



# **Change as a Constant**

## **2015 Annual Spring Conference Proceedings**

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**Lisa Lindgren, College of St. Benedict / St. John's University**  
**Brent Smith, St. Joseph's University**

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Dear Friends:

It is a great honor to serve in a leadership role in the Marketing Management Association. Many of my closest friendships have formed from MMA. A hallmark of the association is a collegiate atmosphere and a commitment to academic excellence, student learning and professional development. The experience at the Spring 2015 Conference continues to embody friendship and scholarship.

I want to give special thanks to the track chairs for their work in managing the paper review process. The many people who also served as reviewers and conference session chairs help to make the experience successful.

Thank you to Brent Smith and Lisa Lindgren for all their hard work in serving as the conference proceedings co-editors. Also thank you to Lyle Wetsch for serving as the coordinator of the Hormel Foods Master Teacher Competition and for making the conference program available online.

Congratulations to Michael Solomon for being selected at the 2015 MMA Marketing Innovator Award recipient. It is great to have the opportunity to recognize such an outstanding marketing researcher, educator and author.

Do take the opportunity to visit with the exhibitors who support the conference. They help to make the pricing a great value for everyone and offer many resources that assist with marketing education. I look forward to seeing everyone again at the 2015 MMA Fall Educators' Conference, September 16-18, 2015 in San Juan, Puerto Rico!

Sincerely,

A handwritten signature in black ink, appearing to read "B. Vander Schee", is written on a light-colored, textured background.

Brian A. Vander Schee, Program Chair

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Ugur Yavas, Osman M. Karatepe and Emin Babakus

## **Firooz Hekmat Best Paper in Consumer Behavior Award Winner**

*Preschoolers' Third Person Perception of Video Games*

Eunji Cho

## **Paul Arney Best Paper in Cross-Cultural, Ethics & Social Responsibility Award Winner**

*Corporate Social Responsibility and Customer-based Brand Equity: An Exploratory Study*

Xiaoye Chen and Laurette Dube

## **John Berens Best Paper in Marketing Education Award Winner**

*Honor Among Salespeople: Developing a Personal Code of Ethics to Promote Positive Values and Accountability in a Professional Selling Course*

Rebecca Dingus and Alex Milovic

## **Promotions and Digital Marketing Track**

*The Brand in the Mirror: Toward Brand Identity-Image Congruence in Social Media Marketing*

Leila Samii and Kesha Coker

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*Why Empowering Salespeople is a Double-Edged Sword*

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*Impact of Intercustomer Support on Health Care Club Patronage and Well-being*

Hulda Black

## **McGraw-Hill/Irwin Distinguished Best MMA Conference Paper Award Winner**

*Understanding the Service Evaluation, Consumption Emotions, and Behavioral Intentions Relationship for Chinese Lodging Guests*

Scott Swanson, Lujun Su and Xiaohong Chen

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# DETERMINANTS OF BRAND LOVE AND BRAND LOYALTY AS ITS OUTCOME

*Seung-Hee Lee, Southern Illinois University*  
*Jane E. Workman, Southern Illinois University*  
*Kwangho Jung, Seoul National University, Korea*  
*Bongdoo Park, Dong-Eui University, Korea*

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## EXTENDED ABSTRACT

The long-term success of businesses depends on increasing and maintaining loyal customers. The relationship between a brand and a consumer can be critical for planning marketing strategy. A relatively new marketing construct—brand love—can increase understanding of satisfied customers' desirable post-consumption behaviors. "Brand love is defined as the degree of passionate emotional attachment a satisfied consumer has for a particular trade name" (Carroll & Ahuvia, 2006, p. 81). One framework for better understanding consumers' associations with brands is relationship theory (Fournier, 1998). Even though brands exist only in the consumer's mind, they can and do function as realistic relationship partners (Fournier, 1998). The benefits of brand relationships can be functional, psychological, social and emotional. An exploration of the determinants of brand love may add to relationship theory explaining consumer-brand relationships.

Recent research has explored various factors related to brand love (Albert, Merunka, & Valette-Florence, 2008; Carroll & Ahuvia, 2006). *Brand awareness* is "the ability for a buyer to recognize or recall that a brand is a member of a certain product category" (Aaker, 1991, p. 61). Brand attachment is explained as a strong association or connectedness between the brand and the consumer's self (Kleine, Kleine, & Kernan, 1993). A stronger consumer self-brand relationship leads to a stronger attachment to the brand. Brand ownership can be defined as physical possession of a certain brand for being part of self-concept (Belk, 1988). The stronger the consumer's self-brand relationship, the stronger the consumer's bonds to the brand. In addition, brand trust is defined by Delgado-Ballester, Munuera-Aleman, and Yagtie-Guillen (2003, p. 37) as "the confident expectations of the brand's reliability and intentions in situations entailing risk to the consumer." Meanwhile, brand loyalty includes both affective and action loyalty (Baldinger & Rubinson, 1996). Affective loyalty is displayed through a preference or attraction to a brand (emotional brand love). Action loyalty leads to repeated purchases of a specific brand (faithful or relational brand love). Thus, understanding the link between brand loyalty and brand love may lead to marketing advantages.

Based on previous research, it can be predicted that consumers with strong brand relationships will develop higher levels of brand love. However, there is little research to explore these relationships. Thus, it is meaningful to investigate further the determinants of brand love with regard to consumer-brand relationship variables such as brand awareness, brand attachment, brand ownership, brand trust, and brand loyalty. The purpose of this paper is to explore the relationships among these variables with an emphasis on understanding the link between brand love and brand loyalty. The following hypotheses were proposed for this study:

- H1: Brand awareness is positively related to brand love.
- H2: Brand attachment is positively related to brand love.
- H3: Brand ownership is positively related to brand love.
- H4: Brand trust is positively related to brand love.
- H5: Brand love is positively related to brand loyalty.

Data were collected in large classes from students in a mid-western university in the United States. The questionnaire included demographic items, brand ownership items, and items about brand association: brand awareness (Aaker, 1991), brand attachment (Thomson *et al.*, 2005), brand trust (Delgado-Ballester, *et al.*, 2003), brand love (Carroll & Ahuvia, 2006), and brand loyalty (Delgado-Ballester *et al.*, 2003). Each item was accompanied by a 7-point scale (7=strongly agree; 1=strongly disagree). For data analysis, descriptive statistics, Cronbach's alpha reliability, simple or multiple-regression was conducted to analyze the data.

Participants were 269 undergraduate students from approximately 50 different majors; 138 men, 131 women. Their age ranged from 18 to 30 (mean age = 21.96). Reliability for all scales was acceptable: Cronbach's alpha for each scale ranged from .70 to .92. The respondents reported on approximately 90 different favorable fashion brands with a long association.

Multiple regression was conducted to test hypotheses H1, H2, H3, and H4 using brand love as a dependent variable, and brand awareness, brand ownership, brand trust, and brand attachment as the independent variables. Results revealed that all four determinant variables were significantly correlated with brand love. These four variables explained 61.4 percent of the variance in brand love. With respect to the relative importance, brand trust showed the largest standardized regression coefficient ( $\beta = .412$ ,  $p < .000$ ), followed by brand attachment ( $\beta = .222$ ,  $p < .000$ ), brand ownership ( $\beta = .200$ ,  $p < .000$ ), and brand awareness ( $\beta = .176$ ,  $p < .000$ ). Thus, H1, H2, H3, and H4 were supported. Simple regression was conducted to test hypothesis H5. Results revealed that brand love was positively related to brand loyalty ( $\beta = .235$ ,  $p < .000$ ). Thus, H5 was supported.

This research provides evidence that can help explain how consumers' emotional responses within consumer-brand relationships can influence brand love. The results indicate brand love is a significant mode of consumer favorable emotion that leads to brand loyalty and, presumably, to actual purchasing behavior or post-consumption behavior. Thus, it is essential for fashion corporations or fashion marketers to advance and create strong brand relationships with their customers. This has critical implications for the enhancement of brand love and finally brand loyalty. For further study, a variety of variables related to consumer-brand association need to be investigated such as brand charisma, brand consciousness, brand sensitivity, self-expressive brand or self-concept. Also, it would be meaningful to investigate brand love and brand loyalty within and across cultural contexts.

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# POSITIVE AFFECTIVITY AS A BUFFER IN BURNOUT-TURNOVER INTENTIONS AND BURNOUT-EXTRAROLE PERFORMANCE RELATIONSHIPS

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## EXTENDED ABSTRACT

Burnout is a psychological response to stressors on the job and leads to such undesirable outcomes as diminished job performance, job dissatisfaction, shifting of time spent on work-related activities to non-work activities, lower organizational commitment, and increased absenteeism and turnover intentions. Importantly, burnout is contagious and crosses over from one individual to another and spreads across the organization. Since employees in an organization are prone to suffer from burnout, management of employee burnout is of paramount importance to organizations in today's increasingly challenging business environment. Against this backdrop, this study examines the role of positive affectivity as a moderator between burnout and employees' turnover intentions and extrarole performance. We use a sample of frontline hotel employees in Turkey as our study setting. In our study we contend that positive affectivity as an inner psychological resource can serve as an antidote to the detrimental effects of burnout on employee outcomes.

Data for the study were gathered via self-administered questionnaires from full-time frontline employees of 32 three-, 22 four-, and 10 five-star hotels in Ankara, the capital city of Turkey. The total number of frontline employees in these hotels was 1339. The research team distributed the questionnaires to all these frontline employees. Six hundred twenty questionnaires were returned for a response rate of 46.3%.

Multiple item indicators from well-established scales were used to operationalize the constructs of the study. Positive affectivity was measured via three (3) items from Agho, Price, and Mueller (1992). Extrarole performance was measured via five (5) items adapted from Bettencourt and Brown (1997) and turnover intentions via three (3) items from Singh, Verbeke, and Rhoads (1996). Responses to all these items were elicited on 5-point scales ranging from 5 (*strongly agree*) to 1 (*strongly disagree*). The OLBI was used to operationalize the two dimensions of burnout (exhaustion and disengagement). Each dimension was measured using eight (8) items from Demerouti et al. (2003). Responses to these items were scored on four-point scales ranging from (4=*strongly agree*) to (1=*strongly disagree*).

In examining the relationships between burnout and extrarole performance and turnover intentions and, whether positive affectivity moderates these relationships, a two-step procedure was followed. In the first step, two regression models were run by using burnout as the independent, and extrarole performance and turnover intentions as the dependent variables. Both models proved to be viable. Burnout was a significant predictor of both outcome measures. It was more effective in explaining the variance in turnover intentions ( $r^2 = .18$ ).

In the second step, we used sub-group analysis to determine whether positive affectivity moderates the burnout-outcome relationships. Specifically, we repeated ordinary least squares regression analysis in sub-groups reflecting low and high scores on the moderator variable (positive affectivity). The Chow test was then performed to establish the significance of the difference in the form (intercept and slope) of each regression model across the two sub-groups. The Chow tests of the individual regression estimates for high and low positive affectivity groups were statistically significant in the cases of both outcome measures (turnover intentions:  $F=133.06$ ,  $p=.00$ ; extrarole performance:  $F=4.70$ ,  $p=.03$ ) showing that positive affectivity is a significant moderating variable.

An immediate implication of our results is that managers should consider the level of affectivity of the candidates during employee selection and hiring. Candidates high in positive affectivity should be given priority in hiring, since such employees can better cope with burnout. Screening of candidates with positive affectivity can be facilitated by objective and standard tests that utilize dispositionally based factors and variables. In addition, the extent of positive affectivity of employees can be considered in periodic appraisals.

Although this study expands the knowledge base, it has limitations that future research can address. First, the study focuses on a single service sector in a single country. Replications of the study in the same sector in the same locality as well as other service sectors and countries would expand the data base for generalizations and also show if the propositions tested here are viable in other contexts. Second, the single-source nature of the data makes the construct measures vulnerable to common method bias. Future studies could benefit from collecting information from multiple sources. Third, the cross-sectional nature of the study does not allow causal inferences. Longitudinal studies could enrich the findings and generate a deeper understanding. Fourth, in this study, we showed that positive affectivity can serve as a buffer against the detrimental effects of burnout on extrarole performance and turnover intentions. Investigation of the possible roles of other variables (e.g., self-esteem, self-efficacy) as antidotes to the detrimental effects of burnout not only on extrarole performance and turnover intentions but also on other organizationally valued job outcomes (e.g., organizational commitment) would enrich our understanding further.

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# CMO COMPENSATION AND FIRM MARKETING PERFORMANCE

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## *EXTENDED ABSTRACT*

The research on the position of Chief Marketing Officer (CMO) is in the very early stages as the position is relatively new, compared to other C-Suite officers such as the CFO and COO. What we do know about the position is that CMO presence in a firm's top management team is related to innovation, differentiation, branding strategy, and diversification. However, there are several issues related to CMO success and effectiveness still waiting to be addressed. One of the biggest issues is whether or not the CMO has any impact on firm performance. Only a handful of papers have addressed this topic and the findings have been mixed.

This paper attempts to address the issue by exploring the relationship between a company's performance and CMO compensation. Firm performance is typically measured in financial variables such as ROA and ROI. Here, we take these measures into account but we also consider performance measures that are more related to the CMOs position like sales and cash flow. Our analysis looks at firm strategy in terms of differentiation and diversification as these factors are likely to play a role in the CMO's compensation.

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# THE IMPACT OF DURABILITY ON AUTOMOBILE DEMAND

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## *EXTENDED ABSTRACT*

The theoretical economics literature has long been concerned with the question of how the durability of the product affects competition between new and used durable products. There has been relatively little empirical research into durability and how it affects the substitutability of new and used versions of a product. First, there is the open question of how the durability of a product should be measured. Second, while the mostly monopoly analysis common in the theoretical literature focuses on the competition between new and used versions of the same product, it ignores the consequences of durability on the competition with new and used products made by other manufacturers. For example, while higher durability levels might heighten the competition between the new and used versions of a certain manufacturer's product, it may also help to gain share from its rivals in the new and used markets. Quantifying the relative costs and benefits of this competition is crucial for manufacturers to make better pricing and durability choices.

Since a single accepted durability measure is absent from the current literature, my first contribution is to explore an alternative way of measuring durability using transaction data of new and used car values. I then estimate a demand model that incorporates these durability measures and explicitly accounts for the heterogeneity in consumer preferences between new and used cars. I use counter-factuals to quantify the lateral substitutability between new and used version of the same product (Sankaranarayanan, 2007). Such an analysis will help for firms to identify their optimal response strategies in terms of both price and durability of the new products (Schmalensee, 1979). We demonstrate how an increase in durability of a product affects its own sales as well that of the competition.

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# COMPULSIVE BUYING AND BRANDING PHENOMENA

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## EXTENDED ABSTRACT

For the past decade, compulsive buying has received increasing research attention (Weaver, Moschis, & Davis, 2011). Compulsive buying is defined as “chronic repetitive purchasing that becomes a primary response to negative events or feelings” (O’Guinn & Faber, 1989, p. 155). Compulsive buying behavior arises from 2% to 16% of the general population (Dittmar, 2005) and is acknowledged as a serious psychological and psychiatric problem. Many studies (e.g., Faber & O’Guinn, 1992) have found that females are more likely to be compulsive buyer than males.

In this research, we speculate there is a connection between compulsive buying and consumer-based brand consumption. One conceptual framework for better understanding this association is affluenza theory (Workman & Paper, 2010). According to this theory, compulsive buying is related to sufficient disposable income for more shopping opportunities. In addition, this theory implies that advertising can induce compulsive buying through various behavioral approaches. Chinomona (2013) also explained compulsive buying as “an uncontrollable and emotional addiction that is socially and externally induced, for instance, through brand advertisements” (p. 6), indicating that compulsive buying behavior may interplay with branding phenomena.

Based on previous research, it can be predicted that consumers with stronger brand relationships will develop higher levels of compulsive buying behavior. However, there is little research to explore these relationships. Thus, it is significant to explore further the central powerful role of branding outcomes on compulsive buying behavior. Therefore, the purpose of this paper was to explore the impact of branding outcomes such as brand awareness, brand loyalty, brand attachment, and perceived brand quality on compulsive buying behavior.

Based on the literature review, we propose the following hypotheses:

- H1. Individuals with a higher (vs. lower) compulsive buying tendency will have a higher level of brand awareness
- H2. Individuals with a higher (vs. lower) compulsive buying tendency will have a higher level of brand loyalty.
- H3. Individuals with a higher (vs. lower) compulsive buying tendency will have a higher level of brand attachment.
- H4. Individuals with a higher (vs. lower) compulsive buying tendency will have a higher level of perceived quality.
- H5. Females are more likely to have a higher level of compulsive buying tendencies than males.

The instrument used for this study consisted of a self-administered questionnaire containing demographic items and items related to compulsive buying (Faber & O’Guinn, 1992), brand awareness (Aaker, 1991), brand loyalty (Delgado-Ballester, Munuera-Aleman, & Yagtie-Guillen, 2003), brand attachment (Thomson, Macinnis, & Park, 2005), and perceived quality (Yoo & Donthu, 2001). Participants were 269 US university students at a large mid-western university in approximately 50 different majors (138 men, 131 women; mean age = 21.96). Data were analyzed using descriptive statistics, t-test and MANOVA/ANOVA. Reliability of the scales was acceptable--Cronbach’s alpha for each scale ranged from .70 to .92.

Results revealed that the average score on compulsive buying tendency was .46 (SD=1.89), range = -4.87 to 3.61. Following Faber and O’Guinn’s (1994) procedure, 47 respondents (18%; 18 men, 29 women) were classified as compulsive buyers. A scale score of -1.34 is the cutoff point. Lower numbers indicate a higher compulsive buying tendency.

Empirical results revealed a significant effect for compulsive buying tendency. MANOVA with compulsive

buying tendency (above/below the median) as the independent variable, and brand awareness, brand loyalty, brand attachment, and perceived quality as the dependent variables revealed a significant effect [ $F(4, 260)=3.77, p <.01$ ]. Therefore, ANOVA was conducted to further examine the variables as a follow-up procedure. Those with higher compulsive buying tendency scored higher on brand awareness, brand loyalty and perceived quality. Thus, Hypothesis 1, 2, and 4 were supported. However, there was no difference in scores on brand attachment between groups higher and lower in compulsive buying tendency. Thus, Hypothesis 2 was not supported.

To test the gender difference toward compulsive buying tendency, a t-test was conducted. As a result, there was a significant difference between men and women for compulsive buying tendency ( $t = 3.103, df = 261, p <.01$ ). As expected, women ( $M = 0.10, SD = 1.92$ ) showed higher compulsive buying tendency than men ( $M = 0.81, SD = 1.78$ ). Thus Hypothesis 5 was supported.

In general, the results of this study support that branding outcomes such as brand awareness, brand loyalty, and perceived brand quality influence compulsive buying behavior. The findings of this study provide new perceptions and implications to both academicians and practitioners. From the academic perspective, this study can make a significant contribution to the consumer-based brand management literature by exploring the impact of consumer-based brand relationships on compulsive buying behavior. Also, these results can provide corporations or business marketers more creative brand management marketing strategies. This study also can give some insights to clinical psychologists looking for therapies for compulsive buying behaviors. A marketing or branding perspective might provide ideas for remedies not suggested by viewing this problem only as the interplay of psychological and sociological factors. For further research, it would be meaningful to investigate a wider variety of antecedents of compulsive buying behavior related to consumer-brand outcomes (e.g., brand love, brand trust). Finally, it would be meaningful to inspect the powerful role of brand outcomes on compulsive buying within and across cultural contexts.

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# CHANGE THROUGH BRAND VALUE CONSIDERATIONS: DEVELOPMENT OF THE *BRAND VERSATILITY ESTIMATOR*

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## *EXTENDED ABSTRACT*

A brand is a strategic resource that can provide a significant competitive advantage to a firm. As such, a brand is an intangible asset that can be both valued and traded (Hoopes, Madsen, and Walker, 2003). Brands can therefore be created, acquired, managed, and valued much like other assets that yield future streams of economic returns. Keller (1993) defines brand value as the incremental price a customer would be willing to pay for a product over the unbranded version of the same product. This difference in customers' willingness-to-pay provides the firm excess revenues and, therefore, provides firms with a substantial source of value.

Over time, what we've learned is that brand value, once founded predominantly in trust and awareness (Chaudhuri and Holbrook, 2001) may actually be better reflected in more exciting, dynamic, and creative experiences associated with the brand. Aaker (2014) writes of *leveraging* the brand to further exploit the value inherent in the brand. Ferrari, for example, sells only 7,000 autos per year yet is arguably considered to be the world's "most powerful brand" (Brand Finance, 2014). This is due more to its ability to extract value from the brand rather than its overall brand valuation. Ferrari's \$1.5 billion U.S. licensing and retail division has become the model for sports properties around the world (Cushman, 2010). In fact, Ferrari acknowledges that some 25% of its profit comes from licensing its name, badge, and prancing Italian stallion logo (Cushman, 2010).

However, in order to capitalize on a brand's power through licensing and/or diversification, the brand must possess some inherent position that is valued in any number of markets. One may argue, for example, that Ferrari's position is not simply one of a "fast car," but an exotic brand, rich in heritage, that almost redefines excitement. Such a position is obviously sought after, and valued, in a host of markets and by any number of firms. Ferrari's brand position is therefore valuable and powerful because it is easily transferable (Cushman, 2010; Ebhardt, 2013). In other words, Ferrari's brand is *versatile*, not *limited*, and because of this *versatility* it brings with it value that far exceeds what one would consider possible for a firm of its size.

Along these lines we define *brand versatility* as a brand's fluid capacity to appeal with ease to newer demographic segments, and to enter newer product categories without evoking alienation from current segments it is positioned for and current categories it belongs in. A number of firms have become adept at estimating a brand's value including Young and Rubicam (*Brand Asset Valuator*), Milward Brown (*Brand Z*), and Interbrand (*The Best Global Brands*), but there is no measure currently available that focusses specifically on a brand's *versatility*. The purpose of this project is to develop a simple foundation for such a measure with which a firm could conceivably estimate the inherent *versatility* of its brands.

Our pre-test was developed to determine the extent to which certain product and service categories were similar to each other. Four hundred and fifty (450) undergraduate students from a large, public university in the United States were asked to complete an online survey that presented them with 30 pairs (randomly drawn) of product/service categories. Participants were asked to assess the extent of similarity between the two categories. We used a "slider" tool that allowed participants to move the slider between the two anchor statements: "Not at All Similar" = 0 to "Very similar" = 100. A total of 391 useable responses were gathered, which is a response rate of 87%. Preliminary results suggest that there are some categories that are indeed more similar than others. A copy of the results is available from the contact author listed at the bottom of this abstract.

With the pre-test complete, we developed the main study by adding familiar brand names to the products and presented these (randomly) to the same group of participants (Aaker and Keller, 1990). Participants were asked to rate their agreement to a scale of statements regarding the brand with the new product category. We also asked participants to rate their own loyalty and trust with the familiar brand names used in the new product categories (Delgado-Ballester, Munuera-Aleman, and Yague-Guillen, 2003). This will give us the opportunity to understand whether or not trust plays a role in limiting or enhancing brand versatility.

The analysis of the main study is currently taking place. We anticipate some brands to be more acceptable relative to other brands in non-competing markets and thus more versatile. Deriving the level of versatility has important implications for brand managers. As discussed earlier, brand versatility can add a lot of value to the company. Leveraging the brand in other categories and markets could result in much larger revenues for the company. Having a process to measure the level of versatility will allow managers to determine the extent to which their own brands will be able to transcend the boundaries of their product categories.

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# THE POWER OF STORYTELLING IN CREATING MEANINGFUL BRANDS

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## EXTENDED ABSTRACT

Across cultures and times, storytelling has been a powerful tool for sharing traditions while educating and entertaining people. By generating both positive and negative emotions, stories create meaningfulness in individuals' lives and help them store information easily (Woodside 2010). Corporations often tell and promote stories about their brands (e.g., via video clips on YouTube) by asking consumers to share these stories with their friends, family, and peers (e.g., via Facebook, Twitter, etc.). Despite the common usage of storytelling, its impact on consumers' lives has not been examined in detail. What are the subsequent consequences of using storytelling? Can storytelling be used as a tool to positively impact consumer-brand relationships, and, if so, how? In the current research we aim to address these questions. More specifically, the objective of this work is twofold. First, we aim to explore whether and how stories about a brand might lead individuals to feel connected to the brand. We hypothesize that self-brand connection might be a desirable outcome of stories because of the meaningfulness it adds to consumers' lives. We also aim to explore whether the content of the story moderates these effects. The second objective of this research is to explore what triggers individuals to share a story about a brand with others. If indeed stories can create self-brand connection via meaningfulness, then people might choose to share the story with others because of a need to reciprocate what might be perceived as a good deed (i.e., adding meaningfulness to individuals' lives). Moreover, we aim to explore whether individual differences, such as an individual's self-construal, might moderate these effects. Research has shown that in individualist cultures (e.g., United States), an independent self-construal tends to prevail (e.g., Hofstede 1980). In contrast, collectivist cultures (e.g., China) are typically associated with an interdependent self-construal, in which case the self is seen as inseparable from others (Aaker and Williams 1998). As a result, collectivists tend to be concerned with affiliating with close others, maintaining connectedness and blending the self with the other (Singelis 1994; Aaker and Williams 1998). Therefore, they may be more motivated to share a meaningful story than individualists who typically seek to separate one's self from others, and display qualities of uniqueness and originality (Singelis 1994).

To test our hypotheses, we will design a computer-based study on Qualtrics and investigate the effects of storytelling on self-brand connection, consumer-brand relationships, and likelihood of sharing the story. Participants will be randomly assigned to one of the two experimental treatment groups (Topic of Disclosure: Related vs. Unrelated story about the brand). In other words, participants will be first exposed to a video disclosing some unrelated (vs. related) topic to the chosen company's core business. Then, measures of brand evaluations (attitudes towards the brand in the story: favorable, fun, likable, high-quality, etc.) and self-brand connections (e.g., agreement level with statements such as "I can identify with this brand," "I feel a personal connection to this brand," "I consider this brand to be me," etc.) will be taken. Participants will also be asked about their likelihood of sharing that video with others (e.g., via email, Facebook, Twitter) as well as meaningfulness the story adds to their lives. Finally, participants will answer the self-construal scale questions (i.e., independent vs. interdependent; Singelis 1994) as well as a series of questions measuring their involvement with social media in general as a control variable.

In conclusion, by providing a theoretical framework and empirical evidence for whether and how storytelling might positively impact individuals' self-brand connection and actual behavior, with the current work, we aim to contribute to literature in the domains of storytelling, social media, and consumer-brand relationships.

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# RELIGION AS AN ATTRIBUTE OF THE TOTAL PRODUCT CONCEPT

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## *EXTENDED ABSTRACT*

Religion plays a role in multiple aspects of our lives. Marketing and marketing functions can be identified in most kinds of organizations, including religious ones, and often impact the way that consumers perceive the fit of objects with their identities and interests. Because of this, religion and marketing potentially intersect in multiple ways that can impact the effectiveness and efficiency of both. This paper explores the ways in which marketing and religion intersect, provides the beginnings of a typology for this intersection, and suggests the use of the Total Product Concept as a tool for conceptualizing the importance of religion within any particular product offering.

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# CUSTOMER'S HIGHER WILLINGNESS TO PAY IN ACCORDANCE TO MASS CUSTOMIZATION

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## *EXTENDED ABSTRACT*

Competition among companies to attract and retain customers is increasing exponentially, thanks to the power of internet. This exacerbated competition has forced companies to find innovative ways to differentiate their marketing argumentation from those of competitors and put aside the classical tools. A company's objective of a higher profit margin and simultaneously diversified customer preferences, resulted in the decomposition of traditional mass markets into smaller niches and the emergence of a new type of production, called Mass Customization. Mass customization is discussed in literature as the ultimate solution to address challenges faced by companies to provide products highly adapted to individual customers' aesthetic and functional preferences. (Dellaert & Stremersch 2005, Franke & Piller 2004, Ghosh, Dutta, & Stremersch 2006, Randall, Terwiesch, & Ulrich 2007).

Previous research illustrates customers' preferences for customized products from different points of view. They also mention that customization is correlated (associated) with added value (Piller, Moeslein & Stotko, 2004). Uniqueness as one of the most important advantages of mass customization has been brought up in most of the previous studies. However, some questions still remain unanswered: is the estimation of uniqueness correct? Do others perceive their choice as unique as initially perceived? What is their internal motivation to pay more for customized products? Has mass customization the same effect on different product types (luxury vs. non-luxury)? Does customizing different product features (hedonic vs. utilitarian) have the same effect on a customer's internal motivation?

This research makes three contributions. First, it examines how people's beliefs about the degree to which they are noticed by others can affect the mass customization value. Second, the findings of this research illustrate how the product type (luxury vs. non-luxury) has a moderating role on the relation between mass customization and the spotlight effect. Third, it explains what kind of values originating from mass customization features, have the greater impact on customer's overestimation. To test the research propositions, 3 experiments were designed with a total of 207 samples.

In the first experiment, we tested how spotlight effect varies with customization's possibility, and how it affects customer's willingness to pay. Consistent with our predictions, results reveal that increasing customers feeling of uniqueness through mass customization impacts their overestimation of others' attention to their possession and consequently on their willingness to pay.

In the second experiment, we studied how the product type (luxury vs. non-luxury); can impact on customers feeling of uniqueness. To do so, the moderating role of the product type (luxury vs. non-luxury), was manipulated in interaction with product self-design possibility (mass customization vs. non mass customization). Consistent with our theorizing, the luxurious type of the product and mass customization activity had a separate and positive effect on consumer overestimation of how people perceive their own possession.

In the third experiment, we studied the moderation effect of customizing different features (hedonic vs. utilitarian) of different product types (luxury vs. non-luxury) on spotlight effect. The results of study 3 provide evidence which proved our prediction in the way that customizing features (hedonic vs. utilitarian) had a moderating effect of on spotlight effect.

The present research examines the interesting but largely unexamined impact of the spotlight effect on people's overestimation of others' attention to their possession. In particular, we explore how the feeling of uniqueness

through mass customization impacts customer's overestimation. In other words it demonstrates how product value can be affected by people's overestimation of their possessions' uniqueness.

Applying the results of this research would be helpful for companies to profit more from customization strategy. From a managerial point of view, customization would be effective for both luxury and non-luxury producers, although its impact would be greater for luxury companies.

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# HUNTERS AND GATHERERS: IDENTIFYING TRENDS IN OPEN INNOVATION

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## *EXTENDED ABSTRACT*

Despite increased interest in the topic from the research community (Chesborough 2003, 2011), many questions still exist regarding the firm strategies in open innovation endeavors. By “strategy”, what is meant is the epistemology of how value is captured from these open innovation events. Historically, the research of technology alliances (Osborn et al, 1990; 1997) is one particular means framing such firm appeals to innovation, as is mergers/acquisitions research (Hitt et al., 1990), inter-organizational personnel flows (Ettlie 1980; 1985) and the contribution of users (von Krogh & von Hippel, 2006) – all “open” forms of innovation, according to modern interpretations of the term.

Two questions remaining to be answered are: 1) what has the evolution of open innovation done for the innovation process, and 2) what alternative, rival hypotheses are to be explored to validate the dominant logic of open innovation?

To begin to address these questions, a list of the top 100 open innovating firms was found in a reputable industry-insider source on the topic. From that list, the researchers searched for the earliest known press release regarding their first efforts at open innovation. Once done, a pair of coders codified information in a priori variables regarding the nature of these open innovation efforts. This information was gleaned from the press releases, a look at archival data, and in some cases, discussions with the top management team at the firms themselves.

After the data was coded, compiled, and cleaned, the researchers made scales from sets of the dichotomous data, and made three relevant scaled variables. Using these three variables, a cluster analysis was run which revealed a very distinct, 6-cluster solution. Because of the nature of the clusters, researchers were able to group them into two larger “supergroup” clusters, which were termed “hunters” and “gatherers”.

In the “hunters” supergroup (in which the three clusters entitled “Venturers”, “Willy Wonkas” and “Cheerleaders”), the common strain for the firms was that they typically actively engage others in collaboration in order to seek out innovative ideas. Alternatively, In the “gatherers” supergrouping (which subsumes the three clusters of “Incumbents”, “Born Opens” and “Open Sourcers”), the firms typically allow outsiders to come to the firm on their own volition, either through a relatively lax attempt at open innovation, an attempt to signal to outsiders that the firm is opening to innovation, or perhaps simply relying on a co-creative system created by the firm to get outsiders to crowdsource content (social media sites, for instance).

The six types of open innovating firms proffers some insights into what the evolution of innovation is in the open innovation era, and allows for many future research insights into the topic.

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# CHRONOLOGICAL AGE VERSUS LIFE HORIZON: EXPLORING THE CONCEPT OF AGEING IN CONSUMER BEHAVIOR

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## EXTENDED ABSTRACT

Age and ageing are multidimensional concepts (Mathur & Moschis 2005). Some age concepts are externally determined, while others are determined within and by the individual. Chronological age is externally determined. As social beings we often view our own age relative to others in our reference groups. We may see ourselves as in socially constructed age groupings reinforced through media and social institutions.

Psychological views of age, however, are usually considered to be based on internal factors related to self concept. Psychological age describes how old or young people think or feel. Most of the age-related marketing research tends to use either chronological age or psychological age. Chronological age is based upon a generally accepted measurement scale of calendar years, whether used in aggregated grouping classifications or as actual years. The lack of common terminology and proliferation of measurement instruments has produced some confusing and contradictory findings in the age-related literature.

This study explores the concept of an individuals' perception of where they see themselves on the continuum of life, from birth to death and how this perception may relate to other temporal attitudes and perceptions used in understanding consuming behavior. This self concept of where people see themselves along the life-death continuum is defined here as an individual's *Life Horizon* and represents how much time individuals perceive that they have left to live. Such a concept has not been examined in previous age related studies.

Life expectancy in the U.S. has been increasing dramatically. A person born in 1900 had a life expectancy of slightly over 47 years; one born in 1950 could expect to live about 11 years longer, to 58, and a person born in 2000 had a life expectancy of 77 years. Chronological age, while still measured in years, today bears little relationship to how that age related to one's life and lifestyle in the past –one's life time horizon has shifted and lengthened. Life expectancy in the US for all Americans is currently slightly more than 79 years.

Data were collected at a Summer Festival in California, The researchers set up a booth and solicited passers-by to participate in the survey. Those entering their names on a separate sheet of paper were eligible to win a prize in a raffle drawing. Over the course of two days, 590 usable surveys were completed. The mean age for the sample was 37, with a standard deviation of 12 years. Slightly over 50 % completed at least four years of college. Ethnically, 61% identified as Caucasian, 5.4 % as African American, 4.2 % as Asian, and 1.2 % as Native American.

Chronological age was measured by asking respondents to indicate their birth year. This indirect method was thought to produce more accurate information than just asking for an individual's age. To collect information on respondents' Life Horizon (LH), a unique graphic scale, as illustrated in Figure 1, was used.

Figure 1

<i>Please indicate where you see yourself between birth and death by filling in one of the circles below:</i>											
<b>Birth</b>	<b>0</b>	<b>Death</b>									

Given an average life expectancy of 79, the midpoint (5) on the life horizon scale would be expected to translate to approximately 39.5 years. If chronological age and life horizon were absolutely the same, the mean chronological age in the sample of 37.36 years would be expected to translate to 4.79 on the life horizon scale. However, the average on the life horizon scale is 5.03, which is somewhat higher than would be expected. A histogram clearly showed that the two age concepts, chronological age and life horizon, while highly related, are

separate concepts. The next phase of the analysis examined the relationship of both Birth Year and Life Horizon to the 35 items in the time attitude scale (Anderson and Venkatesan 1994). The relationships of chronological age and life horizon with the temporal perceptions and attitudes were assessed using a Kendall's tau test. Given that both Life Horizon and the Likert scaled temporal attitude questions are likely to produce more ordinal than interval responses, the Kendall tau statistic to determine the amount of agreement between two sets of ordinal rankings is appropriate.

For decades, marketers have used age as a key segmentation variable despite the fact that "age is often a poor predictor of a person's life cycle, health, work or family status, needs and buying power." (Armstrong and Kotler 2015 p. 173). There are eighty-year-olds who are indeed old, while many other eighty-year-olds ski and play tennis. Therefore, while chronological age may be highly correlated with life horizon, it is an unreliable proxy for understanding how individual's age considerations affect their behavior as consumers.

This study introduced a new type of psychological age concept that is more internally than externally defined. However, for the purposes of this study, little is said about the formal psychological nature of this construct. Rather, the non-chronological and internally defined life horizon is more akin to an individual's perceived biological clock in that it focuses on how much time individuals think they have left.

It makes sense that those who perceive that they have 'all the time in the world' would neither feel rushed, nor particularly in need of schedules, planning, or timelines. An equally intuitive inverse is that those who perceive that the life horizon is short and who hear the moments ticking down would be more focused on living each moment to its fullest and scheduling and planning their time to ensure that none of it is wasted.

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# THE EFFECT OF BRAND STATUS ON CONSUMERS' PERCEPTIONS: THE CASE OF COMPARATIVE ADS AND EMOTIONS THEY INVOKE

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## EXTENDED ABSTRACT

A common practice we see in advertisements nowadays is the comparison of the target brand with its competitors in which advertisers frequently state that their product is better. Often, when marketers compare their brands to others, they show comical situations in which misfortunes befall those consumers who use competitors' brands, instead of theirs. The current research suggests that when marketers illustrate misfortunes happening to others, they may incidentally invoke a malicious pleasure, "schadenfreude," in consumers, and this emotion is more likely to be evoked when a higher-status brand compares itself to a lower-status brand.

Grewal et al (1997) have shown that comparative ads are more effective than noncomparative ads in terms of creating message awareness, brand awareness, favorable brand attitudes, and higher purchase intentions. Research has examined the impact of comparative ads by focusing on advertisement-related variables such as the comparative valence (Jain and Posavac, 2004) and brand positioning (Pechmann and Ratneshwar, 1991) as well as consumers' individual differences such as their goal orientations (Kim, 2006; Jain et al, 2006) and differences in perceptions of target and competitive brands (Chang and Chou, 2008). However, extant research has examined the impact of comparative advertisements without taking consumers' affective reactions into account. An established literature on emotions has shown that emotions are an important factor of human behavior (Poels and Dewitte, 2006) and advertisements may elicit affective reactions that may mediate consumers' attitudes and behaviors (Holbrook and Batra, 1987). Therefore, in the current research, we focus on one particular emotion, schadenfreude, that may be unintentionally invoked by comparative ads. Schadenfreude is defined as the malicious pleasure experienced at the misfortunes of others (Heider, 1958). Literature has shown that individuals feel higher levels of schadenfreude when the misfortune happening to others is deserved (Feather, 1989) and when the person suffering from the setback is disliked and envied (Smith et al., 1996). Moreover, schadenfreude is more intensely experienced in competitive situations (Leach et al., 2003; Hareli and Weiner, 2002). Given the role of competitive situations in evoking schadenfreude, we argue that it may be experienced more by highly competitive individuals who chronically focus on winning or being the best, and we suggest that consumers with higher (versus lower) competitive tendencies may be more likely to feel the malicious pleasure when misfortunes are shown in comparative ads.

More importantly, we suggest that higher-status brands which compare themselves to lower-status brands may be more likely to invoke schadenfreude when they use comparative ads. Higher-status brands are considered to be more prestigious than lower-status brands (Sundie et al. 2009). In line with our competitiveness argument, we suggest that highly competitive consumers may be more likely to experience schadenfreude when a higher-status brand shows the failure of a lower-status brand. Therefore, we suggest that more (vs. less) competitive consumers may be more likely to feel schadenfreude when they are exposed to a comparative ad of a higher-status (vs. lower-status) brand.

We tested our hypotheses in a 2 (ad type: comparative vs. non-comparative) x 2 (brands status: higher vs. lower) experimental study. One hundred twelve undergraduate students participated to the study in return for partial course credit. We manipulated "brand status" by portraying Mercedes as the advertiser in the higher-status brand condition and Kia in the lower-status brand condition. On the other hand, we manipulated the ad type by showing comparative versus non-comparative ads to participants. In addition, we measured participants' competitive tendencies by asking them to indicate their level of agreements with statements such as "Competition is the law of nature," "I enjoy working in situations involving competition with others," "It is important that I do my job better than others" (Singelis et al. 1995). The key dependent variable was the level of incidental schadenfreude participants

felt after they saw the ad depending on which of the four conditions they were randomly assigned to. We asked participants to indicate their level of agreement with statements such as “I couldn't resist smiling a little about what happened in the ad,” and “Actually I had to laugh a little” to assess participants’ level of schadenfreude (van Dijk et al. 2005). As expected, the results showed that when the advertiser was the higher-status brand (i.e., Mercedes), more competitive participants felt significantly higher levels of schadenfreude when they saw a comparative (vs. noncomparative) ad ( $M_{\text{comparative}} = 4.44$ ,  $M_{\text{noncomparative}} = 1.73$ ,  $\beta = 2.725$ ,  $t = 4.358$ ,  $p < .01$ ). However, level of schadenfreude for less competitive participants did not differ according to the ad type in the higher-status condition. In addition, more (vs. less) competitive participants felt more schadenfreude when they saw the comparative ad of the higher-status brand (i.e. Mercedes) ( $M_{\text{more\_competitive}} = 4.44$ ,  $M_{\text{less\_competitive}} = 3.43$ ,  $t = 1.7564$ ,  $p = .08$ ). There were no significant results in the lower-status brand condition.

