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Our mission is to provide educators a facilitative, supportive and stimulating environment that enhances scholarship, teaching and the practice of marketing through acquisition and dissemination of ideas and knowledge.

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LINKS AMONG ORGANIZATIONAL AND PERSONAL RESOURCES AND WORK OUTCOMES: AN EXTENSION TO THE HEALTH CARE SECTOR

Ugur Yavas, East Tennessee State University
Osman M. Karatepe, Eastern Mediterranean University
Emin Babakus, University of Memphis

ABSTRACT

The nature of relationships among organizational and personal resources and nurses’ in-role and extra-role performances are examined. A sample of 124 nurses in the Turkish Republic of Northern Cyprus serves as the study setting. Results reveal that the organizational and personal resources included in the scope of this study cannot explain nurses’ in-role and extra-role performances.

INTRODUCTION

The role of replication as the mainstay of the scientific method is long recognized. Empirical generalizations are central to knowledge development and robustness of original results can only be established through replication and extension research (Hubbard and Vetter, 1996). On the contrary, findings and propositions based on a single study/setting can invite invalid conclusions (Zinkhan et al., 1990) and, once such erroneous conclusions are absorbed into the literature, they can hurt the confidence in the veracity of the discipline’s knowledge base and cause damage to the discipline (Hubbard and Vetter, 1996).

The importance of replication and extension research for services marketing cannot be overemphasized. First, such research is needed to enhance the methodological rigor and theoretical framework of services marketing as a field of study. Second, at a time when markets become increasingly competitive, replication and extension research can facilitate design of services marketing strategies by signaling out which services marketing propositions can be applied across settings and which tenets can be transferred to other contexts. Consequently, replication and extension research can indicate whether strategies used in one setting can be gainfully employed in another setting.

With this in mind, the study reported here is intended to build upon earlier studies conducted among frontline employees in other service settings (e.g., hospitality, banking) and extend it to health care services. Specifically, this study replicates a recent study by Yavas, Karatepe, and Babakus (2011), which examined the nature of relationships among job and personal resources, and psychological and behavioral outcomes by using a sample of frontline hotel employees in the Turkish Republic of Northern Cyprus as a case in point. Their study indicated that organizational resources consisting of training, empowerment and rewards, and personal resources comprised of job resourcefulness and customer orientation were capable of explaining frontline hotel employees’ in-role performance but not their extra-role performance. The two significant predictors of in-role performance in the Yavas, Karatepe, and Babakus (2011) study were empowerment and rewards. In this replication, we use their conceptualization and test it by using data collected from nurses in the Turkish Republic of Northern Cyprus as our study setting.

METHODOLOGY

Data for the study were collected from 124 nurses in the Turkish Republic of Northern Cyprus. All the nurses were employed by public hospitals and were 37 or younger. The sample was comprised of predominantly female nurses (92%). About 42% of the nurses had tenures of one year or less and the rest had been with their hospital two or more years.

The study constructs were operationalized via multi-item scales. Training (6 items) and rewards (5 items) were measured via Bosshoff and Allen (2000). Empowerment was operationalized via 5 items adapted from Hayes (1994). Job resourcefulness (4 items) was measured via Harris et al. (2006) and customer orientation (4 items) via Licata et al. (2003). Responses to all these items were elicited on 5-point scales ranging from 5 = strongly agree to 1 = strongly disagree. In-role performance (3 items) and extra-role...
performance (3 items) were measured via items adapted from Netemeyer and Maxham (2007). Responses to the performance items were obtained on 7-point scales ranging from 1 = never to 7 = always. All the study items were scored in such a way that higher scores consistently indicated higher levels of each construct (e.g., empowerment, job satisfaction, customer orientation, in-role performance). To minimize the possibility of common-method bias, following Podsakoff et al.’s (2003) recommendation, data pertaining to the predictor (e.g., training) and criterion variables (e.g., in-role performance) were collected in two waves where the two waves were separated by a time lag of one month.

RESULTS AND CONCLUSIONS

To examine the nature of relationships among organizational and personal resources, and performance outcomes, regression analysis was employed. Specifically, using training, empowerment, rewards, job resourcefulness and customer orientation as the independent, and the two performance measures (in-role performance, extra-role performance) as the dependent variables, two regression models were run. In each regression model, the variance inflation factor test (Cohen et al., 2003) showed lack of collinearity among the independent variables (i.e., VIFs < 3). Neither of the models proved to be significant. In other words, results indicate that organizational resources consisting of training, empowerment and rewards, and personal resources comprised of job resourcefulness and customer orientation are not capable of explaining nurses’ in-role and extra-role performances. Thus, when these results are compared to the results of the Yavas, Karatepe and Babakus (2011) study undertaken among frontline hotel employees in the same locale, they provide only partial support and suggest that conceptual models developed in a particular service setting cannot be indiscriminantly transferred and generalized to another.

This conclusion itself, however, may be premature until more studies are conducted to examine the universality of the propositions we examined here as well as other services marketing propositions. We recommend testing the viability of our conceptualization in other service sectors which differ, among others, in intensity, frequency and type of customer contact, level of customization and transaction type. Studies along these lines would help develop a contingency framework and show if the hypothesized linkages are universal or change according to service characteristics.

REFERENCES


NEGATIVE ONLINE CONSUMER REVIEW AND ONLINE SHOPPING BEHAVIOR: THE MODERATING EFFECTS OF DISCOUNT SIZE AND PRODUCT TYPE

Chinintorn Nakhata, University of South Florida
Hsiao-Ching Kuo, University of South Florida

ABSTRACT

With the explosive growth of online shopping, online consumer reviews have become an important source of information for online purchase decision-making. Negative online consumer reviews have been reported to have stronger impact on consumers’ decision-making than that of good ones. That is to say, when the outcome is positive, people are less likely to search for alternative situations or scenarios that will undo the positive affective state. Therefore, in this study, we mainly focus on the negative online consumer reviews rather than the positive ones.

With the intense competitions among online firms, it is interesting for them to consider whether they should respond (take action) to negative online consumer reviews or not? If decided to take action, which actions will be the best? Although a number of studies have shown the negative effects of negative online reviews on the consumer’s online shopping behaviors, they have not provided us the insights on how online firms can salvage from these problems. In this study, we attempt to fill this gap. We intend to gain a better understanding on how online firms can reduce the negative effects of negative online consumers review on the consumer’s online shopping behavior based on regret regulation theory and decision justifiability theory. We propose a framework for how discount size can be effectively used as a tool to reduce the negative effect of negative online consumer reviews on consumers’ decision justifiability and subsequently their anticipated regret and online purchase intentions. Product type (utilitarian vs. hedonic) is also included in our framework as the moderator that influences the effect of discount size on consumers’ decision justifiability. Specifically, we suggest that decision justifiability and anticipated regret will mediate the relationship between the effect of negative online reviews and purchase intention. The effect of large discount size will be the greatest in reducing anticipated regret and increasing purchase intention when consumers are making purchasing decisions on utilitarian products comparing to hedonic products due to ease of justification.

The results of this study are expected to generate certain theoretical and managerial contributions. For the theoretical contributions, this study extends online consumer review literature by providing the evidence whether there are differential effects of negative online consumer reviews in utilitarian and hedonic products. Also, it adds evidence to the predictions of the influence of decision justifiability on anticipate regret, and subsequently purchase intention in the online shopping context. Finally, it adds evidence to the sales promotion literature in terms of whether or not, the discount size can influence consumers’ decision-making by increasing consumers’ decision justifiability, reducing their anticipated regret, and enhancing their purchase intention. For managerial contributions, online marketing managers can better understand the roles of negative online consumer reviews on online shoppers’ decision-making. Specifically, if they decide to take actions, they can use the results in this study as the guidelines to develop and implement marketing tactics (e.g. which types of products, and sales promotions) that can effectively enhance online shopping transactions and sales revenues.
GETTING EVEN, GETTING MORE, OR GETTING AWAY AFTER A SERVICE FAILURE?

Carol Azab, Southern Illinois University, Carbondale

ABSTRACT

Cognitive appraisal theory is applied to the customer coping process after a service failure, in order to explain why a customer might choose one reactionary behavior over another. To better explain why customers cope in various ways, the concept of desire for reparation is introduced, adding to previously researched desires for revenge and avoidance.

INTRODUCTION

With the expansion of social media in the twenty-first century, customers have increased opportunities to spread negative and damaging reviews of companies after experiencing a service failure (Funches, Markley, and Davis 2009). Companies that experience such negative word of mouth reviews are apt to lose current and potential customers. That is why much research has been devoted to service failure and recovery. Research has focused on three aspects of service failure:

♦ companies’ reactions toward and attempts to recover from service failure (e.g., Maxham and Netemeyer 2002b; Smith, Bolton, and Wagner 1999; Tax, Brown, and Chandrashekaran 1998)

♦ customer retaliatory behavior (e.g., McCullough et al. 2001)

♦ the magnitude and attribution of service failure as antecedents of reactions to service failure (e.g., Hess, Ganesan, and Klein 2003; Vázquez-Casielles, del Rio-Lanza, and Diaz Martín 2007)

Little is known about what happens to a customer between the time he or she experiences a failure and the company reacts to it (Grégoire, Tripp, and Legoux 2009). Although some studies progressed a step further by exploring the implications of retaliatory behavior on service companies (Bechwati and Morrin 2003; Funches, Markley, and Davis 2009), very few studies explored what customers desire after a service failure (Grégoire and Fisher 2008). For instance, Grégoire, Tripp, and Legoux (2009) incorporated desire for retaliation and desire for avoidance in their research to demonstrate that customers do not all have the same desires. Additional desires need to be explored further.

Although emotional reactions after a service failure cannot be disregarded, the literature does not show a clear distinction between cognitive, emotional, and behavioral aspects of a reaction (Kennedy et al. 2009). This could be because the process from failure to recovery is complex and interrelated. Moreover, little has been done to associate a customer’s emotions with his or her behavioral reactions after a service failure (Schoefer and Diamantopoulos 2008). In particular, more studies are needed to investigate how emotional desires are translated into various reactionary behaviors.

Finally, the studies that investigated customers’ reactions after a service failure have looked at them as options from which customers choose (Hirschman 1970). Nevertheless, what causes one customer to blog about a service failure and another to sue the service provider is still unexplored.

The current study attempts to narrow these research gaps. Accordingly, it has three main objectives:

1. This research uses the cognitive appraisal theory (Lazarus and Folkman 1984) to explain the coping process that follows a customer service failure.

2. This study introduces a desire for reparation, expanding the number of emotional desires that have been explored in the literature.

3. Using the cognitive appraisal theory as a foundation, the author proposes to show how certain desires could be more strongly related to some behavioral responses than others that follow a service failure.

The importance of this study is based on the value of the marketing concept that a company must identify
customers’ needs and desires to achieve customer satisfaction and long-term profit (Levitt 1960). This pertains not only to product development, but also throughout the entire customer decision-making process. Hence, it is important for marketers to understand the desires that precede behavioral reactions to service failure. That understanding will enable marketers to grasp what lies behind customer reaction to service failure, such as vindictive complaining, legal actions, and negative word of mouth. It will also enable marketers to design more effective strategies for recovering from service failure (Tax, Brown, and Chandrashekaran 1998). Efforts to design service recovery strategies without clearly understanding the real wishes of customers could backfire, and companies may end up with double deviation — poor service recovery after a service failure (Bitner, Booms, and Tetreault 1990).

**CONCEPTUAL BACKGROUND — COGNITIVE APPRAISAL THEORY**

Few theories about service failure and retaliatory behavior have been discussed in the literature. First, *justice theory* has been widely applied by many researchers (Aquino, Tripp, and Bies 2006; Schoefer 2008; Blodget, Hill, and Tax 1998; Smith, Bolten, and Wagner 1999). This theory posits that customers compare their inputs to outcomes and examine whether or not the transaction was fair in regard to that balance (Andreassen 2000; Homburg, Fürst, and Koschat 2010; Orsingher, Valentin, and Angelis 2010; Maxham and Netemeyer 2002a). While justice theory shows that the imbalance in perceived input versus outcomes causes different reactionary behaviors, it does not explain the process customers undergo after a service failure.

The *cognitive appraisal theory* (Lazarus and Folkman 1984) has been used less often in the literature about service failure (Bougie, Pieters, and Zeelenberg 2003; Gelbrich 2010; Schoefer and Diamantopoulos 2008), but it provides a good conceptual basis to understand customer desires and reactionary behaviors.

The cognitive appraisal theory posits that when an individual faces environmental stress that is beyond his or her resources, the individual tries to cope. An individual is said to experience a two-stage coping process that results in a behavioral response (Folkman 1982). In the first stage, the person makes a primary evaluation or appraisal. In the second stage, that appraisal generates an emotional response. Such emotional reaction derives ways to cope with the stress.

The theory demonstrates two major coping strategies: emotion-focused coping and problem-focused coping. *Emotion-focused coping* occurs when a person attempts to manage or reduce the emotional distress. *Problem-focused coping* occurs when a person tries to modify the situation behind the stress by engaging in problem solving. Hence, the extent to which a person evaluates the environmental stress determines the emotions generated and behavioral response or coping efforts toward it (Lazarus and Folkman 1984).

**Betrayal as a cognitive appraisal**

A *service failure* is said to occur when a company fails to meet a customer’s expectations (Parasuraman, Zeithamel, and Berry 1985). When a customer appraises such a stressful situation, he or she perceives it as betrayal. Accordingly, *perceived betrayal* is a customer’s belief that a firm has intentionally violated the norms of a relationship (Finkel et al. 2002; Ward and Ostrom 2006). While dissatisfaction is related to disconfirmation between customer expectations and perceived performance, perceived betrayal is associated with the customer’s perception of breach of relationship norms (Grégoire and Fisher 2008). Bougie, Pieters, and Zeelenberg (2003) distinguish *betrayal from anger* and show that betrayal is the cognitive evaluation that leads to anger. Hence, perceived betrayal is a belief that leads to an emotional reaction. Studying this construct using the cognitive appraisal theory shows that perceived betrayal corresponds to the first phase of appraisal, when customers conclude that the company has violated the norms of their relationship (Finkel et al. 2002). This belief generates an emotional response.

**Desires as emotional responses**

The literature shows two streams of research on service failure related to this phase. The first posits that a direct relationship exists between perceived betrayal and behavioral response (e.g., Grégoire and Fisher 2008; Huefner and Hunt 2000). The second incorporates the emotional response as an intervening factor between the established cognition and the behavioral response (e.g., Gelbrich 2010; Grégoire and Fisher 2006; Grégoire, Tripp, and Legoux 2009; Schoefer and Diamantopoulos 2008; Stephens and Gwinner 1998). These studies have included investigating *emotions* such as anger, frustration, vengefulness, and rage (Bougie, Pieters, and Zeelenberg 2003).
Only recently have some researchers considered desires (Grégoire and Fisher 2006; Grégoire, Laufer, and Tripp 2010; Grégoire, Tripp, and Legoux 2009). Still, studies do not show a clear distinction between emotional and behavioral consequences of perceived betrayal. For instance, according to Bechwati and Morrin (2003), vengeance is “the retaliatory feelings that consumers feel toward a firm, such as the desire to exert some harm on the firm, typically following an extremely negative purchase experience” (p. 6). Hence, when these authors study retaliation, they consider it an emotional component. Similarly, McCullough et al. (2003) define vengeance as a customer’s response to a perceived attack, resulting in feelings of hurt and a high motivation to see harm come to it.

In contrast, other researchers view retaliation as purely behavioral. For instance, Acquino, Tripp, and Bies (2006) define revenge as a victim’s effort to inflict damage. McCullough et al. (2001) define revenge as an action in response to some perceived harm or wrongdoing.

Grégoire, Laufer, and Tripp (2010) offer an attempt to resolve this conflict by distinguishing between desire for revenge and revengeful behaviors. Desire for revenge is the customer’s felt need to harm or inconvenience the firm in return for the perceived damages it has caused the customer (Bechwati and Morrin 2003, Grégoire and Fisher 2006). Thus, desires are felt needs.

Felt needs are different from feelings experienced — such as anger and frustration — and retaliatory behaviors, in which emotional needs trigger behavior. This corresponds to the second stage of appraisal that generates a response (Lazarus and Folkman 1984).

This felt need, however, is not restricted to a desire to cause harm. The literature has also recognized a desire for avoidance (Thota and Wright 2006; Lu 1998; Bunker and Ball 2006; Aron, Judson, Aurand, and Gordon 2007). The desire for avoidance is a customer’s felt need to withdraw from any interaction with a firm (Grégoire et al. 2009). So far, the customer is applying emotion-focused coping, minimizing stress by desiring avoidance or desiring revenge and lashing out.

Berscheid, Boye, and Walster (1968) explain that when injustice occurs, a customer will try to restore equity. Equity could be restored by causing harm to the company in return for the wrongdoing it had caused the customer. Requiring the company to compensate or repair the harm would also return the situation to equilibrium. Hence, there is another type of desire that has not been researched adequately, namely a desire for reparation.

Desire for reparation is a problem-focused coping mechanism, as the customer is not regulating his or her emotions by venting or avoiding interaction. Rather, this desire deals with customers trying to modify the problems behind the stress through desiring solutions that would repair the service failures. Hence, desire for reparation is the customer’s felt need for a positive mechanism to restore fairness. Specifically, it refers to a customer’s need for compensation — or any measure that would restore his or her relationship with the service provider (Grégoire and Fisher 2008). It reflects the customer’s insistence that the company compensates him or her for the loss incurred.

Reactionary behaviors

The last part of the cognitive appraisal theory explains coping strategies, which refer to behavioral responses. The literature is rich with behavioral responses that customers take as a result of service betrayal. The most common behavioral response that research has addressed is negative word of mouth. Negative word of mouth is the customer’s efforts to share his or her negative experience with friends and family (Bougie, Pieters, and Zeelenberg 2003).

With the evolution of social networking in the past two decades, customers can share their experiences beyond their friends and family. Now they can tell their stories and experiences to a wide range of unacquainted, geographically dispersed people. Thus, a new concept has evolved: negative electronic word of mouth, which is the customers’ use of electronic media to share negative experience with other people they do not necessarily know.

Some customers take measures against a company in attempting to solve problems. These could range from complaining to the service provider to assigning an independent body to try to restore equilibrium. Third-party complaining is the customer’s effort to contact organizations and legal institutions that have the power to pressure companies to offer resolution (Singh and Wilkes 1996).

Customers could also complain directly to the company. Complaining to the company involves the customer addressing the service provider in attempt to find a workable solution to a service failure.

One recent study made a distinction between customers complaining to a company to address a
problem and customers lashing out at representatives (Nyer 2000). Vindictive complaining occurs when the customer contacts a firm to abuse and inconvenience its employees (Hibbard, Kumar, and Stern 2001).

Finally, some customers simply exit; they leave the company or switch to a competitor. An exit is defined as the customer ending a relationship with the company (Hirschman 1970).

Figure 1 illustrates how each phase of customer coping with service failure corresponds to a different phases of cognitive appraisal theory.

**PROPOSITION DEVELOPMENT**

Based on the above review of the cognitive appraisal theory, we can propose that there is a relationship between perceived betrayal and customers’ desires. The literature reveals that various factors might influence this relationship. Factors include failure attribution (who is responsible for the failure), failure severity, and the past quality of the relationship (Hess, Ganesan, and Klein 2003; Vázquez-Casielles, del Rio-Lanza, and Díaz Martín 2007).

Other customer-related factors, such as the degree of control customers feel they have over the situation and their perfection tendencies, also play a role (Homburg, Hoyer, and Stock 2007; Voorhees, Brady, and Horowitz 2006; Voorhees et al. 2010). Thus, the author proposes that:

**P1:** Customers who perceive that a service organization has betrayed them will desire (a) reparation, (b) revenge, or (c) avoidance — based on the intensity of the service failure, their experience, consumer characteristics, and attribution of failure.

Earlier studies on service failure and dissatisfaction assumed that all customers voice their complaints through negative word of mouth, third-party complaining, and exit (Tax, Brown, and Chandrashekaran 1998).

Based on the cognitive appraisal theory, however, the author proposes that customers can cope with the stress by adopting either emotion-focused or problem-focused coping strategies. In other words, different desires can lead customers to choose one reactionary behavior over another (Gelbrich 2010). Recent empirical evidence provides further support that customers’ varying emotional experiences following a service failure results in adopting different sets of behaviors (Kennedy et al. 2009). For instance, Grégoire and Fisher (2008) find support for desires dictating retaliatory behavior and reparation demands. Hence, customers tend to choose certain behaviors — such as negative word of mouth, repurchase intention, and third-party complaining — based on the emotions experienced (Grégoire, Laufer, and Tripp 2010; Schoefer and Diamantopoulos 2008; Stephens and Gwinner 1998).

The next section discusses behaviors customers are likely to choose, based on their desires. Figure 2 is provided to illustrate the relationships produced and how each desire is likely to be translated to distinct reactionary behaviors.

Figure 1. The Relationship Between Cognitive Appraisal Theory and The Process of Coping with Customer Service Failure.
Perceived betrayal

Figure 2. The Proposed Relationships Between Desires and Reactionary Behaviors.

Emotion-focused coping

Customers who use emotion-focused coping allow emotions to dictate their actions. Studies that incorporated desires view desire for revenge as problem-focused coping and desire for avoidance as emotion-focused coping (Grégoire, Laufer, and Tripp 2010; Zourrig, Chebat, and Toffoli 2009). In this paper, the author argues that desire for revenge is, in fact, an emotion-focused coping process. This is because a felt need to harm a company is a way of managing emotional distress (emotion-focused coping) rather than changing the situation that causes the distress (problem-focused coping).

One possible reason the literature has regarded desire for revenge as problem-focused coping is that retaliatory behavior is confused with fighting back as a solution. For instance, Zourrig, Chebat, and Toffoli (2009) use the metaphor “fight or flight” to distinguish retaliatory behavior and avoidance behaviors. Furthermore, by definition, emotion-focused coping is not necessarily restricted to passive behavior or attempts to minimize or escape emotional stress. Rather, it may involve increasing or expressing emotional stress. The difference between emotion and problem-focused coping lies in what customers choose to focus on — their emotions or the failure that precipitated their emotions.

When considering desire for reparation, this becomes clearer. Because a desire for reparation is a felt need to regain equity or restore a broken relationship, the focus is not on inflicting harm or withdrawing from any interaction. Accordingly, with these desires, a claim can be made that there are differences among customers who say, “I want to make this company pay for what it did,” those who say, “I do not want to have anything to do with this company any longer,” and those who say, “I want this situation fixed, no matter what.”

Desire for avoidance- when customers minimize and repress emotional stress

Customers with avoidance desires adopt indirect behaviors that have minimal interaction with the service provider (Grégoire, Tripp, and Legoux 2009). Desire for avoidance has been related to the concept of holding a grudge (Thota and Wright 2006). Customers who hold a grudge have been characterized as “stealth grudge-holders.” Grudgeholders tend to share their negative experiences with their close friends and family. They have neither the will to exert effort in communicating about a negative event online to people they do not know, nor the willingness to go after the company. Furthermore, they tend to avoid any contact that would necessitate continuing their relationship with the company. Gelbrich (2010) explains that these customers are frustrated, rather than angry, and hence have little hope of solving the problems behind the failure.

P2: Customers with high desire for avoidance are more likely to engage in (a) exit behavior and (b) private negative word of mouth than customers with high desire for retaliation and reparation.

Desire for revenge- When customers maximize and express emotional stress

It has been established that a desire for revenge is positively related to strong emotional vengeful behavior (Acquino et al. 2006) that is likely to lead to a customer venting rage through hate websites and negative word of mouth. Angry customers, in contrast to frustrated customers, have a need for vindictive complaining and vindictive word of mouth (Gelbrich 2010).

Grégoire and Fisher (2008) distinguish between third-party complaining with the intent to resolve a dispute and complaining to create negative publicity to harm the company. Hence, demands for reparation are correlated with problem-solving complaining, whereas desires for revenge are related to vindictive complaining.

In view of the literature, the following is proposed:

P3: Customers with high desire for revenge are more likely to engage in (a) negative electronic word of
mouth and (b) vindictive complaining than customers with high desire for avoidance and reparation.

**Problem-focused coping: desire for reparation**

Although this construct has not been empirically tested, the literature suggests that a desire for reparation is positive (Grégoire and Fisher 2006). Customers who have a great desire for reparation will try to find a solution to their problem.

This reparation corresponds to the problem-focused coping aspect of the cognitive appraisal theory. When customers with great desire for reparation address a company, they tend to complain to the company rather than lash out at employees. Therefore, in contrast to desires for revenge and avoidance, desire for reparation is more positively related to complaining to the company. Furthermore, customers desiring reparation are more likely to take legal action than are customers desiring avoidance. Customers with great desire for reparation are practical and see no use in venting through the Internet or at frontline employees. They want solutions for their problems, so exiting without a restoration is not an option for them. Finally, customers with a desire for reparation have hope for continuing the business relationship if good service recovery is provided.

**P4:** Customers with high desire for reparation are more likely to engage in (a) complaining to the company and (b) third-party actions than customers with high desire for retaliation and avoidance.

**DISCUSSION**

The present research had three main objectives. The first objective was to apply the cognitive appraisal theory to the context of service failure. The second objective was to introduce desire for reparation. To these ends, the supporting literature explaining a three-phase process was provided. The author showed how perceived betrayal corresponds to the first stage — the appraisal stage — of cognitive appraisal theory. Various desires — the felt needs — trigger emotional responses. These desires dictate different coping strategies that could lead the customer to either change his or her emotions toward the stress caused by the service failure or change the situation itself.

When customers exert vindictive behavior or avoid any interaction with the service provider, they are said to be involved in emotion-focused coping. When they try to repair the situation, they are adopting a problem-focused coping strategy. Based on this theory, different relationships were proposed.

Finally, the third objective was to examine whether different desires could lead to different behaviors. The author provided a detailed explanation, based on the cognitive appraisal theory, of why customers might chose one reactionary behavior over another. This has implications for marketers and for researchers.

For marketers, knowing which customer desires are strongly related to response behaviors should help them predict, and hence minimize, negative responses. In turn, this should help marketers design more effective strategies for recovering from service failures. For instance, customers who desire revenge are personally hurt and want to achieve equity by hurting the company that caused them harm. In this instance, recoveries without personal contact or proper apology would only make customers angrier and confirm their perceptions that companies are greedy (Grégoire, Laufer, and Tripp 2010).

For customers who desire reparation and complain to the company, just a sincere apology would not be effective. These customers are oriented to solving problems and expect practical measures to be taken.

For customers who desire avoidance and want to be left alone, persistent contact by company representatives, rather than a way of recovery that involves no direct interaction with employees, could backfire.

Marketers can prioritize their recovery efforts based on the likely consequences of customer reactionary behavior. For instance, customers who are likely to exit are not as harmful as customers who are likely to be vindictive. Therefore a marketer may choose to concentrate more efforts on the latter.

This paper applies a theory toward a better understanding of service failure processes and gives attention to many possible avenues for future research. First, researchers could explore the pre-cognitive appraisal stage, in order to explore what kind of service failures lead to different desires. Researchers could investigate how moderators such as failure severity, magnitude, quality of past experience, and customer relationship influence the various customer desires (Hess, Ganesan, and Klein 2003). The post-copying strategy failures could be researched to determine which type of recovery best suits each desire.
REFERENCES


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THE EFFECTS OF GENERATIONAL COHORT MEMBERSHIP ON EXPECTATIONS AND LEVEL OF IMPORTANCE OF SERVICE QUALITY DIMENSIONS IN PROTESTANT CHURCHES: THE USE OF SERVQUAL IN A NOT-FOR-PROFIT ORGANIZATION

Roy Philip, Trevecca Nazarene University

ABSTRACT

The purpose of this study is to investigate whether or not generational cohort membership influences expectations and levels of importance associated with service quality dimensions of Protestant churches. Responses from 742 church attendees from three generational cohort groups were analyzed. The results show statistically significant differences between the three generational cohorts.

INTRODUCTION

The Protestant Church is a not-for-profit service organization that provides spiritual support to its members. Whether the church consciously acknowledges it or not, one of its objectives is to “satisfy its members or participants” (The Alban Institute, 2006). Correspondingly, it can be argued that ultimately, satisfying church members is a function of “church growth” (Wilson-Smith, 1999) and sustainability as consumers (church members/attendees) are savvier than ever before, demanding personal attention and services that suit their lifestyles (The Economist, 2005).

To better understand this dilemma, it is important to recognize key marketing concepts that are imminent in this dilemma. One of the core concepts of marketing is “consumer satisfaction.” Customers are satisfied if products meet or exceed their needs and expectations. But all customers do not have the same needs and expectations, which is the basic premise of market segmentation, another core concept of marketing (Hawkins, Best, and Coney, 2001; Peter and Olson, 2002). In the application of market segmentation, the use of demographic profiles has become a popular form of segmenting (Kotler and Armstrong, 1991) and identifying markets (Grewal and Levy, 2008). Age, sex, and household income are specific examples of demographic variables that have been shown to be predictors of attitudes and behavior (Von Freymann, 2006). Moreover, “generational cohorts” has been utilized as a common approach for segmenting markets based upon age (Strauss and Howe, 1991; Howe and Strauss, 2000; Arnould, Price, and Zinkham, 2004). It is a highly successful approach and is being used by especially incisive marketers around the world.

Members of Protestant churches represent various generational cohorts, and it is anticipated that generational cohort membership will influence expectations and the level of importance placed upon the service quality dimensions of a church.

DEFINITION OF KEY TERMS

Market Segmentation

Market segmentation can be defined as division of markets into smaller, homogenous groups (Boone and Kurtz, 2008), with each group displaying its own distinct consumer behavior.

Generational Cohorts

According to Hawkins et al. (2001, p. 172), “Generational Cohorts” are “groups of persons who have experienced a common social, political, historical, and economic environment.”
Service Quality

Service quality is defined as customers’ perceptions of how well a service meets or exceeds their expectations (Pride and Ferrell, 2006). Parasuraman, Zeithaml, and Berry (1988, p. 16) define ‘perceived service quality’ as a “global judgment, or attitude, relating to the superiority of services.”

SERVQUAL

The most popular instrument for measuring service quality is SERVQUAL (Parasuraman et al., 1988). The instrument has five dimensions of service quality: Tangibles, Reliability, Responsiveness, Assurance, and Empathy.

The Protestant Church

Kotler and Levy (1969) were the first to encourage extending the marketing concept beyond the profit sector to the non-profit sector to include the Christian church. The Protestant Church encompasses the forms of Christian faith and practices that originated with the doctrines of the Reformation.

EMPIRICAL RESEARCH

Majority of the studies on service quality measurement have used the instrument SERVQUAL (Brooks, Lings, and Brotschen, 1999; Lings and Brooks, 1998; Edvardsson, Larsson, and Setterlind, 1997). In the Protestant church, however, a study of expectations and level of importance of service quality dimensions and its influence by generational cohort membership has so far not been done.

Research by Santos and Mathews (2001) in the area of church service quality concludes that the three most important service quality dimensions for church members were responsiveness, credibility, and commitment. However, their research was geared more toward asking church members what factors they felt were important in their assessments of service quality, and not actually measuring their expectations or the level of importance of the five dimensions of service quality found in SERVQUAL.

A study done by Johnson, Hoge, and Luidens (1993) correlating Baby Boomers and church decline found that Baby Boomers drop out of church around the age of twenty-one. But the emphasis of the article was more on finding reasons for the decline of mainline churches in America, and not discussing the influence of “generational cohort” on expectations and level of importance of the five dimensions of service quality found in SERVQUAL.

RESEARCH METHODOLOGY

The sample respondents for this study were church attendees/members of fourteen distinct Protestant denominations in the greater Nashville area. A judgment sampling approach was used for this research. This approach was undertaken due to the inability to adequately generate a random sample and that judgment sampling is preferred over convenience sampling.

Primary data was collected using the survey instrument, SERVQUAL, which was slightly modified in its wording for this research, as it had not been used with the Protestant Church. Much of the instrument remained the same and modifications were done in the form of replacing four words: “organization” was replaced by “church,” “employees” was replaced by “pastor and staff,” “customers” was replaced by “church attendees,” and “service” was replaced by “activities.” This was done so as to make the instrument applicable to a Protestant church. Replacing “service” with “activities” was done because respondents could confuse “service” – as in various services provided by the church such as, child care, adult Bible studies etc. - with “worship service.”

Two pilot studies were undertaken prior to full implementation of the instrument. The purpose of the pilot study was to ensure reliability of the instrument.

RESULTS OF THE STUDY

Response Rate

A total of 44 churches were asked to participate in this study. These 44 churches represent 14 distinct Protestant denominations. Ultimately a total of 22 congregations agreed to participate in the study. These 22 participating congregations represent 11 different denomination groupings. In regards to the congregations that chose not to participate, a variety of reasons were cited: too many surveys already done in the past (Baptists and Lutherans), do not believe in surveys (Seventh-Day Adventists, Lutherans, Assemblies of God, Presbyterian, Methodists, and Church of Christ), already have a survey department at denomination headquarters (Mormons), and simply not interested at this time (Jehovah’s Witnesses and Non-Denominational Churches). The three generational cohort groups represented in this study are: Baby Boomers, Generation X, and Millennials.
Table 1 provides a cross-tab view of the number of participants based upon generational cohort grouping:

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Boomers</td>
<td>204</td>
<td>27%</td>
</tr>
<tr>
<td>Generation X</td>
<td>256</td>
<td>35%</td>
</tr>
<tr>
<td>Millennials</td>
<td>282</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>742</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Test of Reliability**

To test for reliability, the Cronbach Alpha test was the initial tool used (Cronbach, 1951). As a rule of thumb for studies in the area of social sciences, a variable measure can be considered reliable if the Cronbach Alpha score is above .70 (Nunnally, 1978); but an Alpha score of .60 may be considered acceptable in exploratory research (Santos, 1999). Table 2 outlines the Cronbach Alpha scores for the ten dimensions examined in this research.

**Test of Normality**

Three tests of data normality were conducted for each dependent variable: Histogram, Normality Probability Plot (Q-Q plot), and Kolmogorov-Smirnov (K-S). The intent of these three tests was to determine if the measurement data was normally distributed.

In using all three of the above tools, the data was found to be non-normal. Since the variable data distribution is non-normal, it has violated at least one assumption of ANOVA and as a result, a parametric test such as ANOVA cannot be used. At this point, researchers have two options: either transform the data or use non-parametric tests. Attempts at data transformation were conducted using three methods of transformation: Lognormal, Inverse, and Square Root. All three of these methods were not able to normalize the distribution of data for the dependent variables. Therefore, the use of non-parametric tests was the option taken for the analyses of hypotheses.

**Analysis of Research Question and Hypotheses**

Using the Kruskal-Wallis test, statistically significant differences were found between all the three generational cohort groups in their ‘expectations’ of and ‘level of importance’ of service quality dimensions in the Protestant church.

Table 3 on the next page shows the tested hypotheses.
Table 3. Analyses of Tested Hypotheses

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Sig.</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1o: There is no statistically significant difference between generational cohort groups regarding expectations in the tangible dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H2o: There is no statistically significant difference between generational cohort groups regarding expectations in the reliability dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H3o: There is no statistically significant difference between generational cohort groups regarding expectations in the responsiveness dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H4o: There is no statistically significant difference between generational cohort groups regarding expectations in the assurance dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H5o: There is no statistically significant difference between generational cohort groups regarding expectations in the empathy dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H6o: There is no statistically significant difference between generational cohort groups regarding level of importance in the tangible dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H7o: There is no statistically significant difference between generational cohort groups regarding level of importance in the reliability dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H8o: There is no statistically significant difference between generational cohort groups regarding level of importance in the responsiveness dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H9o: There is no statistically significant difference between generational cohort groups regarding level of importance in the assurance dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
<tr>
<td>H10o: There is no statistically significant difference between generational cohort groups regarding level of importance in the empathy dimension of service quality in Protestant Churches.</td>
<td>.000</td>
<td>Reject</td>
</tr>
</tbody>
</table>

RESEARCH IMPLICATIONS

The Protestant Church

For the practitioner (the Protestant Church), understanding generational cohort analysis helps in developing and repositioning products and services to be more in line with a given cohort’s desires. By identifying a generation’s collective hot buttons, mores, values, and memories, advertisers can hone messages and create persuasive icons to better attract that generation (Perkins, 1993). For example, reflecting a particular generational cohort’s (Generation X) values in the copy of an advertisement immediately tells the cohort members that their inner feelings are understood.

Academicians

From the academician’s perspective, this study on the effects generational cohort membership have on service quality dimensions is important as literature in the area of service quality shows that service quality dimensions are influenced by “external”
variables. “Generational Cohort” membership falls under that category of “external” variables (Kim, Montgomery, and Rossi, 1995). Therefore, academicians must pay close attention to the influence of generational cohort membership on expectations and level of importance of service quality dimensions. By paying close attention to the influence of generational cohort membership on expectation and level of importance of service quality dimensions, academicians can to some extent predict consumer behaviors of different generational cohort groups.

**Researchers**

For the researcher, it is important to realize that in the process of testing for the overall differences between generational cohorts (in relation to their expectations and level of importance of service quality dimensions), an even more specific understanding of how each generational cohort perceives and ranks the five service quality dimensions can also be analyzed and understood.

For example, Baby Boomers have been described as “cynical [and] pessimistic” (Assael, 2004) and therefore may rank the “reliability” or “assurance” dimension of service quality as high while ranking the “tangibles” dimension as low. Similarly, the Generation X cohort who are presumed to use a no-nonsense and realistic approach to purchasing decisions (Brandweek, 2000), may rank the “tangibles” dimension of service quality as high and the “reliability” dimension as low. Also, Brooks (2001, p. 43) calls the Millennials generation as “the most honed and supervised generation in human history” and may rank the “assurance” as most important to them. All this is important to the researcher as what is important to each generational cohort group defines their choices and service quality assessments (Von Freymann, 2006).

**STUDY LIMITATIONS**

The biggest limitation was apathy, indifference, and animosity toward surveys done in churches. Out of the 44 churches surveyed, almost half of them did not participate in the survey due to the reasons mentioned above.

Secondly, in the area of market segmentation theory, the definition of the term “generation” is debatable. According to Markert (2004, p. 20) a generation “[is] a group of individuals born and living at the same time who, by virtue of their birth placement, share some common cultural or social characteristics.” That means a generation roughly begins when a child is born and ends with the “coming of age” of that child. But scholars differ on what age can be defined as that of “coming of age.”

The criticism of SERVQUAL is the third limitation. The instrument has extensively been criticized on theoretical and operational grounds (Buttle, 1996).

Fourth, there were both internal and external validity limitations. Since the data was not normalized and ANOVA was not used, the ability to compare results of this study with results from other domains (internal validity) was not possible.

**FUTURE RESEARCH**

Other areas of future research include considering external variables such as the “maturity” level of the church attendees (number of years one has been a Christian), the number of years a church attendee has been attending the particular church. Also a longitudinal study can be conducted if differences in “expectations” and “level of importance” of service quality dimensions in Protestant churches changes as church attendees age. For example, will today’s Millennials, who have ranked “assurance” as their highest expectation of service quality, change their expectations in 15 years? The same can be asked of members of the Generation X cohort.

**REFERENCES**


FORGETTING BRAND PLACEMENTS – RESULTS FROM A PANEL ANALYSIS

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ABSTRACT

When it comes to product placements, very little is known as to the wear-out phenomenon and its mechanisms. Since commercial movies represent a significant medium for product placements, a study was designed to assess audience memory for product placements in movies. The study focused on three broad research questions – (i) When does forgetting of placements occur? (ii) What is the role of time in explaining the forgetting of placements in movies? (iii) What other placement characteristics increase or decrease forgetting of placements?

Student participants were recruited in a longitudinal experimental panel for this purpose. This panel was exposed to a full length movie (Rain Man) and memory (recognition) for 28 brands in the movie was tracked at weekly intervals for a period of four weeks resulting in five observations. Panel recruits were compensated by cash incentives and extra credit. A total of 48 students from the original panel of 61 provided usable responses.

Three sets of variables were collected during the study – (i) recognition frequency which was the dependent variable (ii) demographic information of the study participants (iii) various placement characteristics for the brands used as stimulus in the study. Given the qualitative and longitudinal nature of the data, a logit response model was estimated using Generalized Estimating Equations (GEE) which would allow us to control for autoregression in the dependent variable. Two models were estimated (i) using audience characteristics and time (ii) using placement characteristics and time – as independent variables.

Results from both models indicate that recognition of placements in the movie falls significantly two weeks after exposure to the movie. Of all the audience characteristics, only attitude toward product placements had a significant positive impact on memory. Given that most audience have favorable disposition toward product placements, it appears that time has a significant role in explaining the memory for placements. Additionally, audio placements and placements with longer exposure time had a positive impact on memory. Variables like plot connectivity, character association, presence of competing brands, and presence of other brands in the same scene/frame – variables that have been found to have significant impact in cross-sectional studies did not have any impact when observed across time.

Thus, our study suggests that unlike interference and cue-dependent theory – theories commonly used to explain memory for advertisements; memory decay theory might be a more suitable theory to explain memory for placements.

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IMPACT OF CONGRUENCE OF CELEBRITY ENDORSER PERSONALITY AND BRAND PERSONALITY ON CONSUMERS’ ATTITUDES AND INTENTIONS

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ABSTRACT

In order to create a differentiated personality for a brand in a crowded product category, it may be necessary to select a celebrity whose personality matches the brand’s personality. This research is focused on the impact of the congruence of the personalities of brand and celebrity on consumers’ perceptions of the endorser’s credibility and suitability of the celebrity as the endorser, as well as on consumer attitudes.

INTRODUCTION

For an effective marketing campaign, it is imperative for firms to design marketing communication strategies in such a manner that they will support other marketing mix elements such as product design, branding, packaging and distribution channels decisions. To achieve this objective, celebrity endorsement has been a widely-used marketing communication strategy. Advertisements featuring celebrity endorsers enjoy high popularity among consumers as well as among brand managers (Amos et al., 2008). Every year, companies shed a large amount of money to hire celebrities to endorse their products and brands (Lee and Thorson, 2008).

The use of celebrities in marketing communication is not a recent phenomenon, having started in the late nineteenth century (Sherman, 1985). Since then, the use of celebrities in advertisements has seen a very steep increment. In the 1970s, celebrity endorsers were being used in one-sixth of all US advertisements (Howard, 1979) and during the 1980s, it reached one-fifth of all US advertisements (Motavalli, 1988). Shimp (2010) estimated that advertisements using celebrities accounted for about one-sixth of ads globally. This communication strategy has benefitted the firms in several ways.

Researchers have found that it has helped in positively changing consumers’ attitude towards brands; increasing the believability and credibility of ads; influencing the purchase intentions of consumers (Kamins, 1990; Kamins et al., 1994; Amos et al., 2008); and increasing brand recall and recognition (Misra and Beatty, 1990).

Researchers in the area of celebrity endorsements have tried to propose models for the selection of effective celebrities selection and their use in advertisements. Studies have found higher levels of effectiveness when the celebrity as source is credible; when there is congruence between the celebrity and the product being endorsed; and when there is an effective image transfer from the celebrity to the product. But, because of globalization, markets are now crowded with a number of brands in the same product category. Therefore, in this ‘me-too’ kind of market, brand differentiation has become an unavoidable strategy for combating competition, and a good way to establish differentiation of a brand is through the creation of distinctive brand personality. Attaching distinctive personality characteristics to brands contributes to a differentiating brand identity and can make brands more desirable to consumers (Aaker, 1997). In addition, consumer response to an endorsed brand might be impacted if the brand personality fits the personality of the celebrity endorsing the brand.

The aim of this research, therefore, is to focus attention on the effect of celebrity personality and brand personality congruence on consumer response to celebrity endorsement; in particular, credibility of the celebrity endorser and his/her suitability for a brand endorsement are of interest. We will also study the subsequent impact of credibility and suitability on consumers’ attitudes and intentions. The specific aim is to determine the extent to which congruence between a brand’s and a celebrity’s personality ultimately impacts consumers’ attitudes and intentions. The argument guiding this research is that celebrity personality-brand personality congruence enhances the effectiveness of ads that feature celebrities and has a greater impact on consumers’ attitudes and intentions than would ads that feature celebrities in which there is no perceived congruence between the celebrity personality and the brand personality.
LITERATURE REVIEW

The celebrity endorser is defined as “any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement” (McCracken, 1989, p. 310). This definition itself implicates the importance of the effective image transfer of the meaning or attributes from the celebrities to the goods. Studies in this area have tried to derive a path for selection of the appropriate celebrity and the means of the effective transfer of the desired attributes from the celebrity to the goods and from goods to the consumers. Researchers such as Hovland et al. (1951), McGuire (1985), Kamins (1989, 1990), and McCracken (1989) have proposed models for the selection and proper use of the celebrity. There are three important models, which are briefly discussed below.

The oldest models in this area are the ‘source models’. The source models have two parts- ‘source credibility model’ and ‘source attractiveness model’. These two models come from the social influence theory/source effect theory, which argues that the desired attributes from the celebrity to the goods and from goods to the consumers. Researchers such as Hovland et al. (1951), McGuire (1985), Kamins (1989, 1990), and McCracken (1989) have proposed models for the selection and proper use of the celebrity. There are three important models, which are briefly discussed below.

The third in the set of models is McCracken's meaning transfer model (1989). It incorporates all the cultural connotations of celebrity and explains the source credibility research. In the celebrity endorsement literature, the attractiveness trait has been found to play a very important role. Many authors such as Kamins (1990), Kamins et al. (1994), Till et al. (1998, 2000), and Liu, Huang and Minghua (2007) have manipulated celebrity attractiveness in their studies. It was also found that a celebrity spokesperson's physical attractiveness has a positive impact on brand recall and attitude towards the brand (Kahle and Homer, 1985). Positive influence of endorser’s physical attractiveness on the target consumers’ attitude towards advertising takes place due to the phenomenon of identification, which is assumed to occur when information from an attractive source is accepted as a result of desire to identify or align with such endorsers (Erdogan et.al. 2001). The components of attractiveness according to the literature are similarity, familiarity, and likeability of an endorser (McGuire, 1985). Although it is widely accepted that the physical attractiveness of a celebrity endorser may have a positive effect on attitude toward the ad (Kamins, 1990), there are some findings that cast doubts on its positive impact on purchase intentions (Ohanion, 1991; Till and Busler, 1998).

Though the source model seems valid, it has been criticized on several bases (Erdogan, 1999). This model explains source effects on the bases of expertise, trustworthiness, and physical attractiveness only. It does not take into account the other characteristics of the source such as the role of match or mismatch of the celebrity personality with the product’s/brand’s personality and the role of endorser as the message medium (McCracken, 1989). Given these limitations of the model, it is necessary to place some focus on congruence between brand personality and celebrity personality.

The term congruence has been used in several research domains such as brand extension, co-branding, sponsoring, and celebrity endorsement. In all these cases, the objective is to assess the fit between a brand and another entity: a new product category, another brand, an event, or an individual (Fleck and Quester, 2007). In the area of celebrity endorsements, congruence was first defined by Misra and Beatty (1990). They defined the celebrity-brand congruence as the condition in which “the highly relevant characteristics of the spokesperson are consistent with the highly relevant attributes of the brand” (p. 161). The emphasis of the product match-up hypothesis has been on the proper match between a celebrity and a product based on celebrity physical attractiveness (Kamins and Gupta, 1994). But studies by Ohanian (1991) and Till and Busler (1998, 2000) dealt with expertise and opined that special attention should be given to hire celebrities who are perceived to be experts by the target consumers.

The third in the set of models is McCracken's meaning transfer model (1989). It incorporates all the cultural connotations of celebrity and explains the
endorsement process from a more comprehensive perspective. According to McCracken (1989), celebrity endorsements are specific examples of a more general process of meaning transfer. In this process, there is a conventional path for the movement of cultural meaning from the culturally-constituted world to consumer societies. This process involves three stages - the creation of celebrity image, transfer of meaning from celebrity to product, and finally transfers of meaning from product to consumers (McCracken, 1989). The meaning transfer model describes the way in which celebrities transfer an extensive set of associations to the brands they endorse. Therefore, before firms or agencies select celebrities to represent their brands, they need to ensure that the person conveys the right meaning. It is precisely this congruence between spokesperson personality and brand personality, we argue, that facilitates meaning and affect transfer from one to the other (Misra and Beatty, 1990; Kamins and Gupta, 1994, Lynch and Schuler, 1994).

Overall, the celebrity endorsement literature has discussed the role of source characteristics (such as trustworthiness, expertise, familiarity, likeability, and attractiveness) and the effect of celebrity-product congruence (on the bases of expertise, attractiveness and schema theory) on advertising effectiveness (in terms of consumers’ attitude and behavior - brand recall, brand recognition, attitude towards brands and advertisements, purchase intention and actual purchase behavior). Authors have also used several theories such as the Elaboration Likelihood Model (Petty, Cacioppo and Schumann, 1983), associative learning (Till and Shimp, 1998), social adaptation theory (Kahle and Homer, 1985), schema theory (Lynch and Schuler, 1994), and attribution theory (Mowen and Brown 1981) in studying the effectiveness of the celebrity endorsement.

Brand personality is a comparatively new concept. It may be the reason that the celebrity endorsement literature does not discuss this as a construct related to the effectiveness of celebrity endorsements. It is defined as “the set of human characteristics associated with the brand” (Aaker, 1997). Researchers have tried to measure this construct on the bases of different scales, but these scales were neither valid nor generalizable (Aaker, 1997). Aaker (1997) proposed a scale based on the ‘Big Five’ scale that is used to measure human personality. It was claimed to be valid and generalizable, compared to earlier scales. But after doing studies about brand personality in Japan and Spain, Aaker et al. (2001) found that this scale may need some modification depending upon the culture. They found, for example, culture-specific dimensions of ‘peacefulness’ in Japan and ‘passion’ in Spain. But still Aaker’s scale (1997) was the most used scale to measure brand personality. Researchers such as Arora and Stoner (2009); and Ang, Dubelaar and Kamakura (2006) have also used it for their studies.

Except for the Ang et al.’s (2006) study regarding the changing of brand personality of watches because of celebrity endorsement, no one has studied celebrity endorsement from the perspective of congruence between celebrity personality and brand personality and the role that might play in impacting consumers’ attitudes and intentions. The Ang et al. (2006) study showed the influence of a celebrity on the brand’s personality. However, the celebrity endorsement and brand personality literature are silent on two important questions: (1) What is the effect of the perceived congruence/incongruence of celebrity personality-brand personality on endorser credibility and suitability of endorser to endorse the brand? (2) What is the effect of the resulting impact of this credibility and suitability on consumer attitudes and intentions? These two aspects will be the focus of this study.

**PROPOSITIONS**

Various studies (DeSarbo and Harshman 1985; Kamins 1990; Misra and Beatty 1990; Kamins et al. 1994; Lynch and Schuler 1994; Till and Busler 1998, 2000; Liu, Huang and Minghua 2007; and Lee and Thorson 2008) have discussed celebrity-product congruence and its impact on different consumer attitudes. We argue that absent from this discussion is the variable of personality and its impact on attitudes and intentions. The aim of this research, then, is to extend the discussion on celebrity endorsement by looking at the extent to which brand personality-celebrity personality congruence impacts consumer attitudes and intentions. In particular, the aim is to assess how personality congruence of celebrity and brand affects the celebrity’s credibility as a source of information and his/her suitability as an endorser, and how these factors subsequently believability of an endorsement, attitude toward the ad, attitude toward the brand, and purchase intentions.

Assessing an endorser’s suitability is also a very important step to ensure advertising effectiveness. Endorser suitability in this study relates to the extent to which consumers are likely to think of the celebrity as being an acceptable choice for the endorsement. According to Bekk and Sporrle (2010): “It is not only important to predict consumers’ general positive attitudes towards an endorser, but also to predict whether or not a celebrity is perceived as being specifically suitable as a marketing campaign endorser” (p. 57).

Prior research in the area of congruence between stimuli has shown that highly congruent stimuli have a greater positive impact on those perceiving them, as compared to lowly congruent stimuli (Kamins 1990; Ohanion 1991; Ang et al. 2006; Kamins et al. 1994; Misra and Beatty 1990; Lynch and Schuler 1994; and Lee and Thorson 2008). As indicated earlier, the term congruence has been used in several
research domains such as brand extension, co-branding, sponsoring, and celebrity endorsement. In all these cases, the objective is to assess the fit between a brand and another entity: a new product category, another brand, an event, or an individual (Fleck and Quester, 2007). In the case of celebrity endorsements, refer to the definition of congruence by Misra and Beatty (1990) that was presented earlier in this paper. Many terms have been used in the celebrity endorsement literature in reference to congruence: fit, link, and match-up, and so on. The idea behind all these terminologies is the same. The idea according to Till and Busler (2000) is that “the match-up hypothesis or congruence suggests that the endorsers are more effective when there is a fit between the endorser and the endorsed product” (p. 1).

Literature on congruence in the celebrity endorsement domain can be classified in three parts based on the stimuli of match-up. These are (1) attractiveness-based: it has been found that the attractive endorsers are more effective in case of endorsing products that are used to enhance attractiveness; (2) expertise-based: it has been found that the celebrities are more effective when endorsing products that are related to their professions because those celebrities are perceived as experts by consumers. For instance, the match-up hypothesis suggests that sportspersons should be used to endorse sports-related products; and (3) image-based: when there is a match-up between highly accessible celebrity associations with highly accessible brand associations.

Kahle and Homer (1985) in their study manipulated attractiveness and likeability of celebrities with a product that could be used to enhance attractiveness, i.e., a razor. The results showed that when there was a good match between the celebrities and the product, brand recall, arguments recall, attitude toward the product, and purchase intentions were higher. In another study, Kamins (1990) showed that for an attractiveness-related product, an attractive celebrity had significant effects on spokesperson credibility and attitude toward the advertisements, but he did not find any effect on the same measures for an attractiveness-unrelated product. Till and Busler (2000) examined two match-up dimensions: attractiveness and expertise in two experiments. They manipulated physical attractiveness/expertise and product types. They found a main effect of attractiveness on brand attitudes and purchase intentions, but they did not find a significant interaction effect on the same measures. In the second experiment, they found a significant effect of the match-up between the celebrity and the product type on attitude toward the brand but not on purchase intentions. In other words, they did not find a match-up effect for attractiveness but they found a match-up effect for expertise for brand attitudes. Misra and Beatty (1990) observed higher recall and affect for both immediate and delayed conditions when the celebrity spokesperson and brand were congruent. Similarly, Kamins et al. (1994) found that the congruent pair of celebrity spokesperson/product positively affects spokesperson believability and attractiveness. They did not find the same effects in the case of non-celebrity endorsers. Some studies have reported that consumers too expect congruence between the celebrity endorsers and the product types (Erdogan, 1999). Studies by Ohanian (1991) and Till and Busler (1998) suggested that the importance should be give to hire those celebrities, who are having perceived connection and expertise with the products.

Based on the findings from the studies in congruence, the following propositions are made regarding congruence between celebrity personality and brand personality:

**P1:** High (low) perceived congruence of celebrity endorser personality and brand personality has a positive (negative) and significant effect on celebrity endorser suitability.

**P2:** High (low) perceived congruence of celebrity endorser personality and brand personality has a positive (negative) and significant effect on celebrity endorser credibility.

Researchers such as Bendall et al. (2000), Bekk and Sporre (2010), and Banyte et al. (2011) have found that the elements of endorser credibility (for example, expertise, attractiveness, likeability, and trustworthiness) have significant effects on a celebrity’s overall suitability for an endorsement. They have also found a significant impact of endorser suitability on consumer attitudes. Therefore, we argue that the endorser credibility has a significant impact on endorser suitability and subsequently, endorser suitability has a significant effect on the believability of advertisements. Hence, our third and fourth propositions are made.

**P3:** Under conditions of high (low) perceived brand personality-celebrity personality congruence, endorser credibility has a positive (negative) and significant impact on celebrity endorser suitability.

**P4:** Under conditions of high (low) perceived brand personality-celebrity personality congruence, endorser suitability has a positive (negative) and significant impact on ad believability.

According to the findings of Atkin and Block (1983), Ohanian (1991), Goldsmith et al. (2000) and Pompidou (2003), credibility of a celebrity endorser does have an effect on the believability of advertisements and on consumers’ attitudes. Therefore, our fifth to eighth propositions are related
to the impact of the endorser’s credibility on ad believability and on different consumer attitudes.

P5: Under conditions of high (low) perceived brand personality-celebrity personality congruence, endorser credibility has a positive (negative) and significant impact on ad believability.

P6: Under conditions of high (low) perceived brand personality-celebrity personality congruence, ad believability has a positive (negative) and significant impact on the attitudes toward the ad.

P7: Under conditions of high (low) perceived brand personality-celebrity personality congruence, ad believability has a positive (negative) and significant impact on the attitudes toward the brand.

P8: Under conditions of high (low) perceived brand personality-celebrity personality congruence, ad believability has a positive (negative) and significant impact on purchase intentions.

Prior research has shown that more favorable attitudes toward an ad lead to more favorable attitudes toward a brand and higher purchase intentions (Goldsmith et al. 2000; Silvera and Austad 2004; and Fleck et al. 2009). Consequently, we argue that these attitudes towards brands and advertisements should also impact the purchase intention of consumers. Therefore, the following propositions result.

P9: Under conditions of high (low) perceived brand personality-celebrity personality congruence, attitude toward the ad has a positive (negative) and significant impact on attitude toward the brand.

P10: Under conditions of high (low) perceived brand personality-celebrity personality congruence, attitude toward the brand has a positive (negative) and significant impact on purchase intentions.

P11: Under conditions of high (low) perceived brand personality-celebrity personality congruence, attitude toward the ad has a positive (negative) and significant impact on purchase intentions.

Figures 1 and 2 capture these predictions.

**CONCLUSIONS**

The ultimate aim of this research is to determine the extent to which brand and celebrity personality play a joint role in impact how consumers view celebrity endorsements. Results of the study should prove useful to brand managers who have the task of selecting celebrities to be paired with their brands. It may also be useful to such parties as agents of celebrities who may want to negotiate more beneficial contracts for their clients based on superior match between the client’s personality and the brand personality. In addition, the research also advances academic work in the area of celebrity endorsements and extends our knowledge on factors that impact consumers’ response to celebrity endorsements.
REFERENCES


THE MARKETING OF INDIGENOUS CULTURAL TOURISM SITES: PERFORMANCE, EXPECTATIONS AND SATISFACTION

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ABSTRACT

Over the last decade or so many indigenous tourism destinations have tended to focus their marketing on the international markets. In Australia, in addition to the many high profile sites there are a number of smaller sites which present indigenous culture and heritage for tourists. This study examines the market awareness of and satisfaction with the offerings at the Brambuk Cultural Centre located at the Grampians. The Grampians is a premier tourism destination for international and domestic tourists. The study included a satisfaction survey of those who visited the cultural centre. The study found that the centre is perceived as not well promoted and in need of repositioning as a tourist destination. Visitors were often surprised at the historical and heritage value of the site and its educational potential. This paper suggests that the difference between the expected time and actual time spent on the visit should be an indicator for managers on the packaging of offerings. The paper reports on the degree to which satisfaction was indicated, and suggests that greater attention be placed on the dissatisfaction expressed as signals about offerings that may need improvement.

BACKGROUND

Much of the indigenous tourism venues and destinations fall under the banner of “cultural tourism” because they involve Aboriginal art, craft and cultural displays. Indigenous cultural tourists also include those who visit indigenous performances, Aboriginal sites of historical significance and indigenous communities (Fairweather 2008). Indigenous tourism comprises tourism activity in which indigenous people have some direct control and management over the tourism enterprise and/or by having their culture serve as the essence of the attraction (Hinch and Butler (1996).

In Australia some indigenous tourism enterprises have focused on international markets, which account for only 11% of cultural visitors, as a whole. The remaining were domestic “day” and domestic “overnight” visitors. Indigenous tourism visitors from international markets have been declining and in the 2005-2009 period, the annual average decline was 6%, with 2009 registering 709,000 visitors. Europe was the major source of the international indigenous visitors (47%). Indigenous tourism visitors were more likely to travel on a packaged tour than other visitors, and 40% of all those on packaged tours were from Asian countries. While most international indigenous tourists reported having an indigenous learning experience, 16% reported that this was not experienced (Tourism Research Australia 2008). The most popular indigenous activities are shown in Table 1.

| Table 1: Most Popular Indigenous Tourism Activities |
|---------------------------------|-----------------|-----------------|
| Most popular indigenous activities | International indigenous tourists | Domestic indigenous tourists |
| Seeing Aboriginal art, craft and cultural displays | 45% | 54% |
| Visiting an Aboriginal gallery | 32% | 24% |
| Visiting an Aboriginal cultural centre | 28% | 22% |
| Seeing Aboriginal dance or theatre performance | 27% | 10% |

(Source: Tourism Research Australia, 2008)

Domestic overnight indigenous tourists tended to be parents (35%), older and not working (24%) and were generally over the age of 40 years (74%). For this group, the experiencing of Aboriginal art, craft and cultural displays were the most popular, as shown in Table 1.

Tourists visiting Aboriginal cultural centers such as Brambuk do so with limited, if any, contextual knowledge of Aboriginal cultural heritage (Sparks 2002). Ryan and Huyton (2002) suggest that it would be more appropriate to contextualize Aboriginal tourism with its connection to landscape, placing greater emphasis on engagement and participation rather than observation. How places, cultures and values are portrayed to the tourists as being of
indigenous significance tends to inhibit engagement of domestic travelers with Aboriginal tourism products and destinations (Beck and Somerville 2002). International tourists especially value meeting indigenous people and ‘living the experience’ which is critical to developing knowledge that Aboriginality is a ‘living’ entity (Spark 2002).

This study relates to and was conducted at the indigenous cultural centre (Brambuk), located in Western Victoria, about 4 hours travel from Melbourne. It is situated at the Grampians National Park, a site of indigenous significance and a primer tourist destination for both domestic and international visitors. The Grampians or Gariwerd contains many “sacred places” and is a culturally significant landscape, especially for the Aboriginal (Koori) communities of the region. The proper experience of indigenous connections to the landscape requires interpretation, which Brambuk attempts to provide. The authentic interpretation provides visitors with the cross-cultural understanding and enhances the quality of the experience and the levels of satisfaction (Ryan & Huyton 2000; Timothy & Boyd 2003).

**INDIGENOUS CULTURE AND TOURISM**

Over the last decade or two there has been an increasing level of involvement of indigenous communities in the identification, development and operation of tourism enterprises (Anderson 1991; Altman & Finlayson 1993; Ryan & Huyton 2000; 2002). The involvement of indigenous people and communities in tourism within Australia is relatively new when compared with New Zealand and Canada. For the future growth of visitor demand and in the interest of continual renewal of offerings, visitor satisfaction and expectation studies provide a critical basis for future developments, marketing and targeting of new audiences (McIntosh 2004).

Research into Aboriginal tourism in the Northern Territory (Ryan & Huyton 2000) found that generally there was greater interest in nature rather than culturally based tourism, with the greatest interest or demand for Aboriginal cultural products coming from only a third of all visitors. Generally, respondents rated Aboriginal tourism products highly. Their study found that the respondents identified the key cultural products (in NT) to be ‘authentic Aboriginal souvenirs, Aboriginal music, dance performances, and rock art’. The authors also report that with respect to overseas visitors, the tourist from North America and Northern Europe were most interested in Aboriginal tourism rather than those from the fast growing Asian tourist markets. Mohsin and Ryan (1999) and Blamey (1998) confirm the lower interest levels of Asian tourists in Aboriginal culture and heritage. Findings of studies on major motivation for visitors to New Zealand also do not flag Maori culture as being rated highly and classified it as a secondary influence on their decision to visit the country. However, the experiencing of Maori culture was mostly classified as an important and integral part of the total tourism experience (McIntosh 2004).

**THE STUDY**

The study used multiple-items to measure and evaluate visitor experiences of the visit as a whole, but particularly concentrating on the various products and services on offer. These products generally are in the form of displays of artifacts and as well as story telling videos. Therefore, the focus is on information provision. The study focuses on what visitors liked and disliked about their visit and what improvements would enhance their experience. The data was collected by scaled responses to a series of statements relating to their experiences and comments and suggestions were invited on future improvements. The study attempts to evaluate expectations prior to the visit, especially in relation to the time taken for the visit. One of the key parameters in service enhancement in a tourism enterprise is the expected time an average visitor would spend at such a destination. Managers can use this information to cater for the diversity of visitor needs and provide adequate products of interest to fill a given amount of time.

**METHODOLOGY**

The Leisure Motivation Scale has been used to identify variables that should be measured to determine visitor satisfaction. The LMS identifies four motives that determine satisfaction derived from leisure pursuits. The first involves the intellectual motive involving activities such as learning, exploring, discovering and may involve thoughtfulness and imagination. The second is the social motive, which relate to and involves the need for friendship and interpersonal relations. The third is the competence-mastery motive which relates to the need to “achieve, master, challenge, and compete”. The fourth is the stimulus avoidance motive seeking relaxation, calmness, solitude and the breaking away from routine. (Beard & Ragheb 1983, p.225).

Churchill and Surprentant (1982) argue that the type of product category under consideration would have an effect on how performance expectation influences satisfaction. If actual performance is close to expectation, then the level of satisfaction experienced will positively influenced by those expectations. However, if actual performance is sufficiently different from pre-purchase expectations,
then this expectation will have either no effect or a negative effect on subsequent judgment (Sherif & Hovland 1961). Therefore, visitor satisfaction data collection should be based on at least two dimensions.

**Survey Instrument Design Considerations**

The purpose of this study was to seek information, opinions and attitudes on “performance”, as suggested by the literature discussed in the previous section. In order to collect relevant information on “performance” one needs to understand the nature and characteristics of the industry (if relevant) and more specially, the missions and objectives of the enterprise. This will identify the issues that the research must address if visitor satisfaction is to be meaningfully measured.

Consequently, the visitors were asked to indicate their level of agreement or disagreement to twenty items (statements) using a 5-point Likert scale (5 = Agree Strongly to 1 = Disagree Strongly). These items were selected based on the typical objectives that the organization was deemed to be pursuing, using the literature and publicly available information. The data collection, using the self administered survey forms was conducted over 17 days, incorporating three weekends. There were 522 usable forms returned, out of which 230 included comments with ideas and suggestions to improve the Centre.

**DISCUSSION AND FINDINGS**

**Respondent Profiles**

The study sample include a good mix of ages, however, 65% of the respondents were female. As expected for a premier tourist destination during the school holiday period, when the study was conducted, 84% of the respondents were domestic visitors, comprising approximately a third from interstate, and 16% were overseas visitors. First time visitors comprised 62% of the respondents, 38% were repeat visitors and 17% had visited in the previous two years.

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<th>Table 2: Respondent Profiles</th>
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<tr>
<td><strong>Brambuk</strong></td>
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<td>Sample size</td>
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<td>Domestic visitors</td>
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<td>Overseas visitors</td>
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<tr>
<td>Age: Under 30 years</td>
</tr>
<tr>
<td>30 – 49 years</td>
</tr>
<tr>
<td>50+ years</td>
</tr>
<tr>
<td>First-time visitors</td>
</tr>
<tr>
<td>Repeat visitors</td>
</tr>
</tbody>
</table>

**Time Spent at the Centre**

A very high proportion of respondents spent one hour or less at the Centre in total (50%), and an additional 31% spent between one and two hours, as shown in Table 2. Only 10.1% spent between two and three hours and 8.7% spent more than 4 hours.

There was a statistically significant difference in the time spent between domestic and overseas visitors, \( t = 2.683, \text{df} = 503, p = .008 \). The time spent at the Centre by overseas visitors tended to be generally shorter, compared with domestic visitors, with 67.5% of the overseas visitors spending one hour or less compared to 47.1% of domestic visitors. It should be noted that some respondents from overseas may have been on packaged tours which generally allow only a fixed amount of time at each location. However, only 37 respondents were part of a packaged tour.

**Table 3: Total Time Spent at the Centre**

<table>
<thead>
<tr>
<th>Time</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>One hour or less</td>
<td>255</td>
<td>50.4</td>
</tr>
<tr>
<td>Between 1 and 2 hours</td>
<td>157</td>
<td>31.0</td>
</tr>
<tr>
<td>Between 2 and 3 hours</td>
<td>51</td>
<td>10.1</td>
</tr>
<tr>
<td>Between 3 and 4 hours</td>
<td>22</td>
<td>4.3</td>
</tr>
<tr>
<td>More than 4 hours</td>
<td>20</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>507</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The average time spent at the Centre was one hour and forty minutes (with a standard deviation of 1 hour and 15 minutes). The analysis was controlled for time visits to determine if first visits were indeed longer. This was not the case. For first visits, the average time spent was 90 minutes (with \( \text{sd} = 68 \) minutes, indicating that most people fell into a range between approximately 20 minutes and two hours and 40 minutes.

