

Staying Current with Media & Millennials

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Marketing Management Association



Dear Friends:

This year you were invited to regroup, recharge, and revitalize at the Spring MMA conference. So many of us use our time at a Marketing Management Association conference to regroup in our research efforts and to recharge our teaching; that means our participation in conferences like the Spring 2013 MMA conference help build student engagement and career sustainability. That's what it means to revitalize!

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It has been my honor and my pleasure to work with you all this year, and I hope the MMA Spring 2013 conference is a great experience for you. The conference wouldn't happen if it weren't for an impressive slate of track chairs and reviewers. Additionally, the hard work of the MMA officers and Board of Directors keep the organization on track year after year.

Thank you for your continued support of MMA, and I hope you enjoy your time with MMA.

Sincerely,
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The Marketing Management Association (MMA) is an international association dedicated to developing more effective marketing educators and scholars. Founded in 1977 as an educator group affiliated with the MBAA, the association has grown to include 400 academic members from across the nation and around the world. MMA provides programming and opportunities for career success in marketing higher education.

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

MMA meets twice each year, including a spring conference in downtown Chicago to discuss ground-breaking scholarly research and a fall conference to share knowledge in teaching effectiveness and ideas for professional development. The fall conference rotates between several cities.

The MMA publishes two refereed publications, the *Marketing Management Journal* and the *Journal for Advancement of Marketing Education*.

Current information about the organization can be found at its website: www.mmaglobal.org.

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ETHICAL ISSUES IN FRANCHISING SUCCESS: ARE THEY INFLUENCED BY FRANCHISING CHARACTERISTICS? — A STUDY IN TURKEY

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ABSTRACT

This study builds on earlier work that identified clusters of ethical issues that, from the perspective of franchisees in Turkey, are important for the long-term success of both franchisor-franchisee relationships and the franchising system in Turkey. The paper also discusses the implications of these findings for successful relationships between franchisors and franchisees.

INTRODUCTION

Since the 1950s, franchising has become a very popular means for rapid organizational growth in the United States of America and has been widely recognized as an important source of entrepreneurial activity for USA businesses. In fact, modern franchising has enjoyed tremendous growth for many American companies such as McDonald's, Coca-Cola, Dunkin' Donuts, Pizza Hut, Midas Mufflers, Holiday Inn, and others (Hall and Dixon, 1988; Storholm and Scheuing, 1994). Also, as recent developments and changes in the global business environment have created new opportunities for firms in numerous industries to grow and expand their operations, franchising seems to be well-suited to take advantage of these growth opportunities. Because of this recent growth in both domestic and global markets, franchising has become a major channel in retail marketing, exerting a significant impact upon consumer buying decisions. The restaurant and fast food industry, various services, and non-food retailing have been the main business sectors for global growth (Hoffman and Preble, 2004).

The global expansion of franchising indicates that it is a "transferable" concept enabling many businesses to adapt to different cultures and business regulations around the globe (Amos, 2001). However, Shane (1996) states that franchising may require a different set of capabilities to be successful in these different situations. This suggests that while franchising offers growth opportunities for firms in global markets, cultural differences and national regulations in these new markets could pose some challenges for the success of franchising operations. In this regard,

research shows that royalty taxes, contract laws, and the lack of specific franchise legislation are major issues about which franchisors and franchisees must be aware in the new global markets (Hoffman and Preble, 2004). Additionally, Larson (2002) points out the importance of legal, socio-cultural, and ethical issues for companies when they expand franchising internationally. Taken together, the above issues indicate that franchisees may not be guaranteed success when they enter into an agreement with the franchisor; nor are franchisors guaranteed ongoing success because they have developed a concept that has been accepted in the marketplace and has potential for expansion through the development of a franchisee network.

While franchising has been very successful in the U.S. and other developed nations, it also can work advantageously in such developing transitional economies as the Czech Republic, Hungary, and Slovenia (Hoffman and Preble, 2004). Franchising can be successful in Turkey as well because the franchising system provides the necessary structure and support that otherwise would not be available (Chapman, 1997). In Turkey, franchising began in the 1960s with intercity passenger transportation, wherein gasoline stations were used to sell bus tickets for travel to different cities. Today, Turkish franchising applications are commonly seen in various sectors, such as skin care products, apparel, fast food, cleaning, car rental, chocolate, office stationery products, real estate, publishing, communication, music markets, cargo, do-it-yourself stores, cosmetics, and automotive products (Kumkale, 2006). Although franchising is a fairly new business concept in Turkey, it has been growing very fast (Aydın, 2008). As one of the emerging markets of

the world, Turkey provides an opportunity to understand the importance of ethical issues in the long-term success of franchising in an emerging market.

Ethical Issues in Franchising

There is no doubt that franchisors and franchisees could face different ethical issues and/or conflicts during their relationships. If these conflicts are effectively resolved, this can help both parties operate successfully, and if not effectively resolved, could destroy the franchising business. According to Storholm and Scheuing (1994), several fundamental areas of conflicts could undermine the success of the franchising system; therefore, they recommend that these conflicts need to be resolved to the mutual satisfaction of both franchisors and franchisees. Otherwise, these conflicts could manifest themselves in unethical behaviors that could harm the franchising system. Moreover, as a unique form of business relationship, franchising imposes ethical obligations upon the two participants — the franchisor and the franchisee — toward each other so as to maintain a successful long-term franchising system and partnership. We believe that understanding the major ethical issues that are essential for creating a successful franchising system not only could minimize the potential conflicts between the franchisors and franchisees, but also could help to create a mutually beneficial business partnership.

This study explores how certain franchising characteristics influence the long-term performance and success of the franchising system. Potentially, such factors as the education and training offered by the franchisor, annual meetings with the franchisor, the franchisor brand, the industry in which the franchise operates, and the length of the franchising agreement could have an impact on ethical issues in the franchising system and on the long-term performance and success of franchising relationships. Studying the potential effects of these factors on franchising success could help franchisors and franchisees to address these ethical issues more effectively in order to build and maintain a mutually beneficial relationship. Moreover, most prior franchising research has focused primarily on the concerns of franchisors (Dant, 2008), whereas the franchisees' perspectives have just recently received increased attention (Grunhagen and Mittelstaedt, 2005; Weaven and Frazer, 2003). Therefore, understanding franchising issues — including those that are ethics-related — from the franchisees' perspective could provide different insights into franchising relationships and the success of franchising systems. Understanding the franchisees' perspectives of the ethical issues could be important in building trust between franchisors and franchisees, and

could help to maintain system integrity and open communication (Thorelli, 1986). This, in turn, could be instrumental for the long-term success of the franchising system.

The central focus of this paper is to examine ethical issues in franchising from the perspective of franchisees. Specifically, we seek to ascertain how, if at all, certain characteristics of franchising affect franchisees' perceptions of the importance of various ethical issues in promoting and protecting the long-term interests of both the franchisor and the franchisee. To the best of our knowledge, there is no prior research that has examined the impact of the franchising characteristics on their perceptions of ethical issues in franchising; therefore, the results of this paper will begin to fill this void.

METHODOLOGY¹

The survey upon which this paper is based was designed to provide data for more than one study. The full survey, which can be obtained from the lead author, includes questions to address different topics and issues of interest to franchising businesses. However, only the survey questions that are relevant for this study are presented in the Appendix. These questions deal with (a) ethical issues in long-term franchising business success and (b) different characteristics of the franchising businesses in which the franchisees operate.

Responses to survey questions 1 through 14 in the Appendix deal with ethical issues in franchising business success. These 14 questions, which were compiled from the literature, deal with ethics codes covered in global franchising agreements (Preble and Hoffman, 1999) and major sources of conflict for franchisors and franchisees (Storholm and Scheuing, 1994). Since these 14 ethical issues were identified as the common policy topics in international ethical codes and/or as sources of conflict in franchising relationships, we believe that these questions are appropriate for examining ethical issues that are important in ensuring the long-term success of franchising businesses.

Questions 1 to 14 asked respondents to indicate how important they considered each of the 14 ethical issues to be with respect to promoting and protecting the interests of both the franchisor and the franchisee in order to ensure the long-term success of the franchising business. A six-point Likert-type scale that was designed using the Bass *et al.* (1974) method for

¹ Since this paper is based on a survey that was designed to provide data for more than one study, the methodology presented in this paper is similar to the methodological discussions presented in other papers.

approximating an interval level of measurement was employed with these questions. The response scale labels were as follows: 0 = not at all important; 1 = slightly important; 2 = important to some degree; 3 = moderately important; 4 = very important; and 5 = extremely important. Also, the survey included questions related to the characteristics of the franchisees. As shown in the Appendix, the questions dealing with franchising characteristics are: length of time as a brand franchisee; industry/sector of operations; national or international franchisor brand; length of current franchising agreement; whether or not education/training was provided upon signing a franchise agreement; and whether or not the franchisee has an annual meeting with the franchisor to discuss issues. These franchising characteristics served as the independent variables in the present study.

Since the survey instrument was originally developed in English, as recommended by Ball *et al.* (2002), it was translated into Turkish, and then it was later back-translated into English to avoid translation errors and to make sure that the intended meanings of the questions were maintained. The Turkish version of the instrument was pre-tested with several marketing and management faculty members in order to assure the appropriateness and consistency of the scale items. In addition, the survey instrument was pre-tested with eight franchisees to further assure that the survey questions were clear regarding the wording or descriptions of the measurement scales. Based on the feedback of these pre-tests, the instrument was further improved and refined.