Although, the current study demonstrates that comparative ads of higher-status brands are likely to induce greater levels of schadenfreude among more competitive consumers, it does not inform us about the consequences of invoking this malicious pleasure in comparative ads. Therefore, in our future research, we aim to investigate consumers’ purchase intentions and attitudes towards the brands after they see a comparative ad.

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# ONLINE SOCIAL SHARING DISPOSITION: AN INITIAL SCALE DEVELOPMENT EXERCISE

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## **EXTENDED ABSTRACT**

More and more consumers have embraced the social networking and social media platforms as forums for providing information to others. As a result, marketers have become more interested in the issue of social sharing. The aim of the studies reported here was to develop a short-scale that can be used to measure consumers' online social sharing disposition. This tool can be used by marketers in their efforts to identify those members of social systems that can be targeted as agents of information dissemination.

An important stage in the scale development process is the definition of the construct to be measured. In general, disposition is seen as a characteristic attitude or inclination. Social sharing, which draws on work in psychology, is seen as "the act of discussing significant emotional events with others" (Choi and Toma, 2014). Online social sharing disposition (OSSD) is viewed in the context of social networking sites and social media platforms. OSSD is *the inclination or motivation of consumers to pass along information to others through social networking sites or social media platforms*. The other consumers can be family members, friends, members of an online community, or even total strangers. Online social sharing disposition is an individual difference trait, and, as is the case with other individual difference factors, consumers are characterized by varying degrees of this trait, with online social sharing disposition ranging on a continuum from low to high.

The development of the OSSD scale was guided by the process proposed by Churchill (1979) and DeVellis (2012), and used by other researchers such as Li, Edwards, and Lee (2002) and Ortiz, Reynolds, and Franke (2013). The 6 items for the scale were generated by one of the authors as part of a larger pool of items that were generated to measure two distinct personality traits for a larger study that focused on consumer social media use. The generation of the items for OSSD followed a review of the literature on social sharing, research on which has mainly been in the domain of psychology. Two studies were conducted as part of the initial development of the scale.

In Study 1, 233 students took part in this study in which they completed a questionnaire that formed the basis for a much larger study on the use of social networking and social media. The majority of the participants were male (54.1%), and participants came mainly from the 18-24 years age range (74.7%). Coefficient alpha for the 6 items was 0.934. Corrected item-to-total correlations ranged from a low of 0.748 to a high of 0.838. As a result, all 6 items were retained for further analysis. Exploratory factor analysis (EFA) using maximum likelihood extraction and varimax rotation resulted in all the items loading on one factor; this factor explained 70.39% of the variance. Factor loadings ranged from a low of 0.775 to a high of 0.879. Based on confirmatory factor analysis (CFA), the model fit was good: Comparative Fit Index (CFI) = 0.984; Tucker-Lewis Index (TLI) = 0.973; Standardized Root Mean Square Residual (SRMR) = 0.020; and Root Mean Square Error of Approximation (RMSEA) = 0.092. The item loadings were all significant. Average variance extracted (AVE) for this construct was 0.704.

Study 2 was conducted as a further assessment of the initial reliability of the scale. Data for this study were collected from among students in a Tunisian university. They provided the data for the SSD scale as part of data for a larger study on social media use in Tunisia. The analyses conducted were similar to those conducted for Study 1. Cronbach alpha for the scale was 0.93, and there were no inconsistent items. The factor loadings ranged from a low of 0.753 to high of 0.880. Based on CFA, the model fit was good: Comparative Fit Index (CFI) = 0.973; Tucker-Lewis Index (TLI) = 0.955; Standardized Root Mean Square Residual (SRMR) = 0.025; and Root Mean Square

Error of Approximation (RMSEA) = 0.117. The item loadings were all significant at  $p < 0.000$ . Average variance extracted (AVE) for this factor was 0.690.

The scale can be used by marketers as a basis for segmentation and developing messages to target consumers that are highly disposed to passing along information on social media platforms. Additional tests of the reliability and validity of the scale will be performed. In particular predictive and nomological validity have to be established.

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# EXPLORING THE POSITIONING OF SUSTAINABLE PRODUCTS AND ITS IMPACT ON CONSUMER BEHAVIOR

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## **EXTENDED ABSTRACT**

Sustainability has increased in importance among various stakeholders. Consumers are of particular importance as each one of their decisions has ethical, social and environmental implications. Consumers' concern about these aspects has led to an increase of sustainable product offerings, yet these products seem to be more demanded in some categories than in others. Against this background, the current study explores the positioning of sustainable products as well as individual characteristics and their influence on consumer decision-making.

Two constructs are deemed particularly important: the affective state of the consumer and the appeal type of the sustainable product. Emotions play a pivotal role with regard to multiple consumer behavior outcomes. Individuals aim to circumvent negative- and maintain positive moods. In the context of ethical consumer behavior, it has been suggested that negative affective states increase prosocial and other-centered decision-making. In a similar vein, the appeal type of a product -stressing either an egoistic or an altruistic benefit - can influence consumers' propensity to engage in a certain behavior. The current paper examines how affective state and appeal type influence individuals' decision-making with regard to sustainable products.

To this end, a field and a laboratory experiment are set up to provide insights into consumers' choices for conventional, organic or Fair Trade coffee. The findings underscore the complexities inherent in sustainable decision-making and show that both people's moods, as well as the appeal type stressed in product descriptions, are important aspects in ethical consumer behavior. They demonstrate that organic appeals significantly increase the likelihood to buy a product, whereas Fair Trade leads to a higher willingness-to-pay.

It seems that in order to "get people on board" and make them choose sustainable products, a self-benefit appeal is more favorable. These insights are of relevance to manufacturers and brand owners when positioning sustainable products. For academia, it is important to disentangle these theoretical appeals (Fair Trade and organic or self- and other-benefit appeals respectively) to better operationalize sustainable consumer behavior and provide findings relevant to business and public policy.

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# THE PURCHASING INVOLVEMENT SCALE

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## **EXTENDED ABSTRACT**

The involvement concept has received a significant amount of attention in consumer research. However, development of purchasing involvement as a useful construct and its measurement for understanding and predicting consumer behavior has lagged behind other areas. Despite a number of involvement scales developed over the years (Mittal 1989; Zaichkowsky 1994), the Purchasing Involvement (PI) scale (Slama and Taschian 1985) was the only scale that conceptualized and measured purchasing involvement as an enduring individual difference variable.

The concept of purchasing involvement is different from shopping enthusiasm or need for cognition (NFC). Shopping can result in instrumental rewards (e.g., lower price) or experiential rewards such as enjoyment and fun (Schmidt and Spreng 1996). A person can be highly involved in purchasing activities in order to reduce the uncertainty and risk, and increase the satisfaction with the purchase without having high NFC or enjoying the shopping activity (high shopping enthusiasm). In this study, the Purchasing Involvement is conceptualized as a general measure of self-relevance of purchasing activities to the individual, and is treated as an enduring individual difference variable.

Two studies were used to develop and test the proposed Purchasing Involvement (PI) scale. In the first study, participants were asked to respond to forty-six statements using the six-point Likert-scale (ranging from 1-strongly disagree to 6-strongly agree) used by Slama and Taschian. Thirty-three of these items were adopted from Slama and Tashian's PI scale. Analysis of the data gathered from 176 participants resulted in a proposed twenty-six-item PI scale (Table 1) with the reliability measure of Cronbach's alpha: 0.87. Factor analysis resulted in six sub-dimensions (time/effort, outcome/consequence, information, value, saving/sales, interest) indicating a multi-dimensional construct. Average inter-item correlations for these six factors were significant ( $p < .01$ ).

The second study was conducted to test the reliability and the predictive validity of the new twenty-six item PI scale. Celsi and Olson (1988) found that consumers spend more time attending to information as their involvement increases. Schmidt and Spreng (1996) proposed that enduring-involvement is positively related to motivation to search for information. Although situational differences are expected to influence consumers' level of involvement with the purchasing activities, if there is a consistent difference in consumers' shopping behavior (e.g., the amount of time spent) between those highly-involved and those who are less involved with purchasing in general, the proposed purchasing-involvement scale should be able to capture the variance between these groups.

H: Consumers that have high purchasing involvement spend more time in shopping than those that have low purchasing involvement.

Participants in the second study were asked to carry out a shopping task for air purifiers using a mock-online shopping site. Sixteen product alternatives were available for consideration. Since the product knowledge has proven to impact consumers' information search, information describing various attributes of air purifiers was provided in order to control or minimize the possible differences participants may have in product knowledge. Once participants completed the shopping task, they were asked to respond to the twenty-six item purchasing-involvement scale and some demographic questions.

The analysis of the data from the 220 participants in the second study provided support for the predictive validity, and reliability of the proposed scale. Results from the ANCOVA analysis showed that consumers with high level of purchase-involvement spend significantly more time (AP-HI mean = 303.04) shopping than those that are less involved with purchases (AP-LI mean = 224.71) ( $F_{1,215} = 10.896, p < .05$ ). No significant gender effect was found in the time taken while shopping for air purifiers ( $F_{1,215} = 1.002, p > .10$ ). A coefficient alpha reliability test of the scale in the second study was .88. While these findings support the proposed PI scale, future research replicating the findings of this study or those offering possible enhancements is needed.

Table 1: The Purchasing Involvement Scale

1. I feel like I have to consider as many alternatives as possible in order to make sure I get the best product.
2. When I am shopping for a new product, deciding which alternative to buy is an involving process for me.
3. I prefer to visit as many stores as possible to make sure I am getting the best buy.
4. The decision about which product alternative to buy requires a lot of thought.
5. Being a smart shopper is worth the extra time it takes.
6. It is part of my value system to shop around for the best buy.
7. I am willing to spend extra time shopping in order to get the cheapest possible price on goods of like quality.
8. In selecting from many types and brands of a certain product available in the market, I would not care which one I buy\*
9. In making my selection of a product, I am not too concerned about the outcome of my choice.\*
10. I choose products very carefully.
11. The brands of goods I buy make very little difference to me.\*
12. It doesn't make much sense to get upset over a purchase decision since most brands are about the same.\*
13. Consumer Reports is not very relevant to me.\*
14. Consumerism issues are irrelevant to me. \*
15. The consumer and business sections of the newspaper are highly relevant to me.
16. It is not worth reading Consumer Reports since most brands are about the same.\*
17. Even with small purchases, I prefer to take my time and make sure I am getting the best value.
18. I am too absorbed in more personally relevant matters to worry about making smart purchases.\*
19. Shopping wisely is rather a petty issue compared to thinking about how to make more money.\*
20. I am not interested in bargain seeking.\*
21. I am not interested in sales.\*
22. You can't save a lot of money by careful shopping.\*
23. I am usually not annoyed when I find out I could have bought something cheaper than I did.\*
24. I have little or no interest in shopping.\*
25. When I shop, I think I spend more time shopping than the average person.
26. Sales don't excite me.\*

\* Reverse order item.

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# NEW ELEMENTS OF PRODUCT TRIAL: HOW DISCONFIRMATION OF TRIAL EXPECTATIONS, BRAND EXPECTATIONS, AND MOOD PREDICT PURCHASE INTENTION

Gary H. Kritz, Seton Hall University

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## EXTENDED ABSTRACT

Product trial is the consumer's first use of a product or service. It is a powerful form of persuasion compared to advertising because product trial is a form of direct experience, and advertising is a form of indirect experience. Research has shown that attitudes formed from direct experience with an object or product are stronger, are more confidently held, and are better predictors of behavior than those formed via indirect means such as advertising (Fazio & Zanna, 1978, 1981; Marks & Kamins, 1988; Smith, 1993; Smith & Swinyard, 1983, 1988) It is surprising that the consumer search literature does not contain more studies of attitude formation via trial.

Mood and brand expectations are common consumer behavior variables that should be important to study in a product trial scenario. A new variable, disconfirmation of trial expectations, is introduced in this study. This construct mirrors the disconfirmation of brand expectations from the Disconfirmation Model of Satisfaction. If a consumer is able to separate his brand expectations from his product trial expectations as suggested by the author based on the unique trial characteristics in a product trial scenario, there is every reason to believe that an experimenter could manipulate the disconfirmation of trial expectations variable in an experimental study. A 2 x 2 x 2 experiment using mood, brand expectations and the disconfirmation of trial expectations is investigated to see the effects on brand and trial attitude formation and purchase intention to expand our understanding of product trial.

The results could yield a result of companies using more promotional dollar allocations to product trial than to advertising. This would make sense since companies continue to spend money on a fragmented and dwindling advertising target audience. By beginning to understand how mood, brand expectations, and the disconfirmation of trial expectations affect the product trial process, marketers may be able to make better promotional dollar allocation decisions to increase their businesses' profit.

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# **PRESCHOOLERS' THIRD-PERSON PERCEPTION OF VIDEO GAMES**

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## ***EXTENDED ABSTRACT***

The third-person effect seems prevalent when studying perceived media influence on others. It suggests that we believe harmful influences of media are greater on people other than our own selves. When the media contents is deemed desirable, people do not expect others to be more influenced, and at times, they express themselves to be more influenced than others. Current understanding of third-person effects is limited largely to studies on adults with limited topics. A relatively small number of third-person perception studies have been done to show that children and teenagers exhibit third person effects. Thus, this study explore components in third-person effects and answer following questions: 1) how young children exhibit third person perception? 2) When does it emerge? 3) How does the perceived difference between influence on self and others? 4) Do children's and adults' (or adolescent) perceptions result from the same or different underlying same mechanisms? Ultimately, this paper conceptually explores effects (and perceived effects) of playing video games which is one of the most popular media among children.

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# ORGANIC FOOD LABELING

*Molly Flanagan, Morehead State University*

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## ABSTRACT

*The popularity of buying organic foods is constantly increasing. However, consumers need to fully understand what each label means and if they are purchasing a certified product. It is not uncommon for marketers to mislead consumers with their labels. This brings up ethical concerns. This paper will define the term organic and outline its various certifications, discuss the recent growth and long-term growth of the organic food industry, and summarize consumer perceptions of organic food and their purchasing behavior. This will lend some understanding of how the organic food trend will affect consumers, corporations, industries, and society as a whole.*

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## INTRODUCTION

When walking throughout the supermarket, a customer is barraged by the plethora of choices they have for food products. The amount of different brands for each individual product can be staggering and confusing. More recently, it seems that a new category entirely has sprung up to entice customers: organic. The word “organic” can have varying definitions and implications based on the individual consumer’s perspective. Some consumers see organic foods as a new, healthy way of clean-living, yet others see it as a frilly label and an excuse for a company to charge more for their product. While some critics have claimed it as a fast fad, organic is actually gaining popularity and pushing its way into the hearts of consumers. This same thing can be said for many food brands; they seem to be hopping on the organic bandwagon and capitalizing on this trend. Unfortunately, this can lead to some marketers rushing to call their product something which it is not. Marketers have to be very clear about what their label actually leads consumers to believe it is so as not to create any ethical concerns. These misleading labels have become commonplace in the market, and many brands have lost their consumer credibility. With organic food products being the fastest growing segment in the overall food industry, it is vitally important that consumer perceptions change to be more favorable and trusting. However, the analysis of organic food can be a daunting topic. The definition of, guidelines to, and regulations of organic food products, the growth of this market segment, as well as the perceptions of the label “organic” in the consumers’ minds and how that affects their purchasing behavior must be fully outlined and comprehended in order to understand how this organic food trend will affect consumers, corporations, industries, and society as a whole.

## ORGANIC DEFINED

The definition of an organic product can have varying meanings. The most thorough definition can be found on the United States Department of Agriculture (USDA) website. The USDA defines the term organic as:

“Organic is a labeling term that indicates that the food or other agricultural product has been produced through approved methods. These methods integrate cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. Synthetic fertilizers, sewage sludge, irradiation, and genetic engineering may not be used” (“Consumer Information,” 2014, para. 1).

## Certification Process

When a consumer looks at various brands, they may see many different labels all claiming to be “organic.” Some examples of these would be labels saying, 100% Natural, GMO free, Made with Organic Ingredients, etc. While on the surface they may look legitimate, the truth is that they hardly mean anything. For this reason, consumers often feel like they are being taken advantage of or being lied to. Any packaging can have a label slapped on it saying, “Made with Organic Ingredients.” However, most consumers do not know that unless the label specifies what ingredients are actually organic, the label can be completely ignored (“Organic 101,” 2014, para. 1). It is no wonder that consumers have a negative perception of organic labeling. It is so easy for marketers to find loopholes in the regulations in order to make their product seem better than it is. The United States Government Printing Office has the electronic Code of Regulations that the United States Department of Agriculture complies with. This code is the official government issued set of regulations that marketers must follow when they market organic products. It has

different labels broken down and each of their specifications. The purpose of this code is to limit the misconceptions of consumers and keep marketers from practicing unethical measures (“eCFR,” 2014).

According to my own research, the United States Department of Agriculture has a government certified label for organic foods. This label holds credibility because of its strict guidelines and enforcements which will be outlined below. This certification process and its guidelines and regulations are the standard that all government agencies follow, such as the Food and Drug Administration. Each of these separate entities look to the USDA for guidance. A company can have their product certified by the National Organic Program. The National Organic Program (NOP) is a branch of the USDA that oversees the regulation and certification of organic products (“NOP Homepage,” 2012, para. 1). The National Organic Standards Board (NOSB) consists of four farmers/growers, three environmentalists/resource conservationists, three consumer/public interest advocates, two handlers/processors, one retailer, one scientist (toxicology, ecology, or biochemistry), and one USDA accredited certifying agent whom are all appointed by the Secretary of Agriculture. There are six subcommittees including Crops, Livestock, Handling, Materials, Compliance, and Accreditation and Certification. The NOSB is the driving force which advises the USDA on organic topics, and verifies that all brands continue to follow the guidelines of the organic certification as well as adding new brands to the list of certified (“National Organic Standards Board,” 2013, para. 1).

## Labels

The term organic was defined above, and if a product has the USDA label on it (see Figure 1), it is guaranteed to be at least 95% organic, or be made with organic ingredients and materials. This label can certify crops, livestock, and multi-ingredient foods, such as bread or soup (“Organic Standards,” 2013, para. 2-4). However, there are also more specific USDA organic certifications that consumers should be educated on that pertain to products such as meat and eggs. All of the following claims and labels are regulated and monitored by the USDA. A popular phrase is “Free-Range.” This label is defined as the animals having unlimited access to food, water, and shelter, as well as having access to outdoor space that is not fenced in or covered. “Cage-free” is very similar to the above term, but only allows for the animal to roam about a certain enclosed area. The term “Natural” can be confusing to consumers. It can label products that have been minimally processed and do not contain any artificial

ingredients. However, it is only regulated when it pertains to meat and eggs, and it does not have any standards for farm practices. The “Grass-Fed” label is pretty self-explanatory. It pertains to pastured animals that derive all dietary nutrients from grass rather than grain. This label also does not permit the use of antibiotics, steroids, or pesticides. “No Added Hormones” is also a clear definition within itself. Other labels such as “pasture-raised” and “humane” are so broad that the USDA does not have specific regulations for them (“Consumer Information,” 2012, para. 4). The more informed a consumer is about the labels on the products they are buying, the better purchasing decisions they can make. They are also less likely to fall victim to an overpriced item with little to no actual benefit. Laura Batcha, the Chief Executive Officer of Organic Trade Association, stated that, “The entire organic industry needs to rally around helping consumers better understand and appreciate all the values that certified organic brings to the table. Consumer education is critical to grow the organic industry” (Haumann, 2014, para. 1).

**Figure 1: USDA Organic Food Label**



All of these regulations and certifications are fairly recent additions to the organic food industry. There are still many loopholes and categories that do not have regulations or enforcement present at this time. For this reason, there are still many occurrences of unethical labeling or misleading packaging which, in turn, explains why consumers are reluctant to buy into the trend.

## CONSUMER PERCEPTIONS

### Organic Consumer Demographics

There have been studies completed looking into the demographics of who purchases organic food products. Gary Thompson published one such study in the *American Journal for Agricultural Economics* in which he outlined several of those consumer demographics. He classifies one targeted segment as “True Naturals.” These consumers are those that have a deep propensity to purchase organic products. This market segment is made up of more affluent adults,

typically over the age of 40, and the majority of consumers in this segment consists of divorcees. These adults have more of a disposable income to spend on pricier products, such as organic food. Another segment is coined as “Young Recyclers.” These consumers are under the age of 35, typically single, and while they have the desire to purchase organic products, they do not have the disposable income that would allow them to do so. Outside of specific market segments, Thompson also outlines some other demographics. He states that women are more likely to purchase organic products because they are more concerned about the benefits and health risks. Those consumers that are willing to pay more for organic materials come from married couples or families, likely

because they wish to maximize on the health benefits. Thompson suggests that there is a definite positive correlation between education levels and the purchase of organic foods (Thompson, 1998, Pages 1115-1117).

**Word Association**

The following table, Table 1, is from a study that surveyed consumers and asked them which words they associated with “organic food.” Overall, it concludes that consumers associate the idea of organic food with that of a healthier lifestyle, more nutritious food choices, better tasting products, and an overall healthier environment.

**Table 1: Word Association with Organic Foods  
(Rainer Haas, et al, 2013, Page 448)**

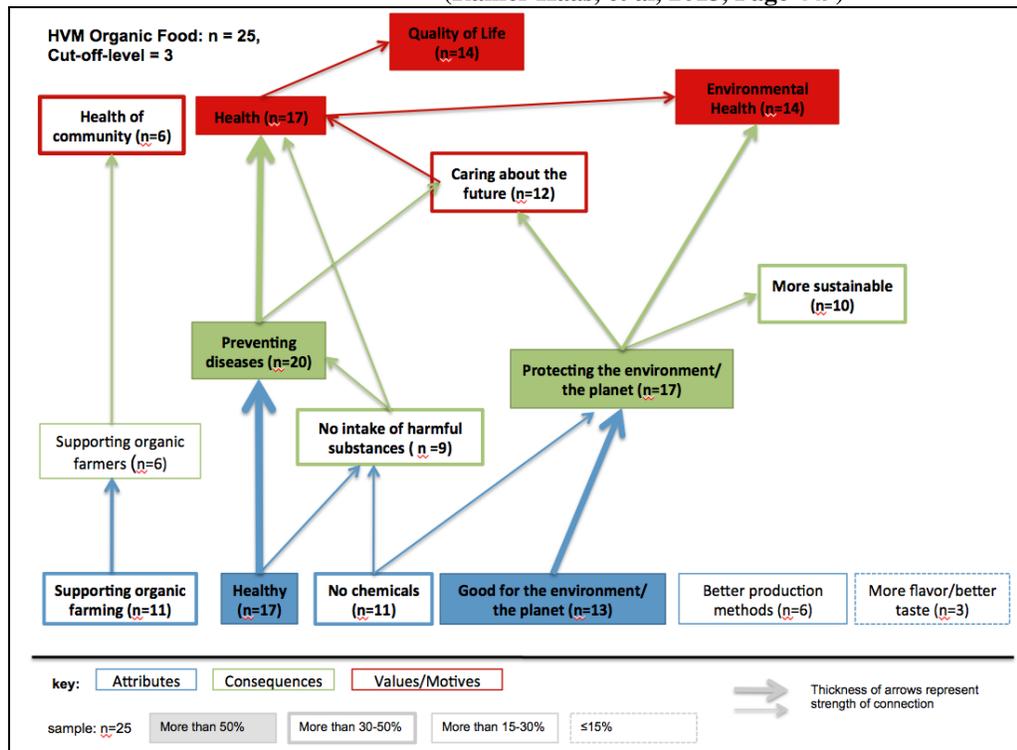
Themes	Some constitutive words	Proportion of the answers
Healthy	Nutritional value, strengthen immune system, balance, alive, vital, natural	23%
Better production methods	More natural & less processed, more sustainable, better animal feed, no GMOs	22%
Food	Fresh, fruits, veggies, dairy, cheese, meat, better packaging, higher price, no GMOs	16%
Organic farmers/farms	Beautiful farms, supporting farmers, local, standards	13%
No chemicals	No fertilizers, pesticides, no poison, natural, only water sun and soil	11%
Better for the environment	Less pollution, less waste, nature	8%
Taste	Tastes better	6%

**Value Association**

Furthermore, consumers are able to link these common words associated with organic foods to actual value. Figure 4 is a hierarchal value map (HVM) for organic food purchasers. The map was compiled based on a study that determined what the common perceptions of organic food were. The HVM begins at the bottom with the attributes that consumers associated with organic food. It then stems into what

the consequences, positive or negative, of those attributes are. Finally, it outlines what value the consumer can gain from those consequences. The HVM indicates that the three most common overall values a consumer sees from the purchase of organic food is improved environmental health, personal health, and quality of life. This study is key in showing that consumer perception of organic foods is not all negative. Customers are able to see the inherent value of purchasing organic food products.

**Figure 2: Hierarchal Value Map of Organic Food Buyers**  
(Rainer Haas, et al, 2013, Page 449)



## Negative Perceptions

It is clear that consumers understand the value they receive from the purchase of organic foods. The question that must now be asked is what is stopping them? I believe that there are two major factors that are putting up roadblocks in this industry, price and credible/ethical certifications (Yiridoe, 2005, Page 1). Price is a huge barrier in the consumer mind when making purchasing decisions. “The negative fact of higher prices was associated with organic food a couple of times (10%)” (Rainer Haas, et al, 2013, Page 448). This is a common perception that consumers have of organic products. This indicates that consumers look at organic food products as luxury goods, rather than a normal good. There are several reasons that organic foods still cost more. The Food and Agriculture Organization of the United Nations mentions the following. First, organic food supply is far less than the demand for it. Second, production and handling costs both cost much more than non-organic food products because they require specialty systems and procedures. Third, the marketing and distribution of these organic products is much less efficient, and therefore more costly, because there is much less volume. Organic

foods also incur a lot of extra costs that non-organic foods do not. These costs include things such as protection of the environment and organic farmland so that it is not contaminated, and higher cost for animal raising due to higher standards (“Frequently Asked Questions,” 2014, para. 2-4). The key is for marketers to educate and convince consumers that the value they see in organic food is worth the more premium price.

Many consumers believe that marketers and brands are unethical in their marketing of organic products. They see faulty labels or don’t believe that these brands have a credible certification. “Accreditation could increase confidence in multiple labels and reduce information-seeking costs to the consumer” (Lohr, 1998, Page 1128). Marketers have to be very careful about how they package and market their product in order to build up trust. As these consumers become more educated on the accreditation, they will begin to build customer loyalty with those brands that they trust.

Despite these two roadblocks, consumers do see the value of organic food. As shown above, they are able to associate not only personal value, but environmental and societal value with organic food. For this reason, the organic food industry has seen some recent significant growth.

## GROWTH OF THE ORGANIC MARKET

The need for increased awareness of organic labels as well as regulations and standards becomes all the more important when looking at the growth of the organic marketplace. The organic product line is the fastest growing segment in the food industry today. The global world, especially the United States, is becoming more and more conscious of what they are eating. People are looking for healthier options and to narrow their risks of contracting diseases caused by genetically-modified foods or steroids. According to a 2014 press release made by the Organic Trade Association, US sales of organic products increased by 11.5%, with no evidence of slowing down (Haumann, 2014, para. 1). Laura Batcha, Chief Executive Officer of Organic Trade Association, stated that,

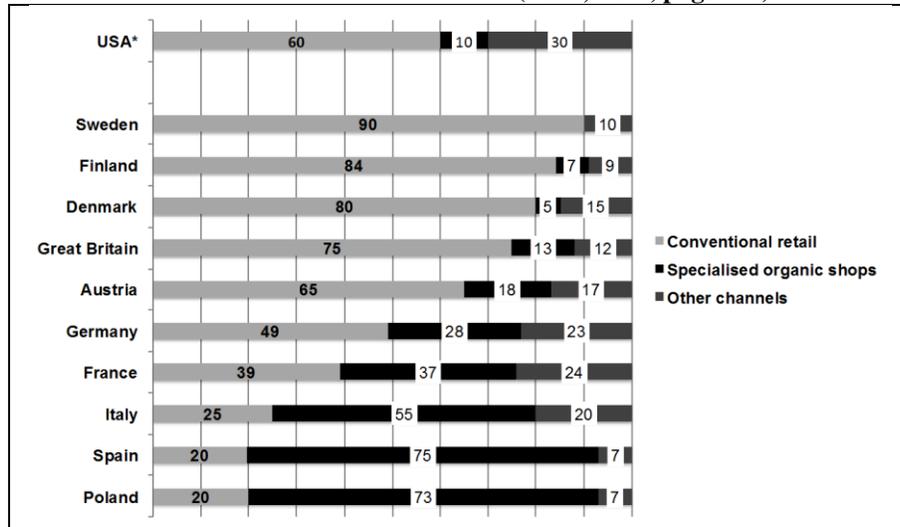
“The U.S. organic market is experiencing strong expansion, with organic food and farming continuing to gain in popularity. Consumers are making the correlation between what we eat and our health, and that knowledge is spurring heightened consumer interest in organic products” (Haumann, 2014, para. 2).

A recent survey by the Organic Consumers Association showed that 79% of the surveyed were concerned about the safety of their food and that 71% found the idea of eating organic food “appealing” (“US Organic Food Market Increases,” 2014, para. 12). In this same survey, the results indicated that more consumers would purchase organic substitutes for their normal products if they were more convenient and readily available. Not only is the purchasing of organic food products increasing rapidly, but so is organic acreage. As of 2008, 0.6% of total US farmland was made up of certified, organic cropland (“Industry Statistics and Projected Growth,” 2011, para. 6).

### Long Way to Go

Although sales of organic foods are definitely on the rise, the US still has a long way to go. Organic foods only make up 2% of the overall food industry, and the US is lagging behind when compared to countries in Europe. The same can be said with organic land acreage being purchased. Europe held the largest amount of growth in acreage devoted to organic farming with an increase of one million hectares (“Industry Statistics and Projected Growth,” 2011, para. 7).

**Figure 3: Market Shares of Organic Foods Via Various Distribution Channels in International Markets (Haas, 2013, page 440)**



### FITTING THE PIECES TOGETHER

With more government regulations and certifications, consumers are beginning to be more informed. Furthermore, more farmland is being devoted to organic practices and more farmers are changing their methodology. This will perhaps bring about a more abundant source of organic products. If

this were the case, more products would be available, and more demand could be met. I can foresee an enlarging demand for organic food products as the public becomes more educated on its value. This will open up a new marketplace and create huge revenue streams in this market segment.

### Consumer Possibilities

With the ever advancing USDA regulations and certifications, it will not be long until consumers see organic brands and labels as credible. This will help to build trust between the brand and the consumer and will in turn lead to improved customer loyalty.

### **Corporation Possibilities**

Currently, there are over 30,000 brands and facilities that are certifiably organic (“Organic Certification and Accreditation,” 2012, para. 1). While this number is larger than expected, if more companies would strive to accredit their brand, they could expand into a world of possibility. Companies marketing organic products need to understand common consumer perceptions of this industry. If they work hard to be ethical about their packaging and labeling, they can help to educate consumers. The USDA offers educational and training materials to help companies become accredited brands. Companies could also work to hold each other accountable. The USDA has enforcement in place to keep brands in line and ethical, but companies could also work together for the common good of consumers (“Compliance and Enforcement,” 2013, para. 5).

### **Industry Possibilities**

Growth of the organic market segment could mean an explosion of possibility for the organic industry. There are many examples of companies that have sprung up to embrace the organic trend. There are even solely organic stores such as Whole Foods. As organic food purchasing grows in popularity, it has the ability to affect many other industries as well. Not only will it create more competition between organic brands and stores, but it will promote more farmland being devoted to safer practices, and it will raise the standard on animal treatment.

### **Societal/International Market Possibilities**

As the industry overall finds more success, there could be a definite shift in societal concerns. Organic food promotes a healthier lifestyle and eating patterns. Americans have the stereotype of eating unhealthy and being overweight. If there were more affordable and convenient options that also had overall health benefits, it is likely to be embraced. Organic food not only promotes personal health, but environmental health as well. It raises the standard of animal and environmental treatment. This can lead to an overall safer environment, a happier and healthier life for the animals, and a society that is more comfortable with the food they are eating. They no longer have to worry

about contamination, getting sick from pesticides, or being exposed to the steroids from animals.

It is important for US organic labeling standards to be on par or stricter than other international brands. This will increase the credibility of US organic brands, and it will also allow the US to compete in the international market. If the US does not have the same regulations, or put as much care into their organic guidelines, consumers nationally and internationally will be more prone to choose the more credible brand. The US could then lose out on potential market shares. As aforementioned, the US is beginning to lag behind in organic market growth. Europe has its government fully backing the shift. It can be seen that farmland is being converted to organic farming practices and all supermarkets have organic options. In fact, more organically grown apples from Washington State are sent to Europe than are sold in the US (“US Organic Food Market Increases,” 2014, para. 10).

In conclusion, I believe the US will begin to see a domino effect in the organic food industry. The government is pushing for organic regulations and a shift to more organic farming, processing, and manufacturing. The certification process is becoming more stringent and regulated for the purpose of education and credibility. As these certifications become more well-known, understood, and abundant, consumers will be more apt to change their perceptions and see the value of these products. They do not have to fear that products will have misleading labels on them or that companies will be acting unethically. As the perceptions change positively, demand for organic products will rise. Since the government is beginning to back organic endeavors and devote more farmland to them, suppliers will be able to meet this demand. Perhaps then, prices for organic food will become more equalized with other their non-organic substitutes, and more consumers will be willing to buy into them. This could lead to a change in society; there will be a shift in focus toward healthier lifestyles, better choices, support of the farming industry, a better environment, etc. Overall, this industry will see a lot of growth. The US still has catching up to do in the international market as well.

The key to all of the future predicted success is education. There is a call for the education of the companies on how their customers perceive organic products. The companies must then be educated and trained on the proper regulations and procedures that must be put into practice in order to gain certification. The consumers then must be educated not only of the value that organic food can offer them, but on what the certifications promise. This will inhibit them from

being misled, and it will empower them as informed consumers.

In the future, it is vital that the marketplace stays up-to-date. Technology advances and improved methods lends evidence that this organic industry will constantly be changing. For this reason, marketers and consumers alike will need to continue to be well-informed and knowledgeable about the products. A great source of information can be gleaned from the USDA. This agency is bound to provide information and regulate products. As things change in the industry, more research must be conducted in the future.

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# FACTORS AFFECTING CONSUMER INTENTION TO BUY COUNTERFEIT PRODUCT

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## ABSTRACT

*There are several factors which influence consumers to buy counterfeit products. Today, any product in any nation is vulnerable to this malady. Counterfeits are packaged and labeled to resemble the original brand-name and generic products. Therefore, fake products often illusion the consumers to thinking that they are buying authentic goods. Counterfeits are a real and looming threat to all manufacturers. Counterfeit policing measures are yet to mature and become omnipresent. With this background information, it is noteworthy to observe how the Theory of Reasoned Action (TRA) could help identify the factors responsible for influencing behavioral intentions of a consumer towards purchasing counterfeit products. The present study reviews existing literature on counterfeit products, identifies potential improvements, and provides further insight into consumer motives behind the purchase of counterfeits. Six primary factors that influence counterfeit purchase have been identified and the TRA has been applied to investigate the impact of these factors on consumer behavioral patterns. The factors are (1) social motivation, (2) personal gratification, (3) perception, (4) value, (5) brand loyalty, and (6) ethics.*

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## INTRODUCTION

Counterfeit products cause significant amount of damage to the free market economy. There are several factors that influence consumers who buy counterfeit products. A meticulous scrutiny of these factors is essential. The federal authorities in U.S have seized 150 websites that used to traffic counterfeit brand merchandises in 2011. In today's tight economy, consumers have no choice but to look for ways to save money. Often in this pursuit to save, they end up opting for counterfeits. Consumers possibly believe that low priced products and discount stores can meet their status needs (Eastman and Eastman 2011). A person's perception of financial ability to meet the expense of products influences intention (Notani 1997). Starting from the packaging to its labeling, a counterfeit product resembles its original counterpart almost in every aspect. Counterfeit goods look authentic. The factors that contribute to the purchase of counterfeits are economic advantages, perceptions of personal or hedonic benefits, and past purchase experiences (Nia and Zaichkowsky 2000; Gentry et al. 2000; Ha and Lennon 2006). Respondents to a particular study indicated that they found luxury goods to be fun and worth the price paid for, regardless of whether they were an originals or counterfeits. Value, customer satisfaction, and the status of original luxury brand names did not decrease due to the widespread availability of counterfeits (Nia and Zaichkowsky

2000). The very existence of the brands and the promises made by them are the cause of counterfeits (Bloch 1993; Cordel et al. 1996).

Counterfeits are considered value for money for the reason that they have a fairly small price and are of inferior quality (Bloch et al. 1993; Lichtenstein et al. 1990; Ang et al. 2001; Wang et al. 2005). Purchasing counterfeits means getting the prestige of branded products without paying for them (Cordell et al. 1996; Grossman and Shapiro 1988) while, compromising on quality. Counterfeit products increasingly penetrate the supply chain and pose a threat to the manufacturers. The presence of counterfeits is a fret for nearly every product, company, supply chain, government and industry; and the problem is aggravating. Potential investments in research and development are at stake from the unfair competition generated by counterfeits (Maldonado and Hume 2005). Social needs, comprising social recognition and social status, are primarily responsible for the consumption of counterfeits. Counterfeit products have had a widespread impact and become a global phenomenon over the past few years. It is estimated that counterfeit products amount to a 5-7% share of the global trade; generating in excess of \$600 billion annually (Eastveld 2009). Cost is the most frequently cited motivation for buying counterfeits. Brand success breeds counterfeits (Green and Smith 2002). Consumer behavior patterns dictating the purchase of counterfeit luxury watches were studied (Wilcox et. al. 2009). The findings were

derived from a limited survey conducted among 46 students in the NorthEastern University. The Theory of Planned Behavior (TPB) was used to explain the intention for purchasing counterfeits (Penz and Stöttinger 2005). A  $c^2$ -analysis yielded the top three factors that influence one's intention to buy fake products to be (i) perceived behavioral control, (ii) a smart shopper attitude, and (iii) subjective norm. The authors suggest that their method be applied on different product categories to test its validity.

A potential gap in the reported literature is that every research group mentioned above has proposed a different set of primary factors influencing the purchase of counterfeits. Also, a unified quantitative approach to determine and rank the factors influencing counterfeit purchase intention is yet to be developed. An expression depicting the relationship between the consumer purchase intention ( $Y$ ) and the factors ( $X$ 's) affecting is within the purview of improvement in this field of study. Lastly, the findings of every study depend on the market dynamics where the study was conducted on money influx, social and cultural settings prevalent there. In order to reach a meaningful conclusion, one should simultaneously study and analyze the dynamics of markets that are widely different in characteristic and geographic location. We propose six factors (see Fig. 1) that significantly influence the consumer's intention to buy a fake product. They are (1) social motivation, (2) personal gratification, (3) perception, (4) value, (5) brand loyalty, and (6) ethics. These factors have been critically examined using a standard reasoning theory described below.

The TRA, which is different from the TPB, is a useful tool for understanding consumer misbehavior. In the past Fishbein and Azjen's TRA has proved effective for understanding the intentions behind using contraceptive methods (Doll and Orth 1993), studying social networking behavior (Peslak et al. 2011), predicting gambling behavior (Moore and Ohtsuka 1999), designing persuasive public information campaigns, and studying condom use for HIV prevention (Fishbein et al. 1992). With this background information, it is noteworthy how the TRA could help uncover the behavioral intentions of consumers towards procurement of counterfeit products. The TRA illustrates the motives behind volitional acts such as the purchase of counterfeits. It suggests that an individual's behavioral intention is determined collectively by his/her attitude towards the subjective norms- others' perception of whether he/she should engage in a particular behavior or not (Ajzen and Fishbein 1973; Fishbein 1980). In the study presented below, the TRA has been applied on the six factors mentioned above to understand a consumer's attitude and behavioral intention towards counterfeits.