Studies show that in cultural and heritage museums, exhibitions or events satisfaction levels can be enhanced through a greater level of involvement and engagement of visitors (de Rogas & Camarero 2006). This can, to a large extent, be achieved in the design stages of a centre as has been done at Brambuk through information panels, walkways, lighting and audio, which stimulate as well as create interest in the visitor. However, the emotional engagement of the visitor could be enhanced through a greater degree of personalization through interaction and dialogue with visitors and hence a greater degree of emotional involvement. This could come in the form of cultural interpretations, descriptions and insights that cannot be gleaned from tangible displays. The time spent at the Centre can be an indicator of the Center’s ability to both cognitively and emotionally involve the visitor. A number of visitors commented on the need for interaction with indigenous staff, with comments such as: “More indigenous staff roaming ready to explain...”
things with their stories and experiences (bit like Australia zoo).” Emotional involvement can lead to longer visits, with more time spent at the site, the shop and the café.

Understanding Negative Experiences

Tourism literature and experience of customer relations managers indicates that visitor satisfaction levels in leisure activities is generally skewed towards satisfaction and that people are relaxed and perhaps less critical. As the satisfaction scale relating to statements about the experiences shown in Table 4 demonstrates, based on mean scores and their standard deviation, the satisfaction levels of visitors to the indigenous Centre were very high. The obvious managerial conclusion from the investigation of averages is that visitors are very satisfied and therefore, plans and programs are deemed to be performing to managerial expectations. A second level of analysis is required to uncover any gaps that may exist between visitor expectations and managerial expectations.

In order to evaluate performance it is important to undertake a measurement of satisfaction generally as well as with specific objective related indicators of “performance”. These indicators should be based on the dimensions that may constitute satisfaction. Firstly, we need to assume that there will be a high level of satisfaction and turn our attention to understanding the non-positive end of the scale that can provide some operational guidance.

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean Score</th>
<th>Negative Score (DS/D)</th>
<th>No. (%)</th>
<th>Neutral Score</th>
<th>No. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q11_1 Overall, this visit was very enjoyable</td>
<td>4.51</td>
<td>.595</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_2 The Centre is well maintained and well organized</td>
<td>4.60</td>
<td>.579</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_3 The displays and stands were informative</td>
<td>4.51</td>
<td>.640</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_4 The staff were knowledgeable and friendly</td>
<td>4.40</td>
<td>.726</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_5 I have learnt a lot on this visit</td>
<td>4.09</td>
<td>.870</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_6 I would see more educational information in displays</td>
<td>3.28</td>
<td>1.041</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_7 I took particular notice of plants along walkways</td>
<td>3.78</td>
<td>.979</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_8 The shop should provide a wider range of indigenous items and crafts for sale</td>
<td>3.32</td>
<td>1.051</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_9 I expected a greater variety of displays &amp; information</td>
<td>2.82</td>
<td>1.044</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_10 I expected that the visit would take longer than it did</td>
<td>2.82</td>
<td>.986</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_11 I would feel comfortable in recommending this Centre to others</td>
<td>4.48</td>
<td>.706</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_12 I gained a better understanding of indigenous culture</td>
<td>4.23</td>
<td>.818</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11_13 The service overall was of a high standard</td>
<td>4.34</td>
<td>.703</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Generalized satisfaction scales are not sufficient in themselves to determine how visitors may actually feel about a product, service or issue. The choice of the twenty items was also guided by what management of such a tourism focused enterprise may be interested in from an operational point of view. The analysis below is organized around organizational goals and mission. For example, one of the goals is to provide visitors with an understanding of indigenous culture and history. This would be regarded as Brambuk’s “core competency” (Prahalad & Hamel 1990). To address this, respondents were asked to rate their level of agreement or disagreement for two statements: “I gained a better insight into indigenous culture” and “I gained a better understanding of indigenous history.” The combined score was 3.95 with a standard deviation of 0.851. There were 21 respondents who either disagreed or strongly disagreed with this item (4.2%) and 113 (22.8%) were neutral. Therefore, one could conclude that 27% were not willing to give a positive score. From the point of view of visitor satisfaction and as explained in the literature section of this report, the visitor responses are generally skewed towards satisfaction. The purpose of studies of this type is to identify underlying discontent and address any hidden issues with respect to satisfaction and expectation.

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean Score</th>
<th>Negative Score (DS/D)</th>
<th>No. (%)</th>
<th>Neutral Score</th>
<th>No. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I gained a better insight into indigenous culture</td>
<td>4.23</td>
<td>12 (2.4%)</td>
<td>75 (15%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I gained a better understanding of indigenous history</td>
<td>3.95</td>
<td>21 (4.2%)</td>
<td>113 (22.8%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CONCLUSIONS

In response to the statement, “I expected that the visit would take longer than it did”, 134 (25.7%) of visitors indicated that their expectation was not met.
and a further 173 (35%) were neutral. More than a third of all respondents (37.5%) either agreed or agreed strongly that there should be more educational emphasis in displays. Nearly a quarter (22.5%) of visitors were expecting a greater variety of displays and information and generally expected to see more at the Centre. Nevertheless, they were almost always satisfied with the visit and the level of enjoyment experienced from the visit was very high, in aggregate terms. An example of a comment reflecting that the Centre exceeded a visitor’s expectations is “I expected much less things then there is. I walked in and I was amazed.”

Brambuk’s core competencies are the provision of insights into indigenous culture and the provision of an understanding of indigenous history for the visiting public. From the visit one would expect that visitors would gain a better insight into indigenous culture. This was generally the case, as indicated by the mean score of 4.23 (5 maximum), with a large standard deviation of 0.818. It is important to note that 75 respondents were neutral (15%) and 12 were either in disagreement or strong disagreement (2.4%). Given that this item reflects the main purpose of the Centre, it may be important strategically to address why 17.4% of the respondents did not give a positive score. The answer may lie in the analysis of other service or product offerings, displays, activities, information, customer service and the like. This would also include individual characteristics, backgrounds and experiences, which influence their expectations.

Similarly, with the item “I gained a better understanding of indigenous history” the mean score was 3.95 with a standard deviation of 0.851. There were 21 respondents who either disagreed or strongly disagreed with this item (4.2%) and 113 (22.8%) were neutral. Therefore, one could conclude that 27% were not willing to give a positive score. From the point of view of visitor satisfaction and as explained in the literature section of this report, the visitor responses are generally skewed towards satisfaction. The purpose of studies of this type is to identify underlying discontent and address any hidden issues with respect to satisfaction and expectation.

There were a large number of comments received about the need for more displays, activities and information, indicating that expectations were relatively high creating a wider expectation-satisfaction gap. International tourists expected to see and communicate with Aboriginal people and there was some discontent expressed about the lack to engagement and participation. However, satisfaction levels with the visit were very positive in aggregate terms. How the programs, activities and displays address the key functional objectives and core competencies should be subjected to regular reviews and modernization so that they remain effective in meeting changing visitor needs and expectations. It is important for Brambuk to reposition itself as a truly ‘living’ cultural centre, as is indicated in the promotional material, with a greater focus on engagement through active participation rather than being a centre which displays Aboriginal artifacts.

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GOING TO FRANCE?
BEWARE OF THE PARIS SYNDROME

Eliane Karsaklian, Université de la Sorbonne

ABSTRACT

Tourists in France suffer from a specific cultural shock called “The Paris Syndrome”. Conducted with Japanese tourists in the first place, this exploratory research was extended to American tourists in Paris. This article is a tentative explanation of why those tourists perceive French service providers as being unfriendly and rude.

INTRODUCTION

Paris is the top tourist destination in the world and around eighty three million tourists travel to France every year. While they are delighted with the beauty of the city and with its luxury products as well, they suffer a very strong cultural shock, which is used to be called “The Paris Syndrome”. This strange illness requires medical/psychological assistance and sometimes winds up repatriation. Apparently, the disillusionment tourists experience upon arriving in Paris, stemming from disappointment of their somewhat romanticized expectations, is enough to require, in some cases, medical assistance. Indeed, many of the visitors come with a deeply romantic vision of Paris and reality of the city does not always live up to the dream, and it comes as a shock.

Encounters with a rude taxi driver, or a Parisian waiter who shouts at customers who cannot speak fluent French are shocking to societies such as the American and the Japanese, in which clients are always more than welcome. However, not only tourists from the evoked countries are unhappy with the French services, and the country has been ranked by the World Tourism Organization as the worst hospitality in the world. More recently, a poll conducted by Hotels.com designated Charles de Gaulle airport as the worst in the world and Parisian taxis as the most unfriendly. The service encounter can be viewed as a social interaction in which expectations would vary from one culture to another. Do marketers and researchers consider culture as a moderating variable in this process? In which measure services take cultural differences into account when designing them? Cultural differences may explain differences in expectations and perceptions of services both for clients and providers. Indeed, previous research found out that whereas western studies seemed to cite external factors for customer dissatisfaction, Asian respondents uniformly blame themselves (Tse and Ho, 2010).

In the United States and in Japan, serving the customer is a matter of respect and profitability. Conversely, in France, serving someone puts the company in an inferior position before the client. Thus, in the French mentality, it is hardly understandable that a company should serve a client. If the clients are there, it is their choice, and they should accept the company's way of doing. Therefore, if you are in France, you should feel honored and accept the French way, in a take-it-or-leave-it perspective. This might explain the lack of compulsion of the French to please clients and their nonchalant way to deal with them.

When we ask French companies why, knowing that Paris is the first destination for tourists, they do not adapt to the customers’ specific needs, they answer: “This is normal. Paris is the most beautiful city in the world”. But why are the French so unpleasant with foreigners? Are they really rude, or is this simply a matter of tourists' perception? As surprising as it may appear, French unfriendly services are not reserved to foreigners, but delivered the same way to the French clients, who accept this state of things. Why? It is a matter of historical heritage. History, language and all the old legacy of a leading country in terms of philosophy, literature, diplomacy, and arts during more than three centuries, is still alive.
and reflected in the shoppers relationship with clients in general and foreigners in particular.

When you enter a French shop, you are entering a private place, and sometimes you might feel as an intruder. It is a place which belongs to the owner, where you are hopefully welcome, but not begged to come. Legislation and employer-employee relationship should also be taken into account. It is very hard to dismiss employees in France, because of the power of the Trade Unions which makes employers very fearful when hiring personnel. This explains why companies have either few employees, either bad ones which they prefer to keep instead of facing the action of the Unions against them.

Another aspect to consider is the social security system which easily provides employees with sick leaves for many weeks. Finally, there is a matter of loyalty and commitment. French employees seek for stability and not for productivity. They work for the company as a way of earning a comfortable situation and not because they are committed to it. They are rarely aware of the company's mission and objectives and do not find it important to know about that. They care much more about status, fees and vacations. Indeed, stability is the one term that better explains the French’s behavior. With a score of 86 for the Uncertainty Avoidance Index (Hofstede, 2001), the French are against any changes in their way of life. This is also proved by the fact that 25% of the French working population is constituted of civil servants, which of course, enjoy a lifelong job with six to eight weeks of vacations per year. Vacations are very important to the French. Many companies are closed in August so that everyone can depart on vacations at the same time, with their families and friends, although August is a main tourist month, during which they would be expected to keep their shops open.

LITERATURE REVIEW

Researchers are concerned by understanding and defining the impact of culture on human behavior, because people with different backgrounds are more and more lead to work together. Adaptive potential increases dramatically for those who prepare themselves for the new environment, however many enter new cultures with unrealistic expectations and little knowledge, which leads to unsuccessful international marketing programs. Cross-cultural training and host orientation programs can increase cultural awareness and heighten cultural understanding. So far, cultural training programs addressed professionals having to accomplish assignments abroad and/or to work in multicultural teams. Such programs do not address service providers, although they would be clearly useful in environments where tourists represent more than 50% of their clients. Sometimes called ethno shopping, the fact that service providers admit and understand cultural differences among their customers is very rare. It seems that the French tend to treat all customers the same way, while the customers want and need specific services. From the French point of view, if you are in France you should be used to the French way of dealing with clients. That is, the customer should adapt to the company, what is totally untrue to the marketing concept. Services marketing theories teach us that customer satisfaction is the only goal a company should reach and all the efforts to attain that goal are worthwhile.

Services Marketing

The internationalization of service industries makes this even more complex as we must consider differences in consumer behavior across various countries. This requires analyzing the different cultural characteristics in these consumers and assessing the cultural distances, which are often different from geographical distances. Emotions are rather important in the process of buying and evaluating services, especially when consumers are dissatisfied about the services offered (Kasper et al., 2006). Some cultures, such as the American and the Japanese, fully understand that it is a matter of respect and competence to have clients more than satisfied. Indeed, as services can be very similar now a day, having the customer satisfied is not enough; they should be delighted to stay loyal for a longer period of time. Service providers should understand that their product is solely value creation and that this value should be understood and worthily evaluated by the clients. Consumer behavior with respect to services has several unique aspects, all emerging from the intangible nature of services.
Cultural Differences

Culture is not just a set of surface behaviors; it is deeply embedded in each individual and the surface features of their social behaviors, which are manifestations of deep historically based values and principles. Culture is shared, culture is learned and is enduring, and has a powerful influence on behavior. Cultural programming also acts as a mental template against which new information from the environment is interpreted (Thomas and Inkson, 2009), and has a profound influence on all aspects of behavior, as it fashions the way that experience is shared among members of a society. Cultural norms establish rules of conduct and shape values, beliefs and preferences and may also act as barriers and impede the flow of ideas, communication, and products from one culture to another (Craig, Greene and Douglas, 2005). In order to better understand cultural differences between the United States and Japan with France, our analysis for this research was based in most current cultural dimensions as follows.

Hofstede (1991) defined power distance as the extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally. This author also stated that individualism is the degree to which individuals are integrated into groups and masculinity as a concept referring to competitive and assertive values, while uncertainty avoidance is the tolerance for uncertainty and ambiguity. Trompenaars and Hampden-Turner (2006) defined seven cultural dimensions: universalism versus particularism, the first one being the application of the same rules to all individuals and situations; individualism versus communitarianism, as a way of expressing if the individual or the group are more important; neutral versus emotional, as being the extent in which expressing emotions can be acceptable; achievement versus ascription, achievement meaning that individuals are judged on what they have accomplished. Finally, Hall (1990) suggested the concept of high and low cultural contexts, stating that, in high ones, less information is contained in the verbal part of the message; time management, classifying cultures as either monochronics (accomplishing one task at a time) or polychronics (accomplishing several tasks at one time); and in the size of the personal bubbles, as big, if the physical distance should be big and small if physical proximity is welcome. Table 1 compares the three cultures to the French one, based on the above evoked cultural dimensions:

<table>
<thead>
<tr>
<th>Cultural Dimensions</th>
<th>Americans</th>
<th>Japanese</th>
<th>French</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context</strong></td>
<td>Low: everything must be clear and is in the contract</td>
<td>High: a place must be left for adaptation and interpretation, everything is in the relationship. Strong non verbal communication</td>
<td>Medium: almost everything is in the relationship. Non verbal communication</td>
</tr>
<tr>
<td><strong>Time</strong></td>
<td>Monochronic: time is money and exactitude is essential</td>
<td>Monochronic: concentrate on one client/task at time. Punctuality is the norm</td>
<td>Polychronic: schedule independent, it is possible to be late to get a better achievement or to feel less pressure</td>
</tr>
<tr>
<td><strong>Interpersonal distance</strong></td>
<td>Big bubble: avoid physical contact</td>
<td>Big bubble: avoid physical contact</td>
<td>Small bubble: immediate shake-hands and physical contact</td>
</tr>
<tr>
<td><strong>Individualism / (Collectivism)</strong></td>
<td>Very high: responsibility of the manager</td>
<td>Low: the group is upon de individual</td>
<td>High: the individual makes decisions but relays on the group</td>
</tr>
<tr>
<td><strong>Power distance</strong></td>
<td>Low: social mobility, participative</td>
<td>High: autocratic with each one at his place</td>
<td>High: autocratic with each one at his place</td>
</tr>
<tr>
<td><strong>Uncertainty avoidance</strong></td>
<td>Low: it is good to take risks.</td>
<td>High: planning to avoid surprises and improvisations</td>
<td>High: any changement in life is threatening</td>
</tr>
<tr>
<td>Masculinity / (Femininity)</td>
<td>High: individual performance</td>
<td>High: individual performance</td>
<td>Low: equality for all citizens</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Individualism / Communitarianism</td>
<td>Individualists: More frequent use of “I” form; decisions made by representatives; people achieve alone and assume responsibilities</td>
<td>Communitarians: More frequent use of the “We” form; decisions referred back to organization; people achieve in groups</td>
<td>Individualists: More frequent use of “I” form; decisions made by representatives; people achieve alone and assume responsibilities</td>
</tr>
<tr>
<td>Universalism / Particularism</td>
<td>Universalists: Focus more on rules than relationships; legal contracts are readily drawn up; a trustworthy person is the one who honors the contract; there is only one truth and reality; a deal is a deal</td>
<td>Particularists: Focus more on relationship that on rule; legal contracts are readily modified; a trustworthy person is the one who honors changing mutualities; there are several perspectives in reality; relationships evolve</td>
<td>Particularists: Focus more on relationship that on rule; legal contracts are readily modified; a trustworthy person is the one who honors changing mutualities; there are several perspectives in reality; relationships evolve</td>
</tr>
<tr>
<td>Affectivity / Neutrality</td>
<td>Neutrals: Do not reveal their feelings; cool and self-possessed conduct is admired; physical contact is not appreciated</td>
<td>Neutrals: Do not reveal their feelings; cool and self-possessed conduct is admired; physical contact is not appreciated</td>
<td>Affectives: Reveal feelings verbally and non-verbally; heated, vital and animated; touching, gesturing and facial expressions; statements declaimed fluently and dramatically</td>
</tr>
<tr>
<td>Ascription / Achievement</td>
<td>Achievement: Use titles only when relevant; respect on hierarchy based on competences; senior managers can vary in age, gender and have shown proficiency in specific jobs</td>
<td>Ascription: Extensive use of titles; respect for superior hierarchy; most senior managers are middle-aged and qualified by their background</td>
<td>Ascription: Use of titles; importance of diplomas, respect for superior hierarchy; most senior managers are middle-aged and qualified by their background</td>
</tr>
</tbody>
</table>

Table 1 describes significant differences between the French culture and the two other ones. French culture is known as a complex one, which explains the ambiguous and often inconsistent behavior of the French. This perception can be partially explained by the fact that French culture is very deeply rooted in its history.

**OBJECTIVES, METHOD AND RESEARCH DESIGN**

The main objective of the research here presented was to understand the extent of the cultural differences of the three countries and their impact on customer-service provider relationship. The research was conducted with American and Japanese tourists in Paris in May and June 2011, and the sample was randomly composed of 60 male and female individuals aged from 25 to 66 years. As done in previous research (Thompson and Tambyah, 1999), the qualitative in-depth interviews method was chosen to collect data, which aimed at understanding the human experience based on their feelings when first arriving in the country and during the following days.

**RESULTS**

The French are seen by Americans as aggressive, arrogant, proud, uncivilized, and xenophobes and by the Japanese as unfriendly, unpleasant, rude and dirty. In order to present the results of
This exploratory research, we will first present the respondents’ quotes and then explain the reasons why services in France are so specific.

*It is very disturbing to face the changing moods of the French who are given a blowing up suddenly and calming down just as quickly. I always think they are angry at me.*

Sharp exchanges are current and it is more or less accepted for waiters to snap at clients they don’t know. We can imagine some waiters throwing the plates at clients’ tables as Vercingetorix, the Gallic leader and hero, threw his weapons on the feet of Caesar when captured by the Romans. This is a way of demonstrating *Grandeur* and dignity. Rhetoric is the treasured art of the French and not a mere science of persuasion and oratory; it is the art of eloquence: they present the idea, explain possible objections to it and sum up their conclusions. Agreement is not necessarily the goal of the discussion and heated exchanges are strongly appreciated by the French. It is a kind of exercise, were each one tries to come up with provoking ideas in a well elaborated language. The French like nuances very much and flowery presentations of ideas are welcome. In addition, the French often repeat the same word three times for extra emphasis (*non, non, non!*). It is a sign of utter conviction. They seem to be angry because they take the discussion very seriously, mainly if it has to do with politics or arts. Moreover, the relationship the French have with the French language is very specific. English can be their working language in the international business world, but it will be a kind of *Passepartout* language most commonly called *Globish*. They are deeply persuaded that French is a language of culture, while English is a language of communication. The French are not looking for being inserted in a pragmatic reality and prefer the intellectual speculation. Thus, they use English as a pragmatic tool of communication and French to describe their most subtle thoughts.

*The French do not smile to the clients in hotels, restaurants and shops, as we do back home. They only do that with people they know. As a client, you don’t feel welcome.*

The French are strongly attached to their beloved ones. They stick to their family, to their close friends, to some co-workers, and few other persons they know. They are reluctant to integrate new people in this restricted circle, because they find it threatening to start a new relationship with someone they do not know. This explains why the French do not smile to foreigners, and why starting a friendship with them takes a long time. Indeed, the French take some time to decide whom they want to socialize with and social relations are more at a one-to-one level.

*The French talk as if they were strolling and the conversation doesn’t go anywhere. For us, the words have a real meaning and a conversation has a goal. Moreover, by the time you formulate a sentence in your mind, they have already skipped to another subject. It seems that here the norm is talk to exist, while for us, silence and discretion are the norm. And, why do they interrupt each others’ conversations all the time? Can’t they wait until the other one has spoken?*

Indeed, talking is existing. France is the country of philosophy and literature. People who cannot express their ideas in an elaborated way and in beautiful French are seen as poor and uninteresting. You should know, you should tell, you should persuade. In France, people should be able to analyze and criticize, because criticizing is analyzing. The French are polychronic and do not wait until someone has finished to talk to express their ideas. They just jump into the discussion to add what they have to say, mainly when they disagree with what is being said.

*It feels like nobody cares about the clients here. When you sit in a restaurant and nobody bothers to serve you, or to try to understand what you want is shocking to us because, back in Japan, deference and respect are the first things we learn. For the same price, services in Japan are much better.*

This can be explained by the historical heritage. First, the Gauls were very ethnocentric and struggled not to be invaded by other cultures, mainly by the Romans. Later in the country’s history, the French revolution meant to come over any type of autocracy and once the king’s head was cut off with the *Guillotine*, the French people decided not to serve anyone any longer. The whole question of services is linked to old ideas of power and class. Doing what the client wants is a way of being reduced to simple executor, with no beauty of reasoning (*beauté de raisonnement*) allowed. The person serving feels inferior to the person being served, so they show they are important by being rude (*rapport de force*). To serve someone is humiliating and being rude and unpleasant is a way of
demonstrating a strong personality and some superiority. Thus, the French are not impressed by anything as banal as niceness, and an air of assured superiority is rewarded with deference and rapid service. In addition, the Gauls were known as undisciplined people and the French are definitely undisciplined. Not obeying to the rules is having own opinion and personality. This can also explain the existence of so many strikes in the country; the goal is to be against, whatever the topic might be.

Paris is a wonderful city, with such a sophisticated architecture, museums, high quality fashion, and cosmetics. I love everything I buy here. They are good and very much cheaper than in Japan. But I don’t like and am not used to queue up, but I do it to go to Louis Vuitton in Champs Elysées, because I fancy the products they sell. I think it is rude to make clients wait outside the store, but when you are inside, the service is really good. The salespeople are very attentive to each client and in Japan we are used to this. However, when you go out of the store, you see in such a beautiful avenue, plenty of detritus and cigarette ends. In many other streets, there are plenty of dogs’ excrements. It is disgusting.

This is a matter of respect towards other people, what is very valued in Japan, but less in France. The French are more interested in what they think of other people than in what the others think of them. This can seem to be paradoxical, as far as France is a very feminine country, strongly concerned with equality and the birthplace of human rights. In the French system, equality and concern with others is responsibility of the government and not of its people. The French have surrendered their lives to the State, in order to get protection for the sake of equity. But to compensate this submission, they look for ways to express their legendary uniqueness by making strikes, breaking the rules and being unpleasant with people they don’t know. Dogs deserve special attention and sympathy, because they don’t judge people and are affective. Having a dog is an efficient and fast way of being integrated into the French society.

The French do not speak in English. It is annoying because they make no effort to understand other languages.

For more than 200 years all civilized people in the western world spoke and read French. International business and diplomacy were conducted nearly exclusively in French up until the World War I and it is hard for the French to admit that their language is not the most spoken one now a day. In France, language is not deemed as a communication tool, but as an art, instead. Addressing the French in English hurts their pride and they do no effort to understand or to reply, even if they can speak English. Conversely, if the foreigner makes the effort of trying to speak in French, they are pleased and will even switch to English if they can.

Visiting Paris is a kind of a game. If you are lucky, there won’t be any strikes while you are visiting. But when you spend few days and there are no trains, no museums, it is a real mess.

As France has a centralized and protective government, the French population understands that it is the State's responsibility to give them everything they need. Strikes are also a demonstration of power which indicates that even if there is a government, it should take into account what its people, via Unions, think and desire. The French refuse to have their lives invaded even by their own government although they are totally dependent on it.

DISCUSSION IMPLICATIONS AND FUTURE RESEARCH

In order to overcome the cultural shock, both tourists and French service providers should understand cultural differences and be able to explain alien behavior. This knowledge about the host culture enables tourists to undertake a more rational attitude towards the new environment, and make the crisis period less traumatic. The four cultures differ in several cultural dimensions, what implies differences in peoples’ behavior and expectations. Those differences are salient both in private and in professional lives and can make it difficult to cooperate. They can however explain the need for better understanding of the underlying values revealed by behavior. Short training programs might develop cultural awareness and help both tourists and French shoppers to be more culturally competent. On the one hand, tourists should not go to France expecting to obtain the same services they are used to in their homelands. On the other hand, managers and frontline employees should be aware of what customers of different cultures value in service encounters. Of course, this would mean that French companies’ mentality should dramatically change, but it seems to be necessary if the country wants to continue being the
world's top tourist destination. The cultural gap between the United States and Japan with France can be bridged by cultural training programs which would lead to better understanding instead of more stereotyping. Both tourists and service providers would benefit from developing their cultural competencies. Future research should go further by enlarging the sample and including long term sojourns of Americans and Japanese in France. Next study should spread out to other cultures, and switch from the exploratory to an analytical approach, as well.

REFERENCES


THE IMPACT OF COUNTRY OF ORIGIN (COO) AND CONSUMER ETHNOCENTRISM ON SAILENT PRODUCT CONSTRUCT EVALUATIONS IDENTIFIED BY THE KELLY REPERTORY GRID

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ABSTRACT

This study assesses the relevant saliency of country of origin (COO) and ethnocentrism in shaping the perceptions of high involvement product selection. The research used the repertory grid technique combined with depth interviews to elicit the attributes associated with the perceptions of six automobile manufacturers, three from the United States (General Motors, Ford, Chrysler) and three from Japan (Toyota, Honda, Nissan). Respondents were asked to rate each of the six automobile manufacturers on each of the identified constructs using a 5-point Likert scale. Ethnocentrism was measured in the study using the CETSCALE.

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THE IMPACT OF THE NAME-YOUR-OWN-PRICE DISTRIBUTION CHANNEL ON SALES PERFORMANCE: EVIDENCE FROM THE HOSPITALITY INDUSTRY

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ABSTRACT

The “Name-Your-Own-Price” (NYOP) channel, exemplified by Priceline, has emerged as an online alternative to other traditional distribution channels through which hotels offer their products and services to customers. This study attempts to understand how the NYOP channel impacts the traditional posted-price channel: does it complement or cannibalize the post price channel? As the NYOP channel is still evolving, whether the current single bid system is superior to multiple auctions in increasing hotel sales is also discussed. This proposal extends the literature to the most salient innovation of NYOP intermediaries that has not been fully understood by the hospitality industry. It also represents the first empirical effort to test the impact of the NYOP channel and its sales-optimizing mechanism.

INTRODUCTION

Widespread adoption of the Internet and advanced development of information technology has revolutionized the hospitality industry, from searching, reservation, booking to distribution of various hospitality products. One of the most salient innovations that has quickly gained customer adoption and usage is an on-line auction channel that allows customers to “Name-Your-Own-Price” (NYOP) (Fay, 2004; Ogonowska & Torre, 2010; Terwiesch, Hann & Savin, 2003). The prominent example in the hospitality industry of intermediaries specializing in determining prices and distributive allocations in the NYOP channel is Priceline, where customers place their bids under an uncertainty of pertinent product information (e.g., the specific flight carrier, the hotel location, etc.) at the time of bidding (Anderson, 2009). Following the customer’s successful bid, Priceline operates on a commission plus the difference between the consumer bid and the price it pays the service provider (Dolan & Moon, 2000; Kannan & Kopalle, 2001).

Since its inception in April 1998, Priceline has emerged as the dominant NYOP retailer in the U.S. and some other countries. Unlike many of its hyped e-business peers that arose in the late 1990’s Priceline survived the internet bust and even flourished (Fay, 2008). The NYOP model provides multiple benefits to the hospitality industry. Take hotels as an example, the NYOP channel allows them to increase sales when otherwise the products/services may “perish”. In addition, the NYOP model has greater pricing flexibility compared to traditional posted-price options (Wang, Gal-Or, & Chatterjee, 2005) because it allows price discrimination on consumers with different tolerance of uncertainty and delay. As a result, more than 4,000 hotels signed up to offer unsold rooms through Priceline within its first year of operation (Collins, 1999). Today, hotels remain the core products of Priceline’s NYOP model (Anderson & Wilson, 2009).

Despite the seeming benefits offered by the NYOP channel, there have been serious concerns among some industry observers that the NYOP channel may extensively cannibalize business through posted-price channels including the service providers’ official websites (Hinz, Hann & Spann, 2011; Shapiro & Zilante, 2009; Wang, Gal-Or & Chatterjee, 2009). Furthermore, in spite of the popularity of Priceline, this NYOP site, unlike other multiple auction models, allows customers to make a non-retractable single bid within 24 hours (Fay, 2004; Fay & Laran, 2009; Hann & Terwiesch, 2003) and also offer the posted-price purchase options. Previous papers debate the mechanism of NYOP, viz. posted price vs. bidding, and single bid vs. multiple bids. However, there appears to be a divergence of opinions and much ambiguity remains on which mechanism actually
works in generating the sales and revenue. Both formal modelling and empirical data are sparse, particularly in the hospitality industry which is the mainstay of service providers in the NYOP channel, to illuminate these debates.

Thus this proposal seeks to move the research frontier by empirically investigating: 1) how the NYOP channel impacts the traditional posted-price channel? Specifically, does it complement the traditional posted-price channel by increasing overall sales, or does it cannibalizes the traditional sales channel?, and 2) whether the current single bid system is superior to multiple auctions in increasing hotel sales in the NYOP channel?

**LITERATURE REVIEW**

NYOP channels have received increasing attention from a practitioner-oriented perspective and, quite recently, from a research perspective. As NYOP websites are still evolving, they produce wide interests and intense debates among practitioners and academics (Dolan & Moon, 2000; Rust & Eisenmann, 2000). These conflicting views lead to great ambiguity as to how NYOP mechanism affects the sales and revenue of participating service providers and thus how potential service providers should regard this intermediary. For example, Kimberly Furlong, Vice President of Revenue Management, Hersha Hospitality Management says, “We have been hesitating to enlist the services of Priceline.com What Priceline really represented was taking inventory that would not otherwise be sold in the last minutes at the expense of ultimately undercutting our room rate to a fairly low level.”

**Posted Price Purchase versus Bidding**

Wang, Gal-Or and Chatterjee (2005) show that a NYOP mechanism can be profitable as it helps to segment the demand through price discrimination. Meanwhile, it attracts some supplementary customers without creating cannibalization effects of the post-purchase channel. This result is confirmed by Shi and Shapiro (2008) who indicate that selling through a bidding channel helps the service providers to respond to changes in demand without the need to change current branding and pricing policies. Fay (2007) introduces brand loyalty in to a model of duopoly competition with multiple service providers who share a common intermediary, demonstrating that if there is sufficient brand loyalty, the NYOP sales will reduce price competition and raise the industry profits. Fay (2008) further find that a bidding mechanism may allow finer segmentation of a service provider’s customer base, lead to market expansion, and reduce price rivalry. Jiang (2007) actually suggests a dual strategy of using both traditional price posted channels and the bidding channels could improve service providers’ profits, by reducing the unsold inventory and social welfare by serving some price sensitive customers who would not travel otherwise.

However, such perspectives contradict with some scholars who believe the NYOP erodes the profit margin of posted price channels. Coy and Moore (2000) and Dolan (2001) argue that the NYOP purely augments existing markets because it only sells to extremely price-sensitive customers who would not have purchased through posted price channels. Similarly, Sviokla (2003) asserts that NYOP sites will dramatically reduce the level of prices sustainable in the traditional posted price channels as service providers lose their pricing authority. Yet, much of the extant literature indicates that the NYOP format does not outperform posted prices. For instance, Fay (2004) notes that posted prices “weakly dominate NYOP in this simple framework”. And, using data from a German NYOP retailer for three electronic products, Terwiesch, Savin and Hann (2005) find that the retailer’s profit would have been higher had the firm used posted prices.

**Single Bid versus Multiple Bids**

Supporting the single bid mechanism, Wilson and Zhang (2008) indicate that limiting customers to a single bid within 24 hours could force them to bid maximum at the first time as waiting for another bid involves frictional cost in both time and efforts. Fay and Laran (2008) show that prohibiting multiple bids benefits service providers. They point out that, compared to the single bid, multiple bids mitigate the information asymmetry that does good to service providers because every customer’s bid rejection provides him with new information. If he expects that the threshold price provided by the service providers is constant, his bidding pattern is monotonically increasing. However, if he suspects that the threshold will vary, his bidding behavior will depend on the degree of expected variability and on his patience -- and both situation are at odds with the objective of maximizing profit on the NYOP channel.

On the contrary, Spann, Skiera and Schaefers (2004) demonstrate that allowing customers to repeat their bids may improve seller’s profits, because the possibility of rebidding leads to higher amounts of maximum bids. Fay (2004), based on the consumer heterogeneity, demonstrates that the profits are exactly the same if the restriction of single bid is kept up or if it is not imposed. However, customers are heterogeneous
and there exists a group of sophisticated customers bypass the restriction of a single by using a different ID, email account or credit number, deteriorating the profit under single bid matrix. If the number of sophisticated customers is very low, the profits will reduce as the number increase.

Proposed Methodology

We are going to collect date during three periods: for a three-week period in April, 2012, for a three-week period in July, 2012, and for a three-week period in October, 2012. The goal is to generate a representative sample of hotel sales on Priceline. Specifically, the data includes (1) the booking channel the customers use and (2) the number of time the customers bid toward the reservation price, and (3) the interval hours the customers’ second bid given the first bid is rejected at the first round. For all the data collection periods, we extract detailed characteristics of the most recent 500 sold stays posted on the reports from Priceline.

We will examine differences in sales over horizons of April, 2012, July, 2012, and October, 2012, covering shoulder, peak, and low seasons. We will examine the relationship between changes in sales from June to December, 2011 and changes in variables i.e., booking channels and bidding approaches, from June to December, 2011. Because the bids and purchase are dated, we could extract the appropriate sample of review from the data collected from that period. A cross-sectional analysis of the relationship between attributes (booking channels and bidding approaches) and the sales across hotels will be conducted. Finally, we will use the differences-in-differences analysis to re-examine the effect of variables on sales based on the panel data.

Model Specification

Consider stay \(i\) that is sold on Priceline. Our dependent variable is the log of sales of the stay. The reason for the log specification rather than levels is that the log specification estimates the effect of a change in the independent variables on the percentage change in the dependent variables. This is appropriate because in our case, there are scale effects. Exogenously, customers have different preference to hotel stay characteristics (e.g., room type, hotel ranking, price charged for the stay, the time customer wished to check in, the length of the customer want to stay, the days before arrival. The fraction of the customers who go on to buy is plausibly a function of the hotel stay characteristics posted on Priceline. The estimated coefficients in our specifications and their standard errors would be thus scaled by a constant.

The hotel stay sales on Priceline is a function of a stay fixed effect (\(\psi\)), a hotel fixed effect (\(u^h\)), and other factors. The stay fixed effect is related to factors such as the time customer wished to check in, the length of the customer want to stay, the days before arrival. The hotel fixed effect is related to hotel characteristics (e.g., room type, hotel ranking). That is,

\[
\begin{align*}
\ln \text{sales}_{i}^{A} &= \alpha \ln (P_{i}^{A}) + \beta \ln (P_{i}^{B}) + \gamma X_{i} + \delta_{i}^{A} + \epsilon_{i}^{A} \\
\ln \text{sales}_{i}^{B} &= \alpha \ln (P_{i}^{B}) + \beta \ln (P_{i}^{A}) + \gamma X_{i} + \delta_{i}^{B} + \epsilon_{i}^{B}
\end{align*}
\]

Where the superscripts A and B refer to Hotel A and Hotel B, respectively; \(P\) denotes price; \(D\) is a dummy variable summarizing the booking channel the customer follows. For each sold stay, \(D\) has a 1 for the bidding channel and 0 for posted price purchase for both hotels; and \(X\) denotes the vector of bidding approach variables for both hotels stays (we allow Hotel A affects Hotel B and Hotel B affects Hotel A as they all locates in the same downtown neighborhood). For each hotel stay, we use three possible bidding time categories (single bid, 2-3 bids, and more than 3 bids) for two hotels.

Because we expect the unobservable fixed effects to be correlated with independent variables, omitting these effects would bias the coefficients on the focal factors. If we assume that the two hotels are virtually identical in terms of their customer preference (i.e., if \(u^A = u^B\)), we can eliminate the fixed effects by differencing the data across hotels.

\[
\ln \text{sales}_{i}^{A} - \ln \text{sales}_{i}^{B} = \beta \ln (P_{i}^{A}) - \beta \ln (P_{i}^{B}) + \gamma X_{i} + \delta_{i} + \epsilon_{i} (3)
\]

However, if there are subtle differences across the two hotels (i.e., if \(u^A \neq u^B\)), we need to obtain another data point and differentiate the data across the hotels and across time periods:

\[
\Delta[\ln \text{sales}_{i}^{A}] - \ln \text{sales}_{i}^{B}] = \beta \Delta \ln (P_{i}^{A}) + \gamma \Delta X_{i} + \delta_{i} + \epsilon_{i} (4)
\]

The advantage of Equation 3 is that it allows us to use more data because the general hotel preference does not change over time. In addition, it allows us to estimate the price coefficients because there is not a great amount of variation in prices across time. However, although the differences-indifferences specification in Equation 4 leaves us with a smaller
sample and does not allow us to estimate all the coefficients of interest, it has the advantage of eliminating the hotel-specific fixed effects. If, for example, customers are loyalty members of Hotel A and thus less like Hotel B, differencing the data would eliminate the problem. Thus, although we briefly present the cross-sectional results, our main focus is Equation 4.

**Anticipated Results**

It is interesting to notice that, though the NYOP channel has been widely adopted by the hospitality industry, this channel has not been fully understood and discussed in literature. Results of this study are expected to answer the research questions and lead us to a better understanding of the NYOP channel. Specifically, results will address a) whether the NYOP channel complements the traditional posted-price channel by increasing overall sales, or it effectively cannibalizes the traditional sales channel, and b) whether the single bid system is superior to multiple auctions in increasing hotel rooms in the NYOP channel. This proposal extends the literature to the most salient innovation of NYOP intermediary that has not been fully understood by the travel and tourism industry. In fact, this proposal is the first attempt to empirically test the impact of NYOP channels and its sales-optimizing mechanism. The research technique and methodology adopted in this proposal, i.e., the differences-indifferences modelling based on econometric data extracted from daily revenue management reports, is particularly unique. By advancing the knowledge of optimal pricing strategy of revenue management, this proposal will contribute to the prosperity and vitality of the travel and tourism industry and afford the industry a model to be proactive rather than reactive to the impending industry-wide problem – how the hotel sales could be optimized via the NYOP channels.

**REFERENCES**


THE IMPACT OF CUSTOMER SATISFACTION ON CHIEF MARKETING OFFICER COMPENSATION

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ABSTRACT

The contribution of customer satisfaction on firm financial performance is well documented, but it is unclear whether this positive link is reflected in executive compensation. Additionally, executives are often compensated for short-term financial results and the outcome of marketing actions is rarely captured in a short horizon. This research seeks to determine if the Chief Marketing Officer’s (CMO) compensation is impacted by customer satisfaction.

INTRODUCTION

Similar to other market-based assets that include brand equity, superior customer service, and customer/channel relationships, the intangible nature of customer satisfaction is difficult to quantify and not readily apparent on financial statements. The marketing literature, however, documents extensive evidence on positive associations of customer satisfaction with customers’ loyalty, receptivity to cross-selling efforts, reduced switching costs, and word-of-mouth that favorably impact financial performance of the firm (Fornell, 1992; Fornell et al., 2006; Srivastava, et al., 1998). These studies increasingly demonstrate that customer satisfaction impacts both short-term performance and long-term financial outcomes for the firm.

Although the contribution of customer satisfaction on the firm’s financial performance is well documented, it is unclear that the positive link between customer satisfaction and financial performance is also reflected in executive compensation. Additionally, executives are often compensated for short-term financial results and the outcome of marketing actions is rarely captured in a short horizon. Mizik and Jacobson (2007) suggest that executives who focus purely on accounting measures can be susceptible to myopic decision making. The authors suggest that, “managers will be less likely to manage firm resources myopically if they are held accountable and are evaluated based not only on the accounting earnings measures, but also based on the health of the marketing assets (brand equity, customer satisfaction, etc.).” (Mizik and Jacobson, 2007, p. 376).

In this study, we attempt to contribute to our understanding of the role of intangible marketing metrics in the design of executive compensation by examining the relationship between the current compensation of Chief Marketing Officer (CMO) and customer satisfaction. Specifically, we seek to determine if CMO’s compensation is impacted by customer satisfaction, an important, but intangible firm asset.

LITERATURE REVIEW

The position of CMO has been known as the “hot seat”, as tenure in the position stands at roughly 27 months compared to 40+ months for other members of the top management team (TMT). However, research does suggest that CMO membership in the TMT points to a commitment to marketing at the corporate level and a visible “seat at the table” for marketing. Such initiatives will require close monitoring of customer relationships and satisfaction. Speculation as to why the tenure is so short generally points to the expectation of the CMO and the manner in which CMOs are evaluated for the work they do and how their success is measured.

Much has been written on the topic of executive compensation. Executives are compensated based on strategy of the firm, complexity of the environment, governance structures and executive actions (Tosi et al., 2000; Conyon and Peck, 1998; Henderson and Fredrickson, 1996; Jensen and Murphy, 1990), Hauser, et al. (1994) make a case for using customer satisfaction measures to incentivize employees across the entire organization. More recently, a study of customer satisfaction on CEO bonuses revealed that customer satisfaction is a positive and significant factor in CEO bonuses (O’Connell and Sullivan, 2010). Given these findings we offer the following:
H1: Customer satisfaction will have a positive and significant relation to CMO Compensation.

Firm strategy has been linked to executive compensation at the corporate and business unit level (Balkin and Gomez-Mejia, 1990). Inferior firm performance has been related to a lack of fit between firm strategy and compensation scheme (Montemayor, 1996). CEOs of firms associated with greater risk (growth firms) receive significantly greater compensation than CEOs of defender firms, which attempt to solely maintain their market share (Singh and Agarwal, 2002). Nath and Mahajan’s (2008) determined that CMO presence in a firm was positively related to firms pursuing a strategy emphasizing differentiation, branding strategy, and innovation. Specifically, we expect the greater the investment in innovation and differentiation the higher the CMO compensation.

H2: Innovation and differentiation will have a significant and positive relationship to CMO compensation.

Branding strategies range from a single brand to a house of brands maintained by a firm. The literature identifies various classification methods for branding strategies. The most well-known taxonomy and the one we adopt here is a three-category scheme of single/corporate branding, house of brands, and mixed branding strategy (Rao, et al., 2004; Laforet and Saunders, 1994). A single brand is generally referred to as corporate branding strategy, and the brand is typically that of the company’s (e.g., Nike). A house of brands strategy does not use the company name for endorsing products and services (e.g. Procter and Gamble). A mixed brand strategy combines both corporate branding and house of brands in which a company will use both the corporate and house of brand name for certain products (e.g. Lay’s Ruffles potato chips). Prior research determined that firms with a corporate branding strategy are more likely to have a CMO than firms that do not have a corporate branding strategy (Nath and Mahajan, 2008). We suggest that firms with a corporate branding strategy will also pay their CMOs more than firms that do not have a corporate branding strategy.

H3: Corporate branding strategy will have a positive and significant relationship with CMO compensation.

Firm-specific experience is the length of time an individual has been with his or her current firm. Yanadori and Milkovich (2002) found that CEOs hired from outside of the company received higher compensation than CEOs who were promoted internally. Hambrick and Finkelstein (1995) found that outsider CEOs were paid more than their predecessors but this relationship did not hold for internally promoted CEOs. Often a company needs to offer a premium compensation package to lure an executive from another firm. These incoming executives may earn more than what is being paid to current employees holding a similar position. This type of pay disparity is known as wage compression. Wage compression may occur when a CMO for a firm that has come up through the ranks of the firm would earn less than a CMO hired from outside the firm. Given this phenomenon, we propose the following:

H4: Firm-specific experience will have will have a negative and significant effect on CMO compensation.

Role-specific experience refers to an individual’s professional experience in a specific functional area. CMOs that have spent the majority of their career in marketing may have a different perspective on the task at hand than the marketing executive with experience in a different functional area. Boyd, et al. (2010) found that role-specific experience helps CMOs offset the effects of powerful customers have on the CMO’s decision making regarding firm resources. Prior experience in marketing may be viewed as favorable by a firm hiring their first marketing TMT member. For this reason we suggest the following:

H5: Role-specific experience will have will have a positive and significant effect on CMO compensation.

DATA AND METHODOLOGY

To test the relationship between CMO compensation and customer satisfaction we first identified marketing executives in the TMT listed in ExecuComp, an executive compensation database, which includes only the top five executives of the S&P 1500 firms. We identified marketing executives as those TMT members having the following titles: CMO, VP of marketing, Executive VP of marketing, and Sr. VP of marketing. We next pulled the appropriate satisfaction data for their respective companies from the American Customer Satisfaction Index (ASCI). The ASCI data is provided by the National Quality Research Center at The University of Michigan. After matching the executive’s
company in ASCI we then pulled the relevant COMPUSTAT data. The resulting sample had 31 companies and 144 observations, which is smaller than we anticipated. However, companies with senior marketing executives in the TMT and having available ASCI data are few in number. This is the first study to our knowledge to combine data specifically pertaining to the CMO with ASCI. For comparison’s sake, a study of CMO announcements by Boyd and Chandy Jr. (2010), revealed just 88 such announcements over the 10-year period of 1996-2005. In Nath and Mahajan’s (2008, 2011) sample of 167 firms they found that 91 of the firms employed a CMO for at least one year. As we combined the limited number of CMOs in the TMT with available ASCI data the sample is restricted.

**Dependent Variable.** We use three dependent variables to operationalize compensation: total current compensation, cash salary, and bonus. The compensation data were drawn from ExecuComp for the period 1991 – 2010. We excluded observations where the CMO had less than two years in the position. We also excluded observations identifying more than one marketing executive in a given year.

**Independent Variables.** We use innovation as a measure of firm strategy and operationalize it as the ratio of R&D spending to sales. The data for R&D spending and sales for a given year were extracted from COMPUSTAT. The branding strategy for the firm was coded as a ‘1’ for a corporate branding strategy and ‘0’ for a mixed branding strategy. Firm-Specific experience is coded as the number of years the marketing executive has been with the company. We defined role-specific experience as the years of marketing experience possessed by the executive.

**Control variables.** We control for the influence of a number of variables including firm size, consumer profile, and firm performance known for impacting executive compensation. In a meta-analysis performed by Tosi, et al. (2000), firm size accounted for 40% of the variance in CEO compensation. Here, we measured firm size by the number of employees. We use ROA, which has been used widely in marketing literature, as a measure of firm performance (Nath and Mahajan, 2008).

**STATISTICAL ANALYSIS**

The models used for this study are as follows:

\[
\ln\text{Comp}_{it} = \beta_0 + \beta_1\text{Satisfaction}_{it} + \beta_2\ln\text{NumEmpl}_{it} + \\
\beta_3\text{RoleSpecific}_{it} + \beta_4\text{Firm Specific}_{it} + \beta_5\text{RDSales}_{it} + \\
\beta_6\text{Branding}_{it} + \beta_7\text{ROA}_{it}.
\]  

\[
\ln\text{Salary}_{it} = \beta_0 + \beta_1\text{Satisfaction}_{it} + \beta_2\ln\text{NumEmpl}_{it} + \\
\beta_3\text{RoleSpecific}_{it} + \beta_4\text{Firm Specific}_{it} + \beta_5\text{RDSales}_{it} + \\
\beta_6\text{Branding}_{it} + \beta_7\text{ROA}_{it}.
\]  

\[
\ln\text{Bonus}_{it} = \beta_0 + \beta_1\text{Satisfaction}_{it} + \beta_2\ln\text{NumEmpl}_{it} + \\
\beta_3\text{RoleSpecific}_{it} + \beta_4\text{Firm Specific}_{it} + \beta_5\text{RDSales}_{it} + \\
\beta_6\text{Branding}_{it} + \beta_7\text{ROA}_{it}.
\]

Where for firm \( i \) in year \( t \),

\[
\ln\text{Comp}_{it} \text{ Natural log of the marketing executive’s total current compensation, including salary and bonus } \\
\ln\text{Salary}_{it} \text{ Natural log of the marketing executive’s salary } \\
\ln\text{Bonus}_{it} \text{ Natural log of the marketing executive’s bonus } \\
\text{Satisfaction} \text{ The Customer Satisfaction rating as obtained from ASCI } \\
\ln\text{NumEmpl} \text{ Natural log of the number of employees, a proxy for firm size } \\
\text{RoleSpecific} \text{ Role-specific experience as measured in years } \\
\text{FirmSpecific} \text{ Firm-specific experience as measured in years } \\
\text{RDSales} \text{ Proxy used to capture innovation, measured as the ratio of R&D spending to sales } \\
\text{Branding} \text{ A dummy variable to capture branding strategy, measured as 1 – corporate branding and 0 – mixed or specific branding } \\
\text{ROA} \text{ Return on assets }
\]

**RESULTS**

Descriptive statistics and correlations are shown in Table 1. Multicollinearity is examined using the variance inflation factors (VIF) condition index numbers. None of the VIF were above 2.5 and all of the condition indexes were below 30. The Consumer
### Table 1: Descriptive Statistics and Correlations

<table>
<thead>
<tr>
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<th>Mean</th>
<th>Std. Dev.</th>
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<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
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<tr>
<td>Total Current Compensation</td>
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<tr>
<td>Salary</td>
<td>370,090</td>
<td>177,177</td>
<td>0.80</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Bonus</td>
<td>288,700</td>
<td>258,639</td>
<td>0.87</td>
<td>0.59</td>
<td>1.00</td>
<td></td>
<td></td>
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<tr>
<td>Satisfaction Rating</td>
<td>76.72</td>
<td>7.16</td>
<td>0.53</td>
<td>0.45</td>
<td>0.45</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>ROA</td>
<td>5.97</td>
<td>6.93</td>
<td>0.21</td>
<td>0.18</td>
<td>-0.10</td>
<td>0.20</td>
<td>1.00</td>
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<td></td>
<td></td>
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<tr>
<td>Num. Employees</td>
<td>42,610</td>
<td>68,204</td>
<td>0.60</td>
<td>0.63</td>
<td>0.50</td>
<td>0.22</td>
<td>0.06</td>
<td>1.00</td>
<td></td>
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</tr>
<tr>
<td>Role Specific Experience</td>
<td>20.32</td>
<td>8.44</td>
<td>0.06</td>
<td>0.16</td>
<td>0.16</td>
<td>-0.04</td>
<td>-0.09</td>
<td>0.05</td>
<td>1.00</td>
<td></td>
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<tr>
<td>Firm Specific Experience</td>
<td>10.63</td>
<td>9.84</td>
<td>-0.06</td>
<td>0.00</td>
<td>0.09</td>
<td>0.09</td>
<td>-0.10</td>
<td>0.03</td>
<td>0.54</td>
<td>1.00</td>
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<tr>
<td>R&amp;D Intensity</td>
<td>0.03</td>
<td>0.05</td>
<td>-0.24</td>
<td>-0.25</td>
<td>-0.32</td>
<td>-0.31</td>
<td>-0.10</td>
<td>-0.48</td>
<td>0.18</td>
<td>-0.02</td>
<td>1.00</td>
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</tr>
<tr>
<td>Branding Strategy</td>
<td>0.61</td>
<td>0.49</td>
<td>0.20</td>
<td>0.21</td>
<td>0.26</td>
<td>-0.03</td>
<td>-0.19</td>
<td>0.36</td>
<td>0.05</td>
<td>-0.13</td>
<td>-0.20</td>
<td>1.00</td>
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</table>

### Table 2: Regression Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Total Current Compensation</th>
<th>Salary</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
<td>Mean coeff</td>
<td>t-stat</td>
<td>Prob</td>
</tr>
<tr>
<td>Intercept</td>
<td>2.5148</td>
<td>4.78</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.0373</td>
<td>5.69</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>LnNumEmpl</td>
<td>0.2344</td>
<td>5.47</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Role Specific</td>
<td>0.0122</td>
<td>1.66</td>
<td>0.1012</td>
</tr>
<tr>
<td>Firm Specific</td>
<td>-0.0132</td>
<td>-2.23</td>
<td>0.0291</td>
</tr>
<tr>
<td>RD/Sales</td>
<td>3.9592</td>
<td>2.44</td>
<td>0.0173</td>
</tr>
<tr>
<td>Brand Strategy</td>
<td>-0.0313</td>
<td>-0.29</td>
<td>0.7709</td>
</tr>
<tr>
<td>ROA</td>
<td>0.0011</td>
<td>0.15</td>
<td>0.8807</td>
</tr>
<tr>
<td>F-Statistic</td>
<td>13.86</td>
<td>&lt;.001</td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.539</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Obs.</td>
<td>84</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Price Index (CPI) was applied to the dependent variables to control for inflation. The satisfaction rating was lagged for one year to control for its relationship to compensation in the following year.

We estimate Equations (1), (2), and (3) separately using ordinary least squares (OLS). Table 2 provides the results from the three compensation variables on satisfaction rating, the hypothesized variables and control variables. The model for Total Current Compensation is significant (F-Value=13.86, p-value<.001) and explains 54% of the variance in Total Current Compensation. In the second model, salary is used as the dependent variable and also yields a significant result (F-value=14.83, p-value <.001) with an adjusted R² of .557. For the third model we regress CMO Bonus on the independent variables. This model is also significant (F-value=4.11 and p-value=.0013). The adjusted R² is .283 which is considerably smaller than the other two models but still yields a significant result for customer satisfaction.

All three models yield significant findings for customer satisfaction and support our main hypothesis. Hypothesis 2 related innovation to compensation and is only supported for Model (1) – Total Current Compensation. Hypothesis 3 proposed that a corporate brand strategy would be positively related to compensation but this was not supported. Firm-specific experience has a negative and significant relationship to both total current compensation and salary, partially supporting Hypothesis 4. Role-specific experience appears to positively affect salary but this does not hold true for total current compensation and bonus, thus, Hypothesis 5 is partially supported as well.

Limitations and Future Research

The most obvious limitation of our work is the small sample size. As we attempt to pool together 1) customer satisfaction data with 2) firms having a CMO and 3) these CMOs present in the Top 5 highest paid executives so we have access to compensation data, the file is greatly reduced. A second limitation is the lack of a differentiation measure which captures the firm’s attempt at differentiating themselves from competitors. This measure is typically operationalized as the ratio of advertising spending to sales. The advertising data in COMPSTAT contained a great deal of missing and further limited our sample size so we used innovation which helps to capture a strategy of differentiation.

CONCLUSION

The focus of this research is to determine if the marketing-based asset of customer satisfaction has any impact on the compensation of the Chief Marketing Officer. The CMO position has come under much scrutiny in terms of their ability to show value and demonstrate financial accountability. A question of CMOs impact on firm performance still remains an open issue. Our contention in this research is that perhaps firm performance should be considered in other forms outside of accounting-based measures. We find that indeed, customer satisfaction has an impact on CMO compensation. While other members of the management team take part in delivering on firm performance, the CMO is primarily responsible for intangible marketing assets and these assets have indeed shown an impact on shareholder value.

REFERENCES


FROM PEANUTS TO PLENTY–THE TRANSFORMATION OF A HOCKEY FRANCHISE: A CASE STUDY IN THE APPLICATION OF MARKETING CONCEPTS TO SPORTS

Allen Marber, University of Illinois at Chicago
Paul Wellen, Roosevelt University, Chicago
Patrick Coll, University of Illinois at Chicago

ABSTRACT

Bill Wirtz, Chicago Blackhawks owner until his death in 2007, alienated the fans, the media and Blackhawks players. Attendance had slipped to half capacity at most games, and they had put forth no marketing effort. This paper shows how effective use of sports marketing concepts can transform an entire franchise.

INTRODUCTION

The Chicago Blackhawks franchise was founded in 1926 when the NHL first expanded into the United States. The Blackhawks enjoyed early success winning the Stanley Cup in 1932, 1934 and 1966. But it would be another 49 years before they would once again claim a championship. The Stanley Cup championship of 2010 coincided with arguably one of the greatest sports marketing turnarounds in the history of professional North American sports (Stewart, 2010).

THE LACK OF MARKETING SAVVY

In 1952, two successful Chicago area businessmen, Arthur Wirtz & James Norris purchased the Chicago Blackhawks. In 1954, Arthur Wirtz assumed majority control of the Blackhawks. Arthur Wirtz’s son, Bill Wirtz, became the team President in 1966 – a position Bill would hold for 41 years (Vass, 1970). He would come to run the franchise only one way, the Bill Wirtz way. "The team has been futile throughout his ownership," says Mark Weinberg, author of "Career Misconduct: The Story of Bill Wirtz's Greed, Corruption, and the Betrayal of Blackhawks' Fans (2000)." "This, in the city that has the absolute best and most loyal fans, and from a guy who has more money than Rockefeller. Of course, it makes sense if you know he's only interested in the bottom line.” As a result, the franchise was in ruins as the 21st century began (Hockey News, 2004).

In 2004, ESPN ranked the Chicago Blackhawks as the worst professional franchise in all of major sports. By that time, the number of season tickets holders had fallen to about 5,000 fans. The United Center was, at best, at about half capacity for each game, and the team consistently missed the playoffs. The Bill Wirtz model clearly was not working, but he refused to change anything. This is how William Wirtz became known as “Dollar Bill” Wirtz (Swanson, 2005).

In addition to refusing to televise home games for free, Bill Wirtz did little to promote the Blackhawks franchise around the Chicagoland area. Few dollars were spent on TV or radio ads. Billboard ads were not to be found along any of the major expressways. Only limited ads were placed in the major Chicago newspapers. If the Chicago Blackhawks had been the only game town, Bill Wirtz’ frugal approach may have made some sense (Swanson, 2005).

Critics claimed Bill Wirtz did not appreciate or care about past or present Chicago Blackhawks superstars. Bill Wirtz was blamed for letting his star attraction, Bobby Hull, leave the team in the early 70s, with Wirtz doing little to bring Hull back into the fold after Hull’s playing days were over (Swanson, 2005).
The Chicago Blackhawks, an original six NHL team, has a rich history. Bobby Hull, Stan Mikita and other Blackhawks legends were a missed marketing opportunity for Bill Wirtz. But, Bill Wirtz simply could not think outside the box or, worse, just did not care.  

One of the few areas in which people applauded Bill Wirtz is the way he kept ticket prices relatively low. The average price for a single game ticket and season tickets ranked toward the lower third of ticket process in the NHL for many years. Bill Wirtz quoted these facts as reasoning why he did not televise home games. If fans attended the Blackhawks games in person, he reasoned, they would get a real “bang for their buck” and so there was no need to televise games. However, at the time of Bill Wirtz’ death, the average attendance of games was only about 12,000 fans. Yet, the seating capacity of the United Center for hockey games is about 23,000 (Smith, 2008).  

ROCKY WIRTZ AND THE REBIRTH OF MARKETING  

On September 26, 2007 Bill Wirtz passed away. People within the Blackhawks organization urged his son, Rocky Wirtz, to assume the reins. But Rocky’s philosophy was quite different than his father’s. Rocky believed that in order to make money, he would have to “invest” in the Blackhawks. One of the first changes he made, and a radical one at that, was to televise a limited number of home games to cable subscribers via the local Chicago cable outlet, Comcast Sportsnet Chicago. Later in the year, Rocky inked a deal with the local, and no-cost, broadcast channel, WGN-TV (Larz, 2011). These two watershed events brought interest and excitement from the fan base. Rocky obviously understood the marketing opportunities associated with allowing Chicago residents to watch, for free, select Blackhawks home games on TV. By televising these home games during the 2007-2008 season, Rocky Wirtz could now share the excitement and fan experience emanating from the United Center with the viewing public. Understandably, this marketing move created significant media buzz in the Chicago sports market (Stewart, 2010). Along this line, too, Rocky seemed to understand that the radio voice of any sports team is almost a Pavlovian trigger that fans expect when they hear or watch their team. The Chicago Blackhawks had lost their voice years ago when Pat Foley left Chicago. Rocky Wirtz knew that bringing him back would be a signal to Chicago fans that the “good ol’ days” were on their way back. The fans went crazy when Pat came back (Marobella, 2009).  

Televising home games was only the beginning of the major marketing and management changes Rocky Wirtz would make. Soon after the beginning of the 2007-08 season, Rocky hired then Chicago Cubs President, John McDonough, long considered the “marketing genius” of the Cubs organization. John McDonough had consistently managed to fill seats at Wrigley Field, despite their very mixed results on the field. McDonough understood the importance of having sellouts for every home game. Such high attendance would create a positive word of mouth effect that could, in turn, create a chain reaction, resulting in additional attention from the local Chicago sports media (Chicago Tribune, 2010).  

Another immediate change in philosophy was Rocky Wirtz’ effort to bring Blackhawk superstars back into the fold. Bill Wirtz had turned his back on past Blackhawk stars. But Rocky Wirtz had a warm appreciation of the tradition of the Blackhawks and the marketing impact that these past stars could bring to the Chicago Blackhawks. Rocky responded by quickly making Blackhawk legends of yesteryear, Stan Mikita and Bobby Hull, for example, Blackhawks ambassadors, engaging them in public appearances on behalf of the club (Kuc, 2007). This created an immediate excitement among Blackhawks fans. It also gave a sense of hope that with this new owner in charge, Chicago could once again be a “hockey town.” (Hockey News, 2008).  

The “Welcome Back” Blackhawks legends effort was taken to a new level during the 2007-2008 Chicago Blackhawks season. Special “welcome back” nights were organized for three different Blackhawk legends, Stan Mikita, Bobby Hull and Tony Esposito. These were very stirring, emotion-filled nights that proved energizing for both the current players and past and present generations of Blackhawk fans. In less than a year’s time the culture of the Chicago Blackhawks had undergone a 180 degree marketing turn (Hockey News, 2008). Fans were now packing the stands, thrilled to see the Blackhawk product on the ice once again. Home game attendance had gone from an average of 12,727 in the 2006/2007 season to an average of 16,814 fans per game in the 2007/2008 season (Chicago Blackhawks, 2010). It appeared that the Blackhawks were a franchise that had begun to rise from the dead.  

On May 29, 2008, Blackhawks management produced another sports marketing feat by bringing the 2009 Hockey Winter Classic to Chicago. This outdoor hockey game was to be played on January 1, 2009 at Wrigley Field between the Chicago Blackhawks and the Detroit Red Wings. This game generated
considerable publicity for the Blackhawks, and kept the Blackhawks name in the news during the off-season (Truitt, 2008).

The media covering the game created an almost circus-like atmosphere. The game had been nationally televised on NBC and, locally, even overshadowed the traditional New Year’s Day College football bowls. It is noteworthy, too, that the Chicago Bears were fighting for a playoff spot that season but, for at least one day – the Bears were the secondary focus of the local sports media. The game drew 4.4 million viewers – the highest total for a NHL game on NBC since 1975. Rocky Wirtz, the NHL and NBC all hit sports marketing home runs with this telecast. The 2009 Winter Classic even had international appeal. The game was televised in Canada in both English and French and in the UK. As Blackhawks President McDonough said about the Winter Classic, “it’s an international validation that something's going on in Chicago -- something positive,” (Burnside, 2008).

Another sports marketing tool was the decision to hold an annual summer Chicago Blackhawks convention. Although the NHL off-season is short compared to other professional sports, one of the main keys to the successful sports marketing of a professional team is to keep them in the news year round. Toward the end of the Bill Wirtz era, the Blackhawks had a hard time getting press even during the hockey season. And when the regular season ended without consistent playoff appearances, the Chicago Blackhawks would be totally forgotten by both the media and the fans. But, by all accounts, the Chicago Blackhawks convention has been another sports marketing success. This event has allowed the typical Chicago Blackhawks fan to “get up close and personal” with a Blackhawks player (current or former) in a way that is not possible during a game. The convention became a wonderful, and easy way to not only promote Blackhawks memorabilia but for the average fan to meet and greet numerous players, both past and present (Sullivan, 2008).

Showcasing star players was another sports marketing move of the new management and proved to be an effective way to promote the Chicago Blackhawks in general. Two young Chicago Blackhawks stars, Jeremy Tewes and Patrick Kane, were expected to be the face of the franchise for several years to come. Patrick Kane was voted Rookie of the Year for the 2007-08 season. Jeremy Tewes became the youngest Chicago Blackhawks rookie in history to be named captain at only 20 years of age. Former owner, Bill Wirtz, had done little to publicly promote key players and seemed to resent the attention they received. Rocky Wirtz had a completely different vision for his key players. Rocky realized that how key players perform on the ice is only one part of obtaining fan support. Rocky Wirtz wanted his young stars to become very familiar to the average fan. One way for this to occur is through television, print, radio and online advertising. This is where the relationship with Chevrolet began (Vardi, 2010). Under this agreement, Kane and Toews were to be included in Chevy’s advertising wearing the Blackhawks uniform. This partnership was officially launched with a “Blackhawks Fan of the Year” online contest, followed by an appearance by the duo at the Chevrolet display at the 2009 Chicago Auto Show (Chicago Blackhawks, 2009).

Tom Gollinger, President of the Chicagoland and Northwest Indiana Chevrolet dealers, could not have been more enthusiastic about the deal. He proclaimed:

“Breaking though the airways and digital space has always been important to the Chicagoland Chevy dealers. We have had a strong history of working with who is hot….Michael Jordan, Dan Hampton, Lou Piniella, Ozzie Guillen and now Patrick and Jonathan. A message is only relevant if you break through the clutter and are actually heard. We expect to be heard loud and clear through these guys (Vardi, 2010).

The Chicago Blackhawks won the Stanley Cup for the 2009-2010 season. The Stanley Cup is, arguably, the most coveted trophy in all of professional sports in that it literally changes hands from one team to the next. Once a Stanley Cup champion is defeated, they must relinquish the cup to the new champ. The Stanley Cup victory was celebrated, in Chicago that weekend, during a Sunday night ESPN baseball game at Wrigley Field. This game was between the Chicago White Sox and Chicago Cubs. Under normal circumstances, that game would have created significant local sports media coverage. But, before the game, the entire Blackhawks team walked around the field carrying the Stanley Cup to the cheers of tens of thousands of adoring fans. The Cubs/White Sox rivalry is one of the fiercest in all of sports but, for this one moment, all in attendance were cheering the Blackhawks. Then, an historic photo was taken. The entire White Sox, Cubs and Blackhawks teams all posed for a photo with the Stanley Cup. It was probably one of the greatest sports moments in Chicago history (Chicago Sun-Times, 2010). What a promotional opportunity for these three local sports teams engineered by new management.

The personal touch is something that Rocky Wirtz does well. There is a good chance that when a fan goes to a Blackhawks game, especially in the early going of
his reign, you will see Rocky Wirtz walking around the United Center engaging with fans, signing autographs and taking the time to talk, about anything, to his most important constituent, the fans. He truly puts the fans at the top of the organizational chart and respects the proposition that the club’s fans are really its “customers” (Marobella, 2009).

Over the past few years, the Blackhawks have developed strong relationships with the Chicagoland community. For example, “cause marketing” has been extremely important to Rocky Wirtz, as demonstrated through the relationship between the Chicago Blackhawks and the Boys and Girls Club of America. The Blackhawks have also been deeply involved in Chicago Gateway Green, an initiative that “educates our fan base to be leaders in responsible environmental development”. Also, the Club is involved with Chicago Pet Adoption (Chicago Blackhawks, 2011). These kinds of community relationships can only add to the popularity of, and respect for, the Blackhawks franchise.

