inferential and anticipatory behaviors. In addition, the problem of decision boundaries and aggregation pose the issue of decision errors and outcomes. Errors are frequently committed due to excessive formalization under conditions of uncertainty and bounded rationality (Simon 1956; Mintzberg 1994). The use of mental representations and shortcuts is frequently used in the contexts where individual decisions are expected to generate optimal outcomes through inferential loops (Tversky & Kahneman 1974; Fishbein and Ajzen 1975; Greve 2013). The discussion of market equilibrium and its preponderance in business analysis tends to oversimplify the complexity game theoretic processes by missing and neglecting ‘shifts in the parameters that determine the equilibrium’ (Schelling 1978, p. 26). This would lead to biased or asymmetrical relationships between and among the stakeholders (e.g. employer versus employee, customer versus supplier, shareholder versus the management). While markets are expected to ensure
market transparency and access to information by all economic agents, unrestricted access to social and public sphere may be viewed as impinging on the privacy right. One should be reminded that most social exchanges call for mutual consent, reciprocity and trust among social and economic actors (e.g. borrower vs. lender). The importance of trust is highlighted when marketers use the media to inquire and inform the clients, or incite customers to engage in a particular buying behavior. When investigating the microfoundations of ethical decision making one is led to consider the sources of information and organizational codes as well as the boundary and scale of decision making in order to prevent judgmental errors (March, Schultz and Zhou 2000). The ability to respond effectively and purposefully to internal and external changes requires an understanding of the stakeholders’ behavioral pattern within the evolutionary process of the market (Schelling 1978; Nelson and Winter 1982; March et al. 1991; Kelly and Amburger 1991; Gavetti et al. 2012; Felin and Foss 2005, Felin and Barney 2013; Barnett et al. 1994; Baum and Singh 1996; Zollo and Winter 2002; Van de Ven and Lifschitz 2013). While organizations are impregnated by individuals, they are not an aggregation of individuals contained within them (Barney and Felin 2013). Built and extended on the organizational theories, our research focuses on the decision making processes that result from the stakeholders’ ‘feedback’ and ‘anticipatory’ strategies (Cyert and March 1963; Erev and Roth 1998).

Our research investigates the mediating role of stakeholders in creating a sustainable value proposition by implementing an ethical marketing organization. Ethical decision making may be approached from a positive (what is) or normative (what ought to be) view (Hunt 1991; Ferrell and Gresham 1985). A normative approach is built on what Murphy et al (2012) regard as moral maxims and ethical philosophies that encompass utilitarian, deontological and social values. The importance of ethical marketing decision making has been underlined by Ferrell et al. (1978, 2013), Ferrell and Gresham (1985), Mayo and Marks (1990), and Hunt et Vitell (2006). The extant research considers ethical behavior as commensurate with corporate social responsibility objectives (Carroll 1991; Donaldson and Preston 1995, Kotler, 2005; Greenwood 2007; Murphy et al. 2013) and sustainability goals (Hunt and Morgan 1995; Hunt 1999; Crittenden et al. 2011). A significant research corpus has brought to the fore the causal links between corporate social responsibility and economic performance (Freeman, 1984; Maignan et al. 2004; Greenwood 2007; Ferrell et Ferrell 2008; Ferrell et al. 2010) and social objectives and organizational learning (Hanna et al. 2005; Ferrell et al. 2010; Hunt et al. 2011; Maignan et al. 2011). Ethical decision making has been further viewed as a practice to consolidate organizational architecture and governance (Freeman 1984; Freeman et al. 2005). By raising their ethical standards, corporations can foster social exchange as a means to capture value (Blau 1964; Sheth and Parvatiyar 1995; Tynan 1997; Wagner and Bouteiller 2002). By emphasizing the deontological and teleological dimensions, ethical decision making models offer an explanation as how stakeholders interact with each other within different cultural and social settings (Ferrell, 2011; Ferrell et al. 2013; Hunt, 2013). The contingency model for ethical decision making (Ferrell and Gresham 1985) refers to three broad dimensions of ethical decision making: ‘opportunity’ that consist of policies and codes of ethics, ‘individual factors’ that are shaped by one’s cultural values and moral philosophy, and ‘significant others’ that point to the members of an organization such as managers and employees whose actions and choices have a direct bearing on economic performance. Similarly, the Person-Situation Interactionist Model (Trevino 1986) seeks to explicate how personal factors interact with situational factors every time a decision is taken. In contrast, the Hunt-Vitell model (Hunt and Vitell 1986) takes into consideration both environmental and personal
influences on moral and deontological dimensions that are often associated with one’s decisions. The outcome of each action is expected to be evaluated on the basis of the maximum benefits accrued to the firms’ stakeholders. The Synthesis Model to ethical marketing decision making (Ferrell et al. 1989) offers a broader perspective when assessing the impact of ethical decision making by recognizing the importance of ‘cognitive’, ‘cultural’ and ‘social’ contexts within which ethical decisions are to be made.