## CONCEPTUAL OUTLINE

All margins should be set at 1". Paper size should be set for 8 ½ x 11". Font for headings, sub-headings, body, and references should be set to Times New Roman, in a 10-point size. Set tab settings to 0.25", so that the first line of a paragraph is indented by that amount. All text should be aligned using full justification. Headlines should be centered and sub-headings should be left justified. Double-space before and after headings and sub-headings. Set the body of your paper in a two-column format with 0.30" spacing between columns.

## PREPARING YOUR DOCUMENT

The TRA helps determine a relationship between the consumers' purchasing patterns and the popularity of counterfeits. Based on these lines, the correlation between consumers' buying pattern and counterfeit products is discussed below in each of the following propositions:

### Social Motivation

The term 'social motivation' implies the effect that people have on consumer behavior. The need 'to belong to' is the principal motivation for humans. According to the TRA, a person's voluntary behavior is predicted by his attitude towards that action and how he thinks other people would perceive him if he performed that action. Hence, a need for social recognition (action) is more responsible for driving the purchase of counterfeit products than social influence. One buys branded products to get noticed, to be admired, and to enhance one's social standing. People adopt several motivational strategies, when deprived of fundamental social needs, to increase their social appeal and get included (Forgas et al. 2005). In other words, it is the influence that one's beliefs, regarding a particular product, have on another's behavior leading the other to follow him/her so as to become part of the same league (Haque et al. 2009). The TRA also suggests that a person's intention is a function of two basic determinants- his personal nature and social influence. The consumer's social class determines this pattern of behavior. In cases where both social significance and prominence are important to a consumer and he cannot afford the exorbitant prices of the original product, he is likely to turn to counterfeits as an alternative (Teah and Phau 2009). The norms followed by a social group and the pressure arising from the instinct to emulate that reference group, can induce a consumer's decision to use original or counterfeits of luxury brands (Bearden et al. 1989).

Consumers are more likely to purchase counterfeits under the influence of their peers (Mellot 1983; Bearden et al, 1989). One buys branded products to get noticed, to be admired, and to enhance one's social standing. An individual's aspirations to create his/her identity, matching him/her to the standards of others and make an impression on others are one of the fundamental causes of counterfeit consumption (Bloch et al. 1993; Ho and Lennon 2003; Penz and Stöttinger 2005). If a consumer feels that a product could be his medium of self expression then, he is motivated to consume a counterfeit as it would aid his self presentation. (Snyder and DeBono 1985).

Consumption of luxury brands is a social adjustive (self expression) and value expressive function (self-presentation) or both (Shavitt 1989). Wilcox et al. (2009) in their research expound that social motivation is the crux of consumers' inclination for counterfeit luxury brands. If status is the motivation for a consumer, then he is likely to be less priced and value-conscious than other consumers (Eastman et al.2011). The reaction of peers to the affluence exhibited from the conspicuous consumption of luxury goods, rather than the worth of the actual product, gives the consumer satisfaction from others' reactions to the wealth displayed rather than from the value of the product itself (Mason 2001). A reference group's approval also plays a major role in influencing a consumer's attitude towards the purchase of counterfeits (Lee and Yoo 2009). Consumer purchases counterfeits if his friends and relatives act as either inhibitors or contributors and approve of his behavior. Consumers who are motivated by status are more brand-conscious. Consumers compare of themselves with others based on their skills, ability, proficiency and products for social consistency (Monreau and Herd 2010).

The instinctive drive to look externally good and get social appreciation is referred to as social conformity (Klien 1997). Social affluence can be either norm-based (when individuals conform to the expectations of a referent group) or information-based (when individuals accept information from a referent group as evidence of reality). The desire to own luxury branded products to acquire admiration possibly is the reason for motivating individuals to purchase imitations of original products. This could also be explained using the bandwagon effect (Bhardwaj 2010).

*Therefore, customer's social dimension with the brand product has a positive effect on the attitude toward counterfeit product brand.*

### **Personal Gratification**

Behavioral beliefs (motivating a person's attitude toward the behavior) influence a person's attitude. The TRA's most conspicuous element is that behavioral intent is the best predictor of actual behavior. If a person believes that buying a merchandise is a means of personal gratification, self representation and status, then he is likely to hold an unfavorable attitude toward the behavior of buying a counterfeit. Thus, the consumers who seek greater personal gratification will have negative attitudes towards counterfeits of luxury brands (Thurasamy et al. 2003). The desire to earn the positive opinion or approval of peers could be a barrier in buying counterfeit products (Dorosevich et al.). Personal gratification is linked to the need for a sense of accomplishment, appreciation, and a craving to enjoy the finer things in life. The consumers who do not buy counterfeits have been observed to be more confident, more successful, and having a higher perceived status (Bloch et al. 1993). These characteristics are often associated with individuals who seek accomplishment, and a higher standard of living. The term 'status' refers to the relative rank and lifestyle that an individual holds and the lifestyle in a hierarchy. This hierarchy is based on honor, respect, prestige and envy from others and represents the goals of a culture. The term 'status consumption' refers to ostentatious individuals who seek self-satisfaction and simultaneously exhibit their prestige and status to others through tangible evidence (Eastman et al. 1997). These consumers enjoy brands that emanate brand images which, in turn, reflect their self-identity (Nordin2009). The social benefits that a product offers estimate the utility of the product, as there are considerable levels of status consumption in all societies in the world (Eastman et al. 1997).

*Hence, personal gratification and pursuit of status has a negative effect on attitude and intention towards the purchase of counterfeit products.*

### **Perception**

Subjective norm in the TRA gives weightage to perceived expectations of people who are important to a person and whether or not he/she should act in accordance with their expectations. A consumer's perception about counterfeit depends on various factors like social norms, risk, product involvement, price, ethics, brand image, etc. The consumer's perceptions are influenced by the society which, in turn, affects his/her personality and beliefs (Haque et al. 2009). A few studies suggest that purchasing decisions are based on perception (Bian and Moutinho 2011). A strong intention to purchase counterfeits has a strong correlation with the perceived behavioral control of

purchasing counterfeits (Penz and Stöttinger 2005). The higher the ethical values of a consumer, the greater his perceived control over the purchase of counterfeit brands (Bhardwaj 2010). An individual's ability, the easy availability of counterfeits and his awareness on counterfeits positively influence the intention to purchase duplicate products (Ajzen 1985, 1991). An individual's perception of social norms decides if he/she should execute the behavior in question (Ajzen and Fishbein 1975). The perceived risk factor where there is a fear of being penalized on a counterfeit purchase has a considerable affect on the attitude towards buying a counterfeit (Hamm 2009). A recent research proposed that product involvement and product knowledge guide the relationship between the consumer's perception and purchase intention of counterfeit branded products (Hanzaee and Ghafelehbash 2012). If the consumer cannot distinguish easily between a counterfeit and branded product due to low product involvement with the branded one, it leads to more favorable perceptions towards counterfeits. However, when people perceive a monetary risk in the consumption of counterfeit products, they are likely to assess these products lowly (Maldonado and Hume 2005). Consumers who belong to high income brackets also perceive fake products as substandard (Nia and Zaichkowsky 2000). A brand's image has a definite impact on the customers' perceptions of product and service quality while, a recognized company has a wide effect on consumer perceptions of value and fidelity (Cretu and Brodie 2005). Consumer perceptions of a brand name, with reference to brand risk and brand differences, are the principal reasons for influencing purchase of new brands among consumers. Consumers also determine the brand name associated with the unfamiliar brands, as they feel high risk averse and entangle in decision making with perceived brand differences (Rajagopal 2005). Prominence, exclusivity, pleasure seeking feature and repute are identified as vital elements in a valued brand (Vigneron and Johnson 2004) but the existence of counterfeits pull down the perceived value of a luxury brand (Hieke 2010).

*Therefore, it can be inferred that customer's perception toward brand product itself has a positive effect on the attitude toward counterfeit product brand.*

## **Value**

Value of a brand product to a person could mean the degree of monetary or material utility he derives from it, in comparison with other products. As per the TRA, a person may participate in a particular behavior if the outcome seems beneficial to him. Therefore, he may engage in buying a counterfeit as it will give him the same value for money as an original product. Value

is a lasting belief that rises above definite intentions and circumstances and thus, affects attitude and behavior (Rokeach 1973). Paying lower prices, while maintaining some constraints in quality, refers to value consciousness (Lichtenstein et al. 1990). Although, buying counterfeits purports compromise in quality but, the fact is that counterfeits provide large cost savings and hence, consumers have high value consciousness for them. Furthermore, studies have shown that a conspicuous price advantage of a counterfeit product over the authentic one motivates consumers to decide on the counterfeit (Bloch et al. 1993; Phau and Dix 2009). Ang et al. (2001) in their study establish that the more value-conscious a consumer was, the more favorable one's attitude towards piracy was. People with integrity, graciousness and conscientiousness tend to have a negative attitude towards counterfeit purchase (De Matos et al. 2007; Phau and Teah 2009). But at times, few consumers are willing to trade off their protected values against cheaper prices (Baron 1999). In sociology, value implies putting together some approaches of behavior in our society (Bronowski 1959). Min Han et al. (2008) in their study indicate that environmental conditions and value factors such as conspicuousness, aesthetic appeal, durability, and conformity affect the consumer's attitude and intention to purchase counterfeit products. Regardless of the exceptional quality, consumers are unwilling to pay for the exorbitant prices as counterfeits offer the same utility as the original.

*Consequently, customer's value towards the brand product has a positive effect on the attitude toward counterfeit product brand.*

## **Ethics**

Ethics are a system of moral principles which forbids people from performing immoral actions. The TRA purports that one's attitude towards a behavior depends on his beliefs and hence, a group of people who have strong ethical values will restrain themselves from performing any action which is against their principles. The consumers' conceptions of truth and moral values are not absolute but relative to the persons or groups holding them, positively affecting ethical judgments regarding purchase of counterfeit products. The more idealistic a consumer is, the more is he bound to be ethical and therefore, have a negative attitude toward counterfeits. According to Muncy and Vitelle (1992), four factors influencing the consumer ethics are: 1) deriving benefits from illegal activity actively, 2) deriving passive benefits, 3) deriving active benefits from questionable actions, and 4) not engaging in harm or foul (Maldonado and Hume 2005). Law-abiding consumers have a negative approach to

counterfeits (Cordell et al. 1996). Fundamental ideals like integrity affect one's judgment towards surrendering to unethical activities (Steenhaut and Van Kenhove 2006). If the consumer's value system views purchase of counterfeits as immoral, then he is likely not to buy them and vice versa (Wilcox et al. 2008). A consumer with a higher moral character is independent of others' opinions and has a strong self-identity. Hence, he would regard purchase of counterfeits ethically wrong (Penz and Stöttinger 2005). The Moral Competence Theory illustrates the fact that consumer behaviors are affected by their personal sense of justice (Kohlberg 1976). If a consumer values integrity, he is unlikely to support counterfeits (Ang et al. 2001; Wang et al. 2005). Guilt has a significant negative influence on the purchase intent of counterfeits and a positive influence on the moral judgment for all product types.

*As a result, consumer ethics is a decision maker on the attitude towards purchase of counterfeits and ethical judgment will have negative effect toward counterfeit brand product and behavior.*

### **Brand Loyalty**

Brand loyalty can be defined as an action of repeat purchase and deep commitment towards a product by the consumers. Regardless of price or convenience, a consumer with brand loyalty will repurchase the brand products. Hence, as the TRA suggests that one's attitude toward a behavior can lead to an intention to act, brand loyalty is a result of consumer behavior and is affected by a person's preferences. The vital factors influencing brand loyalty are (a) the value that the consumer associates with the brand, (b) his faith in the brand, (c) customer **satisfaction**, (d) continued purchase of the brand product, and (e) commitment toward the brand. Brand loyalty is displayed when there is a commitment and repeated purchase behavior followed by perceived value, satisfaction, and brand trust (Punniyamoorthy and Prasanna 2007). A wide variety of products to choose from- price advantage, positive image of store and brand; the consumer's trust and loyalty determine his attitude towards a brand (Liu and Wang 2008). According to Sophie Hieke (2010), a brand's value diminishes if the consumer is revealed to a range of counterfeits. Moreover, brand replicas erode the abstract images of the original brand in the consumer's mind and their presence reduces the brand's perceived level of luxury. Brand loyalty or the purchase of genuine brands reduces the overall consumer perceived risk. The consumer's brand loyalty and his act of purchasing the genuine product is a tool in preventing monetary loss resulting from the purchase of counterfeits (Roselius 1971).

*Therefore, consumer's brand loyalty moderates the relationship between attitudes toward counterfeit brand product and behavior.*

### **LIMITATIONS**

The study is a review of existing literature and aims to investigate the six variables namely, social motivation, personal gratification, perception, value, brand loyalty and ethics. No sample data was analyzed. This study and the reported literature that it refers to are all subjective, because they comprise opinions of people. These opinions are influenced by demographical preferences, geographic locations, and environmental conditions that vary across different regions and countries. The conclusion of study is limited to type-of-product studies. Since this is only a conceptual study, there is immense scope for future research in the area of counterfeits for a wide gamut of products.

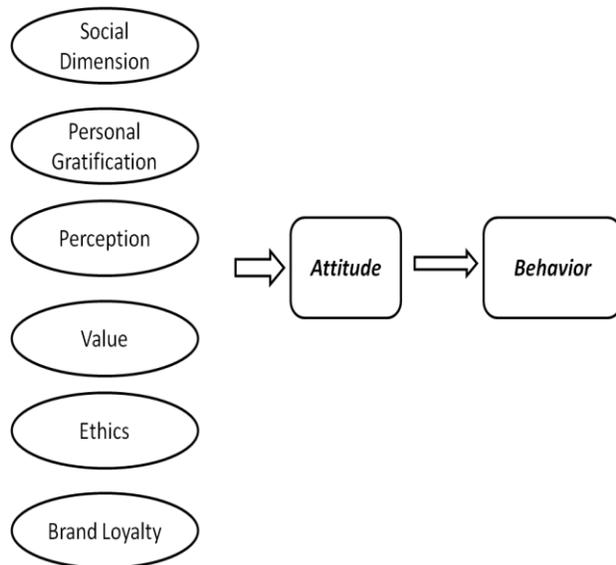
### **DISCUSSION**

This paper offers an insight of the primary factors that propel consumers to buy counterfeits. The current study extends the growing body of literature, related to counterfeits, by examining the TRA which is explicitly concerned with consumer behavior. The TRA dictates that attitudes and social norms dictate consumer behavioral intent. The present study demonstrates that a consumer's desire for counterfeit luxury brands hinges on the social motivations (i.e. to express themselves and to fit-in) underlying their brand preferences. The more a person believes that a commodity is a means of self-representation and status, the more is he likely not to buy a counterfeit. The TRA indicates that an individual's perception of social norms establishes if he/she should engage in a specific behavior. Consumers who assume that there is monetary risk involved, those who belong to higher income strata, and those who fear being penalized perceive counterfeits as substandard products. Value-conscious consumers are more likely to purchase counterfeits as it will give them the same value-for-money as the real one. The higher the ideology and integrity quotient in a person, the lesser will he be prone to buy a counterfeit. Consequently, ethics have a negative effect on attitude and behavioral intention towards counterfeits.

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**Figure 1** Six variables affecting consumer attitude towards counterfeits



## CONCLUSION

Six factors that define a consumer's intention to purchase counterfeits have been discussed, based on the TRA, in the present work. This investigation contributes to existing literature by studying the impact of each of the six important factors on consumer behavior which will be tested in an ensuing study. The theory of reasoned action, which is a well-established model, has been used as a skeleton/framework to analyze the consumer's behavioral intention towards counterfeit products. This study attempts to throw insight into the significant indicators of consumer attitude towards counterfeits. Cultural differences also are one of the main determinants of purchase intentions of consumers as each country has varied intellectual property rights (Eisend and Güler 2006). Brand preferences vary from market-to-market based on economic status. Hence, popular products such as mobile phones, apparel and computers could be investigated that are widely used in all walks of life and strata of society.

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# **SOCIAL ENTREPRENEURSHIP IN ITS SOCIAL CONTEXT: THE ROLE OF NATIONAL LEADERSHIP CULTURE**

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## **EXTENDED ABSTRACT**

Social entrepreneurship has emerged as way to meet societal goals of nations (Driver 2012). Given the integral role of the social entrepreneur, one area identified in the literature as deserving more attention is leadership (Kraus et al. 2014; Short et al. 2009). This paper addresses this gap in the literature by proposing national leadership culture as a social contextual factor surrounding social entrepreneurship.

Based on five national leadership culture dimensions identified by the Global Leadership and Organizational Behavior Effectiveness study (House et al. 2004) and the social entrepreneurship literature, six propositions are developed and a conceptual model is presented. National leadership culture is considered to be part of the social fabric of a county that can either enhance or hinder social entrepreneurial activity at the national level. It is proposed that countries with higher ratings of charismatic/value based leadership, team-oriented leadership, participative leadership, and humane leadership will have higher levels of social entrepreneurial activity. However, those with higher ratings of self-protective leadership and autonomous leadership will have lower levels of social entrepreneurial activity.

Implications of these propositions are discussed, with emphasis placed on contributions of this research for enhancing entrepreneurial marketing and public policy. Future directions for research on leadership in social entrepreneurship are also discussed. The proposed conceptual model is viewed as the foundation for a future research agenda on personality traits of social entrepreneurs. Future research would entail empirical testing of the conceptual model in order to derive more realizable theoretical and practical implications from this work.

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# CORPORATE SOCIAL RESPONSIBILITY AND CUSTOMER-BASED BRAND EQUITY— AN EXPLORATORY STUDY

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## *EXTENDED ABSTRACT*

Corporate social responsibility (CSR) programs are becoming increasingly diversified and sophisticated. Despite the wide use and rapid evolution of CSR practices, existing marketing research, which devoted to examine the many types of CSR, is scant. Our study aims to provide preliminary evidence in bridging the different CSR forms (Philanthropic, Promotional, and Value-creating CSR) with individuals' corporate brand evaluations.

In our study, philanthropic CSR corresponds to the philanthropic stage of CSR proposed by Austin (2000), describing a single way donor-recipient relationship. Promotional CSR refers to the social initiatives designed to leverage marketing promotions, often associated with short-term income goals. Value-creating CSR creates customer and stakeholder value by converging consumer welfare, the business requirements, and the long-term societal benefits (Armstrong & Kotler, 2005; Peloza & Shang, 2011).

Using a survey-based experiment administered to 124 MBA students from two major universities in Canada, our findings demonstrate that individuals perceive and react to various CSR types in different manners. Philanthropic CSR, involving most often dollars and volunteer hours, had the least positive impacts on corporate associations. Philanthropic CSR fall even shorter in realizing performance-related consumer goals (i.e., CA image). Promotional CSR, on the other hand, contributes to a comparatively more positive CA image and CSR image than Philanthropic CSR. Finally, Value-creating CSR, undertaken towards creating shared value to the business and its stakeholders (more importantly, its customers), has the strongest positive effects on all corporate dimensions.

More importantly, this study shows that, in contrast to the popular marketing literature belief, which holds that CSR programs generally have little direct effect on CA associations, a Value-creating CSR program can directly lend strength to a company's perceived corporate ability. Our results offer empirical confirmation to a previous researcher's propositions that CSR performance can be both a predictor and a consequence of a firm's competitive advantage (e.g., Surroca, Tribo, and Waddock 2010).

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# **IS IT BEER? IS IT GERMS? BRAND-BUILDING THROUGH STORYTELLING IN A MALAYSIAN AD THROUGH THE EYES OF THE U.S. VIEWERS**

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## ***EXTENDED ABSTRACT***

As the world becomes increasingly flat and interconnected, it becomes ever more important to understand the intricacies of consumer cultural experiences and expectations throughout the world. While much is known about the cultural assumptions and values that shape the Western consumer's phenomenological experiences in the process of encountering the brand building narrative in the commercials they view, not as much understanding exists about other cultures. This paper addresses this gap by studying storytelling in Malaysian advertising through the eyes of the American consumer. These findings will help practitioners deciding to enter the Malaysian market; it will also prove useful to academics studying or teaching cross-cultural issues in marketing.

Telling a story is a powerful way to persuade, and an important part in building a brand and changing the customer experience (Lundqvist, Liljander, Gummerus, & van Riel, 2013). Oftentimes, the story is told through a commercial, no matter the media. The narrative of the story has been a subject of many investigations, including literary criticism studies (for example, Stern, 1996). TV commercials offer a particularly rich media for telling the story in a multisensory way. These stories are built based on the set of shared cultural meanings and assumptions and reflect the state of the culture and society (Nemčoková, 2010). Consumers experience the stories told through the commercials as they view and interpret the commercials through their own cultural assumptions. Phenomenological analysis of consumer experience concentrates on these consumers' experiences as they construct meanings and build their own image of what the brand is about (Nemčoková, 2010; Stern, Thompson, & Arnould, 1998).

This is a phenomenological study of the United States and Malaysian customer experiences with the narrative of a Malaysian ad regarding baby formula. Malaysia is a Southeast Asian country whose culture is heavily influenced by the Islamic tradition. Its ads have been shown to not include any sex symbols and messages likely due to the Islamic laws; interestingly, the value of "work" was also absent in ads, while value of "leisure" was emphasized (Wah, 2005). Viewed through the length of Hofstede's cultural dimensions, "individualism" was not present in the Malaysian commercials (Wah, 2005).

To understand the current cultural issues better, a "double mirror" approach to analyzing a Malaysian ad was adopted. In other words, to understand the differences in underlying shared meanings and cultural assumptions that drive the narrative of the advertisement, respondents from the U.S. were asked to provide their interpretations and experiences with the ads. Such approach allows for the discrepancies between the sets of cultural assumptions in the U.S. and in Malaysia to be brought to light, and hopefully helps the researchers break through their own set of cultural expectations and assumptions as they conduct the phenomenological analysis of consumer experience with the brand narrative (Stern et.al., 1998).

First, several Malaysian respondents (in Malaysia) were asked to watch TV for several hours and pick out the ad they particularly liked. One of the commercials was displayed to the American respondents. The commercial is Friso Gold "Let Go" for "Friso Gold," a brand of powdered milk and soy-based formula from a subsidiary of FrieslandCampina. It is a dairy product fortified with vitamins, probiotics, and minerals, available for children ages from 0 to 9. The particular product, Friso 4, appearing in the commercial, is marketed to 4 to 9 year olds. It is a premium product more expensive than its competitors. The brand slogan is "Growing up together" and its web site features a belief that "experience of every shape and size will be the best teacher for our children. And we

acknowledge that these experiences come with stumbles and falls along the way, but in the end, it brings the greatest rewards. Because life isn't just about arriving – it's about the journey.” They further state “we encourage our children to be independent, life ready, but we still want to maintain a close bond with our child.” In the eyes of the Malaysian respondents, this ad showed the value and bond between the mother and the child. To provide additional context for this study: in Malaysia, breastfeeding is a highly recommended practice. The National Breastfeeding Policy in Malaysia recommends that mothers exclusively breastfeed for the first 6 months of the infant's life and to continue up to 2 years of age (Fatimah, Saadiah, Tahir, Imam, & Faudzi, 2010). The late recommended age of up to 2 years reflects the nutritional issues in the country, where a concern has been raised that local children may appear healthy but suffer from essential lack of nutrients such as vitamin D and calcium (FrieslandCampina, 2012). In the US, it is recommended to breastfeed up to 1 year of age.

Later, in-depth interviews of 9 U.S. viewers were conducted after showing the ad to each of them. Most viewers with the exception of 2, had small children (or grandchildren) of their own. Most viewers were highly educated, some with terminal degrees in various fields from English to Accounting to Computer Sciences. It appeared that most of the respondents understood in general that the brand message had something to do with making children strong, even though they had a hard time identifying what exactly was it that was advertised (“Is it beer?”). However, respondents did not understand some of the visual metaphors (“Is it germs?”). Most but not all respondents commented on what to them seemed mostly bad parenting: letting the child go too far, letting the child fall. American respondents also noted what to them looked like flagrant sexism in the ad, as well as too naïve of a tone. Finally, most respondents pointed at a very strong superhero symbolism in the ad. Half the respondents felt the ad was foreign, where something was off; the other half felt it was not much different from the American ads.

While these are preliminary findings and more research is needed to fully understand the scope of the cross-cultural differences in brand-related storytelling, this study shows the need to take into account the different gender roles, attitudes to child rearing and set of cultural icons.

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# NEW MARKETING OF MEDICAL TOURISM IN AN OLD COUNTRY: THE CASE OF POLAND

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## *EXTENDED ABSTRACT*

Medical tourism (MT) is not new. People have been taking advantage of curative powers in particular locations for many centuries while they also enjoyed visiting those places. For example, MT was popular among the ancient Greeks and Romans. More recently, MT has involved patients from less-developed nations going to a medical center in a developed country for treatment that was not available in their home country or they faced delays in necessary medical interventions. The United States has been a prime destination for international patients from around the world. Patients typically make use of MT for non-emergency medical treatments that can range from complex organ transplants, in vitro fertilization, cancer therapies, to routine dental procedures and cosmetic surgeries.

The contemporary international marketplace for medical treatments is rapidly expanding and becoming more transparent. Reforms to the business of healthcare in the U.S. that are part of the Patient Protection and Affordable Care Act enacted in 2010, are also changing the landscape for marketers. The new consumer protections and insurance requirements are facilitating a more open and fair marketplace for U.S. consumers to make informed decisions. One of the major driving forces for MT are the private health insurance companies and their focus on cutting costs. Corporations are also trying to reduce the increasing expenses of providing health coverage for their employees. Some of these firms view MT as a competitive advantage. For example, some overseas facilities offer surgical procedures at 40 to 80 percent less than the cost in the U.S. Some insurance companies now offer worldwide health care coverage and more corporations provide incentives for their employees to seek less expensive medical procedures abroad. This is yet another form of “outsourcing” to enhance their revenues. In some cases, employees are steered to pre-approved overseas facilities. The employees may even receive incentives (most often covering the airfare for two passengers) to encourage MT. The current usage of MT in the U.S. generally refers to patients traveling to less-developed countries for medical care. However, MT has become a global phenomenon and it is expected to grow rapidly. However, there are potential risks of MT that include communication and language barriers, varying quality-control and standards of care, counterfeit or poor-quality medication, as well as possible complications following the patient’s discharge, travel, and recovery at home.

The lower medical treatment prices charged outside the U.S. are the result of many factors. The most obvious is that many MT destinations have lower costs of labor, including for specialized healthcare professionals. In many nations, physicians are paid a salary, in contrast to the fee-for-service system in the U.S. There are other major differences in national health systems. Most advanced industrialized countries (with the notable exception of the U.S.) have forms of universal health coverage for all their citizens. This results in lower overall expenses in several ways. There is almost no cost shifting from those individuals that have insurance to pay for charity or indigent care that has to be provided to economically disadvantaged patients. There is minimal to no involvement by insurance companies or other third-party payers, meaning there is no need for complex bureaucracies and billing processes. Many nations have implemented the latest information and communication technologies for record keeping that is efficient, standardized, and streamlined. Some nations also have less stringent regulatory regimes while some also have lower malpractice insurance costs and litigation. Management activities also contribute substantially to reduced prices, while hospitals and other providers benefit from the lower costs for medical supplies that are found overseas. Moreover, institutions outside the U.S. can provide better value at much lower cost, even after allowing for transportation because “foreign hospitals also feature the kind of managerial innovations that enhance productivity that are absent in the U.S. system” (Carabello, 2008).

The European Union issued a Directive that came into force in 2014 giving its consumers the right to use health services in other member countries. This legislative mandate further transforms and globalizes the medical services marketplace. Easy information access for price comparisons, reviews of doctors and their success rates, international

accreditation, low-cost transportation across the globe, high-quality accommodations, and attractive locations also contribute to a worldwide competitive battle for routine medical treatment services. Some nations are now building reputations in specialized treatments by targeting niche MT markets.

The full paper focuses on Poland. It is experiencing rapid growth in MT, as well as positioning itself as a strong competitor to the already established medical service destinations. Poland has been one of the favored locations for MT with famous natural spas, clinics, and wellness resorts that have been a local tradition for generations. European doctors have known for centuries that Poland has a blend of natural resources and geography allowing an individual to escape their normal routines to facilitate their renewal and healing. Poland is not only affordable, but offers two big advantages over the popular MT destinations in Asia. Its location is much closer, reducing the travel problem, and the Polish culture is similar enough to that of the U.S., so as not to cause a cultural shock for visitors. More importantly, the quality of the doctors and dentists who perform the procedures are significant to MT selection. The educational and professional preparation of these people in Poland is a differential advantage. It takes a long and intense effort to become a medical doctor or dentist in Poland and they are known for their skills.

Future growth will not only be fueled by the lower costs available in Poland, but also with the increasing wait times for certain types of treatments encountered by patients in their home countries. Furthermore, inducements for MT include new investments in advanced, luxurious, private healthcare facilities within Poland by domestic and international healthcare firms. For example, Poland's Carolina Medical Center, one of the biggest and most modern orthopedic hospitals in Europe, is managed by Lux-Med a leading private medical care firm in Poland that is owned by the British healthcare providers BUPA and Medcover. These facilities target not only specific treatments, but also cater to carefully defined target customers. Accompanying these international ventures are new marketing and promotional efforts by various private associations in Poland, as well as by the Polish government. Expanding services by budget airlines have made Poland easily and economically accessible. For example, direct flights to Warsaw from major cities such as London, Paris, and Rome take about two hours, while New York and Chicago are around nine hours on a non-stop flight to Poland. These factors strengthen Poland as a destination for MT.

While prices for most elective treatments in Poland are much lower than in Western Europe and the U.S., the top quality of medical treatments and professional expertise are the keys to long-term success and sustainability of this market. Poland seems to have stopped the drain of highly qualified doctors and dentists to other EU countries. Many medical facilities in Poland have been modernized with Polish government and EU funding. The number of private clinics in Poland is also growing rapidly. These state-of-the-art facilities offer not only attractive work conditions for Polish doctors and dentists, but also attract new MT customers from abroad. There are also health resorts in Poland's mountain regions, as well as numerous wellness spas. They offer the latest equipment and therapy methods, while capitalizing on their natural resources, such as salt treatments. They are increasing their marketing efforts. Hospitals, clinics, spas, and travel agencies are joining together to offer foreign patients comprehensive MT packages that include not only the medical treatments in Poland, but also recuperation stays at luxurious spas, together with escorted visits to cultural and historic attractions.

Regulatory and legislative initiatives have been taken by the EU and the Polish government to link public and private institutions to take advantage of global business opportunities. Poland is undergoing a restructuring for greater innovation for attracting healthcare needs of international customers, and is strategically positioning itself as a MT center in Europe. Major investments in facilities and marketing campaigns are also designed to make Poland a competitor to the already established destinations for medical tourism such as India, Singapore, and Thailand. In short, Poland offers highly reputable options to customers seeking medical treatments. This exploratory overview underscores that additional research is necessary in this dynamic, increasingly international business sector.

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# IMPLICIT PROMISES: CSR COMMITMENTS, ORGANIZATIONAL FAILURES AND PERCEPTIONS OF HYPOCRISY

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## ABSTRACT

This paper examines perceived hypocrisy when a failure is aligned with prior social performance. It is hypothesized that commitment to a CSR domain creates greater performance expectations thus exacerbating the effects when an aligned failure occurs. Study 1 demonstrates that failure alignment and severity increase perceived hypocrisy which negatively impacts customer evaluations of trust, repurchase intent, and brand attitude. Study 2 evaluates two response strategies of apology and compensation vs. no response. An apology significantly reduced perceptions of hypocrisy only when the failure was unaligned with prior CSR. Compensation significantly reduced hypocrisy in both the unaligned and aligned conditions.

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## INTRODUCTION

Shifting perceptions regarding the role of business in society has lead firms to consider the broader outcomes of activities beyond simple profit maximization. Pressure from stakeholder groups has translated into firms adopting policies aimed at generating favorable perceptions of corporate citizenship, corporate social responsibility (CSR) and business ethics. Take, for example, a recent survey by Cone Communications in which 94% of respondents said businesses have at least some higher-order obligations beyond the shareholder wealth maximization (Cone Communications & Echo Research, 2013). These findings support the assertion that social outcomes should be considered alongside traditional strategic goals.

However, as a multitude of previous studies has demonstrated, the link between CSR and measurable business outcomes is often unclear or non-existent (McWilliams & Siegel, 2000). In an attempt to shed further light on this area, a recent stream of research has investigated the “buffering” effect of CSR (Godfrey, 2005; Peloza, 2006) or the ability to protect firms against the negative outcomes of an adverse event such as a product recall or environmental misstep. For example, CSR lead to more favorable attributions by consumers following a product crisis (Klein & Dawar, 2004) and protected firm value following regulatory action (Godfrey, Merrill, & Hansen, 2009). While these studies are promising, few studies consider how the nature of the crisis situation and prior CSR actions may interact to alter consumer perception of the event.

In order to fill this gap, this study proposes that when a failure occurs and it is aligned with the firm’s prior focus of citizenship efforts, the resulting effect will be greater feelings of hypocrisy among consumers compared to an unaligned domain. In doing so, this paper helps answer the call for further investigation into the process of loss and recovery of a firm’s approval (Westphal & Deephouse, 2011).

## Corporate Hypocrisy

Put simply, corporate hypocrisy occurs when a firm claims to be something that it is not (Wagner, Lutz, & Weitz, 2009). As a firm commits resources to a cause it is attempting to create associations between itself and socially desirable attributes in the eyes of stakeholders (i.e. “we care about the environment”) (Brown & Dacin, 1997). We contend that this is analogous to both a claim about current state of being and an implicit promise, or an understood commitment to future performance. When information is revealed regarding behavior that contradicts previously held positions, the resulting dissonance may lead consumers to question the motives or authenticity of previous attributions, and may enhance negative reactions to wrongdoing. These conclusions may enhance the negative reaction to corporate wrongdoing. This is evidenced by Janney and Gove (2011) who found that previous CSR reputation for corporate governance served to exacerbate the negative effects of governance-related wrongdoing.

Conversely, when a failure occurs in a non-aligned area, consumers must evaluate the behavior in the absence of distinct claims regarding intended commitment. While previous research has established

that good works in one CSR domain may carry over to beliefs in other areas (Klein & Dawar, 2004), we hypothesize that the lack of concrete assertions in one area by the firm will lead to fewer expectations regarding performance. Thus we arrive at the following hypothesis:

*H1a: Perceived hypocrisy will be greater when the failure aligns with prior CSR reputation.*

In addition to alignment, it is useful to consider the impact of failure severity on consumer reactions. Hypocrisy is a representation of the gap between communication and reality (Fassin & Buelens, 2011). A relatively minor failure may represent a trivial contradiction to firm communication and may be seen by consumers as unavoidable, or largely unimportant. Conversely, a severe failure may represent a deliberate lapse in organizational conduct and may signal to consumers that there are significant problems with underlying processes. These attributions may drive the perceived dissonance between ideal conduct and actual behavior thereby leading to greater perceptions of hypocrisy (Fassin & Buelens, 2011). Therefore:

*H1b: Failure severity will have a direct effect on perceived hypocrisy such that a more severe failure will lead to greater perceptions of hypocrisy.*

According to attribution theory, consumers look for causal explanations when presented with information (Kelley & Michela, 1980). In the case of hypocrisy, when actions conflict with prior reports of CSR, consumers may elaborate upon the event and infer negative attributes as factors driving the behavior. These perceptions, in turn, may lower overall brand evaluations and decrease repurchase intent. This is supported by Wagner et al. (2009) who found that consumers experienced stronger negative affect when perceptions of hypocrisy were high. Further, since trust is dependent upon anticipated consistency of behavior, actions which contradict prior CSR reports may lead individuals to rate a firm as less trustworthy. Based on this assessment, we predict

*H2: Perceived Hypocrisy will have a negative relationship with overall Brand Attitude, repurchase intent, and trust.*

## STUDY 1

Study 1 employed a 2 Alignment (aligned/unaligned) x 2 Severe (yes/no) mixed-methods experimental design. Data was collected using an online subject pool, Amazon Mechanical Turk, which provides high-quality data quickly and relatively inexpensively (Buhrmeswter, Kwang & Gosling, 2011)

and Qualtrics, an online survey design and data collection tool. An initial sample of 223 respondents was achieved. However, 15 respondents were removed due to incomplete data or for failure to pass a comprehension check thereby bringing the total sample size to 207 (mean age = 31, 65% male, 75% Caucasian).

In order to establish experimental groups based on alignment, respondents were first exposed to one of two hypothetical scenario detailing a fictitious firm's social practices (either environmental or employee oriented CSR) and asked to rate perceptions of the firm's CSR practices. Next, respondents were randomly presented with a scenario in which the same fictitious firm's actions resulted in a service failure either in the same domain of CSR practices (aligned) or in another domain of CSR practices (unaligned). Subjects were then asked to rate perceptions of the firm's CSR practices, as well as, level of perceived hypocrisy and a number of other outcome variables (e.g. Attitude Toward the Brand, Purchase Intentions, and Trust). All constructs, except for Brand Attitude, were measured using established three-item 7-point Likert scales. Brand Attitude was measured using an established four-item 7-point semantic differential scale.

## Method of Analysis

Structured equation modeling (SEM) using AMOS 21 was performed to statistically analyze the data. Test for data normality indicated no violations of assumptions. A confirmatory factor analysis (CFA) measurement model was conducted to assess unidimensionality, as well as, convergent and discriminate validity for each construct (Jöreskog & Sörbom, 1986). The model indicated acceptable overall fit for all constructs individually and for the full model (Chi-Square = 301.86,  $p < .000$ ), RMSEA = .063; CFI = .98; NFI = .95). Furthermore, convergent and discriminant validity tests were within acceptable levels and, therefore, indicate no issues in the data (see Table 1).

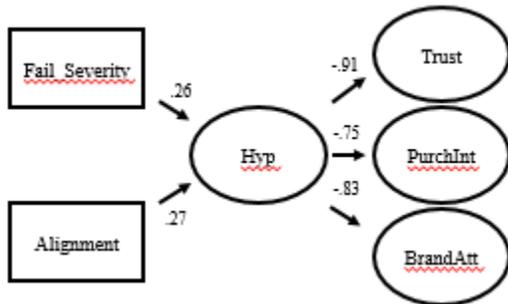
Since a questionnaire was used for data collection, there was an increased possibility of common methods bias (CMB). A second measurement model analysis including a common latent factor was performed and indicates no CMB present (Liang, Saraf, Hu, & Xue, 2007).

## Results

A structural equation model was constructed to test hypothesized relationships. Overall the model indicated good fit (RMSEA = .078, CFI = .992, NFI = .985). As shown in Figure 1, both alignment

(0=unaligned, 1=aligned) and failure severity (0=low, 1=high) were positively related to perceived hypocrisy (0.27 and 0.26, respectively) indicating support for H1a and H2b. Furthermore, perceived hypocrisy was negatively related to brand attitude, repurchase intentions and trust (-.83, -.75 and -.91 respectively).

**Figure 1. Results of SEM Analysis**



**STUDY 2**

While study 1 demonstrates that perceived hypocrisy can have a deleterious effect on consumer responses and attitude, study 2 extends study 1 by investigating the effect of two post-failure response strategies (apology and compensation).

When apologizing, firms use rhetoric and public statements in an attempt to take responsibility for a crisis and repair damaged stakeholder relationships (Coombs & Holladay, 2008). An apology represents an attempt to communicate remorse and guilt while asserting that such an action will not happen in the future (Pace, Fediuk, & Botero, 2010). We hypothesize that in a situation where perceived hypocrisy is high (such as the aligned condition), rhetoric may be less effective due to the already perceived violation of an organization’s implicit promises (I.E. “Talk is cheap”). However, when no apparent violation of previous commitments occurs (such as the unaligned condition), rhetoric may be sufficient to counter hypocrisy due to lower skepticism regarding the authenticity of past claims. Therefore:

*H3a: When failure type is unaligned with prior CSR, perceived hypocrisy will be significantly reduced when a firm issues an apology vs. no response.*

Conversely, a firm can respond with more substantial resource commitments such as through a pledge to pay for damages or to compensate stakeholders affected by the crisis. This works to restore inequity caused by the organization’s failure (Smith, Bolton, & Wagner, 1999). Using previous logic, when failure is aligned more intense resource commitments may be required to overcome the feelings

of hypocrisy generated by the incident (I.E. “putting money where one’s mouth is”), as substantive commitments may be more effective in repairing organizational image (Pfarrer, Decelles, Smith, & Taylor, 2008). Therefore, in the case of an aligned failure we predict that a substantive commitment of resource via compensation will lead to the greatest reduction in perceived hypocrisy compared to other response options.

*H3b: When failure type is aligned with prior CSR, perceived hypocrisy will be significantly reduced when a firm responds with monetary compensation compared to an apology or no response.*

**Method of Analysis**

A 2 Alignment (aligned/unaligned) x 2 Severe (yes/no) x 3 Response (no response/ apology/monetary compensation) mix method experimental design was employed for Study 2. Similar to study 1, data was collected using an online subject pool, Amazon Mechanical Turk, in Study 2. A total of 279 respondents completed the survey. However, of those, 35 respondents were removed due to incomplete data or for failure to pass a comprehension check thereby bringing the usable sample size to 244 (mean age = 34, 57% male, 75% Caucasian).