Major youth hockey initiatives have also added a grassroots impact to the Blackhawks promotional program. Specifically, Chicago’s Mayor Emanuel said, "thanks to the Chicago Blackhawks for investing in Chicago’s communities and giving children in neighborhoods across the city the opportunity to play hockey and be active. We are appreciative of their support in growing the sport of hockey on a grassroots level while delivering such a positive effect on so many young people in our city” (Quigley, 2011).

Corporate sponsorships have been an important part of the Blackhawks new marketing strategy. Rocky Wirtz, over the past several years, has added over twenty corporate sponsorships including establishing relationships with giants like, AT&T, Coca-Cola, Verizon Wireless, Anheuser-Busch Inbev, and others (Forbes, 2009).

Bill Wirtz ignored digital media. Rocky Wirtz has embraced it. Mashable, the social media news website and Internet news blog, every year, through its Open Web/Mashable Award, recognizes the best online communities and services. In 2009, the Chicago Blackhawks won the award for the Best Brand Use of Twitter (Cashmore, 2009). Rocky and his marketing team seems to understand the role of social media in a marketing program.

One of the most reliable ways to measure the success of a sports marketing effort is to look at the team’s attendance. Of course, this has to be weighed against a myriad of factors such as: the economy, attendance records of the entire league in general, the atmosphere of a particular stadium itself and the performance of a particular team in terms of wins and losses. Although these factors can impact attendance, total attendance is still probably the best way to determine the success of a sports marketing effort by a professional franchise. As noted previously, Blackhawk home attendance had steadily declined under the leadership of Bill Wirtz, from 20,319 fans per game in the 1994/1995 season to 12,727 in the 2006/2007 season. But, in the post Bill Wirtz season of 2007/2008, attendance rose to 16,814 (Greenstein, 2010). During the 2010-2011 season, attendance was at sellout levels, around 21,000 per game. There is now a waiting list of about 7,000 people for season tickets (Zona, 2010).

In October 2010, the Chicago Blackhawks were estimated to be valued at $300 million – ranking the franchise seventh among NHL teams. Toward the end of Bill Wirtz era in 2006, the Blackhawks were valued at $168 million (Forbes, 2009). Also, in just 3 years, the Chicago Blackhawks have increased their average operating income (profit) from $1.4 million in 2001-2008 period to $17.6 million in 2009/2010 (Vardi, 2010).

CONCLUSION

When Rocky Wirtz assumed ownership of the Blackhawks, he realized that his first priority was to repair the broken relationships between the Chicago Blackhawks and the people of the Chicagoland area, in general, and long time Chicago Blackhawks fans, in particular. Despite Rocky being the son of the infamous “Dollar Bill” Wirtz, the decision to televise home games, without charge, was one among a number of important marketing moves he made. It demonstrated to the public that Rocky Wirtz was an owner willing to make dramatic changes. Among these other moves included the healing of old “psychic” injuries to major, but not forgotten former stars through his Ambassadors program, the hiring of competent and marketing savvy front office personnel, his ability to attract corporate sponsors, the addition of a Blackhawks convention, cause-related marketing and the Winter Classic. All of the marketing initiatives presented in this paper were woven together in such a way as to turn around a moribund franchise in a very short period of time. This success would not have been possible without the proper application of basic marketing concepts to sports.

REFERENCES


QR CODE TECHNOLOGY PLATFORM ENHANCES MOBILE MARKETING APPLICATIONS

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Yan Jin, Elizabeth City State University

ABSTRACT

Marketers are posting two-dimensional Quick Response (QR) codes in print materials where the codes can be scanned with a smartphone and carry a consumer to an internet landing page. The paper looks at consumers’ perceptions of QR codes in comparison to other forms of mobile marketing.

INTRODUCTION

Marketing is now on the fast track as technology allows marketers to put their message before consumers in a host of locations using mobile communications. One means of doing this is by employing Quick Response (QR) codes. This paper seeks to make more individuals and organizations aware of QR codes, how they appear, what purpose they serve, and the benefits they provide to consumers and marketers. The paper lays the groundwork for additional research that will reveal the appeal and value of QR codes.

QR CODE TECHNOLOGY

QR code is the abbreviated name for Quick Response code. A QR code is a barcode that is constructed in two dimensions—horizontal and vertical that create a square shape. The QR codes for Google and Wikipedia are shown below:

QR codes are showing up in magazines, advertising flyers, on products, storefront windows, and on subway billboards—anywhere there is print material. People who do not know about them can miss seeing the code. If they happen to notice the symbol, they usually consider the image peculiar and think that it is part of the marketer’s artistic graphic design. The unknowing observers quickly pass their attention on to the next stimuli to which they are exposed. The knowing viewer recognizes that QR codes like the Google and Wikipedia examples above may contain a wealth of encrypted data ranging from URL addresses to customer reviews to personal data (Collins 2011).

Businesses can use the codes to provide a physical link that can connect online and offline worlds when an individual scans the code (Collins 2011). Marketers have an excellent opportunity to connect with consumers because mobile users have a special relationship with their devices and they usually have their phones at their side. “People feel naked when they’ve left their mobile at home and hardly ever turn off their ‘link’ to the outside world.” (Birckner 2009)

The special advantage that QR codes provide is that there is no need for the individual to write down a URL or remember when they get home to their computer to go to the site; they can immediately access the link by scanning the code.

Drawing upon the code information and making sense of the symbol requires two items:

1. Smartphone ownership
2. A QR reader downloaded on the smartphone

Numerous QR readers are available for download free. By using the QR reader app, the individual points the phone’s camera at the code whereupon the camera scans the code and uses the phone’s internet connection to contact an internet landing page. The page may simply be the web home page for a business or organization. However, other landing sites can provide:

- Details on specific products and services
- Directions on how to use a product/service on a do-it-yourself project
- Videos of the company or a product/service
• Where the product/service can be located
• Company or user blogs
• Testimonials
• Special offers
• Contests and sweepstakes

**QR CODE AWARENESS**

QR codes in the United States are in the introductory stage of the product life cycle. Measurement of knowledge and application of the codes is minuscule. MGH, an integrated marketing and communications agency conducted an online survey on the Vision Critical Springboard America panel about QR code usage and interest. The survey found that 65% stated that they had seen a QR, 38% said they had not seen one and 7% of the respondents did not know. Of those who had seen a code, the percentage that had accessed the code and the percentage that had not were almost the same with the numbers being 49% and 48% respectively. The percentage that was unsure if they had scanned the code was 3%. When asked whether or not they would remember an advertisement with a QR code, three-quarters of the respondents stated that they were somewhat likely to very likely to remember. The total responses to the last question are in the following table (MGH 2011).

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very likely</td>
<td>31%</td>
</tr>
<tr>
<td>Somewhat likely</td>
<td>41%</td>
</tr>
<tr>
<td>Neither likely, no unlikely</td>
<td>16%</td>
</tr>
<tr>
<td>Somewhat unlikely</td>
<td>4%</td>
</tr>
<tr>
<td>Very unlikely</td>
<td>3%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6%</td>
</tr>
</tbody>
</table>

Table 1. How likely would you be to remember an advertisement with a QR code?

The MGH study also found that QR codes are being utilized by diverse age, educational level, income, and gender groups.

**QR CODE APPLICATIONS**

Marketers are finding innovative ways to generate interest in their organizations through QR codes. The IZOD IndyCar Championship is using a code to link spectators and followers of the racing event from around the world. The code will also to allow fans to receive live updates from areas around the race grounds including the pit area (Follow the INDYCAR 2011).

The New York Botanical Garden has QR codes on display throughout the gardens. Guests traveling through the park can read the brief displayed descriptions of trees, flowers, and shrubs or they can scan the QR code posted at the site and be provided with more details including the history of the flora and its importance to the environment. The QR code provides an added benefit in that the individual viewing information on the smart phone can step back to read the information, thereby allowing other guests to move to the front and enjoy viewing the plants (New York Botanical Garden 2011).

Coca Cola is moving to reposition its image in consumers’ minds by placing QR codes on its new 25 cl (8 1/3 ounces) cans in Germany. Pepsi previously established itself as the cola for the young crowd using popular music and the hot-in-the-moment recording artists. Now, Coke is after the same target market. The company’s strategy involves a smaller, sleeker can that wears a QR code. Coca Cola seeks to create an interactive multimedia experience that uses taste, sight, and hearing. The company has not gone public about the specifics of where the code will take you, however, there is speculation that a scan of Coke’s code will lead to the Coke Music Portal where the company plans to allow people to select the music they want to listen to while they enjoy the can of Coke (Coca-Cola Employs QR 2011).

QR codes are a fast way to acquire information. Wikipedia has a QR code making it possible to quickly access the website and solve friendly arguments about critical issues such as the original name of the Motown Temptations singing group (The Elgins) and whether or not Kodak invented the digital camera (yes, a company engineer named Steve Sasson befuddled Kodak executives who were unable to perceive the value of a filmless camera).

Heinz provides individuals who are sitting in restaurants waiting to be served their meal with an opportunity to scan Heinz ketchup bottles on restaurant tables and learn about the composition of the container for the ketchup. A scan of the QR code on the back of the bottle takes the reader to a link at the Heinz website that explains that the container is a PlantBottle™ with 30% of its composition consisting of renewable sugar cane material. To maintain the diner’s interest, the site also holds a trivia game that can be played on the viewing smartphone (Heinz 2011).

Calvin Klein’s infamous ads are known to engender a backlash because of their racy content. The company decided to censor itself and simultaneously generate more interest for its Fall 2010 campaign by posting a QR code on billboards that could be scanned from as far away as 100 yards (Mobile Behavior 2010). Scanners were carried to a 40 second commercial that was more suggestive than what might have been delicately displayed on the billboards (Hintz-Zambrano 2010).
QR CODING ADVANCES MOBILE MARKETING

Early marketing tactics that utilized mobile phones to communicate advertising content met with responses that ranged from curiosity to caution to resistance. That was because the advertising often resulted in spam. Furthermore, the phone owner had to pay for the phone minutes and text messages that they had neither sought nor desired.

Location-based marketing was another technology platform introduced to make use of mobile wireless networks. It distributes advertising content to mobile phones that are in a definitive physical area or it directs the mobile phone user to a geographical location based upon the current position of the mobile device (Carter 2011). Making their location known is unsettling for some individuals. Shields (2010) states that consumers view others acquiring their location as a loss of privacy and that has made brands uncertain as to how to implement location marketing without offending the public.

QR codes have consumer appeal because they circumvent shortcomings of the previously developed mobile advertising platforms. The consumer does not have to contend with unwanted communications because contact only occurs when the smartphone user reaches out to the marketer. The organization benefits because it knows that the consumer must have some interest in their product/service/information since he or she initiated contact, therefore, the information that is disseminated will most likely meet with a positive reception and the marketer avoids being perceived as an intruder.

Smartphone users are required to pay a monthly data plan fee to have internet access. No additional charge is incurred when scanning the QR code and logging on the marketer’s internet site. As a result, consumers are not deterred from obtaining the information provided by the QR code because of a cost concern. Plus, consumers do not have to divulge their location to obtain QR code information. These features of QR code applications make the technology appealing to consumers.

Marketers appreciate that QR codes engage consumers and create an interactive experience, thereby creating a memorable and lasting message (Vertz 2011). Don Eames, a vice-president of Brookstone, the self-proclaimed destination for unique gift ideas and smart products stated, “If you put QR codes on a direct mail piece, it extends its coffee table life, and that means your postage and printing has a much better value” (Parry 2011).

Marketers can create one QR code that can be used on any and all print media, be it a mailing, catalog, billboard, etc. and the scanner of any of those sources will be led to the same URL site. That means that all consumers and potential consumers are receiving a consistent message and the marketer has minimized creative, printing, and web costs. Metrics captured from a QR code scan can be developed into data on, “unique use usage, when and where the code was seen and even the duration of the interaction” (Williams 2011). All of these benefits accrue while a pull strategy is being created in the communication with the consumer (Xue 2008).

FUTURE RESEARCH CONSIDERATIONS

This paper is a descriptive study that defines QR codes, examines the awareness level of the codes, looks at QR codes’ marketing applications, and conveys the benefits that arise from using the codes. The findings show that consumers are interested in QR codes given minor expense and ease of use. The initial exploration of the applications is encouraging consumers to continue and expand their use of the codes.

Marketers are intrigued by the prospect of having potential customers reaching out to them for more information. They are expanding their use of the codes because of value they see for what they invest in QR codes. At a time when marketers are otherwise having to spread their promotional budgets over a wide range of products to reach different groups, QR codes are providing a means of centralizing their promotion efforts and controlling spending.

This exploratory study could not find any empirical research on QR code interest and usage other than the study by MGH. Therefore, the findings of the MGH research cannot be substantiated or refuted. A major concern with the MGH research is that it stated that it was administered to smartphone users. Because it is not known how the sample was obtained, a consideration is that those who may have been surveyed were only the owners of smartphones, which may have consequently excluded many smartphone users. Additional research needs to be conducted without limiting the sample to owners and users of smartphones because there are individuals who will borrow a friend or family member’s phone to scan a code. There are also those individuals who, upon seeing how scanning a QR code works and learning the benefits, will resolve to purchase a smartphone in the future and begin utilizing the feature. Without researching to learn the size of all of these groups, marketers will not know the growth potential for QR code applications.

Much research is needed to learn more about the acceptance and use of QR codes, the individuals who are scanning the codes, where are the codes being posted, what types of companies are using the codes,
how companies are using the codes (link to a product/service, video, homepage, etc.). The authors of this paper plan to conduct empirical research to address those information needs on QR codes.

REFERENCES


ABSTRACT

We analyze the sentiment of sample electronic word of mouth from a specialized movie review site and a general multi-purpose social network to determine their relationships with box office and difference between platforms. Non-systematic differences across the platforms and disproportionate amount of first-day negative “tweets” were observed. Issues with sentiment analysis are also discussed.

INTRODUCTION

The rise of social media, which decentralizes the production of content from traditional media companies and provides individual the facilities to easily create, publish, and share their own content with other users, has led to an explosion of content creating and sharing by individuals all over the web. User-driven content includes blogs, user comments on news sites, user reviews on shopping sites, videos on YouTube, and social media sites such as Facebook, Google+, and Twitter. In many cases, users express word of mouth impressions of brands and products via user-driven content sites on the Internet as part of their communications with other individuals online.

Word of mouth, or thoughts passed from individual to individual, plays a significant role in the consumer’s purchasing decisions (Richins and Root-Shaffer, 1988). Given their large prospective audiences essentially unconstrained by traditional time and space boundaries, social media may represent the potential to exert a great deal of influence through the users’ electronic sharing of word of mouth (Reynolds-McInhay and Taran, 2010).

While the relationship between professional reviewers, amateur reviewers, and market success has previously been studied, the influence that social media users can exert through various forms of electronic word of mouth still offers room for exploration. Does electronic word of mouth, expressed through social media services such as Twitter, reflect similar views as those of professional and amateur reviewers? Does electronic word of mouth factor into the ultimate success of the product or brand? Looking at the large, and still growing, networks of social media users that could be potentially exposed to electronic word of mouth about brands and products, it is important for brand managers to understand the potential impacts of electronic word of mouth and how to approach that impact.

In this paper, we are investigating the patterns of communications related to particular brands (movies) on two different kinds of consumer forums – a general communication network and specialized review forum with regards to their valence and timing and their relationship with the professional expert opinion (critic’s reviews) and the brand performance.

WORD OF MOUTH, SOCIAL NETWORKS, AND BRAND PERFORMANCE

Word of mouth, or thoughts and information passed from individual to another, plays a significant role in the consumer’s purchasing decisions (Richins & Root-Shaffer, 1988). Information and opinions gathered from online trusted sources (electronic word of mouth), such as social networks of friends, influences consumers’ perceptions of brands and how they make purchasing decisions (Kozinets et al, 2010; Zhang, Jansen, Sobel and Chowdury 2009). Electronic word of mouth is effective in overcoming costumer resistance and also mostly low cost (Trusov, Bucklin and Pauwels, 2009). Of particular interest then is how exactly to determine what the content and valence(sentiment) of word of mouth around the brand is and how exactly those factors contribute to the brand performance.

Like many other forms of social media, Twitter permits open communication between users, by allowing users to share their tweets (Twitter terminology for messages) freely with all other users.
Users can choose to follow as many other users as they like, and often they build lists of followed-users that include friends, favorite personalities, and other individuals or organizations they find interesting or discover through trending topics (Twitter terminology for topics that are being discussed at any given time by a large number of users) or by their friends re-tweets (Twitter terminology for a message that is shared by someone other than the original author). Twitter has quickly become very popular, with over 200 million users (Zhang, et al. 2009).

Adding to the popularity of Twitter is to tweet from via text message from a cell phone. This allows users to share their immediate reaction to situations, people, and products they encounter. These immediate reactions are viewable, and shareable, with their entire network of followers and potentially with the 200 million users that Twitter currently possesses. Thus Twitter provides an attractive platform for studying brand-related electronic word of mouth.

There are different levels that brand can be studied on (Keller, 1993). For example, in the entertainment industry, one could look at the studio (Pixar), its general parent (Disney), particular stars (Johnny Depp) and/or producers (Tim Burton), or the movie title itself. Movie titles have received some degree of attention from academics (Eilashberg and Shugan, 1997; Elberse and Eliashberg, 2003; Luo, Chen, Han and Park, 2010) thanks to the availability of public information about them, including their box office performance.

Movie going is a popular social activity in America that generates a significant word of mouth amongst consumers related to the hedonic brands that are movie titles (Basuroy and Chatterjee, 2008).

The link between positive word of mouth on movies, from both critical and amateur reviews, and higher movie and other product revenues has been previously studied (Eilashberg and Shugan, 1997; Moon, Bergey and Iacobucci 2010; Duan, Gu and Whinston, 2008). Sheer volume of communication in the form of blog postings has been linked to box-office performance of movies (Qin, 2011). Valence of the user reviews has emerged as another factor of market performance (Chevalier and Mayzlin, 2006). Additionally the fact that critical movie reviews act as a predictor of box office performance of movies has also been established (Basuroy, Chatterjee and Abraham 2003). Most of the studies of the link between user to user communication and the brand performance have been primarily restricted to sites and forums specifically dedicated for people to post their opinions and feedback. However, since the time that these sites first became available, technology and communication have progressed further where general public discourse, not just for specific review and rating purpose, is providing ever increasing volumes of word of mouth (Zhang, et al. 2009). A question that arises then, does this changes the way electronic word of mouth works, or at least, if there is a difference between the quantity, valence, and content of word mouth among the different kinds of social media.

To aid in the attempts to handle the massive amounts of postings online, various content analysis/data mining software tools are being developed and offered to practitioners, academics and simply curious (Simmons, Conlon, Mukhopadhyay and Yang 2011; Mierswa, Wurst, Klinkenberg, Scholz and Euler, 2006). Whether such tools are quite useful for the brand manager who wants to know what the “Net” is saying about their brand is not quite clear.

We ask the following research questions on how electronic word of mouth affects brands:

**Research Question #1** - Is word of mouth in social networks related to box office performance?

**Research Question #2** - Are there differences in the valence (sentiment) of amateur movie reviews from Yahoo! users and Twitter posts?

**Research Question #3** - How does the sentiment of Twitter posts about a movie change over time?

**METHODS, ANALYSIS AND RESULTS**

Data on 30 recent movies was gathered from various sources as described below. The movies included in this study were selected based on their recent release date (all are new box office releases from the third and fourth quarter of 2011). Recent movies were chosen to be examined primarily due to the availability of Twitter data. The sample of movies selected was varied in how wide of a release the movie had. Movie category (comedy, romance, action, etc.) was considered beyond the scope of the current study. Four primary types of data about each movie were collected for use in this study: domestic box office sale results for movies, average professional critic reviews, amateur movie reviews from specialized movie review forum, and movie-related Tweets as word of mouth from non-specialized general conversation site. The domestic box office results included information such as the total domestic box office gross returns, the number of theaters the movie was shown in, the total number of theaters the movie was shown in during its box office run, the opening weekend box office gross returns, and the total number of theaters the movie opened in. This data was retrieved from the website the-movie-times.com (http://www.the-movie-times.com/).
Critical Reviews, or movie reviews provided by professional reviewers through respected media outlets, were collected from Yahoo! Movies (http://movies.yahoo.com/) as an aggregate average score from professional reviews for a given movie. Yahoo! Movies also serves as the source of amateur movie reviews. For each movie included in the study, the overall movie grade given by each amateur reviewer and the date upon which the review was given was collected for use in the analysis. Grades range from F to A, including B+, A-, etc., with which we converted into numbers from 0 to 6. Average ratings for each of the movies along with the number of reviews within the timeframe are presented in Table 1. Additionally, for each movie, the grand average population score as published by Yahoo! was available.

Tweets related to each of the movies in the study were gathered from Topsy.com, a social search engine that archives Twitter data for approximately 45-60 days from the date of the initial posting to Twitter. The Tweets were retrieved by performing queries for the movie title against the application programming interface provided by Topsy for public consumption. The Topsy algorithm ranks Tweets based on an algorithm that sorts by the number of retweets they receive and the influence of the Twitter users. Hence, the tweet samples were skewed in the direction of more influential posts.

We first attempted to apply sentiment analysis to assess the valence of the data. Sentiment analysis is an analytical method of data mining that extracts opinions being expressed by in a piece of writing. Sentiment analysis works by “training” a the analysis algorithm to sort data as positive, negative, or neutral by classifying the data based on the frequency and placement of key words and phrases within the sentence structure. An overall score for the piece is computed based on the average sentiment ratings of individual sentences (Pang, Lee 2008).

For purposes of this study, the open source RapidMiner tool was selected to perform the sentiment analysis. RapidMiner’s text analytics tool requires training of the algorithm to accurately score the sentiment in the provided text. Training of the algorithm is accomplished by providing text samples that are previously reviewed and scored by hand as expressing positive, negative, or neutral sentiments (Mierswa, et al 2006).

Once the algorithm was trained, the Twitter data collected for each movie was analyzed by the sentiment analysis algorithm. Unfortunately the results the sentiment analysis provided lacked accuracy. Reviewing the results in detail revealed several insights into why the sentiment analysis results weren’t accurate for the Tweet data set. Twitter data set includes several unique elements such as advertisements, self-promotional messages, sarcasm, and tie-in promotions. The sentiment analysis tended to score these elements, incorrectly, as in the example of promotion tweets, as having a positive sentiment. This skewed the results provided by the sentiment analysis algorithm, making the data inaccurate.

Once this issue was uncovered, the decision was taken to manually score a sample of the Tweets for sentiment by individually reviewing the Tweets and coding them for sentiment. These coded Tweets can potentially be used as a future training set to help increase the accuracy of the sentiment analysis algorithm.

To compare the ratings of the Twitter users and the Yahoo! users, we coded the Yahoo! ratings (ranging from F to A+ ) as 0 through 6 with .5 increments. We coded the Tweets as negative (0), neutral (3), or positive (6) to match the anchor points used for those of Yahoo! users. A pairwise t-test non-assuming equal variance using Satterthwaite’s approximation (Casella & Berger, 2002 p. 410) was conducted. Out of the 30 paired comparisons, 10 were not statistically different. The remaining 20 were split equally between those that had a higher average sentiment than those given by the Yahoo! users and those that were lower. Thus, even though in the majority of cases there was a difference between the two groups, no obvious systematic bias has been detected thus far. Table 1 presents the statistics for our sample of Yahoo! reviews and Twitter sentiments for each movie.

Next, we examine the correlations between the average ratings by Twitter users, average ratings in our sample and the critical reviews. The correlations between our sample mean and the total average for Yahoo! users is .892 somewhat validating our sampling technique, as we would expect that correlation to be rather high albeit not necessarily an exact 1.0.

Interestingly, the only relatively high correlation with the box-office gross is that of the critics’ reviews. However, since there are only 22 valid reviews in the sample, even that result does not show statistical significance.
<table>
<thead>
<tr>
<th>Movie Title</th>
<th>Yahoo Sample</th>
<th></th>
<th>Twitter Sample</th>
<th></th>
<th>Statistically Significant Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean</td>
<td>St. Dev</td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>30 Minutes or Less A Good Old Fashioned Orgy</td>
<td>75</td>
<td>2.05</td>
<td>2.04</td>
<td>878</td>
<td>4.61</td>
</tr>
<tr>
<td>Apollo 18</td>
<td>4</td>
<td>2.00</td>
<td>2.83</td>
<td>475</td>
<td>3.11</td>
</tr>
<tr>
<td>Colombiana</td>
<td>227</td>
<td>1.54</td>
<td>1.90</td>
<td>550</td>
<td>3.04</td>
</tr>
<tr>
<td>Conan</td>
<td>119</td>
<td>3.78</td>
<td>2.01</td>
<td>490</td>
<td>4.45</td>
</tr>
<tr>
<td>Contagion</td>
<td>233</td>
<td>3.02</td>
<td>2.11</td>
<td>745</td>
<td>2.86</td>
</tr>
<tr>
<td>Dolphin Tale</td>
<td>396</td>
<td>2.56</td>
<td>1.89</td>
<td>332</td>
<td>3.69</td>
</tr>
<tr>
<td>Don't Be Afraid of the Dark</td>
<td>78</td>
<td>5.35</td>
<td>1.12</td>
<td>434</td>
<td>3.97</td>
</tr>
<tr>
<td>Drive</td>
<td>138</td>
<td>2.20</td>
<td>2.02</td>
<td>608</td>
<td>3.44</td>
</tr>
<tr>
<td>Final Destination 5</td>
<td>486</td>
<td>2.51</td>
<td>2.36</td>
<td>490</td>
<td>2.83</td>
</tr>
<tr>
<td>Fright Night</td>
<td>82</td>
<td>4.29</td>
<td>1.75</td>
<td>621</td>
<td>4.39</td>
</tr>
<tr>
<td>Glee</td>
<td>145</td>
<td>3.64</td>
<td>1.99</td>
<td>528</td>
<td>3.51</td>
</tr>
<tr>
<td>Human Centipede 2</td>
<td>17</td>
<td>4.06</td>
<td>2.43</td>
<td>1121</td>
<td>5.04</td>
</tr>
<tr>
<td>I don't know how she does it</td>
<td>6</td>
<td>3.33</td>
<td>1.63</td>
<td>366</td>
<td>2.59</td>
</tr>
<tr>
<td>Killer Elite</td>
<td>35</td>
<td>3.50</td>
<td>2.08</td>
<td>467</td>
<td>3.47</td>
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<tr>
<td>Love Crime</td>
<td>74</td>
<td>3.60</td>
<td>1.78</td>
<td>548</td>
<td>3.40</td>
</tr>
<tr>
<td>machine gun preacher</td>
<td>3</td>
<td>6.00</td>
<td>0.00</td>
<td>291</td>
<td>3.46</td>
</tr>
<tr>
<td>Moneyball</td>
<td>8</td>
<td>5.63</td>
<td>0.69</td>
<td>593</td>
<td>3.50</td>
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<tr>
<td>Our Idiot Brother</td>
<td>171</td>
<td>4.06</td>
<td>1.90</td>
<td>1377</td>
<td>4.07</td>
</tr>
<tr>
<td>Real Steel</td>
<td>98</td>
<td>2.65</td>
<td>2.18</td>
<td>619</td>
<td>3.83</td>
</tr>
<tr>
<td>Saving Private Perez</td>
<td>300</td>
<td>5.06</td>
<td>1.31</td>
<td>398</td>
<td>3.66</td>
</tr>
<tr>
<td>Senna</td>
<td>20</td>
<td>4.70</td>
<td>2.02</td>
<td>687</td>
<td>3.78</td>
</tr>
<tr>
<td>Seven Days in Utopia</td>
<td>9</td>
<td>5.72</td>
<td>0.26</td>
<td>405</td>
<td>3.97</td>
</tr>
<tr>
<td>Sharknight 3d</td>
<td>102</td>
<td>4.67</td>
<td>2.00</td>
<td>730</td>
<td>2.65</td>
</tr>
<tr>
<td>Straw dogs</td>
<td>69</td>
<td>1.89</td>
<td>1.94</td>
<td>587</td>
<td>3.08</td>
</tr>
<tr>
<td>The Help</td>
<td>76</td>
<td>2.53</td>
<td>1.99</td>
<td>766</td>
<td>4.03</td>
</tr>
<tr>
<td>The Ides of March</td>
<td>519</td>
<td>5.30</td>
<td>1.41</td>
<td>621</td>
<td>3.66</td>
</tr>
<tr>
<td>Thunder soul</td>
<td>181</td>
<td>2.99</td>
<td>2.02</td>
<td>418</td>
<td>3.84</td>
</tr>
<tr>
<td>Warrior</td>
<td>6</td>
<td>5.83</td>
<td>0.26</td>
<td>787</td>
<td>3.85</td>
</tr>
<tr>
<td></td>
<td>152</td>
<td>5.36</td>
<td>1.20</td>
<td>702</td>
<td>4.06</td>
</tr>
</tbody>
</table>

The Yahoo! sample mean also came out negatively correlated (statistically significant at .05) to the number of theaters that the movie was shown in.

Next, we examine the timing of Tweets relative to the sentiment the Tweet expresses. Overall, out of the 30 movies, in 20 cases, disproportionate amounts of negative Tweets relative to neutral and positive were posted within the first 3 days, an effect that we call “negative first day effect”. This effect is in line with the general negativity spikes observed around introduction of popular events (Thelwall, Buckley, & Paltoglou, 2010).
Table 2. Correlations among Twitter, Yahoo ratings, Box office and number of theaters

<table>
<thead>
<tr>
<th></th>
<th>Yahoo Users' total</th>
<th>Yahoo Sample mean</th>
<th>Twitter mean</th>
<th>Box-office Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critic Reviews</td>
<td>0.188</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yahoo Users' total</td>
<td>0.161</td>
<td>.892**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yahoo Sample mean</td>
<td></td>
<td></td>
<td>-0.054</td>
<td>0.353</td>
</tr>
<tr>
<td>Twitter mean</td>
<td>-0.054</td>
<td>0.194</td>
<td>0.224</td>
<td>0.19</td>
</tr>
<tr>
<td>Box-office Gross</td>
<td>0.413</td>
<td>0.194</td>
<td>0.111</td>
<td>0.19</td>
</tr>
<tr>
<td>Number of theaters</td>
<td>0.203</td>
<td>-0.188</td>
<td>-.403*</td>
<td>0.21</td>
</tr>
</tbody>
</table>

DISCUSSION AND CONCLUSIONS

While we have reason to suspect that the Yahoo! users are a different group of individuals from the users of the Twitter service, as well as that the two sites reviews have potentially different circumstances leading to the appearance of the review on it (after all, one is special site for movie reviews and the other is a site where one posts any each thing that’s on one’s mind) our comparison of reaction’s each group expressed regarding the same movies varied from one movie to the next, and showed no observable systematic difference. It would follow then that Tweets do not differ in a systematic way from amateur movie reviews with regards to the relationship they have with the movie box office performance. On our sample we did not see any observable systematic relationship between the valence of the communications and the box office performance. One interesting phenomenon that was consistently observed in our data gathered from Twitter, was the “negative effect of the first days” or the fact that the majority of negative comments regarding a given movie occurred within the first days of the release.

This study has several limitations. First, our sample was limited in several important ways, from its very small size to the dependency on Topsy’s sorting algorithm and resulting inability to obtain a truly random sample. Additionally, our study did not include potentially important variables that could impact the performance of the brand and reactions to it in the form of electronic word of mouth. Some examples of these variables include the type of movie, the genre of the movie, or the stars in the movie on one hand, and the relationships between Twitter users, opinion leadership on the other. More influential Twitter users, as evidenced by various indicators including the number of retweets, are expected to have more impact (Luo, Han and Park 2010).

Directions for future research start with obtaining a larger and more controlled sample of movie-related tweets. The data should also include additional relevant variables such as category (children’s, comedy, romance, etc.) of the movie, stars, and other relevant variables that may impact the box office performance of the movie and the word of mouth around it. Taking a more intimate look on how reviewers of social networks react to electronic word of mouth and how these users differentiate between word of mouth and promotional messages, as well as the complex dynamic nature of the relationship between word of mouth and the brand performance (Duan et al. 2008) will provide further insight. Additionally, studying the effects and influencers within a given social media service and how that impacts the users’ brand perceptions could lead to a deeper understanding of the influence of social media on brands. Another direction of extending this research is moving away from movies and to other brand categories. The “negative first day effect” and prescriptions related to it is another interesting direction of further investigation.

There are several implications for brand managers to be aware of when dealing with social media. Brand managers must be aware of the power of word of mouth (both traditional and electronic forms). Given the power of word of mouth, and the potential for its influence to be exerted through social media, brand managers must be prepared to follow electronic word of mouth reactions to their brands on several different types of social media platforms, as we have observed the word of mouth responses can vary from one platform to the next. In addition, brand managers need to be aware of account for the “negative effect of the first days” on Twitter and potentially on other forms of social media as well. Whether the “negative first day effect” is something to be attempting to manage is the subject of further investigation. Additionally, as of now, a brand manager should be rather cautious regarding any attempts to sell her sentiment analysis software and/or service employing such.
For academics, our research offers insights into the understanding of electronic word of mouth and how its effect may be different across social networks and relative to time, as well as difficulties involved in processing the data currently available. It could also provide examples for classes oriented at social media, promotions, and public relations.

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FACEBOOK ORGANIZATIONAL CRISIS COMMUNICATIONS: THE USE OF FACEBOOK BY BRITISH PETROLEUM FOLLOWING THE DEEPWATER HORIZON OIL DISASTER

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ABSTRACT

Organizations must create crisis communications plans to prevent the unpredictability they face regularly. However, with the advent of social networking, crisis communications has evolved. This paper demonstrates how British Petroleum unsuccessfully implemented Facebook to communicate following the Deepwater Horizon Oil Disaster, and how this event changes future crisis communications.

INTRODUCTION

The breadth and depth of information open to the public via social networks has transformed communications. Local news is now global news, and internal communications are now external. Thus, organizations are now watched by the world 24 hours a day (Shoenberg 2004). Organizations looking to take advantage of social networking for use as a crisis communications tool must realize the role Facebook plays and how to leverage it. A strong knowledge of social networking must be created prior to the implementation of Facebook into an organization’s crisis communications plan. While crisis is unavoidable for all organizations, the creation of a strong crisis communications plan that incorporates Facebook can leave organizations better equipped to navigate internal and external crisis.

FACEBOOK

Over 70% of the US web audience is present on Facebook (corbett3000 2011). This significant reach, coupled with Facebook’s mission to “give people the power to share and make the world more open and connected” (“Facebook Ads” 2011) makes Facebook an instrument that is essential to organizations. The world has gone social, and organizations must be a part of the conversation (“Facebook Ads Getting Started Guide” 2011). At no time is being a part of the conversation more important than during a crisis. However, Facebook offers a vehicle for anyone to speak their mind, and “businesses need to be comfortable with consumers taking ownership of their brands” (Qualman 2011). Facebook is also retroactive to patrol, which makes governance of Facebook interaction particularly difficult (Levy 2011). Therefore, organizations must properly understand Facebook prior to its implementation.

APPLYING THE FACEBOOK MODEL TO THE BUSINESS MODEL

Facebook has shifted the way in which millions of people communicate and share information. Therefore, its impact on consumerism has been drastic. Many organizations have tried to harness Facebook in their operations so that they can communicate and share information more successfully, creatively, and beneficially both internally and externally. Adding a new means for an organization to reach the public during a crisis may sound like a daunting task, especially when it deals with Facebook, which is constantly shifting and transforming. However, three dominant means of facilitating this shift include: creating simple policy, using change management, and bringing missions between online and offline communications.

Creating Simple Policy

While it may seem necessary that when policy is created it must be highly detailed and cover all possible outcomes or events, this need not be the case. The policy should be applicable to a wide range of possible events, but it should not be written to include every detail, as this detail would prove ineffective due to the ever-changing element of Facebook. On that account, when policy is being created for the implementation of Facebook, it should be written not to cover all the bases, but to be natural and able to flow with the changes of Facebook. By keeping policy simple, organizations not only create guidelines, but also work to bolster trust by allowing employees to take the guide-
lines and conform them to their individual use of Facebook.

**Change Management**

Change management practices directly affect successful integration of Facebook into an organization. Specifically, reverse mentor programs can be highly successful in helping an organization implement Facebook. Not only does reverse mentoring give all members of the organization a basic knowledge of Facebook, but also helps to create intergenerational networks within the organization that may not have previously existed. Allowing for every employee to gain an interest in the use of Facebook is vital to its mainstream success as a part of the organization, and is especially crucial during times of crisis.

**Bridging the Offline with the Online**

A simple concept, but one that can be hard to manage, is bridging an organization’s offline mission with that of their online mission. However, doing so can create a sense of uniformity throughout the organization’s operations, which in times of crisis is imperative to the credibility of an organization. Without creating this bridge of offline and online missions, conflicting information provided by different communication arms of an organization can create a confluence of varying information. The result of this can be a growing public distrust of the “voice” of the organization.

**BENEFITS OF FACEBOOK IN ORGANIZATIONAL CRISIS COMMUNICATIONS**

**Information Flattening**

A powerful benefit of social networking, specifically Facebook, is its capability to share information and personal insight on a business’ product or service with great speed and with an expansive reach. This sharing of information results in what is generally referred to as information flattening. Unlike previous corporate structures that utilize a hierarchical structure, the information flattening capacity of Facebook metaphorically flattens these organizational structures. Therefore, all those present within an organization utilizing Facebook, find themselves on the same level. Furthermore an individual's voice on Facebook is not based upon their organizational title, but instead dependent upon other factors, such as their commitment to the Facebook community. Information flattening creates a new organizational culture. Sites like Facebook were designed without any hierarchy, so real-world social structures that are hierarchical don’t translate well (Shih 2009).

Information flattening may seem like a dangerous aspect of Facebook in an organization, however, during times of crises, information flattening proves vital to an organization’s successful navigation of crisis. With all employees having equally powerful voices, information can quickly spread throughout the organization. Using conventional methods such as press releases may take an entire day to write up and communicate. In contrast, Facebook information can be posted and spread in a matter of minutes. It is because of Facebook’s ability to flatten information that organizations can greatly benefit from its incorporation into their means of communication.

**Relationship Building**

The ability of a company to create and retain a customer is pivotal for success in today’s business world, but because of Facebook the means to create relationships has been radically changed. Facebook allows for organizations to continually update customers with news, product information, and more. In addition, Facebook allows customers to reply to the organization by using features such as “comments” or “likes”. These features create accessible communication between producer and consumer, which then leads to the organization gaining relationships with customers. Once created, these relationships can offer an organization a strong foundation of satisfied customers that stand by the mission of the organization. With strong producer-to-consumer relationships, an organization can gain much needed aid in spreading a positive message during a crisis.

**Trust Creation**

Trust is an underpinning value of strong relationships (Covey 2006). One means of creating trust within an organization is through the implementation of Facebook as a business tool. Fundamentally in order for this implementation to be successful, trust creation must start within an organization before it expands to its consumers. An organization cannot expect their customers to trust them if they do not trust their employees—it just won’t happen (Gossieaux 2010). As stated earlier, by implementing Facebook into an organization’s communications, the organization can gain information flattening and improve relationships with consumers. However, without strong relationships of trust present in the organization prior to the implementation of Facebook, it is hard to expect employees to be positive representatives of the organization.
Once trust is created, the organization’s use of Facebook can experience greater success. Trust allows for things to run smoothly and efficiently in Facebook relationships (Covey 2006). When participating in social networking, it is important for an organization to be genuine (Ohanian 2009). By creating a trusting atmosphere in an organization’s Facebook presence, consumers will discover that the organization truly cares about them as customers and about their experience with the organization.

**HOW BRITISH PETROLEUM UNSUCCESSFULLY USED FACEBOOK**

Following the explosion on April 19th, 2010, British Petroleum found itself at the start of what would become one of the worst oil spills to date. During the response to the disaster BP used many forms of communications to share information with the public. What could arguably be the most talked about means of communication was BP’s use of social networking, and specifically Facebook. Following the disaster, BP created social networking outlets on sites such as twitter, flicker, YouTube, and Facebook. These outlets were specifically dedicated to informing the public of the work BP was doing to restore the gulf.

BP provided scores of information on their Facebook presence for the public to view. Not only did they provide updates on the progress of stopping the well from spilling more oil into the gulf, but the Facebook page also provided a place for the public to learn about the initiatives put into place to protect the Gulf’s people and habitat. In addition, in order to aid the people of the gulf, BP used Facebook as a tool for residents to gain information on claims and payments data, and as a means of channeling those residents to a place where they could find more detailed claims information (“BP America Facebook” 2011). While BP may have indeed used social networking outlets in their arsenal of public relations tools during this time, unfortunately these tools were not always used in an effective manner.

The BP oil spill occurred when communications were undergoing unprecedented transformation. This change sprung from the new world of social networking, which connected people in radical ways. Social networking gave the public a powerful new means of sharing information, giving them power over organizations. This information-driven power was derived from the fact that ideas and experiences can quickly flow from one consumer to another at a rate uncontrollable by organizations. Organizations have found that transparency in how an organization runs is the new means by which they can create lasting ties with the public. It is transparency that allows the public to trust that an organization is fulfilling its obligations. Unfortunately for BP, when it came to the use of Facebook and organizational transparency, they were highly unprepared.

The restoration of the Gulf Coast after the Deepwater Horizon Oil Disaster was the first major event where social networking played a part (Chapman 2011). Because of BP’s ignorance towards Facebook prior to the spill, the organization lost a fair amount of headway in terms of utilizing this communication tool. Organizations should not wait until the crises to start learning about the new world of communications (Chapman 2011). By waiting to become involved in communications on Facebook until the crisis had already hit, BP lost valuable time, which could have allowed them to better operate their presence on Facebook.

While BP may not have worked proactively in creating their “BP America” Facebook page, others who were outraged at BP for the spill voiced their opinion immediately using Facebook. One notable BP opponent was Lee Perkins of Shreveport, Louisiana, who created the Facebook page titled “Boycott BP” (Perkins 2011). This page, unlike that of BP America, rapidly gained an extensive following. When compared to BP America, who today has just over 80,000 likes, Boycott BP went on to gain hundreds of thousands more likes, and today has over 800,000 likes (“BP America Facebook” 2011). With a substantial group of individuals coming together on Facebook, not only did an enormous group of people think of BP as incompetent, but they also acted and created an online community. BP did not “understand how the communications landscape was changing” (Chapman 2011) due to Facebook, and was unable to create a Facebook presence capable of capturing the attention of the public.

Unfortunately for BP, who experienced a crisis of immense proportions during the emergence of Facebook as a business communication tool, their unpreparedness left them unable to make use and respond to this new technology effectively. Through BP’s failure in communication, they have provided a foundation for organizations to learn some valuable lessons in order to properly include Facebook into their crisis communications plans.

**LEARNING FROM BRITISH PETROLEUM’S USE OF FACEBOOK**

The means BP used to convey its response work to the public were less than satisfactory. The public was generally dissatisfied with the results, or lack thereof, that BP was producing in its effort to restore the Gulf. This was made worse by BP’s ineffective use of Facebook as a means to communicate during the crisis. A different outcome could have resulted if BP had in-fact
worked proactively to gain a forceful presence on Facebook prior to the Gulf Coast Oil spill, and gained support of upper management for the use of Facebook in the crisis.

**No Bridge of Offline and Online Messages**

The uncertainty with which BP used Facebook as a means of communication was immediately evident. The decentralized information initially provided by BP was a criticism of many during the restoration of the gulf. If BP had prior knowledge of Facebook usage, it would have linked its multiple mediums of communication, prior to the Deepwater Horizon disaster, so that less disconnect would be created with the public.

**Lack of Upper Management Support**

Not only did BP hurt itself by not realizing the power of a unified message until after the crisis, BP could have also created a stronger presence on Facebook through gaining more support in the implementation process from upper management. Upper management support can work effectively to show the public the strength with which the organization believes in Facebook as a tool for communication. Without the strong support of BP’s upper management the use of Facebook resulted in BP’s online presence appearing weak to the public.

**Failed Relationship Building**

Had BP worked proactively for Facebook’s implementation, and gained stronger upper management support for the use of Facebook as a crisis communications tool, the organization might have found itself capable of effectively managing the situation. A prior knowledge of Facebook could have benefited BP by allowing greater amounts of information to move through the organization under their own control. This information flattening could have allowed for not only the public, but also BP employees to gain better insight of the work being done in the Gulf and the commitment and mission of the company.

Having prior experience using Facebook as an organizational tool would have allowed BP to realize the potential for building relationships it offered. These relationships could have assisted in spreading information on the restoration of the gulf coast and positively about BP’s efforts. In addition, these relationships could have worked to create a stronger feeling in general of trust in the public towards BP.

**Lost Trust**

Trust has a monumental effect on the ability of an organization to successfully relay their message to the public. Trust creation seems to be the overarching theme that may have been the solution to making BP’s Facebook presence a success story. By using Facebook as a tool in crisis communications, BP did not have the ability to gain the relationships required to make a successful Facebook presence because that is where the public was gathered and communicating about the situation. Without this network of relationships, a Facebook presence is like a plant without a network of roots, unable to grow. Therefore, creating relationships that foster trust is a vital step in implementing Facebook as a crisis communications tool.

**CONCLUSION**

The unpredictability faced by organizations can make business planning exhaustive, and the capacity to create and sustain a positive response during a time of crisis is a daunting challenge. Despite these difficulties, crisis communications plans can work to alleviate the barrage of uncertainty. Specifically, Facebook has emerged as a tool which can be implemented into an organization’s crisis communications plan to dramatically improve communication during a crisis. However, Facebook’s capacity to improve crisis communications must be approached cautiously.

**Understand Facebook**

Prior to introducing Facebook into an organization, research should be conducted to understand the function of Facebook and how it would fit into the organization. This research should be undertaken promptly in order to decipher if Facebook is a tool that can be applied to the organization. When deciding if the use of Facebook will succeed in an organization, the organization should be comfortable with realizing the transparency of information that is required in a Facebook presence. An organization must understand the concept of information flattening and how it would alter the current culture of the organization.

**Build a Foundation**

If it is discovered that Facebook is sustainable in the organization, a foundation of support systems should be constructed before effective use of the new tool can occur. This foundation should work to link online and offline systems in order to create a strong sense of congruency among all aspects of the organizations operations. Without firmly establishing this link,
organizations may send mixed messages to the public and instigate confusion. One crucial piece of a strong foundation is the creation of good organizational policy to govern the use of Facebook by employees. This policy will help to create the congruency necessary to create a successful Facebook presence, but will also work to give personnel-backed organizational strength to the new crisis communications tool.

Support Facebook

If a strong foundation has been created for the implementation of Facebook, then support from the entire organization should be acquired, and specifically focusing on gaining the support of upper management. By receiving the support of the upper management employees will see the importance of the tool to the organization. Furthermore, in order to gain the support of employees, a strong change management plan should be put into place. This change management plan can work to assist employees gaining knowledge of Facebook and how it should be utilized by the organization.

All of these steps are crucial to the success of Facebook’s implementation into an organization’s crisis communications plan. The overarching theme, however, is that of being cognizant of Facebook and its ability to fundamentally change the way the game of crisis communications is being played. Without establishing a working knowledge of Facebook, supplemented by intelligent use, an organization may find their crisis communications to be as inefficient and harmful as that of BP during the restoration of the Gulf Coast.

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THE FUTURE OF MARKETING STUDENTS IN THE WORKFORCE: CORPORATE RESPONSES TO ENGLISH AS A SECOND LANGUAGE CHALLENGES

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ABSTRACT

An increasing number of business students are born overseas or have parents who speak primarily a non-English language at home. This paper examines the potential effect the growing number of English as a Second Language (ESL) students have on business programs, and marketing education in particular.

INTRODUCTION

As marketing is a field that relies heavily on superior communication skills, it seems important to consider any deficiencies observed on the part of marketing managers in the workplace. A rapidly increasing number of marketing students, and business students in general, are either born overseas or have parents who speak primarily a non-English language in their home. This paper examines the potential effect the growing number of English as a Second Language (ESL) marketing students are having on business programs as a whole, and marketing education in particular.

A rapidly increasing number of marketing students entering the workplace are either born overseas or have parents who speak primarily a non-English language in their home. These students often, then, come to their university or place of employment equipped with the ability to speak at least two languages. This is an impressive ability and is to be applauded. However, this also often means that English is in some sense the second language of competency. The influx of this component to American colleges and the work force is primarily the result of the new waves of immigrants coming to this country to either gain an education or secure better employment, or both.

One consequence of this influx of talent, according to a recent survey of business managers and marketing instructors, is an increase in English language challenges for both the managers and the instructors. The concern, on the part of many managers and instructors, is the diminished competency in, and quality of, effective, efficient written and oral communication in marketing. The dilemma these two groups struggle with daily, evident in speaking with both managers and instructors, is how this skill area can be improved. While there is a concern expressed by both groups, the managers appear to hold the marketing instructors responsible for this weakness in communication skills. They seem skeptical that the students’ weaknesses they observe were not already present during their college tenure. Further, if these weaknesses were present, why more effort was not put forth by instructors to rectify these weaknesses.

METHOD

The initial results of the interviews conducted for this exploratory research, in 2000, suggested a growing number of corporations hold business schools responsible for not sufficiently demanding communication competency prior to graduation of ESL students. The second set of interviews, in 2010, suggested very similar concerns about students’ lack of communication competency. These concerns initially became apparent during the process of conducting, analyzing, and comparing extended interviews with 20 business managers for companies operating within the San Francisco Bay Area of California and 20 San Francisco Bay Area University business school instructors during January through June of 2000. The extended interviews were repeated with 10 business managers in the Central Valley area of California between June and August of 2010. While this preliminary qualitative form of research has a limited scope, and needs to be expanded further to explore whether it holds up in larger samples, the initial findings suggest corporate managers believe marketing educators in higher
education have not sufficiently prepared marketing
students in communication skills.

Questions asked of university instructors were
identical to the questions asked of managers both
in 2000 and in 2010 in an effort to explore whether
the communication competency issues were still
present. The common themes that emerged were
strikingly similar.

RESULTS

Business School Instructors’ Perspective

For instructors, additional time consumed in
assessing, evaluating, explaining, and grading
assignments were key issues when numerous ESL
students were enrolled in their classes. First, they
struggled with how to balance the time necessary
within classes to explain material in a manner that
communicated effectively to both ESL and non-
ESL students. Their concern seemed driven by a
need to find the correct language level to use in
pitching the material so it is quickly
comprehensible to the class as a whole. The
second area of concern for instructors was the
extended time necessary to grade written
assignments that had serious grammatical,
structural, and content errors. Based on their
observations, marketing instructors expressed
dismay regarding the diminished English
competency level of their ESL students. The
concern was also how these students, the majority
close to graduation, would perform in
communication-based aspects of their jobs when
they graduated and sought employment. The third
area of concern instructors reported was the self-
selection method reflecting preferred separation of
ESL and non-ESL students when working on team
projects. While instructors report an understanding
of the perspectives of both segments of students,
their concern was how allowing this separation for
student projects might affect or transfer to
behavior in the workplace. It appears instructors’
concerns were well-founded when compared to the
feedback from managers.

Marketing Managers’ Perspective

In speaking with business managers, it
appeared the concerns of the business school
instructors were well founded and they were
correct in their belief that the business school
behavior would transfer to the workplace. For
marketing managers, the concerns that surfaced in
business schools were similar to those they
observed in the workplace. Managers were equally
concerned about the additional time consumed
when written documents produced by ESL
employees needed revision because of grammatical,
structural, and content errors.

For managers, the time consumed in
correcting miscommunications and incoherent
written documents seems enormous. The increased
time consumption in the business world creates the
concern of costing companies more money in
increased employees’ time spent editing these
communications. For example, those who have
studied business communication within companies
in the United States estimate that it takes the
average employee about 54 minutes to write a one-
page letter and each communication piece costs
about $85 if translated into employee time
(Guffey, 2004). If you consider that the average
company creates approximately 3,000 letters per
day, this translates to $252,000—if each letter is
written in a comprehensible manner and proofread
with the initial attempt.

Unfortunately, managers report that an
alarming number of these documents still require
intensive reworking and editing. One of the
primary indicators of this need for additional
improvements to written documents seemed driven
by a diminished level of competency in basic
English language skills. When managers were
asked what they felt was a primary reason for this
diminished competency, it was stated that in most
cases, English was not the primary language for
those employees. Further, it was felt that inferior
writing wasted more time on the part of non-ESL
employees. When writing was completed in a
semi-coherent manner, the documents took more
time to read and more effort to resolve the lack of
clarity to determine the content meaning. This lack
of clarity resulted in confusing ideas and extended
discussions to determine the intention and key
points of the communication.

Beyond the time consumed by extended effort
to determine the key points, managers also
expressed concern that ineffective messages do not
create the desired results. At times this created
embarrassing situations because the employee
reading the communication tried to guess at the
meaning. Guessing often led to misunderstandings,
further damaging both interpersonal relationships
internally, within the company, as well as the
image of the company externally. These
compounded shortcomings usually surfaced after
the ESL employees were employed for six months
to one year. However, several managers stated that
a number of areas of potential communication
weaknesses were apparent as early as the
employment recruitment process.
During the recruitment process, many potential ESL employees, although well-educated individuals, still had difficulty submitting resumes and cover letters that were grammatically and structurally error-free. Further, potential ESL employees also had more challenges communicating adequately during interviews. Often the proper tenses were not used and incorrect messages conveyed, in addition to an increased need to repeat or further explain interview questions.

Some managers say that non-ESL employees have commented that if there are such salient problems with English during the initial employment process, why is it that companies hire applicants who already have English-language skills challenges? Their response is that the reason for companies’ openness in hiring is that today’s population is so much more diverse—and it is necessary for companies to have employees who come from many different cultures because that diversity will be the makeup of the growing customer population the companies serve. Also, managers say many of their companies are expanding internationally, so having employees who can speak other languages can be a real benefit—if they can also communicate well in English. This is often the dilemma faced in selecting employees, as well as managing both ESL and non-ESL employees in a manner that feels comfortable to managers and employees alike.

**Effects on Work Teams**

A further complication occurred in the educational settings when non-ESL students were required to work on team projects with ESL students. The instructors expressed concern about the number of complaints received from non-ESL students frustrated by the time consumed in having to rewrite incoherent documents. They expressed concern that verbal misunderstandings also occurred between students within student teams as a result of language issues. Further, instructors reported that non-ESL students reported apprehension about working on written business documents with ESL students because of the inferior quality of the ESL students’ writing in English. The non-ESL students were distressed that as the report was completed as a team, the inferior writing would stand as a representation of their work and they were uncomfortable with that. However, instructors reported that students were equally uncomfortable raising the issue with ESL students about this lack of competency in writing coherently in English. In the end, then, students felt that they either had to go along with submitting inferior written work or create ill feelings among their team members—both strategies leading to an unhappy and dissatisfying team experience.

This breakdown in effective team satisfaction was a theme expressed by the managers as well. Most of the managers with a significant number of ESL employees reported that the issue of some sort of linguistic hierarchy within teams sometimes exists and causes friction from the perspective of both ESL and non-ESL employees. They found that ESL employees less than proficient in English found themselves singled out and confined to lower ranks within a team. Managers also reported that some ESL employees said there are times when they have presented plans within a team, and he or she is rudely dismissed as noncredible by native English-speaking team members. At times, managers felt that ESL employees were also passed over for promotions because of poor team project writing and team communication skills.

The non-ESL employees involved in the same teams reported to managers that they perceived the ideas of ESL employees as less credible because they came from someone who had trouble communicating in “their” language and they did not understand the ideas presented. Managers hearing both sides of this dilemma reported they constantly wrestled with finding an ethical resolution, while maintaining quality team interpersonal relationships and teamwork quality.

**Increasing Corporate Focus on Superior Communication Skills**

In older management models, emphasis was placed more on performance and specific non-language job skills (Moore, 1999). As might be expected, organizations do not typically create work teams to accommodate ESL employees (Gee, 1997). Therefore, cultural and linguistic barriers can immediately become salient. The marketing school instructors reported, contrary to workplace practices, that they sometimes allowed students to self-select their team members. Even though they had concerns that this would not be reflective of the manner in which teams were organized in the workplace, it seemed like the best solution to the overwhelming dissatisfaction expressed by non-ESL students who felt forced to work with ESL students. Still, instructors struggled with the ethics of allowing students to select teams in this way, knowing that they would often divide themselves based in part on their levels of linguistic
competence. Given the emphasis in the workplace on all employees working cohesively as a team, regardless of linguistic strength, they felt this might be a disservice to students.

Both business school instructors and managers believe that superior English linguistic competence is even more evident in the newer model of management within companies today. The newer model of management demands that ESL employees, as team members, perform a myriad of verbal and written tasks in English, even though many ESL employee language skills are not always commensurate with those of the English-only speaking employees (Gee et al., 1996). This results in ESL employees experiencing disempowerment within the new linguistic hierarchies found in teams. One manager said that several of his employees said they did not always feel confident in writing team reports, as well as correspondence to outside vendors and agents. This lack of confidence and ability sometimes affects both internal and external relations (Hull, 1997). Some managers reported that they feel ESL employees are conditioned to devalue their own first language because negative experiences with coworkers or management demanded assimilation as a result of the team linguistic hierarchies. This is echoed by previous research with second-language learners (Romaine, 1989). In addition to these negative experiences, managers say they find themselves using vocabulary that may be beyond the complete understanding of ESL employees. Some say until this was brought to their attention, they were unaware of the employees’ sensitivity to this. Others, however, frankly admitted they perhaps unconsciously used vocabulary as a tool of dominance.

Corporate Considerations in Managing ESL Issues

Many managers agreed that one main part of management is communication and it is in some sense, the manager’s responsibility to break the language barrier and reach all segments of employees. They believe that it has to be a combined effort—stressing that a company’s management philosophy should focus more on teaching and communicating with employees, rather than merely understanding and speaking in a particular language.

Overall, both managers and instructors wrestled with the fairest method of managing these groups—ESL marketing students and ESL marketing employees. In some respects, managers felt that ESL employees should be evaluated lower as their performance in this area was substandard for the skills needed for their position. However, they also struggled with the fact that in the other numerically based areas of job performance, these employees were superior. The business instructors voiced strikingly similar ethical concerns. The instructors struggled with the fact that while many of their ESL students were substandard in terms of language competency needed to execute written assignments in a coherent manner, and seemed to create some misunderstandings and unhappiness on team projects, their exam-taking ability was often at the top of the class. In many cases, however, the ESL students were reliant on the use of a dictionary to complete those exams. So, as in the case of the managers, the instructors’ responses followed a theme of ethical concerns regarding how to fairly assess ESL student work.

Communication Skills Training

What many companies have done to even the playing field for ESL employees, particularly in the State of California, is to create on-site English writing and language assistance programs for companies and managers with high numbers of ESL employees. In an effort to improve the ability of ESL employees, these on-site English language programs have focused on: 1) pronunciation and conversation; 2) reading and comprehension; 3) writing skills and grammar; 4) proficiency with tenses; and 5) intonation (Stuart, 1994). For a workplace ESL skills program to be successful, however, a company must feel that the long-term benefits of increased productivity and improved employee morale are worth the expenditure of time and money (Gee, et. al., 1996). If language skills programs can enhance employees’ respect for each other, improve ESL employee self-esteem, and improve workplace efficiency, then these factors will translate into a better total workplace environment (Cortes, 1994). Managers say that this kind of training will make employees want to stay within the company and move up, rather than moving to another company. This is an investment that can reduce turnover among valuable employees and may develop a more consistent, cohesive workplace.

The results, managers say, have been positive for ESL employees. English skills programs have resulted in reduced rework, increased productivity, enhanced employee relations, and elevated employee loyalty. By acquiring a more complete command of English, employees have greater confidence and this has meant more movement into different roles, taking on more responsibility.
Managers say the general level of morale has increased as well.

**CONCLUSIONS**

The Future of ESL Marketing Students in the American Work Force

Examination of how to fairly assess and evaluate ESL individuals’ work across the board seems an important issue for managers to consider for the 21st Century. This is especially true because this country is likely to gain far more new immigrants throughout this century, most of whom will speak English as a second language. This new wave is in addition to an American work force that is already comprised of more than 50 percent employees who have English as a second language (Lankshear, et. al., 1997). Most U.S. citizens may take English for granted, but in states like California, where the immigrant population continues to increase, English is a second language for many. In 1990, the three largest minority groups in the American work force were Blacks, Latinos, and a category that the U.S. Bureau of Labor Statistics calls Asians and Others (D’Amico & Schnee, 1997). By 2005, the sharpest rise to 11.1 percent from 7.7 percent will be among Latinos. Asians and Others are expected to grow from 3.1 percent in 1990 to 4.3 percent (Maynard, 1993). There are a myriad of employment and management implications of this changing composition of the work force in America.

One implication is that even many small companies who did not previously consider English skills as part of their programs are seeking ways to provide such help to employees, and businesses are drawing on public agencies to help in promoting English as a second language on the job (Cortes, 1994). Many universities, community colleges, private training firms, and community agencies now provide on-site ESL instruction. The reason for this is that in more U.S. firms, the immigrant population has become one of the engines that drives the business.

Some professionals who have examined this phenomenon of workplace English skills programs, however, say that the programs do not necessarily help employees absorb a better command of English. They claim the programs are unnecessary, discriminatory, divisive, and merely punish employees who have a diminished command of the language. These critics say that these programs and new policies that support them are born out of a backlash against immigration (Petersen, 1994). Despite these criticisms, use of such programs appears to be on the rise and roughly parallels the increase in immigrant population in the United States.

So, while some criticize the effectiveness of enhanced English language program effectiveness, numerous managers express strong support for the virtues of anything that enhances English communication skills. The hope and expectation is that an enhanced grasp of the English language will overcome a host of interpersonal problems in the marketing workplace. They believe that strong communication skills are essential to personal effectiveness and therefore key to the achievement of organizational goals and ultimately, the consistent success of any company.

**REFERENCES**


“SPORTS MARKETING” AND “TV AND VIDEO PRODUCTION”: AN INTERDISCIPLINARY PARTNERSHIP IN ACTION AND LEARNING

Cheryl L. Buff, Siena College

ABSTRACT

This paper presents a semester-long project intended to break through “group-project clutter” by using a novel design. In and of itself, a semester long project with multiple deliverables is not unique. However novelty was achieved by engaging students in a project, with team and individual components, that reinforced course content related learning objectives and placed them in a situation where they would work with an “agency” for their creative development. As marketing students will likely be responsible for working with outside creative agencies in their professional careers, an important objective of this project was to allow students to work in a situation designed to mirror the engagement of an outside agency. Thus, the most innovative component (Task 4) of this assignment was partnering with a TV and Video Production class with the goal of achieving both classes’ learning objectives while completing a project to benefit a client. Sports marketing student teams were partnered with teams from the TV production class and tasked with the design, development, and production of a video that used sports as a platform to communicate to prospective students. Not only did the creation and production of the video reinforce concepts associated with marketing through sports, it was directly related to a goal of the College’s recently adopted strategic plan.

In order to successfully complete this aspect of the project, it was important for students to learn what types of information are needed to effectively design and develop a communications piece. It was critical that they understand characteristics of the intended audience, the communications objectives, and elements of persuasive marketing communications. Since they were using sports as a platform to communicate their message, they needed to understand the nature of sports on campus, how sporting events are coordinated and marketed, as well as the nature of audience participation and how it can be increased. They needed to understand the communications objective and themes generally used for communicating with prospective students. Further, they needed to clearly articulate to the agency team (TV production team) what they wanted the video to achieve and how they believed this could be accomplished. Additionally, it was critical for them to learn how this project was predicated on the knowledge and understanding of strategic sports marketing. Each element of this project was designed to provide students with the information, knowledge, and skills needed to successfully produce a video that the College could use in support of the newly adopted strategic plan.

Student feedback, both qualitative (reflection paper) and quantitative (survey completed by Sports Marketing and TV Production students), was generally positive. The primary concerns were lack of communication and responsiveness to emails between interdisciplinary team members. Feedback about the video project suggested that students felt engaged by doing a project unlike any they had done before. Most had not partnered with another class. Most also indicated that they enjoyed working with a real client. The video component of the project allowed for the direct assessment of three learning outcomes and has been used for two semesters with marginal overall improvement in achievement of learning outcomes (fall – 12% did not meet expectations based on an overall project grade <70; spring – 9% did not meet expectations). However, the percent of students that exceeded expectations was significantly greater in the fall semester (fall 28% exceeded expectations with a grade of 90+; spring 17%). Some of the changes implemented as a result of fall semester feedback were designed to improve process and outcomes in the spring semester. Recommendations for further improvements are presented and discussed.
PARENTAL INVOLVEMENT: A COMPARISON BETWEEN COMMUNITY COLLEGE AND UNIVERSITY MARKETING STUDENTS

Rebecca Hochradel, Delta State University

ABSTRACT

Research indicates when parents are involved, student outcomes are increased (e.g., Brown, Slattery, Mitchell, & Brown, 2003). Parental involvement in regard to student academic achievement should occur at all levels of academic pursuit (Flaxman & Inger, 1991). Although significant contributions to the field of student academic achievement are abundant, existing research (e.g., Baker & Soden, 1997) has focused solely on elementary, middle, and high school students. However, the level of parental involvement, and the satisfaction with this level of parental involvement, may be change as a student enters higher education. These differences may include student perception of parental involvement, the type of involvement in which a parent participates, and student satisfaction with parental involvement. Differences may also be based on the type of postsecondary institution since, based on results of the National Survey of Student Engagement (2007), there are points of similarity and points of differences in educational experiences at these institutions. According to these surveys, students at universities (4YU) have higher levels of preparation prior to attending class and community college (CC) students are more likely to work with other classmates outside of class. Still, both institutions have similar levels of involvement regarding class participation, faculty-student interaction, and satisfaction with available levels of support.

The purpose of this study is to investigate the relationship between parental involvement and academic success. There are many aspects to this research. First, this study will seek to determine the types of activities in which parents participate that create the perception of parental involvement. Next, the relationship between student perception of participation in activities and student satisfaction with this level of parental involvement will be explored. The relationship between student satisfaction and student academic success will be explored and the relationship between student perception of parental involvement and student academic success. Finally, all of these relationships will be investigated to determine if any differences exist between students attending 4YUs and CCs.

REFERENCES


TO ACCEPT OR DEFER THE CELLULAR LURE:
COLLEGE STUDENTS’ SELF-CONTROL AND CELL
PHONE USAGE

Jeremy I. Abel, Siena College
Cheryl L. Buff, Siena College
Jessica P. Abel, Siena College

ABSTRACT

Cell phone use among college students is ubiquitous and for many, monitoring one’s cell phone has become an automatic response. Under the premise that this monitoring behavior is a prepotent response, it is proposed that students’ ability to refrain from the use of their cell phone, particularly in situations where its usage is prohibited, necessitates the exertion of self-control. As self-control is a limited resource, using self-control to avoid cell phone urges diverts executive function and thereby threatens effective learning. This study explores the relationship between trait level self-control and cell phone checking urges before, during, and after class. Further it explores the impact that a professor’s reputation and personality have on the motivation to comply with cell phone policies.

The sample consisted of students from a private college in upstate New York. Data was gathered using an electronic survey, distributed through college email. Survey items were used to assess demographic characteristics as well as respondents’ trait level of self-control. Trait level self-control was assessed using the Brief Self-Control Scale (BSCS) designed by Tangney et al. (2004). A subset of the General Self Control Scale, the 13 item BSCS has been shown to be a reliable and valid measure of self-control (Tangery et al. 2004).

Of 317 responses, 30 were eliminated for lack of completeness, resulting in a usable sample of 287. Results support the hypotheses related to urge to check cell phone. The BSCS scale performed reasonably well with a Cronbach’s alpha of .83. Overall the sample tended towards higher in self-control with an overall average self-control score of 3.2 and an average total self-control score of 41.6 (total mean score for all thirteen items on the BSCS scale). Essentially there was no significant difference between high self-control (HSC) and low self-control (LSC) with desire to check their cell phones before class (m(HSC)=4.75, m(LSC)=4.76, F=.005, p=.945). Further, there was no significant difference between HSC and LSC with regard to checking cell phones after class (m(HSC)=5.67, m(LSC)=5.83, F=1.285, p=.258). There was a significant difference between HSC and LSC with regard to the urge to check the cell phone during class (m(HSC)=2.79, m(LSC)=3.82, F=21.692, p=.000).

Results suggest that those higher in self-control are better able to inhibit the urge to check cell phones during class. Thus those higher in self-control should be devoting a greater portion of executive function to the class itself, whereas those lower in self-control will be using a portion of their executive function to inhibit the actual behavior of checking their cell phone. This leaves reduced executive function available to be used for class content, potentially placing those with low self-control at a disadvantage. The research also suggests that the personality of the professor should have a direct impact on how those low in self-control respond to their urges.