**METHODOLGY**

Building on the Ferrell and al. Synthesis Model (Ferrell et al. 1989, 2013), we have investigated the sources, processes, and outcome of ethical decision making carried out by a selected group of stakeholders. We have adopted the five stage approach suggested by the Synthesis Model as a way to assess the causal links between employee-customer choice-sets resulting in a pay-off matrix (described as engagement-satisfaction matrix). Our study reports on an ongoing survey on a European SME that has been encountering adverse market conditions as measured by its annual revenue and profitability rates. Consequently, the management has proposed a framework for studying different behavioral strategies of a selected group of stakeholders. The following propositions help apprehend the management goals:

**Proposition 1:** Management policies that seek to enhance employees’ involvement in ethical decision making process will be perceived positively by all stakeholders. This will have a positive impact on stakeholders’ feedback and anticipatory strategies used to accelerate the value creation dynamics.

**Proposition 2:** Management policies that seek to enhance customer satisfaction and engagement in ethical and responsible behavior will be perceived positively by all stakeholders. This will have a positive impact on stakeholders’ feedback and anticipatory strategies that accelerate the value creation dynamics.

The proposed methodology uses an analytic inductive approach that integrates both qualitative and quantitative data. To supplement the quantitative data, we have conducted 38 semi-structured interviews with a selected group of stakeholders composed of top and middle managers, employees (e.g. HR, sales and marketing, financial and accounting as well as marketing and IT services), customers (new and repeat buyers), and investors (current and potential). The qualitative approach provides an exploratory framework for assessing compliance with the objectives set by the management. Placed within a game-theoretic context, participants were asked to rank each decision in relation to its expected economic and social cost and benefit outcome and were invited to make their choices so that they would be able to maximize their expected payoffs (P1: high, P2: low with P1 <> P2).

**DATA ANALYSIS**

Data analysis involved three distinct steps. We began by asking a selected group of employees and customers to respond to different questions pertaining to performance, ethics, responsibility, and sustainability (ERS) goals (e.g. empowerment, self-esteem, customer satisfaction, etc.). We have differentiated the choice sets and payoff matrices to account for objectives of different stakeholders (Bolton and Ockenfels 1999; Fehr and Gaechter 2000; Schelling 2006). The use of a Likert scaling allows isolating the referent factors that affect performance, efficiency and ethical-CSR objectives.
While discarding the low correlation items with the total score, we performed exploratory factor and mean computation analyses to examine the underlying relationships between performance and the ERS objectives. The model contains a vector of control variables to account for micro behavioral factors that are likely to affect performance and ERS objectives. The use of conjoint analysis helps further elucidate how employees and customers prioritize performance-ERS objectives. Conjoint analysis is well suited statistical tool when one seeks to determine the order of preferences that participants attach to their choice sets (Green et al. 2001; Teichert and Shehu 2010).

RESULTS AND DISCUSSION

Our study focuses on two medium size companies that have experienced a turn of fortune over the past decade. The qualitative analyses corroborated our earlier results obtained in 2012, showing a strong correlation between employees’ motivation, customer satisfaction, and employee-customer cooperation. The results obtained in 2013, were indicative of high level perception of ethical decision making and its impact on performance and organizational efficiency. Customer and employee groups have acknowledged the existence of mutual benefits by engaging in collaborative schemes of decision making that foster social responsibility, ethical conduct and sustainability effort (Shaver and Scott 1991; Amabile 1998; Bernardo and Welch 2001). The research shows that 86.2% of employees look up to their managers as role models and transformational leaders. This confirms the point made by Ferrell et al. (2013) and Weaver et al. (2005) on the importance of ‘significant others’ in promoting ethical decision making as a way to strengthen organizational capabilities. Judging from the statistical analyses, it appears that the great majority of stakeholders tend to acknowledge the importance of ethical behavior on economic performance and organizational efficacy.