Similar to study 1, respondents were first exposed to one of two hypothetical scenario detailing a fictitious firm’s social practices (either environmental or employee oriented CSR). Immediately following this prompt subjects assessed the firm’s level of social responsibility. Next, subjects read a scenario involving a firm-level failure. Those in the aligned condition were exposed to a failure in the same domain as the previously established social practices (I.E. environmental CSR – environmental failure) while those in the unaligned condition were given a failure in the unrelated domain (I.E. environmental CSR – employee related failure). In addition to type, the failure scenarios were varied to reflect either a minor or severe failure. Subjects then rated the severity of the failure. Departing from study 1, subjects were then given information about one of three organization responses consisting of either: 1) no response, 2) an apology, or 3. information regarding monetary compensation. After the prompts, perceived hypocrisy was measured and demographic information was collected.

A confirmatory factor analysis (CFA) measurement model was conducted to assess unidimensionality, as well as, convergent and discriminate validity for each construct using AMOS 21 (Jöreskog, et al., 1988). The model indicated acceptable overall fit for all constructs individually and

for the full model (Chi-Square = 550.43 (P = .000), RMSEA= .056; CFI = .98; NFI = .96). Furthermore, convergent and discriminant validity tests were within acceptable levels and, therefore, indicate no issues in the data.

Since a questionnaire was used for data collection, there was an increased possibility of common methods bias (CMB). A second measurement model analysis including a common latent factor was performed and indicates no CMB present (Liang et al., 2007).

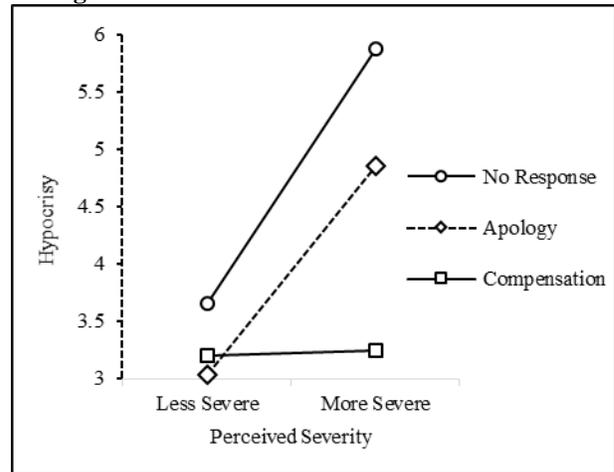
## Results

An ANCOVA was conducted on participants' rating of corporate hypocrisy. Results revealed a significant main effect for the covariate, Pre\_CSR\_Perc  $F(1,248) = 10.633, p < .01$ . There was a significant main effect for Alignment  $F(1,248) = 13.479, p < .001$ . In general, participants had greater perceptions of hypocrisy when the failure was aligned with prior CSR (M = 4.67, SD = 1.63), than when it was unaligned (M = 4.03, SD = 1.60). Perception of failure severity exerted a significant effect  $F(1,248) = 87.660, p < .001$ . Hypocrisy was rated higher by those who perceived the failure to be more egregious (M = 5.04, SD = 1.56) compared to those with a less severe rating (M = 3.54, SD = 1.35). A significant main effect for Response  $F(2,248) = 24.615, p < .001$ . A significant three-way interaction of response, severity and alignment  $F(2,248) = 4.755, p < .01$  was present. To better understand the interaction of alignment, failure severity and response type, the effect of both failure severity and response type on hypocrisy was interpreted within levels of alignment.

### Unaligned Failure

In the unaligned failure condition, both main effects of perceived severity,  $F(1,124) = 57.130, p < .001$  and response type,  $F(2,124) = 16.400, p < .001$  were significant, but these effects were qualified by a significant two way interaction between perceived severity and response,  $F(2,124) = 11.257, p < .001$ . Simple contrast effects in the low perceived severity condition revealed no significant difference based on response. However, when perceived severity was high, simple contrasts showed a significant difference of hypocrisy when comparing both the no response and apology condition (M = 5.847 vs. M = 4.888,  $t = 2.59, p < .05$ ), and the no response and compensation condition (M = 5.88 vs. M = 3.24,  $t = 6.73, p < .001$ ). The effect of response type in the unaligned condition is displayed in Figure 2. Collectively, these results provide support for H3a.

**Figure 2. Response Type by Perceived Severity for Unaligned Failures**



### Aligned Failure

In the aligned failure condition significant main effects were observed from both response type,  $F(2,123) = 8.982, p < .001$ , and perceived severity,  $F(1,123) = 37.185, p < .001$ . Interestingly, unlike in the unaligned condition, prior perceptions of CSR had no significant effect on hypocrisy. This suggests that beliefs about a firm's social performance may shield a firm from skepticism only when failures do not match that social domain. In contrast to the unaligned condition, the effect of response type did not vary based on perceived severity. Simple contrasts were conducted to compare response types across both failure severity conditions. In support of H3b, compensation produced significantly lower feelings of hypocrisy compared to no response (M = 3.958 vs. M = 5.183,  $t = 4.206, p < .001$ ). There was no significant difference between apology and no response.

## DISCUSSION AND CONCLUSION

Both Study 1 and Study 2 investigate the effect of alignment and failure severity on perceived hypocrisy. Consistent with predictions, both the degree of failure alignment and failure severity had significant impacts on perceived hypocrisy which in turn led to a variety of deleterious effects on firm rating. This suggests that although CSR may offer a buffering effect against

negative outcomes this should be considered within the context of the failure itself. Study 2 extends study 1 by investigating the effects of three response types on perceived hypocrisy following either an aligned or unaligned failure. Consistent with H3a an apology resulted in a significant decrease in perceived hypocrisy when compared to no response. Likewise, as predicted in H3b, compensation resulted in a significant decrease in perceived hypocrisy while an apology had no effect. However, it should be noted that overall, the compensation strategy lead to the most significant reduction in perceived hypocrisy across both groups. This suggests that while a simple apology might be sufficient in limited contexts, overall customers may respond more favorable to substantive commitments of resources regardless of failure type.

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# IS DOING GOOD FOR THE ENVIRONMENT AS GREAT FOR YOUR REPUTATION AS DOING GOOD FOR PEOPLE?

## THE IMPACT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE CSR RATINGS ON GOODWILL

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Caleb L. Snader, Penn State Harrisburg*

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### ABSTRACT

*Corporate Social Responsibility (CSR) activities are sometimes undertaken to improve corporate reputation and goodwill. In this paper, we analyze the relationship between corporate goodwill and three dimensions of CSR as reflected in environmental, social and governance ratings provided by MSCI. While environmental score has an effect on goodwill, the social and governance scores do not.*

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### INTRODUCTION

Corporate Social Responsibility (CSR) has increasingly become the focus of conversation on every level of society, from the policy makers and politicians, to the business leaders and education (for example, AACSB International, 2014). This paper approaches it as a multidimensional construct and operationalizes it as directed towards the environment, towards social/stakeholder issues, and towards governance.

A company's goodwill is a measure of the company's reputation and is determined by a number of intangible elements, including customer satisfaction and good employee relations (Needles & Powers, 2010). One of the biggest possible positive outcomes of CSR on an organization is to increase its reputation (Peloza & Shang, 2011). Such enhanced reputation should result in a higher amount of goodwill recorded in a merger or acquisition.

The impact of CSR on goodwill has received some attention amongst scholars (Eisingerich, Rubera, Seifert & Bhardwaj, 2011; Godfrey, Merrill & Hansen, 2009; Lundgren, 2011; Luo & Bhattacharya, 2009; Narwal, 2007; Sohn, Han & Lee, 2012; ). For example, there are positive effects on goodwill valuation that results from investment into CSR, but those effects decrease as the size of the CSR expenditures grow (Lundgren, 2011). This paper expands on prior research in this field by utilizing a different measure of CSR, that is, CSR ratings provided by the experts of MSCI (which bought and the replaced the popular KLD database) and by investigating the differential

effect of the Environmental, Social, and Governance dimensions of CSR.

### CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) is a company's "actions that appear to further some social good, beyond the interests of the firm and that which is required by law" (McWilliams, Siegel & Wright, 2011). Typically, CSR is related to the idea of stakeholder, that is, groups who have interest in the way the company does business and its outcomes (Freeman, 1984), with groups other than shareholders and direct customers being the beneficiaries of the company's CSR activities. Oftentimes, CSR is related to the idea of sustainability in business with its emphasis on the three "P's" (People, Planet and Profit), where CSR is directed to improving the People and the Planet in some aspects (Luo & Bhattacharya, 2009; Luo & Bhattacharya, 2006), thus capturing two of the three "P's" of sustainability.

If one were to consider the fact that the People component of sustainability consists of distinctly different internal (employees) and external (the public) groups, the two "P's" of CSR yield three directions of CSR actions and activities, which could be referred as three "E's": Earth, Employees and External Stakeholders.

MSCI, the currently dominant organization that provides ratings of company CSR, uses three main "pillars" in their rating: the environmental, social and governance (MSCI, 2011). MSCI's approach mirrors the environmental, social and governance (ESG)

approach discussed in financial circles (Bassen & Kovacs, 2008). The environmental pillar is comprised of items ranging from green energy opportunities to carbon emissions to toxic waste elimination. The social pillar evaluates risks and opportunities arising from the company's treatment of various people involved. It appears that after overtaking the KLD database, MSCI is de-emphasizing such traditional activities as actions to support the local communities and various other external stakeholder relationships activities - the components that, hypothetically, would be of most influence on reputational outcomes (MSCI, 2011; Luo, Bhattacharya, 2009). Thus, analysis of impact of the social pillar might yield somewhat less pronounced results. The governance pillar evaluates the governance practices within the organization for fairness and alignment with stakeholder interests.

Much literature has been devoted to assessing the impact of CSR activities (for example, Luo & Bhattacharya, 2009; Peloza & Shang, 2011) and have produced somewhat mixed results. For example, financial performance has been shown to be positively affected by CSR by some researchers (for example, Sun, 2012; Peters & Mullen 2009; Jo & Harjoto, 2011) and not affected (Mulyadi & Anwar, 2012) or even negatively affected by others (Makni, Francoeur, & Bellavance, 2009).

## REPUTATION

While company reputation can be measured in a variety of ways, the capital market evaluates and rewards reputation in the form of goodwill. This makes goodwill a very attractive measure of reputation since it is relatively objective (Iwu-Egwuonwu, 2011).

Goodwill is a balance sheet item that corporations record when they acquire a company at a cost greater than the fair market value of that corporation's net assets. "Goodwill reflects all of the factors that allow a company to earn a higher-than-market rate of return on its assets, including customer satisfaction, good management, manufacturing efficiency, the advantages of having a good monopoly, good locations, and good employee relations" (Needles & Powers, 2010). An example of this is Heinz Corporation, which was recently purchased by Berkshire Hathaway Inc. and 3G Capital for \$23 billion, where the purchase price was heavily influenced by an estimated goodwill value of \$7,645,086,000 (Calandro, 2013). A corporation's reputation is one of the essential components in determining its goodwill value (Iwu-Egwuonwu, 2011).

There are different routes to increasing a company's reputation (Gotsi & Wilson, 2001). It seems that environmental causes have become very salient and prominent in the minds of various stakeholders,

society's thirst for environmental preservation and the expressed need for renewable energy alternatives manifest themselves in a variety of ways. Organizations that are successful in demonstrating their ability to improve the environment have been proven to receive very positive societal feedback, which may translate in higher reputation and even higher revenues and profitability (Menz, 2010; Carroll & Buchholtz, 2014).

## HYPOTHESES

As discussed in literature (Luo & Bhattacharya, 2009; Peloza & Shang, 2011), CSR should enhance the company's reputation and thus potentially lead to higher goodwill. Since CSR as operationalized in this paper is a multidimensional construct, and there is no reason to believe that environmental, social and governance issues all affect reputational equity the same way, impact of each dimension is approached separately.

Since environmental preservation efforts are more visible and easier to show off and put on display, while also being important to stakeholders as discussed above, we suggest that the environmental component will have the most substantial impact on goodwill.

We therefore propose a set of hypotheses that suggests that various CSR efforts lead to higher goodwill:

*Hypothesis 1. Socially directed CSR efforts lead to higher goodwill*

*Hypothesis 2. Environmentally directed CSR efforts lead to higher goodwill*

*Hypotheses 3. Governance directed CSR efforts lead to higher goodwill.*

These hypotheses follow from the idea discussed above that all actions of the company directed at some societal good have the potential to enhance the company's reputation.

*Hypotheses 4. Environmentally directed CSR efforts affect goodwill to a greater degree than socially and governance directed.*

This hypothesis stems from the reputation visibility stated above. Additionally, there may be cost savings – now or in the future- associated with environmental actions.

## METHODS, ANALYSIS AND RESULTS

MSCI's ratings of the three major ESG components (environmental, social, governance) were used along with the total rating. MSCI uses experts to evaluate the company's CSR performance for each dimension (MSCI, 2011).

**Table 1. Correlations**

		Mean	Std. Dev.	N	1	2	3	4	5	6
Goodwill	1	1345	4794	2789	1	.072**	.207**	.021	-.079*	.577**
Rating	2	3.5762	1.36583	2810	.072**	1	.541**	.561**	.239**	.064**
Environment	3	5.001	2.134	932	.207**	.541**	1	.251**	-.004	.162**
Social	4	4.483	1.826	935	.021	.561**	.251**	1	.121**	.017
Governance	5	6.379	2.515	929	-.079*	.239**	-.004	.121**	1	-.010
Market Value	6	6398.	23610	2446	.577**	.064**	.162**	.017	-.010	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Reputation was measured by 4th quarter 2012 Goodwill reported by COMPUSTAT. In addition, Market Value reported by COMPUSTAT was used as a measure of company size, as larger companies tend to have larger assets including goodwill (Law360, 2009). Correlations among the variables are presented in Table 1. 2789 businesses had both, goodwill and CSR total rating; however only around 900 each had the environmental, social and governance (ESG) component ratings (see Table 1).

Since we desired to observe the effect of several variables on goodwill, all the variables were continuous ratio scale variables and we had no reason

to expect nonlinear effects, a set of multiple stepwise regression models has been performed, as is common. Models started with a block with only the control variable of size and then variables related to the CSR were added. The model can be expressed in an equation as

$$\text{Goodwill} = f(\text{Market Value}, \text{Environmental Score}, \text{Social Score}, \text{Governance Score}), \text{ where } f \text{ is a linear function.}$$

Model fit and parameters are presented in Tables 2 and 3:

**Table 2. Model Summary**

Model	R	R Square	Adjusted R Square	RStd. Error of the Est.	Change Statistics				
					Change	F Change	df1	df2	Sig. F Change
1	.520 <sup>a</sup>	.271	.269	6308.961	.271	239.551	1	646	.000
2	.543 <sup>b</sup>	.295	.290	6218.030	.024	7.344	3	643	.000

a. Predictors: (Constant), Market Value - Total - Fiscal

b. Predictors: (Constant), Market Value - Total - Fiscal, Governance, Social, Environment

**Table 3. Model Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1304.210	275.745		4.730	.000
	Market Value - Total - Fiscal	.090	.006	.520	15.477	.000
2	(Constant)	333.599	951.882		.350	.726
	Market Value -	.086	.006	.496	14.772	.000
	Environment	567.488	125.172	.157	4.534	.000
	Social	-260.124	143.047	-.063	-1.818	.069
	Governance	-75.914	95.690	-.027	-.793	.428

Dependent Variable: Goodwill

Notice, that while the addition of the CSR measures result in a significant change in the R<sup>2</sup>, it is still rather small in size. Variables used in regression along with their statistical significance and parameter estimates are shown in Table 3. Notice, that only the environmental score is significant, thus confirming

Hypotheses 2 and 4 at the same time. Hypotheses 1 and 3 could not be confirmed.

We found it both, peculiar and indicative of the robustness of the models that the pattern holds whether or not goodwill and/or market value are used directly or transformed logarithmically.

An additional analysis was performed using goodwill divided by market value and categorized as shown in Table 4 to see if there is a difference in ratings among firms with higher goodwill to market

value ratios. Crosstabulation yielded a statistically significant  $\chi^2$  at 0.05 level. However, there was not a significant difference among the average ratings across the categories.

**Table 4. Crosstabulation of Goodwill by Market Value**

Goodwill to Market Value ratio	Total Rating							Total
	1.00	2.00	3.00	4.00	5.00	6.00	7.00	
.00	62	69	211	206	85	18	3	654
< 0.25	123	118	372	384	243	58	15	1313
<0.5	32	35	85	110	57	16	8	343
< 0.75	10	9	38	26	16	4	0	103
< 1	4	4	10	17	7	0	0	42
1 and more	8	12	11	10	7	1	1	50
Total	239	247	727	753	415	97	27	2505

To gain some further insight, firms were divided into groups using K-means cluster analysis of goodwill and CSR ratings (Mirkin, 2011). It appears that the data includes several highly unequal in number clusters, with majority of the firms concentrated in just one big cluster, with a statistically significant difference among the clusters (see, for example, a 3-cluster solution in Table 5). This finding along with the crosstabulations in Table 4 could indicate an important source of variability as well as provide non-linearity not currently accounted for by our model.

**Table 5. Grouping by goodwill and rating**

Cluster	N	Goodwill	Rating
1	2686	612.476	3.56
2	12	52856.12	3.67
3	91	16175.19	4.08

## DISCUSSION AND CONCLUSIONS

Thus, environmentally oriented CSR has a positive effect on goodwill, while the effect of the governance and the social CSR could not be supported. The implications of this finding are that at this stage, and in the directions measured by the MSCI, investing into governance and social directions of CSR may not lead to better reputation. Corporations have limited resources to spend on CSR initiatives, so there is value in knowing which initiatives will produce the greatest return for them.

A limitation of this study is relying on MSCI's ratings for the measures of CSR. While provided by experts based on analysis of multiple sources, these ratings are at the very least limited by MCSI's

assumptions and the quality of the input data (see for example Chatterji, Levine, & Toffel (2009) or Schendler & Toffel (2011) for a discussion of such ratings). Most importantly, MCSI seems to potentially under-emphasize some of community-directed actions that are possibly important for the firm's reputation and goodwill and thus result in a more conservative set of findings. It could be surmised that the financial institutions have institutionalized their vision of CSR as ESG and certain care would be needed to align this vision with those interested in accuracy of CSR.

Directions for further research involve a time series analysis to observe the effects, along with revealing any possible lag effects, utilizing additional sources of CSR measures, and additional measures of reputation, including that which is perceived, leading to an estimation of reputational equity directly rather than through goodwill. Additionally, there were also some interesting relationships in the data. For example, healthcare access is shown to be highly related with goodwill; with, the correlation not only statistically significant but also relatively sizeable. While goodwill highly correlates with the company size, which might ultimately be responsible for this correlation; it would be worth pursuing further due to the political implications of possible findings.

Implications of this research are the relative importance of the environment-oriented actions to company reputation as well as the confirmation of the need to approach CSR as a multi-dimensional construct.

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# HONOR AMONG SALESPEOPLE: DEVELOPING A PERSONAL CODE OF ETHICS TO PROMOTE POSITIVE VALUES AND ACCOUNTABILITY IN A PROFESSIONAL SELLING COURSE

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## EXTENDED ABSTRACT

In order to deliver high quality ethical sales training, professors have developed numerous exercises designed to provide an ethical framework that encourages participation and leads students to consider and select positive ethical choices when faced with these situations as salespeople. A sales educator can choose from a variety of ethical course programs, including role plays (Loe & Weeks, 2000), online modules (Bodkin & Stevenson, 2007), and complex scenarios (Mathison, 1988). To this existing lineup of ethical sales training exercises, we add a Code of Ethics learning assignment. This exercise enables students to write and reflect on their own core values, personal ethics, and aspirations. When presented during the ethics section of a traditional professional selling course, the Code of Ethics assignment can help students determine how they will hone their selling skills in such a way as to promote ethical selling while assisting them in determining what qualities they should look for when considering careers in sales.

The personal code of ethics assignment can be introduced early in the semester, during the Ethics section of the professional selling course. The exercise consists of two parts, a brainstorming exercise followed by a writing section. In the brainstorming section, students are asked to look introspectively, to consider who they think they are, who they want to be (as both a person and an employee), what their core values are, what attributes they want to exhibit, how they wish to be perceived by others (and how they think others perceive them), and under what circumstances would they be willing or not willing to waver in their personal beliefs. During the writing portion of the exercise, students are asked to develop the code of ethics in four sections: a background, where they discuss who and what experiences in their lives have guided and developed their ethics; an ethos statement, where students discuss how their beliefs and aspirations apply both personally and professionally; a code of conduct, where students list their own rules for living (along with explanations for each); and a conclusion, which acts both as a summary of the above points and a forward-looking statement for how they will develop the code of ethics as a person and as a soon-to-be professional.

Over the course of four semesters, students found the exercise to be a valuable contribution to the professional selling curriculum. An emphasis on personal reflection allowed students to consider past values (both positive and negative) and how they changed or should change moving forward. One student in particular noted how the assignment can be beneficial beyond the classroom, as they would now be more cognizant of how decisions and experiences match their newly expressed values. The development of a Personal Code of Ethics can be an important addition to the sales curriculum, providing a framework that can assist students when they are faced with challenging situations as professional salespeople.

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# PREVALENCE OF HEALTHCARE MARKETING IN UNDERGRADUATE BUSINESS PROGRAMS

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## *EXTENDED ABSTRACT*

Healthcare is an important industry, partially due to its size and expected growth, but also due to its impact on social well-being. This study seeks to better understand the current state of healthcare business programs within AACSB accredited Colleges of Business and, further, what role marketing plays in these programs.

The programs being offered by a sample of 150 AACSB accredited Colleges of Business were examined based on information provided on each school's website. The findings suggest that graduate programs are more prevalent than undergraduate programs, with 9.3 percent offering graduate healthcare majors and 12.0 percent offering graduate healthcare minors. Of the 150 schools examined, 6 schools (4.0%) offer an undergraduate healthcare management major, one offers a biomedical marketing major (.7%), and 11 offer an undergraduate healthcare minor, concentration, or specialization (7.3%) within the College of Business Administration.

While Marketing certainly plays a strong role in the healthcare industry and academic marketing departments could offer a number of relevant healthcare-related courses, this is not reflected in the healthcare education programs examined in this study. In reviewing the 18 undergraduate programs, over 90 different courses were found, suggesting there is considerable diversity across programs. Typical courses in undergraduate healthcare programs include an introductory course on U.S. Healthcare Delivery Systems; Healthcare Finance & Risk; Healthcare Economics; Healthcare Management; and Healthcare Language or Terminology. Many programs also offer Healthcare Marketing; Healthcare Operations; Human Resource Management; and Information Systems as a requirement or an elective.

It is vital for healthcare organizations to hire well trained doctors, nurses and medical technicians -- those people that are directly related to the medical care provided. At the same time, healthcare is big business and healthcare administrators need to be trained and skilled in business practices – how to operate in a sustainable manner; how to treat personnel in a fair and equitable manner; and how to handle a crisis appropriately and ethically. Healthcare administrators also need to understand and promote their organizational brand; know how to position their organization in the minds of consumers; and be able to communicate with the public in a manner that reflects the truth without creating undue panic and hysteria. Adequate management and marketing education is critical in the healthcare industry.

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# USING ONLINE MARKETING TO PROMOTE ACADEMIC PROGRAMS AND TO CREATE BUY-IN FOR STUDENT INVOLVEMENT

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## *EXTENDED ABSTRACT*

When it comes to the incorporation of online marketing of academic programs, one could argue that higher education seems to be late to the party. There might be several reasons for this such as lack of time, lack of resources, lack of experience, or even lack of permission from administration. However, with more academic options to choose from than ever before, program leaders need to utilize online marketing as a differential advantage for recruitment and to increase social media use by students within the program. The online marketing of programs should be viewed as more of a partnership between administrators, faculty, and students where success is both celebrated and digitally shared.

The primary purpose of this session is to highlight online marketing strategies utilized by a program director at two separate, and different, institutions with similar positive results. Online marketing strategies include the creation and implementation of social media and website pages through a systematic process that required student involvement. Business students should no longer be encouraged to take part in the social media community, but instead, demanded to. In addition to online marketing, students were asked to create vision and mission statements and slogans for the overall marketing of the program. The inclusion of students during this process created buy-in as students took ownership of both the online and offline branding of the program and their personal careers. Students had incentive both individually and collectively to celebrate success, and to better position the program for long-term growth.

Students were expected to complete a minimum of three High Value Activities (HVAs) towards the marketing of the program. HVAs included anything from posting tweets of their own to commenting on other posts. For instance, if one class had 20 students then a minimum of 60 online activities should take place each week from the class as a whole. In-class activities included mandatory social media posts about topics that were relevant to the program such as pictures of guest speakers and the tagging on Facebook or Twitter of those speakers and their respective organizations. Out-of-class activities included social media posts from live events using pictures and videos. As online followership grew, a “buzz” among students on campus was created as students tweeted out experiential learning opportunities offered to them both in-class and out-of-class. Not only did this create a differential advantage for the program, but students were also taught the importance of netiquette—as well as the power of momentum in social media marketing. This session will also seek to incorporate strategies and advice from marketing practitioners in how higher education can better adapt to the “constant change” in online marketing and technology. The findings from this project give hope that technology (cell phones and laptops) can, and should, be used in the classroom as long as students are given parameters from which to operate from. Additionally, majors within the program accepted ownership of the program once they better understood the “why” of the strategies being implemented.

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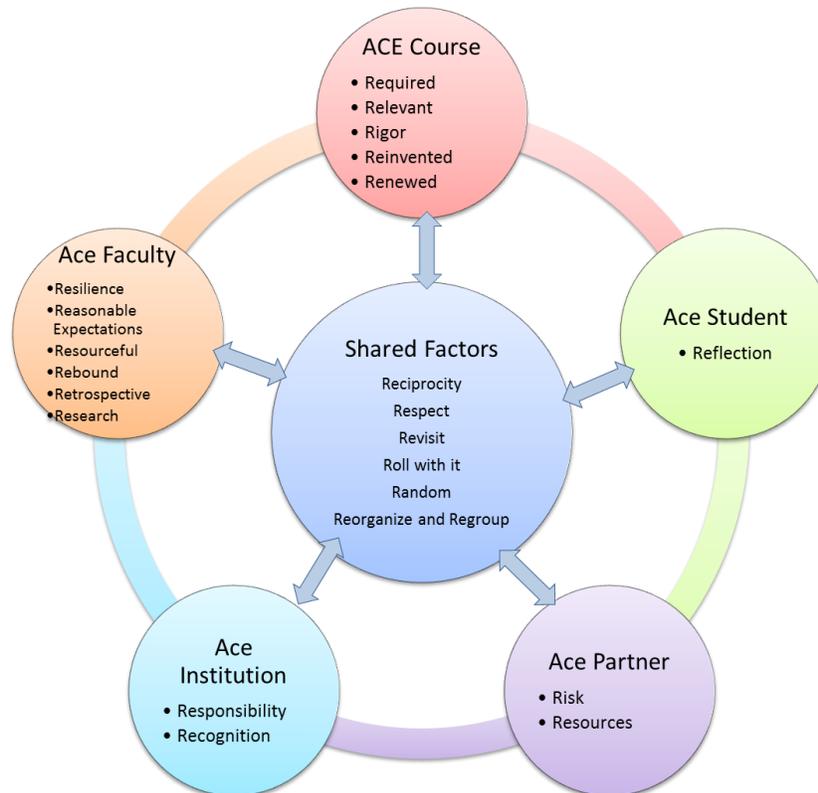
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# THE ACADEMIC COMMUNITY ENGAGEMENT (ACE) MIX: KEY DETERMINANTS FOR DESIGNATION

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## EXTENDED ABSTRACT

Academic Community Engagement (ACE) refers to community engagement within a college/university setting. ACE is a pedagogy that employs engagement activities (i.e., service) to further student learning through collaborative partnerships with the community. ACE pedagogy has been in use in the classroom since the 1960's (Kennedy et. al., 2001; Kolb, 2004; Putkus, 2000; Gujarathi et. al., 2002). A recent article in *BizEd* (an AACSB publication) highlighted eleven examples of business courses using the ACE pedagogy (Anonymous, 2014).



**Figure 1: An integrative framework for ACE designated courses**

Ehrlich (2000) states that ACE courses requires collaboration, reciprocal processes that recognize, respect, and value the knowledge, perspective, and resources shared among partners. Watkins (2011) recommends that an ACE course include five R's (i.e., rigor, responsibility, reciprocity, reflection, and recognition). Watkins (2012) added a sixth R (i.e., risk assessment). Mehta and Wozniak (2013) recommended ten R's (six proposed by Watkins and four additional R's) for encouraging greater engagement at academic intuitions by designating courses with the ACE acronym. They sub-divided the ten R's into two parts, using major and minor criteria. Major criteria set minimum standards (i.e., necessary but not sufficient) to designate a course as an ACE designated course (i.e., required, rigor, reciprocity, relevance, and reflection). Minor criteria are not necessary but recommended for a

successful ACE designated course (i.e., responsibility, risk assessment, resources, respect, and recognition). In this paper we combine and extend the work of Enrlich (2000), Watkins (2011, 2012), and Mehta and Wozniak (2013).

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# DELIGHTFUL AND OUTRAGING CRITICAL INCIDENTS

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## EXTENDED ABSTRACT

Understanding what our students experience and expect during classroom encounters is needed for professors to provide learning experiences that are both educationally and experientially beneficial. Some researchers have indicated that student service quality perceptions of their educational experience are primarily associated with the service encounters that occur during the teaching and learning process. A more specific knowledge of critical classroom encounters from the student perspective could provide insights to allow for more precise expectations management. To our knowledge, no studies to date have recognized that when classroom encounters go well or poorly, students may not be simply satisfied or dissatisfied, but may feel the stronger emotions of delight or outrage.

Utilizing the critical incidence technique, undergraduate students enrolled in core marketing courses were sampled from four universities. There were no statistically significant ( $p > .05$ ) differences across the respondents from the four surveyed schools on the investigated constructs for either the type of incidents reported or suggested improvement strategies. Thus, the four samples were combined for further analysis. The non-probability convenience sample of marketing undergraduates yielded 1,208 complete questionnaires ( $n_{\text{outrage}} = 205$ ;  $n_{\text{dissatisfied}} = 391$ ,  $n_{\text{satisfied}} = 169$ ,  $n_{\text{delighted}} = 443$ ). Based on repeated, thorough readings, each of the reported incidents were placed into one of three major and six sub-categories by three judges. Inter-rater reliability for the three major and six incident sub-categories were .93 and .88, respectively. ANOVA results indicate that the types of reported incident outcome categories differ on their emotional reactions ( $F_{3,1204} = 1462.39$ ;  $p = .000$ ). A Scheffe post-hoc test confirmed that all four of the incident outcome categories were statistically significant from each other (mean<sub>outrage</sub> = 1.45, SD = .79; mean<sub>dissatisfied</sub> = 2.69, SD = .66; mean<sub>satisfied</sub> = 5.54, SD = .85; mean<sub>delighted</sub> = 6.08, SD = 1.30).

We categorized marketing student suggestions for how their reported encounter could have been improved following the same procedures used to content analyze the provided critical incidents. The resulting seven improvement suggestions ( $I_r = .92$ ) were then investigated for potential relationships across each of the incident outcome types (i.e., outrage, dissatisfaction, satisfaction, delight). Chi-square analysis of incident improvement suggestions relative to the different incident outcome types indicates a statistically significant relationship ( $\chi^2 = 901.94$ ,  $p < .001$ ).

The findings in the present study confirm the conceptual distinctions among satisfaction, delight, dissatisfaction, and outrage. Satisfaction is the positive emotional reaction when perceived performance meets expectations. Delight is the experienced joy and surprise that occurs when expectations are exceeded. Consistent with this conceptualization, students did not report many significant improvement suggestions when feeling delighted and, yet, had a number of improvement suggestions when feeling satisfied. Accordingly, delighted students are experiencing the unanticipated pleasure resulting from professors surpassing what the students think they would do. Outrage involves excessive negative emotions when customers' expectations are not met, especially when students perceive that they are not responsible for the failure. Examining the findings related to the critical incidents attributed to outrage, it is evident that student outrage primarily occurs because of service system failures and truly out of the ordinary behaviors by the professors. Moreover, the chi squares of the incidents causing the different emotional reactions as well as the suggested improvements are all significant, indicating that these emotional reactions are distinct.

Our results also suggest that delight and outrage are not at opposite ends of a continuum. Specifically, the absence of those factors that contribute to students' dissatisfaction and outrage will not lead to student satisfaction and delight. Outrage and dissatisfaction are mainly the result of core service failures, whereas satisfaction and delight are experienced when professors respond to student needs, pay attention to students, or engage in favorable unprompted and unsolicited actions. We propose that outrage and dissatisfaction are more likely to result from outcome failures, whereas satisfaction and delight result from process service delivery. The implications of such findings are rather clear. To avoid student dissatisfaction, professors should strive to make every aspect of their course structured, available, outlined, and easy to understand. Nevertheless, how professors react to service failures determines whether these experiences change from dissatisfaction to outrage, or to satisfaction. Students are delighted when they feel the professor cares about them individually, gives them personalized time and attention, and sometimes go out of their way to make the learning experience more effective. This is especially true when students know that they have committed an error. Students report higher delight, appreciation, and respect for professors who still choose to help them in these circumstances.

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# PEER EVALUATIONS IN TEAM PROJECTS: WHAT A MAJOR DISCONNECT BETWEEN STUDENTS AND BUSINESS INSTRUCTORS

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## ABSTRACT

*This study explores the perceptions of instructors and students toward peer evaluations. Because little is known about differences between instructors' and students' perceptions of peer evaluations, a questionnaire was sent to randomly selected instructors at AACSB accredited colleges in the United States and to 417 students who had experience with a specific peer evaluation process. Students thought peer evaluations improved their critical thinking and evaluation skills. Instructors believe that students do not have the skills to evaluate one another. From respondents' statements, it appears students have a higher opinion of the value of peer evaluations than instructors.*

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## INTRODUCTION

Numerous studies have investigated students' perceptions of peer evaluations (P.E.'s) in team projects, however, no studies were found that examined the differences between the perceptions of instructors versus students about peer evaluations. This study was designed to fill that gap in marketing education by collecting data to determine the difference between instructors' and students' perceptions of P.E.'s. Understanding instructors' attitudes toward peer evaluations and how students' and instructors' perceptions may differ, could encourage instructors to systematically consider the value of using P.E.'s when team projects are assigned by the instructor. The results of the present research may convince instructors to modify their own beliefs and increase the use of peer evaluations when team projects constitute a significant portion of a student's course grade.

## LITERATURE REVIEW

Practitioners believe that business majors need to possess good teamwork skills to succeed in the business world. Employers expect university graduates to integrate into existing employee teams and work well with a diverse range of people (Freeman & Greenacre, 2011). Business' use of teams to cope with a fast-changing global economy is a well-documented trend (Gueldenzoph & May, 2002). Lejk and Wyvill (1996) note that "teamwork skills are the second most important attribute looked for in prospective employees" (p. 268). The widespread use of teams in

business reflects the reality that an employee working alone cannot have complete knowledge because of the vast amount of information available in today's business environment (Barr et al., 2005). Anecdotal evidence suggests that managers spend approximately 60% to 90% of their workday in team activities (Chapman & Van Auken, 2001).

Business professors have recognized the importance of teaching students how to work effectively in a team. In our College of Business, the team projects are referred to as "Client-Financed Projects" (CFP). A CFP is a project that involves a real business that wants to solve real problems, provides money to pay for expenses, meets in the classroom with the students, and shares company information with the students. The CFP's are semester-long projects and require teams to frequently meet outside of class.

Nearly 35 years ago, Cook (1981) noted that "The value of team projects as a learning tool has long been recognized as a means for enabling students to learn from each other. Students acquire not only the knowledge that other team members have to offer, but in addition acquire skills in team dynamics and leadership which should prove valuable in their business careers" (p. 50). Improving a student's ability to work effectively in a team should be an important goal for academicians (Barr et al., 2005). Team projects enhance the development skills and knowledge specifically relevant to the real world and provide a very good forum for experiential learning. Team projects are increasingly used as a teaching and learning method in higher education to promote

knowledge building through social interaction (Fellenz, 2006). The Association to Advance Collegiate Schools of Business (AACSB, 2013) accreditation standards require business instructors to “encourage collaboration and cooperation among participants” (Standard 13), want students to “contribute to the learning of others” (Standard 14), and include learning experiences in such skill areas as “group and individual dynamics in organizations” (Standard 15). The AACSB stresses that students need to acknowledge their responsibilities to their fellow students by actively participating in group-learning experiences. “The use of student teams for class projects is now a common pedagogical practice in many business schools” (Chen and Lou, 2004, p. 275).

### **Problems with Team Projects**

A frequently mentioned problem with a team project is how to deal with slackers, free-riders, or social-loafers (Bacon, 1999; Joyce, 1999). A “slacker” is a teammate who does not participate fully, does less than his or her fair share and contributes little or no work to complete the team project (Beatty, Haas, & Scigliampaglia, 1996). Students are concerned about team work because of mistrust in the other team members because they are worried about the fairness of an assessment that does not account for differential individual inputs (Fellenz, 2006). Free riding by individual members is frequently cited as a problem associated with team projects (Fellenz, 2006; Aggarwal & O’Brien, 2008). A common challenge for instructors is the assessment of individual contributions to teamwork (Brutus & Donia, 2010; Strong & Anderson, 1990). Dommeyer (2006) suggests that “because instructors cannot see first-hand how each team member is contributing to the team’s goals, peer evaluations have become a popular way to assess each team member’s contribution” (p.21). Giving the same grade to all team members makes hardworking students unhappy and resentful and sends the wrong message to slackers (Paswan & Gollokota, 2004).

### **Using Peer Evaluations in Team Projects**

Cook (1981) defines peer evaluations as “a system which allows the professor to assign individual grades for a team project which in turn would encourage full participation by all team members” (p.50). “In peer evaluations, team members judge their fellow members on specific traits, behavior, and achievements” (Chen and Lou, 2004, p. 276).

P.E.’s provide the instructor with information on the team’s project activities (Brandyberry & Bakke, 2006), and teammates have a unique perspective to evaluate the relative contributions of team members (Malone, 2011). Also, P.E.’s can help the instructor

provide more equitable grading of students based on their individual contributions to the overall team effort (Beatty et al., 1996). Peer evaluations provide students the chance to reward superior individual contributions, the opportunity to deal with slackers, and to receive performance feedback from their peers (Fellenz, 2006). “Peer evaluations can sensitize students to the potential for reduced benefits and therefore encourage them to contribute fully to the team effort” (Bacon, Stewart & Silver, 1999, p. 471). Students have reported that completing P.E.’s is an effective learning activity in itself especially when the student conducts both peer and self-evaluations (Gueldenzoph & May, 2002). Peer evaluations are both valid and reliable and can have a positive impact on student achievement and attitudes (Hannay, 2012; Brandyberry & Bakke, 2006). Additionally, students are a better source of evaluating team members than the instructor (Gueldenzoph & May, 2002). Finally, doing P.E.’s helps students relate to and practice for real-life experience (Hannay, 2012).

### **Previous Studies of Students’ Attitudes towards Peer Evaluations**

P.E.’s used for evaluative purposes tended to contain greater halo effects and be more lenient, less differentiating, less reliable and less valid than P.E.’s used for developmental purposes (Farh, Cannella Jr. & Bedeian, 1991). Concerns about factors such as friendships or reciprocity on P.E.’s appear ill founded as research has indicated the negligible impact that friendship has on actual peer assessments (Fellenz, 2006). Friendships among teammates will not guarantee that there will be collusion or any other bias of that kind and relational effects such as friendship were negligible which provides evidence that it is possible for peer assessments to be relatively free of friendship bias (Magin, 2001). May (2008) studied the similar-to-me effect on P.E.’s and concluded that making students aware of this similar-to-me effect will reduce the tendency to rate a teammate higher based on one’s shared characteristics with them. The similar-to-me effect is defined by May (2008) as the unconscious tendency to favor people who are physically and/or professionally similar to them.