REFERENCES


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IS MARKETING TO INDIVIDUALS TARGETING SEGMENTS OF ONE?

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ABSTRACT

Writers often view marketing to individuals as an extreme form of segmentation and so describe the technique as targeting “segments of one”. The idea that a segment of one is a valid description of marketing to individuals is widely held but inconsistent with many textbook definitions of segmentation which often include the idea of grouping customers. This suggests a lack of clarity in the concept of segmentation. As such I address whether segmentation is, as many scholars suggest, conceptually the same as targeting individuals.

This research highlights that using a segmentation approach differs from marketing to individuals as targeting segments depends upon at least two factors irrelevant when targeting individuals.

1. Given every group, even a group selected to be relatively homogenous, contains some heterogeneity marketers must devise a within segment targeting strategy. This task, which holds the potential to be performed sub-optimally, is unnecessary when targeting individuals.

2. Consumers may react to targeting and be deterred from purchasing a product explicitly targeted at a group they do not belong to.

An analytical model of costless targeting on a discrete space illustrates that marketing to individuals is conceptually different from segmentation. This is demonstrated by the fact that costless targeting of individuals is weakly superior to mass marketing but this is not true of targeting segments.

To be explicit this research does not address whether marketing to individuals or segmentation is a generally superior strategy. Instead by seeking to better understand the concept of segmentation this research helps solidify marketing theory. Tighter marketing concepts benefit managers who are encouraged to recognize that residual heterogeneity within segments creates important considerations when utilizing a segmentation strategy.

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ABSTRACT

In survey research, measuring consumers’ true attitudes and preferences has been a long-standing focus of research. For example, survey literature has provided evidence that a variety of sources of measurement errors (e.g., non-response bias, response style, common method bias, survey format preference bias, and scale development errors in terms of reliability and validity) make it difficult for marketing researchers to analyze consumers’ choice and preference judgments. Although prior literature in survey research has provided useful guidelines for marketing researchers, the decision to either include or exclude “no-opinion” options (e.g., neutral, don’t know, not applicable, or refuse to answer) appears confusing and has not been systematically studied in academia. This research aims to address this conundrum. In particular, the authors investigate the effects of “no-opinion” options on overall survey results involving response rate and response pattern.

Results from a quasi-experimental design with a mail survey of 568 general public respondents suggest that first, forced-format surveys and free-format surveys with all “no-opinion” options are not ideal for the purpose of increasing response rate. Second, a free-format survey that includes three “no-opinion” options (e.g., don’t know, not applicable, and refuse to answer) provides more specific information about consumers’ attitudes without distorting the distribution of responses or lowering response rates, particularly when the free-format survey including three “no-opinion” options is compared to the free-format surveys involving only a neutral option. Last, although respondents tend to lean in toward a positive response in the free-format survey more often than in the forced-format survey, this difference is evident only when respondents respond to less important questions.

The authors conclude that in survey research, responses resulting in “no-opinions” in which respondents select options such as “neutral,” “don’t know,” “not applicable,” and “refuse to answer” do, in fact, provide researchers with important information about consumers’ attitudes and preferences regarding products and services. This research emphasizes that research on the effects of “no-opinion” options on overall survey results has remained relatively untapped and provides an important area for future research development.
A BURST OF BEDS: WHY CONSUMERS PURCHASE BRAND EXTENDED BED IN UPScale HOTEL INDUSTRY?

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Alastair M. Morrison, Purdue University

ABSTRACT

Building and managing strong brands is considered to be one of the key drivers of success in the hospitality industry. While brand extension strategies are widely used, relatively few studies have focused on how consumers evaluate brand extensions in the hospitality industry. This study views the brand extension from consumer perspective and contributes to research and theory on brand extensions by developing a model in the upscale hotel industry.

INTRODUCTION

Building and managing strong brands is considered to be one of the key drivers of success in the hospitality industry. This trend towards strong brands is also developing at the local as well as global level for better market recognition (Hemmington & King, 2000). A brand extension strategy is defined as ‘the use of established brand names to enter new product categories or classes’ (Keller & Aaker, 1992). A brand extension is when a firm uses an established brand name to introduce a new product. An existing brand that gives birth to a brand extension is referred to as the parent brand (Keller, 2000). This strategy has become popular these days. Thus, over 80 percent of marketing directors in a recent Brandgym survey said that brand extensions would be the main method used to launch new innovations in the next two to three years (Taylor, 2004). Brand extension strategies are advantageous because they reduce the costs of brand name introduction and enhance the probability of success in a new category. The use of brand extensions across multiple product categories is also common. The Virgin brand, for example, is one that has been extended across a range of products. Originally associated with record label ownership, the brand has been extended into areas such as music publishing and airline ownership. Another example is McDonald’s, worldwide fast-food restaurant brand which extended its brand name into a gourmet coffee shop ‘McCafe’, and later to an ice cream and dessert shop ‘McTreat.’ A hospitality company can use an endorsed brand extension strategy to extend the power of a well-accepted brand identity to a number of diverse concepts differentiated by market segment (Jiang, Dev, & Rao, 2002). The endorsed brand strategy puts a well-established name on a cluster of products or services. By endorsing a range of products, the lead brand can lend its good name and image to the entire brand family (Muller, 1998). In services marketing, the company brand is the primary brand, whereas in packaged goods marketing the product brand is referred to as the primary brand (Preble, Reichel, & Hoffman, 2000). In the hospitality industry, customers often base their purchase decisions on their perceptions of a company’s brand (e.g., Marriott, Hilton, Hyatt, McDonald’s, Burger King, Wendy’s, Chili’s, Applebee’s, and T.G.I. Friday’s). That is, customers develop company brand associations rather than the brand association of product items. The examples of brand extension are easily found in hospitality industry. Marriott Hotels & Resorts is a good example of brand extension. It has extended its brand to various categories; J.W. Marriott, Marriott Hotels & Resorts, Courtyard, Fairfield Inn, Renaissance Hotels, SpringHill Suites, and TownePlace Suites. However, very little research has been conducted about brand extensions in the hospitality industry.

The purpose of this study was to examine the trends and applications of brand extensions in the hospitality industry, explore how consumers evaluate brand extensions and provide a conceptual model of brand extensions from the consumers’ perspectives. The broad aim of this study was to investigate how brand
extensions can contribute to brand strategy. Of primary interest is whether brand extension strategies are a significant issue in the hotel industry.

**STUDY BACKGROUND**

Brand extensions were introduced as a branding strategy in the consumer products industry. Marketers have long recognized that strong brand names that deliver higher sales and profits have the potential to pass their qualities on to other products. The value of a brand is not only determined by its current status, but also by its potential in the future and in new currently untapped markets (Eusebio et al., 2006; Srivastava & Shocker, 1991). This potential can be realized by making use of brand extensions as a growth strategy (Broniarczyk & Alba, 1994). The two most common approaches to leveraging brand equity are line extensions and category extensions. Line extension is the use of an established brand for a new offering in the same product category. Category extension is the stretching of the established brand to a different product category (Aaker & Keller, 1990). One of the earliest examples of line extension in the hospitality industry occurred in the 1970s, when Radisson diversified its brand into product tiers, including Radisson Inns, Resorts, and Plaza Hotels. Later Holiday Inn introduced Holiday Inn Express and Holiday Inn SunSpree Resorts in 1991. The upscale Holiday Inn Crowne Plaza was introduced in 1983; and Holiday Inn Select followed in 1994. Holiday Inn Express is targeted at the in-and-out business person or traveler who is willing to forgo some amenities for a lower price. Holiday Inn Select is similar to the Express but is aimed at the business traveler staying for a longer period of time who desires a few more amenities, such as data port connections and conference rooms. The traditional Holiday Inn is targeted at the middle-class market and provides higher-cost features such as a restaurant, lounge, conference rooms, and a swimming pool. The Holiday Inn Crowne Plaza is targeted at the more upscale or serious business traveler and features luxurious furnishings and restaurants, health spas, business services, conference rooms, and other amenities. Many hotels followed this strategy and these are just some examples of brand extension strategies in the hospitality industry. Today, most major hotel companies have at least one brand extension, and this implies that hotels consider brand extension strategies to be effective.

Another example of brand extensions, category extension, in the hospitality industry is that some upscale hotels have extended across a range of products. Westin was the first hotel company to use category extension for its products. They developed their unique Heavenly Bed with its own brand name under the slogan 'its layer after layer of cozy down bedding. It's an oasis for a weary traveler. It's heaven on earth. And it's at Westin.' Now, Westin's Heavenly Bed is being sold not only through a room catalogue on the Internet but also in the At Home departments of 48 Nordstrom stores nationwide, and is available by special order at others. Each component and a bed frame also can be purchased separately at stores. The bed has a distinctive brand standard, and is a good brand to build upon. The Heavenly Bed was a trailblazer in hotel marketing and prompted other chains to follow similar approaches. It was the first big success in the growing hotel retailing business. After Westin's success, other upscale hotels started to imitate that brand extension. Other Starwood brands launched branded pillows and beds. Sheraton Hotels introduced a mattress and bed under the brand name, Sweet Sleeper mattress, bed; W Hotels started to sell W brand pillows, sheets, and bedding products as well. After the huge success of the Heavenly Bed, Westin Hotels developed another product named the Heavenly Shower. Westin’s Heavenly Bath came just two years after the introduction of the Heavenly Bed. This new bathroom improvement was the result of a survey by Westin, which was conducted by Guideline Research and Consulting Corporation of New York City. One thousand men and women were interviewed on their bathing habits and bathroom likes and dislikes. After a year of research and development, which included testing more than 150 showerheads, Westin decided on the Speakman shower with a dual showerhead. The custom-designed showerhead features several spray options, from a light mist to massaging needles. Westin has already begun installing Heavenly Baths around the country.

The literature on brand extensions suggests some advantages of this strategy; the facilitation of the adoption process and acceptance of new products, since users assume new products have the same quality level as existing ones; a minimal cost of branding to the manufacturer, since name research will not be needed, nor will extensive advertising for brand name awareness and preference be necessary; and user response will tend to be faster, thereby reducing the introduction stage in the product life cycle where profits are negative. In addition, another advantage often obtained is the greater ease in gaining distribution (particularly shelf space) due to the familiar brand name. More effectively reaching target market can be another advantage. Jiang et al. (2002) stated that a brand extension strategy allows the firm to penetrate a variety of market segments with differentiated products that carry a single, well-established brand name. This strategy also lowers the risk associated with the introduction of new products (Kapferer, 1997). When introducing an extension, the risk associated with a new product launch is greatly reduced. Additionally, brand extensions allow companies to save expenses and share space, and provide variety and convenience for customers. Figure 1
provides examples of extension products within and outside of the hospitality industry.

**Figure 1. Expanding Brands through Brand Extension Strategies**

<table>
<thead>
<tr>
<th>Parent Brand Name</th>
<th>Original Product</th>
<th>Extension Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Omni Hotels</td>
<td>Omni</td>
<td>Omni Ideal Bed</td>
</tr>
<tr>
<td>W Hotels</td>
<td>W</td>
<td>W Pillow</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Holiday Inn</td>
<td>Holiday Inn Select</td>
</tr>
<tr>
<td>Marriott Hotels &amp; Resorts</td>
<td>Marriott</td>
<td>J.W. Marriott Hotel</td>
</tr>
<tr>
<td>Virgin Records</td>
<td>Virgin Atlantic</td>
<td>Virgin Holidays</td>
</tr>
<tr>
<td>Sunkist Oranges</td>
<td>Vitamins</td>
<td>Juices</td>
</tr>
<tr>
<td>Weight Watchers</td>
<td>Fitness</td>
<td>Low-calorie foods</td>
</tr>
</tbody>
</table>

As brand extensions have become a widely accepted product development strategy, marketing researchers have attempted to explain the reasons behind consumers’ acceptance. There is significant literature on the subject exploring how consumers behave as a result of different brand extensions. Specifically, attention has focused on how different variables related to the parent brand and the extension influence consumers (Aaker & Keller, 1990; Park et al., 1991; Bottomley & Holden, 2001). Many studies have considered those aspects that increase the success of brand extension. Evidence exists suggesting that a broad range of factors contribute to the use of brand extensions. This study focused on consumer perceptual factors that influence brand extensions and developed three following hypotheses

H1: The fit between the two involved product classes has a direct positive association with the attitude toward the extension;

H2: Higher quality perceptions toward the original hotel brand are associated with more favorable attitude toward the extension;

H3: Higher attitudes toward extension are associated with more favorable behavior toward the extension;

**METHODOLOGY**

To analyze hypotheses, electronic version of a structured questionnaire was developed an extensive review of the brand extension literature. We found several upscale hotels that are providing their branded products as their brand extension strategy. We chose a bed and pillow as the extension product of the hotel even though there are a few possible competing products. Our rationale is that those products are the main application of brand extension in the Hotel Industry. Further, those products were the first product extended by upscale hotel in category extension by Westin Hotel & Resorts. Westin’s first attempt was a big success in the booming hotel retailing business and after the Westin’s success, other upscale hotels started to imitate that brand extension. The products have high-equity brands, as well as high functionality.

For the online survey, the data were purchased through E-reward. The sample was screened to identify consumers who already know about brand extension strategy in the hospitality industry. An e-mail message was distributed to the E-reward.com members along with a cover letter and the Website questionnaire’s address. The respondents were assured that all responses would be kept strictly confidential and no unsolicited marketing material would follow as a result of the survey. Consequently then, respondents were not allowed to submit more than one entry, due to blocking IP number. The survey was conducted over a month period from March 1 to March 31, 2010. In total, 414 members of the E-reward.com Panel completed the survey.

**RESULTS**

The demographic profile of the sample is presented in Table 1. The gender distribution of respondents was skewed as more than half of respondents were female (67.6%) compared to only 32.4% male respondents. The dominant age group was ages 19-34 (39.6%), followed by the 45-54 age group (21.3%), and the 35-44 age group (19.1%), and 55-64 age group (15.9%). Senior citizens made up only 4.1% of the sample. In terms of educational levels, this sample was well educated as over 60% of respondents had at least a Bachelor’s degree (67.6%). A small percentage of the sample completed high school (7%) and 25.4% had some college but had not completed their Bachelor’s degree. Correspondingly, household income levels were very high, over 30% of respondents grossed more than $80,000 per year, 33.6% grossed between $60,000 and $79,999; and 25.1% grossed between $40,000 and $59,999. Almost half of the respondents (47.3%) have professional or executive jobs. This is consistent with the previous findings that online respondents are more likely to be professionals,
and report higher incomes and education (McDonald & Adam, 2003). Table 1 provides a summary of the demographic statistics for this study.

**Table 1. Profile of Respondents**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>280</td>
<td>67.60</td>
</tr>
<tr>
<td>Male</td>
<td>134</td>
<td>32.40</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 to 34</td>
<td>164</td>
<td>39.60</td>
</tr>
<tr>
<td>35 to 44</td>
<td>79</td>
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<tr>
<td>45 to 54</td>
<td>88</td>
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</tr>
<tr>
<td>55 to 64</td>
<td>66</td>
<td>15.90</td>
</tr>
<tr>
<td>Over 65</td>
<td>17</td>
<td>4.10</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>29</td>
<td>7.00</td>
</tr>
<tr>
<td>Some college</td>
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</tr>
<tr>
<td>College grad</td>
<td>169</td>
<td>40.80</td>
</tr>
<tr>
<td>Post graduate</td>
<td>111</td>
<td>26.80</td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
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<td></td>
</tr>
<tr>
<td>Owner/ self-employed</td>
<td>47</td>
<td>11.40</td>
</tr>
<tr>
<td>Manager/ executive</td>
<td>66</td>
<td>15.90</td>
</tr>
<tr>
<td>Professional/ technical</td>
<td>130</td>
<td>31.40</td>
</tr>
<tr>
<td>Clerical/Sales</td>
<td>50</td>
<td>12.10</td>
</tr>
<tr>
<td>Military</td>
<td>5</td>
<td>1.20</td>
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<tr>
<td>Homemaker</td>
<td>19</td>
<td>4.60</td>
</tr>
<tr>
<td>Retired</td>
<td>41</td>
<td>9.90</td>
</tr>
<tr>
<td>Students</td>
<td>16</td>
<td>3.90</td>
</tr>
<tr>
<td>Others</td>
<td>40</td>
<td>9.70</td>
</tr>
<tr>
<td><strong>Annual household income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 20,000</td>
<td>9</td>
<td>2.20</td>
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<tr>
<td>20,000 to 39,999</td>
<td>36</td>
<td>8.60</td>
</tr>
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<td>40,000 to 59,999</td>
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</tr>
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<td>60,000 to 79,999</td>
<td>139</td>
<td>33.6</td>
</tr>
<tr>
<td>80,000 to 99,999</td>
<td>106</td>
<td>25.60</td>
</tr>
<tr>
<td>&gt;100,000</td>
<td>20</td>
<td>4.80</td>
</tr>
</tbody>
</table>

The consumer brand extension evaluation scale includes 23 items. Both the Kaiser–Meyer–Olkin measure of sampling adequacy and the Bartlett’s test of sphericity tests indicated that it was appropriate to perform a factor analysis. The result of the principle component factor analysis indicated that there are four underlying dimensions (factors). To detect scale dimensionality, an exploratory factor analysis (EFA) with a principal component method was conducted for brand extension scale. A value of .60 or above from the Kaiser–Meyer–Olkin measure of sampling adequacy test indicates that the data is adequate for exploratory factor analysis. In order to make sure that each factor identified by EFA had only one dimension and each attribute loaded only on one factor, attributes that had factor loadings of lower than .40 were eliminated from the analysis. Table 2 shows the items and the factors that remained after the elimination. As presented in this table, the EFA generated four unidimensional factors. The results were somewhat consistent with the previous involvement research in consumers’ brand extension study.

**Table 2 Remaining Factors and Items Loadings (N = 414)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Component</th>
<th>attitude</th>
<th>quality</th>
<th>intention</th>
<th>fit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importanthl</td>
<td>0.7584</td>
<td>-0.004</td>
<td>0.2790</td>
<td>0.0336</td>
<td></td>
</tr>
<tr>
<td>Importantp</td>
<td>0.8425</td>
<td>0.1429</td>
<td>0.0645</td>
<td>0.2334</td>
<td></td>
</tr>
<tr>
<td>Desirehotel</td>
<td>0.8054</td>
<td>0.2125</td>
<td>0.1848</td>
<td>0.0548</td>
<td></td>
</tr>
<tr>
<td>Desireprod</td>
<td>0.8344</td>
<td>0.2296</td>
<td>0.0196</td>
<td>0.2033</td>
<td></td>
</tr>
<tr>
<td>Pleasingho</td>
<td>0.1704</td>
<td>0.6942</td>
<td>0.3920</td>
<td>0.0163</td>
<td></td>
</tr>
<tr>
<td>Overallqua</td>
<td>0.0550</td>
<td>0.7457</td>
<td>0.334</td>
<td>0.0378</td>
<td></td>
</tr>
<tr>
<td>Highqualityi</td>
<td>0.2491</td>
<td>0.6842</td>
<td>0.1253</td>
<td>0.3667</td>
<td></td>
</tr>
<tr>
<td>Consistentim</td>
<td>0.2159</td>
<td>0.6596</td>
<td>0.1849</td>
<td>0.4428</td>
<td></td>
</tr>
<tr>
<td>Substitute</td>
<td>0.1203</td>
<td>0.0782</td>
<td>0.1841</td>
<td>0.7226</td>
<td></td>
</tr>
<tr>
<td>Offeringused</td>
<td>0.0936</td>
<td>0.1770</td>
<td>0.1443</td>
<td>0.7315</td>
<td></td>
</tr>
<tr>
<td>Perceivedqu</td>
<td>0.2058</td>
<td>0.2443</td>
<td>0.2149</td>
<td>0.7307</td>
<td></td>
</tr>
<tr>
<td>select</td>
<td>0.1824</td>
<td>0.1466</td>
<td>0.8253</td>
<td>0.0784</td>
<td></td>
</tr>
<tr>
<td>recommend</td>
<td>0.0583</td>
<td>0.4635</td>
<td>0.7198</td>
<td>0.1784</td>
<td></td>
</tr>
<tr>
<td>reasonstaying</td>
<td>0.1357</td>
<td>0.2526</td>
<td>0.7790</td>
<td>0.1005</td>
<td></td>
</tr>
</tbody>
</table>
The Bartlett’s test of sphericity (significance level) .724

The Kaiser-Meyer-Olkin measure of sampling adequacy .000

Extraction Method: Principal Component Analysis.

A separate set of structural equation model (SEMs) was run to assess the associations between the dimensions. AMOS 14.0 was used to test the measurement and structural models. AMOS 14.0 produces several fit indices to help determine the degree of goodness of fit of the conceptual model with the available data. Some commonly used fit indices generated by AMOS 14 include the Chi-square test ($\chi^2$), the ratio of chi-square to degree of freedom ($\chi^2/df$). In assessing the model, the following goodness-of-fit statistics: chi-square, the degrees of freedom, and the p value are reported. The index of fit for our model is shown in the Table 3. The path diagram for the SEM model (Figure 2) presented the direction and magnitude of the direct impact through the positive and negative signs of the path coefficients and the absolute value of the standardized coefficients. The results of the path analysis supported all of the proposed relationships. The results indicated that the direct relationship between perceived fit and perceived quality of parent brand to the attitude toward the brand extension and behavior toward the brand extension which were positive at p < 0.01 level. This supports the first and second research hypothesis. Both a perceived fit and a perceived quality were related to the attitude toward the brand extension (H1 & H2). The test of hypotheses 1 and 2 relate to the perception toward the fit and the quality shows that factors creating those perceptions are highly related to the attitude toward the extension. The results indicated that the direct relationship between perceived fit and attitude toward brand extension was positive ($\beta = 0.22$). That is consistent with previous studies that perceived fit positively influences attitude toward extension. The central concept in past research was the concept of fit. That was frequently used for measuring the direct effect on brand extension attitude. Generally, it is proved that the higher the perceived fit, the more positive the consumer's attitude toward the brand extension. However, in the upscale hotel industry, the effect of the perceived fit is not as strong as the one in previous studies even though hypothesis 1 was supported.

### Table 3. Goodness of fit indices

<table>
<thead>
<tr>
<th>Values obtained</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Absolute fit measures</strong></td>
</tr>
<tr>
<td>$\chi^2$</td>
</tr>
<tr>
<td>p-level</td>
</tr>
<tr>
<td>Non-centrality parameter (NCP)</td>
</tr>
<tr>
<td>Goodness of fit index (GFI)</td>
</tr>
<tr>
<td>Root mean square error of approximation (RMSEA)</td>
</tr>
<tr>
<td>Expected cross validation index (ECVI)</td>
</tr>
<tr>
<td><strong>Incremental fit measures</strong></td>
</tr>
<tr>
<td>Adjusted goodness of fit index (AGFI)</td>
</tr>
<tr>
<td>Tucker Lewis index (TLI)</td>
</tr>
<tr>
<td>Normed fit index (NFI)</td>
</tr>
<tr>
<td>Comparative fit index (CFI)</td>
</tr>
</tbody>
</table>

The test of hypotheses 2, which shows that factors of the perceived quality positively affect the attitude toward brand extension ($\beta = .49$), revealed that the perceived quality is significant. Hypothesis 2 was supported. The direct effects of perceived quality transfer and attitude transfer have been examined in past research. Consumers’ attitude formation model depicts the concepts and relations referring to the formation of brand extension attitude that have already been investigated in past research. As previous researches show, cognitive processing affects the formation in attitude about brand extension. These findings were first identified by Aaker and Keller (1990) and also proved in many replicated studies later. That shows that there is a direct cognitive effect from the parent brand to the brand extension. Within the consumer attitude toward brand extension construct, consumer attitude toward brand extension was highly correlated with the content of perceived quality (0.49) and behavioral intention (0.70) at the p < 0.001 level, indicating that the two constructs
were strongly related to consumer attitude toward brand extension. The perceived fit was also slightly correlated alongside the consumer attitude toward brand extension (0.22) at the p < 0.01 level. The test of hypotheses 3, which shows that factors of the consumers’ attitude positively affect the behavioral intention toward the extension (β = 0.70), revealed that the attitude is significant. This reinforces the fact that the consumers’ attitude is an important issue that directly influences the behavioral intention variables toward the brand extension. This finding is consistent with previous studies. Thus hypothesis 3 was supported.

**CONCLUSION**

Brand extension strategy has become the popular phenomenon to launch new products in different product categories in the Hospitality Industry. Gaining a better understanding of the brand extension evaluation will help hotel managers improve the effectiveness and efficiency of extension launches. This study was an initial step in this direction. The purpose of the study was to apply the new brand extension model for the Hospitality Industry. This study examined how quality and fit affect consumer attitude toward the brand extension. What is more, this examination of the constructs is suggested to be an important performance indicator for the brand extension in the Hospitality Industry. The study further demonstrates that the hospitality brand extension model adequately describes the relationship between perceived quality and perceived fit regarding consumer behavior. Particularly, the study suggests that the degree of perceived quality, and perceived fit are key factors affecting the consumer’s attitude toward the brand extension for the hotel brand.

The result shows that the majority of the hypotheses were in fact supported. First of all, parent brand quality plays an important role in consumers’ brand extension evaluation in the hospitality industry. Upscale hotel products are normally regarded as high-quality brands. High-quality brands are often seen as more credible, expert, and trustworthy at what they do. As a result, even though consumers may still believe a relatively distant brand extension does not really fit within brand parameters, they may be more willing to give a high-quality brand the benefit. The finding of this research
further suggests that developing positive consumers’ perception toward the brand quality is crucial to their attitude. Attitude, consumer attitude, influences the extent of behavior toward the brand extension. It can be concluded that the quality is important when managers are considering a brand extension strategy and that quality can reverse the initial brand name preference. Successful hospitality product brand extensions also occur when the parent brand is seen as having favorable associations and there is a perception of fit between the parent brand and the extension product. The consumer may transfer the associations that are positive in the original product class. Because of similar consumer expectation or motivation in the extension category, a brand association may be as highly valued as it was in the original product context. The fit has always been a significant consideration in brand extension strategies.

Consumers want to feel comfortable with the brand and therefore expect the brand extension to link in some way to the parent brand like Westin Hotel & Resort to Westin’s Heavenly Bed or Heavenly Shower. According to the analysis of the study, consumers’ evaluations of hotel brand extensions would be a two-step process. First, consumers determine consciously or subconsciously if there exists a match between what they know about the parent brand and what they perceive to be true about the brand extension. Second, if the match is good, then consumers might be expected to transfer their existing parent brand attributes toward the brand extension. Thus, a lack of fit may doom a potentially successful brand extension.

REFERENCES


DOES CONSUMER HOPEFULNESS IMPACT BUYING DECISIONS?

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Raj Devasagayam, Siena College

ABSTRACT

MacInnis and de Mello (2005) propose the construct of hope as a multidimensional construct in their conceptual model. This research builds on their conceptual work and empirically examines their model. Empirically validated scales are used to measure hope in a consumer as it relates to consumer product involvement and likelihood to buy. We also identify consumer traits that affect an individual’s level of hope, as an antecedent to purchase decisions. Our findings indicate that different dimensions of hope have significant implications for marketing practitioners and we conclude by suggesting possible future research.

INTRODUCTION

Understanding how and why individuals experience and process emotions can be a vital tool that marketers can use in order to strengthen brand awareness, deliver higher value, and potentially increase revenue. Over time, there has been research conducted on many different emotions and the implications those emotions have for marketers. However, the emotion of hope has received very little attention in marketing due to theoretical and empirical limitations of measurement. MacInnis and de Mello (2005) and MacInnis and Chun (2007) offer the only insight into the emotion of hope and how it relates to consumer behavior. It is clear that hope plays a crucial role in the consumption habits of millions of consumers every day.

Hope is a powerful emotion and an even stronger tool for marketers to use in their value propositions. We identified a multitude of hope related products, some of which include: lottery tickets, vacations, plastic surgery, supplements, and self-help books. These products all have hope incorporated in their marketing mix in order to stimulate consumer interest and action. When an ad for the lottery comes on television, often there are people depicted as being very happy with a surplus of money or a plethora of new products they can now afford. These ads give consumers hope that they can attain the same lavish lifestyle if they bought a lottery ticket and won. The hope created in the advertising inspires people to go out and purchase a lottery ticket.

By understanding the emotion of hope in consumers, marketers can adapt their marketing mix in order to better create value for the consumer. Our research uses a previously established scale (Snyder et al. 1991) that measures hope in individuals. Our findings will allow marketers to better understand the buying behavior of consumers and the importance of involvement and intent to purchase as it pertains to products that use hope in their value propositions.

LITERATURE REVIEW

Our research would not have been possible without the groundwork being laid by MacInnis and de Mello (2005). Their research was the first to put into perspective how hope can relate and be used in the fields of marketing and consumer behavior. We continued upon the research MacInnis and de Mello started by conducting an empirical study to test some of the relationships that were proposed in their conceptual research. We tested the variables of likelihood to buy and product involvement as discussed by MacInnis and de Mello.

Hope is a complex emotion that has been researched and studied by many over the years. Hope exists when an individual believes that something that does not currently apply to his or her life could still potentially come to be (Lazarus 1999). Hope is related to optimism in that to be hopeful implies that a person still has faith that some kind of goal or outcome may occur. For the purposes of our research, we speak of hope as being on a spectrum from highly hopeful to having no hope or despair. For a person to experience hope, they have to believe that the desired outcome of a situation is possible (Lazarus 1999). If a person believes that no matter what happens the desired outcome cannot occur, then that person would have no hope, or be hopeless.
MacInnis and de Mello (2005) outline a multitude of “consumption situations” that all involve hope. Some of these include: investing in the stock market, buying lottery tickets, undergoing cosmetic surgery, and visiting therapists. If the aforementioned products had no idea of hope attached to them, it is unlikely those products would be consumed as much as they are, if at all. It is important to understand how much hope consumers have when developing and adapting the marketing mix in order to create value for the consumer. We believe that the level of hope a consumer has can dictate his or her buying behavior as related to the purchase of hope related products.

Product involvement relates to “consumers’ cognition or subjective feelings about the importance of a product” (Chen and Leu 2011). Chen and Leu (2011) also note that involvement relates to the amount of time and energy a consumer puts into the research and buying process of a certain product. Mittal (1995) states that, “if a product or a purchase decision is unimportant, it is uninvolving.” Therefore, we conclude that important products are involving. This follows that low involvement products are often habitual or impulse purchases while high involvement products are ones that are often thought about for some time and involve lengthy research. As noted by Clarke and Belk (1978) highly involved purchases motivate the consumer to take more care in their buying process.

Our research study examines hope and two different hope related products, which are differentiated by their level of involvement. These two products are lottery tickets (low involvement) and vacations (high involvement). We examine the consumer behavior variables of likelihood to buy and product involvement as they relate to these products.

The other dependent variable we tested is likelihood to purchase. Tsiros and Hardesty (2010) give us a useful scale that measures the likelihood to purchase an item at a given price. Essentially the likelihood to purchase measures just what it seems, the positive, negative, or neutral chance that a consumer will purchase a given product.

In addition to these business related independent variables we also tested a few constructs for which we created scale items for. These scale items were based on emotions that others see as relating to hope. We measured the respondent’s self-perceived level of hope, optimism, and positivism. We are interested in seeing if an individual’s actual level of hope coincides with their self-perceived levels of these different emotions.

HYPOTHESES

For the first part of our study, we measure how our independent variable of hope affects our dependent variables of different buying behaviors. MacInnis and de Mello (2005) compare hope and involvement to other variables in the propositions they make in their research but we found it necessary and most intriguing to test the impact hope has on product involvement. We used scale items as found in research by Mittal (1995) to formulate and test the following hypotheses.

H1. As hope increases in a consumer, the level to which they choose products carefully will increase.

H2. As hope increases in a consumer, the level to which the products they buy matter to them will increase.

H3. As hope increases in a consumer, the level to which they believe choosing the right product is an important decision for them will increase.

Because of the positive nature of hope, we believe that the more hopeful a consumer is the more he or she will wish to obtain their goal of purchasing an item.

We postulate that in most people’s minds hope is directly related to, if not the same thing as, optimism or positivism. Finding a relationship between a person’s perceived level of self hope and their perceived level of self optimism was essential to test this postulation. This leads us to the following hypotheses:

H4. As hope increases in an individual, their self perceived level of hopefulness will increase.

H5. As hope increases in an individual, their self perceived level of optimism will increase.

H6. As hope increases in an individual, their self perceived level of positivism will increase.

In the final portion of our study we aimed to test if personal characteristics of consumers had any effect on the level of hope in that consumer. Understanding the characteristics that make up a hopeful person is a valuable tool to tailor value propositions to the target market of a hope involved product. Here we used hope as the dependent variable which is potentially affected by the different independent variables of consumer characteristics. We tested multiple characteristics of our respondents and came up with the following hypothesis:
H7. Personal characteristics of consumers affect their level of hope. The following characteristics we believe all affect a person’s level of hope.

7a. Gender  
7b. Race  
7c. Household Income  
7d. Marital Status  
7e. Age  
7f. Education Level

RESEARCH METHODOLOGY

In order to evaluate the emotion of hope in consumers, we needed to find scales that measured the level of hope in an individual. There is no scale in existence that measures hope in a marketing context. However, scales have been developed in other disciplines to measure hope, for example, the medical field has developed scales to measure hope in terminally ill patients. We decided to use a hope scale that uses two dimension, agency and pathways (Snyder et al. 1991). This scale does not measure hope in a particular context, but simply measures the amount of hope in an individual.

Geraghty, Wood and Hyland (2010) explain the pathways dimension as a person’s ability to face adversity in the pursuit of goals. Agency relates to the intrinsic motivation of a person. Agency “provides the mental energy to start and maintain the use of a particular pathway through all stages of goal pursuit” (Geraghty, Wood and Hyland 2010). The agency dimension of hope relates to an individual’s level of determination as it relates to their goals. In contrast, the pathways dimension pertains to the level to which an individual plans ways to obtain goals.

We used lottery tickets as our low involvement product and vacations as our high involvement product because we believe these products are widely recognizable and familiar to a wide range of consumers across many demographics.

Our likelihood to buy questions were adapted from scales by Tsiros and Hardesty (2010). We also adapted questions from a consumer involvement paper by Mittal (1995) in order to further examine our respondents’ attitude toward consuming. Finally we added demographic questions which are used in classification by the U.S. Census Bureau in order to classify respondents.

After several rounds of pretest and validation procedures (see Kidwell, Blair, Hardesty, Murtha, and Sheng 2011 for details) the survey was distributed online through emails and via social networks. For this study our sample size was 155 respondents. The survey went out to college students as well as adults not in college.

RESULTS

We first took our eight item Hope Scale and conducted a confirmatory factor analysis in order to determine the differentiation of the two factors (agency and pathways). A principal components based factor analytic model with varimax rotation confirmed a two-factor solution that explains 61.899% of the total variance in the data. As seen in Table 1, scale items 1, 3, 4, and 5 all loaded on one dimension which, based on prior research, is labeled the pathways dimension. Scale Items 2, 6, 7, and 8 represent the agency dimension of hope as prior research suggests (Snyder et al. 1991), and once again the items loaded as theoretically prescribed.

The scale items derived from the factor analysis were then further tested for both reliability and validity using a Cronbach’s Alpha analysis. The four item agency dimension yielded an Alpha value of .786. Similar to the agency dimension scale, the pathways dimension scale items yielded an Alpha value of .775. Both of these Alpha values show that these dimensions have very good psychometric properties.

Table 1.

<table>
<thead>
<tr>
<th>Scale Items</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agency</td>
</tr>
<tr>
<td>1 I can think of many ways to get out of a jam.</td>
<td>.864</td>
</tr>
<tr>
<td>2 Even when others get discouraged I know I can find a way to solve the problem.</td>
<td>.601</td>
</tr>
<tr>
<td>3 There are lots of ways around any problem.</td>
<td>.714</td>
</tr>
<tr>
<td>4 I can think of many ways to get the things in life that are most important to me.</td>
<td>.627</td>
</tr>
<tr>
<td>5 I energetically pursue my goals.</td>
<td>.795</td>
</tr>
<tr>
<td>6 My past experiences have prepared me well for my future.</td>
<td>.760</td>
</tr>
<tr>
<td>7 I’ve been pretty successful in life.</td>
<td>.732</td>
</tr>
<tr>
<td>8 I meet the goals that I set for myself.</td>
<td>.617</td>
</tr>
</tbody>
</table>

Note. Results from the confirmatory principle components factor analysis with varimax rotation. Loadings less than .60 were suppressed. Cumulative explained variance is 61.899%, N = 155.
We next tested our hypotheses. Because both the dimensions of hope (agency and pathways) may be correlated, it was deemed necessary to run a simultaneous model using a Structural Equation Model. The SEM results indicate that the relationship between hope and all of our product involvement scaled items are significant, the data fits the model well, and the goodness of fit indices are in the acceptable range at a p-value being less than .05. We used three different likert scale questions pertaining to product involvement, they are as follows:

1. When I go shopping I choose products very carefully (care in product choice).
2. Which products I buy matter to me a lot (importance of purchase).
3. Choosing the right product is an important decision for me (importance of purchase decision).

The relationships of each dimension of hope as related to the dependent variable are in the following table:

Table 2.

<table>
<thead>
<tr>
<th>Scale Items</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agency</td>
</tr>
<tr>
<td>1 When I go shopping I choose products very carefully</td>
<td>-.03</td>
</tr>
<tr>
<td>2 Which products I buy matter to me a lot.</td>
<td>.02</td>
</tr>
<tr>
<td>3 Choosing the right product is an important decision for me.</td>
<td>.07</td>
</tr>
</tbody>
</table>

We also created Structural Equation Models to analyze the relationship of hope with the different related emotion scale items we created (Table 3). All of these relationships were found to be significant at the .05 level.

Table 3.

<table>
<thead>
<tr>
<th>Scale Items</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agency</td>
</tr>
<tr>
<td>1 Overall, I consider myself a hopeful person.</td>
<td>.44</td>
</tr>
<tr>
<td>2 Overall, I consider myself an optimistic</td>
<td>.43</td>
</tr>
</tbody>
</table>

Following this, we analyzed our demographic scale items using ANOVA. Our demographic scale items included: gender, race, household income, marital status, age, and education level. As we ran our ANOVA, we found that most of the demographic characteristics had no significant bearing on a person’s level of hope. However, we did find a significant relationship between hope and the age and education level of the respondent. We found that age has a significant relationship with the agency dimension of hope. This relationship was significant at a .10 level. Also, we found that a person’s level of education has a significant relationship with both dimensions of hope. The relationship between the two dimensions and education level were both significant at a .05 level. As an individual’s education level increased, they had a higher level of hope.

MANAGERIAL IMPLICATIONS

Firms must develop products in order to create revenue and make profits. This does not only involve the invention of brand new products but also involves the change or alteration of current value propositions. Altering a product to generate revenue or target a certain segment is by no means a new strategy in marketing. It is shown in our research that the level of hope in a consumer plays a role in their buying behavior. If marketers can adjust their marketing mix to provoke hope in consumers then their products have much better potential to move off the shelves.

Attempting to evoke an emotional response in consumers via the marketing mix is an effective means of marketing. Percy and Rossiter’s (1991) research shows that a main differentiator of advertisements is that a more effective ad makes claims of value based on a compelling emotion. Hope surely is a compelling emotion. Our research shows how the better marketers can understand the level of hope in a consumer, the better they can adapt their marketing mix to portray excellent value in their products.

We also learned from our research that the more education a person has the higher their level of hopefulness tends to be. This means that if a company has a highly hope related product, than it is a good idea to adapt the value proposition to the needs of more highly educated people. Being able to recognize that hope increases in more educated people, we have provided marketers of hope related products with a
new target market that is sure to be an effective segment to pursue.

**FUTURE RESEARCH**

Our own research continues as we further examine hope using different scales. We also look to test possibly different dependent variables that pertain to consumer behavior. Ultimately a goal that needs to be set for this path of research is the creation of a scale that measures hope in the context of marketing. Achieving that goal would require more psychological research of the emotion of hope and how it motivates people to act, specifically in a buying situation. Also, testing different promotional items ability to evoke hope in a consumer is necessary in order to implement a proper marketing strategy for hope related products. How hope can be increased or decreased in a consumer and the factors that contribute to that increase or decrease would also bring a great deal of value to further research of hope and marketing.

**REFERENCE**


A DELIVERY PERFORMANCE MODEL FOR MULTI-STAGE SUPPLY CHAINS

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ABSTRACT

A review of the literature on supply chain delivery performance models indicates two limitations: (1) all models adopt a make-to-order orientation for engaging upstream partners in the supply chain, and (2) widespread use of the Gaussian probability density function to model delivery time to the end customer in the supply chain. In this paper we present a generalized model for evaluating delivery performance in a multi-stage serial supply chain that relaxes these limitations. The model presented herein accommodates both a make-to-order and a make-to-stock orientation and allows for delivery performance to be captured by the true (non Gaussian) underlying probability mass function/density function.

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LOGISTICS CUSTOMER SERVICE FAILURE EFFECTS ON CONSUMER BRAND PERCEPTIONS

Bengü Sevil Oflaç, Izmir University of Economics
Ursula Y. Sullivan, Northern Illinois University

ABSTRACT

The primary goal of this study is to investigate the roles of expectation and purchase criticality on consumers’ brand perceptions when a failure in delivery occurs. The provision of logistics services is often a crucial point in supply chain management that can influence brand perceptions. As a consequence, a failure in logistics customer service and its effect on overall perceptions of a brand should not be underestimated. By applying scenario-based experiments, this study demonstrates the dynamics by which customer expectations and purchase criticality affect consumer brand perceptions. Buffering effects are revealed in overall brand evaluations and repurchase intentions. The findings indicate that higher expectations may protect the brand and that criticality of the purchase has crucial impacts on brand evaluations.

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INTERNET ADDICTION, INTERPERSONAL ORIENTATION, AND SOCIAL MEDIA: IMPLICATIONS FOR MARKETERS

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Raj Devasagayam, Siena College

ABSTRACT

This research examines the relationship between Internet addiction and various psychological motivators, utilizing Young’s Internet Addiction Test (1996, 1998), Compliant Aggressive Detached scale (Cohen 1967), and Theory of Planned Behavior (Pelling & White 2009). Findings show a significant correlation between the aggressive component of the CAD scale and Internet addiction.

INTRODUCTION

Each year since 2002, the United States Postal Service has steadily decreased its volume of stamped cards and postcards sent via first-class mail by over one billion pieces (United States Postal Service 2011). Nowadays people around the world are plugging in and logging on to reach their friends, families, “frenemies,” coworkers, long-lost loves, and many more. In our increasingly technologically driven world, people of all ages, religions, socioeconomics, and cultures are connected through the power of the Internet. There are more than 800 million active Facebook users, seventy percent of which reside outside of the United States. More than three billion YouTube videos are watched each and every day, again with seventy percent of its traffic derived from users outside of the United States. Eleven million around the world role-play in an online fantasy realm in the popular game World of Warcraft. Is this immense influx of online users just a fad or could it be something more? Our research examines the role of interpersonal orientation and social media in answering this research question.

LITERATURE REVIEW

Internet addiction is widely studied as Internet usage has drastically increased worldwide. Social media, such as Facebook, YouTube, MySpace, and even World of Warcraft, elicit certain levels of usage that vary from person to person. These social media can further be differentiated by social presence/media richness and self-presentation/self-disclosure (Kaplan and Haelein 2010). For example, a social networking site such as Facebook has a medium level of social presence and a high level of self-disclosure whereas virtual game worlds, such as World of Warcraft, have high levels of social presence and low levels of self-disclosure. The Internet Addiction Test (IAT), established in research by Kimberly S. Young (1996, 1998), seeks to evaluate an existence of an addiction to the Internet and determine the problems associated with its misuse. Her original study included an eight-question scale in which she found sixty percent of the respondents to be addicted to the Internet on the basis of it interfering with their daily routines, productivity, emotions, sleeping, and social lives (Young 1996). Her 1998 book expanded the IAT and sought to offer help to those afflicted with the addiction, which she likened to pathological gambling (Young 2008). Widyanto and McMurran (2004) tested the scale in their own survey and found that it was both valid and reliable.

Despite the fact that social networking sites have seen a dramatic increase in popularity, there have been few studies focused on the psychological variables that predict an individual’s level of usage. The theory of planned behavior (TPB) is a decision-making model that helps to determine how and why certain behaviors result from one’s intentions to actually perform in such a manner based on the constructs of attitude, perceived behavioral control, and subjective norm (Pelling and White’s study 2009). The researchers hypothesized that both belongingness and self-identity would increase a young adult’s intention to use social networking sites, but instead they found that belongingness was not indicative of high-level usage, but users were more motivated by their own self-identity. We propose to reevaluate their findings to see whether or not belongingness is indeed not indicative of high-level usage. Thus:

H1: The need for belongingness is not indicative of high-level Internet usage.
Based upon the findings of the aforementioned research, we wish to further expand upon their research in an effort to determine if indeed social networking is more of a self-motivated rather than other-motivated activity. The final component of our research focuses on interpersonal orientation in regard to consumer behavior. The Compliant Aggressive Detached (CAD) assessment is a personality instrument designed specifically for market research. All users of social networking sites are essentially consumers because they choose to interact with the product. Detached individuals prefer to emotionally distance themselves from others. Each of these orientations may provide a different reasoning for utilizing social networking sites and exhibit different levels of addiction. Thus:

H2: Internet addiction may be manifested in individuals possessing an aggressive interpersonal orientation.

Based upon the findings of prior studies, our research attempts to find a correlation between interpersonal orientation and addiction.

Scale Development

We developed a survey composed of questions from previous studies as well as unique questions. In an effort to examine addiction, we utilized Young’s Internet Addiction Test (IAT), of which fourteen items were chosen representing what we believed to be the most relevant to our study of social media usage and our focus on the college students’ demographic. These items questioned respondents on the degree to which Internet usage impacts their daily life in regards to sleeping, daily routines, school, and work. We used a 7-point Likert scale, ranging from never (1) to always (7) to measure the level of Internet addiction among our respondents.

Pelling and White’s survey targeted undergraduate students and defined high-level social media usage as four or more unique visits per day. We defined high social media usage as three unique visits per day or more, with unique visits being each time a user looks at or checks into the site. We chose three visits instead of four based on the assumption that high-usage users would go onto a social media site once when they woke up, at least once during the day, and once before going to sleep. We tested the additional theory of planned behavior (TPB) variables of self-identity through three single-item questions and a ten-item scale measuring belongingness (Pelling and White 2009). We increased the ten-item scale from a 5-point Likert to a 7-point Likert to allow for consistency with the rest of the survey design.

The original Compliant Aggressive Detached (CAD) scale consists of 35 items on a 6-point Likert scale with three factors (Cohen 1967). We eliminated several items, which we found to be irrelevant for purposes of this study and, based on pre-tests, arrived at 12 items that were easy to understand for our participants. We also extended the scale to include seven points, ranging from Extremely Undesirable (1) to Extremely Desirable (7), in order to provide consistency with the rest of the survey. Of the 12 items used, five belonged to the compliant factor, four to the aggressive factor, and three to the detached factor of the CAD construct.

RESEARCH METHODOLOGY

After considerable pretesting and revisions, the survey was distributed nationally through email and posted on Facebook in an event announcement. The following analysis is based on a convenience based random sample of 120 individuals that completed the entire survey. The incidence rate of 81 percent is impressive given the extensive length of the survey (roughly 10-15 minutes), which was necessary in order to fully capture the constructs of the overall study.

Sample Profile

Participants completing the initial questionnaire were 120 respondents from various age demographics. The majority of participants were ages 18-25, while 30% of respondents were older than 25. This is intentionally not purely a student sample as we wished to see the relationships based on personality and not necessarily on age or familiarity with technology. Women also comprised the majority at 68%. Table 1 provides a more detailed view of the sample profile for this study.

SCALE VALIDATION

We began by testing the fourteen-item IAT (Internet Addiction Test) scale, which prior research proved to be trustworthy and reliable (Widyanto and McMurran 2004). It yielded a Cronbach’s Alpha of .907, which indicates exceptional psychometric properties. All items loaded a .90 level or higher; therefore no deletion of items was warranted.
Table 1. Sample Profile (N=120)

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
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<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>68.3</td>
</tr>
<tr>
<td>Male</td>
<td>31.7</td>
</tr>
<tr>
<td>Total</td>
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<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>17-25</td>
<td>70</td>
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<tr>
<td>26-50</td>
<td>16.7</td>
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<td>Total</td>
<td>100</td>
</tr>
<tr>
<td>Race</td>
<td></td>
</tr>
<tr>
<td>Caucasian</td>
<td>90.8</td>
</tr>
<tr>
<td>African American</td>
<td>1.7</td>
</tr>
<tr>
<td>Asian</td>
<td>2.5</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>3.3</td>
</tr>
<tr>
<td>Other</td>
<td>1.7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

We then subjected the Compliant Aggressive Detached (CAD) scale to a confirmatory factor analysis and Cronbach’s alpha reliability analysis. A three-factor solution was expected, as the original scale (Cohen 1967) predicted a three-factor solution: compliant, aggressive, and detached interpersonal orientations. The confirmatory factor analysis explained 54.935% of the variance in our data. A principal components analysis with Varimax rotation yielded results, which indicated that two items did not load significantly. We removed one compliant item, “Sharing my personal feelings with others would be: (Extremely Undesirable to Extremely Desirable),” and one detached item, "For me to avoid situations where others can influence me would be: (Extremely Undesirable to Extremely Desirable)." Further analysis found that there was no significance between detached interpersonal orientation and Internet addiction as indicated by the low Cronbach’s alpha of .381. All items related to the detached dimension were dropped from further analysis. We then proceeded to conduct validity checks on the two resultant scales of CAD, compliant and aggressive.

Structural model of Internet addiction as an endogenous variable and the CAD factors of interpersonal measures as the exogenous variables were fitted. Given the small sample size, the results should be considered preliminary. Both the saturated and unsaturated models achieved acceptable goodness of fit. It is encouraging to note that all paths were significant at the 0.05 level. The hypothesized relationships were not supported in case of compliant dimension. The directionality was expected to be positive, as the results indicated a negative relationship. We explain these findings in subsequent sections. The aggressive dimension seems to explain the largest share of variance in Internet addiction.

Three items from the theory of planned behavior (TPB) scale, utilized in Pelling and White (2009), were reverse coded; therefore they went through additional analysis. One question, “If other people don’t seem to accept me, I don’t let it bother me: (Very Untrue of Me to Very True of Me),” needed to be dropped because it misbehaved. After removal, the data yielded an acceptable Cronbach’s Alpha of .786.

**KEY FINDINGS**

The respondents indicated a strong increase in social media usage. Pelling and White found that 53% of participants engaged in high-level usage (defined as four unique visits per day) at least once in the previous week. In our study, twenty-three percent of respondents stated they engaged in high-level usage of three to four times per day. An additional sixty percent indicated that they had five or more unique visits per day. Overall, fifty-one percent of the participants indicated that they engage in social media usage three or more unique visits per day seven days a week. Compared to Pelling and White’s results, our research shows that there has been a dramatic increase in high-level usage. Additionally, our respondents indicated that they did not feel that it was neither negative nor obsessive. Sixty-seven percent felt that they were not addicted to the Internet, despite the fact that there was a strong presence of Internet addiction among the respondents as indicated through the IAT. We also found a significant relationship between both self-identity and belongingness, which does not support Hypothesis 1 or the results from Pelling and White (2009).

Hypothesis 2 stated that those possessing a compliant interpersonal orientation would exhibit strong Internet addiction tendencies. Instead, our research found a strong correlation between Internet addiction and an aggressive interpersonal orientation. This does not support the hypothesis. The compliant orientation did not show significance. We believe that this is a reflection of compliant individuals achieving their desired level of belongingness and love through outside means of communication, such as phone call, and physical contact rather than Internet based communication.

**MANAGERIAL IMPLICATIONS OF RESEARCH**

The research examines a pertinent social topic in today’s society. As seen in the results, daily Internet usage is normal and essentially a way of life. What has been a way to access information has now become a main source of communication and interaction among
individuals. It is essential that marketers recognize the online behaviors of their target markets in order to tailor their marketing campaigns and diffuse information to the appropriate consumers.

Our research found that aggressive individuals have a higher incidence of Internet addiction; therefore it might be advantageous for marketers of certain products to target individuals who strive for superiority and tend to go against the grain. Interestingly enough, those individuals that, on one hand, naturally gravitate towards being unique closely follow the societal norms of social media. This may be attributed to the idea that social media can be a platform for expression and a way to showcase one’s achievements. Aggressive persons are highly competitive and go out of their way to gain attention in order to achieve the admiration of others (Cohen 1967). There are many products that have a strong self-image associated with them, such as clothing, automobiles, perfumes, or jewelry; therefore interpersonal orientation is a critical factor in purchase decisions of this nature. It can be argued that the study of consumer behavior is saturated with interpersonal orientation; hence it should be at the forefront of marketers’ consideration when creating and implementing an Internet-based campaign.

Equally as important is to realize what types of individuals are addicted to the Internet. Like many addictions afflicting our society, close attention should be paid to the affects of Internet addiction on daily life, particularly for adolescents. Academicians in the fields of psychology and sociology may find the research to be startling as Internet usage is becoming more intertwined with the daily routines of people around the world.

CONCLUDING REMARKS

In an attempt to examine multiple hypotheses for the larger study, the survey itself is quite long, which contributed to respondent fatigue. We had to remove questions from all three of the surveys used in order to consolidate them into one concise survey. There was an 81% incidence rate. It is also unknown whether or not the respondents were completely honest, as many of the questions were sensitive in nature. When directly asked about whether or not they considered themselves addicted to the Internet, nearly a fifth of respondents stated that they were unsure, which could be an indication that they particularly chose not to answer positively or negatively.

Participation was limited to only those who were 18 years of age or older, thus prohibiting responses from those under 18. The teen demographics might have different responses as they were raised with technology more prevalent in their lives. Our research shows that there are differences amongst the age groups, but expanding it to include younger respondents could dramatically change the results. Our research is also skewed in that 90.8% of the respondents indicated that they are Caucasian, which is not typical of the population.

There are many opportunities for future research, particularly research that pertains to the CAD scale. The strong relationship between aggressive interpersonal orientation and Internet addiction could be grounds for research regarding product purchases online. If such individuals show increased social media usage and signs of Internet addiction, there may be a relationship between their personality and online buying habits. The types of products and reasons for buying products online for the various interpersonal orientations should be of high importance for marketers.

In conclusion, it is essential for marketers to recognize the online habits of their customers in order to achieve their desired sales strategy. As people from around the world continue to increase their Internet usage, particularly in the realm of social media, marketing campaigns will continue to evolve to reflect the changing lifestyles.
REFERENCES


FACILITATING STUDENT ACHIEVEMENT IN THE GOOGLE ONLINE MARKETING CHALLENGE

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ABSTRACT

"There is a good reason why Google put the word ‘Challenge’ in the name of this competition.” That is the first statement made to my students before embarking on the very challenging, but highly rewarding, Google Online Marketing Challenge. The Challenge is a global competition where students create an online marketing campaign for a small to medium sized enterprise (SME) using Google's key advertising product, AdWords. Students learn critical online marketing skills over a three-week competition period using a real budget.

In the inaugural 2008 competition, over 8,000 students on 1,620 teams from 47 countries competed. The Challenge continues to grow each year as the most recent competition had over 35,000 students on 4,000 teams from more than 95 countries. Since the Challenge inception, I have coached 20 teams (five teams per year). In three of the four years, my teams won top honors that resulted in three trips to Google Headquarters (two Americas Regional Winner titles and one Americas Region Finalist title). In addition, I have had 12 other teams earn a spot in the semi-finalist category (top 100 globally). Colleagues often ask me “What is the secret to your success in the Challenge?” In this special session, I will share my techniques.

The goal is to help professors learn new ways to create highly rewarding experiences in the Challenge. I will reveal the strategies used to create extraordinarily positive experiences that often results in exceptionally high student performance. Topics will include the specific techniques and pedagogy used for:

- teaching students how to use AdWords
- assigning students into teams and classroom structures
- recruiting an SME (i.e., business, governmental, or non-profit)
- helping students manage their client relationship
- developing a solid pre-campaign strategy report
- introducing students to the agency experience
- managing and optimizing the campaign
- crafting a post-campaign summary report
- motivating students throughout the semester and the competition
- evaluating student performance for the course grade

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ABSTRACT

This article examines the familiarity of a brand as measured by the brand recall index (BRI). The BRI offers a way to understand the awareness of a brand based on the recall position of the brand among other brands. In developing the brand recall index the authors lean on extant research on knowledge activation based information processing theories. According to these theories, brand knowledge is stored as an associative network of information relating to the brand. Consumers depend on this information in two different ways while making judgments such as when deciding on a brand. First, the knowledge content in the information helps the judgment process. Thus, when Toyota® is recalled, the associated knowledge content regarding Japan as its country of origin, the brand’s reputation for quality, and its durability feed into the decision process. A second, perhaps more important aspect, is the metacognitive experience of recall when thinking about the category. When thinking about cars, Toyota® is easily retrieved from memory and readily comes to mind. This ease-of-retrieval is informative on its own.

The focus of the current study is to therefore understand the brand word names that are spontaneously remembered by members of the Millennial Generation (or Generation Y, as others refer to the group). Millennials are variously defined as those born between the years of the 1980’s to the early 2000’s. Larger than the Baby Boomer Generation, Millennials are the children of the Boomers and therefore have been brought up as optimistic, confident, and opinionated decision makers; especially those decisions regarding trends, style, and buying. Gen Y is also of interest due to their academic preferences, working styles, and spending patterns. As the next demographic spending behemoth, marketers must attend to Millennials to understand their perspectives on branding.

Brand recall is also examined with respect to demographics other than age to determine the full extent of brand awareness among this important segment in the population. For example, the findings indicate that the BRI does vary across gender for certain brands, while remaining the same for other brands. In developing the BRI, the authors provide a measure for companies at all levels to be able to quickly and effectively unveil the standing of their brands on the minds of consumers.
EXAMINING CONSUMERS’ RELATIONSHIPS WITH FASHION BRANDS AND ELECTRONICS BRANDS

Nicole Kirpalani, LIM College
Susan C. Baxter, LIM College

ABSTRACT

Research on consumer-brand relationships suggests that consumers often have complex emotional relationships with brands. Currently it is not known whether certain product categories lend themselves to stronger brand relationships and in turn stronger connections with brands. The study was designed to investigate whether there are differences in brand connections across two popular product categories: fashion apparel and consumer electronics brands. The brand connections examined for these two categories focused on brand attachment, brand attitudes, and separation distress. Participants selected one fashion brand and one electronics brand that they liked and completed a series of scale items and open-ended questions for each.

Overall, there was much more variety in the chosen fashion brands as opposed to the electronics brands. Results suggest that consumers seem to be generally connected to both product categories; however, significant differences exist in brand attachment, brand attitudes, and separation distress for the two product categories. In particular, the study showed a significant difference in separation distress. Participants indicated that they would feel much more distressed if their favorite electronics brand would be discontinued as compared to their favorite fashion brand. Many participants characterized their favorite electronics brand as a necessary element in being organized, being connected to friends and family, and being able to simply “live life” (thus perhaps indicating more rational than emotional connections to these brands). In contrast, many participants expressed a strong emotional connection to their chosen fashion brand, as evident in comments related to fashion and self-concept, self-identity, and self-expression (e.g., “It’s unique and trendy and fits my personality.”). While there was a strong emotional connection to fashion apparel overall, participants typically felt comfortable with their ability to find an alternative or replacement product, should their brand be discontinued, thereby decreasing separation distress.

Our findings contrast previous research suggesting that strong brand attachment necessarily leads to strong separation distress. The present research suggests that this mechanism may not hold across product categories. It is therefore important to study the topic of consumer-brand connections in the context of product category in order to understand its nuances. Given practitioners’ propensity for targeting consumers via emotional appeals (including brand attachments and separation distress) the research has important implications for managing consumers’ perceptions of brands.
VIEWER PERCEPTION OF PRODUCT PLACEMENT IN COMEDIC MOVIES

Michelle Rovella, California State University, Fresno
Susan Geringer, California State University, Fresno
Rudy Sanchez, California State University, Fresno

ABSTRACT

Marketers have turned to product placement as a way of advertising because ad avoidance is at an all time high. Product placement is the intentional or unintentional inclusion of a branded product into an entertainment vehicle by a corporation. This study examines viewer perception of product placement in comedic movies and whether that perception is positive or negative based on the type of product placement used. High plot placements play a major role in the storyline, while low plot placements do not contribute much to the story. We proposed that viewer perception would be influenced by affect and reactance theory. Affect is how the placement makes the viewer feel. This study specifically looked at mood. Reactance is a motivational state aimed at restoring a threatened freedom. A sample of 255 Generation Y college students was surveyed at a Western U.S. University for this study. A pre-survey was used to collect participants’ mood, followed by two movie clips and then a post-survey to again capture participants’ mood and perception of the placement. Results indicated that increases in viewers’ mood were positively related to attitude toward the brand. This study also found that the type of placement in this situation did not make a difference in the viewers’ acceptability of the product placement. The results of this study reveal that although the type of placement may not matter, the mood of the viewer does.
STUDENTS’ PERCEPTIONS OF CLIENT-BASED PROJECTS: DO THEY IMPROVE CRITICAL BUSINESS SKILLS?

Mary T. Galvan, North Central College

ABSTRACT

Numerous studies in the professional literature support the fact that experiential learning projects such as those with business clients are beneficial to students. However, many studies do not concentrate specifically on skill sets learned by students. This exploratory study is an attempt to analyze students’ perceptions of their improvement in 12 critical business skills in a required marketing research course.

Over a two-year period 140 junior and senior students enrolled in a required marketing research course were surveyed regarding their perceptions of whether they improved in the following skills: analytical, conflict resolution, information technology, initiative, leadership, client management, presentation, project management, teamwork, verbal, written, and work ethic. This course used clients from the business community who had real-world research issues that needed to be investigated. Males and females were compared to see whether there was a statistically significant difference between skill set improvements as well as an assessment of whether responses from junior and senior students different. Frequency distributions and t-tests were used to analyze the data.

Overall, the results showed that there was a statistically significant difference between males and females in four skills: client management, project management, written communication, and work ethic. In each case, the mean for males was lower than the mean for females. With respect to the difference between juniors and seniors, four skills emerged. For the skills of information technology, work ethic, and analytical, the mean for juniors was lower than the mean for seniors, but none of these were found to be statistically significant. Only for the skill client management did seniors have a higher mean than juniors at a statistically significant level.

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CLIENT-FINANCED PROJECTS: A STUDY OF THE PERCEPTIONS OF MARKETING FACULTY AT AACSB ACCREDITED SCHOOLS

Gary L. Clark, Saginaw Valley State University
Iksu Jurn, Saginaw Valley State University
Michael King, Plante Moran

ABSTRACT

An experiential-learning activity will develop students' soft skills (e.g., problem solving, analytical-, creative-, and critical-thinking skills, decision making, teambuilding, and communication skills). We examined the opinions of marketing faculty regarding the value of a client-financed project. Marketing faculty most strongly agreed with the following: (1) Business majors should do a CFP, \( \bar{x} = 4.54 \) and (2) A CFP makes students active learners, \( \bar{x} = 4.49 \).

INTRODUCTION

The Association to Advance Collegiate Schools of Business (AACSB) has urged business faculty to actively involve students in the learning process and encourage collaboration and participation among participants (July 1, 2009). Experiential-learning activities (ELAs) improve students' soft skills (e.g., critical-thinking, problem-solving, reflective-thinking, creativity, decision-making, planning, analytical-thinking, communication, and teamwork skills). Dewey (1938) proposed that experiential learning facilitates long-term learning and can provide students with knowledge and the ability to apply that knowledge in several situations.

Instructors need to adopt pedagogy more engaging than lectures because the business world demands that students possess certain soft skills (Kennedy, Lawton, & Walker, 2001). Practitioners criticize business schools because students are not prepared for the real-business world (Kelley & Gaedeke, 1990) and important skills are not being taught in the standard business school curriculum (Kelley & Parker, 1995).

Experiential exercises help students develop the skills necessary to use marketing theory to solve marketing problems (Bobbitt et al. 2000). Marketing educators need to change their teaching style because “we have new workplace needs, we have increasingly diverse students, and we have old pedagogical strategies that do not address the learning styles and backgrounds of our students” (Kennedy, Lawton & Walker, 2001, p. 151).

Given the importance of experiential learning to the learning paradigm, it is appropriate to measure marketing educators’ perceptions regarding students working with real businesses to solve real problems. The contribution this article makes is to provide the first look at the opinions of marketing faculty regarding the value of a specific type of experiential-learning—the Client-Financed Project (CFP). We present our methodology and research results and discuss the study's limitations, implications for marketing education, and suggestions for future research.

For the purposes of our study, we define a client-financed project as a project that involves a real organization that wants help solving real problems, covers expenses incurred by the class, meets with the students, and shares company information. Finally, the client signs a formal contract with the instructor who supervises the CFP.

In some aspects, this study is similar to the Vincent and de los Santos (1988-1989) study. However, the Vincent study surveyed department heads, whereas our study investigated marketing instructors’ opinions about client-financed projects.

Research Questions

Based on our review of the experiential-learning literature, the following research questions emerged to
focus our study on the value and perceptions of the client-financed project:
1. What are the demographic characteristics of faculty who have recently supervised a client-financed project (CFP)?
2. How does marketing faculty conduct their CFP?
3. What are the perceptions of marketing faculty regarding the value of a CFP?

METHODOLOGY

Our population of interest consisted of all 460 United States business schools accredited by the AACSB listed on the AACSB website (Revised January 31, 2008). We randomly selected 230 business schools, and then randomly selected four marketing professors from each school for a sample of 920 professors. Following the approach used by Hult, Neese, & Bashaw (1997), we surveyed only Assistant, Associate, or Full Professors.

Our cover letter stated: “A Client-Financed Project is defined as a project where the client provides funds to cover expenses incurred by the student-consulting teams.”

Using a similar method used by Koojaroenprasit et al. 1998, our questionnaire was designed specifically for this study because no previous studies were found that measured marketing professors’ attitudes toward client-financed projects.

Section 1 of our survey dealt with demographic characteristics collected in other surveys of marketing faculty (Polonsky, Juric, & Mankelow, 2003; Simpson & Siguaw, 2000). Section 2 determined how the respondent conducted a client-financed class project. Section 3 had faculty respond to an attitudinal scale ranging from (1) “Very Strongly Disagree” to (6) “Very Strongly Agree” (Pelton Strutton, & Rawwas 1994). We used a 6-point Likert scale to increase response variability (Trocchia & Andrus, 2003) and to get a precise measure of agreement (Hannaford, Erffmeyer, & Tomkovick, 2005).

A mail the questionnaire was sent to 460 marketing professors and SurveyMonkey.com was used to email the same questionnaire to the other 460 marketing professors. Professors were randomly selected to determine if they received the questionnaire by mail or via SurveyMonkey. The cover letter and questionnaire sent via SurveyMonkey.com was identical to the material sent by mail. The SurveyMonkey cover letter contained a hyperlink to the questionnaire.

RESULTS

Marketing professors from 41 states returned a usable questionnaire. Of the 886 questionnaires successfully delivered to the sample, 201 completed questionnaires were returned, a response rate of 22.7%.

Characteristics of the respondents

Approximately 72% of the 201 respondents were males and approximately 37% were 56 years or older. Full professors made up 37% of the sample, 30% were Associate professors and Assistant professors accounted for 33% of the respondents.

Nearly 40% of our sample have taught for less than 11 years and 36% have taught for 21 years or more. Nearly 96% of the respondents possessed a doctorate. Only 14% of the respondents had taught a doctoral course over the past three years, 68% had taught a Masters level course and 94% had taught an undergraduate class. From August 2006 through May 2009, 64 of the 201 respondents had conducted at least one client-financed class project and 24 had conducted 2 or more client-financed projects during this time period.

How the respondents conducted their CFPs

Twenty-eight professors indicated the entire class consulted with only one client and 23 professors indicated their students consulted with different organizations. Twenty-eight respondents noted that they “required” the client to come to class two times during the semester and/or quarter. Approximately 62% of respondents indicated that the student teams contained 4 to 5 members. Finally, 50 respondents used peer evaluations and 6 professors indicated that peer evaluations comprised 40-50% of a student’s total course grade.

Perceptions about the value of a Client-Financed Project

Table 1 provides an overview of what marketing professors think about the value of conducting a client-financed project. The marketing professors were most in agreement about the following benefits of CFPs: 1) a client-financed project makes students active learners ($\bar{x} = 4.5$), and 2) every business major should work on at least one client-financed project during their
business program ($\bar{x} = 4.5$), 3) CFPs help link educational experiences to business practices ($\bar{x} = 4.2$), and 4) a CFP improves a student’s decision-making and critical-thinking skills ($\bar{x} = 3.9$). Only 24 of the respondents agreed their students would not want to do a CFP. However, 53% of the marketing professors agreed that conducting a CFP was too much work for the teacher.