CONCLUSION AND IMPLICATIONS FOR THEORY AND PRACTICE

Employees tend to regard ‘accountability’, ‘management transparency’ and ‘empowerment’ as the cornerstones of effective ethical decision making. In contrast, customers view ethical behavior as an all-out effort to engage in ‘socially and environmentally responsible’ as well as ‘mindful and purposeful consumption’ practice. Both customers and employees agree that the management can implement alternative collaborative schemes that are socially rewarding and environmentally friendly while economically viable. The literature refers to ethical marketing practice as a requisite for corporate performance (Kotler and Levy 1969; Kotler 2005; Hunt and Vitell 2006). We intend to pursue our research by focusing on alternative ‘employee-management-customer’ modes of cooperation in the workplace and by integrating stakeholder theories (O’Riordan and Fairbrass 2008; Lusch and Webster 2011) and mindful consumption (Sheth et al. 2011) in decision making framework as developed by Ferrell and Ferrell (2008).

References Available Upon Request
INTRODUCTION

Whether it is between products within the same branded product line (see Seitz, 2012), between different branded product lines/inter brands (within the same portfolio) (see Financial Express, 2010) or different product categories under the phenomenon of convergence (see Worthen and Sherr, 2012) or from offline to online (see Nuttall, 2008), fear of cannibalization is high among marketing managers especially in changing market conditions.

Cannibalization has been discussed in differentiating line extensions and breakthrough products introduction (Coskun and Weber, 2000). Chandy and Tellis (1998) have advocated that companies that are developing radically new products, should be willing to cannibalize their own investments. In addition to the previous authors, Cravens et al. (2000) described how innovative companies pursue a continuing strategy of developing new products that will cannibalize the existing ones. This aggressive or proactive attitude results from a strategic rationale, i.e. firms should rather replace their own old products with better ones before any competitor does it (see Kerin et al., 1978). The underlying objective is to “force” customers to switch from firms’ existing product to a new product (Donald, Russell, Donald, & Winer, 2001). In a situation of sales cannibalization, innovations take over the market share from the existing product but the final result should be an increase in sales of the brand and a positive contribution to the growth of the product category.

The issue related to the performance of a new product and its impact on an existing product line as well as its contribution to the performance of the brand and the product category have not been sufficiently addressed in the context of cannibalization (see Carpenter and Hanssens, 1994), especially after the introduction of both incremental and radical innovations on saturated and mature markets. Therefore, more empirical work would be a helpful addition to the existing literature.

In this study, we argue that introducing new products that negatively impact the sales of existing products is a profitable strategy under certain conditions. First, we present the logic of (proactive) cannibalization. Second, using a qualitative approach, we describe how 2 pairs of branded product lines (i.e. the existing product line and the newly launched products) that belong to the portfolio of L’Oréal Consumer Products Division France conduct cannibalization. In parallel, we evaluate the outcomes of this strategy in terms of the evolution of the market share of the new products and its contribution to the performance of the parent brand. Considering the taxonomy of Cravens et al. (2000, 2002), our results provide support for the main argument of the academic literature, i.e. the processes of new product development and introduction related to proactive cannibalization must be coordinated in order to minimize the "tensions" between branded products in order to achieve better brand and product portfolio performance. Finally, we discuss the issues associated with this strategy.

BACKGROUND

Competition appears among products from different brands and also between products within the same brand when a new product is introduced. The latter effect is labelled cannibalization that is the extent to which the sales of a firm's new product reduces the sales of other products sold by the same
firm (Mason and Milne, 1994). More precisely, it consists of the substitution of the product that is often bought by another format of the same brand, but in a different size, color, taste or any other characteristic, that is, the switching of different product formats within one brand (Dawes, 2012). In this study, we focus on new products that are another format of the same brand but with improved benefits and a different price positioning.