## **METHODOLOGY**

### **Sample Size and Composition**

Two populations of interest were surveyed. Sample #1 consisted of 417 different students who had participated in at least one client-financed project during Fall 2009 through Fall 2012 at the authors’ university which is accredited by the AACSB and is located in a tri-county area with a population of nearly

350,000 residents. The students were enrolled in 28 classes that contained 106 consulting teams and 94% of the teams contained 5 to 7 members. All students were a junior or senior and 77% were a business major. The students were enrolled in the following courses: Marketing Research, Marketing Principles, Advertising Strategy, and Management Principles. All the students participated in at least one significant semester-long client-financed consulting project. Each project involved the collection and analysis of primary and secondary data. The deliverables to the client consisted of a 10-page executive summary, a 102-157 page written report and an oral presentation to the students' client. In every class, the students completed a peer evaluation at the midterm and at the end of the semester. The students were familiar with peer evaluation practices, so they were considered appropriate subjects for our study.

Sample #2 consisted of 1,429 business instructors who were located in all 50 states and were employed at 491 different United States universities accredited by the AACSB (2013).

### **Questionnaire Development**

Using a similar method used by Koojaroenprasit et al., (1998), the questionnaire was designed specifically for this study because no previous studies were found that compared business instructors' attitudes versus students' attitudes toward the use of peer evaluations. Section 1 of the survey collected demographic characteristics about the student sample and demographic characteristics collected in other surveys of college instructors (Polonsky, Juric & Mankelow, 2003; Simpson & Siguaw, 2000). Section 2 measured instructors' and students' perceptions of peer evaluations by using a Likert Scale ranging from (1) "Very Strongly Disagree" to (6) "Very Strongly Agree" (Pelton, Strutton, & Raurwas, 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).

### **Questionnaire Administration**

Survey Monkey was used to survey the two populations of interest. The survey of students was conducted in Fall 2013 and the survey of instructors was conducted in the Winter 2014 semester. The questionnaire to instructors consisted of Likert-Scale statements that paralleled the statements used on the student survey. Students were asked about their attitudes toward peer evaluations after the students had participated in one or more client-financed projects. The survey for instructors used statements framed in

terms of the instructors' perceptions of the use of peer evaluations when team projects are assigned. Although there were subtle differences between the statements presented to the students and the instructors, the Likert-Scale for each statement was identical. For the majority of the statements, only a very minor change in the statement needed to be made and eight statements were identical on both surveys.

## **RESULTS**

### **Respondents' Characteristics**

A total of 122 former students returned a completed questionnaire. Out of 1,429 questionnaires sent to instructors, responses from 129 instructors were received and analyzed.

Females made up 55% of the 122 student respondents and 57% had participated in two or more client-financed projects. Approximately 78% were employed full time and nearly 32% of the students have worked at a company that used peer evaluations. Approximately 71% of the students were 23 to 27 years old, nearly 77% were a business major, and 48% were marketing majors.

Two-thirds of the instructors were males and nearly 64% were 58 years old or older. Nearly 70% of the instructors were an Associate or Full Professor and 62% have taught 13 years or more. Nearly 72% of the instructors have supervised a client-based project. Approximately 75% of the instructors use peer evaluations and 60% think P.E.'s should be worth less than 11% of a students' total course grade.

### **Large Differences between the Perceptions of Instructors and Students Regarding Peer Evaluations**

Table 1 shows the differences between the perceptions of instructors and students regarding peer evaluations. The largest difference involved the students being honest when assigning a P.E. score. On a Likert scale, 77% of the students chose "Very Strongly Agree" (VSA) or "Strongly Agree" (SA) in response to the statement "I gave myself the peer evaluation I deserved" while only 10% of the instructors chose to mark "VSA" or "SA", a difference of 67%. For the students, 78% "VSA" or "SA" they were truthful when evaluating teammates, but for the instructors, only 17% "VSA" or "SA" that students would be truthful when evaluating teammates. Nearly 72% of the students "VSA" or "SA" they deserved the final peer evaluation they received. In contrast, only 22% of the instructors "VSA" or "SA" that students deserved the final peer evaluation they received. Approximately 57% of students, but only 16% of

instructors “VSA” or “SA” that “Peer evaluations encourage students to work hard.”

**Table 1: Differences between Instructors’ and Students’ Perceptions of Peer Evaluations**

Qn. #	Question	% who “Very Strongly Agree” or “Strongly Agree”		Difference	
		Faculty	Student		
1)	22	Students will give themselves the P.E. they deserve	10%	77%	67%
2)	18	Truthful when evaluating teammates	18%	78%	60%
3)	26	Students deserved final P.E. received	22%	78%	56%
4)	24	P.E.’s encourage students to work harder	16%	57%	41%
5)	31	P.E.’s reward hard work	24%	59%	35%
6)	12	Will evaluate their friends differently	41%	9%	32%
7)	29	Team President’s P.E. should hold more weight	4%	35%	31%
8)	30	P.E.’s show how much effort member contributed	24%	53%	29%
9)	27	P.E.’s are good way to identify slackers	41%	64%	23%
10)	34	Instructor’s should use P.E.’s	43%	65%	22%
11)	16	Will be lenient when evaluating teammates	30%	7%	23%
12)	13	Reluctant to give teammates low P.E.	31%	9%	22%
13)	32	P.E.’s motivate slackers	10%	27%	17%
14)	11	Afraid to give poor P.E.	19%	3%	16%
15)	14	Gave teammates they dislike a low P.E. score	15%	<2%	14%
16)	19	Students will conspire with teammates	6%	20%	14%
17)	21	Students will feel uncomfortable evaluating teammates	18%	4%	14%
18)	15	Considered teammates feelings when giving P.E.	20%	7%	13%
19)	20	Will give friends a high P.E.	16%	4%	12%
20)	17	Afraid teammates would fail because of P.E. given	16%	8%	8%
21)	25	Students need training to do P.E.’s	43%	41%	2%
22)	23	Students will give all teammates similar P.E.’s	12%	11%	1%
23)	28	P.E.’s create group conflict	5%	5%	0%

**Small Differences between the Perceptions of Instructors and Students Regarding Peer Evaluations**

There were four areas where the students’ perceptions were quite similar to the instructors’ perceptions of peer evaluations. Only 5% of students and only 5% of instructors “VSA” or “SA” that peer evaluations created team conflict. Only 11% of students and 12% of instructors “VSA” or “SA” with the statement: “Students tend to give all teammates similar peer evaluations.” Training students to accurately evaluate teammates is an area where there was little difference between the opinions of instructors and students. Approximately 41% of students and 44% of instructors “VSA” or “SA” that students need training to evaluate others. Another small difference between students and instructors involves the subject of students worrying about failing their teammates. Only 9% of students “VSA” or “SA” that they were afraid a teammate would fail because of the final peer evaluation they gave a teammate. For the instructors, 16% “VSA” or “SA” that students would be afraid that

a teammate would fail because of the final peer evaluation they gave their teammate.

**DISCUSSION**

**Implications for Marketing Education**

Business students will benefit from participating in the peer evaluation process because doing peer evaluations teaches students to think critically about themselves and their peers and also prepares students for the workplace. Instructors may not use peer evaluations because they require extra work and effort on their part and they believe students are not qualified to evaluate one another. The following quotes from instructors suggest that instructors are too lazy to use peer evaluations when team projects are assigned: “Do not want to go through the effort,” “It is more work to use them than not to,” “Too much of a hassle,” “It can be a lot of extra work,” and finally two instructors wrote: “lazy” and “laziness.”

One peer evaluation system will not work for all instructors, but a benefit of peer evaluations is that they can be created and modified to fit any type of course.

Students will be more prepared for the business world if they are exposed to multiple types of peer evaluation systems. In the workplace, students will be more comfortable evaluating themselves and others if they have prior experience and training while in college.

Quotes from the instructors may explain why instructors think students will not be honest when completing peer evaluations. A part-time instructor wrote: "Peer evaluations end up being a popularity contest." One Assistant Professor wrote: "Naturally, students will be easier on friends than non-friends." The literature on peer evaluations suggests that factors such as friendships have a negligible impact on actual peer assessments (Fellenz, 2006; Magin, 2001).

Instructors also questioned the students' truthfulness when doing peer evaluations. One Associate Professor wrote: "Little truth from students." A Full Professor wrote: "Students I encounter will never assign grades even close to honest, objective assessment. Therefore faculty won't waste their time deferring to student judgments." The second quote is especially sad to read because one has to wonder why this instructor has such a low opinion of the honesty, ethics and skills of students enrolled at his university.

Some instructors' comments appear to question a student's ability to do peer evaluations. One instructor wrote: "students are in college to learn. They do not have the skills to judge each other's work." An Associate Professor wrote: [professors] "don't believe that students do a credible job evaluating their peers." Numerous studies have supported the idea that peer evaluations are valid and reliable (Cederblom & Lounsbury, 2008; Fellenz, 2006; Dingel, Wei, & Huq, 2013). Several authors believe that students are in the best position to evaluate a teammate's level of contribution to completing the team project (Gueldenzoph & May, 2002; Malone, 2011).

The following comments may explain why instructors do not believe students will work hard when peer evaluations are used with a team project. A Full Professor wrote: "Some [students], because of their sense of entitlement, feel they are victims and don't improve." Also, this instructor thinks P.E.'s should only count for 5-10% of a student's course grade.

The instructors may believe the P.E.'s have little effect on a team's dynamics because nearly 60% of the instructors let P.E.'s count for less than 11% of a student's course grade and 13% think P.E.'s should count for only 11 to 15% of a student's course grade. Several "experiments" about students' perceptions of peer evaluations have noted that the peer evaluations had little or no impact on the "subjects" course grade (Ghorpade & Lackritz, 2001; Koeck & Guthrie, 1975; Parker & Kristol, 1976). If peer evaluations count for only 15% or less of a student's course grade, neither the student nor the instructor may care what PE score is

given. Also, many articles about the use of P.E.'s have noted the P.E.'s are only collected at the end of the semester. If the students do not know how they have been evaluated by their teammates until the class is over, there is no chance P.E.'s can create group conflict during the course of the semester.

Some instructors believed that students will give teammates similar peer evaluations. One instructor wrote: "Students rate everyone the same." Another Full Professor wrote: "Limited value because students, at the end, tend to give everyone the same percentage." Data from 31 classes where P.E.'s were used to evaluate the performance of 699 students strongly support the idea that students do not give every teammate the same peer evaluation score.

The present research suggests that students believe they are honest, ethical, and able to evaluate their peers. Students believe they have the skills and ability to provide valid and reliable peer evaluations and that peer evaluations encourage teammates to work harder and reward hard work.

As Table 1 shows, in many areas, the perceptions of instructors and students about peer evaluations are quite different. We are disheartened by some of the comments written by the instructors. At least 30 instructors indicated that instructors did not do peer evaluations because instructors are too lazy or do not want to put any effort into determining the difference between hard workers and slackers.

When asked to respond to the question: "Why do you think professors might not use peer evaluations in business classes?" An Assistant Professor wrote: "Who gives a sh\*t what students did what? The client does not care. They only care about the final product and that is all I care about as well." The four students in a six-person team who worked very hard on the project will not like the fact that their instructor was too lazy or incompetent to assign each team member a grade based on each students' level of contribution to completing the project. What kind of instructor thinks it is fair to give slackers the same grade given to hard workers when a team project is part of the students' course grade?

Other comments made us question some instructors' qualifications to even be teaching business classes at the college level. The comments below suggest that some academicians have no idea about what happens in the real-world workplace.

1) "As someone who sees myself responsible for preparing young people for the business world, I find it difficult to justify the use of such evaluations since they are for the most part, not a 'real world' component of teamwork and team evaluations."; 2) "In the workforce, peer evaluations are often no part of the process-the team is judged, as a whole, on their

outcomes.”; 3) “The instructor may feel like the team project is more ‘real world’ without peer assessment.”

Other comments, such as those listed below, suggest that there is strong support for using peer evaluations when team projects are assigned:

1) “I’ve refined my peer evaluation over many years and feel it works well.”; 2) “[Peer evaluations if] done well, [are an] effective and fair way to gauge group dynamics.”; 3) “[Peer evaluations] are needed for any class that uses team projects.”; 4) “It should be used in every team project.”; 5) “I think it is a requirement for team work.”; 6) “Necessary where groups are used.”; 7) “I believe peer evaluations are very important for business classes as students will be working often in cross-functional teams in their careers and need to get used to it.”; 8) “I think business classes should have peer evaluations as students will, upon graduation, be evaluated by their superiors in the workplace.”

Several comments indicate there is considerable interest in research that reports the attitudes of instructors and students about peer evaluations.

1) “Your survey really made me think.”; 2) “This is an important project.”; 3) “Interesting teaching implications.”; 4) “I think this is a valuable issue to take a look at”; 5) “Look forward to... reading about the findings.”; 6) “Love to see the results.”

After reviewing the data, we leave the reader with the following thoughts. Some instructors believed teachers did not use P.E.’s because instructors are too lazy or did not want to do any extra work to discover

which team members were hard workers and which students are slackers. Sadly enough, several respondents felt their students would not be truthful when doing peer evaluations while other respondents believed their students did not possess the skills necessary to provide valid and reliable peer evaluations. Other instructors appear to be out of touch with the “real-world” workplace by making comments similar to the following comment: “In the workforce, peer evaluations are often no part of the process.”

On the plus side, several comments suggest that instructors find peer evaluations helpful and valuable when team projects are assigned. Also, a number of instructors felt the current research was valuable and would like to see the results of the research.

Finally, students who have worked on a complex and multi-dimensional client-financed project overwhelmingly agreed that peer evaluations should be used when a team project was assigned. When the students were asked to respond to the following statement: “Professors who do team projects should use peer evaluations to determine the effort each teammate contributed,” out of 116 students who responded to the statement, 93% of the students at least “Tend to Agree” with the statement. Additionally, 89% of the instructors at least “Tend to Agree” with the statement. In conclusion, if a team project is assigned, peer evaluations should be used to determine who are the hard workers and who are the slackers on the team. As one Full Professor wrote: “Free riders should never be rewarded in college or at work.”

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# ACADEMIC MOTIVATION AND STUDENT SELF-CONCEPT, THE KEYS TO POSITIVELY IMPACTING STUDENT SUCCESS

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## ABSTRACT

*Education is more than learning theory—it is about helping each student realize his/her potential. Using a nonprobability convenience sampling technique, surveys were administered to freshman and senior students in seven business courses on three college campuses. The study instrumentation included the Self-Description Questionnaire III (SDQ III), to measure academic self-concept, and the Academic Motivation Scale (AMS), to assess various motivation dimensions. Factorial analysis identified four underlying factors influencing a business student's college experience: quality of relationships, motivation, perceived academic ability, and a sense of well-being. In general, freshman students were more extrinsically motivated while senior students more intrinsically motivated.*

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## INTRODUCTION

*“When you become intrinsically motivated you have a feeling of self-competency, self-worth, and self-mastery, all of which help you grow and succeed” (Media, 2008).*

A *New York Times* article suggested American higher education may be the best in the world, yet in terms of its core mission—turning teenagers into educated college graduates—the system is in large part failing (Leonhardt, 2009). Academic failures have often been attributed to functions internal to the university such as inadequate orientation, lack of proactive retention strategies, and failed student transition. Isikail (2010), on the other hand, tied retention to student motivation, suggesting students in the United States “begin university education with higher intrinsic motivation scores but their scores decrease in their second and third year of university education” (p. 582). Whether students abandon their higher education for external or internal reasons, why they persist in their pursuit of a college degree often involve variables outside the university's control. Araque, Roldan, and Salguero (2009) suggested psychological and student educational characteristics—such as environmental and psychological—affect student academic success and college persistence. Although the existence and depth of such characteristics in college students is often unknown upon college entrance, these factors, if identified and better understood, could lead students to substantial growth throughout their educational journeys.

Early college departure imparts a large financial burden on today's universities as well as immense unrealized costs to students and their families (Araque, Roldan, & Salguero, 2009). Student retention remains a major concern among higher education institutions. Not only does student dropout “diminish access to employment and earning potential, but it also has a major impact on the finances of colleges and universities” (Jorgensen, 2009, p. 2). Variables such as positive self-concept, increased motivation, realistic self-appraisal, successful leadership experience, involvement, and understanding individual differences as entrance standards as are key evaluation instruments for predicting future GPA, persistence, and college graduation probability (Olani, 2009). When controlling for traditional predictors, such as high school GPA or ACT/SAT scores, academic self-efficacy and achievement motivation were found to be better predictors of college success (Olani, 2009). Consequently, universities must understand and address student characteristics beyond GPA to strengthen retention efforts and reduce student separation. Conversely, examining the crux of proactive retention strategies should reveal student characteristics, personality, motivation origin and feelings of self-concept relative to academics. Looking at both sides of the learning equation will yield, as Palmer (2010) stated, simultaneous strategy development built on the premise that “experience of self and a powerful complementary experience of human interdependence of which Desmond Tutu calls Ubuntu or I exist because of you” (p. 79).

Absent a legal obligation, educators have a moral obligation consistent with Sergioanni's model

(2007) to teach the whole student—head, hands, and heart. This three-part approach is necessary if student success during and after college is the goal of today's educators. Therefore, enhanced understanding relative to the factors with true impact on an individual's internal motivation and self-concept will assist educators' efforts in the development of proactive student strategies to positively enhance student motivation, self-concept, and ultimately academic achievement. What's more, evaluating academic achievement by coupling traditional college success criteria (e.g., GPA) with psychological variables such as academic motivation and self-concept will yield positive impacts on student achievement and college retention rates. Educators have a responsibility to engage students in challenging opportunities to spur continual personal growth. But how do educators foster individual motivation and positive self-concept in the hearts of today's college students? More importantly, is building student confidence really the job of today's college professor?

Research was gathered to examine and compare the relationships among intrinsic motivation, extrinsic motivation, and academic self-concept. The goal of the following study was to explore and define the possible effects these relationships have on the academic achievement of business students at three different University campuses.

A Pearson product-moment correlation coefficient was used to define the strength and direction of continuous variable relationships between academic motivation, self-concept, and achievement. Descriptive statistics such as the mean and standard deviation provided distribution and tendency characteristics of the independent and dependent variables. Factorial analysis was used to generate multi-item indicators to define key indicators impacting academic success.

## DEFINITION OF KEY TERMS

For the purpose of this paper, the following terms are defined:

*Academic achievement.* An individual's drive and dedication to classroom academics as indicated by his or her university-reported grade point average (Chang, 2008).

*Academic motivation.* An individual's level of initiation, direction, intensity, and persistence toward personal academic goals (BusinessDictionary.com).

*Academic self-concept.* The compilation of attitudes, beliefs, and perceptions held by students about their academic skill sets and performance (Vallerand, 2008).

*Amotivation.* A lack of intentionality and the relative absence of intrinsic as well as extrinsic motivation; when prompted by amotivation, individuals do not perceive a connection between their behaviors and outcomes (Vallerand, 2008).

*Extrinsic motivation.* A broad array of behaviors having in common the fact that these activities are engaged in not for reasons inherent in them but for instrumental reasons or means external to the individual (Vallerand, 2008). In other words, extrinsic motivation is a type of incentive driven by external desires, such as money or family expectations.

*Intrinsic motivation.* A self-determined form of motivation and/or the drive to pursue an activity simply for the pleasure or satisfaction derived from it (Vallerand, 2008). In other words, intrinsic motivation is a type of incentive that is driven by internal drivers, such as happiness and satisfaction.

*Motivation.* A desire and/or force to be moved to do something or the willingness to engage in meaningful tasks in an energized manner toward a determined end (Deci, Ryan, & Koestner, 1999).

*Performance orientation motivation.* A student's attitude toward his or her ability to learn, which creates a label in the student's mind that impacts the student's assessment of and justification toward the activity of learning. Performance-oriented students are motivated by competition among peers and, specifically, seek to outperform peers; this type of student often views failure as a major setback (Ames & Archer, 1988).

*Self-concept.* A perception that each person has of himself or herself, formed from experience and relationships with the environment, as well as with significant others (Byrne, 1984).

*Self-efficacy.* A student's perceived capability of the self. It concerns people's own competence assessments in a given domain of functioning among other personal attributes that may be available in their self-schema (Bong & Clark, 1999). Self-efficacy directly relates to how capable an individual believes himself or herself to be to complete an established set of goals.

## RESEARCH STUDY QUESTIONS

To gain insight into the aforementioned factors, the study focused on three main research questions:

### Research Question 1

What are the relationships, if any, between reported academic self-concept and academic achievement in freshman and senior business students at Montana Tech, the University of Montana Missoula, and the University of Idaho?

### Research Question 2

What are the relationships, if any, between reported intrinsic and extrinsic motivation and academic achievement in freshman and senior business students at Montana Tech, the University of Montana Missoula, and the University of Idaho?

**Research Question 3**

What are the most significant factors impacting the academic motivation, academic self-concept, and academic achievement among freshman and senior business students at Montana Tech, the University of Montana Missoula, and the University of Idaho?

A quantitative, descriptive correlation design using a survey mode of inquiry was deployed. The study instrumentation included two primary survey tools: the Self-Description Questionnaire III (SDQ III-Appendix C) developed to measure academic self-concept in late adolescents to adults, and the Academic Motivation Scale (AMS – Appendix B), developed to assess various dimensions of motivation in college-level students. Surveys were distributed via on-site administration in a cross-section of multiple participating University business courses. The goal of this cross-sectional design was to allow for triangulation of collected data to identify themes and gain new perspectives relative to the subject area. By design, students used in this convenience sample were freshman and senior declared business students enrolled during the Spring 2012 semester on all three college campuses. Triangulation also provided validation of those factors with multiple impacts on a student’s motivation and self-concept as they affect academic achievement. The total population of freshman and senior business students at the three institutions included 1,476 students. To achieve a 95% confidence level and a 5-point confidence interval, at least 306 of the 1,476 students were needed for a relevant and statistically significant study. The experimental consistency was defined at  $\alpha = .05$  level. Experimental consistency and importance was estimated by conducting an analysis of variance using Levene’s test for equality of variances, ideally to gain a significance value of  $\alpha = / >.05$ . An assumption of normality was met using the appropriate sample size. The study sample consisted of 364 second-semester freshman and senior business students at Montana Tech, the University of Montana Missoula, and the University of Idaho, gathered using a nonprobability sampling technique.

**CONCISE RESEARCH RESULTS**

Displayed in Table 1 and 2, are summarized motivational differences between freshmen and senior-level business student participants. The average motivation score for business seniors ranged from 1.55 to 5.68, and 2.08 to 5.37 for

freshman students. The total mean motivation score for seniors was 6.29, and 4.30 for freshman business students.

**Table 1. AMS Score Seniors**

Ind Var	Mean	SD
AMS-AMO	1.55	0.91
Intrinsic	4.51	1.05
Extrinsic	5.68	0.82
SDI—total	6.29	3.02

**Table 2. AMS Score Freshmen**

Ind Var	Mean	SD
AMS-AMO	2.08	1.38
Intrinsic	4.07	1.17
Extrinsic	5.37	1.10
SDI—total	4.30	4.24

Table 3 shows the results of the Pearson product-moment correlation coefficient conducted to define the direction, strength, and confidence interval associated with the motivational subscales for freshmen and senior business students. Freshman business students experience negative decline in motivation with amotivation levels increase. Both intrinsic (-.32,  $p$  value =  $<.0001$ ) and extrinsic (-.47,  $p$  value =  $<.0001$ ) possess moderate correlation with motivation, suggesting that when internal or external motivation increase, amotivation will decrease. Strong, positive correlations were experienced between intrinsic (.63,  $p$  value =  $<.0001$ ) and extrinsic motivation increase. Freshman business students have a strong, positive correlation between the self-determination index and intrinsic and/or extrinsic motivation (.73, .61,  $p$  value =  $<.0001$ ). When correlated with GPA, no notable relationships exist. Both negative and positive correlations resulted from the correlation of self-concept and GPA. However, the numerical outcomes did not produce satisfactory confidence level ( $p < or = .05$ ).

Senior business students’ correlation between motivation subscales indicated negative relationships with amotivation and intrinsic and/or extrinsic motivation (-.17,  $p$  value = .0336 and -.27,  $p$  value = .0004). Similar to business freshmen, seniors also experience a decline in amotivation when their intrinsic, extrinsic, and/or total motivation increases. The preceding negative relationships include slight

correlations (intrinsic motivation and amotivation = -.17, and extrinsic motivation and amotivation = -.27), as well as a strong correlation (-.75) between total self-determination index and amotivation. Strong, positive correlations were recorded between intrinsic and extrinsic motivation (.62), self-determination index and intrinsic motivation (.73), and self-determination index and extrinsic motivation (.50). When correlated with GPA, two slightly correlated relationships were identified. A negative correlation exists between GPA and amotivation (-.28,  $p$  value = .0336), indicating that when academic achievement increases, amotivation decreases. A slight, positive relationship also exists between business seniors' GPA and the self-determination index (.28,  $p$  value = .0003). The aforementioned correlation suggests that when overall motivation increases, GPA also increases

GPA	Intrinsic	0.13	0.09
GPA	Extrinsic	0.02	0.79
GPA	SDI	0.28	0.0003*

**Table 3. Pearson Product-Moment Correlation Coefficient -Freshmen**

IV	IV	Correlation	$p$ value
Intrinsic	Amo	-0.32	<.0001*
Extrinsic	Amo	-0.47	<.0001*
Extrinsic	Intrinsic	0.63	<.0001*
SDI	Amo	-0.86	<.0001*
SDI	Intrinsic	0.73	<.0001*
SDI	Extrinsic	0.61	<.0001*
GPA	Amo	-0.11	0.13
GPA	Intrinsic	-0.12	0.10
GPA	Extrinsic	-0.02	0.77
GPA	SDI	0.01	0.85

**Pearson Product-Moment Correlation Coefficient -Seniors**

IV	IV	Correlation	$p$ value
Intrinsic	Amo	-0.17	0.0336*
Extrinsic	Amo	-0.27	0.0004*
Extrinsic	Intrinsic	0.62	<.0001*
SDI	Amo	-0.75	<.0001*
SDI	Intrinsic	0.73	<.0001*
SDI	Extrinsic	0.50	<.0001*
GPA	Amo	-0.28	0.0003*

Of primary interest was the interplay between a student's self-concept measured by the SDQ III and a student's motivation measured by the AMS. Tables 4 and 5 (Appendix D) reveal the correlation and significance identified between these two independent variable scales by class (freshman and senior, respectively). The correlation of the SDQ III with the AMS revealed 10 significant relationships. A strong negative relationship was reported between amotivation and total self-determination score (-.86,  $p$  value = <.0001). This suggests freshman business students also experienced two strong, positive correlations between intrinsic (.73) and extrinsic (.61) motivation. These positive correlations suggest that when intrinsic and extrinsic levels increase, total motivation or self-determination index also increases. Small but positive relationships exist between motivation and relationships with the same sex, feelings of honesty and trustworthiness, overall feelings of self-satisfaction, verbal communication skills, and the ability to think critically. Moderate, positive relationships exist between motivation and overall academic abilities. A slight but positive relationship exists between total self-concept and total motivation scores. Yielding a confidence interval of  $p = .0003$ , the total SDQ III and AMS scores suggest that when a student's self-concept increases, overall motivation or self-determination increases in freshman business students.

Senior business students experienced significant correlations with all but two of the AMS and SDQ III independent variables. Both physical appearance and religion yielded extremely slight positive correlation with total motivation. However, the correlation between self-concept produced seven small but positive relationships. Total motivation was positively correlated with math and verbal communication skills, critical-thinking capability, sports/physical ability, same-sex relationships, relationship with parents, and overall self-satisfaction. Moderate correlations were noted between total motivation and relationships with the opposite sex and total self-concept score. Strong correlations exist between intrinsic and extrinsic motivation and total motivation and overall academic abilities when correlated with total motivation/self-determination. One strong negative relationship exists between total motivation and amotivation.

Tables 6 and 7 (Appendix E) provide descriptive statistics as well as correlated values and significance levels for each SDQ III independent variable and

GPA for all freshmen and senior students in all schools. Alpha coefficients in Table 6 for each subscale are greater than .80, indicating high scale reliability or internal consistency of the underlying factorial measurements. Marsh (1987) suggests that the individual scores are more important than are total scores when interpreting self-concept. To further examine individual subscales, total scores were calculated and correlated to total SDQ III scores, and positive correlations were found with all 13 SDQ III subscales. Freshmen business students possess strong, positive relationships impacted by feelings of pride and satisfaction (.82), physical appearance (.70), emotional stability (.64), physical activity skill and abilities (SDQ-PAB=.58), strong relationships with members of the same sex (.57), and good relationship with parents (.54). The preceding positive relationships indicate that when feelings of self-satisfaction (SDQ-GE), physical activity and attractiveness (SDQ-Pap), emotional stability (SDQ-ES), parental relationship (SDQ-PR), and same-sex relationships (SDQ-SSPR) increase, total self-concept rises as well. Each subscale significance level is less than .05 ( $p < .0001$ ), demonstrating strong confidence in the factor calculations. Two SDQ III factors—problem solving (SDQ-PS) and feelings of honesty and trustworthiness (SDQ-H/T)—produced slight, yet significant results when correlated with GPA (-.17 and .20, respectively). The negative correlation between problem-solving ability and GPA suggests that when problem-solving ability declines, GPA drops as well. The slight positive correlation between feelings of honesty and trustworthiness and GPA suggests that freshman students value honesty and trustworthiness and, when such feelings are internally present, they produce positive impacts on academic achievement.

Table 7 (Appendix E) shows positive correlations between GPA and all 13 self-concept subscales for senior-level business students across all schools. The three highest correlation scores were with the independent variables SDQ-GE (.83), SDQ-SSPR (.81), and SDQ-OSPR (.79), indicating that senior-level students value relationships with members of both the same and the opposite sex. Additionally, seniors' self-concept is impacted by feelings of effectiveness, general self-esteem and their academic ability. Only one self-concept factor, critical thinking and problem-solving ability (SDQ-PS), was negatively correlated (-.02) with academic achievement but with a low confidence level ( $p = .76$ ). Conversely, three self-concept independent variables yielded positive correlations. Senior business students' academic achievement was positively impacted by increased mathematical skills (SDQ-M) (.26), enhanced verbal and reasoning

abilities (SDQ-V) (.17), and overall student quality (SDQ-A) (.32). Both math and verbal skills, when enhanced, provide positive but slight correlations with GPA. Overall academic ability produced moderately positive correlations with GPA among all senior business students, which suggests that as academic skills increase, overall academic achievement rises. The internal consistency of the SDQ III is great, as indicated by coefficient alpha scores ranging from .78 to .91, demonstrating great instrument reliability.

## RESEARCH IMPLICATIONS

This research suggested freshman students' self-concept is affected by their parental relationships, but this relationship has less impact on self-concept as a student matures. The reported outcomes also suggest a higher self-concept is positively correlated with mathematical skill. Self-concept affects academic achievement and goal attainment. Positive correlations between self-concept and overall academic ability and mathematical skills were identified in all six student populations, suggesting that as overall academic ability and/or mathematical skills improve, student self-concept advances. A higher self-concept in turn impacts students' personal motivation and academic achievement. Student's self-concept relative to learning is affected by aptitude, prior experiences, and attitude. In turn, self-concept influences academic motivation, learning, and achievement outcomes.

Further the results suggested self-concept is influenced by reinforcement from and evaluations by members of the opposite and same sex. When groups are combined, freshman students' self-concept is impacted more by same-sex and parental relationships, whereas senior students' self-concept is impacted more by opposite-sex relationships. Thus, peer relationships seemingly have more impact on freshman students' self-concept, and relationships with significant partners have more impact on seniors' self-concept—not a surprising finding in light of advancing maturity with age in both individuals and relationships. Younger students entering college may have a partner relationship, but relationships with peers play a vital role in advancing how they feel about themselves. As students mature, peer relationships play less of a role as the development of a quality relationship with a life partner becomes important. Hence, as students advance in their academic career, a long-term relationship and their future typically become more important than peer relationships.

All six student populations experienced increases in total motivation with the increase of intrinsic and extrinsic motivation. Globally, total motivation

increased when intrinsic and extrinsic motivation increased. Increased motivation in turn positively impacts a student's self-concept. Similarly, amotivation negatively impacts a student's total motivation, which in turn impacts student self-concept. Student's self-perception of internal competency is conducive to higher levels of intrinsic motivation.

A review of the literature suggested that academic motivation declines as students age. This study found, however, that although motivation does not increase with age, it undergoes a dynamic transformation as students mature. As a group, freshman students are focused on their outer appearance and relationships with members of the same sex, suggesting that freshmen are more extrinsically motivated. Seniors, on the other hand, were more concerned about the quality of relationships and their internal belief in who they are as individuals. The strength of these internal beliefs was directly related to self-satisfaction, which suggests that senior students are more intrinsically motivated. The study results indicated that higher motivation leads to better academic achievement regardless of student age.

### **RECOMMENDATIONS FOR EDUCATORS**

Understanding what motivates a student to learn and how those motivators differ by generation is crucial to a student's academic achievement and future personal growth. Therefore, educators must consider modifying instructional techniques to accommodate evolving generational characteristics and personalities. Lectures must be adjusted to better develop students' critical-thinking and problem-solving capabilities. Although subject mastery is important, the ability to transfer classroom knowledge to the real world is more so. Students must advance from an extrinsic or performance goal orientation to an intrinsic, mastery-oriented one. To assist in the development of a student's self-concept, educators must first identify mastery- versus performance-based students, or intrinsic versus extrinsically motivated learning. It is vital to create educational learning strategies that complement and grow a student's positive self-concept. Such as the implementation of more in-class activities to assist a student's understanding of themselves. Building self-regulated behavior skills and increased confidence levels in today's students is vital to academic success. Mastery goal orientation is associated with a heightened ability to overcome challenges and increase college persistence.

Institutions must move beyond offering extracurricular activities and student clubs to

encourage student motivation and complement self-concept. Higher education institutions have traditionally worked off the premise that higher levels of involvement encourage college persistence. However, despite the increase in student groups and opportunities, retention rates remain a critical concern among all universities. Thus, we must move beyond student clubs and basic extracurricular activities to focus on strategies to promote higher-order thinking and transferable skills and knowledge working toward higher levels of motivation, confidence, and self-concept.

### **RECOMMENDATIONS FOR UNIVERSITY LEADERSHIP**

Palmer (2010) suggests higher education is at a critical juncture, requiring a creative education agenda to serve the human cause and emerging global economy. The time to adjust to this new student generation is now. What worked in the past will no longer be effective for today's students. Change is difficult and time-consuming, even more so for an industry like higher education that is departmentally structured and steep in tradition.

The use of motivational and self-concept facets as routine college application as well as semester evaluation criteria will enhance student academic success. Moving beyond current GPA and ACT score criteria as a basis for predicting students' academic success will encourage greater appreciation for the individual student. A student's completion of motivational and self-concept tools such as the Self-Description Questionnaire III (SDQ III), and the Academic Motivation Scale (AMS), as required elements of the college application as well as, semester end evaluation criteria will only enhance student academic success. Utilizing the aforementioned tools will encourage individual appreciation of each student's current self-concept and motivation levels.

In order to be successful, classroom and intercampus collaboration opportunities must be supported by institutional leadership. Educators must collect and correlate current demographic and personality data to construct student profiles complemented by motivation and self-concept measurement tools. Collection and analysis of common demographic data will provide a framework to better identify which student factors impact successful academic achievement. This activity, if consistently applied and supported by institutional leadership, will encourage institution-specific student strategies customized in accordance with student demographic data.

Research has demonstrated that partnerships between students, parents, and the institution improve overall student performance. While such partnerships are stressed at the K-12 level they are often abandoned at the onset of student's collegiate career. However, an evolved, ongoing parental relationship strategy may assist college freshmen as they make the transition to and through college. This may be the partnership needed to encourage many students to succeed beyond the infamous second college semester. Additionally, parents must reinforce the importance of college education by providing emotional support and consistent reinforcement of personal potential throughout a student's academic career. In summary, the development of student self-concept as it relates to academic success begins and is continuously reinforced by parents regardless of the student's age. To determine how college affects students, one must realize impact cannot be traced to one overriding factor, but rather is the interrelationship of a variety of experiences the students encounters before and during college (Greenbaum, 2008). Palmer (2007) advised that educators must begin to understand the intelligence found within emotional intelligence; for students to learn and lead well, educators and role models must "assist them in developing the skills needed to mine their own emotions for knowledge" (p. 208). Educators must adopt Stephen Covey's Eighth Habit and embark on a road of self-discovery to find their inner voice. Then they must inspire others to find their inner voice. To successfully find the inner voice requires a merging of talent, passion, and conscience by every individual (Covey, 2008).

Institutions of higher education could create student mentor programs similar to mentorships within organizations. A program of this nature would assign a junior or senior student to each new college freshman prior to the first day of class. During the crucial first year of collegiate study, each freshman would be aligned with an experienced mentor. This recommendation is founded on the relatedness premise of the self-determination theory.

From an academic perspective, student motivation is driven by the relationship between academic success and the internal priority the student places on the value of the educational cause. Variables such as positive self-concept, increased motivation, realistic self-appraisal, successful leadership experience, involvement, and individual differences are as useful

as entrance standards as key evaluation instruments for predicting future GPA, persistence, and college graduation probability (Olani 2009). When controlling for traditional predictors, such as high school GPA and/or ACT/SAT scores, academic self-efficacy and achievement motivation were found to be better predictors of college success (Olani, 2009). Consequently, universities must respect student characteristics beyond GPA to strengthen retention efforts and reduce student separation. Intrinsic and extrinsic motivation is not necessarily on opposite ends of a motivational spectrum; students are rarely either wholly intrinsically or wholly extrinsically motivated. As exhibited by this research study, the presence of both intrinsic and extrinsic motivation positively complements academic achievement and overall student self-concept. Ultimately, gaining a better understanding of today's students is key to empowering institutions as well as educators to shape learning strategies based on the whole student. The importance of greater student retention is exemplified on a state as well as local level. Student growth and retention efforts require a deeper appreciation and definition of today's student. Parents and educators can help by valuing what truly motivates a student to learn and succeed. This valuation requires soul searching by each student to better understand who they are and who they aspire to be. The path to inner growth is different for every student. Ultimately, educators and parents must encourage students to develop a mastery orientation fueled by intrinsic motivation. The vast student majority possess the required intelligence to successfully complete college. Thus, the missing piece to the college puzzle is student motivation, and motivation is impacted by an individual's self-concept. Students must possess an innate ability to regulate inner motivation. The ability to control motivation by improving self-concept promotes optimal performance in and outside of the classroom.

Fully engaging a student involves captivating the aspects of a student's heart and mind. Palmer suggested that today's mandate includes the creation of "universities to make or help to make human beings in the fullest sense of the words" (Palmer, 2010, p. 13). Education is more than learning theory—it is more about helping each student realize his or her own potential and, more importantly, how to become who each one truly is inside.

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**APPENDIX A**

Student Demographic Profile Questionnaire

**What are your grades since beginning to take this course?**

- All As
- Mostly As
- More As than Bs
- More Bs than As
- Mostly Bs, some As and Cs
- More Bs than Cs
- More Cs than Bs
- More Cs than Ds
- More Ds than Cs
- Mostly Ds and Fs

What were your grades before taking this course?

- All As
- Mostly As
- More As than Bs
- More Bs than As
- Mostly Bs, some As and Cs
- More Bs than Cs
- More Cs than Bs
- More Cs than Ds
- More Ds than Cs
- Mostly Ds and Fs

Gender

- Male
- Female

Current GPA

\_\_\_\_\_

Are you happy with your current GPA?

- Yes
- No

If you are not happy with your current GPA why?

Classification

- Freshman
- Almost a Sophomore
- Sophomore
- Almost a Junior
- Junior
- Almost a senior

Senior

Total completed credit hours: \_\_\_\_\_

Indicate the highest level of education you plan on pursuing

Bachelors Degree (4 year)

Masters Degree

Doctoral Level Degree

When in High School, did you take AP courses? (Please circle your answer below)

Yes

No

Have you taken any online college courses? (Please circle your answer below)

Yes

No

What is your preferred learning style?

Online course

Traditional classroom lecture style

# MORE THAN A FIELD TRIP: THE BUSINESS MODEL CANVAS AS SUPPORT FOR FIELD SITE VISITS IN MARKETING COURSES

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## ABSTRACT

*Student learning can be fostered by creating situations that highlight the connections between course material and the world outside the classroom (Kuh, Douglas, Lun & Ramin-Gyurnek, 1994). Field site visits are one way to highlight those connections and encourage active learning. A process for encouraging student learning before, during and after a field site visit that uses the Business Model Canvas is explained. Student feedback for the process is provided as well as suggestions for placement of the process within Marketing courses.*

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## INTRODUCTION

An all-too-familiar academic trope: a guest speaker arrives in class to discuss a Marketing topic that the instructor has previously introduced and the students act as if they've never heard such wisdom before. The instructor, happy the students are simply learning, grinds her teeth and thanks the speaker.

Students, perhaps especially business students, respond well to learning opportunities from outside sources (Seidman & Brown, 2006). While the example of the guest speaker in the classroom as an outside voice can create value in a Marketing course, there may be more potential for student learning when the students go outside the classroom to interact with experts in the field (Kuh, 1993/1995). Both guest speakers and field site visits expose students to outside or nonacademic experiences, but the field site visit is also an opportunity for active learning or involving students in "doing things and thinking about the things they are doing" (Bonwell & Eison, 1991, p.2).