### Table 1. Marketing Professors’ Attitudes Toward Client-Financed Projects (CFP)

<table>
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<th>Topic</th>
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<th>“No Opinion”</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 All business majors should do at least one CFP</td>
<td>4.54</td>
<td>139</td>
<td>60%</td>
</tr>
<tr>
<td>2 A CFP makes students active learners</td>
<td>4.49</td>
<td>148</td>
<td>82%</td>
</tr>
<tr>
<td>3 A CFP links business practices to education</td>
<td>4.22</td>
<td>147</td>
<td>80%</td>
</tr>
<tr>
<td>4 A CFP improves a student’s decision-making skills</td>
<td>3.94</td>
<td>126</td>
<td>71%</td>
</tr>
<tr>
<td>5 A CFP improves a student’s critical-thinking skills</td>
<td>3.87</td>
<td>124</td>
<td>70%</td>
</tr>
<tr>
<td>6 Dean wants marketing faculty to do CFP</td>
<td>3.84</td>
<td>81</td>
<td>68%</td>
</tr>
<tr>
<td>7 A CFP improves a student’s reflective-thinking skills</td>
<td>3.77</td>
<td>114</td>
<td>64%</td>
</tr>
<tr>
<td>8 A CFP teaches students to acknowledge their responsibilities to fellow students</td>
<td>3.68</td>
<td>107</td>
<td>61%</td>
</tr>
<tr>
<td>9 A CFP is too much work for the teacher</td>
<td>3.53</td>
<td>93</td>
<td>53%</td>
</tr>
<tr>
<td>10 A CFP improves a student’s writing skills</td>
<td>3.31</td>
<td>72</td>
<td>42%</td>
</tr>
<tr>
<td>11 A CFP helps faculty keep abreast of business practices</td>
<td>3.20</td>
<td>66</td>
<td>36%</td>
</tr>
<tr>
<td>12 Students do not want to do a CFP</td>
<td>2.41</td>
<td>24</td>
<td>14%</td>
</tr>
</tbody>
</table>

*6 = Very Strongly Agree; 1 = Very Strongly Disagree

**DISCUSSION AND RECOMMENDATIONS**

Only 64 respondents indicated they conducted at least one CFP from Fall 2006 through May 2009. Additionally, 23% of the respondents had conducted only 1 or 2 CFPs over the three academic years. Another 11 respondents had conducted only 3 CFPs over the three-year time period. Only 4 out of 173 professors “Strongly or Very Strongly Agreed” with the statement “My students would not like doing a Client-Financed Project.” Our research results support the view that experiential-learning projects bring realism to marketing education and provide numerous benefits to students, however, we agree with Razzouk, Seitz, & Rizallah (2003) who note that real-world projects are not frequently utilized by educators. Others have suggested that marketing educators have wholeheartedly embraced experiential learning because it has become the focus in stimulating learning (Frontczak and Kelley, 2000; Elam and Spotts, 2004).
In the literature, the most frequently mentioned reason for not conducting a real-world project was because such projects require too much time and effort from the instructor (Lopez & Lee, 2005; Higgs, 2006; Lizzio & Wilson, 2004; LeBlanc & Kesten, 2007). Some instructors may avoid doing real-world projects because they consider such projects to be too big to manage and not worth the trouble (Goodell & Kraft, 1992). Other instructors may not integrate real-world projects into their courses because grading such projects requires considerable feedback and a heavy time commitment from the teacher (Razzouk, Seitz, & Rizkallah, 2003). Additionally, instructors may not implement a real-world project because the pedagogy is not hereditary, but a classic departure from the traditional lecture-based approach.

The following statements support the idea that some instructors think real-world projects are too much work: (1) “Too labor intensive to be doable given other teaching, research and service requirements,” (2) “A lot of work for the faculty . . . absolutely no incentives or rewards,” and (3) “too time consuming for an untenured faculty.”

Our advice is to start with a small real-world project that is not too complex and that can easily be completed in one semester. One place to start would be to ask an operational area within your university that may want research conducted or you might conduct a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis for their operation.

There is evidence in the literature that suggests that students recognize the value of participating in a real-world project (Siegel, 2000). Several scholars have written about experiential-learning activities and included positive quotes from participating students.

1) “The biggest benefit of this class is that we learn by actually doing, rather than reading about information or being lectured to.” (Ruyter & Crask, 1994, p. 77)
2) “A great project, the best assignment I ever had. It was great practice and very useful.” (Bell et al., 1997, p. 619)
3) “The project ties the entire semester together in a cohesive manner with a hands-on approach. I retain more of what I am taught when I can physically apply it. I found the experience to be rewarding and still, two years later, can recall certain aspects that are pertinent in my life.” (Munoz & Huser, 2008, p. 220)

**Implications for Marketing Education**

Nearly 81% of our respondents agreed that all business majors should do at least one CFP in their business program. Therefore, our study is helpful for marketing educators who are interested in expanding curricular offerings that benefit their students. We recommend that all marketing majors participate in at least one CFP.

Working with a real client will improve the students’ communication skills and teach them how to behave in a professional manner. Possessing soft skills will give your marketing graduates an edge in today’s tight labor market. During a job interview, discussing how specific problems were handled in their CFP will make that student a memorable candidate and may improve the likelihood of a job offer.

**FUTURE RESEARCH**

Some comments from the respondents suggest that future research should focus on the perceptions of marketing faculty regarding client-based projects and not use the term “client-financed.” One respondent stated, “I would have answered differently (more strongly) had the question been ‘client-based projects.’” Finally, one professor suggested “The same questions should be asked about client projects, not just those financially supported.”

For our Likert statements, we used the phrase “Client-financed projects are the best way to…”, and a number of respondents indicated their responses were influenced by the use of “the best way.” Future research should not use the term “best” when surveying marketing faculty regarding their perceptions of client-based, real-world projects.

Finally, Business Deans should be surveyed regarding their perceptions of the value of client-based projects. Business schools that are currently accredited or attempting to achieve AACSB International accreditation should be promoting active experiential-learning approaches by their faculty (Elam & Spotts, 2004). For example, when asked to agree or disagree with the statement, “My Dean wants our marketing faculty to do client-financed projects,” nearly 40% of 192 checked “No Opinion.” These results may imply that many Deans are not encouraging their marketing faculty to use client-financed projects or these Deans may not think a client-financed project should be an essential part of the marketing curriculum.
REFERENCES


IMPROVING GROUP WORK BY TEACHING GROUP SKILLS
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Robert D. O’Keefe, DePaul University

ABSTRACT
This paper reports on a method designed to teach group skills to students during the time period that these students are working on assigned group projects. Data are presented that suggest this method effectively promotes positive group experiences in increases students’ perceptions of the benefits of group assignments.

INTRODUCTION
Group assignments are a well-established way to help students develop teamwork skills (Campbell and Ellingson 2010) and have been documented to enhance student learning (Freeman 1996). Marketing courses from Principles of Marketing through Advanced Marketing Management require that students actively engage in group activities as one means of achieving the teaching and learning objectives stated in the course syllabi. A number of empirical studies have concluded that activities such as study groups, group research projects, and group presentations of project results enhance the depth of students’ understanding (Bacon 2005; Kimber 1996; McKeachie et. al 1990). Studies also have shown that group skills are valued by employers and that group work can be an effective way of helping students to attain positive career outcomes (Colbeck, Campbell, and Bjorklund 2000; Coleman 1996).

Business students, however, tend to express a low opinion of group assignments because of the negative interactions that take place between group members (e.g., personality conflicts, poor communication, and low levels of individual commitment to the group). One prevalent manifestation of these negative intra-group interactions is the member, or members of groups, who openly shirk their assigned responsibilities (i.e., “free riders” or “free loaders”). Free riders are very frequently considered to be responsible for initiating viral intra-group conflicts which the students may not be equipped or empowered to resolve, and which may impact the day-to-day performance of the group and almost certainly impact the individual evaluations of members by other teammates and the overall project outcomes (Gottschall and Garcia-Bayonas 2008).

While group work can have significant positive effects on student learning and student success, the effectiveness of group work is dependent upon how instructors structure group assignments. More specifically, the group assignments should have four characteristics (Johnson and Johnson 1994; Slavin 1983, 1989): (1) provide instruction on interpersonal skills; (2) foster interdependence among group members; (3) align individual goals with group goals; and (4) encourage reflection on the group process.

Colbeck et.al (2000) reported that many faculty members assign projects that focus solely on content without attending to the structure of the assignment. For example, many instructors seem to assume that group skills are best learned by repeating group experiences. Thus, these instructors may think that the very act of being in a group (when repeated over multiple assignments and/or classes) sufficiently enables students to learn group skills. Other professors seem to assume that group cohesion is a function of geography, time availability, or the diversity of skills. These professors may assign groups based upon where students live (e.g., place students who live near each other in the same group), students’ schedules (e.g., place students who have similar course schedules in the same group), or students’ major (e.g., make sure each group has one accountancy major, one marketing major, etc.).

The present manuscript is based upon the premise that training on group skills can and should be deliberately integrated into group assignments. To this end, the paper suggests a method for structuring group assignments that allows students to learn group skills alongside the content on which the assignment focuses. Further data are presented that demonstrate the effectiveness of this method in terms of its impact on students’ attitudes toward group work and attitudes toward intra-group interactions.

A METHOD FOR TEACHING GROUP SKILLS
Students are well aware of group assignments because they have been engaged in group projects during their college careers. Their opinions about the value of group projects may be derived from first-hand expe-
riences or, in other instances, learned from hearing about the experiences of others who have had first-hand experience with group assignments (Campbell 1963). The reasons or rationalizations for the negative opinions offered by students for their dislike of group projects should not be minimized or summarily dismissed. Rather they should be accepted as opinions which can, to some degree, be changed by a careful and incremental program of behavior modification. After having learned about the appropriate skills and behaviors relevant to effective group performance, it was hypothesized that the students would have developed more positive opinions about the benefits of positive intra-group interactions.

The present study took place in the context of a course within which group work is the predominant method employed in assessing students’ progress and learning. The course was altered to meet the four structural criteria presented earlier. More specifically, the course was altered to include readings and in-class exercises early in the term that focused on groups, the individual’s behavior in a group setting, and his/her responsibility to the group. These readings and exercises were designed to provide instruction on interpersonal skills and foster interdependence among group members. The readings and in-class exercises were revisited late in the term to encourage the students to reflect on the group process. Lastly, the grading policy of the course was used to align individual goals with group goals as 70 percent of each student’s final grade was dependent upon the performance of their group and their contribution to the overall group’s performance. In other words, the course was altered to reflect the four characteristics of group assignments outlined above. The following section provides details regarding how the teaching of group skills was integrated into the course.

**Integrating Group Skills Instruction within the Course**

The instruction of group skills was integrated into the course through the following steps:

1. At the beginning of the term: assign students to groups; explain the impact of group work on student learning and on student success; and explain the grading policy to communicate the emphasis placed on group work in the course.

2. Require students to read a book on group dynamics and effective group behavior. For example, the authors use *The Five Dysfunctions of a Team: A Leadership Fable* by Patrick Lencioni, but other books are available (Corey et al. 1997; Lencioni 2002; Levi 2010; Smith and Berg 1997).

3. Lead a class discussion on the book, and have each group of students engage in a series of exercises aimed toward helping them better understand the personalities and work styles of the individual members of their group (see Figure 1 for an example).

**Figure 1. Sample Team-Building Exercise**

1. Draw the depth-frequency model on a piece of paper and write your name on the top.
2. Pass the paper to a teammate who then places an “X” on the chart to indicate their perception of the listed person.
3. Continue until everyone has reviewed everyone else’s paper.
4. Return sheets to original owners who review their own charts and indicate to the team’s aggregate opinion of their style.
5. Discuss implications of collective results with special attention paid to areas of clear similarity and clear differences.

Each exercise was introduced to the class as a whole. Afterward, students were given time to break up into their groups and complete each exercise (each exercise takes between 20-30 minutes). At the end of the designated time, students reconvened in the classroom and the next exercise was presented. This approach forces the group members to concentrate on one exercise at a time. A respite between each of the exercises allows time for the materials to be discussed in some further detail.

4. Revisit the group exercises a few weeks later when the students would be expected to have developed a better understanding of the individual members of their group.

5. At the end of the term, administer a survey to collect information about each individual’s contribution to their group and use this information to determine the grade received by the individual on the group’s assignments.
Assessment of Effectiveness

The effectiveness of the method was assessed through a survey administered at the beginning of the term (Time 1 or T1) and re-administered at the end of the term (Time 2 or T2). The T1 survey included a number of items that were grouped into two scales: attitudes toward group work, and attitudes toward intra-group interactions (see Table 1). Both scales were operationalized using multiple items and when tested both proved to meet the level necessary to satisfy the reliability criterion. In addition to a series of items that measured the students’ perceptions of the book readings and accompanying exercises, the T2 survey used the same two scales used at T1.

Table 1. Measurement Scales and Reliability

<table>
<thead>
<tr>
<th>Scale</th>
<th>Items</th>
<th>Rel T1</th>
<th>Rel. T2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude Toward Intra-Group Interactions</td>
<td>I was satisfied with my group's overall performance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I was satisfied with how the group members interacted with each other.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The group was very cohesive (we stuck together).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>There was good communication among group members.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The group members were supportive of each other.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I was very committed to the group.</td>
<td>.728</td>
<td>.743</td>
</tr>
<tr>
<td></td>
<td>I generally got along with other group members.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>We were generally an optimistic group (as opposed to being pessimistic).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>My group was innovative/creative as compared to other groups in the class.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>My group developed a closer relationship than other groups in the class.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude Toward Group Work</td>
<td>I think there should be fewer required group projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Groups are a useful part of the learning environment (reverse scaled).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Groups take more time than they’re worth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I think I could learn more effectively if I didn’t have to work in a group so much of the time.</td>
<td>.904</td>
<td>.898</td>
</tr>
<tr>
<td></td>
<td>Eliminating group work would diminish the learning experience (reverse scaled).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I get more out of my courses than I would if I didn’t have group projects.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Projects that are worked on as a group are more easily accomplished than if we each worked alone.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>We should be required to do more group projects.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of Team-building Exercises</td>
<td>I took the team-building exercises very seriously.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The other people in my group took the team-building exercises very seriously.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The exercises helped me better understand the other members of my group.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The exercises helped me feel more comfortable with the other members of my group.</td>
<td>n/a</td>
<td>.923</td>
</tr>
<tr>
<td></td>
<td>The exercises helped my group to get-along better.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The exercises helped my group be more cohesive.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The exercises helped my group to perform better on the assignments.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overall, the exercises were beneficial.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The effectiveness of the course alteration was assessed through a two-step data analysis process. First, it was necessary to demonstrate that the students’ perceptions of group work in general had improved, and it was necessary to be able to demonstrate that the group experience within the present class was indeed superior to their prior experiences with group projects. This required that the scale means from T1 be compared to those of T2. The results demonstrated that the T2 measurements were significantly more positive than T1 measurements for both scales (see Table 2). Second, it was necessary to see if the data supported the hypothesis that the team-building exercises were instrumental in creating more positive student attitudes. Correlation analysis was used for this, and the team-building exercises were shown to be positively correlated with the respondents attitudes toward group work (R = .579; p = .001) and attitudes towards intra-group interactions (R = .479; p = .008) (see Table 3).

As a whole, the results shown in Table 2 support the idea that the curricular changes made in the course improved students’ attitudes about groupos. However, a major limitation of the present study relates to use of a one-group pretest-posttest, quasi-experimental design (Campbell & Stanley 1963). While this design is widely used in educational research it does suffer from the lack of a control group which prevents several types of extraneous effects (e.g., the history effect, maturation
effect, and testing effect) from being ruled out as plausible rival hypotheses. In an effort to mediate the questions raised by the use of the one group pretest-posttest design, further analyses that used observed variations within the respondent sample were conducted. Respondents were divided in a way which would provide a surrogate control group. More specifically, based upon their responses to the pretest items, the respondents were divided into three groupings designated as High, Medium, and Low. The “Low” group included those respondents who were in the bottom third with respect to their attitudes toward group work or their attitudes toward group interactions in T1. The “High” group included respondents who were in the top third with respect to their attitudes toward group work or their attitudes toward group interactions in T1. The “Medium” group included respondents whose responses were in the middle third on both the attitudes toward group work and attitudes toward group interactions scales. The “High” group was treated as a surrogate control group. Individuals within the sample who were designed as High were observed to have very positive opinions about the benefits of group work and group interactions. It was expected, therefore, that team building assignments would have the least measurable effect on this group. The analysis (described above) was then repeated using the High and Low groups from the split data set to see if differences between the groups would be observed.

Table 2. Change in Dependent Measures From T1 to T2

<table>
<thead>
<tr>
<th>Scale</th>
<th>Overall Mean</th>
<th>T1</th>
<th>T2</th>
<th>p-value</th>
<th>“High” Group Mean</th>
<th>T1</th>
<th>T2</th>
<th>p-value</th>
<th>“Low” Group Mean</th>
<th>T1</th>
<th>T2</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude Toward Group Work</td>
<td>3.5</td>
<td>3.9</td>
<td>.004</td>
<td></td>
<td>4.2</td>
<td>4.2</td>
<td>1.00</td>
<td></td>
<td>3.0</td>
<td>3.9</td>
<td>.016</td>
<td></td>
</tr>
<tr>
<td>Attitude Toward Intra-Group Interactions</td>
<td>3.4</td>
<td>3.7</td>
<td>.009</td>
<td></td>
<td>4.0</td>
<td>3.9</td>
<td>.512</td>
<td></td>
<td>2.9</td>
<td>3.8</td>
<td>.010</td>
<td></td>
</tr>
</tbody>
</table>

For the “High” group, neither attitudes toward group work nor attitudes toward group interactions statistically changed from T1 to T2 (see Table 2) while both attitudes became significantly more positive for the “Low” group. Further, for the “Low” group, the team-building exercises were significantly correlated with the T2 measurement of attitude toward group work (R = .724) and attitude toward group interactions (R = .518). These analyses of the split data set suggest that the improvement in the respondents’ attitudes from T1 to T2 is due to the team-building exercises rather than being caused by some extraneous variable such as a history effect.

Table 3. Correlation Between Dependent Variables and Attitude Toward Group Exercises

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude Toward Group Work</td>
<td>.579 (p = .001)</td>
</tr>
<tr>
<td>Attitude Towards Intra-Group Interactions</td>
<td>.479 (p = .008)</td>
</tr>
</tbody>
</table>

DISCUSSION AND LIMITATIONS

This paper reports a method for designing group projects in a manner that allows students to build their group skills while learning course content in a group setting. Further, the data collected demonstrate that this method can enhance students’ perceptions of the value of group work and of the value of group interactions. The method presented and tested in the present study was designed to be consistent with the characteristics of group projects presented in the literature (Johnson and Johnson 1994; Slavin 1983, 1989). Thus, the present study complements the existing literature by both corroborating previous published work and by providing readers with a method of implementing previously published findings within a course context.

As discussed in the body of this paper, the use of the one group pretest-posttest, quasi-experimental design limited the interpretation of the data. The design, as was pointed out, is widely used in educational research. Its major failing is the lack of a control group and as a result an inability to rule out several plausible rival hypotheses associated with the analysis of the research outcomes. The introduction of a surrogate control group, however, added a measure of validity to the findings reported in this paper and indicated that further research, using true experimental designs, should yield additional insights into methods that might be applied in finding solutions for the pervasive problems associated with group projects assigned to students.
REFERENCES


THE CHALLENGE OF ONLINE PRIVACY TO GLOBAL MARKETERS

Héctor R. Lozada, Seton Hall University
Gary H. Kritz, Seton Hall University

ABSTRACT

Over the past year the debate on the challenges that online privacy pose to global marketers has intensified. As a result, there is a push in the U.S. and the European Union to protect consumer online privacy and this push is being countered by a move by online advertisers and marketers to self-regulate. In this article, the authors outline tactics that marketers pursue that have come under serious scrutiny over the past two years. Also addressed are legal and voluntary measures that are being considered. The article concludes by addressing some areas that remain unclear regarding privacy protection and consumer trust.
TEMPORAL PATTERNS AND ORIENTATION:
CROSS-CULTURAL DIFFERENCES OF IMPORTANCE
TO MARKETERS

Beverlee B. Anderson, California State University San Marcos
Camille Schuster, California State University San Marcos
Glen Brodowsky, California State University San Marcos

ABSTRACT
Among the many aspects of culture, social time systems including temporal patterns and orientations may be some of the most salient to global marketers. This paper reports on a study of elements of temporal patterns and orientations that may have particular relevance to consumer behavior and marketing. The study explores data collected from five countries: Brazil, Germany, Taiwan, Turkey and the U.S. These countries represent different groups based on the Schuster and Copeland (2006) Cultural Classification Model. The findings show there are significant differences among the cultures on all temporal dimensions examined. The paper presents suggestions about how marketing programs may be adapted based on these findings.

INTRODUCTION
Examining differences in the perceptions and uses of social time across cultures is important because nothing—including behavior—moves without time (Sorkon and Merton, 1937). Therefore, marketing action and consumer behavior are inextricably bound and affected by time (Jacoby, Szbillo, and Berning, 1976). Social time affects many aspects of consumer behavior, such as the timing and frequency of purchases, the amount of time consumers spend patronizing services businesses, or the length of time consumers expect products to last. With little research addressing this concept in an international context, there is no clear understanding of how cultural differences in social time conceptions affect consumer behavior across cultures.

Given the importance of consumer confidence in motivating or inhibiting consumer purchase behavior in the present, as well as in the future, answers to such questions should be of particular interest to marketers and economists alike. Hofstede and Bond (1988) attempted to capture eastern versus western time orientations by introducing Confucian Dynamism, a construct that considers both past/present/future orientation as well as long versus short-term orientation. The current study focuses on identifying differences in temporal orientations using data collected in five countries at different stages of economic development. They include the United States, Germany, Taiwan, Turkey, and Brazil.

Data were collected using a survey instrument designed to measure several dimensions of time. The current study focuses strictly on five temporal dichotomies that represent different elements of temporal patterns. Respondents were asked simple questions concerning their self perceptions of their own temporal patterns and orientations. For example, they were asked if they saw themselves as a “Speed Demons” or a “Slow Pokes,” which represents tempo; whether they consider themselves a “Night Owl” or an “Early Bird”, which represents timing; whether they are more “Nostalgic” or “Futuristic”, which represents past or future orientation.

Preliminary empirical results suggest some striking differences across the five national subsamples. These patterns are examined and discussed. Directions for future explorations are then presented.

BACKGROUND LITERATURE
This literature review begins with a discussion of time as a social construct according to several general perspectives that have been used to examine how the concept of time differs across cultures. According to Anderson and Venkatesan (1994), social time “is that aspect of a culture that sets the pace, timing, and the tempo of how time is lived. It also reflects how people think and feel about time. A social time system is a comprehensive framework that encompasses the rules, standards, practices, and customs of human behavior and interaction with respect to temporality.” (p. 179).

There are several perspectives that have guided research and the development of time as a social construct. Each of these perspectives is briefly identified here.

Monochronic versus Polychronic Time: One of the most commonly used typologies of social times systems is that of monochronic and polychronic time (Hall 1959, 1966, 1976, 1983). In a monochronic time
system (Hall 1983), time is viewed as linear and unidimensional. In societies with a monochronic time system, people believe that time can be segmented in a sequential manner. In cultures with this view, people talk about time as though it can be spent, saved, or lost. Emphasis is on time management and task completion. Monochronic-time-oriented people tend to live in low context cultures (Hall 1959), such as the United States, Northwestern and Central European countries, or Australia and New Zealand. In a polychronic time system (Hall 1983), time is viewed as concurrent or simultaneous. In societies with a polychronic view, many things are done at the same time. In cultures with this view, people are involved with many issues involving other people all at once. Emphasis is on maintaining multiple relationships simultaneously rather than completing any individual task by a deadline. Polychronic-time oriented people tend to live in high context cultures (Hall 1959), such as those in Latin America, Asia, and the Middle East.

**Temporal Patterns:** Lauer (1981) envisioned social time systems encompassing and being reflected in the temporal patterns of a society and he identified five elements of temporal patterns as salient to a social time system: (1) periodicity, (2) tempo, (3) timing, (4) duration and (5) sequence. Periodicity details the frequency or regularity of specified activities. Tempo is concerned with the pace of life. Timing describes when individuals are most likely to engage in an activity. Duration refers to the length of time individuals spend on various activities. Sequence refers to the ordering of activities. All five elements were described as having program implications for marketing (Anderson & Venkatesan 1994).

**Past-Oriented and Future-Oriented Time:** A second typology for classifying time, also presented by Hall (Hall and Hall 1970), is that of past-oriented and future-oriented time. In some cultures, such as those in Western Europe, Japan, or China, historical background and/or long-term thinking are important. In other cultures, such as those in the United States or Australia, the future that contains possibility and growth is more important. However, the thinking in future-oriented cultures tends to be more short term, e.g., what should be done now to move in the desired direction.

**Linear-Separable, Circular-Traditional, and Procedural-Traditional Time:** Graham’s (1981) empirical work identified three time perceptions that are closely related to those of Hall. Graham’s concept of linear-separable time is similar to the concepts of monochronic time and future-oriented time. Graham’s concepts of circular-traditional and procedural-traditional time are similar to polychronic and past-oriented time.

**Confucian Dynamism:** Confucian Dynamism (Hofstede and Bond 1988), which is one of the five continua in Hofstede’s theory of culture, incorporates some of the concepts of long term and short term thinking as part of the criteria used to identify a culture’s placement on this continuum.

**Control of Time.** The high/low uncertainty avoidance construct (Hofstede 1980) is based on the concept of whether people seek to control time or work within the flow of time. All of these perspectives investigate important aspects of time, but none are specifically about how time functions. Therefore, while the concepts describe how groups approach activities, they do not explicitly relate to a theory of social time.

Schuster and Copeland (1996, 2006) (see Figure 1) use time as the fulcrum upon which countries and regions are placed on a continuum of task and relationship orientations. Cultures are classified according to the way in which they use time – emphasizing task activities or relationships. The original model was updated in 2006 to reflect shifts in the developing counties. An assumption of this model is that the differences between countries within a cultural group are less significant than the differences between countries across cultural groups. The importance of personal relationships related to family and/or networks determines who is involved in business activities, who participates in decision making, and how time is allocated based on the importance of relationships versus the importance of completing tasks. Those with a monochronic (linear-separable, individual, short-term, or control) conception of time are more likely to emphasize task accomplishment and deadlines than personal relationships. Those with a polychronic (long-term, circular, collective, traditional, or flexible) conception of time are more likely to spend more time cultivating and maintaining human relationships or go with the flow of events while making progress toward completing tasks.

![Figure 1 Classification of Cultures Model](image)

By classifying cultural time systems on the task-oriented versus relationship-oriented continuum, Schuster and Copeland (2006) provide insight into why
traditional polychronic-time-oriented cultural groups are long term-term oriented while western monochronic-time-oriented cultural groups are more short term oriented. Even though monochronic-time-oriented people plan for the future, their linear-sequential or separable orientation dictates that they see tasks as having beginnings, middles, and ends. The polychronic-time-oriented people on the relationship side of the model are more likely to involve other people in decision-making and see individual decisions as part of a larger flow of events.

THE STUDY

Items from previously developed scales (Brodowsky, Granitz, and Anderson 2008; Anderson and Venkatesan 1994; Bond and Feather 1988; Brodowsky and Anderson 2000; Kaufman and Lane 1997; Kauffman et al. 1991; Settle et al. 1978) were combined into one instrument and administered to numerous groups of students enrolled in marketing courses at a midwestern university as a pretest. The results were analyzed, revised, retested, and analyzed over a three year period. The focus of this paper is on one set of questions, which were developed and tested during the research that culminated in the publication of the Brodowsky, et. al 2008 study.

The instrument used in this study was administered by Professors to university students in five countries: Brazil, Germany, Taiwan, Turkey, and U.S. Each of these five countries was chosen to represent a different group in the original Culture Classification Model (Schuster and Copeland 1996). These five countries represent all the groups in the original model with the exception of Mediterranean Europe. Results from these respondents were used to test the hypothesis that perceptions of time are different among cultural groups.

A marketing faculty member in each of the countries, known by the authors, received the same questionnaire and set of instructions. They were each asked to have students complete the survey and mail it back to the authors. All questionnaires were distributed in English with the exception of Brazil. In this instance the questions were translated into Brazilian Portuguese and then read by another native speaker for clarity.

Across all five countries, there were 707 respondents, 637 of whom answered all 35 questions. By country, there were 114 usable responses from Brazil, 104 from Germany, 142 from Taiwan, 146 from Turkey, and 132 from the U.S. In each country the sample was fairly evenly split by gender with a low of 49% males in Brazil to a high of 68% males in U.S. There is a variation in mean age with a low of 21.3 for Taiwanese respondents and a high of 27.9 for US respondents.

Table 1 presents the gender distributions and average ages for all 707 respondents from each of the countries. A 5-point Semantic Differential Scale was used to measure temporal patterns and orientation. The bipolar prompts were: Speed Demon/Slow Poke; Night Owl/Early Bird; Nostalgic/Futuristic; Organized/Disorganized; Creature of Habit/Spontaneous.

Analysis and Findings

The data were input into an SPSS file and analyzed using a generalized linear model with the country as independent variable and the items of the semantic differential scales as the dependent variable. The semantic differential scales were treated as continuous variables. Based on the linearly independent pairwise comparison among the estimated marginal means, the Wald Chi-Square with 4 degrees of freedom produced the overall test results of significance.

Table 2. Differences Among the Five Countries On Temporal Patterns and Orientations

<table>
<thead>
<tr>
<th>Scale</th>
<th>Wald Chi-Square</th>
<th>df</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed Demon/Slowpoke</td>
<td>33.360</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Night Owl/Early Bird</td>
<td>14.109</td>
<td>4</td>
<td>.007</td>
</tr>
<tr>
<td>Nostalgic/Futuristic</td>
<td>56.184</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Organized/Disorganized</td>
<td>39.782</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Habit/Spontaneous</td>
<td>57.839</td>
<td>4</td>
<td>.000</td>
</tr>
</tbody>
</table>

The results show that there were significant differences on all five elements tested among the five countries based on the mean responses from each country.

To better understand the profile of each country, the estimated marginal means for each element in each country were calculated. The results are shown in Table 3. In the table the lower the number, the more the responses reflected the first term or phrase, while the higher the number, the more the responses tended
toward the second descriptive. When examining the results among the five countries, the differences between Taiwan and the U.S. are the most pronounced. Of the five countries in this study, the U.S. and Taiwan are the countries furthest from each other in the Schuster/Copeland (1996, 2006) model. For example, among the five countries, the U.S. is the country most described as “Speed Demon”, while the Taiwanese are most likely to choose “Slow Poke.” On the Nostalgic/Futuristic scale, the Taiwanese are the most “nostalgic,” while the U.S. is tied with Germany for the most “futuristic”. The U.S sees itself as the most organized, while Taiwanese are most likely to describe themselves as “disorganized.” And the U.S. is more “habit” while Taiwan is the most “spontaneous.”

**Table 3. Country Patterns and Orientations Based on Estimated Marginal Means**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Brazil</th>
<th>Germany</th>
<th>Taiwan</th>
<th>Turkey</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed Demon/</td>
<td>2.16</td>
<td>2.38</td>
<td>2.67</td>
<td>2.39</td>
<td>2.06</td>
</tr>
<tr>
<td>Slow Poke</td>
<td>2.96</td>
<td>2.78</td>
<td>2.45</td>
<td>2.55</td>
<td>2.78</td>
</tr>
<tr>
<td>Night Owl/Early Bird</td>
<td>3.19</td>
<td>3.25</td>
<td>2.47</td>
<td>3.22</td>
<td>3.25</td>
</tr>
<tr>
<td>Nostalgic/Futuristic</td>
<td>2.54</td>
<td>2.18</td>
<td>2.82</td>
<td>2.55</td>
<td>2.07</td>
</tr>
<tr>
<td>Organized/Disorganized</td>
<td>3.77</td>
<td>3.39</td>
<td>3.53</td>
<td>3.14</td>
<td>2.79</td>
</tr>
</tbody>
</table>

**Footnote:** The lower the score, the more the country is oriented towards the first adjective or phrase. The higher the score, the more the country appears to be oriented toward the second adjective or phrase.

While there are differences between Germany and U.S., the countries are very similar on many of the dimensions. These countries are also the two countries furthest on the Task side of the Schuster/Copeland model. The two tied on being the most “futuristic” and “early birds” and Germany was second to the U.S. in being “organized.” Brazil and Turkey have a mix of orientations. Brazil and Turkey are in the middle on the Schuster/Copeland model incorporating some aspects of both sides of the model. Brazil is second to the U.S. on the “speed demon” scale, but very different from the U.S. on the “habit”/”spontaneous” scale. The Brazilians see themselves as being the most spontaneous of all the countries.

**Implications**

There are many marketing implications to these findings. First, to be in sync with the culture, speed is a characteristic of most cultures. All five countries had an average below 3 on a 5 point scale, indicating that all tended somewhat towards speed, but with the U.S. and Brazil having the strongest speed orientation. If one were operating in these two countries, speed of service, speed of delivery, etc. would be extremely important to the customers. For example, downloading speeds may be especially important in these two countries. Brazil also sees itself as the “early bird”; which may have implications for store and business opening hours as well as when to schedule business meetings, how early to call on customers and the timing of advertising and promotions.

Four of the five countries leaned towards the “futuristic” orientation suggesting that forward looking marketing campaigns would be well received. This could relate to the products (futuristic looking), promotions (futuristic focus), and perhaps store layouts and design. Products and services that are targeted for future benefits may receive better receptions in countries that are more futuristic in focus. Appeals that emphasize how a product or service will make activities easier, better, or more convenient in the future may be well received.

Most of the countries also tended toward “organized”, meaning they like order. This could have implications for approaches to marketing, including website layout, ordering steps, processes, and feedback. Finally, four of the five countries saw themselves as more “spontaneous” than “habit.” This could mean that shoppers would be more receptive to impulse purchasing and perhaps less brand loyal as they will behave in a more spontaneous manner.

**Conclusions**

Since social time affects consumer behavior (e.g., decision-making, amount of time spent considering choices, the timing of promotions), the concept needs to be explored as an important component of consumer behavior theory. Since time has been identified as important element of cultural differences, social time needs to be understood as part of cross-cultural consumer behavior theory. This paper presented exploratory research to investigate whether differences in perception of social time do exist across cultural groups. The results of this research substantiate the claim that social time differs across cultures.
Examining temporal patterns and orientation of time indicate clear differences across countries. The findings regarding different perceptions toward time across cultures have implications for speed of service, speed of delivery, store and business opening hours, when to schedule business meetings, the timing of advertising and promotions, or store layout, design of products and processes.

This exploratory study provides evidence that differences exist across cultural groups. The relationship between social time constructs and consumer behavior within and across cultural groups is an important stream of research given the strong link between social time and consumer behavior. Future research needs to examine the perceptions of time, across and within cultural groups in more detail to better determine the social time construct within cultural groups and the impact on consumer behavior.

REFERENCES


GLOBAL ADVERTISING APPEALS – TESTING THE EFFECTIVENESS OF PERFORMANCE-ORIENTED APPEALS IN FOUR COUNTRIES

Barbara Czarnecka, University of Bedfordshire

ABSTRACT

The effectiveness of advertisements featuring performance-oriented appeals was tested in four European countries. The highly performance-oriented appeal was effective in all studied countries. There was no interaction between age, gender, nationality and the effectiveness of this appeal. It can be used to target a wide range of consumers.

INTRODUCTION

The debate around standardization – adaptation of marketing communications has been on-going for more than 60 years (Ford et al., 2011). Taylor (2005) however argues that researchers should focus on finding aspects of messages that could be standardised instead of focusing on whether standardisation is possible at all. Empirical evidence indicates that some message strategies could be standardised across different cultures and countries. For example, Oyedele, Minor, and Ghanem (2009) proposed that certain advertising appeals may be ‘global’ and therefore appropriate for standardisation.

In this paper, the proposition is that ‘global’ appeals could also include highly performance-orientated appeals. Previous studies found that the usage of this appeal is consistent across several countries. Czarnecka and Brennan (2009) found that it was the most frequently used appeal in Poland, Ireland, Hungary and the UK. Diehl, Terlutter, and Mueller (2008) investigated how consumers from the USA, Germany, France, Spain, and Thailand responded to a highly performance-orientated appeal and found it to be highly effective. It would, however, be useful to further explore how such appeals perform in other regions of the world.

PERFORMANCE-ORIENTED APPEALS

Many cultures place a high value on achieving results, education and learning, setting high performance targets, and encouraging constant growth. This preference has been conceptualized by the GLOBE researchers as Performance Orientation dimension: “the extent to which a human community encourages and rewards setting challenging goals, innovation, and performance improvement” (House et al., 2004, p.276). The study reports two scores for this dimension: Society Practices (‘as it is’), and Society Values (‘as should be’). The data shows that the Society Value scores for the overall sample are the highest out of all GLOBE dimensions (M = 5.94). This is the ‘most cherished’ (House et al., p.248) dimension; “people from all over the world are seeking a society that strongly encourages and rewards innovation, challenging goals, and improvement” (p.248).

Poland (6.12) has the highest score for values, followed by Ireland (5.98), Hungary (5.96) and England (5.90). The scores for Practices are lower than scores for Values; Poland (3.89) - England (4.08). This might be explained in two ways. Firstly, “there might be a human need to belong to a high performance-oriented and successful society and it may be a basic human need to excel and to succeed, and to have high performance standards” (House et al., p.248). Secondly, the responses might have been biased because of giving responses socially desirable and because of the sample characteristics (middle managers who are performance driven).

Based on the GLOBE findings, it seems that the need to achieve and excel is a universal one, present in many societies across the world. It would therefore be interesting for both practitioners and researchers in the area of international advertising, to explore if advertisements featuring highly performance-orientated appeals would be universally effective.

I propose that highly performance-orientated appeal is appropriate for standardisation as it will receive positive evaluations in the studied countries. Conversely, less performance-orientated appeal will
be ineffective. The effect of age and gender on the effectiveness of these appeals is also being researched, as it is important to investigate how other segmentation factors impact on the effectiveness of these appeals. The following hypotheses are proposed:

**H1.** Highly performance-orientated appeal will achieve positive evaluations in all four countries and there will be no difference in the perceived effectiveness.

**H2.** Less performance-orientated appeal will achieve negative evaluations in all countries, and there will be no difference in the perceived effectiveness.

**H3.** Age will have no effect on the effectiveness of highly performance-orientated appeal and there will be no significant interaction between the country and the age group on the effectiveness of this appeal.

**H4.** Age will have no effect on the effectiveness of less performance-orientated appeal and there will be no significant interaction between the country and the age group on the effectiveness of this appeal.

**H5.** Gender will have no effect on the effectiveness of highly performance-orientated appeal, and there will be no interaction between the country and gender.

**H6.** Gender will have no effect on the effectiveness of less performance-orientated appeal and there will be no interaction between gender and country on the effectiveness of this appeal.

**METHOD**

An online questionnaire was employed to collect data from respondents through snowball sampling with the following results: Poland (N=108), Hungary (N=110), the UK (N=67) and Ireland (N=83). This method was appropriate given the ease of use of online tools as a method to reach consumers across the globe. In total 368 responses to the survey were received. Table 1 gives an overview of the sample characteristics by country.

This study tested two advertising appeals, a highly performance-oriented appeal and a less performance-orientated appeal, reflecting the GLOBE dimension of Performance Orientation. This was used to guide the development of the test advertisements. Test advertisements were developed using a list of Pollay (1983) value appeals linked to the GLOBE dimensions. Only the copy was manipulated, the visuals remained the same in both advertisements. The list was used in the following way, if appeals ‘effective’ and ‘convenient’ were assigned to the high end of Performance Orientation (highly performance-oriented appeal) then these two appeals would be used to formulate a statement for the advertisement, e.g. ‘This phone is very effective and handy’.

Table 1. Demographic characteristics of survey respondents

<table>
<thead>
<tr>
<th></th>
<th>England N 67</th>
<th>Ireland N 83</th>
<th>Poland N 108</th>
<th>Hungary N 110</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>43.4</td>
<td>38.9</td>
<td>38</td>
<td>32.3</td>
</tr>
<tr>
<td>SD</td>
<td>16.6</td>
<td>11.9</td>
<td>13.5</td>
<td>10.8</td>
</tr>
<tr>
<td>Male</td>
<td>55.2</td>
<td>45.8</td>
<td>53.7</td>
<td>69.1</td>
</tr>
<tr>
<td>Female</td>
<td>44.8</td>
<td>54.2</td>
<td>46.3</td>
<td>30.9</td>
</tr>
</tbody>
</table>

A list of statements was developed from this with a collection of students discussing the statements and choosing those that reflected the dimension most accurately. The questionnaires were back translated into Polish and Hungarian. In order to maintain equivalence the researcher discussed the statements with the Polish and Hungarian translators to confirm that the meanings of the statements were as similar as possible. Figure 1 presents sample advertisement for highly performance-orientated appeal and Figure 2 presents advertisement featuring less performance-orientated appeal.

The attitude towards the advertisements was used to measure the effectiveness of appeals. The ‘attitude towards the ad’ scale consisted of four 7-point semantic differential questions: pleasant-unpleasant; likable-unlikable; not irritating-irritating; interesting-not interesting (Zhang and Gelb, 1986). This scale has previously been used in other studies. Its reliability was established in a number of countries and therefore yielding the higher probability of the measures working in the subject countries. It was relatively simple to translate which was important as the present study involved collecting data in 3 different languages. In order to measure the reliability of the scale, Cronbach’s alpha was used; the values were above .80 which is considered high (Field, 2009).
RESULTS

Overall, the advert featuring highly performance-orientated appeal was effective in all four countries, but the less performance-orientated appeal was found to be effective only in Poland (Table 2). Both older and younger respondents, and both men and women evaluated highly performance-orientated appeal positively (Table 3) with the highest score in Hungary (M = 5.33), (Table 4). Conversely less performance-orientated appeal was ineffective amongst both age groups and both genders in the combined sample. However, when the results are split by country; it is important to note that younger Polish respondents and older Hungarian respondents as well as Polish women and Hungarian men evaluated this appeal positively (Table 4).

Table 2. Attitude towards the advertisement mean scores by country

<table>
<thead>
<tr>
<th>Advert</th>
<th>Highly performance-orientated</th>
<th>Less performance-orientated</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>4.35</td>
<td>3.43</td>
</tr>
<tr>
<td>N = 67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td>1.29</td>
<td>1.27</td>
</tr>
<tr>
<td>Ireland</td>
<td>4.48</td>
<td>3.52</td>
</tr>
<tr>
<td>N = 83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td>1.37</td>
<td>1.52</td>
</tr>
<tr>
<td>Poland</td>
<td>4.71</td>
<td>4.11</td>
</tr>
<tr>
<td>N = 108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td>1.23</td>
<td>1.24</td>
</tr>
<tr>
<td>Hungary</td>
<td>4.5</td>
<td>3.89</td>
</tr>
<tr>
<td>N = 110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td>1.35</td>
<td>1.48</td>
</tr>
</tbody>
</table>

Table 3. Mean effectiveness scores for Older and Younger age groups and men and women in overall sample

<table>
<thead>
<tr>
<th>Appeal</th>
<th>Highly performance-orientated</th>
<th>Less performance-orientated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Older</td>
<td>Younger</td>
</tr>
<tr>
<td>Mean</td>
<td>4.89</td>
<td>4.41</td>
</tr>
<tr>
<td>SD</td>
<td>1.26</td>
<td>1.31</td>
</tr>
<tr>
<td>Gender</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Mean</td>
<td>4.36</td>
<td>4.75</td>
</tr>
<tr>
<td>SD</td>
<td>1.28</td>
<td>1.31</td>
</tr>
</tbody>
</table>

Three–way Analysis of Variance was used to test the hypotheses. Table 5 presents the results of the test.
Table 4. Mean effectiveness by gender and country

<table>
<thead>
<tr>
<th>Appeal</th>
<th>UK</th>
<th>Ireland</th>
<th>Poland</th>
<th>Hungary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Highly performance-orientated</td>
<td>4.08</td>
<td>4.68</td>
<td>4.20</td>
<td>4.80</td>
</tr>
<tr>
<td>Older</td>
<td>4.65</td>
<td>4.13</td>
<td>5.16</td>
<td>4.28</td>
</tr>
<tr>
<td>Younger</td>
<td>3.47</td>
<td>3.38</td>
<td>3.53</td>
<td>3.50</td>
</tr>
<tr>
<td>Less performance-orientated</td>
<td>3.20</td>
<td>3.61</td>
<td>3.80</td>
<td>3.43</td>
</tr>
</tbody>
</table>

Note: Older consumers (50+); Younger consumers (18-49).

Table 5. Three-way Anova results

<table>
<thead>
<tr>
<th>Appeal</th>
<th>Highly performance-orientated</th>
<th>Less performance-orientated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>10.135**</td>
<td>2.727</td>
</tr>
<tr>
<td>Gender</td>
<td>3.06</td>
<td>0.827</td>
</tr>
<tr>
<td>Country</td>
<td>1.553</td>
<td>3.405*</td>
</tr>
<tr>
<td>Age/Country</td>
<td>0.63</td>
<td>4.935**</td>
</tr>
<tr>
<td>Gender/Country</td>
<td>0.367</td>
<td>1.012</td>
</tr>
</tbody>
</table>

As expected, the advert featuring highly performance-orientated appeal received positive evaluations in all four countries indicating that it may be standardised to those countries. In addition, there was no significant difference between the effectiveness of this appeal in the different countries, F (3, 360) =1.504, ns. Hypothesis 1 is supported.

Contrary to H2, less performance-orientated appeal received positive evaluation in one of the countries, Poland. The appeal was found to be ineffective in the UK, Ireland and Hungary suggesting that this appeal is not appropriate to effectively persuade consumers in these countries. Contrary to expectations, there is a significant effect of country on the effectiveness of this appeal, F (3, 352) =3.405, p≤.05. The post hoc tests revealed that the effectiveness of this appeal was higher in Poland (M = 4.11) than in Ireland (M = 3.52, p ≤.01); or England (M = 3.43, p ≤.01). Hypothesis 2 is not supported.

Contrary to H3, age had a significant effect on the effectiveness of highly performance-orientated appeal. Older consumers rated this appeal higher (M=4.89) than younger consumers (M=4.41) and the difference was significant, F (1,352) =10.135, p ≤.01). This pattern was visible in every country as there was no interaction between country and age; F (1,352) = .630, ns. Hypothesis 3 is therefore not supported.

As expected, the effect of age on the effectiveness of the less performance-orientated appeal was insignificant; F (3, 352) = 2.127, ns. However when the interaction between age group and country was tested it was found to be significant. Irish and Hungarian older consumers responded to the appeal more favourably than younger consumers and the interaction of age group and country was significant for this appeal; (F (3,352) = 4.935, p ≤.01). H4 is partially supported.

As expected, the effect of gender on the effectiveness of highly performance-orientated appeal was not significant; F (3, 352) = 3.060, ns. There was no significant interaction between gender and country on the effectiveness of this appeal, F (3,352) = .367, ns. Hypothesis 5 is supported.

The effect of gender on the effectiveness of less performance-orientated appeal was not significant, F (3,352) = .827, ns; women (M = 3.77) rated it lower than men (M = 3.80). There was no significant interaction between the effect of gender and country on the effectiveness of this appeal, F (3,352) = 1.012, ns. Hypothesis 6 is supported.
DISCUSSION

Highly performance-orientated appeal was found to be effective across all four countries, age groups and genders. The results of this study suggest that by incorporating this appeal in commercial messages, advertisers can positively influence the evaluation of those messages. Because Performance Orientation is a positively held value in many countries it can be seen as an appeal type suitable for cross-cultural standardized advertising campaigns.

The results of this study are consistent with findings of Diehl, Terlutter, and Mueller (2008) who found that the performance-oriented appeal was effective across several countries, providing further evidence that highly performance-oriented appeals are appropriate for standardisation. In addition, the findings are also supported by the conclusions from the GLOBE study regarding the dimension of Performance Orientation which show that this value is held important in most societies. However less performance-orientated appeal was found to be effective only for younger Polish consumers (M = 4.21) and older Hungarian consumers (M=5.11) and ineffective for all of the remaining groups. This appeal is not appropriate for standardisation.

Limitations and Future Research

This study should be viewed within its own limitations. The sample sizes varied across countries. In addition, the online survey which was used attracted a more educated audience. The sampling technique, snowballing, used in this study may have influenced the data collated. Moreover, because the survey respondents were not selected through simple random sampling technique the results of statistical analysis need to be interpreted with caution.

Future research in this area should be encouraged. In addition to appeal type, other factors such as message execution style should be investigated. Moreover, radio and broadcast messages should be also examined from a wider number of countries. The effectiveness of these appeals should also be investigated in the context of advertisements for additional product categories as well as for services. Future research should apply different data collection tools (for example, pen and paper surveys or focus groups) to gain access to people without internet access.

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Diehl, Sandra, Ralf Terlutter, and Barbara Mueller (2008), "The influence of culture on responses to the GLOBE dimension of performance orientation in advertising messages - results from the US, Germany, France, Spain, and Thailand " Advances in Consumer Research, 35, 269-75.


INTRODUCTION

The implementation of new ideas in an attempt to create value is what Linder (2006) coins as the definition for innovation. While Linder (2006) has attempted to standardize and define innovation, there remains the need to build an efficient business model by which researchers can effectually gauge innovation and entrepreneurial firm performance. The number of projects in the pipeline, patent applications per year, CEO commitment to innovation, and the percentage of employees currently involved in an innovative project (Mankin, 2007) are all components of successful innovation measures. However, additional contributors like the location and access to resources and amenities also play a vital role in a firm’s entrepreneurial success. The design of the research uses a combination of statistical methodologies and scaling to support the descriptive analysis and hypothesis testing. Additionally, a Discriminant Analysis is used to construct an overall model that defines the local resources and alliance predictors associated with a successful firm that is both above average in both entrepreneurial and innovation success.

THEORETICAL BACKGROUND

The premise behind the determinants that ultimately generate high performance firms that are both innovative and entrepreneurial stems from a wealth of classic and contemporary literature. Ulrich and Barnay (1984) support the framework for this research in their discovery of the Population and Resource Dependency perspectives. The population perspective allows one to assume individual organizations can be classified into cohorts based on common organizational forms. These formations represent structure, processes, and systems that characterize individual organizations. Each of these organizations represents niches that form industrial clusters; in this case, professional business and technology based firms. Each of these clusters formulates social networks, and is grouped into populations, niches, and environments. Organizational survival can be explored once these organizational formations have taken place.

The Resource Dependency perspective (Ulrich and Barnay, 1984) helps to define many of the survey questions asked in the instrument generated for this research. Within the constructs of the Resource Dependency perspective, organizations are said to assume patterns of behavior to meet, acquire, and maintain the need for external resources to survive, obtain a first mover advantage, and compete in the marketplace. In the case of technology service firms, access to local community resources is also necessary to survive entry into the market. These resources include primary access to education, capital, and technology itself. The theoretical underpinnings associated with accessing local resources such as education, capital, and technology stems from what the research defines as the “innovative milieu concept”. The geography of innovation builds upon an agglomeration of economies identified as regions that have unique identifiers making them innovation hearths (Crevosier, 2004). In order to sustain a competitive advantage and to live the first eight years maintaining and growing their entrepreneurial status...
access to these resources within their geographical location is quite significant.

Decarolis and Deeds (1999) additionally suggest a Knowledge Based theoretical component as a source for superior performance. Often, organizational knowledge is seen as a flow of knowledge into the firm. The authors suggest that a firm’s location and it’s alliances with other institutions (education), and its’ R&D expenditures (capital) are all representative of knowledge flows. In the instrument used in this research, it is evidenced that access to universities, community partnerships, venture capitalists, municipal institutions, and so forth all help to legitimize the Knowledge Based theory as a strength for performance of firms. In other words, the relativity of alliances and social networks to entrepreneurial support is extremely valuable in defining success.

Conceptual Foundation and Data

The conceptual foundation for this research is proposed in the three theoretical perspectives (Population, Resource Based, and Knowledge Based Perspectives). All three theoretical foundations are used as the foundation for an Internet Based Survey to assess perceptions of senior managers of professional and technology service firms in the 541 NAICS code located in South Florida. The study identifies firms that are start-ups (less than eight years) and established firms (more than eight years) using survey research. Out of 2,411 CEO’s and executives (those individuals who own, operate or manage one of the said firms), two hundred and fifty agreed to participate, and seventy-six actually participated. The primary objective of the survey is focused on determining how economies of geographic agglomeration (South Florida viewed as a Development Incubator) contribute to entrepreneurial and innovative success.

Herein, the hypothesis is identified:

Senior management of professional and technology service firms in the NAICS541 category view accessibility to alliances and local resources to be associated with a successful firm (both above average in entrepreneurship and innovation).

The literature of geographic innovation and entrepreneurial success has argued that senior management generally views alliances and proximity to resources as very important location contributors to success (Boasson and Boasson, 2005). In other words, innovative milieus are the ideal geographically bounded space paradigm that articulates innovation, know-how, networking, and learning. Based on the aforementioned, it is assumed that firms displaying the highest degree of entrepreneurial activity and firm success will have the greatest dependency on the resources and alliances of the local innovative milieus (Crevosier, 2004 and Beugelsdijk, 2007).

The propensity to engage in alliance networks and the proximity to the necessary resources such as; capital will encourage knowledge spillovers and contribute to an evidentiary business model of high performing entrepreneurial and innovative firms.

FINDINGS

Descriptive Analysis

At the descriptive level, the survey findings display a high level of importance placed on local alliance building and resource use as a key to success. It is important to note that these findings related to local resources remain high even though 21% of the firms in the survey indicate they have virtual alliances.

The descriptive research confirms that perceptions associated with the importance of local alliances (See Table 1) and resources (See Table 2 and Table 3) as being important to executives in professional business and technology firms in the NAICS541 category. It is clear from Table 1 that firms place considerable importance on linkages between their firms and universities, research institutions, business partners, and professional associations. Interestingly, professional associations, business partners, and complementary business are ranked as the top three performers in this group.

Table 1. Importance of Alliance by Type of Alliance

<table>
<thead>
<tr>
<th>Q5</th>
<th>Important (top 3 categories)</th>
<th>Not important (bottom 2 categories)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research institutions</td>
<td>54.8%</td>
<td>46.2%</td>
</tr>
<tr>
<td>Universities &amp; Colleges</td>
<td>39.1%</td>
<td>61.9%</td>
</tr>
<tr>
<td>Supplier Partnerships</td>
<td>78.8%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Business Partners</td>
<td>93.1%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Professional Associations</td>
<td>86.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Complementary Business</td>
<td>81.0%</td>
<td>19.0%</td>
</tr>
</tbody>
</table>

*Table 1 is based on a Likert type 5-point scale ranging from Not important (1) to Very Important (5).

Table 2 illustrates that the respondents believe that 69% of their partners should be within close proximity to their business, while 51% feel that same
or similar industries should be within a close distance. Access to friends and family yield 63%, business partners (69%), support services (61.3%), and financial institutions (47.8%) are also considered important. The findings confirm that proximity to major resources is viewed as an important factor in the location behavior of firms in the sample.

Table 2. Importance of Proximity to Local Resources

<table>
<thead>
<tr>
<th>Proximity to:</th>
<th>Important (Top 3 Boxes)</th>
<th>Not Important (Bottom 2 Boxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same Industries</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>Friends/Family</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Business Partners</td>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>Support Services</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>Universities</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>Research Laboratories</td>
<td>11%</td>
<td>89%</td>
</tr>
<tr>
<td>Consulting Companies</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>Venture Capitalists</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>Access to Research Grants/Funding</td>
<td>23%</td>
<td>79%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>48%</td>
<td>52%</td>
</tr>
</tbody>
</table>

*Table 2 is based on a Likert type 5-point scale ranging from Not important (1) to Very Important (5).

Location theory argues for the importance of accessibility to amenities such as the quality of local housing, schools, recreation, and climate play a major role in attracting industries. Table 3 confirms the preceding in showing that an emphasis on the accessibility to housing (93%) and recreation (89%) as being important to executives. A supportive climate is also recognized as significant to firm location yielding 86.3%. The aforementioned table is representative of a firm’s perception of significance to the proximity of resources and amenities within the South Florida region.

Table 3. Proximity to Community Resources and Amenities

<table>
<thead>
<tr>
<th>Proximity to:</th>
<th>Important (Top 3 Boxes)</th>
<th>Not Important (Bottom 2 Boxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>93%</td>
<td>7%</td>
</tr>
<tr>
<td>Schools</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>Recreation</td>
<td>89%</td>
<td>11%</td>
</tr>
<tr>
<td>Climate</td>
<td>86%</td>
<td>14%</td>
</tr>
</tbody>
</table>

*Table 3 is based on a Likert type 5-point scale ranging from Not important (1) to Very Important (5).

Multivariate Analysis and Discriminant Modeling:

The second phase of the analysis concentrates on multivariate methodologies to determine major relationships between the independent and dependent variables. Principal Components Analysis is employed to generate scales for both the independent and dependent variables. Supporting the hypothesis testing effort are factor analyses aimed at determining underlying dimensions of innovation and local alliance and resource usage. Lastly, a Discriminant Analysis is used to construct the overall model that defines the importance of alliances and resources as predictors for a successful firm.

The factor analysis (Principal Components Analysis) is used as an extraction method to identify key location dimensions and scaling for both the independent and dependent variables. The research demonstrates that four underlying dimensions for location to resources account for 68% percent of the variance in the original 20 location attributes (See Table 4) measured in the survey. The factor analysis employs a Varimax rotation to achieve four independent orthogonal dimensions of location resources:

- Component 1 – Proximity to Funding
- Component 2 – Proximity to Alliance/networks
- Component 3 – Proximity to Community Resources
- Component 4 – Proximity to Amenities

Table 4. Rotated Factor Loadings for Proximity to Resources

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q23 Proximity to State and municipal research funds and grants</td>
<td>.879</td>
<td>.137</td>
<td>-.121</td>
<td></td>
</tr>
<tr>
<td>Q23 Proximity to Venture Capitalists</td>
<td>.853</td>
<td>.268</td>
<td>-.131</td>
<td></td>
</tr>
<tr>
<td>Q23 Proximity to access to research grants and funds</td>
<td>.821</td>
<td>.229</td>
<td>-.198</td>
<td></td>
</tr>
<tr>
<td>Q23 Proximity to Research Laboratories</td>
<td>.804</td>
<td>.102</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q23 Proximity to Universities</td>
<td>.792</td>
<td>.218</td>
<td>.179</td>
<td></td>
</tr>
<tr>
<td>Q23 Proximity to Financial Institutions</td>
<td>.656</td>
<td>.434</td>
<td>-.235</td>
<td></td>
</tr>
<tr>
<td>Q24 Proximity to skilled labor</td>
<td>.650</td>
<td>.473</td>
<td>-.173</td>
<td></td>
</tr>
<tr>
<td>Q23 Proximity to Consulting companies</td>
<td>.583</td>
<td>.247</td>
<td>.180</td>
<td>.147</td>
</tr>
<tr>
<td>Q24 Proximity to local capital Resources</td>
<td>.547</td>
<td>.314</td>
<td>-.517</td>
<td></td>
</tr>
</tbody>
</table>
A second factor analysis was also implemented to define the internal management and innovation dimensions related to firm behavior. A primary motivation for the second factor analysis is based on the lack of internal reliability defined in the initial scale items contained in Linder (2006) and Mankin’s (2007) scales. In performing the Components Analysis, the initial step was to convert the individual items into z-scores to overcome differences in metrics among the individual items. The z-scored variables were then applied to the Principal Components Analysis using a Varimax rotation to generate five orthogonal dimensions of innovation. The five components identified in the analysis account for 67.6% of the total variance explained among the set of 17 variables (See Table 5):

- Component 1 – Innovation Culture
- Component 2 – Innovation Success
- Component 3 – Innovation Productivity
- Component 4 – Innovation Effort
- Component 5 – Innovation Management

Table 5. Rotated Factor Loadings for Innovation Items

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q28 Knowledge sharing</td>
<td>.886</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q29 Develops new competencies</td>
<td>.845</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q26 Senior commitment to growth</td>
<td>.778</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q30 Quality control and performance standards to optimize innovation growth</td>
<td>.772</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The combinations of the aforementioned analyses provide the foundation for exploring the key determinants (dimensions) that predict a high performing firm. A Discriminatory Analysis was used to define determinants for the highest performing firms when it came to the combination of entrepreneurial and innovative success. A dichotomous variable (above the mean for both innovation and entrepreneurial success) is utilized in the Discriminant model in combination with the factor dimensions to determine the attributes that best predict the most successful and least successful firms.

The two variables used to generate the dependent variable (Best Performing Firms) for the discriminant model include an overall entrepreneurial success scale and an innovation success scale. Entrepreneurial success is measured based on above average (Mean) growth in total sales per year for
years of operation. The Innovation success scale utilizes the second component (Innovation Success) defined in the Principal Components analysis of innovation behavior and culture. Thus, the Best Performing Firms were those that demonstrated both above Mean average performance on the innovation success and entrepreneurial success scales. Based on the preceding criteria, 28.9% of the firms in the study were defined as above average on both entrepreneurial and innovation success. The independent variables used in the Discriminant Analysis consist of the factor analysis components defined in the proximity to local resources analysis, the remaining four innovation factor analysis dimensions of innovation behavior, along with a measure that defines the percentage of alliances in South Florida.

The results of the Discriminant Analysis reported in Table 6 are consistent with the hypothesis. The Discriminant function matrix (Table 6) shows that the significant predictors for the highest performing firms are associated with the components that measure proximity to networks/alliances and the innovation management culture dimension. The performance of the model is relatively effective with a correct overall classification of level of 92.6% correct and 100% correct for the most successful firms.

### Table 6. Discriminant Function Matrix

<table>
<thead>
<tr>
<th>Predictor Variables</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximity to Networks/Alliances Factor</td>
<td>.558**</td>
</tr>
<tr>
<td>Innovation Management Culture Factor</td>
<td>.355*</td>
</tr>
<tr>
<td>Innovation Productivity Factor</td>
<td>.128</td>
</tr>
<tr>
<td>Proximity to Funding/Financials</td>
<td>.110</td>
</tr>
<tr>
<td>Senior Management Involvement Factor</td>
<td>-.109</td>
</tr>
<tr>
<td>% Alliance located in South Florida</td>
<td>.067</td>
</tr>
<tr>
<td>Proximity to Community Resources Factor</td>
<td>.064</td>
</tr>
<tr>
<td>Innovation Effort Factor</td>
<td>-.034</td>
</tr>
<tr>
<td>Proximity to Amenities</td>
<td>.032</td>
</tr>
</tbody>
</table>

*Test of Equality of Mean Differences – Significant at .005
**Test of Equality of Mean Differences – Significant at .063

### IMPLICATIONS OF THE RESEARCH

The overall findings of the research suggest that the combination of proximity to local networks and alliances when combined with an innovative internal management culture are key measures that predict high performing firms. The research has also confirms the important role the resource based perspective, knowledge based theory, and population based theory play in creating the concept of the innovative milieu. This is clearly demonstrated by the way firms synopsize the environment in showing the role of agglomerative economies support alliance building and accessibility to spatial resources within their own geographically bounded space. Moreover, the lack of internal reliability of Linder and Mankin’s scale presented challenges in measuring innovation in the field of organizational behavior. Thus, the factor analysis scales identified in this research may be useful for supporting further research on how spatial incubators can encourage new product development and create an innovative community based culture.

### CONCLUSION

The implications of the study allow us to look more closely at the correlates that define entrepreneurial and innovative success. By examining proximity to resources and alliance and their significance to business owners, the research determined those that are most important. Looking at the structure of the organization with respect to innovation management can also help predict high performing firms. Lastly, the research demonstrates that Florida is an incubator for professional business and technology service firms. Additionally, other avenues that can be explored in future research include: virtual alliance implications, examining local investment strategies, as well as public policy implications. These findings also pave the way for new areas of research in measurement of innovative and entrepreneurial success.

### REFERENCES


EXAMINING THE USE OF FOCUS GROUPS IN ECONOMIC DEVELOPMENT INITIATIVES

Oscar McKnight, Ashland University
Ronald Paugh, Ashland University
Brian Nestor, The Ohio State University
Shawn Yambor, Ashland University

ABSTRACT

City officials often use focus groups in economic development. However, findings indicate that group dynamics can threaten validity when seeking consensus. Data suggest a strong rebound effect for participants to return to their earlier pre-focus group assessment beliefs. Introduced is the ‘BUCKS’ Planning Model for facilitating city economic development initiatives.

INTRODUCTION

Focus group development and implementation in the social sciences and commercial marketing research is marked with an extensive history. Stewart, et. al. (2007) trace the origins of the “focused interview” back to World War II. Contemporary researchers continue the use of focus groups to gain insights into a wide range of topics, and their future use is likely to remain unabated (Bristol and Fern, 2003). According to Vogt, King, and King (2004), “the focus group is a technique that involves a moderator-facilitated discussion among multiple participants about a specified topic of interest . . . that can allow researchers to learn about the meaning of a construct from the perspective of the population under study” (p. 233). In most instances, the researcher will assemble a small group of participants [six to twelve] who share a specific trait or background to discuss an issue or situation. As a research technique, focus groups are typically associated with qualitative research. Moreover, the vast majority of researchers argue that since there is an absence of forced numerical measurement and statistical analysis, the result is a deeper and more robust understanding of the issue than numbers can afford (Calder, 1977).

FOCUS GROUPS: CRITICISM AND REBUTTAL

It is ironic however, given Calder’s (1977) unequivocal support of focus groups that its qualitative nature is the basis of the majority of criticisms leveled against their use. Calder does cite conflicting feelings among professional researchers about focus groups; for example, expressing concerns about “the subjectivity of the technique, and a feeling that any given result might have been different with different respondents, a different moderator, or even a different setting” (p. 553).

However, Calder and other focus group proponents are not impressed with these criticisms. According to the Qualitative Research Consultant’s Association (1998), “qualitative research is the best research method for discovering underlying motivations, feelings, values, attitudes, and perceptions” (p. 1). In fact, Rossiter (2008) a strong adherent of qualitative research methods, argues further that “qualitative research is superior to quantitative research” (p. 915).

Hughes and DuMont (1993) suggest that one of the principal benefits of focus groups is consensus building, or the discovery and identification of common knowledge or a shared view. However, other researchers suggest that consensus building can precipitate a shift in one’s own tendencies, including attitudes (Bristol and Fern, 1993; Millar and Millar, 1990; Turner, 1991; Zuber, Crott, and Werner, 1992). An additional experimental study conducted by Bristol and Fern (2003) indicated that focus group interaction would likely lead to more pronounced attitude shifts. Bristol and Fern detailed two ways: (1) attitude polarization, characterized by an increase in intensity of one’s previously held attitude; or, (2) attitude depolarization by a reversal in attitude direction, either a decrease in intensity or a move in the opposite direction. As such, it is for this reason that Javidi, et.al. (1991) suggest that predictive validity is the basis of most of the criticism against focus group research.
FOCUS GROUPS IN ECONOMIC DEVELOPMENT

In economic development, officials often use focus groups to examine issues of geography (Florida, 2002); discuss specific factors related to tourism (Wilson, et al., 2001); to evaluate local and regional enterprises (Blackburn and Stokes, 2000); and to examine entrepreneurial ventures (Stokes, 2000). However, no literature addresses the possible limitations of using focus groups in economic development or cautions against the group effect. For example, is a false consensus effect possible when conducting a city focus group on economic development issues? Ross, Green, and House (1977) define the false consensus effect as a tendency for people to see their own behavioral choices and judgments as relatively common. Gershoff, Mukherjee and Mukhopadhyay (2007) suggest that marketers who rely on group consensus findings must be highly sensitive to the danger of over projecting the group’s preferences onto others. This is akin to Groupthink and city focus groups addressing economic development must control for this possibility. For clarification, Groupthink is a social phenomenon studied by social psychologist Irving Janis (1972) who stated that this condition occurs when a group makes faulty decisions because of a psychological drive to find consensus.

METHODOLOGICAL CONSIDERATIONS

Over the course of two years, economic development officials representing fourteen cities located in the Midwestern U.S., [mean population, approximately 14,000; smallest city, population of 6,000; largest city, population of 24,000] acknowledged difficulty and disappointment with previous economic development initiatives and decided to address their challenges by conducting proprietary focus group research. The average number of participants in each focus group was 12.5 with a minimum group size of seven and a maximum group size of twenty. The principal economic development officer of each city self-selected the stakeholders who were to participate in the focus groups. Group membership often included the mayor, city council members, tourist bureau representatives, and members from the chamber of commerce.