Sampling

Although our general research interest is targeted toward ethical issues that are important in ensuring long-term business success for both franchisors and franchisees, the present study focuses specifically on the perceptions of franchisees regarding these ethical issues. Therefore, franchisees were used as sampling units. The survey was conducted in two major cities in Turkey: Ankara (the capital of Turkey and its second largest city) and Eskisehir (one of the major cities in Turkey). In order to determine the number of franchisees in these cities, we contacted URFAD (Ulusal Franchising Dernegi — National Franchising Association of Turkey). Although UFRAD did not provide us with a list of the franchisees in Ankara and Eskisehir, the information provided by URFAD (2010a, 2010b) indicated there were 300 franchisees in Ankara and 60 in Eskisehir when the study was conducted. This gave us a sampling frame of 360 franchisees; with the exception of gas stations, the majority of the franchise operations were located in major shopping malls. Also, recent research

(Anonymous, 2006) shows that in Turkey 24% of the franchisees are in textiles, 27% in products, 16% in services, and 33% in apparel. Moreover, the recent growth of the franchisees has been attributed to the opening of new shopping malls. Collectively, these informational items provided a reasonable indication of the distribution of franchisees by different industries as well as their locations, all of which served to guide our sampling. Our research showed that there were ten major shopping malls in Ankara and two shopping malls in Eskisehir.

Since there was no list of franchisees available in Ankara and Eskisehir from which to select samples, we were forced to use convenience sampling. However, in order to assure that various industries were included in the sample, we decided that convenience quota sampling would best serve the study's purpose. Since most of the franchisees were located in shopping malls (Anonymous, 2006), researchers visited all 10 shopping malls in Ankara and one shopping mall in Eskisehir to administer the survey. Also included in the study were franchised gas stations that were located outside of shopping malls. A total of 225 franchisees were visited from the 360 franchisees; of the 225 questionnaires that were distributed to franchisees in both cities, 189 were distributed to the franchisees at 11 shopping malls and 36 were distributed to gas stations. The questionnaire was collected at the end of the day on which it was distributed. The data collection period lasted a little over three weeks. Out of 225 questionnaires distributed, 192 usable questionnaires were returned, yielding a response rate of 85%. This response rate is very satisfactory given the heavy surveying activity that occurs in franchising businesses (Kaufmann and Dant, 2001). Based on information given to us by URFAD (2010a, 2010b), our survey covers 53.3% of the franchises (192/360) in both cities.

Characteristics of the Franchise Businesses

Concerning the receipt of education/training upon signing a franchising agreement, 47.9% of the respondents indicate they received such education/training and 52.1% of them did not receive it. Nearly the same proportion of respondents has an annual meeting with the franchisor to discuss franchising issues (50.5%) as compared to those who do not have such a meeting (49.5%). Three-quarters of the businesses are national franchise brands and one-quarter are international franchise brands. In terms of the industry/sector of franchise operations, 31.8% of the respondents are in apparel, 20.3% are gas station operators, 16.7% are jewelers, 9.9% deal in appliances, 17.7% are in food and beverage operations, and 3.6% are in sporting operations. With respect to length of time as a brand franchisee, 27.1% were relative

novices, being brand franchisees for '1 to 2 years'; 40.1% have been brand franchisees for '3 to 5 years'; and the remainder (32.8%) have been brand franchisees for '6 years or more.' The vast majority of the franchising agreements run for a period of 3 or more years, with 44.8% being '3 to 5 years' and 42.2% being '6 years or more.'

RESULTS

Identifying Clusters of Ethical Factors for Franchising Business Success

Questionnaire items 1 through 14 were submitted to a factor analysis; the results of this analysis are presented in Table 1, which is shown on the next page. As shown in this table, significant factors were identified through the eigenvalues; and five factors that had eigenvalues in excess of 1.0 emerged from the analysis (Haire *et al.*, 2010, p. 111). Together the five factors accounted for 72.643% of the common variance. The factor loadings for each subscale presented in Table 1 are greater than 0.50 and therefore are very significant, according to the criteria for a sample size of 150 or more that is specified by Hair *et al.* (2010, pp. 117-118). In order to evaluate the consistency of the items on each of the five subscales, an internal consistency reliability analysis was conducted; Cronbach's alpha coefficients are shown in Table 1. Haire *et al.* (2010, p. 125) recommend a threshold level of .70 for an appropriate level of measurement reliability; however, they suggest that .60 is an acceptable threshold level in exploratory research.

As shown in Table 1, Cronbach's alpha was .830 for EIFBS Subscale 1, .700 for EIFBS Subscale 2, and .616 for EIFBS Subscale 4; all of which exceed the exploratory threshold level for acceptable reliability and two of which exceed the more rigorous threshold level. Cronbach's coefficient alpha was .586 for EIFBS Subscale 3 and .413 for EIFBS Subscale 5, both of which fall below the more liberal threshold level of .60 (Haire, *et al.*, 2010, p. 125). However, coefficient alpha for Subscale 3 is quite close to the .60 threshold level and the factor analysis results for both Subscales 3 and 5 have factor loadings that are very significant. Moreover, both Subscales 3 and 5 contain only two survey items. Since Subscales 3 and 5 meet the factor loading and eigenvalue criteria, and given that the present scale development is exploratory and these two subscales only contain two items each, we will use them — with appropriate analytical caution — rather than abandon them due to the lower than desirable threshold reliability level. Thus, each factor is worthy of being used in further investigation — particularly since the present study can be considered to be

exploratory research and this effort is an early attempt to develop useful scales of measurement for *Ethical Issues in Franchising Business Success*.

Based on an analysis of the questionnaire items contained in each factor or subscale, the following Ethical Issues in Franchising Business Success Subscale labels were derived: (1) EIFBS Subscale 1 — issues concerning the development and maintenance of an ethical business culture for franchising; (2) EIFBS Subscale 2 — ethical issues concerning the integrity of franchising information; (3) EIFBS Subscale 3 — ethical issues concerning the franchising system's key stakeholder relationships; (4) EIFBS Subscale 4 — ethical issues concerning the integrity of the franchising system; and (5) EIFBS Subscale 5 — ethical issues concerning the protection and expansion of franchising business opportunities. The numerical value for each subscale is the arithmetic mean of the questionnaire items included in that subscale.

In addition to the five EIFBS Subscales, an *Ethical Issues in Franchising Business Success Overall Scale* has been created by obtaining the arithmetic mean of the 14 ethical issues questionnaire items. The EIFBS Overall Scale has a very high level of reliability as indicated by Cronbach's alpha of .831.

Relating the Clusters of Ethical Issues to Franchising Characteristics

The main focus of the present study concerns whether or not these clusters of ethical issues are related in any systematic way to various franchising characteristics. Six survey items provide information about franchising characteristics that are relevant to addressing this research question (see the Appendix for these franchising characteristics and their measurement levels). These six items are: 'length of time as a current brand franchisee' (Q15); 'industry/sector of operations' (Q16); 'franchisor brand' (Q17); 'length of current franchising agreement' (Q18); 'education or training upon signing a franchising agreement' (Q19); and 'annual meeting with the franchisor to discuss issues' (Q20). The franchising characteristics that are measured at two levels will be evaluated with the two independent samples *t*-test, and the characteristics measured at three or more levels will be analyzed with the Oneway ANOVA procedure.

Three of the franchising characteristics — receiving education/training from the franchisor (Q19), having an annual meeting with the franchisor (survey Q20), and the franchisor brand (Q17) — have two measurement levels. For each set of analyses, Table 2, which appears on a subsequent page, shows the cell means, the significance level for the Levene test of equality of variances, the significance level for the

Table 1: Results of Factor Analysis on Ethical Issues in Franchising Business Success (EIFBS)

<i>Subscales for Issues Regarding Long-Term Franchising Business Success</i>	Means	Std. Dev.	Factor Loading	Eigenvalues	Variance Explained	Alpha
EIFBS Subscale 1: <i>Ethical Business Culture</i>	3.67	0.701		4.551	32.507	0.803
Q11: Providing a quality product or service in line with the image of franchising business.	4.11	0.936	0.845			
Q10: Providing open and effective two-way communication among all parties.	3.81	0.872	0.813			
Q12: Practicing non-discrimination and affirmative action regarding all parties.	3.45	0.849	0.771			
Q14: Having a general statement promoting ethical principles that are consistent with the image of the franchising business.	3.09	1.143	0.643			
Q8: Complying with all applicable laws.	3.90	0.686	0.558			
EIFBS Subscale 2: <i>Integrity of Franchising Information</i>	3.88	0.561		2.030	14.503	0.700
Q3: Providing a notice and process for dealing with disputes, terminations, or expirations of agreements.	3.89	0.684	0.844			
Q2: Providing full and accurate disclosure of information when selling a franchise and after the franchising agreement is signed.	3.68	0.899	0.804			
Q5: Avoiding questionable use of advertising payments and/or having no false or misleading advertising.	4.08	0.484	0.595			
EIFBS Subscale 3: <i>Key Stakeholder Relationship</i>	3.59	0.693		1.340	9.569	0.586
Q9: Having fair dealings between franchisor and franchisee.	4.01	0.667	0.868			
Q13: Safeguarding the public interest.	3.18	0.950	0.620			
EIFBS Subscale 4: <i>Integrity of Franchising System</i>	3.71	0.597		1.182	8.440	0.616
Q6: Having a franchise agreement that seems to protect the franchisor more than the franchisee.	3.79	0.715	0.873			
Q4: Maintaining the integrity and reputation of the franchise concept or system.	3.62	0.690	0.710			
EIFBS Subscale 5: <i>Franchising Expansion Opportunity</i>	3.57	0.459		1.067	7.625	0.413
Q1: Pursuing dual distribution opportunities for the franchisor to increase sales for the franchising business.	3.12	0.546	0.771			
Q7: Protecting trade secrets or proprietary information and not releasing proprietary information to outside parties.	4.02	0.609	0.728			
Scale: 0 = not at all important; 1=slightly important; 2 = important to some degree; 3 = moderately important; 4 = very important; and 5 = extremely important						
Source: McCuddy <i>et al.</i> , 2011; McCuddy <i>et al.</i> , 2011.						