As active learning has been shown to affect student retention (Braxton, Milem, & Sullivan, 2000) and institutional commitment (Bonwell & Eison, 1991), creating a course experience, like a field site visit, that develops satisfied, active learners should be a priority, yet the typical career path of an academic is devoid of instruction on coordinating field site visits. Similarly, that path also often lacks a tutorial in designing a field site visit so that active learning takes place and the visit becomes more than a field trip. This paper offers one solution for encouraging active learning before, during and after a field site visit by using a tool from Entrepreneurship studies, the Business Model Canvas, as support for a visit.

## LITERATURE REVIEW

### Field Site Visits

Field site visits, or interacting with a companies on location and seeing how professionals use business concepts, have been described as an applied case study (Tonks, 2005) or learning in action (Castleberry, 2007). Consequently, students are better able to transfer the marketing knowledge they've acquired in class to a work setting when they've seen how the knowledge fits into business during an on-site experience (Ramocki, 2007). Additionally, students' perceptions of their course work improves through these types of active learning experiences because they see a connection between the course and the world outside the classroom (Bonwell & Eison, 1991).

Students claim that field sites visits enhance their appreciation of the inter-dependence of the varied business units (such as finance and marketing) and improve their appreciation of economic, cultural and social differences (Webb, DeLange, & O'Connell, 2009). Additionally, field site visits can make abstract concepts easier to understand (Castleberry, 2007). In order to achieve these positive outcomes, field site visits should include a clear expression of the visit purpose, clear expectation of student performance, and ample opportunity for student involvement in order to foster student learning (Kuh, Douglas, Lund, & Ramin-Gyurnek, 1994). Marketing courses should cover fundamental content areas to prepare for the site visits and include learning objectives (Van Dore & Corrigan, 2008). That seamless learning of incorporating outside experience into course work can be facilitated through exercises like building a Business Model Canvas.

## The Business Model Canvas

The Business Model Canvas from the *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers* (Osterwalder & Pigneur, 2010) is commonly used as an exercise for business creation and transformation. The Canvas consists of nine building blocks meant to “show the logic of how a company intends to make money” (Osterwalder & Pigneur, 2010, p. 14). Those blocks are: Customer Segments (CS), Value Propositions (V), Channels (CH), Customer Relationships (CR), Revenue Streams (R\$), Key Resources (KR), Key Activities (KA), Key Partnerships (KP), and Cost Structure (C\$). These nine blocks fall into four areas--the customers, the offer, the infrastructure, and the financial viability of a business. The authors define a business model as “the rationale of how an organization creates, delivers and captures value” (p. 14).

The Canvas is intended as a visual, hands-on, iterative collaboration. With a nod to an artist’s canvas, the Business Model Canvas is meant to be “painted” (p. 44), filled in with Post-It notes or scribbled on with board markers. (See Appendix A for a copy of the Business Model Canvas.) Different from business plans, business models are malleable and reactive and often used to translate business plans into business processes.

The Canvas, then, is a strong tool of discovery. The idea of using Post-It notes (which are only big enough for concepts and obviously temporary and easily changed) to fill in the Canvas can be less daunting to a student than finding a string of logical, cogent words to fill a page. Beyond the ease in starting to work with the Canvas, another benefit is student response; instructors have reported that students are more flexible in their thinking and receive constructive criticism better when they’re asked to change or replace small notes instead of entire paragraphs or pages of text (Bruton, personal communication, 2013).

### THE PROCESS

Using the Canvas as support for a field site visit begins by introducing students to a business and requiring preliminary research on the organization. Online resources related to the business (*i.e.*, corporate website and social media channels) are provided to the students who are then asked to complete a series of questions in an online exercise; the question answers are meant to build the blocks of the Business Model Canvas. (See Appendix B for a detailed example of pre-visit questions.) After a visit to the business, students are asked to reconsider their responses to those original questions and are exposed to the Business Model Canvas itself. Student then work

together to build a Canvas for the business visited. (See Appendix C for a detailed depiction of an in-class, post-visit exercise.)

The building process is first individual; students write their answers on Post-It notes and adhere them to a (physically) large version of the Canvas after being introduced to the Business Model Canvas. For students without previous exposure to the Canvas, the YouTube video, Alexander Osterwalder: The Business Model Canvas (<http://youtu.be/2FumwkBMhLo>), makes a great introduction to the process. Next, the class as a group works through the individual answers to identify trends. Assistance from the instructor helps provide depth to the responses. This process whittles down a sea of Post-It notes across the Canvas to a few, detailed lines of text within each block and showcases the students’ stronger understanding of how a business fits in its existing competitive market.

### STUDENT OUTCOMES

The impact of using the Canvas outside of dedicated Entrepreneurship classes reinforces the entrepreneurial mindset, encourages class discussion, and allows students to act as co-creators in an active learning environment. When this process was piloted during a travel course in Summer 2014, students reported feeling better prepared during the site visits than in previous visits as well reporting they found value in the visits themselves.

“I thought I’d like this class, but I didn’t think I’d understand it. This is great. I really get it.” --Student A

“I like how we get to do it together. I don’t always understand all the questions.”--Student B

“I’m a visual dude. The picture helps.”--Student C

“I feel like I really did something--like I’m getting something real from this trip.”--Student D

“It makes me pay attention, but that’s cool.

‘Cause now I get the purpose.”--Student E

Using the Business Model Canvas as support for field site visits should augment student understanding of a business. Specifically, it’s valuable in situations when the students know little about a company or are more likely to know what products a business creates without any knowledge or experience in how the value is delivered to the customer. Therefore, it would be useful in undergraduate international travel course (*e.g.*, Tourism Marketing) or business courses--both graduate and undergraduate--with consulting projects. Because a business visit is often devoid of financial information, the exercise may not work with all nine of the Canvas blocks equally well. In situations where financial information is withheld, it will likely be

easiest to focus on customer segments, value propositions, key activities and key resources.

## CONCLUSION

Based on student reports, the Business Model Canvas has tremendous value as a tool for allowing students to understand and explore existing businesses. Because of the visual and iterative nature of the canvas, even students with limited exposure to a business can realize the strengths and challenges of particular business. While this is helpful in any business class with a widely varied student population, a modified version of the canvas can be particularly useful in international travel courses where students are unfamiliar with local customs as well as local businesses. Priming students for a business visit with the building blocks of the Canvas gives the students focus and intent for the visit. With a purpose of the site visit firmly in mind, student feedback on visits is more positive; the structure of the Canvas provides an obvious purpose for the visit. As support for field site visits, the Business Model Canvas can encourage the satisfying and active learning.

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## Appendix A

### Business Model Canvas

<b>Key Partners</b>	<p><b>Key Activities</b></p> <ul style="list-style-type: none"> <li>-Excellent customer service</li> <li>-Flexible Work Hours</li> <li>-Personal Customization</li> <li>-Excellent Communication w/ employees and customers</li> </ul>	<p><b>Value Proposition</b></p> <ul style="list-style-type: none"> <li>-High quality</li> <li>-Customer Personalization</li> <li>-Specialty products</li> <li>-Company vehicles</li> <li>-Face to face communication</li> <li>-Wide variety</li> <li>-Technology/social media</li> <li>-Reasonable price</li> </ul>	<p><b>Customer Relationships</b></p> <ul style="list-style-type: none"> <li>-Personal assistance</li> <li>-Dedicated personal assistance</li> <li>-Automated services</li> <li>-No additional cost to provide personal assistance</li> </ul>	<p><b>Customer Segments</b></p> <ul style="list-style-type: none"> <li>- Local organizations</li> <li>- People in Central Illinois</li> <li>- Decatur Community</li> <li>- Niche market</li> </ul>
<p><b>Key Resources</b></p> <ul style="list-style-type: none"> <li>-Local Community Support</li> <li>-Local Customers</li> <li>-Bakery Equipment</li> </ul>		<p><b>Channels</b></p> <p>Part 1</p> <ul style="list-style-type: none"> <li>-Direct Marketing Channel</li> <li>-Service Recovery</li> <li>-Transportation (car,truck)</li> <li>-Order Processing</li> <li>-Inventory</li> </ul> <p>Part 2</p> <ul style="list-style-type: none"> <li>-Advertising</li> <li>-Public Relations</li> <li>-Push Marketing Strategy</li> </ul>		
<p><b>Cost Structure</b></p> <ul style="list-style-type: none"> <li>-Payroll, Inventory, rent, utilities, marketing, gas</li> <li>-Payroll is the most important cost.</li> <li>-Marketing is the main key resource in cost.</li> </ul>			<p><b>Revenue Streams</b></p> <ul style="list-style-type: none"> <li>-Revenue is from foot traffic and orders.</li> <li>-Customers pay with cash, credit, and debit.</li> <li>-Not as expensive prices</li> </ul>	

## **Appendix B**

### **Pre-site visit exercise**

#### *Pre-site visit instructions*

Take some time to familiarize yourself with Academia Barilla.

The center's website is: <http://www.academiabarilla.com/>

The center's FB page can be found at: <https://www.facebook.com/AcademiaBarilla>

Academia Barilla is also on Twitter: @AcademiaBarilla

1. Try to identify the customer segments for this site. Specifically, for whom are they creating value? Who are their most important customers? Do you expect this site to have mass appeal? Segmented appeal? Niche appeal?
2. Try to identify the site's value propositions. Specifically, what value does the site deliver? Which of their customer's problems are they solving? Which customer needs are they satisfying? Answers to these questions may focus on concepts like: novelty, design, brand, status, price, risk avoidance, convenience or performance.
3. Try to identify the site's channels. Specifically, how is the site reaching customers? How are site visits integrated into customer routines? How is value delivered to the customer? How are customers allowed to purchase products & services?
4. Try to identify the site's relationship with customers. How does the site establish and maintain relationship? Are they costly?
5. Try to identify the site's revenue streams. For what value are customers willing to pay? How do they pay? Answers to these questions may focus on concepts like: usage fees, subscription fees, licensing, list prices, or negotiation.
6. Try to identify the site's key resources. In order for the site to run, what resources are necessary? Answers to these questions might focus on concepts like: physical resources, intellectual property, or human resources.
7. Try to identify the site's cost structure. What are the most important costs to the business model? What resources are the most expensive?

**Appendix C**  
**Post-site visit exercise**

*Post-site visit instructions*

What did you learn during our visit to Academia Barilla?

Please consider how your understanding of Academia Barilla has changed by what you learned during the visit.

1) Focusing on customers segments, key resources, key activities and value propositions, use your answers to the pre-site visit exercise and your experience during the field site visit to fill in parts of the Business Model Canvas. Using your Post-It notes, write down any answers you found for each of the previously mentioned BMC building blocks (customers segments, key resources, key activities and value propositions).

2) For each customer segment you've named, let's dig deeper.

How will the customers reach the business?

means of transportation

alone or with others

if with others how big of a group

will entire group be potential customers with similar interests & abilities

age of the end user

able to purchase on own or require approval from another (parent, organization)

3) How does your better understanding of the customer needs change your ideas for Key Resources and Key Partnership?

4) Let's talk value proposition.

What are the primary motivations for each of your customer segments?

How closely related to the company's products are these motivations? (In other words, how easily can a competitor satisfy this need?)

Can this be improved? Is there a value proposition, accessible to the business, that's more easily defended?

# THE BRAND IN THE MIRROR: TOWARD BRAND IDENTITY-IMAGE CONGRUENCE IN SOCIAL MEDIA MARKETING

*Leila Samii, Aurora University*  
*Kesha Coker, Eastern Illinois University*

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## *EXTENDED ABSTRACT*

Brand image has become a complex factor since the emergence of social media. In a world dominated by the voice of the consumer, marketers have had to relinquish control over brand image creating a much different world governed in the past by traditional marketing strategies. The many social media channels enable users to have a larger voice than with traditional marketing strategies which creates disconnected images of the brand (Berthon, Pitt, Plangger and Shapiro, 2012). The brand image complexity issue that has evolved through social media and User Generated Content (UGC) encourage brands to align brand identity with brand image (Nandan, 2005).

Brands that have a brand evolution strategy with the increase of user generated content manage their brands through a user generated branding strategy (Burmam, 2010). User generated branding (UGB) is a strategic move that brands may use to manage their brand through UGC to achieve their brand goals. The control of the brand is given to the consumer and a positive brand-consumer interaction is successfully created. Through this positive brand-consumer relationship emanating from UGB, it is expected that the marketer may be better apt to strengthen the brand identity-image link.

UGB creates a dynamic positioning strategy. Positioning a brand as functional, symbolic and experiential brand concept enables more users to participate in user generated branding to move toward brand identity- image congruence (Park, Jaworski and MacInnis, 1986). Brands that capitalize on the power of social media aim to fulfill the needs of functional, sensory and experiential brand concept. The evolving brand may also be in a better position to reduce brand complexity by aligning brand identity with brand image.

The conceptual model explored three propositions to manage the brand identity-image congruence to reduce brand complexity. Extending theories identified with brand evolution, UGB, and brand image will aid in the strategic management of brand image through social media. There are implications for marketing practitioners to strategically position their brand image for the global arena. The model will aid marketing practitioners to leverage their target audience and capitalize on social media with a global message.

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# IMPACT OF USER CHARACTERISTICS ON SOCIAL MEDIA USAGE

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## *EXTENDED ABSTRACT*

Online social media sites have facilitated the shift of the internet from being solely a source of information to being an interactive platform for communication and collaboration. Further, these social media sites have also become a key component in organizations' interactive marketing strategy. This interactive marketing strategy encompasses multi-dimensional, interactive communication among social media site leaders, consumers, and the organization. Successful implementation of the organizations' interactive marketing strategy, then, is directly impacted by the flow of opinions, information, and ideas from the various users of these online social media sites. However, understanding of the various user characteristics on group interactions and usage in a social media setting and its impact on the organizations' interactive marketing strategy is limited.

Usage of online social media sites is growing rapidly yet is influenced by various user characteristics such as time management orientation, group interaction, group identification, and attitude toward social media each of which will have an impact on the organizations' interactive marketing strategy. Understanding the meaning of time to the user and how the user allocates their time affects how, when, and for how long the user interacts with the various social media sites. The users interaction with the social media site group members provides insights into how ideas and information are shared and developed. The group interaction construct typically comprises compliance roles whereby group members exert influence for specific behavior as well as internalization roles which are focused on aligning group values and beliefs. These roles and values create a unique group identity for the social media site. Thus, a user's attitude toward the social media sites can be formed by the tools and applications used to gather and share information and interact with other users on the social media site. This attitude can influence their intention to use and ultimate usage of the social media site as well as their interactions with other social media site participants.

The conceptual model that was developed focuses on various user characteristics and their relationships with social media usage. Understanding the antecedents of social media usage is important for the organization since this understanding is likely to provide marketers with significant managerial guidance regarding how to make social media communities useful and influential. Further, this understanding provides marketers with an opportunity to reach a multitude of users to share information, to learn about their perceptions of the organization's products and services, and to build new relationships with these users. With this understanding, marketers can become actively involved in the social media sites. Since these antecedents can be influenced by the time orientation of the social media site users, marketers can determine how to improve their social media sites to enhance the perception of time value of their social media sites.

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# EWOM DRIVES SOCIAL COMMERCE: A SURVEY OF MILLENNIALS IN US AND ABROAD

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## *EXTENDED ABSTRACT*

Social commerce, a subset of e-commerce, has exploded. Consumers now share information online (eWOM) through recommendations, reviews, ratings and referrals leading to purchases via social networking platforms. This study examines the role of eWOM in these consumer-mediated purchases. The results should help to understand the importance of eWOM in purchasing decisions made by Millennial shoppers.

Findings from a survey of Millennials show a large segment of young consumers using eWOM in the form of reviews, forums, recommendations and referrals coming through their social networking sites as a basis for their consumption decisions. These inputs significantly impact the decision of which companies or brands to “like,” “follow” or “pin.” eWOM also influences the purchasing of certain product categories more than others. Marketers should carefully examine the potential of the Millennial shopper and the role of eWOM in the explosion of social commerce.

This paper looks at eWOM and two related but distinct corollary behaviors to the buying process. It is posited that eWOM plays an important role in the pre-buying decisions on social networking sites including the decision of which products or brands to support. Additionally, eWOM-inspired purchases may tend to favor certain product categories in the buying process itself. Both of these buying related circumstances broaden our knowledge and understanding of eWOM and its importance in the digital world.

Given the potential of social commerce and the buying power of the Millennials, a study on this group and their propensity to make social inspired purchases, directly as a result of eWOM, could yield invaluable information from which to generate new marketing theory, strategy and best practices. The research questions driving this study are as follows:

- What role does eWOM play in motivating Millennials to like, follow or pin a brand or company?
- Do the likes, follows and pins shared through eWOM\_ trigger purchases by Millennials?
- Do certain product categories benefit more from eWOM than others?

One area of interest in this study is the impact of eWOM in the pre-buying condition of choosing to follow, like or pin a company/brand. A list of 10 motivators, generated from a review of online blogs focusing on social commerce, were provided and respondents were asked to indicate which influenced them across each of the social media platforms studied. They could choose only their primary motivator. The list included 3 motivators that describe receiving eWOM or providing it: Seeing my friends are already a fan, follower or have a Pinterest board; to share my interests and lifestyle with others; and someone recommended that I like, follow or pin the company/brand.

Of those purchases made after sharing something online, Millennials clearly prefer to buy products in the category of “Hair, Beauty and Apparel.” This is the category where the most purchases were made across the three platforms studied accounting for approximately half of all purchases.

One concern among retailers is that social commerce will encourage only online sales. According to the Millennials in this study, while eWOM takes place in the online environment, purchasing happens both on and off line. Some social influenced Millennials shop exclusively in stores. Sixteen percent of Twitter users purchase in-store only as compared to 13% for Pinterest and 12% for Facebook. All three platforms contribute to both online and in-store purchasing. Seventy-seven percent of Facebook users purchase both online and in-store as well as 66% of Twitter users and 63% of Pinterest users.

When it comes to ecommerce conversions triggered by social media, both online and in-store, retailers benefit. One in ten Facebook purchasers report using only the online channel. Twelve percent use only in store retailers while over three quarters use both channels. This pattern is repeated with Twitter and Pinterest purchases, although the Pinterest users are the most likely of the 3 platforms to buy exclusively online. The ease of purchasing, along with its new tools like “rich pins” for automatic updates and price drop notification on pinned items, makes Pinterest an attractive online buying site.

Millennials are definitely multi-channel shoppers. With the continued growth of mobile computing, purchases are increasingly being made through mobile devices. This study looked at buying behavior of Millennials through smart phones or tablets. Half of Millennials who make socially motivated purchases do so through their smart phones. One in four Millennials report using a tablet for these purchases. Clearly, mobile is an important factor in the social commerce movement among this generation.

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# WHY EMPOWERING SALESPEOPLE IS A DOUBLE-EDGED SWORD

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## *EXTENDED ABSTRACT*

Salespeople in business-to-business markets are given autonomy to manage firms' relationships with their customers. This autonomy implies that salespeople are responsible for making decisions that not only benefit but may also adversely impact customers (e.g., offer an account preferential treatment vs. terminate an established account). While numerous studies establish that autonomy (a critical facet of empowerment) has a positive impact on sales employee's job outcomes, this study investigates the possibility that salesperson autonomy also has undesirable effects on salesperson job outcomes because it makes them responsible for decisions that have adverse consequences on the customers they are charged with satisfying.

Specifically, this study explores salesperson autonomy's indirect positive (mediated by engagement) and negative (mediated by burnout) effects on salesperson job satisfaction, job performance, and turnover intentions. In addition, the study explores how three resources, namely, customer orientation, supervisor support, and job training, moderate salesperson autonomy's positive and negative effects on salesperson's job outcomes. In so doing, this research (1) builds on Job Demands-Resources theory to conceptualize salesperson autonomy as a job demand that salespeople can simultaneously perceive as a challenge and a hindrance, (2) contributes to the sales management literature by being among the first to investigate how and when job autonomy can have deleterious effects on salesperson job outcomes, and (3) extends the sales management literature by being among the first to examine how sales force activities influence stakeholders (in this case salespeople) other than customers.

The study addresses its research objectives via a field survey of business-to-business salespeople from across various industries recruited for participation from an online panel maintained by Qualtrics. The results of the field survey will be analyzed using PLS-SEM because of the exploratory nature of the study and the complexity of the proposed model.

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# HOMEWORK: HELPING THE OUTSIDE SALESPERSON BALANCE WORK AND HOME

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## EXTENDED ABSTRACT

Salespeople are known for their boundary-spanning role which leads to work family conflict. Most outside salespeople work out of the home which is another source of work/family conflict because of the diametrically opposed domains of work and home. Additionally, gaps in management strategies for work-family balance, boundary management, and issues of control have been identified as under-researched areas. In response to these gaps, this paper proposes a conceptual model to explain the salesperson's competing domains and proposes a path to work/family balance. Propositions for future testing with suggested scales are provided.

The conceptual model of this paper is grounded in work/family border theory, which postulates that, in order to achieve a balance between work and family balance, a homemaker (HW), must have a high level of domain expertise and knowledge in both work environment and home environment. In the model, domain expertise is the ability of the HW to understand the duties of both job and home. The HW's perceived control is positively related to the HW's work/family balance. The relationship between (home/work) domain expertise and perceived control is moderated by the employee's boundaries, while the relationship between domain expertise and work/home balance is mediated by perceived control. The propositions follow:

- P1: There is a positive relationship between domain expertise at work and homemaker's perceived control.
- P2: There is a positive relationship between domain expertise at home and homemaker's perceived control. P3: HW with high (low) perceived control will have high (low) work-family balance.
- P4: There is a positive relationship between domain expertise at work and work/home balance.
- P5: There is a positive relationship between domain expertise at home and work/home balance.
- P6: Homemaker's perceived control mediates the relationship between domain expertise at work and work/home balance.
- P7: Homemaker's perceived control mediates the relationship between domain expertise at home and work/home balance.
- P8: Boundary strength at work moderates the relationship between domain expertise at work and homemaker's perceived control.
- P9: Boundary strength at work moderates the relationship between domain expertise at home and homemaker's perceived control.

This paper answers the call in research for boundary management ideas by developing a conceptual model that explains the process for HW work. Based upon the model, enabling the HW to experience an increase in PC will lead to the HW's stronger work/family balance. Thus, the potential of the model is to help sales managers better understand which techniques support the HW's ability to have work/family balance which should contribute to retention, sales performance, and employee satisfaction. .

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# WHAT FACTORS IMPACT COLLEGE CHOICE? A COMPARISON OF STUDENT ATHLETES AND NON-STUDENT ATHLETES SELECTION CRITERIA

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## EXTENDED ABSTRACT

The US Department of Education found that, in 2009, 20.4 million people were enrolled in a degree-granting institution (US Department of Education, 2011). A college degree is an essential tool in today's economy. Whether it is a fresh high school graduate or a single parent returning to college to complete what they started years ago, a bachelor's degree is becoming what a high school diploma was 30 years ago. A student's selection of an educational institution is particularly important to small regional teaching institutions, where tuition dollars have a greater budgetary impact (Lyll and Sell, 2006). Previous research has examined why students choose 4-year institutions and community colleges, and how non-market leaders (i.e. small regional universities) compete with market leaders (i.e. large flagship universities) (Hoxby, 2005). The question this research seeks investigate is why non-student athletes choose a smaller regional school versus student-athletes. Do student-athletes have a different set of criteria when selecting a university and how can recruitment strategies is formulated to maximize enrollment for both groups?

Some children today have what is termed "college-going habitus" and know at a very young age that they will attend college in the future (Grotsky and Crumb, 2010). This group is largely composed of white, native-born children with college educated parents. For this group, recruiters need not spend time convincing potential students why they should attend college, but rather recruiters should focus on why these potential students should attend their respective institution. Once students have decided to attend a university, they must next choose which one will best fit their needs. The Maguire Associates survey found that in 2011 many students selected colleges based on the net cost after financial aid has been applied (Maguire, 2011). The net cost after financial aid is not a limiting factor when choosing a college. Potential students still place a lot of emphasis on the "value of education" that they receive (Maguire, 2011). As government budget cuts in education increase and university endowment funds decrease, smaller regional universities are forced to increase tuition to compensate for the loss in financial resources (Lyll and Sell, 2006). As the tuition rate at smaller regional intuitions increase to the high costs of larger flagship universities (the market leader), their "value" comes to question. In Mississippi, market leaders Ole Miss and Mississippi State have yearly tuition rates of \$6760 (University of Mississippi, 2013) and \$6722 (Mississippi State University, 2013) for in-state students respectively. While a smaller regional university, Delta State has a yearly tuition rate of \$6012 (Delta State University, 2013) for in-state students. If this trend continues, cost/value will not be the primary factor in a Mississippi resident's selection of which four-year institution to attend.

To help identify why non-student athletes selected a smaller regional university, we surveyed 148 students from a small regional university in the southeastern United States. The questionnaire contained both open-ended and closed-ended questions. One of the first questions asked help assess how students first heard of the regional institution. An overwhelming majority (45%) knew of the university from family members who had some connection to the university. The other two leading awareness influences for the university were admission recruiters (12.2%) and friends (12.2%). Other factors that were found to influence student selection was: small student-to-teacher ratio, majors available, cost of tuition and fees, closeness to hometown, scholarship money received, and ease of the admissions process. When students were asked, "In your opinion, what could be done to encourage students to attend this regional institution?" one of the top answers was to provide more on and off-campus activities. The majority of respondents said that there needs to be more advertising for these events so current students can get involved.

To help identify why student athletes selected a smaller regional institution; we surveyed 120 student athletes from three small regional universities in the southeastern United States. Overall the number one factor impacting

their decision to attend one university over the next was the coaching staff. In a close second was the winning tradition of the university. Scholarships and facilities rounded out the top four factors impacting the student athlete's decision. The least impactful factors on selection were parents liking the institution, the faculty at the institution, and whether or not family members previously attended the university.

For non-student athletes, with regard to student selection of a university we can follow the hierarchy of effects model and propose various actions smaller regional institutions can take to compete with larger flagship institutions. A majority of students surveyed indicated that they first heard of the university from family that had some association with the university. To this effect, universities should focus on building relationships with employees, alumni, and local families. According to Greene and Greene (2002), a National Association for College Admissions and Counseling study found that a student's decision to attend one university over another is influenced by the parents. Family members working for the university can be the university's greatest advocate in raising the awareness level of potential students. Another strategy that can be used to influence awareness is to deploy the admissions recruiter to an increased number of locations. Increasing the recruiter's visibility should help in increasing the awareness of potential students. With regards to the other non-financial factors that influence student selection, small student-to-teacher ratio, majors available, closeness to hometown, and ease of the admissions process, they can all be addressed in the marketing literature sent out by the university to potential students. For student-athletes the focus of marketing literature should be on the university's coaching staff, its winning tradition and the scholarship and facilities available. Unlike the non-student athletes, parental influence is not as impactful.

Overall, when assessing the students' decision to attend a regional university versus a larger flagship university, non-student athletes and student athletes have diverse judgment criteria. A university's marketing program should be aware of this and customize their promotional messages accordingly. Future research can expand on this study to help generalize the findings to other regional universities.

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# **INTERPERSONAL BEHAVIORS AND THE ROLE OF EMOTIONS IN SERVICE ENCOUNTERS— UNDERSTANDING SERVICE PROVIDERS’ EMOTIONAL LABOR**

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## ***EXTENDED ABSTRACT***

The current study focuses on understanding interpersonal behavior and experience of emotions during service episodes. Specifically, the research uses the Interpersonal Circumflex Model (ICM) as the guideline framework to examine how interpersonal behavior in service interactions impact on a service provider’s experienced affect and level of staff satisfaction in the workplace. In doing so, the study attempts to reveal the emotional labor process undergone by service providers, and provides implications on management of micro-level emotions.

The study design adopted a process approach, with the data collected across events in the dining room of a long-term care facility in Eastern Canada. The process comprises of an instant on-line observation of the provider-client interaction and a survey procedure to investigate the emotions and satisfaction of the staff. The interpersonal behaviors were observed and coded in accordance with the battery of 46 behavioral statements developed by Moskowitz (1994). The service providers’ experiences of emotions were surveyed and twelve different types of emotions were included.

The findings generally confirmed the view that agreeable and dominant behaviors are more socially and psychologically adaptive in predicting more pleasant affect. More interestingly, the findings provide evidence of emotional “burnouts” in several aspects. Firstly, it is discovered that dominance predicts positive affect only to a certain degree, beyond which higher dominance is associated with a decline of positive affect. Secondly, More dominant expressions from the service providers are associated with their experience of lower “pride” and “confidence”. Thirdly, friendly behaviors of the service providers lead to higher staff satisfaction only within a boundary point beyond which the relationship is reverted. The above research findings help shed lights on understanding and managing the micro-level interpersonal relationships and emotional labor in service settings.

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# THE DOUBLE EDGED SWORD OF FACEBOOK COMMUNITY SIZE: AN EMPIRICAL INVESTIGATION ON THE MECHANISMS OF SOCIAL MEDIA MARKETING FOR HIGHER EDUCATION

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## EXTENDED ABSTRACT

Marketing is becoming increasingly important for universities worldwide. New marketing activities include, for example, social media marketing on platforms such as Facebook. Interestingly, social media in the context of universities is a widely under-researched area. In this paper, we (1) explore how universities use Facebook. Furthermore, through an empirical study among 158 universities worldwide we (2) shed light on the mechanisms that drive liking and interaction on university brand pages. We use self-concept theory (Strizhakova, Coulter, and Price, 2008) and sociological research on online communities (Wellman et al., 1996) to guide our investigation. Our contribution is threefold: (1) this study contributes to the literature on marketing for higher education by providing a starting point for future research. (2) It also contributes to the extant literature that has focused on interactivity-drivers in social media marketing, by extending these findings with new constructs. Finally, (3) our research provides helpful suggestions for university marketers.

We used observational data from three sources to conduct the analysis: (1) 158 Facebook brand pages of the particular universities, (2) the university's web sites, and (3) the Times Higher Education Ranking 2012-2013. For each university in the Times Ranking that has English- or German speaking Facebook pages, we documented all kinds of official pages. Three approaches were used to identify these pages: First, we searched on universities' websites for links to Facebook pages. Second, we used the Facebook Search to identify official pages that are not linked from the university-website and/or other Facebook pages. Third, we conducted a Google search request using the university's name and the addition "site: facebook.com" as search terms to identify pages that include the university's name in Facebook. We assessed the quality of the collected data by re-analyzing 5% of all postings six weeks after the data collection. Those analyses reveal high levels of intracoder-reliability. Furthermore, we identified no substantial increase in interactivity in the analyzed postings during the quality checks.

The objective of the study was to empirically investigate the factors that account for the differences in universities' Facebook brand page interactivity and number of fans. Thus, this research provides contributions to research on online brand communities, as well as to marketing for higher education. In line with that, to the best of our knowledge, this is the first study investigating social media marketing in the context of higher education. Our study provides the basis for further research and contributes to the extant literature in several ways. From a managerial perspective, this study has several important findings. For example, our study clearly supports that the number of fans on Facebook is not a good indicator about effectiveness. On the one hand, too large of a social community might demotivate users to participate. And on the other hand, less interactive users are, due to Facebook's filter settings, less likely to receive page updates on their news-stream.

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# THE RELATIONSHIP BETWEEN POWER, MUTUAL RESPECT AND MUTUAL TRUST WITHIN CHANNELS OF DISTRIBUTION

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## EXTENDED ABSTRACT

This manuscript reports the results of a national survey of sales managers regarding the relationships of their firms with distributors. The relationships are examined considering levels of mutual trust, mutual respect, and power (coercive and non-coercive, exercised and unexercised) within the relationships. This study is an extension of a previous study that demonstrated a strong positive correlation (Pearson coefficient .299;  $p = .001$ ) between mutual respect and mutual trust in manufacturer-distributor relationships, and part of a much larger effort. We advance the earlier study by providing an empirical examination of mutual respect and mutual trust as related variables that could be critical to describing relationships between manufacturers and distributors, allowing for the possible influence of various types of power on those relationships.

The purpose of the study is split into three objectives. Specifically, we consider the possibility that (1) mutual respect is correlated with manufacturer or distributor power, in the perception of the manufacturers. We then pursue the possibility that mutual trust (2) is correlated with manufacturer or distributor power, in the perception of the manufacturers. Finally, (3) we consider the correlation of mutual respect with mutual trust allowing for the influence of power on the relationships between manufacturers and distributors.

We provide descriptive statistics and address the objectives by examination of Pearson correlations and partial correlations. As noted above, the study variables are examined as perceived by manufacturers regarding relationships the manufacturers have with their distributors.

Note that consideration of causality beyond the existence of correlation is beyond the scope of this study. Results and implications, limitations, and suggestions for future research are provided.

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# SERVICE QUALITY AND CHINESE TOURISTS: THE ROLE OF RELATIONSHIPS

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## **EXTENDED ABSTRACT**

The current study provides and tests an integrated model that examines two relationship quality constructs (overall customer satisfaction, customer-company identification) as mediating variables between Chinese tourists' lodging service quality perceptions and two outcomes (repurchase intentions, subjective well-being). The results of a study with domestic Chinese hotel guests provide support for the proposed model. Specifically, the results indicate that overall customer satisfaction fully mediates the relationship between perceived service quality and repurchase intentions and subjective well-being, respectively. Customer-company identification partially mediates the relationship between perceived service quality and repurchase intentions and subjective well-being, respectively. We provide empirical validation that customers do, indeed, identify with hospitality providers, and this, in-turn, provides positive consequences for both the service provider (i.e., repurchase intentions) and the customer (i.e., subjective well-being).

The research makes a number of contributions to the tourism/hospitality literature. First, it tests and demonstrates that perceived service quality plays a significant indirect role in the development of improved repurchase intentions, as well as greater customer subjective well-being in a lodging context. Previous literature focused on service quality has examined the relationship between service quality and customer behaviors, but has failed to examine customer subjective well-being as a consequence. Second, this study incorporates customer-company identification as a relationship quality construct and tests its mediating role in the effects of service quality on customer repurchase intentions and subjective well-being. This study, thus, extends our understanding of relationship quality by adding customer-company identification as a relational construct. To the best of our knowledge, previous empirical research in tourism/hospitality has not examined the potential mediating role of customer-company identification as a relational construct. Third, this study not only examines customer repurchase intentions as an economic outcome, it also proposes and investigates customer subjective well-being as a social outcome of service evaluation perceptions. This study extends previous service-based relationship marketing studies by broadening the traditional research perspective that focuses only on economic outcomes. Few studies have yet to explore the antecedents and mechanism of tourists' subjective well-being. This study proposes perceived service quality, as an antecedent of customer subjective well-being, and relational quality as both antecedents to customer subjective well-being and mediators of perceived service quality.

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# UNDERSTANDING THE SERVICE EVALUATION, CONSUMPTION EMOTIONS, AND BEHAVIORAL INTENTIONS RELATIONSHIP FOR CHINESE LOGGING GUESTS

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## *EXTENDED ABSTRACT*

The current study investigates how service evaluations impact customer responses in a hotel hospitality context. Based on a Stimulus-Organism-Response (S-O-R) framework, this research proposes that service evaluations (i.e., service fairness, service quality) elicit customers' affective states (i.e., positive emotion, negative emotion), which then contribute to their behavioral intentions (i.e., repurchase, word-of-mouth). The results of a study with Chinese hotel guests (n = 451) provide support for the proposed model. Specifically, service fairness has a significant effect on service quality and impacts behavioral intentions directly, but also indirectly through consumption emotions. Service quality has a direct effect on word-of-mouth intentions, and indirectly it impacts both repurchase and word-of-mouth intentions through positive emotion. Finally, findings indicate a repurchase to word-of-mouth intentions effect.

Findings support the view that poor service may not be perceived to be unfair, but unfair service is likely to be judged as substandard in quality. Our findings demonstrate that fairness not only directly affects behavioral intentions, but also indirectly impacts them via partial mediation of consumption emotions. Our finding that perceived service quality is a significant predictor of positive emotion but not a key determinant of negative emotion may be related to the importance of saving face in Chinese culture. *Saving face* refers to certain social practices that are followed to avoid being embarrassed or embarrassing others. The avoidance of confrontation and conflict that could occur through the demonstration of negative emotion is important to saving face. The importance of saving face may also help explain our finding that perceived service fairness, relative to perceived service quality, had a greater direct effect, indirect effect, and total effect on both emotion and behavioral intentions. Social status is particularly important for Chinese tourists, thus, fairness acts as an important driver providing the respect desired.

Given the hedonic nature of hospitality, the role of emotion is important. Hospitality marketers must think beyond simply providing accommodation and attempt to manage guest emotions to provide a more complete leisure experience. In hospitality-based services, such as lodging, guests interact with personnel as well as the physical aspects of the servicescape. As managers are well aware, contact employees can play a crucial role in determining the emotional responses of customers. Managers who wish to place increased emphasis on the importance of their customers' emotions and feelings should, therefore, be committed to effective management of their human resources, particularly their frontline staff. This should include investment in education and training to ensure that their staff members are fully aware of the importance of monitoring and managing the emotional responses of customers. Training in rapport building, empathetic listening skills, and conflict resolution may be useful in this effort.

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# HOW CUSTOMER SATISFACTION AND LOYALTY INTENTIONS ARE AFFECTED BY EXPIRED GROCERY PRODUCTS IN RETAIL STORES

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## *EXTENDED ABSTRACT*

Previous research suggests that food waste and dissatisfaction with retailers can occur due to consumer confusion over date labeling practices. The new trend of open-code-dating on food products leads many consumers to believe that products they have purchased are expired and therefore leads to food waste and decreased satisfaction with the grocery retailer. The relevant question for grocery retailers is this: How important is this decreased satisfaction? Do retailers need to be concerned about the inventory kept in stores and closely monitor dates on shelved products, or is this an avoidable expense either because the dates on goods will have little impact on consumer satisfaction, or because the impact on satisfaction is not likely to translate into lost sales for the grocery retailer?

A mail survey was conducted to explore these questions. Four hypotheses were considered: 1) Consumers will experience dissatisfaction when encountering expired goods; 2) Consumers will reduce purchase behavior at the retailer as their satisfaction is reduced; 3) Consumers whose spending dollars are more distributed across multiple grocery retailers will become more dissatisfied; and 4) Consumers whose spending dollars are more distributed across multiple grocery retailers are more likely to change shopping behavior. Preliminary findings of our research suggest that 1) Decrease in satisfaction depends on the type of shopper, and 2) Decrease in shopping behavior depends on the type of product. In general, the dissatisfaction caused by encountering problems with product dates appears to drive consumers to look for other grocery retailers and thus can lower sales for the offending retailer.

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# FORGING NEW GROUND--SALES EDUCATION IN THE WISCONSIN FLEX OPTION

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## ABSTRACT

*The University of Wisconsin system is offering a flexible degree program, which decouples the learning part of education from student assessment and degree-granting. The flex format is especially appealing for the many millions of busy American adults who already have significant knowledge or even some college credits, but no degree, not simply the 700,000 Wisconsinites who fall into this category. Many of these adults may need a degree to become eligible for promotions or raises, but simply don't have time for a traditional education. This paper discusses the emergence of a Sales Certificate in Flex Format at the authors' campus.*

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## INTRODUCTION

Colleges and universities are rushing to offer free online classes known as "massive open online courses," or MOOCs (Allen and Seaman, 2013; Daniel, 2012). But so far, no one has determined a way to stitch these classes together into a bachelor's degree. In response the University of Wisconsin system is offering a possible solution by decoupling the learning part of the education process from the student assessment and degree-granting parts. This innovation in offering a more flexible format is seen to be highly relevant to many of the 700,000 residents of Wisconsin (Wisconsin Flex Option, 2014) who possess some college or university credits but not 4-year degrees. More broadly this "flex" format option is especially appealing for the many millions of American adults with busy schedules who already have significant knowledge or even some college credits, but not bachelor's degrees. Many of these adults may need a degree to become eligible for promotions or raises, but due to work and/or family commitments, simply don't have time for the traditional classroom education. These degree seekers seek a more flexible option that allows them to earn a college degree more efficiently. Wisconsin public officials tout the University of Wisconsin Flexible Option as the first to offer multiple, competency-based bachelor's degrees from a university system. Competency-based education is different from traditional education in that it departs from a reliance on the credit hour, today's prevailing measure of student progress. The credit hour was popularized in 1906 by the Carnegie Foundation for the Advancement of Teaching as a way to measure faculty workload and determine eligibility for teacher

pensions. The credit hour was never intended as a unit of measure of student learning. And yet, it became just that. In contrast, Competency-based education turns the traditional model on its head. Instead of awarding credits based on how much time students spend learning, this model awards credits based on whether students can prove they have mastered competencies—the skills, abilities, and knowledge required in an area of study. (Wisconsin Flex Option, 2014). The University of Wisconsin-Extension has sought to enable students to advance their college educations through independent online courses, requiring no classroom time, except for clinical or practicum work for certain degrees. Students progress at their own pace by demonstrating mastery of competencies via online assessments. They can complete their degrees as fast or slow as their schedules allow and pay only a fixed tuition amount per semester. Students may attempt successful completion of key assessments using such learning resources as MOOC's that are recommended, but not required. (Porter, 2014).