The research instrument, a city audit, is a 62-item questionnaire assessing the major areas of interest to site selectors and relocation professionals (McKnight, et.al, 2010). Each area was assessed on a 9-point Likert scale where 1 = “low or bad” and 9 = “high or good”. A test-retest reliability was performed using two volunteer cities (n=32), both conducted within a 15 day time interval prior to the scheduled focus group. The research instrument’s reliability coefficient was 0.84 – an acceptable range according to Nunnally (1978, p. 245).

This research design had four phases. In the first phase, each focus group participant completed the 62-item questionnaire online 72 hours prior to the initiated focus group. In the second phase, participants interacted in the actual focus group. Here, participants reviewed each item and gave a collective/group assessment on each item using the 9-point scale. In the third phase, participants again completed the 62-item questionnaire, 72 hours following participation in the city’s economic development focus group. In the last phase, participants as individuals had an opportunity to provide further insight about the focus group discussion and strategic marketing initiatives.

As a predictive validity measure, this study used the unemployment rate for each of the fourteen cities as the primary indicant of economic development (United States Department of Labor, 2010); this was the dependent variable. The predictor or independent variables used were the focus group and independent assessment scores.
FINDINGS AND IMPLICATIONS

Researchers analyzed the first research question, “Does participation in a city’s economic development focus-group facilitate consensus building?” by applying a two-tailed, paired t-test. Specifically, the mean value of all the standard deviation (SD) scores for the participants’ (N=175) on the 62-item questionnaire were tabulated for both the participant’s individual assessments in phase one (pre-focus group) and phase two (actual focus group) assessment scores. The resulting mean SD in phase one (pre-focus group) was 2.33 – whereas, the mean SD in phase two (actual focus group) was 0.98. The two-tailed, paired t-test for the participants’ (N=175) on the 62-item questionnaire were tabulated for both the participant’s individual assessments in phase one (pre-focus group) and phase two (actual focus group) assessment scores. The two-tailed, paired t-test between all 14 cities’ mean scores yielded a p < .0009 and .002; thus establishing a statistically significant difference. The key implication is that participation in a focus group does exaggerate collective responses when evaluating the city’s assets and resources using the 62-item audit; supporting the findings of Bristol and Fern (2003). Hence, there appears to be “response inflation”.

The third research question used the sign test to investigate the directional findings of the 14-paired t-tests; specifically addressing the question, “Is there a relationship between participation in a city’s economic development focus group and the direction of response?” When comparing all 14 cities’ mean scores between phase one and phase two on the 62-item questionnaire, this research question found statistical significance. Specifically, as noted in Table 1, the mean scores in phase two for the 12 cities were significantly higher than scores obtained in phase one; however, in one city, the mean scores in phase two were significantly lower than in phase one. Moreover, the probability of finding statistically significant higher mean scores in 13 out of 14 trials is p < .0009 and finding statistically significant results in 14 out of 14 is

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Pre- and Post-Discussion Focus Group Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities (N=14)</td>
<td>Paired Samples Test</td>
</tr>
<tr>
<td>Mean</td>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Pair 1 A1 - A2</td>
<td>-4.19355</td>
</tr>
<tr>
<td>Pair 2 B1 - B2</td>
<td>-2.50000</td>
</tr>
<tr>
<td>Pair 3 C1 - C2</td>
<td>-2.98387</td>
</tr>
<tr>
<td>Pair 4 D1 - D2</td>
<td>-2.45161</td>
</tr>
<tr>
<td>Pair 5 E1 - E2</td>
<td>-2.45161</td>
</tr>
<tr>
<td>Pair 6 F1 - F2</td>
<td>-1.74194</td>
</tr>
<tr>
<td>Pair 7 G1 - G2</td>
<td>-3.79032</td>
</tr>
<tr>
<td>Pair 8 H1 - H2</td>
<td>-2.04839</td>
</tr>
<tr>
<td>Pair 9 I1 - I2</td>
<td>-2.00000</td>
</tr>
<tr>
<td>Pair 10 J1 - J2</td>
<td>-4.30645</td>
</tr>
<tr>
<td>Pair 11 K1 - K2</td>
<td>-1.59677</td>
</tr>
<tr>
<td>Pair 13 M1 - M2</td>
<td>-3.51613</td>
</tr>
<tr>
<td>Pair 14 N1 - N2</td>
<td>-3.22581</td>
</tr>
</tbody>
</table>

Note. The exact significance levels are: A = 1.60E-11; B = 4.89E-18; C = 1.74E-10; D = 6.3E-12; E = 1.46E-12; F = 2.14E-13; G = 1.7E-16; H = 2.86E-09; I = 1.05E-05; J = 3E-21; K = 4.81E-06; L = 6.67E-19; M = 4.22E-05; and = 3.56E-16. Research alpha level was .05; with Bonferroni correction adjusting for multiple comparisons, alpha =.003. A1 = pre-focus group, City A; A2 = focus group, City A, etc.
p < 0.0001 for a two-tailed test. The key implication is that participation in a focus group tends to polarize responses, either positively or negatively; again, supporting the earlier findings of Bristol and Fern (2003); Millar and Millar, 1990; Turner, 1991; Zuber, Crott, and Werner, 1992. Ultimately, there is a strong tendency to regress toward the extreme and not the mean.

The fourth research question was, “Following participation in a city’s economic development focus group, are consensus effects stable?” To address this question by visual inspection, Table 2 highlights the stability of focus group ratings on the 62-item questionnaire. However, when using a paired two-tailed t-test, testing the difference between phase two and phase three scores (post-focus group assessment), there was a statistically significant difference (p = 1.45992E-05). Furthermore, when testing for difference between phase one and phase three mean scores, statistical significance is noted (p = 0.004).

Table 2

<table>
<thead>
<tr>
<th></th>
<th>Phase One</th>
<th>Phase Two</th>
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</tbody>
</table>

Note. The Y-axis = represents the mean Likert score on 62- item audit; X-axis = represents the 14 participating cities. Bar 1 = Phase One: Pre-Focus Group Score; Bar 2 = Phase Two: Actual Group Participation Score; Bar 3 = Phase Three: Post-Focus Group Score.

It is apparent that there is a strong rebound effect – participant scores have a tendency to return to their baseline assessment. In fact, the return is more pronounced supporting Bristol and Fern (1993) earlier findings. Therefore, any group consensus appears to dissipate within 72 hours. The implication for professionals facilitating a city economic development focus-group is that members may not fully believe in any strategic plan forthcoming. This could ultimately undermine or negatively affect economic growth.

The fifth research question, “Is there a relationship between group consensus within the city’s economic development focus group and predictive validity?” was addressed by applying simple regression, with each cities’ real unemployment rate serving as the dependent variable. The mean scores from phase one successfully predicted the unemployment rate within statistical limits; that is, with an $F (1/13) = 22.70$, $p < .0004$; $R = .809$; $R$-square = .654; however, phase two data failed to predict the unemployment rate. The key implication is that improving the predictive validity of focus groups is possible if the participants relied more on their own individual thoughts, feelings, and attitudes than the collective thoughts of the focus group, confirming Hoch’s (1987) earlier research. However, it may be likely that individual responses (phase one) are more conducive to reflecting a current state of affairs;
whereas, focus group responses (phase two) are more useful in setting long-term goals or objectives.

An anecdotal finding is important to note. Interviews with participants suggested that they felt “that it was in their best interest” to go along with the “mayor or some other recognized person of power”. Therefore, group membership and selection are critical in facilitating a successful focus group for a city’s future economic development.

RECOMMENDATIONS

Officials using the focus group as a marketing research tool for economic development is likely to continue, and the authors strongly suggest that the practice continues. However, findings indicate that results from focus groups are subject to group dynamics that can threaten or jeopardize predictive validity. Also, since focus group members rebound and return to their earlier beliefs following engagement, participants may “shel” the ideas and never really initiate the plan. In addition, controlling for the influence of group membership is crucial. Therefore, Table 3 presents the ‘BUCKS’ Planning Model for using focus groups in city economic development initiatives.

LIMITATIONS AND FUTURE RESEARCH

This study exhibits all the inherent limitations and weaknesses associated with focus group research, specifically the subjectivity of the technique, selection and composition of the focus group participants, professional capabilities of the moderator, and the focus group setting. Likewise, the disparity in “power” or “status” between focus group members is an issue of concern. Moreover, the operational definition of the dependent variable, economic development was a single, U.S. Government measure.

Future research examining the role of “power” or “status” between focus group members appears warranted. Likewise, researching the outcomes of cities engaged in economic development would establish validity baselines.

Table 3  The ‘BUCKS’ Planning Model

| Baseline quantitative responses using pre and post surveys that address important economic development questions — this allows for balanced perspective when facilitating a focus group. |
| Understand group dynamics — in particular, focus-group composition and hidden agendas. |
| Consensus does not mean correct — do not manufacture agreement, build on truth. |
| Know the tendency for groups to regress towards the extreme — false consensus and other Groupthink effects can be real threats to economic development initiatives. |
| Successful economic development depends on valid market research — be cognizant of reliability and validity issues. |

CONCLUSION

In their entirety, these research findings confirm three key concerns addressed in the professional literature on focus groups. First, focus group participants do build consensus, but the psychological drive for consensus may lead to a false consensus effect. Second, participation in a focus group tends to shift the individual’s previously held attitude or opinion, often times in a polarized manner. Third, implicitly assuming the predictive validity of focus groups is unwarranted, similar to the warning Javidi, et.al. (1991) expressed. In addition, one unique finding suggests that participants rebound to their previously held beliefs within 72 hours.

REFERENCES


TEACHING WITH GAMES: MARKETING AND NEW PRODUCT RATE OF ADOPTION

Brian A. Vander Schee, Aurora University

ABSTRACT

The research presented here adds to the body of knowledge on active learning by reporting on how well an in-class game in Principles of Marketing met its objectives. The objectives include encouraging class participation, concept understanding, and motivation to learn. The object of the Bidding for Buyers game is to earn the most points by setting the best price for a newly modified portable media device targeted at value conscious consumers who are part of the adopter early and late majority. The hope is that students gain a better understanding of how new product characteristics, namely relative advantage, compatibility, complexity, divisibility, and communicability influence the consumer rate of adoption of new products. The original concept for the Bidding for Buyers game was adapted from Bill Bigelow’s (2002) Transnational Capital Auction: A Game of Survival.

This study was conducted at a small private college over six semesters using 13 sections of the Principles of Marketing course with an average class size of 24.3 ($SD = 2.6$) taught by the same professor. At the end of the game administration and debriefing session students completed a survey asking for their perceptions regarding the effectiveness of the preceding class lecture covering the same material as well as the Bidding for Buyers game and debriefing session. The results were positive as the average level of agreement for seven of the nine items was significantly higher for the game and debriefing session compared to the lecture. More specifically, students most strongly agreed with the items encouraged class participation (4.53), was a positive experience (4.49) and I prefer learning concepts using the game (4.30). This was followed by enhanced by learning experience (4.24) and encouraged me to learn the concepts (4.19). These results were encouraging as the items reflect the main objectives of the activity.

In the Bidding for Buyers game students made clear connections between new product characteristics and consumer rate of adoption. The in-class experience provided a non-threatening environment where everyone could benefit from the explanations students made with each other in teams and then in the debriefing session with the class as a whole. Having seven teams competing provided an incentive for students to try their best and to really understand the concepts such that they could make ready application. Social loafing, which is a common challenge in group work (Aggarwal and O’Brien 2008) was also minimized in that the group exercise only lasted for one class period and prizes were provided as an incentive.

Reflecting in the debriefing session how the game could be modified to make the setting more realistic for other adopter categories such as innovators or laggards also solidified how new or modified product characteristics vary depending on the target segment. Overall the relaxed, yet competitive atmosphere provided a fun classroom environment to enthuse and engage students in the learning process. And in the same spirit as the activity by Makienko (2009), the Bidding for Buyers game helped students transition from a mode of memorization to one of understanding and application.

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YOUTUBE AS AN EDUCATIONAL TOOL: MARKETING EDUCATION IN THE CLASSROOM

Hester Daves Beecher, Carson-Newman College

ABSTRACT

Educators are challenged to maintain Generation Y's attention in the classroom. This study was conducted to help determine if YouTube videos within lectures serve as entertainment, a learning aid, or both. Results show higher quiz grades for students who viewed the videos and the majority of students enjoyed the videos.

INTRODUCTION

With Generation Y being the second largest demographic cohort, and given that its members are today’s college students, it is important for educators to determine the best methods to reach these students in the classroom. Technology is not a foreign concept to these students; it is a fundamental and essential part of their lives. Consequently, because of the student make-up in the classroom, and because they are deeply involved in technology, it naturally follows that successful teaching strategies incorporate technology into the classroom.

CONCEPTUALIZATION

Generation Y

The majority of today’s college students fall into the Generation Y cohort, who was born into a world of technology. Today’s college graduate has spent over 10,000 hours playing video games (Sabau 2008; Prensky 2001), spent 20,000 hours watching TV, spent 10,000 hours on their mobile phone (Ashraf 2009), and sent 250,000 email messages (Ashraf 2009). However, he or she has spent less than 5,000 hours reading (Sabau 2008; Prensky 2001; Ashraf 2009). Technology is vital to these members of Generation Y; they have grown up with it as an integral part of their lives and they devote their free time to it.

"Web 2.0 is associated with web applications that facilitate participatory information sharing, interoperability, user-centered design, and collaboration on the World Wide Web" ("Web 2.0" 2011, para. 1). Web 2.0 is natural to this generation (McHaney 2011); they are tech savvy and visual learners, according to Shih and Allen (as cited in Bracy, Bevill, & Roach 2010, p. 21). This is important to educators, as learning styles influence the way classrooms are structured. With increased technology available, educators have the opportunity to use more visual aids. Today’s students have changed due to digital technology; they “think and process information fundamentally differently from their predecessors” (Prensky 2001, p. 1). Generation Y thrives in a media-rich environment (Sabau 2008). One way educators have incorporated technology in the classroom is with YouTube.

YouTube

YouTube is a video-sharing website founded in 2005, and it has expanded to 32 countries ("YouTube" 2011). “YouTube is the dominant provider of online video in the United States, with a market share of around 43 percent” ("YouTube" 2011 Company History section, para. 5). Following Google and Facebook, YouTube is the third most visited website on the Internet ("YouTube" 2011), with over 90 million users per month in America ("The 100" 2011). The majority of YouTube viewers fall into the 18- to 34-year old age group ("Online Video" 2010). There is an abundance of material on YouTube to show in the classroom — figures show up to 120 hours of video uploaded every minute (Box Hill Institute 2011). There are many short videos on various companies and TV commercials uploaded to YouTube. These can help demonstrate certain marketing concepts and real-world issues in business. For example, when discussing how people fear globalization and outsourcing, students can view a three-minute video about the accusation of human trafficking in production of Nike's products in Malaysia. Using a media with which the students are familiar and comfortable, the students gain a better understanding of the topic and can see how real-world companies are involved. When covering the topic of corporate social responsibility, students can view a one-minute commercial on how the Pepsi Refresh Project gives back to the community.
Students' understanding of concepts is enhanced when they see videos about different companies, especially when the videos are about the products that students purchase. YouTube is a powerful visual tool through which educators can reach their students.

In The Classroom

Limited research exists on YouTube as a learning aid in the classroom (Fralinger & Owens, 2009). Web portals, such as YouTube, provide educators with “a growing amount of visual information to share with a classroom full of young multimedia enthusiasts” (Dyck 2007, para. 4); therefore, there seems to be ample opportunity for research in this area.

Faculty members desire to connect with their students. Building such rapport can be challenging since the median age of college faculty is 50-53 years (Bracy, Bevill, & Roach 2010). One way educators try to build this connection is by incorporating Web 2.0 into the classroom, finding that their students will stay engaged more (McHaney 2011). Brining technology into the classroom can make the atmosphere more relaxed, which helps Generation Y feel more comfortable as well as participate in class discussions (Bracy, Bevill, & Roach 2010).

“YouTube is not necessary for good teaching, in the same way that wheeling a VCR into the classroom is not necessary, or bringing in PowerPoint slide shows with images, or audio recordings…it simply makes more resources available to teachers than ever before, and allows for better classroom management” (Conway 2006, para. 12). Therefore, because these resources are available, and because this generation connects with this type of technology in the classroom, educators should investigate this opportunity to determine if it will build rapport with students and serve as a learning aid.

HYPOTHESES

With educators continuously trying to find ways to entertain and connect with their students, and with the increased technology available in the classrooms, it is suspected that using YouTube videos (videos and/or commercials) as part of lectures can enhance student learning. It is also believed that when students view commercials throughout the PowerPoint presentation (lecture), they will enjoy the videos for entertainment purposes. Significant interest lies in the field of marketing, as TV commercials may help explain numerous concepts. Given the vast number of videos uploaded to YouTube, one can find almost any commercial desired. Viewing videos may not be as effective or relevant in many fields, such as accounting, chemistry, or foreign languages. Subjects such as marketing, advertising, and/or retailing are likely more appropriate for this type of learning aid. Therefore, the following hypotheses are formed.

H1: Students exposed to YouTube videos within the marketing lecture will learn the material better than students who had the same lecture, only without any videos.

H2: Students enjoy having YouTube videos included in the marketing lectures for entertainment purposes.

METHODOLOGY

To test the hypotheses, a Principles of Marketing class with all Generation Y students was used. The 300-level class included mostly sophomores and juniors. With only one section of this class offered at the time of the study, the class was divided in half; each half attended class on different days for the two lectures of interest (Tuesday or Thursday). Over a two-week period, half “A” attended class on Tuesdays while half “B” attended class on Thursdays. For the chapter taught during the first week (chapter 3), half “A” received a lecture including YouTube videos. Half “B” read the same chapter, and heard the same lecture, but there were no videos shown. During week two, half “A” was exposed to another chapter lecture (chapter 5), this time with no videos shown, and half “B” had the same chapter lecture but with videos this time.

Each day, students took objective quizzes over the material. Each half took the same quiz on their respective days. Quiz questions contained general information about the class material from that day and were on topics that related to a particular video within the lecture. During the third week, all students attended the same class, as regularly scheduled, and completed a general survey on their preference for videos in the classroom - whether they felt that the videos aided in their learning and how much they enjoyed the videos for entertainment purposes.

The class instructor did not inform students about the details of this study or that the study even existed. The instructor asked students to attend class on different days of the week “for something that the professor was working on,” and no students verbally questioned the motives. Students seemed excited to have two days off from attending class. The PowerPoint slides contained links to all videos. Ironically, there were technical failures on the two days designated with no videos. On the first day, the
Internet was down campus-wide. On the second day, the projector in the classroom was not working. Fortunately, students did not question the reason that they were not able to view the videos, as that is what they are accustomed to in the marketing class.

To prevent half “A” from telling half “B” there was a "quiz" so that half “B” prepared ahead of time, the instructor told the students that the quizzes were actually "surveys" to obtain general information about the lecture. There was no indication that half "A" forewarned half “B,” as normally students would have asked ahead of time, “are we having a quiz on Thursday?”

**RESULTS**

The instructor collected data in two ways. First, students completed their quizzes (“surveys”) on the chapter material. Second, students completed a general survey with questions about how much they enjoy in-class videos and how much they find them entertaining. The instructor analyzed data with Microsoft Excel (see Table 1 for summary of results).

### Table 1. Results Summary

<table>
<thead>
<tr>
<th></th>
<th>Videos</th>
<th>No Videos</th>
<th>T-Test (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quiz 1 Average</td>
<td>77.2% (half &quot;A&quot;)</td>
<td>63.8% (half &quot;B&quot;)</td>
<td>.026</td>
</tr>
<tr>
<td>Quiz 2 Average</td>
<td>74.2% (half &quot;B&quot;)</td>
<td>72.9% (half &quot;A&quot;)</td>
<td>.422</td>
</tr>
<tr>
<td>Overall</td>
<td>75.7%</td>
<td>67.9%</td>
<td>.052</td>
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**Quiz Results**

The instructor compared average quiz scores for both halves for each week separately, as well as overall averages for the two-week period. Each week, the average quiz score from the half of the class who viewed videos was higher than the average quiz score from the half who did not view videos. This was the expected outcome. However, they were not as high as anticipated. The average quiz scores for the two chapters in which videos were included were 77.2% and 74.2% (combined average of 75.7%). The average quiz scores for the two chapters with no videos were 63.8% and 72.9% (combined average of 67.9%). Therefore, the video-viewing students outperformed the non-video-viewing students by 7.8%.

The instructor conducted a one-tailed, type 2, T-Test on the data to compare the two groups (video viewers versus non-video viewers). It was predicted that the non-video viewers’ quiz scores would be lower than those who viewed videos within the lectures. When analyzing the first week’s quizzes, comparing video viewers to non-video viewers, the p-value was .026. The p-value for week two’s quizzes was .422. When examining the overall quiz scores (combining all quizzes for video viewers and for non-video viewers), the p-value was .052. Therefore, difference in quiz 1 scores was statistically significant, while there was not a significant difference in the groups for quiz 2 scores. The overall p-value for the two groups was statistically significant at the p < .10 level (p = .052). Therefore, H1 is supported, indicating that students who were exposed to YouTube videos within the marketing lecture did learn the material better than the students who had the same lecture, but viewed no videos.

**Survey Results**

Once the class returned as a full group, the students completed a general survey that included questions about how much the students enjoyed the videos for entertainment purposes and how much the students felt that the videos helped them in their learning the material. There were eight questions on the survey, with a 5-point likert scale, anchored with disagree and agree. Although it was expected that students would indicate that they do “enjoy” videos, responses to these questions were higher than anticipated. The averages of all eight questions were answered in favor of having videos in the lectures. Seven out of the eight questions were worded in a positive manner, meaning that a 5 would have been the best possible answer. The one negatively-worded question was reverse coded to be consistent with the other seven questions. This question stated, “I find them boring.” For this question, a 1 would have been the best answer, meaning that they disagreed with this statement. The average was above a 4.0 for seven out of the eight questions, with the one other average being a 3.88. The overall average for all questions
was a 4.3. Therefore, H2 was supported. See Table 2 for specific questions and averages from the survey.

<table>
<thead>
<tr>
<th>Table 2. Survey Questions and Averages</th>
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<tr>
<td><strong>When I see videos &amp;/or commercials in MKT 300:</strong></td>
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<tr>
<td>I enjoy them.</td>
</tr>
<tr>
<td>I find them boring.</td>
</tr>
<tr>
<td>I find them entertaining.</td>
</tr>
<tr>
<td>They help me learn the material/concept.</td>
</tr>
<tr>
<td>They help me learn about companies in the real world.</td>
</tr>
<tr>
<td>If there is a celebrity (with whom I’m familiar) in the video &amp;/or commercial, I remember the material better.</td>
</tr>
<tr>
<td>I enjoy the number of videos &amp;/or commercials we are shown in class.</td>
</tr>
<tr>
<td>I enjoy the length of most of the videos &amp;/or commercials we are shown in class.</td>
</tr>
</tbody>
</table>

*Reverse-coded, equivalent to 4.52 on 5-point scale

**Implications**

The results of this study indicate that showing YouTube videos in the marketing classroom can be beneficial for both entertainment and learning purposes. Students not only enjoy watching the videos, but they also scored higher on the quizzes when videos were included in the lecture. This study adds to the body of knowledge regarding YouTube videos in the classroom. Educators can use this information as they plan their classroom lectures with the goal of building rapport with Generation Y as well as helping their students learn the material.

**Limitations**

Given that this study was conducted at a small, private college, classroom sizes were rather small (36 students in this particular class; 17 in half “A” and 19 in half “B”). Ideally, more students involved in the study would have produced more reliable results. Additionally, the semester in which this study took place offered only one section of the Principles of Marketing class. On the opposing semester, there are two sections offered. Had two sections been offered at this time, it would have been easier to test each section separately – one with videos and one without videos. This would have also provided almost twice the number of students involved.

Although there was only one section of this class studied, and the sample size was rather small, it was still helpful to gain an understanding of whether the videos are actually helpful in the students’ learning and how much the students enjoy the videos. The results indicated enough of a positive relationship to warrant future research.

**CONCLUSION**

The hypotheses in this study were supported, indicating that college students gain a better understanding of the class material when lectures include YouTube videos. Further, these students also enjoy the videos for entertainment purposes. For educators to try to connect with Generation Y, especially with their knowledge and demands of technology, educators should strongly consider incorporating videos and commercials relevant to the course material into the lectures. Because so many commercials, which demonstrate marketing concepts, have been uploaded to YouTube, this can be a good tool for marketing and advertising classes. Results reveal that these videos aid in the students’ learning as well as serve as entertainment in the classroom, making it easier for a faculty member to connect with a Generation Y student.
REFERENCES


FOSTERING CREATIVITY WITH EXAM DRAWING QUESTIONS

Philip M. Hurdle, Elmira College

ABSTRACT

This paper reports an exploratory study of using drawing questions on exams and quizzes as a means of fostering creativity among college business students. Results indicate that students believe creativity is important to a successful career and that drawing questions are beneficial. Drawing questions are recommended as extra credit questions only.

INTRODUCTION

Returning exams and quizzes to today’s students often results in their being disappointed with their scores. They’ll voice their concerns with, “We didn’t know what you wanted. Tell us what’s going to be on the exam and what you want for answers.” Perhaps these students could be better prepared for the work world, where creativity is expected and rewarded.

Born between 1979 and 1994, the millennial generation (Smola and Sutton, 2002) has been analyzed and characterized with a variety labels and stereotypes. They are seen as self-centered, unmotivated, disrespectful and disloyal, but also as more accepting of diversity, comfortable working in teams, and having more advanced information and technical abilities than any previous generation (Myers and Sadaghiani, 2010). Given extra attention by their parents, they are confident, conventional, and achieving and believe themselves to be special, but they tend to be less creative and less likely to take risks in the classroom (Williams, Beard, and Tanner, 2011).

The millennial students, particularly those majoring in marketing, will need to be creative. Their careers will involve developing new products and services, setting pricing strategies, formulating advertising and promotion programs, and evaluating means of distribution. According to authors Florida and Goodnight, a company’s most important asset is “Its creative capital – simply put, an arsenal of creative thinkers whose ideas can be turned into valuable products and services” (2005, pg. 124). While there are a number of definitions of creativity, the consensus among them includes, “the importance of novel combinations or rearrangements” of ideas, technologies, and processes (Fleming, Mingo, and Chen, 2007, pg. 446).

The purpose of this study is to examine the use of drawing questions on exams and quizzes as a means of fostering creativity among students belonging to the millennial generation. A perception survey was administered to students who completed exams and quizzes that included questions that asked them to draw pictures either as a required question on an exam or quiz or as an extra credit question. The survey was designed to determine the attitudes of students toward the drawing questions, the importance of creativity, and their beliefs about their creative abilities.

METHODOLOGY

During two 12-week terms, both in-class and take home exams were given to a total of 85 students in four marketing courses – Principles of Marketing, Consumer Behavior, Service Marketing, and Marketing Research – and also to a single section of Introduction to Management Information Systems. Principles of Marketing typically is taken by sophomores, and the three other marketing courses are usually taken by juniors and seniors. Introduction to Management Information Systems is a required course for all business administration students and is taken during taken during the junior or senior year.

Quizzes and exams in this study took a variety of forms. Most were a combination of objective questions and short essays. Objective questions comprised multiple choice, sentence completion, and, in one instance, a crossword puzzle. The short essays asked students to demonstrate their understanding and application of the course topics. On all but a few exams and quizzes, drawing questions were offered as extra credit worth 5 points (100 point scale). Quizzes and exams comprised between 65 and 75% of the final course grades in each course.

A variety of drawing questions were included in the exams and quizzes. Each question was reviewed and explained before the students set pencil (and sometimes colored crayons) to paper. Drawing
questions included, “On a separate sheet of paper create what you believe is the channel of distribution for either Ugg boots or Apple’s iPad2. Be creative and label as many components as possible!” (Principles of Marketing); “On a separate sheet of paper draw a student(s) taking advantage of a NEW self-service technology (SST) that might be installed in one of the dorms.” (Service Marketing); “In the space below draw a picture that clearly shows what might appear in the notebook of an individual conducting observation research in the student parking lots.” (Marketing Research); “In the space below create a spokescharacter who could be used in promoting this course. Use call outs as necessary.” (Consumer Behavior); “Suppose you were a professor of management information systems. In the space below draw the digital dashboard you’d want on your computer screen. Add details and call outs as needed.” (Introduction to Management Information Systems).

To receive full credit for a drawing, students had to demonstrate (1) a full understanding of the concept being considered, (2) creative thinking evidenced by at least one unexpected element, and (3) cohesive relationships among elements.

A perception survey was administered to students at the end of the each term. Eight Likert-scale questions asked students to indicate their agreement with a series of statements regarding their beliefs and experiences with drawing questions. The survey form introduced the study with, “This term’s quizzes and exams have included a drawing question either as one of several short essay questions or as extra credit. Drawing questions were designed to assess students’ understanding, use, and application of course topics in a creative manner. Please indicate your level of agreement with the statement below about your experiences with drawing questions this term.” Students were also asked what they believed their final grade would be in the course, their approximate overall grade point average, and their gender. A space was provided at the bottom of the survey for students to make comments. Surveys were anonymous.

Six of the eight Likert-scale statements fell into two main categories: drawing questions’ pedagogical value and the level of creativity the students believed they possessed. The remaining two statements questioned the perceived value of creativity in a career and if drawing skills were needed to create drawing “answers.”

Statements that queried students’ attitudes toward the value of drawing questions were: “I put more thought into drawing questions than other types of questions,” “Drawing questions made quizzes and exams more interesting,” and “Quizzes and exams in all courses should include drawing questions.” Statements that elicited students’ feeling about how much creativity they possessed were: “I like to draw or doodle when I have an extra minute or two,” “I can adequately draw what I’m thinking about,” and “I am more creative than most people I know.” Students’ beliefs about the value of creativity in a career were determined using the statement, “Creativity is important to a successful career.” In response to students’ initial fear that they needed to be an artist to receive credit for the drawing questions, students were asked to respond to the statement, “Being a skilled drawer was necessary to get full credit on drawing questions.”

In addition to the Likert-scale questions, students were asked to estimate the final letter grade they thought they would earn in the course (numerical equivalents were entered into the data set) and to indicate their overall grade point average using the traditional scale of zero to 4.0 and gender.

RESULTS

A total of 108 students received final grades during the two terms. Eighty-five students (39 males and 46 females) completed the survey. Using a t-test at a 95% confidence, statistically significant differences were found between students’ beliefs and “neither agree nor disagree” for all but two statements (see Table 1). Students’ belief in the pedagogical value of drawing questions as measured by indicating their positive agreement with the three relevant statements was statistically different than neither agreeing nor disagreeing with the statements. Their feelings toward being creative as indicated by stating their level of agreement with the second set of statements was mixed: their liking to draw or doodle when they had an extra minute or two and their belief in being able to adequately draw what they were thinking about was significantly different from “neither agree nor disagree.” Agreeing or not with the belief that they more creative than most people they knew was not significantly different from “neither agree nor disagree.”

Students significantly agreed that creativity was important to a successful career. They significantly disagreed with the statement that being a skilled drawer was necessary to get full credit on a drawing question.
Table 1. Students’ Level of Agreement with Statements on the Drawing Question Survey

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>t-Value</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>I put more thought into drawing questions than other types of questions.</td>
<td>3.718</td>
<td>1.269</td>
<td>-2.05</td>
<td>0.043</td>
</tr>
<tr>
<td>Drawing questions made quizzes and exams more interesting.</td>
<td>2.624</td>
<td>1.291</td>
<td>-9.83</td>
<td>0.000</td>
</tr>
<tr>
<td>Quizzes and exams in all courses should include drawing questions.</td>
<td>3.341</td>
<td>1.694</td>
<td>-3.59</td>
<td>0.001</td>
</tr>
<tr>
<td>I like to draw or doodle when I have an extra minute or two.</td>
<td>3.188</td>
<td>1.637</td>
<td>-4.57</td>
<td>0.000</td>
</tr>
<tr>
<td>I can adequately draw what I’m thinking about.</td>
<td>3.506</td>
<td>1.666</td>
<td>-2.73</td>
<td>0.008</td>
</tr>
<tr>
<td>I am more creative than most people I know.</td>
<td>3.800</td>
<td>1.518</td>
<td>-1.21</td>
<td>0.228</td>
</tr>
<tr>
<td>Creativity is important to a successful career.</td>
<td>2.024</td>
<td>1.023</td>
<td>-17.81</td>
<td>0.000</td>
</tr>
<tr>
<td>Being a skilled drawer was necessary to get full credit on drawing questions.</td>
<td>4.753</td>
<td>1.603</td>
<td>4.33</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Notes: Sample size (n) = 85. Std. Dev. is the standard deviation of the coded responses. t-Value is the tabulated t-value for a two-tail test for comparing the sample mean to the hypothesized population mean of 4 (neither agree nor disagree). At a significance level of 0.05 and given 85 of degrees of freedom, the critical value of t is 1.988. p-Value is the tabulated p-value, or the probability of wrongly rejecting the hypothesis (student attitude toward statement is neither agree nor disagree) if it is in fact true. Strongly agree = 1; Agree = 2; Somewhat agree = 3; Neither agree nor disagree = 4; Somewhat disagree = 5; Disagree = 6; Strongly disagree = 7.

For an expected final course grade, students believed they would earn between a B and a B+ (a numerical equivalent of 3.34 out of 4.00); in actuality the average final average course grade was just above a B (3.11). The average of all self-reported grade point averages was a 3.17 out of a possible 4.00.

Comments written at the bottom of the surveys were all favorable and included, “I think drawing questions were useful in better understanding course material,” “Totally keep the drawing questions,” and “I (heart) drawing questions.” Many students voiced their concern that drawing questions should only be in the form of extra credit, “I think drawing questions should remain as extra credit,” “Drawing questions are good but are very hard to get full credit so they would be bad for regular exam questions,” “Drawing should only be bonus,” and “I like having the drawing question as a bonus.”

Survey data from males and females were compared to determine if feelings about the statements differed. Using a t-test at a 95% confidence, statistically significant differences were found between the genders in their responses to the three statements concerning the pedagogical value of drawing questions; males indicated a statistically significant greater level of agreement with the statements about the value of drawing questions. No differences were found between the genders concerning their beliefs about being creative, the importance of creativity, and that being a skilled drawer was not necessary to receive full credit on the exams and quizzes. No differences were found between male and female students regarding their expected final course grade and their self-reported overall grade point averages.

Correlation analysis was conducted on the survey data. Many of the statistically significant relationships found during the analysis were expected (see Table 2). The belief that creativity was important to a successful career was positively associated with the responses to all other statements except for the need to adequately draw to receive full credit on the drawing questions. The strongest association was found to be that the more students believed that drawing questions made the quizzes and exams more interesting, the more they believed that one could adequately draw what one was thinking about. Significantly, the more students liked to draw or doodle when they had an extra minute or two, the more they thought drawing questions on quizzes and exams were interesting, but there was no significant relationship between liking to draw or doodle and the belief that drawing questions provoked more thought than other
types of questions. Significantly, the more students believed they could adequately draw what they were thinking about, the more interesting they found exams and quizzes with drawing questions, and the more they believed that all courses should include drawing questions. There was a significant relationships between students’ self-reported overall grade point average and other beliefs: the higher the grade point average, the more students believed that they were more creative than most people they knew, and the more they believed they could adequately draw what they were thinking about, and that all courses should include drawing questions. No significant relationships were found between the final course grade the students expected and other survey questions, and similarly no significant relationship was found between the belief that being a skilled drawer was necessary to receive full credit and other questions on the survey.

Table 2. Pearson’s Product Moment Correlation for Survey Responses

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 More thought</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 More interesting</td>
<td>0.298**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 All courses</td>
<td>0.217*</td>
<td>0.626***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Like to doodle</td>
<td>0.089</td>
<td>0.547***</td>
<td>0.230*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Adequately draw</td>
<td>0.215*</td>
<td>0.527***</td>
<td>0.410***</td>
<td>0.489***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 More creative</td>
<td>0.082</td>
<td>0.241*</td>
<td>0.328**</td>
<td>0.303**</td>
<td>0.323**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Creativity important</td>
<td>0.280**</td>
<td>0.448***</td>
<td>0.243*</td>
<td>0.310**</td>
<td>0.370***</td>
<td>0.271*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Skill needed</td>
<td>0.164</td>
<td>-0.103</td>
<td>-0.069</td>
<td>0.150</td>
<td>0.136</td>
<td>0.209</td>
<td>-0.047</td>
<td></td>
</tr>
<tr>
<td>9 GPA</td>
<td>0.135</td>
<td>0.066</td>
<td>0.261*</td>
<td>0.147</td>
<td>0.279*</td>
<td>0.219*</td>
<td>-0.002</td>
<td>0.183</td>
</tr>
</tbody>
</table>

*p < .05; **p < .01; ***p < .001 (two-tailed test).

DISCUSSION AND CONCLUSIONS

Millennials will be joining a work world where creativity is critical and is fostered by breaking the rules, avoiding traditions, creating conflict and stress, and taking risks (Baucus, Norton, Baucus, and Human, 2008), and is nurtured at all levels of the organization using a variety of leadership techniques (Mayfield and Mayfield, 2008). Will members of the newest generation be ready for the challenges of being creative given their particular attitudes and behaviors?

Students “come to school with a life history of creativity, whether it is manifested in the use of the Internet, various extracurricular pursuits, or even, occasionally, the classroom” (Livingston 2010, pg. 59) but must be encouraged to use their inherent creativity at every opportunity. Students in this study believed that drawing questions on exams and quizzes were valuable in that they put more thought into drawing questions than other types of questions, drawing questions made quizzes and exams more interesting, and that all courses should use drawing questions. Like other members of the millennial generation, students in this study also appreciated structured activities that permitted creativity (McGlynn, 2005).

Using drawing questions on exams and quizzes has been found to be a classroom activity that enhances creativity (De Souza Fleith, 2000). In a study of the effects of classroom activity on creativity, it was found that “developing the various characteristics identified as stimulating creativity in the classroom does indeed encourage students to exhibit more creative behaviors” (Driver, 2001, pg. 33). In the same vein, creativity is thought to be essential and should be fostered in college environments (Haring-Smith, 2006).

In this study no statistically significant difference was found between the genders concerning beliefs about being creative, similar to the results of a study of marketing students conducted at a Midwestern university that rejected the hypothesis, “Women and men have differing levels of creativity” (McIntyre, Hite, and Rickard, 2003 pg. 145).
Importantly, written comments at the bottom of the survey voiced concern that the drawing questions should be in the form of extra credit. Even though millennials seek to avoid personal risk and professors find it challenging to get them to demonstrate creativity (Williams, Beard and Tanner, 2011), managers of the millennials in the workplace are advised to “encourage them to take risks and break the rules so that they can explore new ways of doing things” (Crampton and Hodge, 2007, pg. 20). While creativity in the marketing classroom should be rewarded (McCorkle, Payan, Reardon, and Kling, 2007), drawing questions offering extra credit allow students to take risks and be creative without fear that doing poorly will have a negative effect on the exam or quiz grade.

This study is limited in that it used only students at a four-year private liberal arts college, and the behaviors and perceptions of drawing questions might have been different using all take-home exams or all in-class exams, as opposed to a mix of the two. Additionally, the results may or may not be generalizable to all subject areas.

Study results showed men believe more strongly than women that drawing questions were a valuable learning activity, an interesting difference that merits further research. Do students’ creative behaviors stay in the classroom, or are they taken with them after graduation? Further research is warranted into the effect of creativity-generating classroom activities on the levels of creativity exhibited later in a career.

REFERENCES


DIFFERENCE IN THE INFLUENCE OF BACKGROUND MUSIC ATTRIBUTES ON CONSUMERS’ ATTITUDE ACCORDING TO INVOLVEMENT

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Jung Ok Jeon, Pukyong National University, Korea
Hyun Hee Park, Kyungpook National University, Korea
Eun Mi Lee, Pukyong National University, Korea

ABSTRACT

The purpose of this study is to show how the effect of background music attributes on consumers’ responses to TV commercial differs according to consumer involvement. First, this study compares the impact of familiarity and product fit on consumers’ attitude according to consumer involvement, and then the relative influence of attributes of background music on consumers’ attitude according to involvement is discussed.

For the experiment, 2 (situational involvement: high/low) x 2 (familiarity of background music: high/low) x 2 (product fit of background music: high/low) factorial designs were used. A total of 480 consumers in South Korea participated in the experiment. A fictitious brand and advertising copy were developed to avoid bias. A pretest was done for background music selection to evaluate the potential familiarity and product fit. After respondents were exposed to advertising stimuli with different background music, they answered the questionnaire.

The empirical findings provide evidence that the familiarity of background music has a greater effect on attitude toward the ad when consumer involvement is low, while the product fit of background music has a greater effect on the attitude toward the ad when consumer involvement is high. Moreover, the attitude toward the ad has a greater effect on purchase intention when consumer involvement is low, while brand attitude has a greater effect on purchase intention when consumer involvement is high. There is no significant difference in the path from the ad attitude to the brand attitude.

Throughout the result of this study, it is found that the familiarity of background music would be effective in a low-involvement condition, while the product fit of background music would be effective in a high-involvement condition. It is also verified that the influence of attitude toward ad on brand attitude and purchase intention is different according to involvement. In conclusion, consideration should be given to what kind of background music will be played; that is, background music should be applied in relation with not only the attributes of background music like familiarity or product fit but also with consumer involvement.

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SOCIALLY RESPONSIBLE CONSUMPTION BEHAVIOR IN EMERGENT ECONOMIES: DOES ADVERTISING HAVE AN IMPACT?

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ABSTRACT

This research focuses on the effectiveness of advertising in building awareness, creating a positive attitude, and affecting responsible behavior among consumers in an emergent economy. A cause related ad campaign is used to measure audience responses from a random sample of 174. Findings indicate support for advertising effectiveness. However, contrary to expectations, there was no significant difference between the behaviors of socially responsible consumers and non-socially responsible consumers.

INTRODUCTION

The benefits of sustainable development cannot be exaggerated, especially in an emergent economy. Responsible use of resources is both a collective and individual responsibility. Governments make various laws to protect the environment and also use taxes and levies to further this goal. Corporations have made substantial investments in meeting regulatory requirements and going above and beyond to fulfill their social responsibilities. However, laws and business strategies alone are often not sufficient to curb non-responsible consumption behavior. Socially responsible consumption behavior may depend on the nationality, culture, values, demographics and psychographics of consumers and particular characteristics of the target segment as a whole. Environmental sensitivities have often been manifested in corporate social responsibility. Sometimes corporation have made great efforts to save the environment and show their corporate responsibility, there are occasions on which they also try to make some gains out of such movements by aligning their marketing efforts towards these phenomenon. However, there seems to be a dichotomy in what the consumers seem to demand from marketers and how they actually behave. For instance, Berger and Ward (2010) find that often the buying behavior of consumers bears no relationship with their interest in social responsibility exhibited by the marketer! Berger and Ward (2010) find that the evaluation of corporate social responsibility information is a complex and structured process that requires large (and often onerous) amounts of organizational and assessment skills from the consumers, something that most consumers are not ready to expend while making their routine purchase decisions. Oudou and Pechpeyryou (2011) report that only highly educated and high income consumers in France seem to show interest in fair trade products, although the nation as a whole seems to be concerned about such practices. Our study looks at socially responsible consumption behavior in an emergent economy -- India. We are presented with a unique opportunity to study the direct impact of a cause related advertising campaign focusing on sustainability and the environment, and consumer assessment and reaction to it.

Two of the companies in the domain of mobile communications in India have recently undertaken advertisements featuring some aspect of environment and sustainable development; Aircel and Idea. One advertisement (Aircel) shows the exact number of India’s national animal, the Bengal tiger, found in the wild and urges the common man to save tigers (see: http://www.youtube.com/watch?v=hRwOgGn6OmQ). This then led to another cell phone company, Idea, to an ad campaign that relies on promoting use of mobile technologies and communication methods in order to avoid use of paper. The ad clearly appeals to the audience in terms of environmental sustainability and pleads to protect environment through the use of their cell phone product (http://www.youtube.com/watch?v=vwB3G6aEhFk). Such a novel way of promoting the usage of the mobile service in order to serve environmental causes afforded us an opportunity to empirically examine the impact of these advertising campaigns to promote socially responsible consumption. We were able to capture the impact at the very inception of such cause related advertising campaigns in India through a field experiment study. These advertisements are targeted to the general public as part of a brand building exercise, but also fulfill the
needs to communicate a good cause. Such ads are expected to generate new customers that are sensitive and sympathetic to the issue being raised. These ads when used as stimulus, allow us to further explore questions related to the overall behavior of consumers towards the environmental and socially relevant issues; to measure the difference (if any) between the socially responsible consumers and other consumers in relation to the awareness, believability and resultant behavior. Further, this ad helps us see the relationship between cause related advertising theme and the belief that irresponsible consumer behavior and a lack of proper environmental stewardship could lead to catastrophic (fatal?) consequences for our world. Coinciding with this ad campaign, the Intergovernmental Panel on Climate Change (IPCC) and many media channels in India aired several programs simulating the disasters that may happen because of global warming, which again prompted us to examine the overall impact of such campaigns.

In the following sections we provide the literature that forms the bases of our research with a specific emphasis on research related to the Indian consumers, wherever relevant. We devote considerable ink to the theoretical underpinnings of socially responsible consumption behavior. We then proceed to formulate our hypotheses and present preliminary findings of an exploratory study. We conclude by providing insights into the managerial implications of our findings and setting the stage for future research studies.

LITERATURE REVIEW

Socially Responsible Consumption Behavior (SRCB) refers to an activity that bases one’s “acquisition, usage, and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society” (Mohr, Webb, and Harris 2001, p. 47). Socially responsible consumer behavior from consumption perspective is defined as those consumer behaviors and purchase decisions which are related to environmental and resource-related problems and are motivated not only by a desire to satisfy personal needs but also by a concern for the welfare of society in general (Antil 1984; Antil and Bennett 1979). Webster (1975) defined from consumer perspective as “a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change”. Whereas Roberts (1993) defined it from consumer perspective itself that the socially responsible consumer as “one who purchases products and services perceived to have a positive (or less negative) influence on the environment or who patronizes businesses that attempt to effect related positive social change”. Roberts (1995) stressed the need for the continuous review and extensively followed the literature for measuring SRCB and found that SRCB was often equated with Ecologically Conscious Consumer Behavior (ECCB). Roberts (1995) not only looked into the comprehensiveness of scales to measure these constructs but used them to identify four clusters of customers using cluster analysis to make it easy for marketers to target these clusters.

Socially responsible consumer behavior has been investigated across two categories – individual socially responsible behavior in an organizational buying process and behavior in individual capacity for self or family consumption. From an organizational perspective Socially Responsible Behavior of individuals within group decision making situations has been found to generally follow a cognitive decision framework partly influenced by the decision maker’s affective reaction to peer buying/sourcing professionals’ behaviors. Emotional reaction to top-management, however, has not been found as significant (Haesun Park, Leslie Stoel, 2005). In another study drivers for socially responsible purchasing include stakeholder influence and organizational values, media and NGOs’ attention and employees’ concern (Oksana Mont and Charlotte Leire, 2009). However, the focus in this paper is limited to the latter type only wherein aspects of individual consumption and individual capacity are explored. There has been a growing concern among consumers to know more about the ethical specifications of the goods and services they consider and purchase. Ethical consumption behavior refers to a project of becoming "the kind of person one should aspire to be, the type of life one is encouraged to lead, the practices which are invented to turn into moral beings, into the right sort of person" (Weeks, 1995, p.56). The framing of an ethical consumption behavior starts with the implicit human need for security and it is viewed as a dynamic socially constructed concept whereby consumers are mutually constituted by their own agency and by their changing structural environment (Cherrier, 2005).

There has been an increase in the socially responsible consumption in USA (Roberts, 1995). Studies in other countries also reveal similar trends. In a study in Malaysian setting it has been seen that fairness on trade practices and environmental consumerism practice were found to have significant association with the consumer ethical purchasing behavior having implications for competitive advantage in the market (Ismail & Panni, 2008). Using multiple regression analysis it has been found that social and environmental concerns, self-image in environmental protection and perceived environmental responsibility are high among Hong Kong adolescents’ green purchasing behavior (Kaman Lee, 2008).
Researchers have found the cultural influences on social and ecological sensitivity. SRCB has been investigated in different country and cross country perspectives and evidence in four of variations have been noticed. In cross country study between US and Korea, corporate information transparency has varied influence on consumer fairness perception of corporate services in hospitality services (Sunmee and Anna, 2006). Psychological constructs like selfish versus selfless nature influence consumption behavior with ethical concerns (Elizabeth, Morris, 1993). Elizabeth and Morris (1993) found that ethical concerns can influence consumption behavior wherein a person can play both, active and passive roles. In a US based sample Roberts (1995) used a cluster analytical approach and found four distinct segments on dimensions of ecological and social concerns. It has been found that the French customers were not socially responsible towards global issues and were more prone to local issues (Lecompte and Roberts, 2006). Because of the evolving societal concerns for ecological balance and adjustments in value systems over time, which varies across cultures, there is a need for continual refinements in the measurement methods (Roberts, 1995).

In Indian context, Narendra (2009) has done a descriptive study using scale developed initially by Antil (1984) with a sample size of 200 spread across one city and one semi-urban location. It has been seen that females and city dwellers are more socially sensitive in their consumption. Hence this research is motivated by the need to revisit the measure proposed by Antil (1984) after two and a half decades to seek applicability in Indian context, explore dimensions in the current context of changes due to abundance of information flow and understand more about distinguishing features of socially responsible consumers to help decision makers to classify better consumer segments. The initial set of measures instead of subsequent improvements are chosen for two reasons-one that a wide base of item inventory is available and second that social concerns are culturally sensitive concepts and improvisations have taken place in specific country contexts. In light of this knowledge our study has done a clean replication of the Antil’s scales, with minor modifications, to explore dimensions and determine factors taking a positivist position to have a quantitative assessment of behavior.

In accordance with prior literature, cause related advertisement is judged on three parameters.

1. Whether the respondents are aware of the cause related advertisement campaign?
2. If the respondents are aware of cause related advertisement, then do they believe the message communicated in the advertisement?
3. If they believe the advertisement, do they then follow the advice given in advertisement by exhibiting suggested behavior?

Based on these criteria, we present the following conceptual model to be tested:

![Figure 1. Conceptual Model to Evaluate IDEA Advertising Effectiveness](image-url)

The main objective was to know the impact of cause related advertisement on consumers’ socially responsible consumption patterns. Since, the effectiveness was judged on three (traditional)...
parameters awareness, believability and following the message, it was important to sequence the questions appropriately. The respondents were first asked behavioral questions such as whether they take printouts of transactions from ATM’s etc. These questions were disguised and were not giving any hint of the evaluation that they could lead to. For example, questions like whether you own a bank account etc. were asked before asking this question. It was deliberately done to reduce, as far as possible, the social conformity bias of respondents. If the awareness question was asked earlier then the respondents could discern the purpose of the study the study and respond in an ideal or socially desirable manner, not about what they actually do. Therefore, based on whether the consumer was conscious of environment and did act to save environment or not, they were categorized as environmentally conscious and non – environmentally conscious consumers. After this, Socially Responsible Consumption Behavior scale developed by Antil (1984) was applied. Based on respondents overall scores on the Socially Responsible Consumption Behavior (SRCB) scale, they were divided into two categories. The first was called SRCB consumers and the lower score consumers were called non – SRCB consumers. This was done because, as theory suggests, it was expected that the environmentally conscious consumers will have higher SRCB scores that non – environmentally conscious consumers and vice – versa. Similarly, it was expected that environmentally conscious consumers will be more aware and perceptive of environmental cause related advertisement more than non – environmentally conscious consumers. On the same lines, the SRCB consumers were expected to a higher level of belief in the advertisement message as compared to the non – SRCB consumers. Therefore, we propose the following hypotheses:

1. The advertisement is effective in terms of recall (both aided and unaided), believability, and resultant behavioral response.
2. There is a significant difference between socially responsible consumers and non-socially responsible consumers in their reactions to the cause related advertisement.
3. The people who believe that environmental stewardship that sustains life versus those that believe that irresponsible environmental stewardship could lead to catastrophic (fatal) results for our world will react in different ways to the advertisement.
4. There is no significant difference in social responsibility between two people who believe that the irresponsible environmental stewardship could lead to catastrophic (fatal) results for our world and those that don’t.

### RESEARCH METHODOLOGY

Antil’s (1984) SRCB scale is viewed as the most comprehensive one and has gained wide acceptance and usage. Antil’s (1984) was developed from an initial pool of 138 items, developed from a number of relevant sources to establish content and face validity and resultant final scale exhibited good psychometric properties. The final SRCB scale is composed of 40 Likert-type items scored on a 5-point basis anchored by Agree-Disagree. This is summative scale, wherein scores on the individual items are summed to form an overall SRCB index. The scale is considered unidimensional in nature, and the possible range of scores is 40 to 200.

For our research, descriptive cross sectional design was used. The data was collected in from a national random sample in India. Around 750 respondents that were exposed to the advertisement were emailed questionnaires out of which 127 respondents completed usable surveys (incidence rate 17%). The sampling technique was convenient sampling in the first stage and then snowballing generated more responses. Most of these Indian respondents were young in the age bracket of 20-35 years (92%). A large part of the respondents (62%) were students. However, the remaining 38% were employed in varied professions like jurisprudence, higher education, business management, journalism, research, and some reported to be self employed. Based on our screening questions, respondents were well educated, were well versed with internet, and were regular users of internet. The questionnaire was constructed based mostly on Antil’s (1984) SRCB framework. However, some questions were added and deleted in keeping with the objectives of the study as well as the other relevant literature leading 26 items after purification (Table 1 - items placed in order these were administered).

<table>
<thead>
<tr>
<th>Table 1.</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Pollution is not personally affecting my life.*</td>
</tr>
<tr>
<td>5. I do not think we’re doing enough to encourage manufacturers to use recyclable packages.</td>
</tr>
<tr>
<td>24. Commercial advertising should be forced to mention the ecological disadvantages of products.</td>
</tr>
<tr>
<td>33. I would be willing to accept an increase in my family's total expenses of $120 next year to promote the wise use of natural resources.</td>
</tr>
<tr>
<td>17. I’d probably never join the group or club which is concerned solely with ecological issue.*</td>
</tr>
<tr>
<td>25. Much more fuss is being made about air and water pollution than is real justified.*</td>
</tr>
</tbody>
</table>
27. I would be willing to pay a 5% increase in my taxes to support greater governmental control of pollution.
37. Our public schools should require all students to take a course dealing with environmental and conservation problems.
12. Non-returnable bottles and cans for soft drinks and beer should be banned by law.
19. The whole pollution issue has never upset me too much since I feel it’s somewhat overrated.*
4. Pollution is presently one of the most critical problems facing the nation.
16. I’d be willing to ride a bicycle or take a bus to work in order to reduce air pollution.
20. I would donate a day’s pay to foundation to help improve the environment.
2. Every person should stop increasing their consumption of products so that our resources will last longer.
7. Natural resources must be preserved even if people must do without some products.
18. I feel people worry too much about pesticides on food products.
3. The benefits of modern consumer products are more important than the pollution which results from their production and use.*
34. Products which during their manufacturing or use pollute the environment should be heavily taxed by the government.
10. Consumers should be made to pay higher prices for products which pollute the environment.
35. People should be willing to accept smog in exchange for the convenience of automobiles.*
28. Trying to control water pollution is more trouble than it is worth.
11. It genuinely infuriates me to think that the government does not do more to help control pollution of the environment.
31. I would be willing to pay one dollar more each month for electricity if it meant cleaner air.
13. I would be willing to sign a petition or demonstrate for an environmental cause.
1. People should be more concerned about reducing or limiting the noise in our society.
14. I have often thought that if we could just get by with a little less there would be more left for future generations.

FINDINGS

A word association test was conducted to know the unaided recall of the idea advertisement. Respondents were asked to write the first word that comes to their mind when they heard the word “paper.” This is relevant based on the heavy reliance on this word in the Idea advertisement, which was use as the stimulus. Graph I shows that the maximum response came in for “save paper” (26%) followed by other forms of the word “paper” like examination paper, newspaper etc. (22%). A very small percentage (3%) of respondents associated paper with the aired advertisement. If we club the responses as environmentally conscious or socially responsible behavior then trees, save paper, waste and environment, all can be clubbed as one group called others. As one can see, there are some responses that may at best be classified as neutral. The cumulative percentage of responses which can be categorized as environmentally conscious is 62.5%. This percentage is a good number to target, although the ad campaign didn’t generate much unaided recall. The aided recall of advertisement is very high. Very high proportions (88%) of respondents were able to recall the advertisement.

Of the respondents who were aware of the advertisement, a larger percentage (58%) believed the message, 30.4% (believed the message somewhat) and 11.6% didn’t believe the message given in the advertisement. These results are in line with our expectations but similar percentages distribution exists for those who were not aware of the advertisement. Therefore, we cannot say conclusively that those who are aware of the cause related advertisement are in any way different from those who were unaware of the advertisement in terms of believability of the message.

The most interesting finding is the relationship between those who believe the message and their behavior in following the message consciously. As mentioned earlier, the behavioral questions were asked earlier to avoid bias. The results indicated that those who believed and somewhat believed the message had a higher percentage of people requesting ATM statements in hard copy, using paper rather than avoiding wasting paper in favor of an electronic receipt to be sent to their mobile devise. This is a real surprise as it was expected that a larger percentage will avoid taking ATM statement printouts.

When the relationship between the online submission and believability of the ad message was explored, the results were similar for all three different types of groups. Respondents with varying degrees of confidence in the believability of the message were all exhibited similar distributions. All the three groups has
a larger percentage of people who exercised online submission if it was available as compared to hard copy submission, therefore no differences in the groups was found to be significant.

Similarly, the relationship between the believability and whether respondents actually try to act upon the advice was explored. Surprisingly, the percentage of those who don’t make conscious effort was more than those who made conscious effort within the group that believed in the message. However, these two types were almost similar in the “somewhat believe” category. Again, the group that didn’t believe the advertisement message had a surprisingly higher percentage of people making a conscious effort to save paper.

Based on unaided word association test, the respondents were divided into environmentally conscious and not conscious groups. Cross tabulation was conducted to see whether the conscious group was different in awareness and believability of message. High awareness was found in all groups thereby rejecting the assumption that the advertisement will register more with those who are more environmentally conscious. The groups were similar in their believability of the advertisement, again showing that the advertisement was believed in a similar way by all the groups.

SRCB scores were also calculated based on the scale and the means scores were compared for the groups who were aware and not aware of the advertisement. Although, the mean SRCB score was higher for group that indicated awareness of advertisement, this gain was not statistically significant.

The most interesting finding is the comparison of SRCB scores among the group which believed versus the group which didn’t believe the message. Here, the SRCB scores were significantly higher for those who believed the message as compared to those who didn’t believe the message. This result is in line with expectations and confirms the strategic effectiveness of targeting cause-related advertisements to socially responsible consumers.

However, the scores were not significantly different when it came to saving paper. This contradicts many earlier findings that the consumers’ behavior changes significantly by these cause-related advertisements. At best, it may be said that it results in awareness or belief generation but something more is required for a common Indian consumer to actually act on the communicated message.

CONCLUDING REMARKS

We have considerable research that shows the Corporate Social Responsibility imperative and the impact of CSR on consumer evaluations, our study shifts the focus to Consumer Social Responsibility. A negative CSR event and ensuing information has strong effect on customer evaluations, we are interested in seeing what impact corporate marketing communication that encourage socially responsible consumption behavior have on actual consumer behavior. Consumers might require corporations to behave in a socially responsible manner, the natural question then is, do they hold themselves to the same standards? The collateral marketing gains in terms of branding and building brands equity are of paramount importance to marketing managers. Our study is a first step in empirically moving in that that direction.

The common problem faced in research of this nature is to be able to actually isolate the effect of one such ad campaign. We were afforded the opportunity to isolate this effect at the inception of such a cause related campaign; to that extent our study is quite unique. Additional data and further analyses could yield insights that would be generalizable across industries (and countries). This study is able to explore the links between awareness, believability, and socially responsible consumption behavior. While we do not imply causality, our results certainly would be of interest to those that would like to use their CSR strategy in tandem with their marketing initiatives to yield positive change, responsible behavior, and a positive impact on the bottom line.

Managers do have the choice of not tying their marketing goals with cause related communications leading to socially responsible consumption, or, as seen with these cell phone companies, creatively promote an environmentally responsible message and encourage product usage. At a broader level, companies could keep trying to align themselves with environmental friendly tactics and use this actively and prominently in their positioning strategies. One must be aware that, believability of the message is closely tied to the product category being promoted, as our study indicates. The sizeable proportion that were able to relate the word “paper” with environmentally sensitive issues in the word association study makes that point. Managers must be sensitive to the various segments in the market that exhibit differing levels of environmental consciousness, essentially different levels of cause affinity. Marketing strategies must account for such differences. Based on our findings, advertisers can take heart in the fact that the believability of message was higher in the target group of high SRCBs. At the same time, we must caution that our results are preliminary in nature and indicate that behavioral aspects were not affected by the advertisement, at least consciously. The consumers’ still keep doing what they have been doing and no
significant behavioral changes can be attributed to the advertisement.

In conclusion, as a preliminary study, this research suffers from limitations similar to all such studies. A small sample size, a low incidence rate, and a study restricted to one country, India. We do have the advantage of isolating the effect of an ad in this country by studying its impact at the very inception of the campaign. It is suggested that further data be collected and more generalizable results be obtained. Our study sets the stage for such future research endeavors.

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Webster Jr. Frederick E. Determining the characteristics of the socially conscious consumer. *Journal of Consumer Research* 1975; 2:188–96 [December].
ABSTRACT

This research found that using the FCB Grid to develop and evaluate a mental health levy campaign has merit. Likewise, stigma has both positive and negative impact on a mental health levy. Introduced is the ‘STIGMA’ planning model to help mental health professionals pass a public mental health levy.

A CRITICAL CHALLENGE FOR MENTAL HEALTH PROFESSIONALS

Public mental healthcare professionals frequently appeal to their local communities for funding support. Mechanic and Aiken (1989) first elucidated the complexities and technical issues associated with the funding of the mental health system, and later research by Mechanic and Surles (1992) demonstrated the profound shift in funding from state to local government entities. Consequently, there is a need for public mental health professionals to market and promote mental health levies in order to secure necessary operating funds.

SOCIAL MARKETING AND PUBLIC PERCEPTION

Andreasen (1995) defined social marketing as a planned approach to social change, specifically as, “the application of commercial marketing technologies to the analysis, planning, execution, and evaluation of programs designed to influence the voluntary behavior of target audiences in order to improve their personal welfare and that of their society” (pg. 7). For mental health services, this means that much of their social marketing effort is directed toward educating the public as to patient/client needs or addressing critical areas related to stigma (Kirkwood and Stamm, 2006) all while seeking community financial support. Stigma related to receiving mental health services is a serious issue because it prevents those individuals in need of services from pursuing treatment (Teachman, et al. 2006). However, no found literature addresses the relationship between stigma and the outcome of mental health levies.

The mental health system is using a “Recovery Model” and promoting recovery as a mental illness possibility. Recovery from mental illness does not mean a person no longer needs support, but rather, they can gain greater control of their life and have valued roles in society (Fisher, 2011). However, the public perception of what recovery means is unclear and not found in the literature. Likewise, the effects of promoting recovery in terms of passing a mental health levy are unknown. What the literature does say is public opinion surveys reflect stigma. For example, many people think mental illness and violence go hand in hand (Harvard Mental Health Letter, 2011). In addition, surveys suggest that in general, people believe that the community at large is not personally caring or sympathetic to persons with mental illness (CDC, 2010).

THE FCB GRID

Holbrook and O'Shaughnessy (1984) stress that market researchers tend to focus on decision-oriented models and often neglect the emotional side of consumer behavior, something mental health professions would promote. Yet, Haley, et al. (2011) agree that buying decisions (behaviors) result from rational concerns such as price and efficiency, but nevertheless, point out that emotional concerns such as self-esteem or fear will also influence purchasing behavior. However, when it comes to mental illness, literature suggests that most of the messages received come from the mass media (Coverdale et al. 2002), and Baun (2009) suggests that the mass media have the power to bias the public perception of mental illness.

The FCB Grid incorporates four commonly accepted models of consumer behavior and cross-
classifies product decision-making situations along two dimensions: high/low involvement; and rational/ emotional dimensions (Vaughn, 1986). Thus, purchase decisions and communication strategy comprise four quadrants. The first quadrant [Economic Model], characterized by a high level of consumer involvement and rational decision criteria, suggests a need for informative advertising that emphasizes economic motives. The second quadrant [Psychological Model], characterized by a high level of consumer involvement and affective decision criteria, suggests a need for advertising that focuses on emotions, feelings, or latent drives associated with the offering. Quadrant three [Responsive Model], characterized by a low level of consumer involvement and rational, often routinized purchases associated with a necessary commodity, suggests a need for advertising that maintains and reinforces established habitual behavior. Last, in quadrant four, [Personal Model] characterized by a low level of consumer involvement and affective decision criteria, suggests a need for advertising that emphasizes personal satisfaction, self-respect [sense of pride, accomplishment], or social approval.

RESEARCH PURPOSE

The purpose of this study is to understand the citizen-customer in the context of the FCB Grid in order to gain insight into possible marketing strategies to pass a mental health levy. The goal is to offer a marketing strategy and advertising campaign that will assist mental health professionals provide for the greater good of society. The final objective is to discern a marketing strategy that promotes mental health and passes a levy.

METHODOLOGY

The data in this research flow from the principal marketing communications components of a failed mental health levy campaign in County 1. Next, a post-mortem field-interview as to why this marketing and advertising campaign possibly failed occurred in County 2 (similar in demographic characteristics: female/male ratio; household income; education level; presidential voting pattern – 90% demographic match). A sample of five hundred and twelve participants (N = 512) engaged in a brief field-interview with trained market researchers in County 2. This post-mortem field-interview assessed the levy promotional material of County 1.

Using a quasi-experimental design, the control group represented participants who responded to the question: “Would you typically vote for a mental health levy?” with a dichotomous response: yes or no. This control group minimizes response bias, since it is reasonable to assume participants would carry the “yes or no” behavior over to the experimental group. The control group (not shown cards) had an N size of 151 (where, Yes = 66 and No = 85).

For the experimental group (N=361), participants who stated maybe to the posed question were shown advertising and promotional material of the failed mental health levy. This material was collected and reformatted in print to fit on four postcard size laminated handouts.

The four experimental conditions: the postcard sent to citizens; public posters/billboards; flyers; and yard signs are illustrated in Exhibit 1.

In the final phase of this research design, following the field interviews with the experimental group, relevant “Yes” or “No” votes and responses were assigned to the most appropriate FCB quadrant for analysis.
Exhibit 1. Experimental Conditions

<table>
<thead>
<tr>
<th>Media Vehicle 1: Post Card</th>
<th>Media Vehicle 2: Poster/billboard</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Post Card Image]</td>
<td>![Poster/billboard Image]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Media Vehicle 3: Flyers</th>
<th>Media Vehicle 4: Yard Signs</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Flyers Image]</td>
<td>![Yard Signs Image]</td>
</tr>
</tbody>
</table>

Note. Identifying information (i.e. county of levy) removed. These experimental conditions (N = 4) shown only to participants classified as “maybe” they would vote for a mental health levy.

RESEARCH QUESTIONS

This study has four research questions of concern that parallel the FCB Grid quadrants when addressing a marketing strategy to pass a mental health levy. Specifically:

1. What is the role of cost related information to the citizen-customer?
2. Is there an affective relationship binding the citizen-customer to those with mental illness?
3. Does the citizen-customer perceive the mental health levy as a routine commodity?
4. Is the citizen-customer personally satisfied with their decision to vote for the levy?

RESEARCH FINDINGS

Control group results suggested that 12.8% would vote yes on a mental health levy “without” a presented reason. Likewise, 16.6% of the participants would vote no on a mental health levy “without” a presented reason. Thus, initially there is a 3.8% difference in vote direction or preference. This difference is negative and not in support of a mental health levy.