t-tests, and a summary statement regarding the significant comparison of means. Based on the *t*-test results, significant differences between means exist in

5 of 6 comparisons for 'education/training from the franchisor', 2 of 6 comparisons for 'annual meeting with the franchisor,' and 1 of 6 comparisons for the

Table 2: Ethical Issues in Franchising Business Success (EIFBS) Relative to Franchising Characteristics with Two Levels

Franchising Characteristics With Two Levels		EISB Scale and Subscales					
Q 19: Education/Training from Franchisor:	n	EIFSB Scale	EIFSB Subscale 1	EIFSB Subscale 2	EIFSB Subscale 3	EIFSB Subscale 4	EIFSB Subscale 5
1. Yes (category mean)	92	3.84	3.91	4.01	3.65	3.81	3.66
2. No (category mean)	100	3.56	3.46	3.77	3.54	3.62	3.49
<i>p</i> -value for Levene test		.000	.824	.014	.000	.208	.000
<i>p</i> -value for <i>t</i> -test		.000	.000	.003	.276	.032	.014
Significant mean comparison		1 > 2	1 > 2	1 > 2	None	1 > 2	1 > 2
Q 20: Annual Meeting with Franchisor:	n	EIFSB Scale	EIFSB Subscale 1	EIFSB Subscale 2	EIFSB Subscale 3	EIFSB Subscale 4	EIFSB Subscale 5
1. Yes (category mean)	97	3.74	3.68	3.97	3.56	3.80	3.63
2. No (category mean)	95	3.66	3.67	3.79	3.63	3.61	3.51
<i>p</i> -value for Levene test		.000	.000	.171	.000	.282	.000
<i>p</i> -value for <i>t</i> -test		.215	.881	.029	.519	.024	.703
Significant mean comparison		None	None	1 > 2	None	1 > 2	None
Q 17: Franchisor Brand:	n	EIFSB Scale	EIFSB Subscale 1	EIFSB Subscale 2	EIFSB Subscale 3	EIFSB Subscale 4	EIFSB Subscale 5
1. National (category mean)	143	3.69	3.65	3.90	3.63	3.73	3.51
2. International (category mean)	49	3.70	3.73	3.84	3.49	3.64	3.76
<i>p</i> -value for Levene test		.172	.298	.070	.188	.990	.005
<i>p</i> -value for <i>t</i> -test		.810	.537	.580	.225	.375	.003
Significant mean comparison		None	None	None	None	None	2 > 1

‘franchisor brand.’ Specifically, the results of the *t*-test comparisons indicate that franchisees who receive education/ training from the franchisor attribute a significantly greater level of importance to ethical issues in general (Overall Scale) as well as to ethical issues specifically concerning: the development and maintenance of an ethical business culture for franchising (Subscale 1); the integrity of franchising information (Subscale 2); the integrity of the franchising system (Subscale 4); and the protection and expansion of franchising business opportunities (Subscale 5). Franchisees who meet annually with their franchisor also attribute significantly greater importance to ethical issues concerning the integrity of franchising information (Subscale 2) and of the franchising system (Subscale 4). With the exception of Subscale 5, whether franchisees are with national brands or international brands make no difference in the perceived importance for the various groups of *Ethical Issues in Franchising Business Success*. The protection and expansion of franchising business opportunities (Subscale 5) is significantly more

important for international brands than for national brands.

Table 3, which appears on the next page, presents the analytical results for the franchising characteristics that are measured at three or more levels (*i.e.*, survey questions 16, 15, and 18, in the order they appear in Table 3). For the various groupings of ethical issues vis-à-vis each of the franchising characteristics, Table 3 provides the cell means, the significance level for the Levene test of equality of cell variances, the significance level for the *F*-test in the Oneway ANOVA, η^2 , and a summary statement regarding the significant pair-wise comparisons of cell means. When the Levene test indicates that cell variances are equal ($p > .05$), Tukey’s Honestly Significant Differences (Tukey’s HSD) test is an appropriate choice for post hoc probing. However, when the results of the Levene test indicate unequal cell variances (*i.e.*, $p \leq .05$), the Tamhane T2 test is appropriate for post hoc probing. In Table 3, the figures in the row labeled ‘*p*-value for Levene test’ provide the signal as to whether the Tukey HSD test or the Tamhane T2 test is used for the post hoc probing (383–385).

Table 3: Ethical Issues in Franchising Business Success (EIFBS) Relative to Franchising Characteristics with Three or More Levels

Franchising Characteristics With Three or More Levels		EISB Scale and Subscales					
Q 16: Industry/Sector of Operations:	n	EIFSB Scale	EIFSB Subscale 1	EIFSB Subscale 2	EIFSB Subscale 3	EIFSB Subscale 4	EIFSB Subscale 5
1. Apparel (category mean)	61	3.66	3.70	3.86	3.53	3.54	3.50
2. Gas Station (category mean)	39	3.51	3.30	3.86	3.37	3.64	3.47
3. Jeweler (category mean)	32	3.63	3.44	3.97	3.56	3.95	3.36
4. Appliances (category mean)	19	3.69	3.82	3.84	3.37	3.39	3.76
5. Food and Beverages (category mean)	34	4.03	4.14	3.90	4.01	4.13	3.87
6. Sporting (category mean)	7	3.81	3.97	3.81	4.07	3.21	3.71
<i>p</i> -value for Levene test		.000	.062	.000	.000	.000	.000
<i>p</i> -value for <i>F</i> -test		.000	.000	.949	.000	.000	.000
Eta ²		14.92%	16.46%	.62%	11.73%	19.79%	14.74%
Significant pair-wise comparisons		5 > 1*	5 > 1*	None	5 > 2***	3 > 1***	5 > 1*
		5 > 2***	5 > 2***		6 > 1***	3 > 2**	5 > 2**
		5 > 3**	5 > 3***		6 > 2*	3 > 4***	5 > 3***
		6 > 2***	6 > 2**		6 > 3***	3 > 6***	
			6 > 3*			5 > 1**	
						5 > 2**	
						5 > 4***	
						5 > 6**	
Q 15: Length of Time as Current Brand Franchisee:	n	EIFSB Scale	EIFSB Subscale 1	EIFSB Subscale 2	EIFSB Subscale 3	EIFSB Subscale 4	EIFSB Subscale 5
1. 1 to 2 Years (category mean)	52	3.85	3.81	4.17	3.76	3.82	3.61
2. 3 to 5 Years (category mean)	77	3.68	3.61	3.88	3.62	3.78	3.49
3. 6 Years or More (category mean)	63	3.60	3.64	3.65	3.43	3.53	3.64
<i>p</i> -value for Levene test		.376	.706	.028	.265	.021	.586
<i>p</i> -value for <i>F</i> -test		.001	.259	.000	.035	.015	.110
Eta ²		5.14%	1.42%	12.90%	3.48%	4.36%	2.31%
Significant pair-wise comparisons		1 > 3**	None	1 > 2***	1 > 3*	1 > 3*	None
				1 > 3***			
Q 18: Length of Current Franchising Agreement:	n	EIFSB Scale	EIFSB Subscale 1	EIFSB Subscale 2	EIFSB Subscale 3	EIFSB Subscale 4	EIFSB Subscale 5
1. 1 to 2 Years (category mean)	25	3.45	3.19	3.95	3.32	3.50	3.44
2. 3 to 5 Years (category mean)	86	3.68	3.69	3.87	3.52	3.63	3.56
3. 6 Years or More (category mean)	81	3.79	3.81	3.88	3.75	3.85	3.62
<i>p</i> -value for Levene test		.015	.302	.000	.010	.000	.000
<i>p</i> -value for <i>F</i> -test		.002	.000	.823	.010	.010	.238
Eta ²		6.23%	7.73%	.21%	4.75%	4.74%	1.51%
Significant pair-wise comparisons		2 > 1*	2 > 1*	None	3 > 1***	3 > 1*	None
		3 > 1***	3 > 1**				

* $p \leq .05$; ** $p \leq .01$; *** $p \leq .001$

As shown in Table 3, a significant effect for the independent variable of 'industry/sector of operations' occurs for the EIFBS Overall Scale and for all EIFBS Subscales except Subscale 1. In each case the significant effect is quite substantial, as indicated by Eta^2 , which measures the proportion of variance in the dependent variable that is explained by the independent variable (Hair *et al.*, 2010). Across the significant relationships, Eta^2 ranged from 11.73% to 19.79%. Ethical issues in general (*i.e.*, the EIFBS Overall Scale) are significantly more important for food and beverage franchisees than for apparel, gas station, and jeweler franchisees; and for sporting franchisees than for gas station franchisees. Ethical issues concerning the development and maintenance of an ethical business culture for franchising (*i.e.*, EIFBS Subscale 1) are significantly more important to food and beverage franchisees than to apparel, gas station, and jeweler franchisees; and for sporting franchisees as opposed to gas station and jeweler franchisees. The importance of ethical issues concerning the integrity of franchising information (*i.e.*, EIFBS Subscale 2) do not differ significantly across the categories of industry/sector of operations. Ethical issues concerning the franchising system's key stakeholder relationships (*i.e.*, EIFBS Subscale 3) are significantly more important in the food and beverage category than in the gas stations category; and in the sporting category, than in the apparel, gas station, and jeweler categories. Ethical issues concerning the integrity of the franchising system (*i.e.*, EIFBS Subscale 4) are more important for jeweler franchisees than for apparel, gas station, appliances, and sporting franchisees; and for food and beverage franchisees relative to apparel, gas station, appliances, and sporting franchisees. Ethical issues concerning the protection and expansion of franchising business opportunities (*i.e.*, EIFBS Subscale 5) are significantly more important for food and beverage franchisees than for apparel, gas station, and jeweler franchisees.