## The Flexible Option Degree at the University of Wisconsin-Parkside

The University of Wisconsin-Parkside, a comprehensive university in the UW system is offering a Professional Studies bachelor's degree through its Flexible Option program. This degree requires 60 credits for completion, and is based on six "stackable" certificates. This program begins admitting students in November 2014, and begins course access in March 2015. Successful applicants to the program generally may possess either an Associate's degree (or equivalent credits) or significant related work experience in at least one of the six certificate areas. In order to receive

a Flex Option bachelor's degree, students must demonstrate mastery of the required competencies in four of the six certificates. Two certificates, in Sales and Global Skills, are prepared and ready to admit students. Four more certificates, in Project Management, Leadership, Professional Writing, and Professional Communication, are in development for completion within the next 2 years. Most of the six Flex Option certificate curricula are already offered in online or classroom format by the University.

The Flex Option certificates are essentially "pass/fail." However, successful students must pass every assessment in each certificate and, therefore, must exhibit a level of mastery expected by industry employers or professional organizations. Assessments and learning outcomes are designed and evaluated by qualified faculty in each area of study and students receive ongoing support from "Academic Success Coaches" trained to guide this non-traditional cohort through a very new format to all. Students must earn scores of 80% or better in all assessments in order to demonstrate mastery and competencies in each area of study.

Although the University of Wisconsin System is the first public system to offer flexible completion options, the University of Southern New Hampshire serves as exemplar for the growth potential of flexible delivery options. There are now at least 32,000 students enrolled online in USNH flexible degree program, nearly doubling the 17,000 students that were enrolled online in October 2012. The school's campus in Manchester, N.H., has 2,912 students enrolled -- a small increase from a year ago, but mostly holding steady. (Kinkade 2014), The UW Flex Option courses developed in the last year average an enrollment of about 30 students, but clearly the growth potential is significant.

### **The Sales Certificate at the University of Wisconsin-Parkside**

Sales is one of the top three careers for business graduates (Cummins, Peltier, Erffmeyer, & Whalen, 2013). Sales is also among the top five starting jobs for non-business college graduates with majors including such diverse areas as agriculture, art, biology, communications, computers, math, education, engineering, humanities, industrial arts, law, psychology, and social sciences (Carnevale, Strohl, & Melton, 2010). Hayes (2008) finds that more graduates of 4-year college programs in all disciplines find their first career positions in sales-related roles than in any other types of positions. The Sales Certificate at the University provides students of various business and non-business majors the opportunity to gain the

required skills for a Sales Career. As one indicator of the program's effectiveness, the University's Sales students have won 22 awards at National Sales Competitions, as of this writing.

The University has offered a Sales curriculum since 2008 and a Sales Certificate since 2010. The University's Certificate program is accredited by the Sales Education Foundation. It is one of only three SEF-accredited programs in the State of Wisconsin, and one of only 63 in the U.S. The certificate consists of three courses- Personal Selling, which is a pre-requisite for Selling of Financial Services and Advanced Personal Selling. The prerequisite for Personal Selling is Principles of Marketing and the prerequisite for Principles of Marketing is Micro-Economics.

### **Challenges and Opportunities in Development of the Flex Option Sales Certificate**

To adapt the Sales Certificate to the Flex Option required delivery in a fully online format All Flex courses are offered in only online primarily due to the "all you can complete" in one semester for a fixed price format. To accomplish this, two of the co-authors adapted the curricula of the two pre-requisite courses (Micro-Economics and Marketing Principles) as well as the three Sales Certificate courses to the competency-based model. This required adapting current course content, which was often copyrighted, to a more generic format where concepts which required mastery were less related to not just one text book,. This process ensured that competencies assessed were both broadly available through a variety of sources (such as popular MOOCs, frequently used texts, and Internet sources) and in alignment with the standard of mastery.

### **Core Competencies and Assessments**

Like all Flex Courses the process started with developing the core competencies for which an industry employer would expect a sales professional to be able to demonstrate mastery This is a primary difference between traditional and flex design in that most traditional course learning outcomes are determined by one or a few text books.. The Sales Certificate Advisory Board, a group of fifteen Sales professionals representative of the community the University serves, met in January 2014 and identified ten broad competencies that they considered essential for success in a Sales career. (See Table 1) The course designers then discussed the specific assessment type that would assess each broad competency.

**Table 1. Core Competencies and Assessment Types Identified by 15 Sales Professionals at the Sales Certificate Advisory Board in January 2014**

- Time management – In Basket Exercises
- Product knowledge – Tests and Role Plays
- Sales process knowledge- Tests and Role Plays
- Competitiveness- Role Plays
- Passionate –Role Plays. Essays
- Leadership –Team Exercises (More applicable to Leadership Certificate)
- Confident –Pre-post sales related self-efficacy measures (per Knight, Mich, and Manion, 2014)-
- Adaptability-Role Plays
- Communication Skills- Role Plays, Call Plan Scripts, Written Sales Proposals
- Attitude-Self Reflection of HR Chally Assessments, Role Plays, Essays
- Prospecting abilities-Sales Contests

The broad competencies were then categorized in relation to the traditional areas of study in the Sales Curricula and the Sales Certificate and to the assessments and learning outcomes formulated. The designers also were cognizant of the requirement to

**Table 2. Competencies Related to Territory Management, with Related Assessments and Learning Outcomes**

Broad Competencies Assessed:	Bloom's Taxonomy Level of Assessment
Time Management and Sales Process Knowledge	
<i>Assessments- 2 versions.</i>	
<i>(Must demonstrate mastery in first or second attempt)</i>	
<i>-20 multiple choice -2 sets</i>	
<i>- 6 short answer questions-2 sets</i>	
<i>- 1 integrated mini case-</i>	
<i>Territory Management Plan-2 sets</i>	
<i>- "In Basket Exercise"-prioritize and schedule 20 sales related tasks to maximize efficiency -2 sets</i>	
Learning Outcome 1-Explain how to set territory goals and objectives	Level 2

"scaffold" assessments so that varying levels of Bloom's taxonomy were being assessed for each competency. A sample design matrix for competencies related to content on territory management, with related assessments and learning outcomes is shown in Table 2.

to maximize territory productivity	
Learning Outcome 2-Explain how to perform territory analysis.	Level 2
Learning Outcome 3-Explain how to perform account classification	Level 2
Learning Outcome 4-Explain how to implement selling task and activity plans	Level 2
Learning Outcome 5-Explain how to establish territory routing plans	Level 2
Learning Outcome 6-Construct an account classification plan	Level 6
Learning Outcome 7-Construct a daily schedule of sales activities	Level 6

#### Assessment Design

The specific assessments were all authored by the course developers and the assessments were evaluated by UW Extension support staff who is subject matter experts in Flex design. The support staff also facilitated loading to the content to the Learning Management System website. All Flex Option courses are developed in a similar fashion.

The UW Extension support staff who were subject matter experts in Flex design suggested formulating the assessments based on two criterion: validity, the that assessment measures what is desired

and student engagement, that students can prepare efficiently and feel the assessments are fair.

Three additional criteria were identified to guide assessment design:

1. Alignment- Students use the list of learning outcomes to determine what learning resources to use and to assess their own level of preparedness for an assessment. Several authors “see the linking of assessment to instruction as the cornerstone of success for the implementation of competency-based education” (Baartman et al., 2006). This alignment is especially important in the Flexible Option program because it does not include a traditional instructor.

2. Complexity- One of the Flexible Option Program’s premises is that students are “held to the same rigorous standards that apply to all UW degrees” (Wisconsin Flex Option, 2014), which means that assessments must be designed to measure student mastery. A student who truly has little or no proficiency in a given area should not be able to pass an assessment by making educated guesses or looking for patterns in questions or tasks (Baartman et al., 2006).

3. Authenticity- In its simplest form, authenticity means the degree to which an assessment resembles professional thought and practice. There are at least five aspects of any assessment task that can be adjusted to increase authenticity: (Wisconsin Flex Option, 2014)

- The task. Whatever students are asked to do should in some way mirror professional thought and practice.
- The context. This includes what kinds of resources students can use, how much time they can spend on a task, and the physical or virtual environment.
- The social context. Assessment tasks can be individual or collaborative, and assessment writers to consider which best mimic professional practice.
- The result. Whatever students produce should in some way establish fidelity to the profession under investigation.
- The evaluation criteria. Students should be graded on characteristics of their work that would be relevant to subject matter experts.

### **Sales Role Plays**

One of the biggest challenges in the development of the Flex Option Sales Certificate has been replicating the extensive use of role plays between a seller and buyer in the sales classes. As noted in Table 1 role plays were identified often as a key technique to assess core sales competencies and role-plays have become a traditional mainstay of experiential sales training (Inks & Avila, 2008; Moncrief & Shipp, 1994; Sojka & Fish, 2008;

Widmier, Loe, & Selden, 2007), becoming particularly effective when students are able to receive constructive feedback and reflect upon their role-play performance (Peltier, Hay, & Drago, 2006). The developers provided video role plays for Flex students to critique to assess understanding of best practices in sales techniques. Students will also have the opportunity to compete a capstone assessment which would require students to prepare for a complex B2B sales call and then conduct the sales call via a webinar platform similar to Go To Meeting or Web Ex. This method of conducting role plays should prove to be a timely innovation provided as a byproduct of the unique flex format. The Harvard Business Review released research study data in late 2013, (Martin 2013) in an attempt to better understand the “trend that is changing sales,” as they called it – the switch to an inside sales model. They conducted in-depth interviews and extensive surveys with over 100 vice presidents of sales at leading high technology companies and business services providers, which resulted in detailed insights about the evolution of sales organizations. Over the past two years, 46% percent of study participants reported a shift from a field sales model to an inside sales model, while 21% reported a shift from inside sales to a field sales model. More than twice as many study participants reported moving to an inside sales model.

Three primary market drivers are giving momentum to inside sales according to the study:

First, B2B sellers feel competitive pressures to cut costs, with 60 percent of respondents citing profit margin as a primary factor driving the migration from field to inside sales.

Second, new technology advancements were cited by 54 percent of the respondents. Advancements like video conferencing, social media, demand gen and marketing automation tools, all make it easier for companies to create customer connections without field interactions.

Third, B2B buyers are becoming more accepting of remote selling processes according to 47 percent of respondents. Buyers use the web to research product information, are more comfortable communicating with sellers via email, phone and web conferencing, and in fact often prefer these methods to face-to-face interactions.

Given the trend toward inside sales and use of Sales Technology, a demonstrated competency in utilizing web conferencing to facilitate the selling function would seem to be highly desirable to employers yet currently developed by few collegiate sales programs.

### **CONCLUSIONS**

Delivery of the Sales Certificate in Flex format should lead a path for future innovations in the growing Sales Education field, both in terms of use of technology and reaching new cohorts. The authors are anxious to share further developments with the field as they occur

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# ANTECEDENTS OF COMMITMENT

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## ABSTRACT

*This paper attempts to establish identity similarity, identity distinctiveness, and prestige as antecedents to Meyer and Allen's (1997) three dimensions of commitment: affective, normative, and continuance. The three dimensions of commitment have previously been found to drive purchase intention (Bansal, Irving, & Taylor, 2004). Additionally, this paper will attempt to determine if any of these antecedents are stronger predictors of normative commitment. This type of commitment was found to correlate most with turnover intention (Bansal et al., 2004), yet less is known about it compared to affective and continuance commitment (Meyer, Stanley, Herscovitch, & Topolnysky, 2002). Methodology and measurement items are discussed.*

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## INTRODUCTION

Bansal et al. (2004) found that three dimensions of commitment are good predictors of customer switching intentions in service environment. Based on Meyer and Allen (1997), Bansal et al. (2004) were able to confirm that affective, normative, and continuance commitment are all antecedents of customers switching or turnover intentions. Customers with higher levels of commitment were less likely to leave a service relationship. Furthermore, normative commitment was found to be the strongest predictor of turnover. However, since normative and affective commitment generally are closely associated, it has been difficult to find antecedents that effect normative commitment more than affective (Meyer et al., 2002).

Company-consumer identification has been proposed to be a strong driver of loyalty (Bhattacharya & Sen, 2003). Company similarity, distinctiveness, and prestige should all independently correlate positively with commitment. The paper will attempt to link these three dimensions of identity to commitment. Specifically, this study would like to find which, if any, of these three dimensions best predicts normative commitment.

### Consumer Commitment

Dwyer, Schurr, and Oh (1987) defined commitment as "an implicit or explicit pledge of relational continuity between exchange partners" (p. 19). This attitudinal construct acts as a mediator between its antecedents and behavioral intentions (Ajzen & Fishbein, 1970); commitment guides customers' decision making. This guiding action works as both a stabilizer and directional force towards a purchase decision (Meyer & Herscovitch, 2001).

Commitment is treated differently from motivation in that it works independently of and often in conflict of other motives (Brickman, 1987; Brown, 1996; Scholl, 1981). Often committed individuals may behave differently than what their self-interest may warrant (Meyer & Herscovitch, 2001).

Even though commitment has long been established as a multidimensional construct outside of marketing literature (Adams & Jones, 1997; Meyer & Allen, 1997; Meyer & Herscovitch, 2001; O'Reilly & Chatman, 1986) and in business-to-business research (Gruen, Summers, & Acito, 2000; Gundlach, Achrol, & Mentzer, 1995; Wetzels, de Ruyter, & Lemmink, 2000), most prior consumer literature treated consumer commitment as a unidimensional construct. Gruen et al. (2000), and later Bansal et al. (2004), extended the idea of multidimensionality into the consumer realm using Meyer and Allen's (1997) three-dimensional model.

Meyer and Allen (1997) found that commitment is made up of three components: affective, normative, and continuance. The three are separate psychological states; affective commitment is a desire-based attachment, normative commitment is an obligation-based attachment, and continuance commitment is an obligation-based attachment (Bansal et al., 2004). Customers might stick with a service provider because they want to, they ought to, or because they have to, respectively. Gruen et al.'s (2000) work supported the idea that the three-component model is applicable to marketing while Bansal et al. (2004) found more specifically that the three types of commitment affect customer switching intentions.

In their analysis of commitment, Bansal et al. (2004) also looked at several antecedents of the three types of commitment. They found that trust acted as a driver of affective commitment. However, despite

previous work connecting job satisfaction and commitment (Meyer et al., 2002), a connection between consumer satisfaction and affective commitment was not found (Bansal et al., 2004).

Bansal et al. (2004) also used the concept of “subjective norms” (Fishbein & Ajzen, 1980) to strengthen Meyer and Allen’s (1997) definition of normative commitment. Subjective norms refer to a desire to preform or behave in a way that is acceptable to one’s peers. It is similar to Meyer and Allen’s (1997) belief that normative commitment is in part driven by social norms individuals derive from others. Subjective norms had previously been shown to drive switching intentions (Bansal & Taylor, 1999) and Bansal et al. (2004) were able to show that subjective norms are a direct antecedent of normative commitment.

Similar to “constrain-based relationships” (Bendapudi & Berry, 1997), associated costs of leaving a relationship are drivers of continuance commitment (Meyer & Herscovitch, 2001). If leaving a relationship is too expensive, it is more difficult for a customer to switch providers. Bansal et al. (2004) found that switching costs are associated with higher levels of continuance commitment in a service market setting. However, unlike Meyer and Allen’s (1997) predictions, a lack of alternative options did not significantly correlate to continuance commitment (Bansal et al., 2004).

Of the three types of commitment, Bansal et al. (2004) found that normative commitment is the strongest predictor of turnover intentions. However, finding unique antecedents to this dimension of commitment has been rare (Meyer et al., 2002), especially in a consumer setting. This paper wishes to use concepts found in identity literature that might better predict normative commitment compared to affective and continuance commitment.

### **Identity Theory**

According to identity theory, people have a fundamental need to seek a self-identity (Bhattacharya & Sen, 2003). Furthermore, this need often motivates customers to actively search for companies in which to identify with (Dutton, Dukerich, & Harquail, 1994; Pratt, 1998). This search for self is part of an overall cognitive self-categorization that many people go through. Bhattacharya and Sen (2003) believe that there are four key antecedents to driving customer-company identification: identity similarity, identity distinctiveness, and identity prestige.

#### **Identity Similarity**

Pratt (1998) found that customers are more likely to be attracted to a company who’s identity closely matches their own. Self-relevant information is easier for customers to recognize, process, and retrieve

(Markus & Wurf, 1987). Furthermore, similar companies enable customers to express their own important values and traits (Pratt, 1998). Companies with identities close to their customers should have higher levels of commitment than those who do not. The identity literature does not distinguish different types of commitment, however. This study will establish show similarity effects the three levels of commitment (affective, normative, and continuance) and to which relationship is strongest.

H1. Higher levels of company similarity will positively influence its customers’ level of:

- a. affective commitment
- b. normative commitment
- c. continuance commitment

H2. The effects of similarity on normative commitment will be stronger than the effects on either affective or continuance commitment.

### **Identity Distinctiveness**

Identity theory also states that people have a need to distinguish themselves from others (Tajfel & Turner, 1985). Distinctiveness of a company should also increase company attractiveness (Brewer, 1991). Furthermore, because distinctiveness is relative to other companies, a company’s own distinctiveness is a function of both its own identity and the identity of those around it (Bhattacharya & Sen, 2003). Therefore, customers should be more committed to distinctive companies.

H3: A company’s level of distinctiveness is positively associated to its customers’ level of:

- a. affective commitment
- b. normative commitment
- c. continuance commitment

H4: The effects of distinctiveness on normative commitment will be stronger than the effects on either affective or continuance commitment.

### **Identity Prestige**

Prestige refers to customers’ perception of other people’s opinions of the company they buy from (Bergami & Bagozzi, 2000). Customers want to believe that their peers think that the company they are buying from is well regarded. The need for self-continuity is associated with self-enhancement (Khuda, 1999); this is often met from buying from companies with high prestige. Customers consider that prestigious companies reflect well on themselves and are therefore more likely to keep purchasing from them. This study will test the effects of prestige on the three dimensions of commitment.

H5: Higher levels of company prestige positively influence customers’:

- a. affective commitment
- b. normative commitment
- c. continuance commitment

H6: The effects of company prestige on normative commitment will be stronger than the effects on either affective or continuance commitment.

## METHOD AND MEASURES

Bansal et al. (2004) gathered their data from survey items administered to customers from a large auto-repair chain. To increase external validity, it would be useful to survey customers from a wide array of service companies to capture a wider variety of industries and make the findings more generalizable.

Like Bansal et al. (2004), I would model my normative commitment items after Meyer and Allen’s (1997) scale.

### *Items for Normative Commitment*

1. Even if it were to my advantage, I do *not* feel it would be right to leave X now (*strongly disagree . . . strongly agree*)
2. X deserves my loyalty (*strongly disagree . . . strongly agree*)
3. I would feel guilty if I left X now (*strongly disagree . . . strongly agree*)
4. I would *not* leave X right now because I have a sense of obligation to them (*strongly disagree...strongly agree*)

### *Items for Affective Commitment*

1. I do *not* feel “emotionally attached” to X (reverse coded) (*strongly disagree . . . strongly agree*)
2. I do *not* feel like “part of the family” with X (reverse coded) (*strongly disagree . . . strongly agree*)
3. I do *not* feel a strong sense of “belonging” to X (reverse coded) (*strongly disagree . . . strongly agree*)

### *Items for Continuance Commitment*

1. It would be very hard for me to leave X right now, even if I wanted to (*strongly disagree . . . strongly agree*)
2. Too much of my life would be disrupted if I decided I wanted to leave X now (*strongly disagree . . . strongly agree*)

3. I feel that I have too few options to consider leaving X (*strongly disagree . . . strongly agree*)

As for the identity related items, Bhattacharya and Sen (2003) developed items based on trait adjective literature (O’Reilly, Chatman, & Caldwell, 1991; Sen & Bhattacharya, 2001).

### *Identity Similarity*

1. I recognize myself in Company X
2. My sense of who I am matches my sense of Company X

### *Identity Distinctiveness*

1. Company X has a distinctive identity
2. Company X stands out from its competitors

### *Identity Prestige*

1. Company X is a first-class, high-quality company

From the survey results, I will be testing the proposed model using structural equation modeling. In testing hypotheses 1, 3, and 5, I will be measuring the covariance between each of normative commitment, affective commitment, and continuance commitment and identity similarity, distinctiveness, and prestige. For instance, a significant relationship between the constructs affective commitment and identity prestige would support hypothesis 5a. A significant relationship between continuance commitment and distinctiveness would support hypothesis 3c.

Furthermore, to test hypotheses 2, 3, and 4, I will be comparing the covariation between normative commitment and the three identity constructs against the covariation of the other two levels of commitment on the three identity constructs. For instance, if identity similarity covaries more strongly with normative commitment, hypothesis 2 will be supported. Hypotheses 2, 3, and 4 are important because no previous literature has found antecedents that tie to normative commitment better than the other forms of commitment. Finding antecedents to normative commitment is important, because it is the strongest predictor of customer loyalty (Bansal et al., 2004).

### *Implications*

First, this paper will indicate whether or not three dimensions of company-consumer identification (similarity, distinctiveness, and prestige) are antecedents of commitment. More specifically, the

results will tell us which of Meyer and Allen's (1997) three dimensions of commitment are effected. These results will be important for service firms as all three dimensions have been shown to drive purchase intentions (Bansal et al., 2004).

Out of the three dimensions, normative commitment has been shown to most strongly drive switching intentions (Bansal et al., 2004). However, finding antecedents that correlate to normative commitment more strongly than affective commitment have been elusive (Meyer et al., 2002). Finding that similarity, distinctiveness, or prestige covary with normative commitment over the other two dimensions would give researchers and managers an important new tool in both studying and implementing service relationships.

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# RETRENCHMENT IN HIGHER EDUCATION: PUBLIC PERCEPTIONS AND MARKETING IMPLICATIONS

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## ABSTRACT

*Many institutions in higher education are actively engaged in the retrenchment process; that is, eliminating, redacting or restructuring administrators, staff, faculty, programs and services in order to achieve financial stability. This research examined public perceptions of retrenchment by conducting a series of modified Delphi groups. Results suggest a public awareness and belief that retrenchment will not impact academic or experiential quality. Presented is REDUCE – a retrenchment strategy and process for university administrators and marketing professionals.*

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## INTRODUCTION

In the ever changing environment of higher education, business strategies and practices are now commonplace. The strategy of retrenchment – the reduction or elimination of unprofitable programs, services or products – is the focus of this research. Specifically, the marketing implications of a university's strategy of retrenchment are examined.

## LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

For clarity and conceptual understanding, retrenchment in higher education is eliminating, redacting or restructuring administrators, staff, faculty, programs and services in order to build a sustainable financial future for the institution (Kavanah, 2013). The strategy of retrenchment is not a new phenomenon, and has been anticipated for at least four decades, given the Census data forecasting a declining student population from which to recruit (see Balderston, 1974; Baldrige & Tierney, 1979).

Due to the historical reality of declining enrollments, colleges and universities have engaged in the marketing and recruitment of students since the mid-1970s (Kotler, 1975; Stark, 1977; Fiske, 1979). Western Interstate Commission for Higher Education (WICHE) in 2012 released their 8th edition of high school graduate forecasting for use by policymakers, enrollment managers, college counselors, schools and school districts, researchers and the media. WICHE summarizes the trending decline in college applicants

as threefold: 1. Declining high school graduation classes; 2. Insufficient academic preparation; and 3. Inadequate personal or family finances. As a result, marketing strategies have become more sophisticated and aggressive over the years, as illustrated by numerous researchers, analysts and practitioners (Chapman, 1981; Jugenheimer, 1995; Kittle, 2000; Pampaloni, 2010). Moreover, the Journal of Marketing for Higher Education is devoted exclusively to the profession.

College and university retrenchment strategies, however, can be portrayed as a more draconian effort to confront “the crisis in higher education” (Coy, 2014). Slaughter examined the practice over twenty years ago (1993a; 1993b) and found the rationale for the decisions to be debatable and the results to be inequitable. Sharrock (2014) examined retrenchment efforts in Australia and reports that union and staff opposition often leads to intense media scrutiny. As a result, he recommends the posing and answering of four critical questions prior to any retrenchment effort: (1) Does it demonstrate a respect for people and their work?; (2) Will it support the academic mission?; (3) Is the process of decision-making consistent and fair?; and (4) Is it a strategic necessity for the institution? Given the likely media scrutiny of retrenchment efforts; for example, when the public media actively cover students and faculty sit-ins over retrenchment efforts Schackner (2013) – it is somewhat surprising to discover a relative paucity of research examining public perceptions and the concomitant marketing implications of a university's retrenchment strategy. However, management research demonstrates that

special interest groups will organize, become vocal and scrutinize all attempts to downsize (Cameron, 1994). Yet, Cameron (1994) found that the perception of organizational effectiveness improves when a company performs a systematic analysis, implements increments, facilitates open communication, increases employee involvement in the process, advances concepts of quality and creativity for long term solvency, involves the stakeholders/customers and officially establishes long-term goals.

### **RESEARCH PURPOSE AND QUESTIONS OF INTEREST**

The purpose of this research is to examine public perceptions of university retrenchment and ascertain potential marketing implications. This review uncovered a modicum of research examining marketing strategies relevant to retrenchment. It is therefore hypothesized that research participants will discuss retrenchment vis-à-vis the quality of the educational experience. For example, it is known that organizations can secure a differential advantage with superior quality offerings (Reed, Lemak & Mero, 2000). Moreover, if retrenchment plans enhance quality perceptions, consumer attention and behavior will be positively influenced (Mittal & Kamakura, 2001). This perceived quality enhancement will likely engender customer (i.e., student) satisfaction, resulting in greater customer loyalty, revenue growth and profitability (Heskett, et.al., 2008). Other research indicates approximately 60% of students identify school atmosphere as the determinant factor in the decision to attend (Pampaloni, 2010). Therefore, if participants perceive retrenchment as a means to enhancing educational quality or institutional atmosphere, the effect could be positive. Finally, if cost cutting initiatives are thought to increase students' ROI, positive perceptions are likely (see Chabotara & Honana, 1990).

Specifically, six research questions are addressed: (1) Will a university's retrenchment plans influence the quality of education?; (2) What would be an indicator of university quality?; (3) Will retrenchment result in students changing their decision to attend a university?; (4) Will retrenchment influence how a student feels about a university?; (5) What should a university try hard not to eliminate in retrenchment?; and (6) What will be the financial implications of retrenchment for students? The overall goal is to assess the questions posed and provide a rich database for future hypothesis development.

### **METHODOLOGY AND STATISTICAL ANALYSIS**

This research employed a modified Delphi focus group technique to determine stakeholder participants' perceptions, thoughts, feelings, opinions and beliefs toward university retrenchment efforts. The use of focus groups is common, particularly for future hypothesis development and testing (Morgan, 1997). Since no relevant literature was found that tested hypotheses pertinent to retrenchment outcomes, the use of modified Delphi groups is warranted. Delphi techniques differ from the traditional focus group method in that participants receive summaries, previous comments or results and then asked again to discuss the new information (Rowe & Wright, 2001). This iterative approach permits a narrowing down of essential themes by having participants evaluate and re-evaluate outcomes.

All Delphi groups were convened and conducted on the same day with participants attending a pre-college exploration workshop held at a local library conference center in the Midwest. The four groups of participants included the following: (1) Prospective students, sophomores or juniors in high school (n = 14); (2) Current college students, sophomore thru graduate status, accompanying their siblings (n = 16); (3) Counselors, employed at the high school level (n = 11); and (4) Parents, defined as grandparents, step-parents and guardians (n = 18). All participants were volunteers (N = 59) and the facilitator enjoys over 20 years of professional experience; two undergraduate research assistants assisted the facilitator.

The researcher facilitated four open-ended Delphi groups and an open-forum. This process allowed each group of participants to discuss thoughts, concerns or feelings related to retrenchment. Each group was given a brief definition of retrenchment and the six research questions for discussion. Each group was informed that they were free to explore or discuss any additional issues that surfaced. In addition, the latter half of each group (after the first) was reserved for reviewing information from the previous groups and participants were encouraged to process the new information. Finally, all participants (N=59) were invited to review in totality the findings and "recommend or develop" an appropriate marketing plan for institutions of higher education. This final group was operationally defined and processed as an open-forum, given the n = 36, a subset of the original 59. All findings were then clustered according to conceptual areas.

### **RESEARCH FINDINGS**

All groups were aware of retrenchment. Prospective students reflected on how their high school exacted course fees, pay-to-play athletics and activity fees, due to levy failures. Current college students were the most vocal discussing reductions in student

services like activities, landscapers/grounds keepers and cleaning staff. The counselors posed their own specific response back to the facilitator in the initial focus group, “What you are really asking is – would you be more likely to cut or reduce faculty or majors with low graduation numbers or student services like tutoring, student activities, health services or recreation

center hours?” Of the total 59 participants, 54 chose to eliminate faculty or majors given this specific option ( $p < .0001$ ). The collective responses of between-group agreement, representing the six research questions, are delineated in Table 1.

**Table 1. Collective Responses: Research Questions**

<p><b>1. Will a university’s retrenchment plans influence the quality of education?</b> All groups did not feel that the quality within their major would suffer; however, all expressed an expectation that changes in student services, fees and university maintenance would negatively impact students. Both prospective and current students discussed their experience listening to faculty complaining in class about cuts and up-coming cuts and having no input into the outcomes. Participants were worried about a hidden “ripple-effect” – although it was non-specific.</p>
<p><b>2. What would be an indicator of university quality?</b> Participant responses canvassed seven conceptual areas, listed in rank-order, from most reflective to least: i) Job/Graduate School placement rate; ii) Retention rate; iii) University Appearance and Maintenance; iv) Academic profile of university (ACT/SAT); v) Alumni giving rate; vi) Faculty publications/patents/businesses; and vii) University endowment.</p>
<p><b>3. Will retrenchment result in students changing their decision to attend a university?</b> All participants agreed that they would only change their decision to attend a specific university if their major were dropped or department was planned to be phased out. However, all participants discussed how students change their majors multiple times in college. Many discussed how students can design-their-own majors.</p>
<p><b>4. Will retrenchment influence how a student feels about a university?</b> The general response was NO. However, participants reframed the question as, “Why would a student decide to attend a specific university?” Listed in rank-order were: University Reputation (not specific to academics, e.g. party school, town-gown relationship, sports, etc.); Safety; Location; Scholarship; Financial Aid; and Student Life.</p>
<p><b>5. What should a university try hard NOT to eliminate in retrenchment?</b> Participants reframed this question to, “What should be eliminated?”, viz., “over-paid or useless” administrators; “over-the-top” sport facilities and “designer majors” for “sub-populations”. Areas NOT to eliminate fell under the banner of student services: housing facilities; health centers; counseling; tutoring; recreation services; clubs; and security. However, participants stressed that administrators should never eliminate a program that defines a university.</p>
<p><b>6. What will be the financial implications of retrenchment for students?</b> All participants believed that their individual cost will still increase with retrenchment; most participants expressed suspicion when a university announces cost-savings measures. Counselors, parents and current students discussed how universities announce no increases and even reductions, but their student bills always mysteriously increase. Private institutions were viewed with more suspicion.</p>

Table 2 highlights unique statements made by each participant group. Statements reflect both distinctive

insight and a high intensity group discussion. All comments reflect negative assumptions, sentiments or perceptions related to retrenchment.

**Table 2. Participant Groups' Foci and Discussion**

<p><b>Prospective Students:</b> It is appropriate for private institutions to cut or restrict majors in retrenchment – but not public institutions. Public institutions should not cut programs just because of low numbers. A public institution has expansive moral and economic obligations to both the student and society. A student should be able to “make-their-own major”. These high school students reflected on experiencing cuts in their high schools resulting in low teacher morale, specifically, with no increases or freezing of teacher salaries. However, they were unsure of how the faculty pay-structure worked. All agreed that faculty make “a lot of money”, and this should not be an issue.</p> <p><i>Secondary Topics included:</i> universities not accepting post-secondary credit and overly restrictive housing options. In addition, if retrenchment did not affect them personally, they were “okay” with it.</p>
<p><b>Current College Students:</b> They have watched and experienced cuts at their respective universities. Reflected on how administrators say cuts are “across the board,” but that is never true – and if it were, “it still doesn’t make sense”. Focused on losing student services even though they pay a fee for most of them. For example, they discussed restricted hours for the health or recreation center. They were aware of many security, cleaning and maintenance staff being eliminated. Reflected on relating to these university employees as peers, mentors or even family. There are so many tenured faculty or departments that the university cannot remove for many reasons. Expressed frustration with the course/faculty/university evaluation process because nothing ever seems to be done as a result.</p> <p><i>Secondary Topics included:</i> extending the length of time required to live on campus, extra charges and fees, cancelling traditional entertainment activities, reducing hours of operations for student related services or reducing on-campus employment opportunities; cancelling courses because of low numbers which often results in delayed graduation. Eliminating certain majors could affect diversity on campus.</p>
<p><b>Counselors:</b> They are aware of marketing and promotional techniques used to recruit students. They worried mostly about two areas: (1) students were going to have restricted or limited choice for social or developmental activities that lead to personal development; and (2) retrenchment would result in fewer adjunct professors with “real-world or work experience” – limiting students’ professional development and networking activities.</p> <p><i>Secondary Topics included:</i> sustainability; alumni privileges and restrictions; and enticing students to enroll at non-Division 1 colleges so they can play sports – no or limited scholarship – in essence, a pay-to-play concept. Using a student’s desire to play sports to drive enrollment and ultimately improve the university’s financial solvency was viewed as wrong.</p>
<p><b>Parents:</b> Discussed the need to dialogue “honestly” about retrenchment ideas or plans with all the stakeholders. A focus on the total quality of the educational experience, both in and outside the classroom. Concerned about job or graduate school placement and any cut that would interfere with student success. Return on investment (ROI) ignited a heated discussion regarding whether advisors or core faculty would counsel and persuade students (i.e. their children) to major in areas with no long-term ROI – just to prevent eliminating majors and save faculty positions.</p> <p><i>Secondary Topics included:</i> use of teaching assistants; larger class-size; limited career placements; little networking; questionable decisions related to sustainability; large salaries for administrators, coaches; and ballooning budgets for sports programs.</p>

Table 3 reflects the conceptual areas found when clustering comments and discussion of the 59 total participants and introduces the REDUCE strategy for the marketing of institutional retrenchment. Table 4

specifically highlights the degree of agreement (i.e., yes/no; = 1/0) with derived conceptual areas when posed to the sub-set, open-forum group (n = 36). Table 5 is a graphic summary table of participant response.

**Table 3. REDUCE: A Strategy for the Marketing of Institutional Retrenchment**

<u>Review</u> retrenchment plans by involving all affected stakeholders.
<u>Educate</u> the public on the life-long benefits of matriculating at a high quality institution.
<u>Discuss</u> the present and future impact of retrenchment efforts on sustainability and institutional reputation.
<u>Understand</u> that student services are perceived to be a physical, social, psychological and emotional necessity.
<u>Cuts</u> across the board are not believed to be logical, practical or justifiable – they must be strategic.
<u>Engage</u> alumni networks to promote career connections and enhance student ROI.

**Table 4. Response Summary: Statistical Findings**

	<b>Review</b>	<b>Educate</b>	<b>Discuss</b>	<b>Understand</b>	<b>Cut</b>	<b>Engage</b>
<b>Prospect</b>	7 out of 7 Prob. = .01	4 out of 7 Prob. = 1.0	5 out of 7 Prob. = .45	4 out of 7 Prob. = 1.0	2 out of 7 Prob. = .45	7 out of 7 Prob. = .01
<b>Student</b>	9 out of 10 Prob. = .02	8 out of 10 Prob. = .10	8 out of 10 Prob. = .10	10 out of 10 Prob. = .002	10 out of 10 Prob. = .002	10 out of 10 Prob. = .002
<b>Counselor</b>	8 out of 8 Prob. = .007	8 out of 8 Prob. = .007	8 out of 8 Prob. = .007	8 out of 8 Prob. = .007	5 out of 8 Prob. = .72	8 out of 8 Prob. = .007
<b>Parent</b>	9 out of 11 Prob. = .06	11 out of 11 Prob. = .001				
<b>OVERALL</b>	33/36 Prob. <.0001	31/36 Prob. <.0001	32/36 Prob. <.0001	33/36 Prob. <.0001	28/36 Prob. = .001	36/36 Prob. <.0001

Note. Total n size = 36. Prospect = prospective student; Student = current student; Counselor = High School Counselor; Parent = legal guardian. Column headings = conceptual areas listed in REDUCE and highlight outcomes. Prob. = binomial probability of occurrence over and above chance.

**Table 5. Graphic Summary of Participant Response**

	<b>Review</b>	<b>Educate</b>	<b>Discuss</b>	<b>Understand</b>	<b>Cut</b>	<b>Engage</b>
<b>Prospect</b>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>
<b>Student</b>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Counselor</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
<b>Parent</b>		<input checked="" type="checkbox"/>				
<b>OVERALL</b>	<input checked="" type="checkbox"/>					

Note. Total n size = 36. Prospect = prospective student; Student = current student; Counselor = High School Counselor; Parent = legal guardian. Column headings = conceptual areas listed in REDUCE. Checkmark = significant finding using the sign-test, Two-Tailed, .05 alpha level – binomial probability of occurrence over and above chance.

## DISCUSSION AND IMPLICATIONS

### Public Perceptions and Emergent Themes

The research findings from all participant-groups suggest a deep familiarity with university cutbacks and retrenchment programs. Even prospective college students attending high school were well acquainted with the realities of failed levies, additional fees and

teacher layoffs. As an emergent theme, all initial responses were focused on concerted retrenchment efforts attempting to minimize faculty reductions. As discussions progressed, however, participants expressed an acute concern with the elimination or reduction of services directly impacting the overall quality of the student experience. The most salient examples cited include safety and personal protection, housing maintenance and repair, health and preventative care services and a panoply of services related to academic achievement, tutoring and other critical student-life support and facilitative services. Finally, the majority of faculty reductions were perceived as justifiable, citing low student enrollments as justification. However, current students were quick to assert their belief that some majors of study are represented by faculty members who have a more pronounced impact on the community than just academic instruction. Moreover, these students continued their discussions around reassignment of such prominent and influential faculty members so as to continue direct contact with students.

All participant-groups differentiated between public and private university systems. Specifically regarding public institutions, the maintenance and continuation of majors or programs with low enrollments is justifiable when such programs provide for the greater community good. Ironically, private institutions are perceived to be engaged in a more competitive business environment, thereby justifying such cuts of unprofitable majors or programs as a sound business decision. In addition, all participants perceived less financial and fiscal transparency in private institutions vis à vis public institutions. However, participants believed the quality of majors and programs would be maintained if they were not eliminated in both public and private institutions, supporting the findings of Chabotara and Honana (1990). Finally, all participants exhibited mixed thoughts and beliefs regarding student return on investment (ROI). Specifically, a 50/50 split occurred when discussing the philosophical debate regarding whether it is the institution or the individual student-learner that determines student return on their educational investment.

Ironically, the fears and concerns of the participant-groups regarding retrenchment efforts were focused on the reduction or removal of programs or staff directly responsible for the delivery and management of support student services. Any professional even tangentially associated with institutions of higher education is well aware that these areas are the first to be cut. All participant-groups stressed the importance of not disrupting the student environment like social activities, health and safety or housing maintenance options. Anecdotal comments

from counselors, current students and parents revealed their awareness of such services and others like concerts, on-campus speakers and dinners/productions already being eliminated. Interestingly, the need to continue and maintain majors or programs was perceived to not make pragmatic business sense in today's competitive environment. The focus on student ROI and the maintenance of the campus and student-life atmosphere and quality took precedence. Finally, as previously discussed, all participants did reflect on how some professors should never be eliminated because of what they offer students, the institution and the greater community.

### **Marketing Implications**

All stakeholders exhibit a fervent feeling in the development and delivery of a quality education and the maintenance of an appropriate institutional culture. Moreover, participants discussed the importance of location and the 'town-gown' relationship as a counterbalance to reductions in student activities. Overall, research findings suggest that marketers must continue to focus on the strengths of the university and the quality of the educational experience. Therefore, marketers should avoid areas that will result in dissonance and reduce the satisfaction level associated with the university, as Hogan, et.al. (2002) warned. Moreover, implementing an internal marketing program addressing faculty concerns is warranted, given that faculty thoughts and opinions toward retrenchment often permeate classroom instruction. A comprehensive review by Sharrock (2014) reveals how retrenchment efforts are detrimental to university marketing and promotion initiatives and often times lead to intense media scrutiny. However, this could be a salutary effect if faculty members understand, support and promote necessary retrenchment plans.