The interest in the concept of product cannibalization is not new and the process was mainly considered as risky by nature. Indeed, Kerin et al. (1978) defined it as “unwelcomed consequence of product development » (p. 25) as the new product diverts sales from an existing one. According to Copulsky (1976), cannibalization is the result of too close identification of a new product with the launching company’s older products. Gradually, studies started investigating the factors affecting cannibalization and how to measure its impact on an existing portfolio (e.g., Mason and Milne, 1994). It appears that most approaches of cannibalization consider it as a « negative » phenomenon impacting brands and related product lines. In this regard, Lomax et al. (1997) emphasize that the risk of product cannibalization threatens new product introductions; the risk rises if the new product is launched under the same brand name as the existing one. This statement suggests that new products should be launched under a different brand name and thus participating in a (branded) product proliferation strategy. Under these conditions, one may question the ability of the company to renew its product lines.

In a strategic perspective, we posit that cannibalization should come first at the expense of other products belonging to the same product range and at the expense of other branded products within the category. Here the second effect, also called “competition” (Sridhar Moorthy, 1984, p. 289) would appear more as a positive result that is to say a consequence of successful cannibalization and broadly speaking new product introduction. However, since the work of Chandy and Tellis (1998), there have not been a lot of studies addressing the issue related to the factors of successful proactive cannibalization as part of a market-driven product strategy (Cravens et al., 2000). Instead of focusing on the organizational level, our study considers brand and product marketing variables in regards to the literature on cannibalization and product/line extensions.

METHODOLOGY

To develop new insights into product cannibalization, we compare how the new products cannibalize all the existing products within a specific product line of the same brand in a particular product category. Our unit of analysis is the (branded) product line that comprises several product references. In case N°1, i.e. Garnier Fructis Spray Démêlant, the new product line comprises 2 products (Nutri Repair and Color Resist) that fall under the category of conditioners. In case N°2, i.e. Ushuaïa Bio deodorants, the new product line comprises 4 products (roll-ons) that fall under the category of deodorants. Product categories are defined according to the classification of the market information and measurement company IRI.

In order to explore cannibalization effects, we examine the evolution of sales (in both volume and value; we consider value sales as an indicator for profitability) across 65 weeks, covering pre-launch (N°1 = March 1st 2009; N°2 = January 4th 2009) and post-launch phases (N°1 = May 23rd 2010; N°2 = March 28th 2010). For the data collection, we use retail panel data extracted from the IRI Census Database of the French deodorants and hair care market segments as our primary source. Moreover, as advocated by Yin (2003), we turned to several sources (e.g., participant observation, company and brand websites, product press-books, packaging, observations of store assortments and shelf space).
Finally, we conducted an in-depth interview with the Director of Transversal Market Research of L’Oréal Consumer Products Division France in order to reveal the initial strategic objectives associated to the introduction of these new products.

RESULTS AND DISCUSSION

Garnier FRUCTIS Spray vs. FRUCTIS Classique conditioners

Objectives: 1. Sales of the new product line must add to the brand sales; 2. Boost the market segment and generate growth for two sub-segments.

Results in terms of volume and value sales:
- Peak sales (volume) in April 2010 thanks to a strong promotional support. Likely cannibalization of product references Nutri-Repair and Color Resist within Classique product line.
- Volume gain on Sprays thanks to the reference Nutri-Repair but is nevertheless insufficient to offset the decline in sales of the Classique product line.
- In contrast, substantial gain in value through Sprays offsetting losses on the Classique product line (likely effect of a higher price).

The new product line took a significant share of sales of the existing range without contributing to the growth of the brand in this market segment. This situation highlights the dangers of hyper-segmentation leading to a higher risk of “negative” cannibalization. On one side, new products brought an attractive differentiation criteria that best satisfied a too distinct set of needs of a group of customers besides the existing product, that are some of the most important prerequisites of a niche marketing strategy according to Kotler (2003). However, on the other side, the newly created micro-segment might not be of sufficient size, profit and growth potential (see Toften and Hammervoll, 2009) to compensate the losses and to make the improved line sustainable in the long run. Although Fructis Conditioner Sprays can be considered as frontier products, that is to say, lying at the intersection of two different product categories (i.e. hair care and styling), they do not provide real innovation (e.g. Van Heerde et al., 2010). Then, in satisfying customers’ expressed needs, the new products did not achieve enough differentiation on comparable attributes relative to competitors (see Jaworski et al., 2000). Moreover, they did not enough reflect the expertise of the parent brand Garnier given its positioning that is « the alliance between science and nature », as it is a prerequisite to profitable niche marketing (Kotler, 1991). Despite the fact that the brand has tried to generate a new gesture among female consumers, results illustrate the risks of extending product lines because the new product might dilute the parent brand in the long term (Tauber, 1981).