Also as indicated in Table 3, a significant effect for the independent variable 'length of time as a current brand franchisee' exists for the Overall Scale and for Subscales 2, 3, and 4. The magnitude of the significant effect, as indicated by Eta^2 , ranges from 3.48% to 12.90%. Ethical issues in general (*i.e.*, the EIFBS Overall Scale) and ethical issues concerning the integrity of franchising information; (*i.e.*, EIFBS Subscale 2), the franchising system's key stakeholder relationships (*i.e.*, EIFBS Subscale 3), and the integrity of the franchising system (*i.e.*, EIFBS Subscale 4) are significantly more important for franchisees who have been with the current brand for 6 years or more than for franchisees who are new to the brand (*i.e.*, 1 to 2 years). In addition, ethical issues concerning the integrity of franchising information (*i.e.*, EIFBS

Subscale 2) are significantly more important to franchisees with 3 to 5 years of experience with the brand as opposed to franchisees who have relatively little experience with the brand (*i.e.*, 1 to 2 years).

Finally, a significant effect for 'length of the current franchising agreement' exists relative to the EIFBS Overall Scale, EIFBS Subscale 1, EIFBS Subscale 3, and EIFBS Subscale 4. As indicated by Eta^2 , the 'length of the current franchising agreement' explains between 4.74% and 7.73% of the variance, depending on which significant relationship is being considered. Ethical issues in general (*i.e.*, the EIFBS Overall Scale) and ethical issues concerning the development and maintenance of an ethical business culture for franchising (*i.e.*, EIFBS Subscale 1) are significantly more important for franchisees with longer term franchising agreements (*i.e.*, 3 to 5 years or 6 years or more) than for franchisees with shorter agreements (*i.e.*, 1 to 2 years). Moreover, ethical issues concerning the franchising system's key stakeholder relationships (*i.e.*, EIFBS Subscale 3) and ethical issues concerning the integrity of the franchising system (*i.e.*, EIFBS Subscale 4) are significantly more important to franchisees with the longest contractual agreements (*i.e.*, 6 years or more) than to those with the shortest franchising contracts (*i.e.*, 1 to 2 years).

DISCUSSION AND CONCLUSIONS

Given that this study identified five clusters of ethical issues that are important for the long-term success of franchising businesses, we sought to determine whether or not these clusters are connected in any systematic fashion to six different franchising characteristics. The results for franchising characteristics with two-levels of measurement show that whether or not franchisees receive education/training from the franchisor has a very strong influence on the various groups of ethical issues, whether or not there is an annual meeting with the franchisor to discuss franchising issues has a small influence, and whether the brand is national or international has a very small influence. Also, the results for the three franchising characteristics with three or more measurement levels clearly support the notion that these characteristics do influence the clusters of *Ethical Issues in Franchising Business Success*.

The significant differences in Table 2 for 5 of 6 mean comparisons for the education/training variable, 2 of 6 comparisons for the annual meeting variable, and 1 of 6 comparisons for international versus national franchising brand show that *Ethical Issues in Franchising Business Success* are significantly more important to those franchisees having closer contact with the franchisor. Receiving education/training from the franchisor upon signing a franchising agreement

and having an annual meeting with the franchisor to discuss franchising issues apparently promotes and reinforces the importance of ethical issues in franchising. These findings have some managerial implications for building successful franchising businesses. One implication is that franchisors must provide education and training to the new franchisees when entering into a franchising agreement. This could eliminate any potential confusion and/or uncertainty that new franchisees might have about their responsibilities and rights under the franchising agreement. In turn, this could establish a mutual trust between the franchisor and franchisee, which is essential for the success of the franchising relationship. The second implication is that the initial education and training could be a key for open and effective future communications between the parties. Also, since having an annual meeting is significant for Subscale 2 and Subscale 4, a regular annual meeting between franchisors and franchisees appears to be crucial for maintaining the integrity of franchising information and the franchising system. This annual meeting may help to avoid any future potential conflicts. Finally, concerning the franchise brand, international brands value the protection and expansion of franchising business opportunities more than national brands. This is understandable for the fact that, as they expand to new markets, international brands might be concerned about protecting their businesses.

Concerning the 'industry/sector of operations' in Table 3, ethical issues seem to be much more important to food and beverage franchisees than to any of the other types of franchising businesses; 14 of the 24 significant pair-wise comparisons identify ethical issues in the food and beverage category as being significantly more important than in the relevant comparison categories. Of the remaining 10 significant pair-wise comparisons for the 'industry/sector of operations,' selected ethical issues are significantly more important in the sporting category as opposed to the comparison group in 6 cases, and ethical issues are significantly more important in the jeweler category in 4 cases. The significant differences involving the sporting category should be interpreted with appropriate caution, however. There are 7 respondents in the sporting category; thus there may be some bias that has been introduced by the small size of this group relative to the others. Given the nature of the franchising businesses covered in this study, the sporting group could not be combined with any of the other groups. Where the industry findings indicate that certain ethical issues are more important for a successful long-term franchising relationship, franchisors and franchisees in these industries must be aware of these ethical issues as potential sources of conflict. They must also be aware that if these ethical

issues are not addressed, they could adversely affect the long-term success of the franchising business.

For the independent variable 'length of time as a current brand franchisee,' the ethical issues identified in the overall scale and in the subscales concerning the integrity of franchising information; the franchising system's key stakeholder relationships, and the integrity of the franchising system are significantly more important for longer-term brand franchisees than for shorter-term brand franchisees. Apparently, those franchisees with the most experience with a brand are the most concerned about having fair and just dealings with relevant stakeholders on many ethical issues. This is a perspective that evolves over time, perhaps as the franchisees come to better understand and embrace the importance of all stakeholders in producing long-term success. Also, over time and with greater experience, the franchisor/franchisee relationship becomes more stable and sustainable, thereby enabling franchisees to devote more attention and energy to a variety of ethical issues. This suggests that franchisors must provide more support and help through education and training upon signing an agreement, and by having annual meetings.

As for 'length of the current franchising agreement,' those franchisees having longer franchising agreements, in general, attribute greater importance to the various *Ethical Issues in Franchising Business Success* than do those franchisees having shorter franchising agreements. Perhaps a longer-term franchise agreement raises the 'stakes' for both franchisors and franchisees to such an extent that effectively dealing with ethical issues becomes more important. Ethically questionable decisions and actions might permit a franchising business to survive in the short term, but such behavior would very likely be detrimental in the long term. Again, given the strong importance of initial education and training, and the somewhat lesser importance of having an annual meeting for the long-term success of the franchising relationships, franchisors could implement more intense initial and follow-up education and training programs, as well as conducting annual meetings to address the franchisees' concerns of these ethical issues before they become debilitating conflicts that undermine the success of the franchising operation.

Limitations of the Study

Although this study provides important insights into (a) the franchisees' perceptions of ethical issues that influence the long-term success of the franchising system and (b) the impacts of various franchising characteristics on those perceptions, the study does have some limitations. The first limitation is that the study examined ethical issues only from the

perspective of the franchisees. While the results are useful, there is no information about franchisors' perceptions regarding the importance of these ethical issues for the long-term success of the franchising system. Therefore, future research should include the franchisors' perspectives of the ethical issues in order to compare both perspectives and to address the ethical concerns of both parties for mutually beneficial solutions to those concerns. The second limitation is that the sample was restricted to two cities in Turkey. A sample covering franchisees in more than two Turkish cities could be more representative of the franchisees in Turkey; thus, future research should

include franchisees from more cities, which would improve the generalizability of the results. The third limitation of the study is that it was conducted only with Turkish franchisees. The same survey should be extended beyond the current sample from Turkey. Studying franchisees in other nations would be useful in understanding any potential effect of different cultures on these ethical issues. Given the globalization of franchising businesses, understanding ethical issues in different cultural contexts and the potential effects of franchising characteristics on these ethical issues could contribute to the global success of franchising systems.

Appendix

Survey of Ethical Issues in Franchise Business Success

Please indicate how important you consider each of the following issues to be in promoting and protecting the interests of both franchisor and franchisee to ensure long-term success of the franchising business.

1. Pursuing dual distribution opportunities for the franchisor to increase sales for the franchising business.
0 = not important at all. 1 = slightly important.
2 = important to some degree. 3 = moderately important. 4 = very important. 5 = extremely important.

Note: Questions 2 to 14 use the same response scale as appears underneath Question 1.

2. Providing full and accurate disclosure of information when selling a franchise and after the franchising agreement is signed.
3. Providing a notice and process for dealing with disputes, terminations, or expirations of agreements.
4. Maintaining the integrity and reputation of the franchise concept or system.
5. Avoiding questionable use of advertising payments and/or having no false or misleading advertising.
6. Having a franchise agreement that seems to protect the franchisor more than the franchisee.

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7. Protecting trade secrets or proprietary information and not releasing proprietary information to outside parties.
8. Complying with all applicable laws.
9. Having fair dealings between franchisor and franchisee
10. Providing open and effective two-way communication among all parties.
11. Providing a quality product or service in line with the image of the franchising business,
12. Practicing non-discrimination and affirmative action regarding all parties.
13. Safeguarding the public interest.
14. Having a general statement promoting ethical principles that are consistent with the image of the franchising business.

Characteristics of Franchise Businesses:

15. How long have you been a franchisee of this Brand?
1-2 yrs__ 3-5 yrs__ 6-10 yrs__ More than 10 yrs__
16. Please indicate the industry / sector are you operating in:_____
17. Your franchisor brand is: National__ or International__
18. How long is your current franchising agreement?
1-2 yrs__ 3-5 yrs__ 6-10 yrs__ More than 10 yrs__
19. When signing the franchising agreement, did you go through any education or training? Yes__ No__
20. Do you have an annual meeting with the franchisor to discuss general franchising issues? Yes__ No__

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PATTERNS OF CORPORATE SOCIAL RESPONSIBILITY: CLUSTER ANALYSIS OF IVA HISTORIC DATA RATINGS

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ABSTRACT

This study analyzes an Intangible Value Assessment (IVA) rating database searching for patterns of corporate social responsibility behaviors among companies worldwide. Mirkin's Intelligent K-Means clustering algorithm is used to uncover groups of companies with different CSR-related performance along its various dimensions.