Findings from the participants in the experimental group suggest that yard signs had the most positive impact, followed by flyers/newspaper advertisement, the post card, and last, the poster/billboard (see Table 1 – percentage of “yes” votes). In addition, participant comments revealed conceptual areas. For example, the participants viewed schizophrenia as both a mental illness and a debilitating behavior – leading to levy support. However, participants viewed alcoholism as a “drinking problem”, leading to non-levy support. Refer to Table 1 and Table 2 for relevant comments as delineated by media vehicle and vote direction, as well as the rank-order of comments by FCB quadrant.
Table 1. FCB GRID CONCEPTUAL AREAS: YES VOTES

<table>
<thead>
<tr>
<th>FCB Quadrant 1: Post Card - 44% yes vote</th>
<th>FCB Quadrant 2: Poster/Billboard - 36% yes vote</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGH INVOLVEMENT, RATIONAL</strong></td>
<td><strong>HIGH INVOLVEMENT, AFFECTIVE</strong></td>
</tr>
<tr>
<td>1. Cost – it was cheap; community needs it</td>
<td>1. Without medication, she would not be dressed well</td>
</tr>
<tr>
<td>2. Picture of mental illness - older woman</td>
<td>2. He looks employed but depressed</td>
</tr>
<tr>
<td>3. Know someone with mental illness</td>
<td>3. They both look like they are thinking about something serious</td>
</tr>
<tr>
<td>4. Mental illness is a disease; no cure – need medication</td>
<td>4. Both are productive people with concerns</td>
</tr>
<tr>
<td>5. Many people will vote for this levy</td>
<td>5. It makes you feel good helping these people</td>
</tr>
</tbody>
</table>

Note. N size = 162: 44.85% = Levy ‘Yes’ vote. Comments clustered according to concept. **BOLD** comments reflect stigma; hence, stigma resulted 46.6% ‘Yes’ votes. Most relevant FCB comments for Yes votes: Quadrant 1 = #1, Quadrant 2 = #5, Quadrant 3 = #1, Quadrant 4 = #1. Percentage in parentheses reflects participant responses.

Table 2. FCB GRID CONCEPTUAL AREAS: NO VOTES

<table>
<thead>
<tr>
<th>FCB Quadrant 1: Post Card - 56% No vote</th>
<th>FCB Quadrant 2: Poster/Billboard - 64% No vote</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGH INVOLVEMENT, RATIONAL</strong></td>
<td><strong>HIGH INVOLVEMENT, AFFECTIVE</strong></td>
</tr>
<tr>
<td>1. Not going to pay for drinking problems</td>
<td>1. I do not see mental illness</td>
</tr>
<tr>
<td>2. Drinking problems/depression is not mental illness</td>
<td>2. These people may be depressed or worried but not mentally ill</td>
</tr>
<tr>
<td>3. Too much to read</td>
<td>3. You can tell by her hair style – not schizophrenic</td>
</tr>
<tr>
<td>4. Schools and courts already have their own money for programming</td>
<td>4. The lady has manicured nails, she has no signs of mental retardation</td>
</tr>
<tr>
<td>5. Not the best time to ask – bad economy</td>
<td>5. The lady has upscale clothing; neither look like they suffer with schizophrenia or autism</td>
</tr>
</tbody>
</table>

Note. N size = 199: 55.12% = Levy ‘No’ vote. Comments clustered according to concept. **BOLD** comments reflect stigma; hence, stigma resulted 48.1% ‘No’ votes. Percentage in parentheses reflects participant responses.
DISCUSSION AND IMPLICATIONS

The overall findings of this study parallel the actual outcomes of the failed levy; that is, the marketing and advertising strategy failed to secure the majority of public support even in a similar county. In addition, the public marketing and advertising campaign never overcame the initial 3.8% difference between the negative predisposition towards the “yes” or “no” vote. The implication is that passing a mental health levy begins with a deficit.

Likewise, data suggest that 46.6% of the “yes” votes for a levy are stigma related; similarly, 48.1% of the “no” votes are stigma related. Stigma as defined here suggests a negative connotation attached to those with a mental illness. Therefore, given these results, a marketer can expect stigma to influence approximately 50% of all votes. Note that 46.6% of the yes votes were stigma driven. This supports what Kotler (1973) calls negative demand, a situation where the marketer faces individuals who dislike the offering and might even pay a price to avoid it. This implies that the citizen-customer will likely pay to avoid “mythical” or “stigmatized” mental health situations.

Question one examined the role of cost to the citizen-customer and found it to be the third most important area in the FCB Grid (i.e. Economic) when determining a YES vote; 36% of the participants specifically referred to low, reasonable or cheap cost as the rationale for voting yes. Hence, although cost was the third out of four areas related to voting yes for a mental health levy, similar to what Haley et al. (2011) would have predicted – it appears not to be a significant issue alone for citizens to vote for a mental health levy.

The implication for marketing directors promoting a mental health campaign is that stressing cost, even if low, would probably not result in the desired vote direction. Furthermore, creating an extensive educational campaign may not result in a preferred vote, given that Quadrant 1 in the FCB Grid represents logical thought and cost was the highest rated area in this quadrant. Likewise, participants’ comments suggest that the postcard was too much to read (i.e. educational information). This may imply that the levy was not personally important or perhaps some participants were not open to reason. In the end, passing a mental health levy may have little to do with the rational aspect of cost.

Question two examined the affective relationships that resonate with the citizen-customer and found them to be the fourth most important area in the FCB Grid (i.e. Psychological Impact) when determining a YES vote. Only 8% of the participants openly commented that this was a reason for voting yes and that it makes them feel good to help people suffering with mental illness. Hence, the customer affective relationship was in the bottom or fourth out of four areas related to voting yes for a mental health levy. It would not be a significant issue alone for citizens to vote for a mental health levy. This finding supports statements from the CDC (2010) that report people in general are not caring or sympathetic to persons with mental illness.

The implication for marketing directors promoting a mental health campaign is that stressing a “feeling good” appeal would probably not result in the desired vote direction. Furthermore, creating literature or promotional events showing how good it will feel to help those with a mental illness does not guarantee a preferred vote. Likewise, participants’ comments in this study found that only one out of the highest rated twenty cluster areas discussed “feeling good” about voting yes for a mental health levy. In the end, passing a mental health levy may have little to do with creating an affective relationship with the citizen-customer.

Question three examined if the citizen-customer viewed the levy as a routine commodity. Results found it to be the second most important area in the FCB Grid (i.e. Responsive) when determining a YES vote; 63% of the participants specifically referred to perceiving the community as paying for mental health services in the past. Hence, viewing the mental health levy as a routine commodity or service cost was the second out of four areas related to voting yes for a mental health levy. Therefore, purchase behavior defined as a commodity has a tendency to repeat – it is an automatic, non-thought driven behavior.

The implication for marketing directors responsible for a mental health campaign is that promoting a “history of service,” even if a previous levy had failed, may result in a preferred vote. Remember, Quadrant 3 in the FCB Grid represents a purchase decision (i.e. vote) for a routine behavior. Passing a mental health levy may have more to do with marketing the history of routine services delivered to the community than promoting future programming or planned services. This finding supports Berger’s (1985) contention that some purchases are automatic when viewed as a commodity. Likewise, it supports Vaughn’s (1980) finding that people like routine buying decisions and will follow the crowd.

Question four examined if the citizen-customer was personally satisfied with their decision to vote “yes” for the levy. Results found this to be the most important area in the FCB Grid when determining a YES vote. Sixty-seven percent (67%) of the participants specifically referred to voting yes because of the thought of having the mentally ill engaged in
“inappropriate” behaviors like violent attacks on citizens or lewd and licentious activities in public places. This pronouncement supports the Harvard Mental Health Letter (2011) when summarizing some common public beliefs about people diagnosed with a mental illness. This finding also confirms Haley et al. (2011) fear-buying hypothesis.

The implication for marketers promoting a mental health campaign is that stigma can silently help pass a mental health levy. Some mental health professionals may find this to be somewhat distasteful. However, to a marketer, this could be an opportunity. For clarity, marketers would never directly promote stigma; however, deciding to develop an educational campaign dispelling myths about the mentally ill prior to the public vote seems unwarranted and possibly dangerous if passing the levy is the goal. In reality, a mental health provider may wish to consider saving any public education campaign until they have secured operating funds.

In light of these research findings, offered is the ‘STIGMA’ planning model to promote the passage of a mental health levy campaign (refer to Table 3).

Table 3. STIGMA PLANNING MODEL: MARKETING MENTAL HEALTH

<table>
<thead>
<tr>
<th>Simplicity works — allow the theatre of the mind to take hold.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target concepts to promote or avoid — highlight behaviors, avoid labels.</td>
</tr>
<tr>
<td>Initiate a levy campaign, not a social marketing campaign — educate after passing levy.</td>
</tr>
<tr>
<td>Give thanks to the community — demanding a “yes” vote may be counter-productive</td>
</tr>
<tr>
<td>Market the history and heritage of services — remind them it is a community standard.</td>
</tr>
<tr>
<td>Analyze promotional material — make judicious use of rational and emotional appeals.</td>
</tr>
</tbody>
</table>

LIMITATIONS/FUTURE STUDY

This study exhibits all the inherent limitations and weaknesses associated with both qualitative and quasi-experimental research designs. Specifically, the researcher has limited control over the qualitative data collection procedures and lacks complete control over the ability to randomize test participants’ exposure to treatments. However, the findings in this study strongly support the building of testable hypotheses. Hence, in the future it makes sense to either qualitatively repeat the concepts posed in this study or quantitatively test the role stigma plays in passing or failing to pass a mental health levy. Likewise, this study did not have the ability to compare or contrast a failed levy with a successful campaign. Therefore, it appears warranted to test a discriminant research model in the future and segment relevant factors. Moreover, it is plausible to extend this research model to other social marketing campaigns, similar to school, fire, police, or sewer levies.

CONCLUSION

This study used the FCB Grid to evaluate a failed mental health levy. Four critical findings emerged. First, results suggest that the FCB Grid is a useful analytical tool in performing a post-mortem analysis. Second, stigma can have both positive and negative impact on a mental health levy. Third, mental health levy campaigns probably begin with a deficit in community support. Fourth, there is a strategic difference between social marketing and developing a levy campaign. In the end, introduced was the ‘STIGMA’ planning model to guide public healthcare professionals in developing a marketing plan to pass a public mental health levy.
REFERENCES


The demands of Millennials engaged in healthcare professions have just begun to tax recruiters and HR departments. This study examines expectations expressed by Midwestern doctors, nurses, chiropractors, dentists, orthodontists, scientists, physical therapists, nurse practitioners and pharmacists as they begin to infuse the healthcare landscape with new ideas about workplace accommodations that may cause conflict with older generations and add up to an expensive investment in talent by healthcare employers.

INTRODUCTION

Casey Woster is 28, an M.D. hooded two years ago at Creighton University School of Medicine. He selected emergency medicine as his specialty and on national Match Day 2009, was chosen as the top candidate by Regions Hospital in St. Paul. According to his mother,

“This didn’t surprise me in the least; Casey is low key in the extreme, but has a nearly photographic memory, has a high tolerance for studying while others are partying, speaks Spanish fluently thanks to medical mission trips to Dominican Republic, Argentina and Peru, and has consistently been rated among the top two students in his medical school class. He has already worked hard for the privilege of putting in the long, strange hours expected of doctors in residency programs, and accepting the legendarily tough stretches of unabated shift work” (personal communication, February 24, 2010).

What is surprising, however, is how unconcerned Casey seems to be about whether his personal appearance and demeanor measure up to the hospital’s expectations. Granted, his sister, a third-year law student and at 26 also a Millennial, described his appearance as “recently emerged from a vacuum cleaner bag” (personal communication, February 24, 2010). When Casey sat through his six-month review, he learned a fellow student had remarked in a peer review, “Casey could shave more often.” An attending physician on his rotation noted pointedly in a conversation with Casey that other doctors wore their white coats, tucked in their shirts and got more frequent haircuts. To that, Casey responded simply by donning his white coat more often over his scrubs (personal communication, March 2, 2010) and after several episodes where patients asked where their doctor was, has shifted from introducing himself to patients as “Casey Woster,” to “Dr. Casey Woster.” The glancing comments alluding to his appearance weren’t even a blip on his sonogram. His focus is on studying, making sound diagnoses, and starting to fit a life in around the edges of his demanding profession. This attention to life-work balance (including dating, fitness and outdoor pursuits), social concerns, informality in appearance and personal relationships, and reliance on technology (he frequently checks for drug interactions, using his smart phone, while on the job) are hallmarks of the Millennial generation (Fabian, 2010, p. 58).

Millennials, 70 million strong, are already impacting the American economy. That is especially true of Millennials employed in the healthcare sector. Total spending on health care in America has doubled over the last 30 years to a current level of about 16% of GDP. The Congressional Business Office estimates this percentage will double again over the next 25 years to 31% of GDP (Bartlett, 2011). According to Thompson Reuters, salaries and benefits comprise about half of costs incurred by most U.S. hospitals (Solucient, http://www.solucient.com/articles/07_MTM_Solucient.pdf, accessed December 29, 2011).

This paper begins an exploration into attitudes, social norms and consumer behavior exhibited by Millennials who are employed in healthcare-related businesses. Included in this exploration is a primary research study asking Midwest-trained Millennial students and professionals what workplace accommodations they expect as they continue to infuse the medical workforce. There is much to be learned by their current and future employers as they strive to keep this important professional workforce satisfied and productive.

Generational Values

Experts don’t always agree on the span of years defining each generation, but most generally believe the generational groups look like this: Greatest Generation (born 1925-1945), Baby Boomers (born 1946-

The Greatest Generation, a moniker dubbed by TV newsmen Tom Brokaw, is also known as the Silent Generation. There are 40 million Silents still in the workforce, and this group still holds about 70% of U.S. financial assets (Gilhooly and Gilhooly, 2009, p. c265). As a group, these workers are responsible for business growth and are disciplined, detail-oriented, dislike conflict, prefer hierarchical structures and maintain an historical perspective. They were shaped by radio, telephone, movie theaters, World Wars and the Great Depression (Stockburger, 2008, p. 44).

Baby Boomers are generally the children of the Silent Generation and are accustomed to being the center of their parents’ universe. They revolutionized society with computers, communication devices, new delivery systems and entertainment blockbusters, currently dominate senior management, expect fulfillment in all areas of their lives, and want to keep working but in a worthwhile endeavor (76 million are still working). Some Boomer values include liking and seeking power, living to work and make money and living outside their means (Gilhooly and Gilhooly, 2009, c. 266).

Generation X, at only 54 million, is considered conscientious, extremely pragmatic, adaptable, and self-sufficient group, born at a time when children were at the bottom of social priorities, and often raised as latch-key kids. Core values include not being intimidated by authority, working to live rather than living to work, informality, independence, and diversity. They were shaped by the Reagan era, Challenger disaster, HIV, Iran hostage crisis, Watergate, business corruption, and women’s liberation protests (Stockburger, 2008, p. 45).

Seventy million Millennials, or Generation Y, now impact business as workers, and not just as consumers. They are at the center of the self-esteem movement and this individualism is reflected through body art such as piercings and tattoos. Millennials are tolerant on social issues such as immigration, racial diversity and homosexuality. Their values include close ties to parents and grandparents, team orientation, advocacy, environmentalism, social responsibility, technology, global community, optimism and achievement, and having fun at work. This group of 70 million (with approximately 35 million now in the workforce) was shaped, for good or ill, by terrorism and 9-11, Columbine shootings, the internet, Iraq War, cell phones, cable and reality TV, and gaming (Armour, 2005).

Demographic Shifts

Demographic shifts are, and will continue, to have a profound impact on the American workforce. The labor force in 2011 was at the lowest ebb since the 1930s, and the U.S. birth rate continues to decline (Bureau of Labor Statistics, http://www.bls.gov/emp/emplab1.htm, accessed March 10, 2010). Half of the population is at retirement age right now, or will be within five years (Bureau of Labor Statistics). The shrinking of the workforce manifests in an estimated shortfall of 20 million workers over the next 20 years. Currently, however, there are four generations in the workplace, weighing in on leadership in what has become the most dynamic workplace scene ever. The impact across the country is profound; that profundity is keenly felt in South Dakota and throughout the Midwest. That dynamism extends to healthcare, an industry in which nearly 20% of South Dakotans were employed in 2009 and which was projected by the state Department of Labor and Regulation to grow by 16.2% from 2008 to 2018 (South Dakota Department of Labor and Regulation, http://dlr.sd.gov/lmic/pdfs_and_other_files/career_hot_trends_in_healthcare.pdf, accessed December 29, 2011).

Each generation as a collective demographic group carries with it various values: how they view work, what they consider important, how they approach interpersonal conflicts and generally, how they view the world. Casey is but one example of how the next wave of healthcare workers born between 1980 and 2000 – known variously as Generation Y, Generation Why?, Generation Next and Millennials – will approach the workplace: Casually in dress and workplace culture, but seriously in terms of the work to be done and the technology to assist them (Lovern, 2001, p. 5).

This approach causes serious problems among older generations who have difficulty understanding, respecting and valuing these differing perspectives. The generation gap is no longer bipolar; it is four-dimensional and creates a quad matrix of opportunities and stresses (Gerke, 2001, p. 174). Can four generations of healthcare professionals learn to appreciate diverse points of view, leverage the strengths, and value the differences in colleagues from various generations? And ultimately, can we afford to give – or not to give – Millennials what they are beginning to demand of employers?
Conflicts

Working Americans today experience more on-the-job conflict than ever, due in large part to discord inherent in differing generational expectations, work habits, productivity and other aggravations brought on by communication issues. The two older generations are most often at odds with the two younger generations (Gilhooly and Gilhooly, 2009, p. c265). “The values of Generation X and the Millennials affect both their attitudes toward work and how they work. They are working to live and see education/work as a way to build their personal assets and skills. When the younger generations stop seeing a benefit to their work, they move on” (Gilhooly and Gilhooly, 2009, p. c267). This is best illustrated by a 24-year-old who says of her generation: “There’s a higher value on self fulfillment. After 9/11, there is a realization that life is short. You value it more” (Armour, 2005). Silents and Boomers are both dedicated to work – living to work rather than working to live – and simply don’t understand this perspective.

Nationally, 60% of employers report tension between employees from different generations. One survey found that 70% of older employees were dismissive of younger workers’ abilities. And almost half of the employers who responded said that younger employees were also dismissive of the abilities of their older co-workers (Armour, 2005). The same attitude certainly exists in the world of healthcare. A workshop on generational differences at the 2007 annual meeting of the Association of Pediatric Program Directors pointed out some of the issues Silents and Boomers have observed about medical professionals who hail from X and Y Land (Gilhooly and Gilhooly, 2009, p. c267). Some of the issues pointed out about the younger generation included allegations that they won’t do the “extra” things, relied more on technology than on intellect, exhibited a lack of professionalism in dress, music players, cell phones and taking time off when they wished. Younger doctors responded that they wanted to have a life-career balance, to express themselves through dress and personal grooming, and to receive constant favorable feedback. They fired back that older doctors were lagging in utilizing technology and furthermore, lacked respect for the contributions of younger doctors (Gilhooly and Gilhooly, 2009, p. c297).

The transition to the Information Age has flipped generational relationships. Young healthcare workers are not as reliant on their older peers because they can easily access expert information from around the world via computers (Weston, p. 6). “Instead of young nurses turning to their older colleagues for advice, older nurses are often dependent upon their younger peers for coaching, mentoring, and guidance in using the computer for everything from documenting their work to accessing necessary information” (Weston, p. 6).

Articles reviewed for this paper noted that Gen Y has no problem speaking up, about conflict and much more. In a USA Today article about Gen Y was a telling quote. “Generation Y is much less likely to respond to the traditional command-and-control type of management still popular in much of today’s workforce,” says Jordan Kaplan, an associate managerial science professor at Long Island University-Brooklyn in New York. “They’ve grown up questioning their parents, and now they’re questioning their employers. They don’t know how to shut up, which is great, but that’s aggravating to the 50-year-old manager who says, ‘Do it and do it now’ ” (Armour, 2005). Another management problem relates to feedback. Previous generations were accustomed to annual reviews whereas Gen Y has experienced “constant feedback and recognition from teachers, parents and coaches and can resent it or feel lost if communication from bosses isn’t more regular” (Armour, 2005). Other documented differences include, as Casey’s experience illustrates, conflict over casual dress. Resentment is clearly breeding over attire at work such as flip flops and Capri pants (Armour, 2005).

Improving the Work Environment

The generational mixture has stirred up the workplace pot, which has already begun to churn as younger workers are apt to change jobs more readily (Bezjian, Underwood, Broughton, Rowley, Schroeder and Bolles, 2005, p. 3). While the Silent Generation often began and ended their careers with the same employer, Baby Boomers are more interested in relocating if the move presents new career challenges and renumeration. Career advancement has become a serious issue among today’s healthcare workforce and has resulted in more acceptance of job changes and abbreviated tenures. “High performance at many different facilities in which the career skill set is molded and groomed is more important than a slower progression of skill development with a single employer” (Stockburger, 2008, p. 46).

Ultimately, if research bears out generational agreement on what constitutes a supportive work environment, it is time for employers to deliver that environment. If Gen X and Gen Y are working to live and see education/work as a way to build their personal assets and skills, it seems to follow that if they stop seeing a benefit to their work they will move on. Gen Y is especially committed to advocacy work and may
find satisfaction in workplace flexibility designed to allow them to participate in activities such as Doctors Without Borders, to job share, or to work hours more conducive to family life. Gilhooly and Gilhooly suggest that some practical considerations for improving the work environment would benefit all generations: make work fun (don’t skip the parties to save the budget), keep employees learning new skills, be clear with expectations, offer immediate feedback but not micromanagement, and respect their commitments, whatever they might be (2009, p. c268). Stockburger claimed it would help retain workers if employers value workers, seek their comment and act on it, create a viable career ladder for them to climb, and make everyone feel he or she is an important part of a team (2008, p. 48).

Closer to Home

Sioux Falls, South Dakota, has a vibrant healthcare community. It is home to 151,646 – 32% of whom are between the ages of 15 and 34 and therefore Millennials – as well as several large healthcare systems, Sanford Health, and Avera McKennan, in addition to the Avera Heart Hospital of South Dakota, and the Veteran’s Administration Hospital (U.S. Census Bureau, http://factfinder.census.gov/servlet/ADPTable?_bm=y &-geo_id=16000US4659020&-qr_name=ACS_2009_5YR_G00_DP5YR5&-ds_name=ACS_2009_5YR_G00_-&_lang=en&_sse=on, accessed December 31, 2011). There are laboratories, surgical centers, private nursing agencies, fitness facilities, assisted living facilities and nursing homes, and medical professionals working in the Sioux Falls School system, as well as in public and private businesses. In short, Sioux Falls, as a regional medical community, is feeling the very real effects of the generational changeover (Sioux Falls Development Foundation, http://www.siouxfallsdevelopment.com/biotech.cfm, accessed December 30, 2011).

Statistics provided by Sanford Health show that 8,767 were employed by the system in 2007. Of those, 484 or 5% were “mature” employees (4% females, 1% males). This compares to 3,691 or 42% Baby Boomers (35% females, 7% males), 3,127 or 36% Gen X (30% females, 6% males), and 1,465 or 17% Gen Y (14% females, 3% males). The System had grown significantly by the end of 2009, including a merger with the North Dakota-based system, MeritCare. Sanford alone employed 10,275 by the end of 2009. Of those employees, 362 or 3% were from the Silent Generation, 4,054 or 39% were Baby Boomers, 3,545 or 35% were Generation X, and 2,314 or 23% were Generation Y. More than 80% of Sanford’s employees in the Baby Boomer, Gen X and Gen Y age groups are female. The 7,319 employees of MeritCare have swollen the North-South health system to 17,594 (Sanford, 2010, p. 4).

Methodology and Analysis

In an attempt to further illustrate how Gen Y was infusing healthcare on a local level, a study was undertaken of Augustana College students and medical professionals who were clearly Millennials. A survey was devised through Survey Monkey and was pre-tested by several local medical students and doctors. A link to the 19-question survey was emailed to 1,261 students and alumni from Augustana College who were majoring; or had majored, in nursing, biology, chemistry, or physics. These majors were chosen because they most often lead to science-based professional careers. Fifty-four emails bounced back due to outdated email addresses. Over a two-week time frame, 245 current and former students completed the online survey for a 20% response rate. The results, while limited to students and alumni from one South Dakota college, are eye-opening and relate directly back to what research has consistently shown Gen Y professionals, especially those employed in healthcare positions, expect in the workplace (Gilhooly and Gilhooly, 2009, p. c297). This is consumer behavior at its most basic, and a message to which healthcare employers must pay close attention.

Of those who responded to the survey, 80% were female and 20% were male. Almost 100% of respondents, naturally, attended college in South Dakota. Nearly 80% attended graduate school in the immediate vicinity (South Dakota, Minnesota, Iowa, Nebraska, Kansas and Missouri).

Half of the undergraduates said they were planning to work in medicine, 13% were graduate students, and 35% were currently working in medicine. Only 2% were not planning to work in medicine or were not currently working in medicine.

Respondents had a variety of plans for their careers. Nearly 40% were focusing on careers as nurses, 4.5% as nurse practitioners, 19% as medical doctors, 3% as doctors of osteopathy, 1.6% in chiropractic medicine, 3% in dentistry, 4% in optometry, 4% in pharmacy, 7% in physical therapy, 3% as physician’s assistants, 4% in medical research and 11% as “other,” which included work as nutritionists, nurse anesthetists, lab technologists, athletic trainers, medical lab scientists, and physician scientists.

Survey-takers were asked to imagine their work environments and to list all the technological tools or aids they do or would employ to help them in their daily work. Nearly 85% said they do/would use email,
phones and tools such as Skype in communication efforts. Over 70% said they do/would participate in group training sessions, 60% do/will use handheld internet devices, and 50% do/will participate in work teams comprised of medical specialists and use online collaborative tools such as Google Documents. About 30% use or foresee using podcasts for continuing education, 28% do/will use a dictating device, and less than 5% said they currently use or will use computerized charting/medical records and other phone applications.

The heart of the survey, at least from a human resources perspective, came next. Respondents were very clear about what workplace amenities they expected or received as part of their employment package. Nearly 100% said they expected to receive or received health insurance. The next most popular expectation, at 83%, was continuing education, followed by assistance with financial planning and loan forgiveness (60%), discounted healthcare services (53%), employee assistance programs (45%), signing bonuses (40%), on-site fitness facilities (38%), 24-hour food services (33%), and employer-sponsored daycare facilities (28%).

According to the survey, respect by their peers was the most important professional accommodation to respondents. More than half said this respect was of vital importance. Half said flexibility in scheduling and pay were very important. About 30% said amenities such as food service, workout facilities, and convenient/safe parking were important to them.

Over 60% of the respondents said they either had, or anticipated having, generational conflicts at work with older colleagues. Just over 17% said they had not, or did not expect, to experience conflict and almost 20% said they may experience age-related conflict at work.

Perhaps more important to the discussion was how that conflict would manifest. Almost 50% said they anticipated or experienced problems in communications, either interpersonal or technological. Just over 30% said they expected to, or have experienced, problems in how they did their jobs although NOT in ultimate patient care. About 20% anticipated problems due to their youth. Over 30% said they didn’t believe there would be or had not been problems based on their age. About 10% said they expected other problems, primarily related to cultural or gender differences.

Not surprisingly, this demographic relies on technology. When asked what was the best way for an employer to communicate with them, 93% said email, 82% said cell phone, 41% said texting, 23% said mail sent to their home, 22% said pager, 21% said notices posted at work, 16% said intranet, 12% said Facebook and 11.5% said land-line phone.

This will be a well trained, well educated group, despite author Mark Bauerlein’s allegations that Gen Y is the “dumbest generation” (Begley & Interlandi, 2008, p. 1). Nearly 40% anticipate completing four years of graduate education, 25% two years beyond college and 12% eight years beyond a bachelor’s degree. Just over 17% said their formal education was complete.

When asked what sort of technology they use daily, or expect to use daily, 82% said a desktop computer. Over 80% use a cell phone, 65% use a laptop, and 53% use a land-line phone.

Prescriptives

While research among Millennial healthcare professionals working in the Midwest must be continued and refined, there are major implications for employers today:

1. Hire recruiters and human resources staff who reflect the Millennial population. A Millennial recruiter will share values and expectations, therefore may better understand potential employees and gauge their fit with the healthcare organization.
2. Reevaluate benefit packages so they are more reflective of the Millennial expectations for amenities such as on-site daycare and workout facilities, signing bonuses, flexible hours, help with financial planning, and discounted healthcare. As Baby Boomers continue to retire, this period of time presents an opportunity to repackage benefits to reflect the values of Millennials.
3. In order to ease the transition of Millennials into the workplace, employers would be wise to increase training in conflict management to aid in the communication and understanding between the generations of colleagues.
4. Human Resources should continue their efforts to evaluate employee satisfaction levels and offer immediate feedback as these changes are incorporated, and seek ways other than face-to-face, to communicate with Millennial employees.

Conclusion

There are profound changes in store for the U.S. healthcare system, some driven by political change, some by an aging population, some by disease states, some by finances, some by legislation, some by technology. But nothing will impact healthcare in the next 10 years more profoundly than the newest generation
of workers. These folks will bring a keen sense of justice, social awareness, informality and a sense of exploration to work with them each day. If countless studies of Millennial medical professionals are accurate, human resources staff will have their hands full. These employees want it all: On-site daycare and workout facilities, signing bonuses, flexible hours, help with financial planning, and discounted healthcare. No longer will employees focus exclusively on health insurance; they assume it will be there and only a small part of the employment package. They anticipate workplace conflicts, and angst is practically guaranteed unless older generations accept Millennials’ very definite ideas of a balanced work-personal life. They’re here, they’re opinionated, and they’ll soon hold the workplace reins in their hands.

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EXPLORING THE EFFECTS OF MOTIVATIONAL PRIMING ON CONSUMERS’ FOOD PORTION SIZE CHANGE INTENTION

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ABSTRACT

This research utilized regulatory focus theory to explore the effects of the priming of consumers’ motivation on food portion size change intention. The results reveal that when consumers’ motivations are primed explicitly, a promotion prime caused an increase in intentions, and a prevention prime caused a decrease in intentions.

INTRODUCTION

Studies have shown that the key cause of obesity is the amount of food consumed on a regular basis (e.g., Chandon and Wansink 2007; Wansink 2006). Indeed, over the past two decades, the amount of a single food item consumed in a single eating occasion, known as a food portion size, has increased significantly. Food portion sizes have increased mainly because of the increasing availability of larger meals provided in restaurants, larger snacks and beverages sold in vending machines and grocery outlets, the difficulty in finding recommended portion sizes of foods (e.g., a one-ounce bag of snack food, an eight-ounce soft drink, etc.), and consumers’ emphasis on obtaining food values (USDHHS 2005).

Unsurprisingly, studies have shown that consumers eat more when they are confronted with larger portion sizes (Diliberti et al. 2004). For most consumers, these larger portion sizes eventually become a consumption norm—that is, the amount of food a consumer is accustomed to eating. The current research seeks to understand more fully the processes underlying consumers’ food portion size decisions by drawing upon regulatory focus theory to explore whether the explicit priming of a consumer’s motivation toward promotion (to achieve positive outcomes) or prevention (to avoid negative outcomes) significantly affects change in their food portion size change (PSC) intentions as per their consumption norm.

Considerable research has shown that regulatory focus theory distinguishes between two consumer regulatory orientations: a promotion and a prevention orientation. Promotion-oriented consumers are likely to emphasize their “ideal” self and the presence of positive outcomes, avoid missing opportunities, and pay more attention to hedonic stimuli. On the other hand, prevention-oriented consumers are likely to emphasize their “ought” self (as reflected in their duties and obligations) and the absence of negative outcomes, avoid engaging in a behavior that may result in a mistake, and pay more attention to utilitarian stimuli (e.g., Haws, Dholakia, and Bearden 2010; Higgins 1998). With regard to food consumption, a promotion orientation may logically lead to obtaining more of something deemed to be satisfying or appetizing. On the other hand, a prevention orientation is likely to lead to the avoidance of obtaining more of something considered as appetizing.

Considerable past research has revealed that a currently-held regulatory focus can be enhanced or diminished, both thereby leading to a change in behavior (e.g., Förster, Higgins, and Taylor 2003; Sengupta and Zhou 2007). In other words, the promotion-oriented consumer already has a ‘get what I want’ tendency and thus after being promotion primed, this tendency should increase or become stronger. However, the induction of a prevention prime is likely to prompt this once eager consumer to consider the negative consequences of his or her behavior. Similarly, the prevention-oriented consumer should become less careful and vigilant after being promotion primed and even more vigilant after being prevention primed. On the other hand, neither past research nor the tenets of regulatory focus theory support the contention that consumers’ natural regulatory orientations will change after being subjected to a stimulus in which a motivational prime is not inherent. Thus, the following are hypothesized:

For the promotion-oriented consumer, the PSC intention will be significantly greater -
H1a: In the direction of eating more, after being promotion primed than after being prevention primed.

H1b: In the direction of eating more, after being promotion primed than after being subjected to no prime.

H1c: In the direction of eating less, after being prevention primed than after being subjected to no prime.

For the prevention-oriented consumer, the PSC intention will be significantly greater –

H2a: In the direction of eating more, after being promotion primed than after being prevention primed.

H2b: In the direction of eating more, after being promotion primed than after being subjected to no prime.

H2c: In the direction of eating less, after being prevention primed than after being subjected to no prime.

**METHOD**

**Participants**

Attendants at a large gathering in a southeastern U.S. community were approached and asked to participate in a study. A free meal during the next month’s gathering was offered as an incentive for participation. Of the 211 attendants, 202 agree to participate. The participants’ ages ranged from 17 to 82 (\(M = 39.1\)); males comprised 44.0% of the sample. The participants represented various socioeconomic and ethnic backgrounds.

**Procedure**

The procedure used in this study consisted of three major steps. First, after agreeing to participate in the study, each participant was asked to complete a scale designed to determine his or her self-regulatory orientation. To measure self-regulatory orientation, Higgins’ et al. (2001) valid and internally consistent scale was used in the current study. The scale consists of eleven metric scales (e.g., “You feel like you have made progress toward being successful in your life,” “You often do well at different things you try,” “You seldom got on your parents’ nerves when you were growing up,” “Not being careful enough has gotten you into trouble at times,” etc.). Based on the responses to this scale, participants were rated as either promotion- or prevention-oriented.

The objective of the second step of the procedure was to aid the participants in considering their consumption norm. This objective was met by administering a photograph of a popular entrée (spaghetti with sauce) to each participant, along with a scaled drawing of a place setting (plate and flatware). Following Florack et al.’s (2010) method, the participants were instructed to imagine that it was dinner time (as it actually was in reality) and that they were about to serve themselves typical portion sizes of the entrée while being mindful that garlic bread and green salad were also available. The participants were asked to draw the approximate amount of the entrée they would typically serve themselves.

Next, a randomized posttest-only with control group experimental design was instigated. Specifically, the participants were randomly allocated to one of three groups. Group 1 received the promotion focus treatment; Group 2 received the prevention focus treatment; and Group 3 received a benign treatment that was neither promotion nor prevention in nature (no prime).

**Manipulation of Regulatory Focus**

To induce either a promotion focus or a prevention focus, a manipulation technique was adapted from other researchers (e.g., Florack et al. 2010; Pham and Avnet 2004). In Group 1, the promotion focus condition, participants were asked to consider their aspirations and hopes and to list two of their past and two of their current aspirations and hopes. In Group 2, the prevention focus condition, participants were asked to consider their duties, obligations, and responsibilities and to list two of their past and two of their current duties, obligations, and responsibilities. These two manipulations are based on the assumption of regulatory focus theory that the regulation of behavior according to duties, obligations, and responsibilities is a main characteristic of a prevention focus, and by rendering these concepts highly accessible activates a prevention focus. In contrast, the regulation of behavior according to aspirations and hopes is a main characteristic of a promotion focus, and rendering these concepts highly accessible should activate a promotion focus (Higgins 1998). In Group 3, the control condition, the participants were presented with a list of 24 randomly-ordered words and were asked to rearrange them into two categories. One-half of the words were related to cooking (e.g., pan, steam, fry, etc.), and the other half were sports-related (e.g., football, rugby) because of their neutral, no prime, nature. This no-prime control condition has been successfully used by other researchers (Lockwood, Jordan, and Kunda 2002).
The PSC intentions of the prevention-oriented consumer, the PSC intention is significantly greater, in the direction of eating more, after being promotion primed ($M = 3.93$) than after being prevention primed ($M = 1.56$) ($t = 7.42; p = .02$). Therefore, H1a receives support. Although the PSC intention was found to be greater, in the direction of eating more, after being promotion primed ($M = 3.93$) than after being subjected to no prime ($M = 3.51$), the difference was not statistically significant ($t = 1.92; p = .06$). Thus, H1b does not receive support. The PSC intention is significantly greater, in the direction of eating less, after being prevention primed ($M = 1.56$) than after being subjected to no prime ($M = 3.51$) ($t = 6.03; p = .03$), supporting H1c.

The PSC intentions of the prevention-oriented consumers were significantly greater in the direction of eating less after being prevention primed ($M = 1.17$) than after being promotion primed ($M = 4.68$) ($t = 10.86; p = .01$). Therefore, H2a receives overwhelming support. The testing of the next hypothesis revealed that the PSC is significantly greater in the direction of eating more after being promotion primed ($M = 4.68$) than after being subjected to no prime ($M = 3.03$) ($t = 5.11; p = .03$). Thus, H2b is also accepted. Similar to the testing of H2a and H2b, support exists for H2c in that PSC intentions were found to be significantly greater, in the direction of eating less after being prevention primed ($M = 1.17$) than after being subjected to no prime ($M = 3.03$) ($t = 5.75; p = .03$).

CONCLUSIONS

The research study reported here had the purpose of exploring the effects of explicit motivation priming on consumers’ food portion size change (PSC) intentions. Specifically, this study relied upon regulatory focus theory to explore whether the explicit priming of a consumer’s goals or motivation toward promotion (to achieve positive outcomes) or prevention (to avoid negative outcomes) significantly affects change in their food PSC intentions as per their consumption norm.

For promotion-oriented consumers, the findings show that promotion priming significantly increased PSC intentions compared to situations in which prevention priming was administered. Additionally, a prevention prime yielded significantly smaller PSC intentions compared to situations in which no prime was given. On the other hand, no significant changes in PSC intentions occurred when these consumers were given promotion primes compared to situations in which no prime was given. Overall, these results provide support for the underpinnings of regulatory focus theory in that the direction of the prime (positive-promotion vs. negative-prevention) positively correlated with changes in portion size. Relatedly, previous research which suggests that the regulatory prime can—at least momentarily—override a consumer’s regulatory orientation (Briley and Wyer 2002), was supported by these findings. Essentially, an individual’s regulatory state via priming was either enhanced in the case of promotion primes, or muted in the case of no prime, or counteracted in the case of prevention primes. However, the enhancement due to promotion prime was only significant when compared to the prevention prime condition.

For prevention-oriented consumers, this research yielded findings which were consistent with predictions based on regulatory focus theory and previous research but which were somewhat counter to the findings for the promotion-oriented consumers. The results supported the predictions that a promotion prime would significantly increase PSC intention relative to situations in which a prevention or benign prime was given. Similarly, the results showed that a prevention prime yielded significantly smaller PSC intentions for prevention-oriented consumers compared to situations in which a promotion prime was given.

The current research was exploratory in nature and thus characterized by some limitations which open avenues for future research. For instance, the study reported here relied on consumers’ drawings of their portion sizes to aid in their realizations of their consumption norms and on estimates of change in their portion sizes after being subjected to one of the experimental manipulations. Although the use of such
methods have been reported in published literature, future research needs to measure consumers’ actual consumption norms (or initial portion sizes) and actual changes in portion sizes (perhaps by weighing the food). Also, behavioral intentions constituted the criterion in the current study. Future research might analyze the effects of motivational priming on actual portion size_servings and food consumption behaviors. Additionally, the current study utilized explicit cues to prime promotion and prevention focus. In other research, more subtle or implicit motivational primes need to be used and their effects on portion size behavior determined. Further, research needs to be conducted to determine the effects of subtle versus explicit motivational primes on eating behavior.

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UNDERGRADUATE MARKETING AND ADVERTISING STUDENTS’ PERCEPTIONS OF THEIR BUSINESS PROGRAMS

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ABSTRACT

This study examined students’ perceptions of their business programs. More precisely, it examined the relationships among three levels of marketing/advertising student performance and student satisfaction and learning outcomes. The data for this study comes from EBI’s Undergraduate Business Exit Survey™. In 2009-2010 more than 35,000 students from 121 institutions were surveyed. The overall response rate was 61%. Of the total number of respondents, 5244 indicated that they had a primary or secondary study in marketing/advertising. Those respondents came from 112 institutions.

For this study, two sets of dependent variables were used: (1) satisfaction with program characteristics, such as quality of instruction, breadth of curriculum, size of enrollments, facilities, and characteristics of classmates, and (2) overall quality, including learning outcomes and program effectiveness. Those dependent variables were measured with nationally validated factors/scales from the EBI survey. The independent variable for the study focused on student performance, which was measured by a single item: students were asked to indicate their cumulative grade point average. From this data, the sample was divided into three groups: (1) respondents who reported a cumulative grade point average of 3.500 and higher, (2) respondents who reported a cumulative grade point average of 3.000 to 3.499 and (3) respondents who reported a cumulative grade point average of 2.999 or lower. One-way analyses of variance were conducted to explore differences between the three groups. Appropriate post-hoc multiple comparisons were conducted as follow-up tests to explore the pairwise comparisons.

Generally speaking, high performing marketing/advertising students were more satisfied with their programs and with the overall program effectiveness than low performing students. However, high performing students were less satisfied with the characteristics of fellow classmates than low performing students.
BUSINESS STUDENT EXPECTATIONS AND PERCEPTIONS REGARDING INTERNSHIPS

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ABSTRACT

Internships are three-way partnerships between the educational institution, the student intern, and the company where the intern takes on the challenges of a program of systematic experiential learning. Student internships provide a number of benefits to students and firms alike. A better understanding of business student expectations and perceptions regarding internships should help program coordinators and department chairs to improve both the processes and outcomes associated with internships. As such, an exploratory study was conducted to address the following objectives: 1) identify student opinions on the importance of a variety of critical worksite elements, student benefits, and provider benefits of internships, 2) identify sources of information used by students when researching internship opportunities, 3) identifying descriptive information including class status, age, gender, major, grade point average, job status and weekly hours worked, involvement in a student business organization and investigating potential relationships among the descriptive and other investigated variables in the study. Specifically, provide an overview of business majors and look at similarities and differences across the majors with a focus on marketing majors.

Professors of upper division undergraduate business courses from two public state universities were asked for their participation in allowing surveys to be distributed in their classrooms. There were 502 total participants in this research study. Limiting the analysis to only junior (34.9%) and senior (65.1%) business majors, 446 usable questionnaires were collected. Student opinions on the importance of internships providing a variety of critical worksite elements, student benefits, and provider benefits were measured utilizing previously developed scales. Age of the respondents ranged from 19 to 45 years (mean = 21.8, SD = 2.0) and the sample was evenly divided across gender (male = 48.4%, female = 51.6%). Student’s reported grade point averages ranged from 2.25 to 4.0 (mean = 3.25, SD = .36), with 39.5% currently being involved with a student business organization. The majority of the respondents were employed (69.9%) and averaging 20.7 hours per week (SD = 8.9 hours). Interestingly there was no significant relationship between being employed and if the student had taken an internship. Students with internships had significantly higher grade point averages than those respondents that had not taken an internship. Respondents involved in business based student organizations were also significantly more likely to have taken an internship, compared to those who are not involved with student organizations. The percentage of students having had an internship varied significantly based on the corresponding major.

Utilizing factor analysis four reliable factors were identified from the importance items: student skill development, student learning, obtaining support from the sponsoring company, and company benefits. Student’s indicated that they were most likely to obtain information on internships via the Internet, through career services, or via career fairs. Respondents that had not experienced an internship were significantly more likely to indicate that they would rely on their advisor, the newspaper, career fairs, class announcements, friend or family member, or bulletin boards, relative to student’s that had an internship.
PROMOTIONAL DETERMINANTS OF BUSINESS SCHOOL RETENTION: A CASE STUDY APPROACH

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ABSTRACT

The study examined promotional determinants of curriculum components and faculty role in business and entrepreneurial leadership programs. Program concentrations, major degree options, and faculty interactions with students were found as the most important attributes of business school retention. The recommendations may assist business schools to improve student retention and satisfaction.

INTRODUCTION

Intense competition has made student attrition a concern for colleges and universities. Attrition is costly and generates considerable concerns for educational institutions (Tinto, 1993). This is especially true for small schools that do not have huge endowments, and must depend upon tuition and fees to support programming. The loss of students has a detrimental impact upon budgeting as the costs involved in recruiting new students is higher than the cost to retain existing students (Braunstein, Lesser, & Pescatrice, 2006). Many universities are looking for ways to differentiate from the competition by offering creative programs that meet the needs and wants of students. Business schools must recognize and furnish what is important to college students (Elliott & Shin, 2002).

Research indicates that schools must identify determinants that will provide higher levels of satisfaction in course programming, curriculum components, and interaction with professors. According to Letcher and Neves (2010), a high level of emphasis on achieving student satisfaction implies that universities, as other service providers, place an increasing emphasis on satisfying student needs and wants to remain competitive.

The purpose of the study is to identify promotional determinants which may result in higher levels of student satisfaction leading to improved retention. A case study approach is used to examine closely the relationship between determining factors of business school retention. The study is aimed to evaluate intangible factors that are likely to impact student satisfaction, recruiting and fundraising, and student retention that may positively affect student outcomes at business schools.

The study was conducted at the School of Business of a Midwest University. One of the unique options at the school is the Entrepreneurial Program with Integrative Cooperatives (EPIC). This program places high achieving students directly into a co-op program starting the sophomore summer and through graduation. The following Business program offerings were evaluated in the study: Bachelor of Business Administration (Traditional), Bachelor of Administration (EPIC), Bachelor of Science in Accounting (Traditional, and Bachelor of Science in Accounting (EPIC). The average GPA's of the students is in the 3.75 or greater range with specific orientation classes and a lab class that corresponds to the co-op program. Students in the traditional programs have a two semester internship which is required for graduation. Except for the lab and orientation classes, students from both programs are in the same classes. At the present time, there are two majors, business and accounting, and three minors, business, accounting, and marketing. The marketing minor was recently added to benefit other schools within the University as well as students enrolled in the School of Business.

LITERATURE REVIEW

Colleges and universities are faced with a declining enrollment of high school students (Marcus, 1989). Extreme attrition produces major problems for both students and colleges and universities (Tinto, 1993). The pool of high school students continues to decline as evidenced from a study conducted by a research firm for the University of Saint Francis (Noel-Levitt, 2011). This study further indicates the University is at the national average for first-to-second year retention rates; however, the third year
retention rates indicate steep declines. These trends regarding persistence and completion are alarming, and indicate the need for intervention programs.

Higher educational institutions need to think outside of the box regarding strategies which will drive students to enroll at schools: however, more importantly, retain these students once enrolled at these institutions (Marcus, 1989). It is more costly for schools to recruit and enroll students rather than retain students in existing programs (Braunstein et al., 2006). Schools are becoming more aware of the importance of increasing student satisfaction as a method to improve student retention. One method that has been found is the use of student satisfaction questionnaires or surveys to find information that will help institutions to measure how schools are performing (Shurden & Santandreur, 2005). This indicates that students are customers therefore, universities must stress the importance of customer relationship management. Shurden and Santandreur (2005) suggest that students must be listened to, and that schools need to discern what is important to these customers. This means that schools must search for determinants that will keep these customers satisfied for long-term growth and future success.

Elliott and Shin (2002) found that single answer questions may not be a good way to survey students, and suggest that multiple-attribute satisfaction questions would be a better way to measure. A simple yes or no answer is not effective as single answer questions fail to measure quality and educational attributes. Research suggests that students must take control of the college experience by getting involved in career planning, joining campus organizations, developing internships, and providing service to the community (Letcher & Neves, 2010). The authors further suggest that instructors need to help students gain self-confidence as well as providing a valuable educational experience and a solid learning environment.

According to Giese and Cote (2000), there is no single definition of customer satisfaction. They suggest that satisfaction can be explained best as a response to an evaluation process noting that problems occur when selecting a definition and comparing results when “operationalizing” the definition. Therefore, organizations must use care tailoring the survey specifically to the type of customer satisfaction questions which can be customized for particular needs. Other studies suggest there is a relationship between variables relating to the students’ goal achievement and social integration into academic life (Wetzel, O’Toole, & Peterson, 1999). Academic and social factors appeared to be the most important reason for persisting to graduation. Wetzel et al., (1999) further found that progress in academic work measured by GPA and hours attempted and earned guided the attrition/retention decision. Colleges and universities should track the reasons for attrition and identify students who may be at risk in the first year of college (Moller-Wong, Shelley, & Ebbers, 1999). This can allow schools to intervene early in the process to reduce the attrition and put in to pace retention initiatives.

Many schools use assessment tests for the purposes of gathering opinions and making decisions relating to retention opportunities. In this case, information is tested regarding how well students perform on examinations relating to the business core. These researchers conclude that assessment is used for accreditation measures; however, the ultimate result is continuous improvement in student learning outcomes (Callahan, Strandholm, & Dziekan, 2010). Coupled with assessment are the results of student ratings on course evaluations. This research indicates that regardless if students rate a course high or low is not necessarily a predictor of retention success. Students who score high or low basically want better courses in the future and are not satisfied (Langbein & Snider, 1999). The authors suggest that these findings clearly indicate that caution should be exercised when using course evaluations for personnel reviews. For example, when performance reviews are used for the purposes of making promotion and tenure decisions. Another retention concern can be the issue of gender imbalance.

Falkenberg (2003) claims that historically the male-female ratios in business schools are not balanced, and suggests that “the percentage of female undergraduates is double that of female faculty” (p. 175). This research took place in Norway, and the research question focuses on retention and “organizational attachment relating to gender imbalance (Falkenberg, 2003). Gerdes and Mallinckrodt (1994) surveyed students before enrollment regarding their expectations and then followed up six years later to discern college success or failure. The authors found that social adjustment was as good as or better than academic adjustment matters regarding prediction of attrition, and suggest that the problem is a combination of emotional, social, and academic issues. Roberts and Styron (2010) note that being connected socially is an important predictor of students who do persist and further suggest that satisfaction and involvement may be low. Reinstein and Garr (1995) recommend that colleges and universities should consider creative and innovative programs to further retention and slow the decline in enrollment. The authors suggest establishing advisory boards from industry to help foster better relationships with stakeholders. These initiatives may include career days, open houses, and an information center to get the
message out about departmental goals and objectives. These outreach programs had a positive effect on increasing growth in accounting majors (Reinstein & Garr, 1995).

Helgesen (2008) found that customer relationship management programs provide value to the student in establishing needs and wants. The author suggests that student satisfaction surveys should be done to assess the value proposition offered to students. In this way decisions can be made relative to what delivers value to students. Helgesen (2008) also found that customer relationship management leading toward better retention is more important than acquiring the students from the beginning. Thus, student retention has become an important consideration for colleges and universities when offering higher education. The value proposition should match student needs by identifying key success factors (Helgesen, 2008).

Entrepreneurship education is another factor for business schools to consider. Many students are interested in some day starting a business which fulfills the dream of business ownership (Levenburg, Lane, & Schwartz, 2006). The authors suggest that more academic majors should be considered as one way to expand and promote student dreams about business ownership. This includes creative curricula that reach out to students from other academic disciplines to take courses as electives or possibly minor in business programs (Levenburg et al., 2006). Neck and Greene (2011) note that entrepreneurial education is important because it offers real world experiences. Students gain invaluable practical and entrepreneurial skills which will be helpful even when working for large companies. Employers are interested in hiring students who possess these practical skills, and who are able to contribute immediately to the company mission. Entrepreneurial programs generally promote out-of-box thinking, creativity and innovation.

**RESEARCH METHODS**

This study used an exploratory research method to ascertain promotional determinants that may improve retention at the School of Business at a Midwest University. Primary data were collected using a questionnaire aimed at students in business classes at the university. Traditional undergraduate students, age 18 to 21, were asked to complete a two page questionnaire at the conclusion of each class beginning the week of March 21, 2011 and ending the week of April 11, 2011. The questionnaire consisted of two sections: (1) First, participants were asked about their preferences for program concentrations, majors, and degree offerings. Next, respondents were asked about their perceptions of professoriate involvement and other reasons of their interest in the School of Business. From a total of 173 undergraduates students enrolled in the school, 128 students responded.

The questionnaire asked students to check class rank, gender, and GPA for quantifying the responses with questions specifically asking about what would encourage students to more likely stay or remain at the School of Business. Questions asked students about specific concentrations in marketing, finance, entrepreneurship, non-profit management, and management information systems. A Likert scale was utilized for all questions where the student could mark responses to questions relevant to concentrations. This also included questions on student preferences regarding the addition of more majors in business. The final portion of this section of the survey involved adding degree offerings in finance, marketing, entrepreneurship, and general business management.

Several questions were related to the professor’s involvement, mentorship, advising, qualifications, and assistance with job placement and graduate school. The survey also asked participants about “other factors” that were deemed important for retention such as business school accreditation, student clubs, athletics, and overseas travel. The objective of the study was to obtain feedback about promotional determinants that are likely to cause students to want to persist in completing their studies at the School of Business. Results were entered into SPSS statistical software for analysis. The following 5 hypotheses were examined:

\[ H_1 \] There is a difference in perceptions of students with GPA’s of 3.0 or greater and a 2.9 or less with regard to real world experience.

\[ H_2 \] There is a difference in perceptions of students with GPA’s of 3.0 or greater and a 2.9 or less with regard to added majors in business.

\[ H_3 \] There is a difference in perceptions of students with GPA’s of 3.0 or greater and a 2.9 or less with regard to professor assistance with jobs/placement.

\[ H_4 \] There is a difference in perceptions of students with GPA’s of 3.0 or greater and a 2.9 or less with regard to an accredited business school.

\[ H_5 \] There is a difference in perceptions of students with GPA’s of 3.0 or greater and a 2.9 or less with regard to area specific concentrations.
DATA ANALYSIS

To identify promotional determinants that may help the School of Business attract and retain high quality students, the study examined variables that were reported in previous research as influencing and retaining students to persist through graduation.

Data analysis included descriptive statistics and inferential statistics using the SPSS statistical software. For comparative purposes, the data were divided into five categories: program concentrations, added majors, added degree offerings, interaction with professors, and administrative and other factors. Data analysis also included examining the difference between the perceptions and attitudes of promotional determinants of high achieving students, those with GPA’s of 3.0 and higher, compared to that of the students with GPA’s of 2.9 or less.

Promotional Determinants

Students scored the highest on the following five questions listed in order of the most important variable: (1) Professors with real world experience, (2) Added majors in business, (3) Professor assistance with jobs/placement, (4) Area specific concentrations, and (5) An accredited business school. As shown in Figure 1, the mean scores for these five questions were respectively, 4.28, 4.13, 4.03, 3.97 and 3.96. The questions were further analyzed using inferential statistics to determine if there were any differences, (equal variances assumed or not assumed), comparing the mean scores of the two different groups of students, in this case GPA’s of 3.0 or greater or 2.9 or less. It was found according to a t-test done on all five questions, the value for all five questions was greater than p=.05. Therefore, equal variances were assumed, and there was no significant difference between the two groups.

The next procedure was to test the null and alternative hypotheses. The results indicate that in each instance, the null hypothesis is accepted. Students feel that the promotional determinants are the most important regardless of GPA in wanting to stay at the University.

Professor Interaction

The strongest ranking of determinants by students was “interaction with professors.” Students ranked professors with real world experience and professor assistance with jobs/placement 4.28 and 4.03 respectively on the Likert scale. The least important determinant was doctoral qualified professors with a score of 3.59 (Figure 2).

Added Majors

Next in importance, were “added majors in business,” with sports management and a score of 3.90 as the most important determinant (Figure 3).
Management and marketing, with scores of 3.84 and 3.77, were the most important determinants for area specific concentrations, with a very low student interest in finance, management information systems, and non-profit management (Figure 4).

Regarding “administrative factors,” an accredited business school was the most important determinant with a score of 3.96 (Figure 5).

“Available athletics” with a score of 3.81 was the most important determinant with other factors while the other determinants in this category were ranked lower (Figure 7).
The results indicate that the most important determinant is that students want professors with real world experience. This suggests that students want professors who have past-industry experience, and who can bring real life and practical examples into the classroom. The application of the real world must be coupled with theoretical concepts that are important for developing critical thinking and problem solving. The second most important determinant found is “added majors.” This suggests that students want more program choices. The two most popular majors were sports management and management. Marketing and entrepreneurship were the next most important followed by finance. The results also suggest that students want assistance with jobs and placement. Job prospects have become much more competitive due to the recent economic downturn. The next important determinant was area specific concentrations. The most important concentration to students was management, followed in order by marketing, entrepreneurship, and finance. The lowest ranked determinants for concentrations were management information systems and non-profit management. The results also suggest that students are interested in a business school that is accredited.

The least favorable determinants found were business clubs: Accounting Club and Students in Free Enterprise. Travel was ranked as a low priority for students and thus not an important determinant even though the business school offers these opportunities. For example, last year the trip was to Brazil to study green technology, and the planned trip for this year is to Europe to study businesses. Students did not feel that intramural athletics was an important determinant; however participation in available athletics was important. Regarding added degree offerings, it was indicated that marketing and general business/management were the most important degrees according to students.

**RECOMMENDATIONS**

The students’ interest in professors with real world experience seems to compliment what the business school has felt is important with the recent interviewing and hiring initiatives. Most of the current professors have extensive real world experience with corporations, government, or company ownership. Based on this, the school should ensure that faculty have real-world experience to better serve the students. As a high percentage of undergraduates are student athletes which may offer a reason for the student interest in sports management as an added major. Management was the second added major in terms of student importance followed by marketing and entrepreneurship. The low score in finance is understandable in a small business school as this major may be more rigorous or intense. This need may be currently met by the accounting degree. The impact of adding additional degrees did not appear to be of significant importance to students. The School may want to consider offering a combination of degree and concentration programs which could help satisfy the need for more options.

Professors with real world experience should have contacts to assist students seeking jobs. Traditional business or accounting students are required to have at least two semesters of internships which will help students to gain experience and hopefully be more employable after graduation. The goal is to give students the real world experience that many employers are looking for when hiring students’ right out of college. This program gives the EPIC students a competitive advantage versus other students from the School of Business or other competing schools. Professors will need to continue playing an active role in the success of assisting students with job placement.

Area specific concentrations are another important determinant to students. It may be possible for the school to consider a combination of added majors and concentrations rather than adding each. This may be an area for further research to establish the right combination of majors and concentrations to fulfill these promotional determinants. Higher levels of satisfaction could be accomplished by offering a more detailed survey to get a better understanding of student’s perceptions. Focus groups surveys and meetings with Business Advisory Board members and local organizations may provide input and generate dialog regarding promotional determinants that are important in student retention. Ongoing commu-
Communications are helpful to cement relationships with faculty by letting students know that the Business School is interested in feedback to improve student retention. These recommendations can help the School of Business create a sustained competitive advantage, grow enrollment, and most importantly provide an atmosphere where students want to persist through graduation.

REFERENCES


CULTURAL VALUES AND PURCHASING BEHAVIOR IN INDIA AND THE U.S.: A COMPARISON

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ABSTRACT

Planned purchases may be considered the norm for purchasing behavior; however, many consumer purchases are “unplanned” or impulse purchases. Most of the research concerning impulse purchases has been conducted in the U.S. and other western cultures. The relationship between cultural values and purchase behaviors has not been a focus of these studies since differences in cultural values have not been considered. This paper reports on an exploratory study that focuses on Indian cultural values and purchasing behavior. Data were collected from a sample of post graduate students enrolled in business programs in Mumbai, India. A small sample of U.S. business students was used for benchmarking comparison purposes. The results, while not conclusive, show that there is likely to be a relationship between cultural values and purchasing behavior with respect to impulse purchasing.

INTRODUCTION

Most consumer behavior texts place considerable emphasis on the consumer decision process, which is generally conceptualized as a multi-step process beginning with need recognition and ending with postpurchase considerations. The purchasing process is seen as a planned activity involving time and consideration of various factors. It is viewed as a thoughtful process that considers information searches and evaluation of alternatives.

In contrast, impulse purchases are generally thought of as unplanned being triggered by a desire and an urgency to act (Engle, Blackwell & Miniard 1995). Many studies have focused on differentiating impulse buying from other types of buying behavior (Punj 2010, Vohs and Faber 2007, Beatty and Ferrell 1998, Applebaum 1951). Other studies have proposed theoretical frameworks underlying impulse buying. But as Huang and Hsieh (2011) point out, most of these studies have mainly focused on the Western context. They go on to state that “There exists a need to explore more the impulse buying behavior in a non-Western context, especially for those emerging countries as they are becoming the most lucrative markets in the world” (p. 1).

Since most of the previous research on planned purchases and impulse buying were conducted within the Western context, the research focus of impulse buying studies was more on psychological influences rather than cultural factors. More recently Lee and Kacen (2008) examined select aspects of culture influences on satisfaction with impulse purchase decisions. The Lee and Kacen study examined the satisfaction level of impulse purchases in collectivist (Singapore and Malaysia) and individualistic cultures (U.S. and Australia). Their findings showed that consumers from collectivist cultures were more satisfied with their impulse purchases when they were shopping with an important other person than when shopping alone. However, in individualistic cultures, satisfaction levels with impulse purchases were not influenced by the presence of an important other person at the time of the purchase. For planned purchases there were no differences in satisfaction levels related to the presence of another individual in either collective or individualistic cultures. This is one of the few published studies relating culture to impulse purchasing behavior.

THE STUDY

Based on the notion that there is a relationship between culture and purchasing behavior and that cultural values are the key underpinning of a culture, the reported study was undertaken. The study was designed to explore the relationship, if any, between cultural values and purchasing behavior – specifically, impulse purchases and planned purchases in a cross cultural context. The two cultures chosen represent one Asian, more collective culture – India and one Western, more individualistic culture – the U.S.A.

Approach

The first decision was to determine which cultural values scale to use in the research. The criteria used to choose a scale were that the scale had been vetted and published as being valid and reliable and equally as important was that the scale would have congruence and construct validity relative to
India. An article by Baru (2002) concluded that India is Asian, but her links to Asia were disrupted by the arrival of Europeans in the region and also the non-aligned status of India during the Cold War Period. In the twenty-first century, India is currently in the process of “rediscovering her Asianness.”

Values Scale

Based on the desire to examine the strength of Asianness as compared to more Western values, a scale that measured Asian ethnic cultural values was selected. The scale chosen was a 20 item scale based on the work of Kim, Atkinson and Yang (1999). Their scales were developed to measure the enculturation of Asian Americans and whether they held to some salient Asian values. Their Asian Values Scale (AVS) was found to have both internal and test-retest reliability. Through a series of studies the number of items in their scale was reduced from a high of 212 to 36 and later 24 (p.347). The 24 items each had a factor loading equal to or greater than .30. The items were determined to represent six factors. The corresponding factors and the variance each accounted for in the initial Kim et. al. (1999) study are as follows: Conformity to Norms (16%), Family Recognition Through Achievement (6.1%), Emotional Self-Control (5.0%), Collectivism (4.4%), Humility (3.5%), and Filial Piety (3.2%).

Based on this foundational work, 20 items of the 36 item scale were selected to be included in the data collection instrument used in this study. The 20 items represented four of the factors identified in the Kim et. al (1999) study. These four each accounted for variance greater than 4% in their study. The 20 items were scaled on a 7-point Likert scale as utilized by Kim and his colleagues.

Purchasing Item Scale

Seven items were originally intended to be used to collect information on impulse and planned purchase behavior. However, one of the items, which related to purchasing through the mail, was not applicable to the Indian sample as very few individuals in India purchase items through the mail or through on-line sources. Therefore, six items were used. The items were scored on a 5-point Likert scale.

Hypotheses

Based on the desire to explore the cross cultural relationship between purchasing behavior and cultural values as measured by the aforementioned scales, the following four hypotheses were developed:

H1. Individuals from India will score higher on the Asian Values Scale than will individuals in the U.S.

As discussed previously, the AVS was developed to measure Asianness. As such, it was believed that university students in India would exhibit a higher degree of Asianness than would American students.

H2. Individuals from the U.S. are more likely to engage in impulse purchasing than are individuals from India.

Many studies have been conducted regarding impulse buying in the U.S. (Abrahams, 1997, Smith, 1996, Choi, Kim, Choi & Yi, 2006, Vohs & Faber 2007, Sharma, Sivakumaran & Marshall, 2010, etc.) and most report a relatively high level of impulse purchasing by U.S. consumers. For example, the Sharma et. al. (p. 1) study cites that 80% of all purchases in certain product categories could be considered impulse purchases. Studies of impulse buying in India are relatively non-existent. But based on anecdotal evidence, and on discussions with Indian students, it appeared that Indians were less likely to engage in impulse purchasing.

H3. Individuals from India are more likely to engage in planned purchasing behavior than are individuals from the U.S.

If Indians are less likely to engage in impulse purchasing, then it would seem logical that they are more likely to engage in planned purchasing behavior. And since previous research had shown a high degree of impulse purchasing among U.S. consumers, it would be likely that U.S. consumers engage in less planned purchasing behavior.

H4. Individuals who score higher on “Conformity to Norms”, “Family Recognition Through Achievement”, “Emotional Self-Control” and “Collectivism” are more likely to engage in planned purchasing behavior and less likely to engage in impulse purchasing behavior.

This hypothesis is designed to test the relationship, if any, between the four dimensions of the cultural values scale as measured by the AVS and purchasing behavior.

Sample

The Indian sample included students from two campuses of the University of Mumbai (the K J Somaiya Institute of Management Studies and Research and SIES). The U.S. sample included students from one campus of the California State University system. All Indian students were enrolled in post-graduate business programs and the U.S.
students were enrolled in both undergraduate and post-graduate business programs.

Analysis and Findings

An SPSS data file was created based on the information from completed survey instruments from 163 Indian respondents and 33 U.S. respondents. The data from the 7-point AVS were treated as interval, as were the data from the 5-point purchasing behavior scale. An index score was created for the four dimensions of the AVS, based on the average scores of the items that were previously found to be associated with each dimension. The primary statistical tool used to determine differences between the Indian and U.S. samples on the various items was the two-tailed T-Test, with equal variances not assumed. Analysis of Variance was the statistical test used to examine the relationship between the dimensions of the AVS and purchasing behaviors.

H1. Individuals from India will score higher on the Asian Values Scale than will individuals in the U.S.

The results for the AVS as shown in Table 1, clearly indicate that on 19 of the 20 items of the AVS, the Indian respondents scored higher than U.S. respondents. On one item, “Succeeding occupationally is an important way of making one’s family proud.” Both samples respondents scored the same, (5 on a 7 point scale). On 14 of the items, the difference between the two cultures was statistically significant at \( \alpha = .05 \). Two additional items were significant at the \( \alpha = .10 \) level.

The results tend to support the hypothesis that Indian respondents would score higher on the Asian Values Scale than did the U.S. respondents.

H2. Individuals from the U.S. are more likely to engage in impulse purchasing than are individuals from India.

H3. Individuals from India are more likely to engage in planned purchasing behavior than are individuals from the U.S.

The analyses of H2 and H3 were run concurrently as each hypothesis is related to a purchasing process style and its prevalence in each country. The six items of the purchase behavior scales were tested for correlations and as expected, the impulse shopping items related to H2 (Items 1, 2, and 4), were found to be positively related at the \( \alpha = .001 \) level. Planned purchase items (3 and 5 in Table 2) which are related to H3, were also found to be correlated (\( \alpha = .001 \)). Conversely, items 1, 2 and 4 (impulse purchasing) were negatively correlated (\( \alpha = .05 \)) with items 3 and 5 (planned purchases). However, none of the items, impulse or planned purchases, were found to be correlated with whether or not an individual paid off his or her credit bill each month.

Hypotheses 2 and 3 were not supported as there were no significant differences found on any of the six items associated with purchasing behavior (See Table 2). Based on the findings it appears that Indians respondents are very similar to individuals from the U.S. in their reported impulse and planned purchasing behaviors.

H4. Individuals who score higher on “Conformity to Norms”, “Family Recognition Through Achievement”, “Emotional Self-Control” and “Collectivism” are more likely to engage in planned purchasing behavior and less likely to engage in impulse purchasing behavior.

The results when testing for Hypothesis 4 are mixed. When running correlation analysis, none of the four dimensions of cultural values were found to be significantly related to impulse purchase behavior items, while three of the cultural values (Conformity, Family and Collectivism) were found to be positively correlated with the two planned purchase behavior items. Therefore, it appears that cultural values as measured by the AVS, appear to be more closely related to planned purchasing behavior – the notion that one must consider others appears to curb an individual’s impulsive behavior.

Conformity, Family and Collectivism all are values that emphasize the interdependent self. As Markus and Kitayama (1991) reported, the self-concepts that emphasize the degree to which people see themselves as separate from or connected to others, are relatively stable. These values that focus on others more than self would help explain why these values are more closely associated with thoughtfulness when engaged in purchasing behavior.