USHUAÏA Bio vs. USHUAÏA Classique deodorants

Objectives: Sales of the new product line must add to the brand sales.

Results in terms of volume and value sales:
- Regarding volume and value sales, there is probably cannibalization on Classique roll-ons but losses are largely offset by the (main) references to the Bio product line range.
- References from the Bio product line contribute to the growth of the brand Ushuaia.

Introduction of the new product line cannibalized the parent line and opened a new market segment within the same product category. The profitability of the brand/product line is raised by the introduction of an innovative version of the product because it captures revenues from the mature product line. As shown in the literature, the attributes of the new product line are the main drivers of [positive] cannibalization (Wanke et al., 1998). Furthermore, based on the stability in terms of sales
and because leader of the product line, we believe that the presence of a “pivotal” product (i.e. a product with the biggest market share within the product range and relatively stable over time; this definition is close to the one of a “superstar” product; e.g. Weeds, 2012) in the existing product line provides support and legitimacy. This result would add a new condition to the taxonomy of Cravens et al. (2000, 2002).

Finally, this line extension responds to consumers’ expectations of "naturalness". Otherwise, it holds a close proximity or fit with the core (meanings) of the parent brand. This result would add a new condition to the taxonomy of Cravens et al. (2000, 2002) to the extent that, for the new product line, consumers would perceive a high degree of fit between the extension and the brand Garnier. This fit relates to product feature similarity (attributes, usage occasions, etc.) and brand concept consistency, i.e. unique abstract meanings (see Park et al., 1991). When evaluating brand extensions, customers grade high those that have a high degree of fit on both dimensions (Ambler and Styles, 1997).

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

In summary, results of this study provide support to the academic literature saying that marketing teams should consider the following prerequisites in implementing successful (proactive) cannibalization: 1. Capability to reveal latent needs, i.e. effective market sensing capabilities (e.g. Chandy and Tellis, 1998; Cravens et al., 2000, 2002); 2. Existence of “pivotal” products within the existing product line that will support the new product(s); 3. Fit of the product line extension with the core of the parent brand.

Cannibalizing sales of existing products (within the same or across product ranges) is negatively perceived because not well understood. Our results contribute to the debate on whether to cannibalize sales or not under the wider perspective of how to rejuvenate a product portfolio and increase the performance of the parent brand. From a managerial perspective, examining proactive cannibalization results can provide guidance in terms of understanding the constraints and outcomes of new product introduction under fierce market conditions. Because of exploratory, the results of this study can’t be considered conclusive and deserve further research.

References available upon request
PROMOTING NATION'S SOFT POWER: HOW U.S. AND KOREA USE PUBLIC DIPLOMACY IN NATION BRANDING IN SOCIAL MEDIA

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ABSTRACT

Public diplomacy becomes concerned more about maintaining relationship with domestic and foreign audiences than delivering messages (Fitzpatrick, 2007; Hayden, 2009), and its increasing appearance in public relations and branding literature reflects its importance (Manheim, 1994). In public diplomacy, soft power (e.g., tourism, culture) appears to function more critically in relational perspectives, compared to hard power (e.g., politics, economics) (Grunig, Grunig, and Dozier 2002).

This study aims to empirically investigate how nations execute a public diplomacy using soft/hard power. To better understand specific strategies and its impacts on nations, this study adopts Stafford and Canary’s Relationship Maintenance Theory and Anholt’s Nation Branding Index. Also, reflecting the importance of social media as a tool of public diplomacy (Zaharna and Rugh, 2012), social media activities, Facebook in particular, are considered. Specifically, the objectives of this study are to 1) identify differences of public diplomacy efforts between nations with strong (the U.S) and weak (Korea) brands; and 2) investigate the relationships between the brand strength and the power focused in public diplomacy.

The result of content analysis of 883 Facebook messages showed that the U.S. implemented the asymmetrical one-way relationships by delivering hard power while Korea built mutual relationships by focusing on soft power.

References available upon request