INTRODUCTION

The new millennium brought about ever increased concerns regarding global warming, resource depletion, carbon footprint, as well as human and social well-being. These concerns are propelling more and more companies to attempt to contribute to the solution of these problems by donating money to various charities, promoting social and environmental issues, changing their business practices and products to be greener, more humane, etc., in other words, practicing Corporate Social Responsibility (CSR) (Peloza, & Shang, 2011). By 2006, 79% of companies in the S&P 500 included some CSR related reports in their overall annual reports (McPeak, & Tooley, 2008).

Much research has been dedicated to the antecedents and consequences of companies' CSR-related activities (for instance, Men-Ling, 2006, Harjoto & Jo, 2011, etc.). However, we believe that in order to understand the complete picture better, we need to understand the patterns of a company's CSR performance on a global scale.

To that effect, we are conducting cluster analysis of MSCI's Intangible Value Assessment (IVA) rating database which rates companies on their CSR activities and performance worldwide (MSCI, 2011), a successor to the popular KLD ratings database. We are using Mirkin's Intelligent K-Means algorithm (Mirkin, 2011) to find a grouping of a priory unknown number of "peculiar" businesses clusters with respect to their CSR performance.

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, 2001) It is a multi-dimensional construct (Schreck, 2011): these actions can be directed toward helping the environment, helping the community (local or global), helping the society, helping people (including own employees), and pursuing just and ethical governance. MSCI's databases rate companies on their actions with regards to environment (including pollution prevention, recycling, etc.), community (charitable giving, involvement with local community, impact on community), human relations (human rights issues, not operating in Sudan or Burma, etc.), employee relations (health and safety, union relations, etc.), diversity, product (quality, safety, benefit to economically disadvantaged, antitrust issues, etc.) and governance (reporting policies, public policies) (MSCI, 2011).

Much of CSR activities can be explained and predicted using stakeholder theory (Fassin, 2009). CSR provides stakeholders with multiple benefits which in turn affects performance (Bhattacharya, Korschun, & Sen, 2009) Stakeholders with power, urgency and legitimacy can have a very strong mediating effect on the direction and success of company's CSR (Peloza, & Papania, 2008; Peloza, & Shang, 2011). Additionally, agency theory, political cost theory and others have been used to explain some company choices. For example, the relationship between earnings manage-

ment and subsamples of corporate environmental responsibility (Heltzer, 2011) have been studied through this lens.

For all the effort directed at CSR, its impact on the company's financial performance is mixed (Sen, & Bhattacharya, 2001). Some researchers report no significant causal relationship between CSR performance and financial performance when estimated using "Granger causality", but significant negative impact of the environmental performance on return on assets, return on equity and market returns using individual measures (Makni, Francoeur, & Bellavance, 2009). Other researchers report at best a very weak relationship overall and no "causality between financial performance and . . . narrower measures of social performance that focus on stakeholder management" (Nelling, & Webb, 2009). Positive cumulative effects over time have been shown in other studies (Peters, & Mullen, 2009). Some researchers report positive results (Harjoto, & Jo, 2011; Jo, & Harjoto, 2011). Meta-analysis of 121 empirical studies investigating the relationships between CSP, CFP, and company size has shown an average effect size of .166 between CSP and CFP (Meng-Ling, 2006).

On the other hand, CSR violations/unethical actions do hurt the company's sales margins (Coleman, 2011). Reputation for social responsibility can protect firms during crisis (Schnietz, & Epstein, 2005). Particular actions/directions of CSR by the firm can be rewarding. For example, labor-friendly policies were shown to lead to positive shareholder value (Faleye, & Trahan, 2011). While there is probably no generalized benefit to the company of just "doing something", it IS possible to "do good while being good" and it becomes extremely important to explore the particulars of how to do it successfully. Some of the CSR activities lead to improved corporate performance more than others, and makeup of such activities seems to be changing over time (Bird, Hall, Momente, & Reggiani, 2007). Consumer support (and resultant financial measures of performance) is determined by "the way in which CSR manifests itself (Green, & Pelozo, 2011). CSR can provide three forms of value to consumers: emotional, social, and functional. Each of these enhances or diminishes the overall value proposition for consumers. Further, value created by one form of CSR can either enhance or diminish other product attributes." For example, CSR ratings had a positive impact on reputation and mediated the relationship between the number of women on the board and corporate reputation (Bear, Rahman, & Post, 2010).

Firms' reputation for CSR and actual CSR might differ, which partially explains the differential impact of CSR on company's bottom line (Liston-Heyes, & Ceton, 2009). Researchers also point out that CSR actions can be strategic vs. responsive (Boesso, &

Michelon, 2010). Overall, leadership in social ratings is not related to financial performance, but leadership in the strategic CSR is (Boesso, & Michelon, 2010).

One of the indicators of company's performance is the value of the brand. It is a forward looking metric that allows one to not only see where the company currently stands, but also predict its performance in the future, since it indicates the value generating capability of the brand as a money-making asset (Keller, & Lehmann, 2006). It stands to reason that company's actions to help the environment, society and people - its CSR - should have some effect on the value of the brand as it affects the overall corporate reputation. However, CSR impact on the value of the brand has been reported as mixed or even more as CSR impact on the general company performance (Sen, & Bhattacharya, 2001). It has been suggested that one of the key reasons for that could be "non-alignment of CSR initiatives with branding strategy" and leveraging the company's CSR actions to align with brand is the way to achieve success (Melo, & Galan 2011; Polonsky, & Jevons, 2009).

An important factor of the CSR impact on the brand image and value (or lack thereof) has been shown to be the assumed motives for charity on behalf of the managers and the company (Muller, & Kräussl, 2011). If the customers feel that the company is not sincere in its efforts, they will penalize rather than reward its efforts. Strategies to create a more positive attitude include, for example, 'sensegiving' lens provided by the company's communications; however, mistakes in such communications could bring about increased consumer skepticism (Muller, & Kräussl, 2011; Pomeroy, & Johnson, 2009).

Some research effort has been directed to studying relationships among the CSR component activities. Most of such effort revolves around the KLD database, which has been succeeded by MSCI's databases. Examples of studied relationships include the relationship between earnings management/quality of reporting and other CSR activities (Hong, & Andersen, 2011); relationships between political expenditures, environmental performance, and environmental disclosure (Cho, Patten, & Roberts, 2006); board reputation attributes and CSR (Mallin, & Michelon, 2011), as well as CEO attributes (Manner, 2010); the impact of board diversity and gender composition on CSR and reputation (Bear, Rahman, & Post, 2010) as well as board composition vs. environmental CSR (Post, Rahman, & Rubow 2011). Relationships between areas of CSR performance and charitable contributions have been studied. Companies who do worse in environmental issues and product safety do more charitable giving (Chen, Patten & Roberts, 2008). Executive compensation is negatively correlated with CSR, which can be explained by "conflict resolution hypothesis

based on stakeholder theory” (Cai, Jo, & Pan, 2011) as opposed to “CSR overinvestment” which would explain the previous finding well. Positive relationship between CSR and operating performance and firm value has also been explained by the conflict resolution theory (Harjoto, & Jo, 2011).

Researchers have also investigated how well KLD ratings, the predecessors of MSCI’s IVA ratings database reflect actual company past and future performance (“provide transparency”) and expressed some criticism (Chatterjee, Levine, & Toffel, 2009) primarily based on the fact that it is not transparent and not publicly available. Suggestions for an aggregate index based on data envelopment analysis have been made (Chen, & Delmas, 2011). Mattingly and Berman (2006) sought to reveal taxonomy in the KLD data by exploratory factor analysis. One of the most interesting findings is that positive and negative CSR actions are distinct constructs, an intuitively appealing although somewhat unexpected fact.

Popular KLD ratings database was succeeded by the Intangible Value Assessment (IVA) ratings database produced by MSCI ESG Research (Ho, Wang, & Lee, 2011; MSCI, 2012). “MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of thousands of companies worldwide. MSCI ESG Research builds on the expertise and achievements of sustainability pioneers KLD, Innovent and IRRC, acquired through MSCI’s acquisition of RiskMetrics. (MSCI, 2012). These data include historical dataset which contains overall ratings of CSR performance for approximately 2650 firms worldwide. In addition to overall ratings, the database includes separate subscores evaluating social and ecological performance of the companies. Going further into detail, each business is scored on four factors: Strategic Governance, Human Capital, Environment, Stakeholder Capital, with further subcomponents for each.

While different authors considered different antecedents and factors of CSR, we want to take a step back and unveil the patterns of CSR performance among the firms included in the IVA historical dataset. This will be our first step to understanding the phenomenon as a whole, along with its antecedents and consequences. Hence,

Research Questions

Question 1. Are there identifiable groups of companies whose behaviors with regards to CSR are similar?

Question 2. What are the patterns of Corporate Social Performance among businesses worldwide?

METHOD

IVA Historical Dataset

The IVA historical dataset contains overall ratings of 2852 companies over the period of about 66.6 months on average (76 months median) up to 99 months maximum. We choose to concentrate on the last period in the data, March 1, 2012. On that date, 2754 companies’ ratings are included in the database. However, 69 companies had to be discarded due to data missing on ratings and factor scores, leaving 2685 companies in the sample. The majority but not all of the companies in the sample are located or headquartered in the US. For our first analysis, we are looking at three variables: overall ratings on a scale of 1 through 7 (original ratings are provided as AAA, AA, etc, which we converted to numeric values with AAA being 7, AA 6, etc.), ecological ratings and social ratings. Next step plans to add the Strategic Governance, Human Capital, Environment, and Stakeholder Capital factor subscores that evaluate these components separately.