A step-wise regression test was also run on the sample from each country separately, using a split file. The test used the four dimensions of the AVS as independent variables and the six items of purchasing behavior as dependent variables. On only two purchasing behavior variables, one for impulse purchasing and one for planned purchasing, did the regression analysis produce results for either country data set. For India, the impulse purchase behavior item, “If I really want to buy something, I frequently make the purchase quickly and think about the consequence later,” was found to be related to Collectivism. And Conformity was found to be related to the planned purchasing behavior of “I tend to think about alternatives a great deal before I buy things.” In contrast, for the U.S. sample, Collectivism was found to be related to both purchasing behavior items, but negatively related to impulse purchasing and positively related to planned purchase behavior.
<table>
<thead>
<tr>
<th>Item</th>
<th>India Mean</th>
<th>US Mean</th>
<th>Sig*</th>
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<tr>
<td><strong>Conformity to Norms</strong></td>
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<td>Academic achievement should be highly valued</td>
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<td>Making one’s family proud.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Emotional Self-Control</strong></td>
<td>4.19</td>
<td>3.26</td>
<td>.000</td>
</tr>
<tr>
<td>One’s emotional needs are less important than fulfilling one’s</td>
<td>4.30</td>
<td>3.90</td>
<td>n.s.</td>
</tr>
<tr>
<td>responsibilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One should not express strong emotions</td>
<td>4.04</td>
<td>2.85</td>
<td>.000</td>
</tr>
<tr>
<td>One should not act based on emotions</td>
<td>4.44</td>
<td>3.67</td>
<td>.003</td>
</tr>
<tr>
<td>It is better to hold one’s emotions inside than to</td>
<td>4.09</td>
<td>2.60</td>
<td>.005</td>
</tr>
<tr>
<td>burden others by expressing them</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is better to show emotion than to suffer silently</td>
<td>4.09</td>
<td>2.61</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Collectivism</strong></td>
<td>4.55</td>
<td>3.90</td>
<td>.001</td>
</tr>
<tr>
<td>The welfare of the group should be put before the</td>
<td>4.78</td>
<td>4.09</td>
<td>.027</td>
</tr>
<tr>
<td>welfare of the individual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The needs of the community should supersede those</td>
<td>4.14</td>
<td>3.67</td>
<td>.10</td>
</tr>
<tr>
<td>of the individual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One’s personal needs should be second to the needs</td>
<td>4.41</td>
<td>4.0</td>
<td>n.s.</td>
</tr>
<tr>
<td>of the group.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One’s efforts should be directed toward maintaining the</td>
<td>4.69</td>
<td>4.21</td>
<td>.056</td>
</tr>
<tr>
<td>the well-being of the group first and the individual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>second.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One’s achievement and status reflect on the</td>
<td>4.93</td>
<td>3.55</td>
<td>.000</td>
</tr>
<tr>
<td>whole family</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The results of this exploratory study indicate that there is likely a relationship between cultural values and purchasing behavior. The cultural values more closely associated with the interdependent self as opposed to the independent self (Triandis, 1990) tend to be more associated with planned purchases.

There are, however, several limitations to this study. First set of limitations relates to the sample. The sample was composed of university students, who may or may not be representative of the general buying public in their respective countries. The Indian sample was substantially larger than the U.S. sample. The samples were generally from only one metropolitan location in each country. The findings, therefore, must be viewed within the context of sample limitations. Another limitation relates to the scales. While the scales were adapted from other studies, the applicability of the scales may be limited.

The study does, however, suggest that more in-depth research in non-Western countries related to purchasing behavior is needed. As countries such as India become more important in the World market, it...
is important for marketers to better understand purchasing processes used by consumers in these countries.

REFERENCES

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ICONS AND NAMES AS PREDICTORS OF MOBILE APPLICATION SUCCESS

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Wolfgang Grassl, St. Norbert College

ABSTRACT
The design of icons and the choice of names for applications on mobile electronic devices have a great predictive validity for consumer acceptance. Graphical and textual elements stimulate expectations about the function of apps that are strongly correlated with intention and further with actual downloads.

INTRODUCTION
The success of mobile electronic devices such as cell phones and tablet computers is in no small measure due to the availability of numerous applications for a great variety of purposes. On mobile devices, applications are predominantly chosen as users browse repositories such as the Apple App Store or Android Market. As of yet, mobile platforms give consumers nearly no tools to structure the market, apart from a search engine, the indication of price, and user reviews, which are frequently contradictory. The standard sequential model of consumer choice, which starts from a felt need, is not serviceable, since search for applications on mobile devices is to a large (though certainly not exclusive) extent impulse shopping. The number of suggested applications that are presented to users as a result of a search is typically very large, and users generally settle on an application that is close to their needs and has good reviews. Application providers presently have limited options for influencing consumer choice through pull promotion.

In the absence of menu structures, the first cue consumers receive as to the content and functionality of an application are the name and icon, and based on these they then decide whether to read a description together with user reviews. Given the large number of products, many options drop out of the consideration set at this initial stage if the name and icon are not sufficiently predictive of the intended function. Particularly if users are casually browsing, icons and names which are designed such as to allow users to predict the function of the application will achieve greater success as measured by the number of downloads or installations. Investigation of this research hypothesis is the purpose of this paper. In order to test it, a case study and a survey (at the level of a pilot study) limited to Android applications will be carried out. The main research goal is the measurement of the contribution of both graphical and linguistic signs to users’ understanding of what an application is expected to do. This knowledge is essential for an effective marketing of mobile applications, particularly in a market that still shows little segmentation.

BACKGROUND
Search behavior on mobile devices differs significantly from that on desktop computers (Yi, Maghoul and Pedersen 2008; Kamvar et al. 2009; Macquarie (USA) Equities Research 2011). Multi-tasking reduces the attention given to any one task. Mobile searches on websites have a lower click-through rate, use more general search terms, fewer brand names, and nearly 50% fewer keyword terms than desktop searches. Most people use one word to search on mobile phones where tablet and desktop users prefer two words; only few searches on smartphones contain four or more words (Prosper Business Development 2011; Efficient Frontier 2011). When searching for applications, users search by functions rather than names. Because mobile devices, and particularly smartphones, are less prone to invite verbal search and to explain the functionality of applications in extensive descriptions, the iconic value of signs becomes decisive for product adoption.

An icon is literally a picture, e.g., of a magnifying glass or a padlock, and at the same time it represents a function, i.e., the query in a search. One image is meant both to attract attention to itself and to facilitate action. In addition, icons live in a world surrounded by other icons and images with which they share meaning and properties. Users give meaning to icons as they pull together information from various contexts, i.e. physical and virtual. Thus icons are highly stylized and abstract depictions of the functionality of the represented object. Product names fulfill the same referential (and in this sense iconic) function, by using one (often compound) word or occasionally up to three words. In fact, research has recently moved icons rather into the corner of words – as stylized logograms similar to Chinese...
The development of semiotics as icons with a particularly intuitive referential function has been one answer (Setlur et al. 2005). The name, location and content of a file are thereby parsed and used to retrieve related images from a database, which are then composed into pictorial icons which are, on average, recognized 1.96 seconds faster than more abstract icons. The effectiveness of icons can thus be measured by users’ ability to guess their meaning or function, as has been demonstrated for traffic signs. The impact of names and labels assigned to menu items has been shown to be very significant for their effectiveness (Huang, Chou and Bias 2006; Huang and Bias 2012).

Semantic distance is a measure of the closeness between what is depicted in an icon and the function it is intended to represent, for example, a tool expressing the concept “repair” or a stylized graph representing the abstract concepts “statistics” or “economy” (Ng and Chan 2007, 2008). Most semiotic models (such as that proposed by C.S. Peirce) have a triadic structure, with a sign referring to an object via what Peirce called an “interpretant”. Cognitive models of icon comprehension are built on a congruity between a signifier (in graphical, verbal or other form) and what is being signified through mental functions that comprise prior experience and problem-solving strategies (Norman 1991, 1993). This latent mechanism processes stimuli picked up from the icon or word itself, for example the (culturally conditioned) associations with certain graphical elements or words, to produce an evoked meaning. The cognitive model may further be shaped by memory, personality structure, and other factors. A principle of mutual dependency applies here: for optimum success, functions of applications must fit cognitive functions involved in the task as much as these depend on what applications actually do (Cañas 2008).

A stream of research on the meaningfulness of icons and names to represent objects on computer user interfaces has emerged as part of the literature on human-computer interaction (Norman 1983; Wiedenbeck 1999; Dessus and Peraya 2005, 2007; Huang, Cou and Bias 2006; Ng and Chan 2007, 2008; Karanam et al. 2011). It is of relevance for applications on mobile devices although little research has been done specifically on these (Hassanein and Head 2003). Mobile devices are set apart from desktop computers by size and usage context, and cell phones again differ from tablets (Google 2011). There is evidence that users economize space on small-screen devices, for example through preference for a less extensive menu structure (Huang, Chou and Bias 2006). On the other hand, labels on such devices have to be even shorter and names more concise and descriptive of the intended application. Smaller screen size requires that icons emphasize the difference of an application and avoid illustrating its commonality with others competing in the same category (Norman 1991: 142). But usability considerations are different for mobile interfaces in more ways than merely size. Differences are found not only in the interfaces but also in the users, tasks, and environments, which for example set mobile commerce apart from desktop-based electronic commerce (Hassanein and Head 2003; Coursaris, Hassanein and Head 2008).

The principal challenge in finding appropriate icons and names for mobile applications is “to get the
abstractions right, to represent the important aspect and not the unimportant” (Norman 1993: 49). Well-designed graphics must visualize abstract information in a small space: “degrees of relationship, such as similarity, salience, or strength, can be suggested spatially by degree of proximity, or pictorially by degree of appearance, color or size for examples. Proportion can be indicated by spatial proportion. Direction is conveniently conveyed by arrows, whether the direction is spatial, temporal, causal, or other” (Tversky 2002: 19). This means that good icons represent features of the intended function that fit mental models of users. Good design requires concentration on the essential feature, a requirement that is known as the appropriateness principle: “The representation used by the artifact should provide exactly the information acceptable to the task: neither more nor less” (Norman 1993: 97). Icons that are more complex, i.e. contain more parts, are perceived to be more concrete (Ng and Chan 2008). Each part of an icon can apparently support the decoding of its intended meaning. The combination between graphical symbols and words can further assist in making a label less ambiguous. Relevant research has shown that an effective choice of labels requires that they are close to users’ mental models that match the task scenarios (Ziefle 2002; Dessus 2005, 2007).

However, simple conjunctions of symbols do not, by themselves, generate meaning or help to reduce ambiguity; they have to be grounded in other cues that arise from a cognitive model. Adding a word to a graphical sign increases recognizability of the denoted object because of its mediation by cognitive processes but not simply because two bits of information are less ambiguous than one (Dessus and Peraya 2007; Karanam et al. 2011).

One study confirms that users had the most efficient performance when icons and labels were presented together instead of only icons or only labels; the difference was owed to a briefer response time (Wiedenbeck 1999). However, the findings did not reflect how people recognize and comprehend icons in an interface. Other studies have confirmed this result and generalized it to the greater effectiveness of multimodal representation for understanding (McDougall et al. 2009). Reading an icon or a word involves cognition. Findings of behavioral experiments are insufficient to explain understanding because they can only provide indirect references to associate behavioral measures with cognitive activities. In order to observe the process (or results) of cognition directly in the brain and to provide a neurological basis for semiotics, functional magnetic resonance imaging researchers have linked brain activity to peoples’ ability to read icons and logograms with the same or a different cognitive mechanism. The result was that people read icons as pictures rather than as words or logograms (such as Chinese characters) (Huang 2011; Huang and Bias 2012). Even well-selected icons were fundamentally inferior to English single words or Chinese characters in effectively conveying the meaning of objects and concepts as measured by the accuracy and efficiency of recognition. Additional textual information will therefore always improve performance based only on visual cues. This challenges the optimism on graphic design and human-computer interaction (e.g., Caplin 2001) that icons alone may unambiguously represent even abstract concepts without the support of localized texts.

What is still missing from the literature is research on the influence of icon design and application names on the number of downloads or installations. Previous studies have investigated predictive power only with reference to recognition, and even this evidence is scant. Lastly, most work has approached search behavior from the perspective of usability, which has the objective of finding appropriate products in less time, but stops short of user experience evaluation, which would link the choice of icon and name not only to predicted function but also to customer satisfaction with applications (Bevan 2009).

**RESEARCH MODEL**

The quality of icon designs and names for applications is inferred indirectly from measurable results by applying a few control variables. Since most applications are chosen as a result of random browsing in application stores, consumers form consideration sets based on icons and names. Only those that have enough appeal (and are either free or available at an acceptable price) enter a choice set for which further descriptions will be consulted (Sharkey, Acton and Conboy 2009). The graphical elements of an icon together with its name must therefore be sufficiently descriptive of the function and have enough appeal to move candidates past mental filters into the consideration set of users. These tangible elements are processed by a cognitive model that is postulated as an intervening variable (or “black box”). Depending on how this model processes the cues, the following results will be achieved sequentially: recognition by icon, recognition by name, appeal of application, intent to obtain description or to download. Degree of recognition is used to operationalize the understanding of icons and names by their evoked meaning, and conversion rates are of interest, which can be understood as marginal contributions at each step (Farag, Smith and Krishnan 2003). The explanatory power of the model is enhanced by asking respondents about frequency of device use and about the estimated number of downloaded applications. The platform under which the device operates and the category to which applications belong serve as control variables (Figure 1, with directly measured va...
riables in bold borders, externally derived variables in thin borders, and indirectly measured variables in bro-
ken lines).

Since respondents were unaware whether an appli-
cation was offered for a price or for free, price was dis-
regarded as an explanatory variable. Other user classi-
fication variables were also omitted because of the fo-
cused goal of the study. Furthermore, previous research
has shown only age to be significant but culture and
sex to be insignificant as predictors of differences in
perceptions of mobile device website design (Cyr,
Head and Ivanov 2009; Huang and Bias 2012). The
most important measurement will be the extent to
which users recognize the function of applications by
icon design alone or by the icon in conjunction with the
name.

**EXPERIMENTAL CASE STUDY**

One of the authors has developed a number of ap-
lications and made them available for free on the An-
droid Market. One of these was to provide a video chat
feature between Android devices. The app was upload-
ed on Android Market under the name “Show and Tell”
and had a very simple icon that included the name. Al-
though the functionality of this app was sought after on
the Android platform, the downloads were very few,
which led this author to the conclusion that users might
not find the icon and name appealing enough to even
want to learn more about this app. The app was again
offered on Android Market under the new name of “1-
to-1Video Chat” and with a more appealing icon of two
protruding eyes. The number of downloads for the u p-
dated app spiked, thus confirming the hypothesis that
mobile app success largely depends on its icon and
name appeal. Currently 1-to-1 Video Chat has been
downloaded 15 times more frequently than Show and
Tell (Table 1, data of 16 October, 2011):

<table>
<thead>
<tr>
<th>Frequency of use</th>
<th>Number of installations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category of application</td>
<td></td>
</tr>
<tr>
<td>Platform usage</td>
<td></td>
</tr>
<tr>
<td>Design of icon/name</td>
<td></td>
</tr>
<tr>
<td>Recognition by name</td>
<td></td>
</tr>
<tr>
<td>Recognition by icon</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 1: Explanatory model**

The complexity of icons was determined on an or-
dinal scale as follows: 1 = only shape and one color; 2
= one additional element (either shape or color); 3 =
two additional elements; 4 = three additional elements;
5 = four or more additional elements. The complexity
of labels is determined by the number of words, com-
pounds counting as two (or more) words.

Based on extant research results and this explan a-
tory model, five hypotheses will be tested:

H1: Verbal cues enhance graphical cues signifi-
cantly (i.e., by > 2 σ).
H2: Verbal cues enhance graphical cues less if the
latter are more complex.
H3: Verbal cues enhance graphical cues more if
the first are more complex.
H4: Greater frequency of device use is positively
 correlated with better results.
H5: A greater number of downloads is positively
correlated with better results.
Table 1: Experimental case study data*

<table>
<thead>
<tr>
<th>Name</th>
<th>Show and Tell</th>
<th>1-to-1 Video Chat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Icon</td>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
</tr>
<tr>
<td>Number of downloads</td>
<td>402</td>
<td>6,085</td>
</tr>
<tr>
<td>Numbers of installations</td>
<td>63</td>
<td>1,091</td>
</tr>
<tr>
<td>Retention rate</td>
<td>15.7%</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

*In developing the two applications, the author enjoyed the cooperation of Christopher Gusman and Derek Harrington, students at St. Norbert College. The work was carried out at Hope College, under a NSF-REU Grant.

USER SURVEY

A user survey was developed based on 36 applications in the Android Market drawn from the third-party list “40+ Beautiful Android Application Interfaces and Icons” and augmented by five icons developed by one of the authors. The online survey asked about frequency of cell phone usage, number of downloaded applications, and mobile platform, and for each application it asked respondents to rate its appeal, the likelihood of downloading it, and what respondents believed the function of the application was. These three questions were asked first by displaying only the icon and then again by displaying the icon together with the application name. The study involves an experimental design, attributing the difference in recognition to the names. A self-selected sample of 51 members of the St. Norbert College community (among whom predominantly undergraduates students) supplied data. Because of incomplete questionnaires, 44 cases could generally be used. This qualifies this research rather as a pilot study.

The results confirmed the hypothesis of the case study (Table 2). The two icons achieved the following degrees of correct prediction of functions (scale: 1-5):

Table 2: Experimental case study results

<table>
<thead>
<tr>
<th>Name</th>
<th>Show and Tell</th>
<th>1-to-1 Video Chat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Icon</td>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
</tr>
<tr>
<td>mean for icon only =</td>
<td>1.74 (std. dev. = 1.364)</td>
<td>1.12 (std. dev. = .324)</td>
</tr>
<tr>
<td>mean for icon and name =</td>
<td>1.80 (std. dev. = 1.250)</td>
<td>4.82 (std. dev. = .843)</td>
</tr>
</tbody>
</table>

The icon of Show and Tell experienced higher recognition than that of 1-to-1 Video Chat, which is more abstract and contains no linguistic cues. But adding the name to the icon added no new cue whereas it added much for 1-to-1 Video Chat, with nearly all respondents then understanding its purpose. The difference in downloads follows from differences in cognition. The aggregate average appeal of icons was expectedly lower than of icons combined with names. Respondents were also significantly more successful in predicting the functionality of applications if also given their names. H1 can therefore be accepted. Individual analysis of the 36 icons and names shows that the true functionality was predicted at a level of 2.10 (on a 5-point scale) based on the icon and at 3.26 if also given the name, the difference being significant ($t = -5.92, p < 0.0001$). The name alone therefore makes a marginal contribution of 55.32% towards recognition (Table 3).
The appropriate statistical test for analyzing the main relations in Figure 1 is canonical correlation. This multivariate method is inapplicable to a small sample as used in this pilot study. Descriptive statistics, partial correlations, analysis of variance, and regression analysis have therefore been applied where appropriate.

For icons, appeal but not complexity is a significant predictor of assumed function. However, the same analysis for names showed also complexity to make a significant impact on recognized function. Appeal ($\beta = 0.627$, $t = 3.60$, $p < 0.001$) is still more influential than is complexity ($\beta = 0.599$, $t = 2.92$, $p < 0.01$). The two predictors together can explain a significant portion of the variation in the recognition of apps (multiple $R = 0.658$, $R$-square = 0.433, adjusted $R$-square = 0.398). Frequency of use and number of installations were not significantly related to correct prediction nor were there group differences by categories of apps or platform usage.

Table 3: Descriptive Statistics

<table>
<thead>
<tr>
<th>Application</th>
<th>Appeal icon (mean of 1-11)</th>
<th>Click icon (mean of 1-11)</th>
<th>Complexity (mean &gt; 1)</th>
<th>Function icon (mean of 1-5)</th>
<th>Appeal name (mean of 1-11)</th>
<th>Click name (mean of 1-11)</th>
<th>Complexity name (mean &gt; 1)</th>
<th>Function name (mean of 1-5)</th>
<th>Complexity total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calorific</td>
<td>6.69</td>
<td>6.54</td>
<td>3</td>
<td>1.49</td>
<td>6.02</td>
<td>6.16</td>
<td>1</td>
<td>3.77</td>
<td>4</td>
</tr>
<tr>
<td>Chomp</td>
<td>3.73</td>
<td>3.67</td>
<td>1</td>
<td>1.02</td>
<td>4.56</td>
<td>4.98</td>
<td>1</td>
<td>1.02</td>
<td>2</td>
</tr>
<tr>
<td>Color Blindness Test</td>
<td>4.21</td>
<td>5.29</td>
<td>5</td>
<td>2.14</td>
<td>6.05</td>
<td>5.26</td>
<td>3</td>
<td>4.43</td>
<td>8</td>
</tr>
<tr>
<td>FlightBoard</td>
<td>5.94</td>
<td>5.69</td>
<td>3</td>
<td>3.42</td>
<td>7.12</td>
<td>6.07</td>
<td>2</td>
<td>3.75</td>
<td>5</td>
</tr>
<tr>
<td>Glympse</td>
<td>6.58</td>
<td>6.79</td>
<td>2</td>
<td>1.19</td>
<td>6.44</td>
<td>6.05</td>
<td>1</td>
<td>1.43</td>
<td>3</td>
</tr>
<tr>
<td>Go Launcher Ex</td>
<td>5.96</td>
<td>6.04</td>
<td>2</td>
<td>1.02</td>
<td>4.72</td>
<td>4.70</td>
<td>3</td>
<td>1.11</td>
<td>5</td>
</tr>
<tr>
<td>Google Maps</td>
<td>5.87</td>
<td>6.25</td>
<td>3</td>
<td>4.16</td>
<td>7.65</td>
<td>7.12</td>
<td>2</td>
<td>4.77</td>
<td>5</td>
</tr>
<tr>
<td>Graphic.ly Comics</td>
<td>5.40</td>
<td>5.40</td>
<td>2</td>
<td>3.21</td>
<td>5.74</td>
<td>5.42</td>
<td>2</td>
<td>4.70</td>
<td>4</td>
</tr>
<tr>
<td>Grooveshark</td>
<td>5.02</td>
<td>5.23</td>
<td>2</td>
<td>1.60</td>
<td>6.56</td>
<td>6.47</td>
<td>2</td>
<td>3.66</td>
<td>4</td>
</tr>
<tr>
<td>HotelIPal</td>
<td>4.62</td>
<td>4.48</td>
<td>3</td>
<td>1.84</td>
<td>5.19</td>
<td>4.53</td>
<td>2</td>
<td>4.68</td>
<td>5</td>
</tr>
<tr>
<td>LiveShare</td>
<td>5.13</td>
<td>5.27</td>
<td>3</td>
<td>1.02</td>
<td>5.65</td>
<td>5.49</td>
<td>2</td>
<td>2.73</td>
<td>5</td>
</tr>
<tr>
<td>Mint</td>
<td>4.77</td>
<td>5.19</td>
<td>2</td>
<td>2.67</td>
<td>5.00</td>
<td>4.74</td>
<td>1</td>
<td>2.50</td>
<td>3</td>
</tr>
<tr>
<td>Mobile Notes</td>
<td>6.06</td>
<td>4.90</td>
<td>2</td>
<td>4.81</td>
<td>5.88</td>
<td>5.09</td>
<td>2</td>
<td>4.64</td>
<td>4</td>
</tr>
<tr>
<td>OvuView</td>
<td>5.87</td>
<td>4.96</td>
<td>3</td>
<td>1.23</td>
<td>4.21</td>
<td>4.09</td>
<td>2</td>
<td>1.80</td>
<td>5</td>
</tr>
<tr>
<td>Photoshop Express</td>
<td>4.77</td>
<td>4.15</td>
<td>2</td>
<td>1.12</td>
<td>6.58</td>
<td>6.51</td>
<td>2</td>
<td>4.91</td>
<td>4</td>
</tr>
<tr>
<td>Plume for Twitter</td>
<td>5.35</td>
<td>5.65</td>
<td>2</td>
<td>1.86</td>
<td>6.02</td>
<td>4.35</td>
<td>2</td>
<td>4.70</td>
<td>4</td>
</tr>
<tr>
<td>picplz</td>
<td>4.48</td>
<td>4.77</td>
<td>3</td>
<td>1.33</td>
<td>4.93</td>
<td>4.91</td>
<td>2</td>
<td>3.73</td>
<td>5</td>
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<td>Songbird</td>
<td>6.94</td>
<td>7.25</td>
<td>2</td>
<td>3.65</td>
<td>8.51</td>
<td>7.98</td>
<td>2</td>
<td>4.27</td>
<td>4</td>
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<tr>
<td>Sports Track Live</td>
<td>5.02</td>
<td>5.27</td>
<td>1</td>
<td>1.07</td>
<td>6.51</td>
<td>5.63</td>
<td>3</td>
<td>3.07</td>
<td>4</td>
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<tr>
<td>StayHIP</td>
<td>4.71</td>
<td>4.87</td>
<td>2</td>
<td>1.51</td>
<td>5.19</td>
<td>4.81</td>
<td>2</td>
<td>1.50</td>
<td>4</td>
</tr>
<tr>
<td>Tasker</td>
<td>5.25</td>
<td>5.08</td>
<td>2</td>
<td>1.70</td>
<td>5.33</td>
<td>4.88</td>
<td>1</td>
<td>1.16</td>
<td>3</td>
</tr>
<tr>
<td>Wallet</td>
<td>2.88</td>
<td>3.52</td>
<td>1</td>
<td>1.00</td>
<td>4.79</td>
<td>4.74</td>
<td>1</td>
<td>2.07</td>
<td>2</td>
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<td>Taazzago</td>
<td>4.83</td>
<td>5.06</td>
<td>2</td>
<td>1.42</td>
<td>4.65</td>
<td>4.37</td>
<td>1</td>
<td>1.27</td>
<td>3</td>
</tr>
<tr>
<td>SketchBook Mobile</td>
<td>4.67</td>
<td>4.77</td>
<td>2</td>
<td>1.84</td>
<td>6.02</td>
<td>5.72</td>
<td>3</td>
<td>4.52</td>
<td>5</td>
</tr>
<tr>
<td>SoundCloud</td>
<td>5.67</td>
<td>5.77</td>
<td>2</td>
<td>1.14</td>
<td>6.67</td>
<td>6.09</td>
<td>2</td>
<td>3.02</td>
<td>4</td>
</tr>
<tr>
<td>SoundHound</td>
<td>4.65</td>
<td>4.58</td>
<td>1</td>
<td>1.40</td>
<td>5.86</td>
<td>5.58</td>
<td>2</td>
<td>2.43</td>
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<tr>
<td>SpeedView</td>
<td>4.98</td>
<td>4.96</td>
<td>2</td>
<td>1.98</td>
<td>6.12</td>
<td>5.23</td>
<td>2</td>
<td>3.16</td>
<td>4</td>
</tr>
<tr>
<td>Retro Camera</td>
<td>6.02</td>
<td>6.19</td>
<td>2</td>
<td>3.60</td>
<td>7.26</td>
<td>7.14</td>
<td>2</td>
<td>4.11</td>
<td>4</td>
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<tr>
<td>One-to-One Video Chat</td>
<td>4.50</td>
<td>4.42</td>
<td>2</td>
<td>1.12</td>
<td>5.35</td>
<td>5.67</td>
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<td>4.82</td>
<td>6</td>
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<td>Open Sesame</td>
<td>4.33</td>
<td>4.58</td>
<td>1</td>
<td>3.65</td>
<td>6.30</td>
<td>5.81</td>
<td>2</td>
<td>3.82</td>
<td>3</td>
</tr>
<tr>
<td>Show and Tell</td>
<td>3.10</td>
<td>3.85</td>
<td>3</td>
<td>1.74</td>
<td>4.53</td>
<td>4.12</td>
<td>2</td>
<td>1.80</td>
<td>5</td>
</tr>
<tr>
<td>Spying Droid</td>
<td>5.33</td>
<td>5.71</td>
<td>2</td>
<td>1.58</td>
<td>6.63</td>
<td>5.65</td>
<td>2</td>
<td>3.09</td>
<td>4</td>
</tr>
<tr>
<td>Stream OBot</td>
<td>3.87</td>
<td>4.15</td>
<td>2</td>
<td>2.56</td>
<td>4.91</td>
<td>4.70</td>
<td>2</td>
<td>2.89</td>
<td>4</td>
</tr>
<tr>
<td>TripAdvisor</td>
<td>4.21</td>
<td>4.15</td>
<td>2</td>
<td>1.95</td>
<td>5.23</td>
<td>5.00</td>
<td>2</td>
<td>4.00</td>
<td>4</td>
</tr>
<tr>
<td>Expedia Hotels Book a Room</td>
<td>4.65</td>
<td>4.38</td>
<td>2</td>
<td>3.81</td>
<td>6.28</td>
<td>5.14</td>
<td>4</td>
<td>4.09</td>
<td>6</td>
</tr>
<tr>
<td>Modern Warfare Guns</td>
<td>5.31</td>
<td>5.29</td>
<td>2</td>
<td>3.60</td>
<td>5.72</td>
<td>4.65</td>
<td>3</td>
<td>3.77</td>
<td>5</td>
</tr>
<tr>
<td>Mean across applications</td>
<td>5.04</td>
<td>5.11</td>
<td>2.17</td>
<td>2.10</td>
<td>5.84</td>
<td>5.41</td>
<td>2.06</td>
<td>3.26</td>
<td>4.22</td>
</tr>
<tr>
<td>$\Delta$ (Name/Icon) in %</td>
<td>15.88%</td>
<td>158.25%</td>
<td>55.32%</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

The covariance between icon complexity and prediction of functionality is higher for more complex icons, and covariance more than doubles if names are added to icons. If this is the case, it is effective only if names are really descriptive, which generally means being at a higher level of complexity. Simple one-syllable words associated with simple icons could not be recognized (or were, as in the case of Wallet, predicted incorrectly because of the ambiguity of the name). There is tentative evidence for accepting H2 and H3, but a definitive answer must be left to a full study based on a larger user sample. H4 and H5 must be rejected – neither frequency of device use nor the number of downloads correlated positively and significantly with the ability to predict functions by icons or names, indicating that frequent users of mobile devices did not perform better.

Individual analysis of applications shows that both icons (e.g., Chomp, Wallet) and names (e.g., Tasker,
Wallet) can be misleading. In such cases adding a non-descriptive name to a simple and non-descriptive icon does not enhance recognition. On the other hand, even though icons may already be highly descriptive (e.g., Mobile Notes, Expedia Hotels Book A Room, Open Sesame, Flight Board), adding an appropriate name can still further reduce consumer ambiguity.

CONCLUSION

Relatively little is still known about consumer behavior in mobile electronic environments, and particularly about search for and adoption of applications. The challenge for the marketing of applications on mobile devices is basically twofold: how to cut through a rapidly increasing clutter in application stores, and how to survive in an environment where low-priced for-pay products coexist with free ones of similar and often superior functionality. The second challenge depends on a successful strategy for addressing the first.

The importance of gaining awareness of an application by its icon and name alone before further information is retrieved arises because application stores are largely markets which leave segmentation to the user. A case study of icons and names for two applications and a pilot survey provide evidence that not only the subjective appeal of an application may be relevant but also the choice of an effective design and name, which are under the control of developers. Usability guidelines can be improved through the results of this study and similar ones. These results also corroborate other findings that the most efficient performance is achieved when icons and labels are presented together This is an area where marketers can learn from cognitive science.

BIBLIOGRAPHY


A STUDY OF COUNTERFEITING PURCHASE BEHAVIOR: THE ROLE OF PERCEIVED CONSEQUENCES AND NEUTRALIZATION

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Mateja Kos Koklic, University of Ljubljana
Michelle B. Kunz, Morehead State University

ABSTRACT

This paper seeks to shed light into the demand side of counterfeiting. Based on existing literature in the field, we posit that intention to buy a counterfeit is influenced by consumer’s attitudes towards counterfeited products and neutralization, while perceived benefits, perceived risk, and moral intensity are antecedents of consumer’s attitude toward buying counterfeits. We also hypothesize that neutralization moderates the attitude-intention relationship. The results of the paper survey conducted in Slovenia showed that perceived benefits and moral intensity significantly influence the attitude, while the impact of risk is negligible. Furthermore, attitude and neutralization significantly predict the intention to pirate.

INTRODUCTION

This study focuses on the demand side of counterfeiting, examining factors underlying the purchase of non-deceptive counterfeit products. Unlike deceptive counterfeiting where consumers believe they have purchased a genuine product (when in fact it is a fake), the non-deceptive counterfeits refer to situations when consumers are fully aware that they are buying a knock-off at the time of purchase (Chakraborty, Allred & Bristol, 1996).

Previous literature identified various issues to be addressed in future empirical studies to advance existing knowledge of the counterfeiting phenomenon, particularly the lack of consistent frameworks to guide empirical efforts and the dearth of focus on consumers outside the US and Asia (Eisend & Schuchert-Gueler, 2006; Veloutsou & Bian, 2008; Wilcox, Kim & Sen, 2009). Identifying the social psychological foundations underlying the counterfeiting behavior is critical if efficacious public policy strategies are to be developed, implemented and controlled to persuade individuals to attenuate or reject this practice. Namely, our knowledge of the mechanisms and structure of the illicit market are still rather limited (Staake, Thiesse & Fleisch, 2009). These issues, along with the calls for examinations of existing consumer behavior models in different and novel cultural settings prompted us to design a study that aims at exploring the antecedents of consumer attitudes and intention to buy counterfeit products. We first develop a theory based conceptual model and then apply path analyses to test the system of structural relationships.

THEORETICAL FRAMEWORK AND HYPOTHESES

Overall, two streams of theoretical underpinnings can be identified in the literature on counterfeiting and piracy: (1) the models of attitude-behavior relations, such as the Theory of Reasoned Action (TRA) (Shoham, Ruvio & Davidow, 2008) or the Theory of Planned Behavior (TPB) (Augusto de Matos, Ituassu & Rossi, 2007), and (2) theories of ethical decision making, such as Jones’ issue-contingent model (Tan, 2002) or Hunt and Vitell’s model of ethical decision making (Shang, Chen & Chen, 2008).

The basic premise of the models of attitude-behavior relations is the interplay between attitudes, intentions and actual behavior (Bentler & Speckart, 1979). This framework, either as TRA or TPB, has been applied to both contexts, counterfeiting (Shoham, Ruvio, and Davidow, 2008) and piracy (Goles et al. 2008). One valuable characteristic of this theory is its flexibility in allowing the inclusion of other theoretically relevant variables (Ajzen, 1991). Yet, overall attitudes alone are usually poor predictors of behaviors (Pelsmacker & Janssens, 2007). Several studies in the counterfeiting and piracy literature found constructs other than attitudes tend to have a stronger power in predicting behavioral intentions (by Chang, 1998).
Shaw, Grehan, Shiu, Hassan, and Thomson (2005) conclude that a substantial amount of variance in buying behavior remains unexplained by traditional models based on TRA and that other relevant variables should be included. For example, Chatzidakis, Hibbert, and Smith (2007) suggest that neutralization plays a role in explaining the discrepancy between consumer's attitudes and his/her actual behavior/intention. On the other hand, an interesting aspect of the determinants of counterfeit purchase can be found in the Beckerian framework, as applied by Henning-Thurau, Hennig, and Sattler (2007). Here, the consumer would purchase a counterfeit product or engage in file-sharing if it yielded greater utility than the original, weighing benefits against costs.

The willing purchase of counterfeits can be described as a non-normative behavior (Cordell, Wongtada, and Kieschnick, 1996). Tolerance of, and participation in such behavior is often justified by neutralization as a technique to counter feelings of guilt associated with delinquent behavior (Sykes & Matza, 1957). Incorporating this variable, along with moral intensity, highlights the ethical aspect of consumer's decision making.

Against this background, we propose a conceptual model of consumer attitudes and intention to buy a counterfeit product presented in Figure 1. The relationship between these four constructs is further extended with the concepts of (1) perceived benefits, (2) moral intensity, (3) perceived risk, and (4) neutralization. Perceived benefits of a counterfeit, moral intensity and perceived risk can be regarded as perceived expected consequences of a counterfeit purchase. Perceived benefits describe the benefits of obtaining a counterfeit product for the individual, moral intensity elicits the expected consequences for the society at large, and perceived risk assesses the perceived consequences for the individual who buys counterfeit products. Both moral intensity and perceived risk can be interpreted as costs of buying a counterfeit, i.e., at individual and societal levels, respectively.

**Figure 1. The conceptual framework**

![Diagram of the conceptual framework](image)

The first hypothesis focuses on the impact of perceived benefits of a counterfeit product on consumer's attitude toward buying counterfeit products. The concept of perceived benefits has been minimally explored in the counterfeiting and piracy context (Bian & Moutinho, 2008; Hennig-Thurau, Hennig, and Sattler, 2007). Goles et al. (2008) provide empirical support for the impact of perceived usefulness on attitude, which can be paralleled to perceived benefits, both yielding positive expected outcome of a purchased product. Therefore, we hypothesize:

**H1:** The perceived benefits positively influence a favorable attitude toward purchasing counterfeit products.

Next, moral intensity has been found to significantly affect individuals' moral judgment (Tan, 2002). Based on the inherent properties of moral judgment, it can be noted that the attitude is the closest construct (Al-Rafee & Cronan, 2006). The negative impact of moral intensity on attitudes toward buying unauthorized music download/duplication has been recently confirmed by Chiou, Huang, and Lee (2005). Hence, we suggest:

**H2:** Moral intensity negatively influences a favorable attitude toward purchasing counterfeit products.

In line with our conceptual model, perceived risk is another independent variable hypothesized to affect consumer's attitude. Several studies have established evidence that perceived risk diminishes consumer's favorable attitude toward buying counterfeit product or pirating (Augusto de Matos, Ituassu, and Rossi, 2007). Consequently, we hypothesize:

**H3:** Perceived risk negatively influences a favorable attitude toward purchasing counterfeit products.

The link attitude-behavioral intention has been extensively studied in the marketing literature. Consequently, there is a bulk of evidence in favor of positive relationship between attitudes and behavioral intentions. In the counterfeiting context, many authors provided support for this relationship, e.g. Ang, Cheng, Lim, and Tambyah (2001), Augusto de

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Matos, Ituassu, and Rossi, (2007) and Wilcox, Kim, and Sen, (2009). Hence, we posit:

**H4: Favorable attitude positively influences intention to buy counterfeit products.**

Neutralization has been explored mostly in the piracy context (Higgins, Wolfe, and Marcum, 2008; Phau & Ng, 2010). Following the theoretical propositions by Chatzidakis, Hibbert, and Smith (2007) on the role of neutralization as an antecedent of behavioral intention and a moderator of the relationship between attitude and behavioral intention, we suggest:

**H5: Neutralization positively influences intention to buy a counterfeit product.**

**H6: The higher the neutralizing beliefs the stronger the relationship between attitude and intention.**

**METHODOLOGY**

The conceptual model proposed in Figure 1 was investigated using a sample of 584 adult consumers in Slovenia. The survey was mailed to a randomly selected sample of households in the country. The sample consisted of more female than male respondents (53.8 % females) with an average age of 40.3 years (SD of 16.8). The majority of the sample (76.8 %) attained college education, and a bit less than half of the sample (49.9%) was employed, either on a part-time or full-time basis.

Construct measures were based on the existing literature, but carefully adapted to the cultural context with additional testing of reliability (Craig & Douglas, 2000; Douglas & Nijssen, 2003). Five constructs identified in the conceptual model were measured on 5-point Likert type scales ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), and moral intensity on 5-point semantic differential scale. The measure of counterfeit purchase intention (CF) was assessed using a three-item scale developed by Taylor and Todd (1995) which has been applied in a recent study by Goles et al. (2008). To capture the attitude toward purchasing counterfeit products, items were adapted from Cronan and Al-Rafee (2008) and Augustode Matos, Ituassu, and Rossi (2007). Moral intensity scale items were adapted from Singhapakdi, Vitell, and Kraft (1996) and McMahon and Harvey (2006). Items for perceived risk and perceived benefits were derived from Hennig-Thurau, Hennig, and Sattler's (2007) scale. The neutralization scale was devised based on the five techniques of neutralization as identified by Sykes and Matza (1957).

**ANALYSES AND FINDINGS**

The analysis, using structural equation modeling, was conducted in two steps. After an Exploratory Factor Analysis to check for constructs’ uni-dimensionality, the measures were submitted to a Confirmatory Factor Analysis (CFA). The results of the CFA are summarized in Table 1 showing that the six constructs display adequate reliability (CR) and average variance extracted (AVE). The fit indexes of the measurement model indicate a good fit of the model to the data ($\chi^2 = 218.6$, d.f. = 115, $p = .00$; GFI = .96; AGFI= .94; RMR=0.04; sRMR=0.04; RMSEA = .04).
also provide evidence of a good fit. The t-statistics from the structural model were used to examine the hypotheses. As indicated in the summary of results in Table 2, relationships proposed proved to be in the hypothesized direction and statistically significant, with the exception of the two links, i.e., between perceived risk and attitude (H3), and between neutralization and attitude-intention relationship (H6). These findings indicate that perceived risk does not have negatively influence attitude toward the intention to purchase counterfeit products. Furthermore, the results do not support the proposed moderating effect of neutralization on attitude and intention.

Table 2. Hypothesis testing and results

<table>
<thead>
<tr>
<th>Antecedent</th>
<th>Criterion variable</th>
<th>St. regr. coeff.* (t-value)</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1+ Perceived benefits</td>
<td>Attitude</td>
<td>0.34 * (5.66)</td>
<td>Supported</td>
</tr>
<tr>
<td>H2- Moral intensity</td>
<td>Attitude</td>
<td>-0.15 * (-3.17)</td>
<td>Supported</td>
</tr>
<tr>
<td>H3- Perceived risk</td>
<td>Attitude</td>
<td>-0.02 (-0.29)</td>
<td>Not supported</td>
</tr>
<tr>
<td>H4+ Attitude</td>
<td>Intention</td>
<td>0.18 * (4.19)</td>
<td>Supported</td>
</tr>
<tr>
<td>H5+ Neutralization</td>
<td>Intention</td>
<td>0.64 * (10.59)</td>
<td>Supported</td>
</tr>
<tr>
<td>H6- Neutralization</td>
<td>Attitude-Intention</td>
<td>-0.00 (-0.05)</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

* Significant at p ≤ 0.05 if |t| ≥ 1.96.

**DISCUSSION AND IMPLICATIONS**

This study attempted to generate new insights into non-deceptive counterfeiting by focusing on consumer behavior. We identified three variables (perceived benefits, moral intensity and risk) that influence consumer attitude toward counterfeiting and two variables (attitude and neutralization) that affect consumer’s intention to buy counterfeit products. By focusing on the topic of counterfeiting we respond to the call of Staake, Thiesse, and Fleisch (2009) to advance the knowledge of mechanisms and structure of the illicit market.

Our findings suggest that the intention to buy counterfeit products is influenced by consumers’ attitude towards counterfeiting and their techniques of neutralization. As hypothesized, positive predisposition toward purchasing counterfeit products (attitude) increases consumer’s intention to engage in knowingly buying a counterfeit product. The findings in our study are in line with previous empirical work. More specifically, attitude is found to be one of the most consistent predictors of intention to purchase in the existing literature, including in the counterfeiting context where different authors, e.g., Phau and Teah (2009), and Wilcox, Kim, and Sen (2009) provided evidence for the state relationship. Additionally, having a significant direct impact, neutralization is also shown to play an important role in shaping consumer’s intentions, lending support to the proposition given by Chatzidakis, Hibbert, and Smith (2007). Namely, this concept helps understand the gap in the area of attitudinally-incongruent behavior. Nonetheless, its moderating role seems to be negligible in the specific situation of willingly purchasing counterfeit leisure goods.

In addition to examining the determinants of the intention to buy counterfeit products, we also tackled the issue of attitude formation. In our analysis, two important determinants of attitude toward purchasing counterfeits were identified: individual’s perception of benefits gained by purchasing fakes and his/her perception of the consequences for the society at large. However, risk perception does not seem to have a significant impact in buying counterfeits. This could be explained by the fact that respondents were answering questions related to purchasing leisure goods, and we suspect their involvement in the situation, as well as perceived risk are not that explicit.

The results of this research should be viewed from the perspective of limitations inherent in this quantitative inquiry. However, it is hoped that the study contributes to a better understanding of consumers’ demand for counterfeits. The results of this research may offer a springboard for future research in this field. Since this study can only be generalized to the population of the subjects in Slovenia, additional research using subjects from other countries and cultures would provide insights into the cultural application of the model.
REFERENCES


Chatzidakis, Andreas, Sally Hibbert, and Andrew Smith (2007), "Why People Don't Take their Concerns about Fair Trade to the Supermarket: The Role of Neutralisation," Journal of Business Ethics, 74 (1), 89-100.


BENCHMARKING COMPETENCIES THROUGH COMPETENCY MODELING: THE CASE FOR ENTRY LEVEL SERVICE SALESPEOPLE

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ABSTRACT

The purpose of this paper is to illustrate an example of the first step in benchmarking competencies for entry level services salespeople in the USA. A multiple method, multiple respondent approach was used which included a literature review, Delphi study, the use of an expert jury (40 members) a survey pretest and a final survey utilizing a national sample of sales managers, sales professors, sales trainers, and salespeople (N = 449). The design developed a set of categories and formative indicators for each category and then developed importance ratings as perceived by the respondents. In total almost 1000 respondents had an impact on the findings of the study.

Competency modeling is a procedure whereby an organization seeks to understand the competencies that their employees in that function need to have in order to be stellar performers. Competencies differ from other kinds of constructs such as attitudes, skills, traits, capabilities and the like because it is a distinct definition of the behaviors that need to be done to get the desired outcomes. In effect it is the combination of the knowledge skills and abilities of the person stated in terms of the behaviors that need to be done to be successful. Competency modeling has seen limited attention by academics but has been heavily used in industrial settings and a number of generic models as well as procedures to conduct such analysis are evident.

The results of preliminary work indicated ten (10) clear categories of competencies considered important for services salespeople. The final survey suggested delineation of perceived importance, both across the 10 categories and within the formative indicators of those categories. The categories were sales process, performance management competencies, technology management competencies, learning management competencies, relationship management competencies, risk management competencies, influencing competencies, leadership competencies, customer management competencies, product/service competencies, and administrative competencies. Sales process, product/service and influencing were seen by the sample as being most important. Managing their performance was seen as the least important.

As with most survey based studies limitations include the use of self-report, the sample frame may not be representative of the industries used and the findings can not necessarily be generalized to other countries. In addition, the research focuses on sales employees and their perceptions, not the buyers who actually do the buying of services and is only the first stage in defining a set of competencies and their drivers. Finally, the research is a preliminary step necessary to conduct research that can have more meaningful managerial implications. The next steps are to develop reflective indicators for each of the categories, link those categories to performance and therefore determine the more important drivers of performance.

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ABSTRACT

Firms can achieve market leadership by enabling employees to become more knowledgeable. Self-directed learning (SDL) is a way that employees can improve their knowledge. Models of SDL offer a new area for research but lack a key component: technology. This paper uses the model of Artis and Harris (2007) to develop a model of how employees’ personal affinity for technology and perceptions of firm affinity toward technology influence their use of SDLPs to develop professional expertise. Artis and Harris (2007) identify the four antecedents of SDLP use: learner self-directedness, confidence in self-directed learning skills, contextual understanding and motivation to learn. Employee affinity for technology is an individual level characteristic, and is conceptualized as the employee’s affect toward technology. This characteristic should be related to the use of SDLPs. Specifically, it should influence the antecedent characteristics of confidence in SDL skills and contextual understanding by aiding the employee in developing information literacy. Having a high affinity for technology would make it easier to engage in SDLPs. Artis and Harris (2007) identify organizational climate factors as a moderator of the relationships between individual characteristics and the use of SDLPs. How the individual perceives the corporate affinity for technology should influence the relationship between their own affinity for technology and their use of certain types of SDLPs (i.e., motivation to learn). If employees feel that the firm will appreciate their use of technology in the learning process, they will be more likely to use technology to assist in SDLPs, and vice versa. Employee PCAFT may also exert a direct effect on employees engaging in SDLPs. The perception of an environment that encourages the use of technology may lead the individual to utilize technology whenever it is appropriate. This direct link is based on social exchange theory, which states that if employees believe that the firm provides something for them (shows an affinity for technology), then they will reciprocate by taking advantage of this opportunity (i.e., learning). From this, the following propositions are made: P1: Personal affinity for technology is positively related to employee use of SDLPs; P2: PCAFT moderates the relationship between employees’ affinity for technology and use of SDLPs; P3: PCAFT is positively related to employee use of SDLPs.

REFERENCES


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AN EXAMINATION OF THE APPLICATION OF THE SALESPROCESS BY HIGH PERFORMING SALESPEOPLE IN THE OFFICE PRODUCTS INDUSTRY

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ABSTRACT

The purpose of this study is to determine the effective use of each step of the sales process by salespeople within the office products industry. This examination includes a comparison of performance based on differences in annual income and monthly sales volume. A total of 526 salespeople participated. Differences in the use of various sales process steps were identified across sales performance, particularly in the area annual income.

INTRODUCTION

The purpose of this study is to determine the effective use of each step of the sales process by salespeople within the office products industry. This research effort considers the multiple steps of the professionals a process. Specifically, the sales process steps include; gaining initial appointments, developing rapport, uncovering prospects needs, presenting proposals, negotiating, closing the sale, managing selling time, setting sales goals, managing customer profitability, and conducting business reviews with customers. Additionally, this study also takes into account sales conversion efforts such as the ratio of initial appointments to be coming first-time customers and the average number of new customers added each month by individual salespeople.

LITERATURE REVIEW

Developing a High-Performance Sales Culture

From the perspective of Lytle (2003), sales managers need to create a high performance culture that generates rewards for successful salespeople and finds opportunities for exit for low performing salespeople. To Lytle, the objective is to move average performing salespeople up to a higher level of performance while simultaneously letting go poor performers. He suggests enforcing sales standards early in a salesperson’s tenure, and creating monitoring systems that actually encourage sales teams to reinforce themselves.

Jaramillo and Prakash (2008) report that overall superior sales performance requires a high level of effort. Their own research indicates that supportive leadership leads to salespeople putting forth greater amounts of selling effort. Supportive leadership also accentuates intrinsic motivation of salespeople. Salespeople who are skilled at using adaptive selling techniques and closing skills experience increased levels of sales performers (Johlke, 2006). This finding reinforces the need for professional sales skills development and sales experience.

Sales Process Factors Impacting Sales Performance

Dubinski, et al (1981/82) states that appropriate sales training for each step of the sales process would be useful and does not consistently take place. They have determined that salespeople are better prepared to use unique techniques for the post-presentation stages rather than the steps prior to making the presentation. Salespeople need to understand not only each step of the process but their own performance in a measurable way for each step (Kahle, 2011). They need to identify the critical performance factors and be able to assess their own results that take place during each sales step. By doing so, they will be better positioned to help buyers may the types of decisions that lead to actual purchases.

Relatedly, Graham (2011) states that it is the customer that is in charge of the buying experience. The client will not accept a sales person who does not provide meaningful and valuable experience. Salespeople
who are well to be listen attentively and focus on solv-
ing customer problems will develop sales effectiveness.

**Sales Empowerment and Planning**

Customer relationship management responsibilities on the part of salespeople have increased substantially. Anderson and Huang (2006) believe that sales managers need to further empower salespeople and provide structure and incentives for strengthening customer-oriented behavior. As a result, both customer salesperson loyalty should increase and in turn overall profitability.

Why do salespeople fail? According to Kurtz, et al (1989) there are two key reasons that set apart successful and unsuccessful salespeople; lack of initiative and poor planning. These skill sets that can overcome these two factors include previous sales experience, improvement of organizational skills, social skills, enthusiasm and willingness to learn and follow new sales process approaches. Successful salespeople are also agile. (Chonko et al, 2005). They can quickly assess customers' ongoing needs, wants, and preferences and are capable of responding appropriately.

**Goal Setting**

According to Fu et al (2009), salespeople are willing to put forth more effort as goal levels increase up to the point where the goal is believed to be achievable. Beyond this degree, selling effort decreases as goal levels increase. Chowdhury (1993) reports that as quota levels are increased, the amount of effort expanded increases only up to a limited extent. At some point, increases in the level of the quotas assigned can decrease sales effort. Phillips (2000) states that successful salespeople are goal and action oriented. They have a performance goal, but they also have personal goals of how increases in income will benefit their own situation. Strong sales producers emotionalize their goals. They are motivated by a meaningful purpose of how additional income will be used.

**Perceived Sales Roles and their Impact on Performance**

In a study of salespeople from a Fortune 100 high technology firm responsible for managing multimi-

In a related study by Steward et al (2010), their results indicated that higher-performing salespeople are more likely utilize both relational and technical skills when working with customers and guiding sales team members to meet customer requirements. They are able to attract expert members through internal working relationships. In turn, the coordination efforts of ex-

**METHODOLOGY**

A total of 526 office product sales professionals participated in a study that was made available to an open network office product sales people. The network is comprised of individuals working variety of office products dealerships and those that receive information from an office products trade association journal. The survey was completed online. The survey included a combination of closed ended 1-5 Likert scale, categori-

**FINDINGS**

**Key Findings of the Office Product Dealer Salesper-
son Performance Survey**

**Office Product Dealer Salesperson participant**

**Company Sales Volume:**

<table>
<thead>
<tr>
<th>What is the size of the company you work for in terms of annual sales volume?</th>
<th>Response Percent</th>
</tr>
</thead>
<tbody>
<tr>
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<td>3.1%</td>
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<td>$500,000 - $1 million</td>
<td>9.1%</td>
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<td>$1.1 million - $2.5 million</td>
<td>21.4%</td>
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<td>$2.6 million - $5.0 million</td>
<td>22.0%</td>
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<td>$5.1 million - $7.5 million</td>
<td>11.9%</td>
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<tr>
<td>$7.6 million - $10 million</td>
<td>7.8%</td>
</tr>
<tr>
<td>Over $10 million</td>
<td>24.7%</td>
</tr>
</tbody>
</table>

270 (55.6%) of the dealer salespeople responding to the survey work for companies with sales of $5 million or less.

216 (44.4%) of the dealer salespeople responding to the survey work for companies with sales $5.1 million or more.
Monthly Sales Volume as a Factor of Sales Performance

In terms of sales volume, a comparison was made between salespeople who sold more than $55,000 (U.S) to those who sold $55,000 or less. A total of 267 respondents sold $55,000 or less and 243 sold more than $55,000 per month.

What is your average monthly sales volume?

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<thead>
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<tr>
<td>$10,000 - $25,000</td>
<td>12.0%</td>
</tr>
<tr>
<td>$26,000 - $40,000</td>
<td>18.6%</td>
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<tr>
<td>$41,000 - $55,000</td>
<td>15.1%</td>
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<tr>
<td>$56,000 - $70,000</td>
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<tr>
<td>$71,000 - $85,000</td>
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<tr>
<td>$86,000 - $100,000</td>
<td>8.6%</td>
</tr>
<tr>
<td>More than $100,000</td>
<td>16.9%</td>
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Annual Income as a Factor of Sales Performance

With regards to annual income, comparisons took place of salespeople who earned an income of more than $50,000 (U.S.) in previous 12 months compared to those who made less than $50,000 over the same 12 months. With regards to annual income, a total of 275 reported an annual income of $50,000 or less and 221 salespeople indicated an income level of more than $50,000.

What is your annual income?

<table>
<thead>
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<th>Answer Options</th>
<th>Response Percent</th>
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<td>$91,000 - $100,000</td>
<td>2.2%</td>
</tr>
<tr>
<td>Over $100,000 per year</td>
<td>8.7%</td>
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The Difference between Top Performers and Average Performers

Proposition I: To the extent that salespeople are actively engaged in each step of the sales process, their annual incomes and monthly sales volume will be higher than those salespeople less actively engaged.

Specifically, salespeople who are actively engaged in the following steps of the sales process, will experience annual incomes and monthly sales volume significantly higher than those salespeople less actively engaged:

Proposition I a: Gaining an initial appointment with the new prospect.
Proposition I b: Developing rapport and connecting with people.
Proposition I c: Uncovering prospects needs and vendor decision criteria.
Proposition I d: Presenting proposals.
Proposition I e: Negotiating.
Proposition I f: Closing the sale/asking for the order.
Proposition I g: Managing your selling time.
Proposition I h: Setting sales goals and objectives.
Proposition I i: Managing customer profitability and margins.
Proposition I j: Conducting business reviews with customers.

T-test Results Comparing Upper and Lower Annual Income Levels and Monthly Sales Volume

Proposition I: To the extent that salespeople are actively engaged in each step of the sales process, their annual incomes and monthly sales volume will be higher than those salespeople less actively engaged.

With regards to annual income, comparisons took place of salespeople who earned an income of more than $50,000 (U.S.) in previous 12 months compared to those who made less than $50,000 over the same 12 months. With regards to annual income, a total of 275
reported an annual income of $50,000 or less and 221 salespeople indicated an income level of more than $50,000.

The Effective Use of Each Step of the Sales Process

<table>
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<th>Annual Income</th>
<th>&lt; $50K</th>
<th>&gt; $50K</th>
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<tr>
<td>Gaining appointment</td>
<td>3.39</td>
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<tr>
<td>Developing rapport</td>
<td>4.25</td>
<td>4.24</td>
</tr>
<tr>
<td>Prospects needs</td>
<td>3.70</td>
<td>3.84 *</td>
</tr>
<tr>
<td>Presenting proposal</td>
<td>3.64</td>
<td>3.81 *</td>
</tr>
<tr>
<td>Negotiating</td>
<td>3.44</td>
<td>3.55</td>
</tr>
<tr>
<td>Closing the sale</td>
<td>3.66</td>
<td>3.87 **</td>
</tr>
<tr>
<td>Managing selling time</td>
<td>3.39</td>
<td>3.46</td>
</tr>
<tr>
<td>Setting sales goals</td>
<td>3.35</td>
<td>3.44</td>
</tr>
<tr>
<td>Managing customer profit</td>
<td>3.43</td>
<td>3.66 **</td>
</tr>
<tr>
<td>Customer bus reviews</td>
<td>3.05</td>
<td>3.28 *</td>
</tr>
</tbody>
</table>

*p < .05 **p < .01 t-test

Office product sales people who make more than $50,000 a year in income in comparison to those who make less self report that they are more effective at particular steps of the sales process. Specifically, more highly paid office product sales people more effectively uncover the needs of prospects and identify him vendor decision criteria. They present solutions, close the sale and ask for the order more actively than their less paid counterparts. Well-paid salespeople are also more capable of managing customer profitability and sales margins as well as consistently conducting business reviews with customers.

With regards to monthly sales volume, there are a number of aspects to the sales process that office product sales people will monthly volume greater than $55,000 perform more effectively than those with a lower monthly sales volume. Higher volume sales people uncover needs a prospect and determine decision criteria to a greater degree than those who sell fewer office products. Additionally, they are utilizing greater discipline in the context of managing their selling time, setting clear sales goals, managing the profitability of the customers, as well as the frequency of conducting business reviews with customers.

Three aspects of the sales process in this study were found to be in common with salespeople who have higher than average levels of income and with salespeople who enjoy higher monthly sales volume. Both high levels of how income and sales volume were associated with strong needs analysis and vendor decision criteria, along with managing customer profitability and having regular business reviews with customers. In addition, as would be expected a very strong positive correlation existed between annual sales income and monthly sales volume (p < .01).

Discussion of the Findings

What are the Key Sales Conversion Process Steps Top Performing Salespeople Follow?

Becoming a top performing salesperson is not like winning the lottery. Luck and chances have no place in this market. Planning and prospecting, however, have the floor when it comes to sales success. Top performers chart their course for success and make adjustments whenever the compass begins to wander. They utilize the sales conversion process to increase sales volume and achieve higher levels of income by first uncovering prospects’ needs and vendor decision criteria. Once needs and criteria are clear, top performers present personalized sales proposals. Finally, and perhaps most importantly, high income, high volume salespeople close the sale by asking for the order. The research in this study validates the importance of a defined sales process for converting prospects into customers. It should not surprise anyone that high income salespeople follow those steps and close the sale by asking for the order!

To be a top performer you must constantly manage your customers by holding business reviews. Both high income and high sales volume salespeople showed a highly significant correlation to managing customer profitability and margins and conducting business reviews with customers. Top performers agree that the sale is never over. It is a cycle that can grow and thrive or stagnate and die. When the latter happens, top performers become past performers – top customers become lost customers.
OP Salespeople Who Sell More are Highly Effective at Managing Their Time

The research clearly points to a correlation between effective time management and elevated sales numbers, which, in turn, leads to elevated income levels. Top performers, defined as individuals who sell $55,000 or more per month, are better at managing the time demands of more customers and greater volume. They have to be more effective in order to “juggle” greater sales volume and more customers. If they were unable to handle the time demands of higher volume sales, they would quickly lose business and their top performer status.

How Every OP Salesperson Can Grow Sales and Make More Income

Our research shows that both top performers and average performers are holding, on average, 10 new prospect initial appointments per month. We can come up with this activity level by correlating the conversion ratio with the number of new customers per month. These 10 initial appointments lead to 3 or 4 new customers per month.

It is crucial for office product dealers, owners and sales leaders to identify how sales team members increase the number of initial appointments with prospects. If a salesperson can increase the number of initial appointments with new prospects, then the number of new customers would increase in the same proportion. Using the same conversion ratios, a top performer who makes 15 prospect initial appointments will open up about 6 new accounts per month.

Applying the Key Research Conclusions to Improve Sales Performance:

1. Focus on uncovering the primary reasons prospects switch vendors.
2. Follow the sales conversion process steps and always ask for the order.
3. Conduct business reviews and manage profitability with current customers.
4. Manage your time effectively.
5. Start measuring the KPI’s: Conversion Ratio and number of new customers added each month.
6. Increase the number of initial appointments with prospects

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USING ONE-MINUTE VIDEO RESUMES
AS A SCREENING TOOL FOR SALES APPLICANTS

Katie J. Kemp, Middle Tennessee State University
L. Michelle Bobbitt, Middle Tennessee State University
Michelle Bednarz Beauchamp, Middle Tennessee State University
Elizabeth Ann Peyton, Middle Tennessee State University

ABSTRACT

One-minute video resumes are brief video introductions that can accompany a traditional resume. Students applying for sales positions can use one-minute video resumes to differentiate themselves from other sales applicants. By including a brief video introduction, applicants can showcase skills that are difficult to communicate on paper but extremely important to sales positions. For recruiters and sales managers, one-minute video resumes can lower costs associated with recruiting potential candidates by providing them with an opportunity to evaluate a candidate’s interpersonal skills, persuasion skills, and verbal communication skills before scheduling an interview.

Several production companies offering applicants the opportunity to develop video introductions have emerged. These companies assist applicants with the creation of video introductions and host the video introductions on a secure website. Recruiters can go directly to the production company’s website to search for applicants or applicants can contact employers via email with the URL for their video resume. The latter was examined in this research. When a recruiter clicks on a URL for a video resume, they are often presented with three components — a viewing pane with the applicant’s video, a bulleted list of highlights from the applicant’s resume, and a link to the traditional resume document. Recruiters can then contact the applicant via a secure email through the host firm’s website.

Two exploratory studies were conducted to gauge recruiters’ perceptions of video resumes. The first study investigated sales recruiters’ general perceptions of video resumes, while the second study investigated recruiters’ perceptions of one-minute video resumes after viewing ten, unique, one-minute video resumes. Results reveal that recruiters who viewed one-minute video resumes prior to meeting sales applicants had more favorable perceptions of video resumes than those who did not view video resumes. One-minute video resumes were most effective in conveying the candidate’s communication skills, energy level, and potential benefit to the company. Respondents consider video resumes a time saving tool and would be more likely to open the traditional resume and to contact a candidate for an interview if impressed by the video resume.

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THE MODERATING INFLUENCE OF ACCREDITING BODY AFFILIATION ON THE RELATIONSHIP BETWEEN MARKET ORIENTATION AND PERFORMANCE WITHIN UNIVERSITY BUSINESS SCHOOLS

Kevin L. Hammond, The University of Tennessee at Martin
Robert L. Webster, Ouachita Baptist University

ABSTRACT

This manuscript reports the results of a national survey of business schools examining the impact of student, parent, and employer market orientation on overall business school performance. Following methodology used by Sharma, Durand, and Gur-Arie (1981) and Slater and Narver (1994), we extend previous research by examining the possible moderating influence of accrediting body affiliation on the relationship between market orientation and overall performance within AACSB and ACBSP affiliated schools.

The research objective is stated in terms of the following null hypothesis: Accrediting body affiliation of the business school does not affect the perceived relationship between (a) student, (b) parent, and (c) employer market orientation components (customer orientation, competitor orientation, inter-functional coordination) and overall performance within AACSB and ACBSP affiliated business schools.

Variables are measured through the use of scales, and variable scores are calculated and presented for all variables. We then address the research objective, examining any possible moderator effects of affiliation on relationships between the market orientation components and performance. In analyzing affiliation as a possible moderator variable, we follow the methodology used by Sharma, Durand, and Gur-Arie (1981) and Slater and Narver (1994), employing moderated regression analysis, testing for relationships with the dependent or independent variables, and then testing for possible homologizer effects (Hambrick and Lei 1985). Results of each step are provided and implications are discussed.

REFERENCES


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HONORS FOR SALE: COLLEGIATE BRANDING OR SELF PROMOTION STRATEGY?

Brian A. Vander Schee, Aurora University

ABSTRACT

The university commencement ceremony is often used to solidify the academic value of a collegiate brand or institutional brand community. Visual displays of the collegiate brand include academic accessories such as honor cords. However, honor cords can also be used by individual students to reflect personal achievement and access to resources. This study was conducted at the commencement ceremony of a private liberal arts college in the Midwest. The researcher recorded the number of honor cords worn by each undergraduate student earning a bachelor’s degree (n = 445) at that particular institution. Matching data regarding academic achievement and financial need was also recorded. Analysis of variance was then used in SPSS to determine if there was any difference in the number of honor cords worn based on academic achievement or financial status. Registrars in the American Association of Collegiate Registrars and Admissions Officers were also asked to complete an online survey regarding commencement, honors, and institutional policies. Completed responses with information regarding commencement policies were received from 298 institutions.

The results of this study at one university suggest that honor cords are used by students to self promote more so than to foster the collegiate brand. Results of survey research on institutional policies regarding commencement indicate that this situation is prevalent and supported nationwide. Wearing Latin Honor accessories are likely not viewed as a measure of economic status in that almost all institutions in the study provide Latin Honor cords for free. Wearing them is also not viewed as a self promotion tool in that students do not need to apply for them – they are automatically bestowed on those who meet the minimum academic criteria. This is part of the collegiate brand making the visual statement, look how many of our graduates earned Latin Honors. The unintended effect is that each student feels less associated with the collegiate brand as more and more of the graduating class shares the same distinction.

Students then look to external organizations for additional recognition of their achievement. However external validation is not solely based on cumulative GPA as is the case with Latin Honors. Students must first be aware of the honor society opportunities, apply for membership, and then pay the membership fee. Once accepted a student can then purchase academic accessories including honor cords. This takes a concerted effort on the part of students who want to stand out as individuals at commencement. It also takes financial support as one can join a number of the 68 official members of the Association of College Honor Societies (ACHS Member Societies 2011) or dozens of other not officially recognized disciplinary associations.

Perhaps raising the Latin Honor standards commensurate with the corresponding institutional grade inflation rate over time will once again make Latin Honors truly distinctive. This may dissuade students from looking for external validation of academic achievement and make a greater contribution to the institutional brand image. Implementing an institutional Latin Honors only policy for commencement ceremonies will also heighten the collegiate brand while deterring notions of self promotion. The ideal situation is one where building a brand community is at least a consideration when setting institutional policies regarding commencement.

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THE USE OF SOCIAL MEDIA COMMUNICATION IN CONSUMER COMPLAINING: AN APPLICATION TO HIGHER EDUCATION

Mary Beth Pinto, Penn State Erie
Phylis Mansfield, Penn State Erie

ABSTRACT

Facebook is ubiquitous on college campuses today. The millennial Generation, of which college students are members, has the highest concentration of social media usage. This article explores the Facebook usage of college students and how Facebook is used as a complaint method. A survey was used with 413 students at a public university in the United States to measure Facebook usage, online activity, and the use of Facebook for complaining. Two scenarios were used to gather data on student complaining behavior. Results indicate that 93% of the sample used Facebook with women reporting greater usage. Various factors affected students’ method of complaint behavior. There were significant differences in complaining behavior between heavy and light users. Heavier users of Facebook were more likely to complain to other students face-to-face or to complain to the professor or other students via email, posting comments to an online. Additionally, the findings indicate that complaint response methods are impacted by differences in the dissatisfying experience.

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