In addition, the REDUCE strategy supports and hones Sharrock's four critical questions approach prior to any retrenchment efforts; that is, it demonstrates a respect for people and their work; supports the academic mission; is a fair process of decision-making; and is a strategic necessity given the financial situation of the university. Overall, the REDUCE strategy offers a public policy option for consideration by higher education officials. Another critical point to note is the apparent conceptual difference that emerged for the prospective student. Specifically, they agreed with involving all stakeholders in the retrenchment process and the relative importance of student ROI; however, they were not committed to the remaining areas as offered in the REDUCE strategy for marketing institutional retrenchment. This finding could merely reflect professional maturity. The counselors did agree with the prospective students in one area, that cuts

should be across the board, but this may reflect an anecdotal finding of high school counselors who openly stated a bias that retrenchment cuts are negatively affecting their employment options as university adjuncts. Ultimately, a university may wish to tailor a specific message to the prospective student.

In the end, this research and the REDUCE strategy supports and affirms the key findings posed by Cameron (1994); where perceptions of organizational effectiveness will improve if a company performs a systematic analysis, facilitates open communication, increases employee involvement in the process, advances concepts of quality and creativity for long term solvency and involves the stakeholders/customers.

### LIMITATIONS AND FUTURE RESEARCH

The use of Delphi groups in qualitative research exhibits limitations like moderator skill and experience as well as inherent differences among group membership and participation. Moreover, the interpretation of data, the clustering of concepts and emergent themes and meaningful insights is time consuming and unique to the research team, thereby necessitating replication and further research. As a result, larger sample sizes and quantitative analytics are needed to enhance reliability and generalizability of results.

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# STUDENTS RECEPTIVENESS TO PROFESSIONAL SELLING AS A CAREER CHOICE AND RELATED JOB SEARCH STRATEGIES

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## ABSTRACT

*This study considers business related students and their receptiveness to begin a career in professional sales after graduation. Groups of students were compared based on their level of interest in working within the field of sales. Several job search approaches were examined as well as students' perceptions of the sales profession. Those students most receptive to professional selling, planned to utilize a greater amount of search approaches and had a more positive outlook of the sales field.*

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## INTRODUCTION

This paper examines survey results regarding students (predominantly within business related majors) and the extent of their consideration of professional selling as a career choice after graduation. One of the driving reasons considering differences between those who are more actively considering an early career start to those that are not is due to active early career placement of new graduates in the sales profession. In seeking to compare students by levels of interest in professional selling, this study considers initial job search approaches, self-promotion, perceived images of the sales profession, issues of perseverance, and extent of sales related work experience.

## LITERATURE REVIEW

### Receptiveness to the Sales Profession:

According to the work of Harmon (1999) college students viewed professional selling as a career opportunity with growth and solid earning potential. However, those same students did not view the sales profession as a positive career in which to enter. Addressing students' perceptions and receptiveness to the sales profession, the Spillan et al, (2007) study found no differences across gender. In turn, they did determine that business majors were more receptive than non-business majors and students with family members in the sales profession had a more positive opinion toward a sales career. In a study on sales education, Allen et al, (2014) found that there were three primary factors that affected business students' decision to have a focus on sales education within a

business major. Students that viewed themselves as creative, people oriented and open to faculty advisors input to consider career entry in the field of professional selling, were most receptive to sales course content.

### Self-Promotion and Job Search Activity:

A comfort with self-promotion, in regards to a job search, suggests a high level of ownership of the search process itself. Kinsman (2008) provides examples of graduating college students creating a social media presence, such as blogging on-line, in order to demonstrate professional, portfolio oriented skills to prospective employers. This can be done to portray a specific career interest as well. Yang and Gysbers, (2007) researched issues of self-efficacy of college students as they were preparing to transition into their early careers. Their research determined that lower amounts of career search self-efficacy and increased levels of psychological distress were related to lower amounts of self-promotion in students search efforts. In contrast, an increased amount of anxiety and personal efficacy were associated with a higher level of readiness for career transition.

In an analysis of insurance salespeople, Lang and Lee (2005) determined that **job-search** self-efficacy helped moderate the relationship that exists across work-role salience and **job** stress. Effective job search strategies can possibly lead to less work oriented stress and a greater understanding of the meaningful aspects of sales professionals work.

### The Perceived Image of the Sales Profession:

While comparing United States and Peruvian college students, Barat and John (2008) examined students' perceptions of the sales profession. A key common finding in their work was that in both countries students held on to a negative perception of salespeople. In a cross-cultural analysis of the image of salespeople, as viewed by business students within multiple cultures, Fournier, et al (2014) determined that while differences existed, students across cultures had some negative images toward the sales profession impacted by cultural values.

### **Salespeople as Solution Providers:**

Thull (2008) points out that from the perspective of the client, the **salespeople's goal** should be as a primary service or **solutions provider**. In order to make this happen, salespeople need to be committed to providing exceptional service and be an information provider of new products. Salespeople also need to keep customers aware of changing market conditions and resolve any internal systems issues that can hinder the delivery of clients' needs.

According to Johnson (2007), the sales role becomes an honorable profession when salespeople have the opportunity to sell to other professionals within their field of expertise. The aspect of being a **solution provider** is crucial in effectively working through the selling process. The relevance of effective team work is addressed by Kear (2006) as selling situations become increasingly complex. Salespeople that have a focus on being solutions providers and are able to resolve barriers on behalf of clients will experience successful working relationships.

### **Perseverance:**

Focused on the topic of perseverance for salespeople, Sobczak (2009) discussed, with motivational expert Alan Zimmerman, factors that lead to sustained performance. Such factors include taking accountability for problems that might occur, staying committed, working diligently and practicing endurance. In an interview hosted by Gillespie (2000) Cynthia Kersey points out key elements that salespeople can utilize to strengthen their own skills of perseverance. To Kersey, the four aspects of developing an ongoing perseverance process involve having a constant focus on goals, viewing failure as an opportunity to learn, recognizing that achieving goals take time and making a commitment to not quitting, is required.

## **METHODOLOGY AND CONTEXT**

Students attending a Midwest private university, from multiple majors across sections of business related courses, completed a survey addressing career choices, including the degree of consideration they would give to professional selling. Additionally, students were asked questions regarding different aspects of the sales profession along with the amount of time that they may have spent working (full time or part time) in a job that included sales responsibilities. Survey results were analyzed to compare based on their degree of consideration for entering a sales career after graduation.

## **RESULTS**

Of the 209 participants, a total of 39% were seniors, 43% juniors, 9% sophomores and 9% freshmen. The age range of those in the sample include; 18 – 20 (24%), 21 – 23 (61%), 24 – 26 (9%), 27 – 30 (1%), 31 and over (4%). The participation rate across gender was almost identical at 50% each.

The sample utilized in this study was broken down into four majors, specifically 57 marketing students (27%), 24 accounting students (12%), 82 business administration students (40%), and 44 students with other business related majors (such as management, management information systems and communications) (21%).

Students were asked several Likert scale questions within the survey on a 1 – 5 scale (1 = to no extent, 2 = to a limited extent, 3 = to some extent, 4 = to a good extent, 5 = to a very good extent). In reference to the question, if students would “consider starting their career in the area of professional selling”, the overall mean and standard deviation were 2.7 and 1.4 respectively. This result indicated, as an entire sample, students consider sales to “some extent.” There was no significant correlation between the likelihood of considering sales as a career and student age or year in school.

### **T-Test Analysis:**

The primary form of data analysis was through the use of t-test analysis. The groups were differentiated by the question: To what extent are you considering starting a career after graduation in the area of professional selling? Group 1 included the responses “to no extent”, “to a limited extent”, and “to some extent”. Group 2 included the responses “to a good extent” and “to a very good extent”. The total number of respondents for group 1, those less likely to consider an early career start professional selling, was 148. The total number of respondents for group 2, those more likely to consider an early career start in professional

selling, was 60. The comparative means for these two groups were then analyzed on a number of variables in an effort to find insights for potential differences between the two groupings. Due to the differences in sample size between the two groups of 148 students and 60 students, equal variances were also not assumed.

In a one-way analysis of variance there was a significant difference across business related majors in reference to those students who had a stronger level of interest in pursuing a sales career after graduation in comparison to those who did not. Those students who were marketing majors and business administration majors were significantly more likely to be receptive to entering a sales career than accounting majors and other majors such as management and management information systems. While a statistical significance across some majors did exist in regards to differences to being receptive to a sales career, two thirds of the survey participants were either marketing or business administration majors. The focus of this particular study is on comparing students by their receptiveness to a sales career after graduation versus examining individual majors.

All of the variables (with two exceptions) where a mean difference was compared for low consideration and high consideration for entering a sales career were based on a 1 – 5 Likert scale (1 = to no extent, 2 = to a limited extent, 3 = to some extent, 4 = to a good extent, 5 = to a very good extent). An additional question addressing the length of time they have worked in a job that included sales responsibilities (1= never (19%), 2 =less than one month (3%), 3 = one to three months, (8%), 4 = four to six months (11%), 5 = seven months to a year (9%), 6 = one to two years (14%), 7 = two to five years (24%), 8 = over five years (12%)). The gender variable was broken out as such: (1 = male, 2 = female).

**T-test Results:**

**Comparing Low to High Receptiveness of Students Starting a Career in Professional Selling after Graduation (Independent samples test – Equal variances not assumed, 2 – tailed).**

	Low (n=148)	High (n=60)	Diff	Sig
Consideration starting your career after graduation in professional selling	Mean = 1.98 s.d. = .820	Mean = 4.52 s.d. = .504	2.54	<b>sig&lt;.01**</b>

Comfort level to actively promote self in job search after graduation	Mean = 4.04 s.d. = .91	Mean = 4.15 s.d. = 1.11	0.11	sig >.05
Job search approaches: Online posting services	Mean = 4.31 s.d. = .94	Mean = 3.64 s.d. = 1.27	-.67	<b>sig&lt;.01**</b>
Job search approaches: Classified ads in newspapers	Mean = 2.71 s.d. = 1.31	Mean = 2.34 s.d. = 1.24	-.37	sig >.05
Job search approaches: Networking	Mean = 4.23 s.d. = .91	Mean = 4.48 s.d. = 1.06	.15	sig >.05
Job search approaches: Referrals	Mean = 3.54 s.d. = 1.25	Mean = 3.90 s.d. = 1.17	.36	<b>sig =.05*</b>
Job search approaches: LinkedIn	Mean = 3.24 s.d. = 1.14	Mean = 3.64 s.d. = 1.15	.40	<b>sig &lt;.05*</b>
Job search approaches: Career Fairs	Mean = 2.41 s.d. = 1.27	Mean = 2.78 s.d. = 1.22	.37	sig >.05
Job search approaches: Emailing people in organizations you do not know	Mean = 1.79 s.d. = .96	Mean = 2.19 s.d. = 1.00	.40	<b>sig =.01**</b>
Job search approaches: Cold calling on the phone to people in organizations to people you do not know	Mean = 2.16 s.d. = 1.10	Mean = 2.69 s.d. = 1.17	.53	<b>sig&lt;.01**</b>
Job search approaches: Walking up to organizations to meet people you do not know	Mean = 3.22 s.d. = 1.18	Mean = 3.26 s.d. = 1.24	.04	sig >.05
Job search approaches: University Career Center	Mean = 1.74 s.d. = 1.25	Mean = 2.28 s.d. = 1.67	.54	sig >.05
Do you believe	Mean	Mean	.35	<b>sig</b>

that the sales profession has a positive image in our society?	= 2.90 s.d. = .95	= 3.25 s.d. = 1.04		<05*
Do you believe that salespeople are viewed as solution providers?	Mean = 2.70 s.d. = .97	Mean = 3.28 s.d. = 1.09	.58	sig<.01 **
Do you have a high degree of perseverance?	Mean = 4.01 s.d. = .82	Mean = 4.23 s.d. = .65	.22	sig <05*
To what extent have you worked a job with sales responsibilities?	Mean = 4.45 s.d. = 2.47	Mean = 5.93 s.d. = 2.08	1.48	sig<.01 **
Gender	Mean = 1.55 s.d. = .50	Mean = 1.40 s.d. = .49	.15	sig =05*

## FINDINGS AND IMPLICATIONS

### Self-Promotion:

The comfort level to actively promote one's self in a job search effort after graduation was viewed as high for both low consideration for sales and high consideration for sales groups with no significant difference between the two. However, the specific job search approaches utilized between the groups provide further insight on the search approaches anticipated to be used to self-promote for a career position.

### Job Search Approaches:

This study took into account a number of different job search approaches in comparing their utilization between the low consideration for sales career and high consideration for sales career student groups. The use of **networking** was self-reported to be an expected highly utilized job search approach by both low sales consideration and high sales consideration student groups. The difference between the groups was reported to be insignificant. Those students less likely to consider sales as a career option were actually planning to make significantly more use of online posting services than students more receptive to a sales career.

In contrast, those students giving higher consideration to an entry level career position in professional selling anticipated a significantly higher amount of job search activity utilizing approaches that required more live interpersonal contact than an over

reliance on means such as online posting services. The interpersonal job search approaches include the use of referrals, LinkedIn, and emailing or cold calling people in organizations that are not known to the student.

Specifically, **referrals** and **LinkedIn** were anticipated to be used a substantial amount by both groups of students in terms of low and high consideration for sales. However, students with high consideration for sales do plan to utilize referrals and LinkedIn significantly more. Both **emailing and cold calling approaches** to people in organizations that students did not know were not planned to be widely used. Even so, the results do indicate that students highly considering sales as an early career option were much more likely to be making use of these approaches. Each interpersonal approach requires specific requests that are interactive on the part of other people who could be helpful in placing the student in an early career position. The results indicate that those students most receptive to a sales career after graduation are also most willing to utilizing the more interactive forms of job search approaches along with multiple forms of job approaches itself. Rather unexpectedly, the **University Career Center** was not considered to be a widely used job search approach by either group, even though such centers have a variety of resources for students to utilize.

### Perspectives of the Sales Profession:

Students responded to two questions that address their perspective of the sales profession as a whole. First they were asked if the sales profession has a positive image in our society. Secondly, students were asked if sales people are viewed as solution providers. Those students that are highly considering working in sales after graduation were significantly more likely to see sales as having a more positive image in our society and viewed sales people as solution providers.

This may come as no surprise, but it also can provide insight on the part of some student's desire to be a part of the sales profession. Arguably many students have limited first had exposure to sales professionals. For example, they may not have directly experienced a great deal of business to business sales interactions that can require a substantial involvement with the organizational buyers.

### Perseverance:

In the study, students were asked if they have a high degree of perseverance. Both groups, those with a low consideration and high consideration for sales both considered themselves to have a strong degree of self-perseverance scoring greater than 4 on a 5-point scale.

However, those students that have a strong consideration for entering sales after graduation did significantly report a higher score in terms of perseverance at the .05 level. While this mean difference is not as substantial as other questions in the survey, it may be an indicator of what some would view as a willingness to be involved in work that is not always perceived as pleasant or the most respected amongst professions.

### **Sales Experience / Gender:**

As might not be surprising, those students who are most likely to consider a sales career after graduation reported substantially more work experience that included sales responsibilities. The results indicate that students with a high consideration for a sales career have approximately one year of sales related work experience compared to those with low consideration for a career who only have an estimated six months of some form of sales experience.

The results also show a very modest, significant difference between the high and low sales consideration groups by gender at the .05 level. This is indicating that after graduation men who completed the survey would be moderately more likely to consider entering a career in professional selling than the women in this study.

### **Limitations and Suggestions for Further Exploration:**

The limitations of this study include the use of students from only one educational institution participating in the survey. Taking into account additional universities and colleges with other types of sales course and context to their sales programs may be helpful. Topics that merit further investigation in regard to students' interest in entering a sales profession could include; addressing customer rejection/ call reluctance, concerns about commission based income as part of pay structure, sales performance expectations and selling across different industrial setting.

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# SUPER BOWL ADVERTISING: POSITIVE EMOTIONS AS A DRIVER OF LIKABILITY

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## EXTENDED ABSTRACT

As the intensity surrounding the Super Bowl continues to grow over the years, so does the viewership. Super Bowl XLVIII broke the record for being not only the most watched Super Bowl game, but also the most watched television program in America bringing in 111.5 million viewers; a significant increase in viewership from Super Bowl 2013's 108.41 million viewers (Taibi, 2014). In addition, the cost of airing commercials during the game have skyrocketed over the years, the average cost for a 30 second commercial estimated at \$4.5 million for the 2015 game. According to a study by Yelkur et al. (2013) focusing on the enduring and emerging predictors of Super Bowl Ad Likability, there are several factors that impact whether an ad is liked or not by the Super Bowl Television audience. Following similar methodology, the purpose of our study is to examine if the same predictors of ad likability hold up. We content analyze Super Bowl commercials for the years 2013 and 2014 to determine if the existing predictors of Super Bowl Ad Likability continue to hold up and if a new variable of emotional appeal has the ability to predict ad likability for Super Bowl commercials.

A panel of six coders watched and coded 109 commercials from Super Bowl 2013 and 2014 commercials. Modeling after Tomkovick et al. (2001), and Yelkur et al. (2013), rated the ads for the role of each of the predictive variables. A regression analysis was conducted to test the predictive power of the independent variables on ad likability. Since the findings in the 2013 Yelkur et al. study indicated that length of the commercial no longer had an impact on ad likability as it did in the 1990s, we excluded that variable. Before running the regression we tested for the interrater reliability between the six coders. The final regression included Humor, Animals, Celebrities, Children, Product Information and Positive Emotions as predictors of ad likability after eliminating sex appeal and music due to low interrater reliability.

The findings related to the effect of Humor, Animals and Children on ad likability was consistent with previous studies. As predicted by Yelkur et al. (2013), "less is more," holds true for the use of Product Information in Super Bowl commercials. Product Information had a significant negative impact on ad likability. We also tested to identify any significant interaction effects between the independent variables and did not find any significance in the interactions.

The most effective variables used in sports advertising today are humor, children, and animals; these have endured the test of time, humor and animals holding up as strong predictors since the Tomkovick et al. (2001) study. An emerging predictor of ad likability is the use of positive emotions. Positive emotions can influence brand preference and attitudes. Also, arousal from the big game can relate to a consumer's mood, indirectly relating to their emotional response. Overall, advertisers should strategically implement the most effective variables within their commercials in order to receive the intended emotional response. The newest finding and independent variable, "positive emotions" having a strong impact on ad likability of Super Bowl commercials is an interesting one and has implications for future research.

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# AMBIVALENT AND MIXED EMOTIONS AMONG HIGHLY IDENTIFIED SPORTS FANS

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## *EXTENDED ABSTRACT*

Starting from a young age, consumers cultivate feelings and emotions for brands (Chaplin & John, 2005). Individuals engage in different types of relationships with brands as they do with other people (Fournier, 2009). Despite the fact that negative and conflicting relationships are pretty common, they have been rarely investigated in the literature (Fournier & Alvarez, 2013). One domain where individuals can especially experience these conflicting relationships is the sports entertainment industry where ambivalent and mixed emotions are often found among fans.

Sports teams and athletes have always been recognized to evoke passion and strong emotions from individuals. The majority of previous research focused on positive impact of this strong identification of fans. Highly dedicated fans are often the focus of brand strategists as they are usually investing time and money to follow the team, are heavy buyers of merchandising products and contribute to the establishment of brand communities around the sport property (Richelieu & Pons, 2009). However, highly identified fans represent some challenges for sports teams since they sometimes have mixed emotions toward the team and can engage in dysfunctional behaviors. Indeed, the intensity of the emotional connection between sport entities and their fans creates situations that result in ambivalent relationships. Several authors have highlighted the ambivalence of some of these hardcore fans who are highly involved in the sport property, but also adopt dysfunctional behaviors such as the use of abusive language, excessive drinking and constant complaining of team decisions (Wakefield & Wann, 2006).

This study focuses on the latter manifestation among these dysfunctional fans and aims at better understanding the mechanisms that explain why these fans experience such strong conflicting emotions toward their favorite sport team. Another goal is to provide a typology of these fans using their rationales and motives to adopt such behaviours. Those elements provide important implications to the brand and the team managers on how to deal with these fans.

Using a mix of qualitative and quantitative analysis, the authors conducted in-depth interviews with highly dysfunctional and ambivalent fans that were very critical about the team they support. These fans were identified among 3210 respondents to an online questionnaire distributed to registered users on a professional soccer team's website in Europe. In this survey, the authors asked sports fans to answer questions about their relationships with the brand, their perceptions of the brand personality and their consumption behaviors. This online questionnaire allowed the researchers to establish fans profiles and clusters based on brand perception, identification to the team, evaluation of the team and related fan behaviours. Around 10% (332 fans) had high identification levels with the team and high levels of complaining and dissatisfaction about the property's management decisions. The final sample for interviews were formed by 21 fans who agreed to discuss about their views on the team, its meaning for them and their negative attitude toward decisions surrounding the team. Data were collected during one-on-one interviews of 1 to 2 hours, using a semi-structured questionnaire. The semi-structured questionnaire included questions about their views on the team, the meaning associated with the team and their negative attitude toward decisions surrounding the team.

The preliminary results offer patterns of rationale among respondents to explain their ambivalence toward the sport property they support. The data suggests that participants first build a devoted emotional relationship with the team through different interactions. The interviews revealed a recurrent path for spectators in developing their attachment toward the team. First, the individuals were introduced to the team and its various meanings. Indeed, external catalysts (family, friends, etc.) are often responsible for the first contact with the team and its symbolic functions. For example, the father will bring his son to his first Cubs baseball game. Second, subjects experienced a gradual attachment and identification to the team. They will become more involved with the team activities and

performance. Finally, there is a formalization of the relationship through consumption behaviors such as buying season tickets and diverse affiliated merchandises. However, in some cases, highly identified fans seem to experience a critical event (e.g. scandal, mismanagement, sale of a player) that pushes the fans to question the relationship with the team. After this episode, there is a shift in the relationship as supporters are less identified to the team, but become more identified to the supporters group. This critical event contributes unfavorably to the relationship and negatively changes the behaviors of the individual. The team provides the opportunity and the background to meet, but the belongingness and the identification are mainly with the ultras group. Indeed, the uniqueness and exclusive nature of the ultras group is seen as more important than communion with the team. Also, the rules and rituals are related to the ultras group rather than to the team. The cognitive, affective and behavioral aspects of the relationship with the team evolve through more disengagement of the team.

These dysfunctional fans can be classified in several groups according to their motivation to complain and their behaviors. First, there are the guardians who feel that they are the protectors of the team's values and that they have the right to complain. Those fans are extremely attached to the tradition, the sacred meanings and the authenticity of the team. The second group represents the suspicious that have doubts about the management ability to help the team and thus, follow and criticize all the managers' decisions. Thirdly, the idealists are very critical about the sports business and consider that business should follow their rules. Finally, the tribe members use the team to develop a new group and believe that the tribe can only exist when it is contrasted with the team.

This study has found support for dysfunctional behaviors of a certain category of highly identified and devoted fans. Respondent testimonials show that dysfunctional behaviors of sport fans are based on a negative evolution of the relationship with the team after a critical event that shook up the dynamic between the two parties. As a result, ambivalent supporters reorient their association with the team and publicly express their disappointment in the sport organization. Those individuals feel mixed emotions toward the team, disengage from the team and forge other external relationships. They are typically members of extreme supporter groups. They are very attached to the team, but they want to differentiate from it and have more loyalty to their group. In general, they can be described as a nightmare for marketers, but an incredible asset to the team. We believe that some of those relationships can be restored through different efforts from the organization. Thus, sport teams can work around the respect of their traditions and reconnect with their fans through more personal communication and branding decisions.

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# IMPACT OF INTERCUSTOMER SUPPORT ON HEALTH CLUB PATRONAGE AND WELL-BEING

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## ABSTRACT

*Intercustomer support is the customers' perceptions of the resources they receive from other customers within the service setting that result in feelings of belonging and enrich the service experience. This paper examines the impact of instrumental and social/emotional intercustomer support on a member's patronage to a health club, as well as their subjective well-being. Results demonstrate that social/emotional intercustomer support positively impacts patronage and well-being; however, instrumental intercustomer support has no significant effect.*

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## INTRODUCTION

Across the United States, the obesity epidemic is spiraling out of control. Approximately two-thirds of American adults are overweight ( $25 < \text{BMI} < 30$ ), and approximately one-third of those are obese ( $\text{BMI} > 30$ ) (NIDDK 2007). Unfortunately, the trend continues to grow; obesity in adults and children has doubled in the past two decades (Bassett & Perl 2004; Burton, Creyer, Kees, & Huggins 2006). Most doctors and fitness trainers agree that maintaining a healthy weight is about proper nutrition and exercise. Research has shown that people who exercise, along with maintaining a healthy diet get sick less and need less prescription medications. More and more health insurance providers are recognizing this relationship and are rewarding their members by reimbursing membership fees at local health clubs, offering organized exercise programs, or opening fitness facilities (Parrot 1996). Despite this, it is not only enough to join a health club or exercise program, participants must actually attend and engage in the service encounter to benefit. The focus on this research is to understand the effects of intercustomer social support on patronage to a health facility, as well as respondent's perceived well-being. Intercustomer support is the social support that occurs among customers in an organization.

## INTERCUSTOMER SOCIAL SUPPORT

Organizations have long understood the benefits of fostering intercustomer support in achieving their goals. Alcoholics Anonymous (AA), a nonprofit service organization founded in 1935, has a long tradition of utilizing a network of social support among members as *the* key to success. As the AA Guide

states: "Alcoholics Anonymous is a fellowship of men and women who share their experience, strength, and hope with each other that they may solve their common problem and help others recover from alcoholism" (Alcoholics Anonymous 1972, p. 2). On the for-profit side, Weight Watchers, a profitable worldwide service organization founded in 1963 and dedicated to weight loss and healthy lifestyles, holds nearly 50,000 meetings weekly where members give each other group support and learn about healthy living. The organization is built on "four pillars," one being a *supportive atmosphere*. According to President David Kirchhoff: "The part of Weight Watchers that is forever constant is our recognition that support is a key enabler of our members' success. At the core of this support are our meetings and our leaders" ([www.weightwatchers.com](http://www.weightwatchers.com)).

A stream of research has begun exploring the impact of customers forming bonds with service organizations. Gwinner, Gremler and Bitner (1998) found that customers who have long term relationships with service firms experience social benefits, increase in confidence as well as special treatment benefits. Further, Rosenbaum (2006) and his colleagues (2007) found that customers will seek companionship and emotional support in commercial third places (via customers and employees). In extending this work on social support from third places, Rosenbaum pioneered a stream of research on social support among customers (e.g. Rosenbaum 2008; Rosebaum and Massiah 2007). Specifically, Rosenbaum and Massiah (2007) found that intercustomer support positively influenced customer voluntary performance (e.g. customer citizenship and customer care behaviors). Rosenbaum (2008) found that intercustomer support positively impacted perceived cohesion (with other customers), satisfaction with the firm, behavioral intentions, and consumers' sense of well-being.

The notion of social support among customers is referred to in the literature as intercustomer support. Many disciplines, including anthropology, psychology, and sociology, have included social support as a topic of research (Uchino 2004). Generally, social support refers to the resources that individuals perceive to be available through formal groups and informal relationships (Cohen, Gottlieb, and Underwood 2000). This notion of social support has been extended to the service setting to encompass both verbal and nonverbal communications that facilitate exchanges. Such exchanges minimize customers' uncertainties about their service expectations, enhance their self-esteem, and strengthen their perceptions of belonging (Adelman and Ahuvia 1995). Based on the social support foundation, *intercustomer support* is defined as the customers' perceptions of the resources they receive from other customers within the service setting that result in feelings of belonging and enrich the service experience. As intercustomer support is defined, interactions with other customers engaged in the consumption of the service generate positive outcomes for customers and service firms.

Intercustomer support is typically conceptualized as being instrumental, social, and emotional, although the social and emotional functions are frequently studied as one type (Rosenbaum and Massiah 2007; Suurmeijer et al. 1995). While instrumental and social/emotional intercustomer support both engender feelings of belonging and provide customers better service experiences, the underlying source of these two types of support is theoretically distinct. Instrumental support provides individuals with practical help, assistance with mundane activities, or financial aid, while social/emotional support provides companionship and an outlet for expressing emotions and feelings (Cohen, Gottlieb, and Underwood 2000). This research will follow the same breakdown of social support (instrumental and social/emotional) that is used in the marketing literature (Rosenbaum and Massiah 2007). Past research on intercustomer support found that social support among customers encourages positive customer and firm-level outcomes. This paper will specifically examine the effects of intercustomer support on patronage to the facility, as well as the customer's subjective well-being.

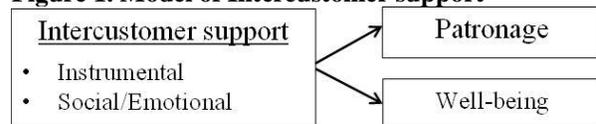
### THEORETICAL FOUNDATION

Service dominant logic (SDL) is a theoretical perspective that has proliferated through the marketing literature over the past eight years (e.g. Vargo and Lusch 2004; 2008). Subsumed under SDL are ten fundamental propositions. A review of these propositions demonstrates that SDL provides an overarching theoretical framework for examining the

relationship between intercustomer support and key health outcomes. Some of the key premises of SDL that relate to this research include: 1) the customer is always the co-creator of value; 2) value creation is interactional; 3) all social and economic actors are resource integrators; 4) context of value creation is a network of networks; and 5) the service-centered view is inherently customer oriented and relational (Vargo and Lusch 2008). In sum, the SDL perspective focuses on the customer and how the customer can interact with other organizational actors to create value. This research focuses on how customers' interactions with other customers impacts different health outcomes.

Given the emphasis on connections and interaction in service dominant logic as well as intercustomer support, the social network perspective provides a critical backdrop for this research. The social network perspective examines the role of relationships in promoting effective information flow among actors within a specific network. It focuses on relationships rather than specific individual attributes (e.g. Borgatti & Foster 2003; Brass, Galaskiewicz, Greve, & Tsai 2004). As customers share information, they acquire new knowledge and skills (SDL), and discover novel opportunities for enriching their service experiences. Customer-to-customer interactions allow consumers to enjoy superior consumption encounters and, ultimately, to be more engaged patrons. Given this foundation, the theoretical model is presented in Figure 1.

**Figure 1. Model of Intercustomer support**



### HYPOTHESES

Intercustomer support plays an important role in facilitating customer-organization emotional attachment (Rosenbaum 2008), an observation that is further supported by the co-creation and social capital literatures. As an organization seeks to focus on the customer experience and co-create a unique value for the customer, the customer realizes an increase in knowledge and specialized skills (Vargo & Lusch 2004), which leads to greater customer satisfaction. Additionally, recall that social capital is the notion that social contacts create opportunities for personal benefit (Borgatti & Foster 2003; Coleman 1988). Organizational researchers have shown that interpersonal networks positively affect job satisfaction, performance, advancement, and leadership (e.g., Brass, Butterfield, & Skaggs 1998). These interpersonal networks in organizations are analogous to the customer's supportive network in a service

organization. As customers become more socially bonded and increase their support of each other, they create opportunities for personal benefit.

Not only does support lead to more affective consumer feelings, but intercustomer support is also a predictor of organizational performance. Rosenbaum (2008) found that higher levels of support among customers increased patronage (self-report) and spending in the service organization. As customers interact with other customers in the service setting, they increase their involvement in the co-creation process. Additionally, they expand their knowledge and specialized skills regarding the service (Vargo & Lusch 2004). The customers' involvement in intercustomer social connections enhances their unique experience with the service firm, which will positively impact objective evaluations of the organization (Pralhad & Ramaswamy 2004). Therefore, customers who experience higher levels of intercustomer support will be more likely to patronize the facility in order to continually access these unique experiences. Further, this increased knowledge and skills will also impact their subjective well-being. Therefore, this research predicts:

*Hypothesis: Intercustomer support will be positively related to 1) patronage frequency; and 2) perceptions of well-being.*

## METHODOLOGY

### Procedure and Sample

A health club was chosen for this research in order to capture an organization where intercustomer support would occur, as well as a location where patronage to the facility itself can result in improved health outcomes. The health club where the study was conducted maintains a membership of approximately 9,000. The researcher spent one week, approximately 50 hours, collecting data through surveys in person at the club. Considering that members have various workout times, surveys were conducted during various operating hours to contact as many as possible. The researcher offered members a gift (a water bottle) to encourage participation. In addition, respondents were asked to provide their membership number so that we could link their survey to secondary objective performance data provided by the service organization. At the end of the week, 336 members had filled out the survey. Five members who skipped the middle half of the survey were eliminated from the sample, leaving a final sample of 331.

### Measures

Intercustomer support was measured using an established scale by Rosenbaum and Massiah (2007) that was adapted to fit the context. The social/emotional scale included 11 items, while the instrumental scale had 6 items.

Patronage to the health club was obtained for each member from the health club, as oppose to relying on self-reported measures. Patronage was operationalized as the total check-ins over a five month period in the summer and fall.

Customer's subjective well-being was measured using the 14-item Ontario Health Survey (John 2004). This scale asks respondents to report how often they felt certain emotions over the past 12 months on a 4-point scale: *hardly ever, less than half the time, more than half the time, most of the time*. For the current study, subjective well-being was limited to consumer's perceived stress, state of morale, and energy.

In addition to our hypothesized relationships, two other factors that could impact intercustomer support were controlled for: relationship duration and extroversion. Relationship duration is the length of time that the individual has been a customer. As relationship duration increases, relationship quality and trust typically improve (Palmatier, Dant, Grewal, & Evans 2006). Therefore, a longer relationship with a service organization could lead to more customer connections and increased intercustomer support. Relationship length was operationalized as the number of years the customer had used the service, and collected this information through the secondary data provided by the service firm.

Additionally, the respondent's level of extroversion was controlled for in this research. According to Merriam-Webster, an extrovert is one whose personality is concerned with obtaining gratification from outside the self. In other words, extroverts are more outgoing and are energized by being around others. Extroversion was measured the Big Five Inventory Scale (John & Srivastava 1999).

## RESULTS

### *Reliability, Validity, and Common Method Bias*

The means, standard deviations, reliability estimates, and correlation coefficients are reported in Table 1. To assess convergent validity, all reflective measures were subjected to confirmatory factor analyses (CFA) using AMOS 18.0. Item loadings, modification indices, and standardized residuals for all items were scrutinized. Low-loading and cross-loading items were deleted from the scales. On purification, reliability for all reflective scales exceeded recommended levels, with  $\alpha$  ranging from .88 to .94. Additionally, all items loaded significantly ( $p < .001$ )

onto their respective constructs demonstrating reliability and convergent validity for each construct.

Discriminant validity was assessed using Fornell and Larcker's (1981) method. Discriminant validity is established when the average variance extracted exceeds the squared factor correlation. These numbers were compared for all reflective measures. In all cases, the average variance extracted exceeded the squared factor correlation, thus demonstrating discriminant validity.

Finally, the recommendations from Podsakoff et al. (2003) were followed to avoid the possibility of common method bias. First, our data came from two sources (customers and the service firm). Second, the

customer survey used a variety of scale formats, scale anchors, and scale lengths. Respondents completed a knowing-name-generator list as well as completed scale items; these two different formats help to avoid common method bias. Furthermore, to ensure that a common method factor was not present, all customer measures were analyzed using structural equation modeling with the presence of a method factor. Items were allowed to load on the method factor, as well as its respective construct. Estimated model paths were compared and no significant differences were found, providing evidence common method bias is not a concern (Podsakoff et al. 2003).

**Table 1. Means, Standard Deviations, Correlations<sup>a</sup>**

	Mean	s.d.	1	2	3	4	5	6
1. Instrumental Social Support	1.58	0.70	(.88)					
2. Social/Emotional Social Support	2.76	0.78	.447**	(.93)				
3. Patronage	45.11	35.24	.070	.180**				
4. Well-being	3.13	0.542	.145**	.167**				
5. Length of Membership	4.76	5.36	-.055	.126*	.263**	.050		
6. Extroversion	3.55	0.88	.202**	.218**	-.095	.116*	-.026	(.87)

<sup>a</sup>  $n = 331$ . Values in parentheses on the diagonal area internal consistency estimates.

\*\* correlation significant at .01 level.

\* correlation significant at .05 level.

### Hypothesis Testing

Structural equation modeling was used to test the hypothesized model. Interactions were modeled following Ping's (1995) recommendations. Estimates of

all free parameters were obtained using AMOS 18. The overall fit of our model was acceptable ( $\chi^2(223)=589$ ; CFI = .902; RMSEA = .069). Results from our analysis are reported in Table 2.

**Table 2. Estimated Parameters for Structural Model**

Hypothesis	Path from	To	Estimated Model Path Coefficient (t)	
1	Instrumental ISS	Patronage	-.041	(-0.63)
1	Social Emotional ISS	Patronage	.145*	(2.25)
2	Instrumental ISS	Well-being	.051	(0.72)
2	Social Emotional ISS	Well-being	.171*	(2.42)
<b>Variance Explained, Patronage</b>			1.8%	
<b>Variance Explained, Well-being</b>			3.9%	

\*  $p < .01$ , one-tailed

## Intercustomer Support's Impact on Outcomes

This research hypothesized that a customer's level of intercustomer support would positively impact both patronage and well-being. Our results support this hypothesis for social/emotional intercustomer support but not instrumental. Social/emotional support positively impacts both patronage ( $\beta = 0.145, p < 0.01$ ) and well-being ( $\beta = 0.171, p < 0.01$ ); however, no significant impact was found for instrumental support. Therefore, partial support was found.

## DISCUSSION

Our study empirically demonstrates that service firms where customers are connected on a social/emotional level can positively benefit the customer's patronage frequency and perception of well-being. Customer's health and wellness can be impacted by forming bonds with other customers. Increasing patronage to a health club should correlate with increased exercise, which will also help the customer's overall physical health. Furthermore, social/emotional support also impacts the customer's emotional health as well. Increasing customer's frequency of visiting the service firm will also impact the organization's financial performance as customers are more likely to spend money the more they frequent the facility. It is interesting to note that instrumental support had no significant impact on patronage or well-being. It seems that customers must develop a deeper bond with other customers before these higher-level outcomes will be impacted.

## Theoretical Implications

Our study contributes to the service dominant logic perspective that has been predominant in the services literature. A key premise of this perspective is its focus on the relational aspects of service provision (Vargo & Lusch 2004), which is the fundamental core of the current research. The connections that form among customers in a service setting are a key relationship that service firms must exploit. Firms that choose to focus on these relationships will develop a sustainable competitive advantage by capitalizing on intangibles.

To date, most research examining the role of support in service consumption has largely focused on customer-employee relationships. The limited research on customer interactions has been primarily in online settings, where interactions lack personal, face-to-face exchanges (e.g., Libai et al. 2010). We extend the literature focused on customer support to examine the

role that customers play together in enhancing service consumption through inter-personal communications while using services.

## Managerial Implications

The results of our study should encourage managers of health facilities to develop programs and foster environments that lead to more customer-to-customer linkages and more communication between them. Social media, including Facebook fan pages, is an appropriate mechanism for encouraging more online customer interactions that may lead to contacts outside the service setting. Managers can also design the servicescape to encourage customer interaction. For instance, coffee shops and bookstores can arrange their seating to encourage conversational groupings. Programming is another efficient way to encourage customer engagement. In the context of the current study, classes for senior citizens, children's events, or group fitness classes would not only bring members together, it would also connect those who share similar interests, thereby enhancing customer-to-customer connections.

## Future Research Directions

Given the different impact discovered between instrumental and social/emotional intercustomer support, future research should investigate additional outcomes to explore where instrumental and social/emotional support has the biggest impact. Future research should also be expanded to other service settings such as clubs, churches, restaurants, and places of worship. Future research could examine Greek organizations on university campuses, specifically how the relationships among members impact student retention, acquisition and future recommendations<sup>1</sup>. Researchers should investigate antecedents of intercustomer support, as they are critical to managers who wish to capitalize on this resource. Additionally, individual difference variables, such as gender and age, could be examined to see if certain demographics are more inclined to connecting with other customers. Our recommended managerial actions could also be tested to determine what specific activities or programs can increase intercustomer support. Especially relevant are questions such as: How deeply is intercustomer social support affected by programming, physical environment, social media, or incentives? Which has the greatest impact? Overall, this research has taken an initial step into understanding how intercustomer support can impact various health outcomes. Additional research is warranted to truly discover the

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<sup>1</sup> Thanks to anonymous reviewer for this suggestion

role intercustomer social support can play in one's health and well-being.

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