Intelligent K-Means Cluster Analysis

Before analyzing the data, we standardized it by range, that is, for each x_{ij} rating of company i on variable j , we computed $x_{ij}^{stand} = [x_{ij} - x_j] / (x_{jmax} - x_{jmin})$ where x_j stands for the average value of the j th variable. This practice of standardizing variables for cluster analysis has been shown to be superior as it allows to both, make variables comparable, and retain the patterns in the data that cluster analysis aims to discover (Mirkin, 2005).

To find patterns in our data, Mirkin’s iK-Means (Intelligent K-Means) clustering method (Mirkin, 2005, 2011) was utilized. Traditionally, K-means cluster analysis suffers from sensitivity to the preset number and location of initial solution seeds. One might not find the best clustering solutions from just any random starting points. Mirkin’s iK-Means clustering method overcomes this problem. Additionally, it allows to automatically find an appropriate number of clusters, which in traditional K-Means analysis is supplied completely exogenously. This allows for more structured exploration into the nature of the data. In a nutshell, Mirkin’s Intelligent K-means method iteratively forms clusters around cluster centroids in such a way as to maximize the variance between the clusters relative to the variance within the clusters. The method relies on introducing a reference point so that the initial cluster centroids are taken as far from that as possible (Mirkin, 2011, pp 249–250.) MATLAB code was used to run the analysis (Mirkin, 2011).

ANALYSIS AND RESULTS

Mirkin's iK-Means cluster analysis results on the three variables used in our first analysis suggests a 13 cluster solution for the 2685 firms included in the analysis. Table 1 presents cluster centroids along with

cluster contributions to the total variance accounted for, as well as contributions of each variable into each cluster. To aid interpretation, variables that carry disproportionately high relative contributions and can thus be considered as defining the cluster are highlighted in bold and marked with an asterisk.

Table 1. Three - Variable Centroids and Variable Contributions

Cluster		Variables Involved							
		Total Rating	mean= 3.77			Ecological Rating	mean=3.44		Social Rating
#r	N	Contribution	Relative Contribution	Centroid	Relative Contribution	Centroid	Relative Contribution	Centroid	
1	222	0.199	111%	6.50	104%	6.19	86%	6.11	
2	387	0.231	123%	1.42	79%	1.48	100%	1.49	
3	141	0.070	51%	5.16	239%*	6.55	3%	3.32	
4	137	0.070	67%	5.38	12%	2.74	222%*	6.64	
5	102	0.006	217%*	2.76	4%	3.30	88%	4.30	
6	105	0.025	312%*	6.11	0%	3.53	0%	3.59	
7	286	0.035	19%	3.35	154%*	2.20	121%	2.57	
8	265	0.055	64%	4.77	69%	4.52	167%*	5.31	
9	244	0.052	132%	2.31	11%	3.89	162%*	2.00	
10	216	0.054	113%	2.31	176%*	1.56	8%	4.05	
11	181	0.023	22%	4.22	136%	4.62	138%	2.49	
12	190	0.011	51%	4.24	215%*	4.46	28%	4.01	
13	209	0.020	28%	4.22	149%	2.35	118%	4.60	

*Cluster defining variable

As seen from Table 1, the first two clusters are formed by firms whose performance on all the three ratings is relatively uniform and lies on the opposite ends of the spectrum: Cluster 1 contains the high performers with centroids close to 7 and Cluster 2 contains low performers with centroids close to 1. Cluster 3 is defined by high ecological performance and cluster 4, social.

These uncovered groupings of ratings in the data allow us to validate our preconceived pre-existing beliefs regarding the ratings and what is actually observed in the data.

CONCLUSIONS

We have discovered 13 groups of firms with regards to their overall ratings of CSP as well as their performance on the social and ecological dimensions of CSR, with 222 "superb performers" shining on every

dimension, 387 scoring very poorly on every dimension, and 11 other groups with varying patterns of CSR. These groups are based in empirical observation of company CSR-related behavior and can be used further for a variety of purposes including finding relationships between group membership and various possible antecedents and outcomes of CSR. Finding these groups allows to adjust the starting point of any further discussion of CSR, whether we are interested in its antecedents or its factors and covariates. While there may be different reasons for companies to be displaying similar behaviors, any discussion of the relationships among the variables relevant to a part of the group benefits from the perspective that knowing that there are others in the group brings. In particular, it allows us to avoid overlooking important variables and relationships when formulating further hypotheses.

The importance of this stream of research is that it enhances and deepens our understanding of corporate behaviors with regards to CSR and sets up the stage for a more systemic further analysis.

Limitations of this research start with the limitations of the data set: the “legacy” ratings of the “historic” data set has been abandoned in favor of a somewhat different scoring system by MSCI, which does not allow for any further in-depth comparisons with future data. MSCI experts’ ratings are at least to a degree, subjective, and thus imperfect. Another set of limitations lies with the exploratory nature of the cluster analysis methodology.

Future research will continue along these directions: a) longitudinal studies exploring patterns of CSR as they change over time; b) finding which antecedent variables correspond to each cluster (industry, size, geographic location, etc) c) relationship between cluster membership and financial and reputational outcomes. Now that we know that there are groups in the data as described above, we can continue on to asking further questions – for example, what other differences exist among these businesses? Are groups of companies over-emphasizing one aspect of CSR at the expense of another somehow faring better (or worse) than members of other groups?

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OPPORTUNITIES AND OBSTACLES ON THE PATH TO BUSINESS SUSTAINABILITY

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ABSTRACT

Industry is increasingly moving in a more sustainable direction. To a greater or lesser extent, the principles of sustainability are being incorporated into a new normative view for assessing overall firm performance. Successful implementation can depend upon a variety of internal and external conditions. The focus of this paper is to review the more significant factors identified in the literature as helping or hindering efforts to implement sustainable practices within an organization. These prescriptive findings are compared with preliminary results from a survey of Sustainability Coordinators from a cross-industry sample of medium to large corporations (N=14, 25% response rate). Overall findings provide actionable recommendations to organizations to build upon their strengths while overcoming their barriers to adopting sustainability-oriented strategy and practice.

Current research reveals a variety of internal and external influences on a firm's efforts to adapt to more sustainable streamlined operations, waste reduction, fuel efficiency and other efforts to mitigate negative environmental impact. Primary internal factors include the extent of the organization's strategic integration, its ability to measure sustainability-related outcomes, employee training and expertise, a compatible organizational culture, and adequate internal coordination across functional areas. External considerations include the specific characteristics of the industry and the nature of current and potential customer expectations regarding the firm's sustainability performance.

The most significant hindrances rated in the survey corroborate many factors highlighted in the literature, and suggest further implications. Respondents primarily feel hindered by competing organizational priorities, combined with difficulty quantifying intangible effects of sustainability strategies (e.g., brand reputation, employee hiring, retention and productivity). These results are likely to be two sides of the same coin, as it often happens that what cannot be measured is not likely to be prioritized. An important focus for intervention may be capturing comprehensive metrics about sustainability impact in order to enhance the prominence and priority of sustainability principles in the company's mission and associated strategies.

Recommendations to be gleaned from this research pertain to emphasizing the strategic integration of sustainability principles. Where strategy is directed, resources are likely to follow. Greater emphasis on developing metrics for tracking sustainability performance could be the trigger for enhancing the strategic role of sustainability principles and provide a framework for building internal coordination across functional areas in support of sustainability priorities. Lastly, champions for sustainability inside the company need to compare notes with like-minded individuals outside of the company in order to learn, grow, leverage their strengths and persevere in spite of these ongoing challenges.

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TO LOVE AND WIN: EXAMINING THE SURVIVABILITY OF NON-EQUITY GLOBAL ALLIANCES

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ABSTRACT

The prevailing hypothesis of this work is that the more linked two members of an alliance are, the stronger the alliance and therefore, the more likely the alliance will remain in place. By applying hazard modeling to longitudinal data, results actually suggest an inverted “U” relationship in that a higher level of “ties” between the partners leads to longer-lived alliances; however, too many ties actually deter the longevity of the alliance. In addition, the effects of operational efficiencies and culture are tested on survivability of these cross-border alliances; findings suggest that culture and operations do matter, but in select ways.

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CHINESE CONSUMERS' BRAND PERCEPTIONS AND PURCHASING INTENTIONS: DOES BRAND OF ORIGIN MATTER?

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ABSTRACT

The increasing internationalization of the world economy has resulted in international competition in both domestic and foreign markets. This has also created opportunities for MNCs in emerging markets such as Brazil, Russia, India, and China (BRICs countries). As one of these emerging markets, China has attracted many investors as a consumer society with great potential.

The influx of internationally recognized products into the Chinese market has caused an explosion of contemporary products from food, cosmetics, household goods, and electronics. Western products are viewed as offering superior quality, technology, and prestige. However, further investigation is needed in determining if there are different segments in the Chinese market that are more attractive and profitable for foreign brands. While much research has focused on investment in China, not enough attention has been given to understanding the segmentation of local consumers in their consumption of foreign brands. The purpose of this research paper is to study the perceptions of different segments of Chinese consumers and their evaluation of skin care products from the U.S in terms of quality, image, and price. The skin care product category was selected for several reasons: it is a growing market, with demand for skin care products predicted to increase by 10.4% annually; it has universal appeal; it is a well-developed product category, with an extensive distribution system; it is an affordable product for a majority of the country's population.

This study is focused on consumer attitudes toward three product-related dimensions, namely, quality, value, and image (prestige) and one country-related dimension. A hierarchical cluster analysis was conducted on the mean scores of the four dimensions of the U.S. brand perceptions. Results indicate that Chinese consumers also view the U.S. skin-care brands from four dimensions—country, quality, value, and image. Based on these four dimensions, Chinese consumers can be clustered into three distinct segments—the endorsing consumers view American skin-care brands positively, and the price-conscious consumers are not satisfied with the value of the American brands, although they do have positive views on the other three dimensions. Then, the indifferent consumers have very neutral attitudes on all four dimensions, and this could be interpreted as this segment of consumers not being familiar with the U.S. brands, thus not having developed a distinct attitude yet. This cluster analysis result gives guidance to the segmentation strategies for the U.S. brands challenging in the Chinese market. More specifically, the U.S. brands should try to improve the satisfaction level in the endorsing segment and to develop loyal customers from this group. Since the price-conscious customers are not happy with the price of the U.S. brands, incentives such as sales, coupons, discounts, etc. are good strategies to reduce this group of customers' price perceptions on the U.S. brands. For the indifferent consumers, because they have not developed strong attitudes or are not even familiar with the American brands, using advertising, offering samples, and providing customer education programs are good ways to help familiarize consumers and to build a positive image on the brands.

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RE-ENGAGING GREEN CONSUMERS: A PROPOSED FRAMEWORK

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ABSTRACT

Discord between green consumers' concerns and their response to green advertising is apparent. Using qualitative methods of thematic analysis on green advertisements, this study proposes a framework that draws combinations of message strategies to specifically address specified types of consumer response to green advertising.

INTRODUCTION

Despite escalations of consumers' concerns awareness and knowledge on environmental issues, green marketing has yet to reach its full potential (Gupta & Ogden, 2009; Stern, 2011; Szmigin, *et al.* 2009). Prior literature shows that the immature downfall of green marketing was predominantly due to consumers' passive responses to environmental messages (Stern, 1999; Szmigin, *et al.*, 2009). Given that, paradigmatic changes ought to be made to current green communication (particularly, advertising) practices in accordance to consumer trends to engage fully with consumers (Leonidas, *et al.*, 2011; Stern, 1999). These assertions suggest that a deeper understanding in green messaging is required for advancement.

This study, therefore, develops a framework for effective advertising strategies in order to reconnect with disengaged consumers. The research process began by examining key factors that have been asserted to lead to disengagement with green consumption. A thematic analysis is conducted to draw out message strategies in green advertisements. The rationale behind the employment of this method is to identify strategies and progressive trends in green advertising. Then, a conceptual framework that proposes appropriate strategies for various profiles of disengaged consumers is formulated.

PARADOXICAL EFFECTS OF GREEN MARKETING

Emerging evidence highlighted an interesting irony in green marketing whereby deep environmental concerns did not always convert into purchasing behavior (Chang, 2011). Market growth and

performance for green products are disappointingly low as compared to their non-green counterparts (Dupré, 2005). Fewer consumers are now opting for environmental alternatives, highlighting a significant gap in translation between consumers' attitudes towards environmental issues and their behavior (Gupta & Ogden, 2009).

Consumer disengagement, therefore, refers to consumers' selective detachment from green communication and behavior, although having reported high levels of concerns and awareness on green issues. Four primary avenues of disengagement have been identified: consumer backlash; environmental exhaustion; individual challenges and; social pressures.

Consumer backlash occurs when a sense of cynicism and confusion is experienced by consumers which then leads to disengagement with green behavior (Crane, 2000). This is usually triggered by green marketing's lack of credibility; predominantly from dishonest marketing communications that is commonly termed as green-washing. Green-washing is described as a deceptive practice that includes falsifying, omitting and producing ambiguous claims in green messages (Laufer, 2003). Chylinski and Chu (2010) observed that incongruence between consumers' state of mind and the actions of marketers leads to suspicion and cynicism. Therefore, when consumers discovered that organizations were being deceptive in their use of green advertising strategies they became distrustful, resulting in a backlash.

Consumers also experience *environmental exhaustion*, defined as "the public's increasing weariness with all the media and advertising hype associated with going and being green" (Mulford and Himmel, 2009, p. 2). Based on the two-factor framework, high repetition of information would also cause environmental exhaustion as torrents of green messages could induce helplessness and inactivity

(Campbell, *et al.*, 2003). In such cases, Cacioppo and Petty (1989) argue that consumers would be driven to attack the message, resulting in a decreased agreement with the advertisers.

A third factor identified in the literature as contributing to consumer disengagement with environmental issues is *individual challenges*. Slater and Miller (2007, p. 19) highlighted that consumers are “complex beings, underpinned by intricate, competing priorities and compromises that stem from external and internal forces”. This results in consumers having difficulties in making informed decisions, prior to purchasing products (Szmigin, *et al.*, 2009). On a similar note, it was found that consumers may be ambivalent towards green products. This meant that consumers simultaneously experience both positive and negative attitudes towards green products (Chang, 2011). The conflicting opinions co-exist, allowing consumers to vary in decision processes in different situations.

Lastly, *social pressures* influence green consumption by motivating consumers to behave ecologically through their compliance with social norms and involvement with particular social identities. Drawing on the reference theory, Gupta and Ogden (2009) explained that consumers were often placed in difficult predicament whereby the act of behaving in an environmental manner came into conflict with personal gains. Thus a social dilemma, a situation where group members “face a conflict between maximizing their personal interests and supporting that of the group” arises (Sen, *et al.*, 2001). The act of co-operating and complying with social pressures required sacrifices from each individual. Therefore, if sacrifices or costs increased, the co-operation rate could be expected to decrease (Biel & Thøgersen, 2007). Consumers would be more than likely to disengage from green consumption if the collective benefit in return for their sacrifices was not substantial.

UNDERSTANDING PRIOR GREEN MESSAGES

This study proceeds by conducting a thematic analysis of selected, representative advertisements using the method described by Stern (1996) to identify key green advertising strategies employed over time. A sample of green print advertisements from four Australian magazines, dating 1970 to 2011, was drawn. The timeframe selected was based on the time of emergence of green marketing into the mainstream media, which was since 1970. *Australian Women Weekly (AWW)*, *Australian House and Garden (AHG)*, *Real Living (RL)* and *Woman’s Day (WD)* were

examined because they represent popular, long-running publications with a relatively high number of Australian reader coverage and of green advertisements. A common target for all publications provides a focused sample for this study (Table 1).

Table 1. Reader Profiles for Publication Selected

Publication	Core Target Audience
AWW	Women, 25 – 54 years old
AHG	Women, 25 – 54 years old
RL	Women, 25 – 44 years old
WD	Women, 25 – 54 years old

Data from publications in January, April, July and October were selected to give a good representation of seasonal changes and to achieve a dataset that revealed shifts in advertising practice. Advertisements that promoted at least one environmental feature in the product, service, activity or organization, were considered to be “green”. Duplicated advertisements from identical campaigns were excluded. In total, a sample of 112 unique green advertisements was drawn. Details regarding the data, such as time of publication, environmental issues and appeals were recorded.

The data was then analysed according to a systematic approach, as described by Stern (1996). The approach required several steps. First, attributes used in the advertisements such as the tone, language and context were observed. The unit of analysis examines images and text collectively. Next, the apparent meanings of the advertisement were derived, taking into consideration the characteristics of the text. Lastly, deconstruction of the apparent messages exposed the underlying latent meanings. The researcher and two other individuals, who were doctoral students and had received detailed explanation on this research, identified message strategies embedded in these advertisements. Data were coded individually. Discussions were held constantly among the researchers to ensure the validity of the data and to resolve any disagreements. The inter-rater reliability (IRR) among the individually coded data is reported to have a strong mean of 0.95 for all coded dimensions, which is above the recommended rate of 0.8. The IRR is calculated based on Perreault and Leight (1989) reliability formula. Five message strategies were ultimately derived from coding and discussions.

RESULTS AND DISCUSSION

The thematic analysis distinguished message strategies that fell under five main themes: Empowerment, Redemption, Informative, Multiple Benefits and Self-Representation. *Empowerment* strategy referred to the idea that the organization

appears to be encouraging the consumer to do better for the environment (that is, purchasing of advertised product) by allocating perceived power to consumers. Such advertisements usually highlight consumers' environmental responsibilities. For example: "*This trade must stop and only you can stop it. Their habitat must be protected and only you can help*" (WD (1982), p. 75) suggested that consumers ultimately have the ability to improve environmental conditions. This strategy involves images of pleasant scenes and happy characters, allowing consumers to envisage the possible outcome from their participation. At the same time, the strategy also positions the organization providing support to the consumer in the form of a product, service or idea. For example, one claimed: "*You can declare war on highly toxic chemicals by using [product]*" (RL (2009), p. 30). Such advertisements also communicate collaborative successes between the organization and the empowered consumer, such as: "*Thanks to the success of community recycling programs, we are using your old plastic bottles to make part of our new bottles*" (AWW (1991) p. 292).

The *redemption* strategy was defined as the extent to which organizations placed blame on consumers in order to trigger remorse and appropriate action. In this staging consumers, characterized as selfish beings, were portrayed as the reason that the environment is in jeopardy. Organizations typically used phrases such as: "*Stop torturing our aquatic life*" (AWW (2011), p. 242) and "*The average family dumps about a third of a tonne of food waste every year*" (AWW (1991), p. 82) to demonstrate how consumers' consumption activities can have damaging repercussions on the environment. Often, images following such statements embody sadness and solemnity which emphasized the effects. Language employed in this context was serious, firm, authoritative and direct. Such efforts are purportedly to engender guilt. Once guilt was established, the organization justifies itself as the solution to the problem through its offerings. For example, the sampled advertisements were quoted: "*So powerful it even cleans your conscience*" (AWW (2011), p. 327) and "*Why contribute to the problem, be part of the solution*" (WD (1994), p. 45).

Informative strategy was found when organizations communicated with consumers through the use of plenty of information justifying how the product or organization is environmentally-friendly with images that centered on the product. In this context, consumers were perceived as being aspiring to be green but needed guidance to green behavior. For example, a lighting company introduced its new product by explaining how "*switching to efficient lighting can help reduce global warming ... uses 80% less energy, decreasing CO₂ greenhouse gas emissions*

that impact our planet's climate" (RL (2009) p. 13). The detailed description of the idea was usually in a casual tone so as not to belittle consumers while its tone of language in this type of advertisements was informal and persuasive. In most cases, consumers were portrayed as the 'future of the world', who were open to learning from advertisers how to treat the environment better.

The implementation of *multiple benefit* strategy required advertisers to stress the environmental benefit as well as other benefit such as quality and cost (Ginsberg & Bloom, 2004; Ottman, *et al.*, 2006). By placing additional benefits on environmental, advertisers were able to offer stronger rationalizations for consumers' decisions. For example, the advertisement claimed: "*Greener or cleaner? Now you can have it all*" (WD (2009), p. 46); "*Now you can be kind to the environment without sacrificing softness*" (AWW (2006), p. 278) and "*Lighten your impact on the environment and save money at the same time*" (RL (1973), p. 64). Interestingly, an underlying assumption in this strategy was that consumers had attempted to being green but had grown sceptical of the green products. An advertisement for green detergents clearly depicted this: "*If it's better for the environment, great. But if it doesn't clean my dishes, I won't use it*" (WD (1994), p. 30) and proceeded to provide multiple explanations as to why the product is better for the environment and for consumers.

Self-representation strategy is reputation-based and holds unto the concept of consumption contributing to consumer identity. Assumption is held that consumers are aware of the need for being green and understood how it is to be achieved; yet, it is the egoistic perception of themselves from others that primarily affect their behavior. The act of "demonstrating greenness" to others was the driving force for consumers to be green. Thus, in this strategy, environmental consumption was glorified through various means so that consumers are able to show others their green personality (Griskevicius, *et al.*, 2010). This is done by highlighting the importance or consequences of being seen green socially and setting the tone of the language in a laidback, friendly manner. For example: "*Aaah, the insufferable smugness of [using product] this smart*" (AWW (1994), p. 65) and "*Show your fellow Australians that you care*" (AWW (2003), p. 39).

FRAMEWORK TO ENGAGING DISENGAGED GREEN CONSUMERS

The singularity of strategies from the thematic analysis and identification of four avenues to disengagement in green consumption from prior literature suggest that there was a need for combined

strategies to work harmoniously to enhance the efficiency of an advertising campaign. While mixed strategies had been long advocated by Stern (1999) who encouraged balance between incentives and information, this study advances the subject by proposing combinations of strategies to address different consumer issues identified in the literature (that is, *consumer backlash*, *environmental exhaustion*, *individual challenges* and *social pressures*) (Table 2).

Table 2. Proposed Framework to Engaging Disengaged Green Consumers

	Types of strategies				
	Emp.	Rdm.	Info.	Multi.	Self.
Backlash	X	X		X	
Environmental Exhaustion	X	X			
Individual challenges	X		X	X	
Social Pressures	X				X

Consumer backlash typically emerged from consumers' negative experiences with green consumption and advertising whereby consumers had shown to be concerned and had possible prior involvement with green activities. Apart from maintaining genuine and transparent communication (Leonidas, *et al.*, 2011), it is recommended that advertisers employ the *empowerment* strategy where organizations encourage consumers towards being green through motivation and empowerment. This strategy is designed to arouse consumers' latent environmental passion by reminding them of their responsibilities and to help reduce helplessness through the allocation of power. Similarly, advertisers could employ the *redemption* strategy to trigger remorse to reactivate consumers' dormant concerns.

Given consumers' tendency to reject messages due to perceptions of green-washing (Diehl & Poynor, 2010), the *empowerment* or *redemption* strategy is ineffective if used in isolation. It is recommended that those strategies be complemented by the *multiple benefits* strategy whereby other benefits are stressed in addition to the environmental property of the product. By offering justification for green consumption to consumers, this strategy reassures consumers that green products are of similar standards as their non-green counterparts and eases consumers' decision-making. Such reinforcement would challenge consumers' perception of green products and thus, reduce backlash. The implementation of both strategies simultaneously gives consumers a sense of responsibility and control over the situation and provides them with assurance

that green products are viable solutions to the environmental problem.

Environmental exhaustion stemmed from green information overload and from over-exposure to green marketing. In this case, the *informative* strategy should be avoided when communicating to consumers experiencing *environmental exhaustion* as additional information could cause tedium and further aggravate the problem (Rethans, *et al.*, 1986). Similarly, the *multiple benefits* strategy should not be used as cognitive processes involved in learning about the various green benefits may increase consumers' exhaustion. The *self-representation* strategy is also likely to be ineffective as these consumers place little importance on being seen to be green as part of their personal reputation.

On the other hand, the *empowerment* strategy may be able to re-engage green consumption among *environmentally exhausted* consumers. As *exhausted* consumers are assumed to have dormant environmental concerns, given that their prior over-exposure to green marketing, the motivational attributes of the *empowerment* strategy would be able to trigger said concerns and encourage re-engagement. However, based on the two-factor model, consumers' learning curve would eventually decrease and result in tedium as repetition increases (Rethans, *et al.*, 1986). Hence, it proposes that the *redemption* strategy to be used, with care, along with the *empowerment* strategy. The suggestion is that the *redemption* strategy accentuates the effects of the *empowerment* strategy by triggering latent environmental concerns and simultaneously, offers variation in the implementation of strategies to avoid exhaustion. Strategies with *environmentally exhausted* consumers needed to be implemented with great care otherwise, consumers' negative impressions about green marketing will impound

Consumers can experience conflicting interests between green and other issues like time, costs and convenience, which was identified as "*individual challenges*" and can undermine intentions of being green. One primary method by which advertisers could simplify consumers' decision making is through the *multiple benefit* strategy. By advocating the benefits of environmentally friendly products as well as its other competitive attributes, advertisers could reassure consumers that sacrifices on their part would be minimized. The effectiveness of this strategy could be enhanced if employed with another strategy such as *informative* strategy, whereby consumers are provided with additional information regarding the product or organization. However, to improve the effectiveness of this advertisement type, this paper argues that the *empowerment* strategy will strengthen the positive attributes of the consumers being green, taking

precedence over cost, time and convenience. This would offset consumers' ambivalence feelings towards green products. Szmigin *et al.* (2009) suggested that consumers with *individual challenges* show signs of guilt when they do not engage in green consumption. Therefore adding to this guilt through *redemption* strategy would be ineffective. Neither would the *self-presentation* strategy be applicable as these consumers are not pursuing green as a component of their reputation.

Socially pressured consumers are influenced heavily by the way others perceive them. As such, *self-presentation* strategy should be implemented as the primary approach. The reputation-based message strategy should be places importance on social identity, thus providing consumers with increased reputation and higher status in comparison to others. The display of green consumption allows consumers to inhabit the green consumer persona that is well-accepted by social standards, regardless of their actual levels of engagement with environmental issues, such as, the extent to which they consider the environment in their everyday decision-making. The implementation of *self-representation* strategy is itself inadequate. As pointed out by Gupta and Ogden (2009), a social dilemma exists when consumers are torn between their social acceptance and personal gains. In this case, the appropriate complementary approach is the *empowerment* strategy, which assists by encouraging consumers to put environmental benefits prior to personal gains by empowering or motivating consumers. Other strategies are perceived to have little or no significant effect on consumers with social pressures. This is because the implementation of *redemption* strategy in this context might decrease the attractiveness of green consumption, which subsequently discourages consumers from being green. Likewise, *socially pressured* consumers are not seeking for rationality or information in their decision-making, thus, rendering the *informative* and *multiple benefits* strategies invalid.

CONCLUSION

The conceptual framework was developed by proposing combinations of identified message strategies with various types of consumers' green disengagement. We propose that the *empowerment* strategy should underlie all forms of strategy that targets disengaged consumers. This is because, the assumption is held that consumers typically have latent concerns towards green consumption (Leonidas, *et al.*, 2011). Moreover, we argue that, while the *redemption* strategy could be effective on *consumer backlash* and *environmental exhaustion*, it should be exercised with

caution. We claim that the *informative* strategy works best with consumers with *individual challenges* but is not advisable for consumers undergoing *environmental exhaustion*, given that they are cognitively strained. The *multiple benefits* strategy is effective on both *consumer backlash* and *individual challenges* as it allows consumers to justify their green consumption. *Self-presentation* strategy should be employed for *socially pressured* consumers.

There are several limitations surrounding this study, as most conceptual papers do. First, there is a need for empirical work to support the proposed framework. Work is needed to further define the types of consumer disengagement as well as to assess the effectiveness of the strategies on disengagement. Secondly, the context of the study is limited to Australia. The focus on the four publications on a particular market segment may have disregarded other market segments that may be potentially influential in this study. As such, a wider scope of data would be insightful to the generalization of the framework. Thirdly, the categorization of themes and consumer disengagement is limited to message strategies. It is also important to consider the development and implementation processes of campaigns in order to fully comprehend the applicability of the proposed framework. Lastly, work is needed to examine the interactions between categories of consumer disengagement. Practical implications of this theoretical framework are apparent in its application in advertising campaigns and new product development. It is also helpful in identifying disengaged consumers and to segment them according to their disengagement, rather than their level of environmental concerns.

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EXPLORING THE IMPACT OF NATURE OF BRAND MENTION AND TARGET AUDIENCE CONNECTEDNESS ON CONSUMERS' PERCEPTIONS

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ABSTRACT

A noticeable feature of the rap music industry has been the explosion in brand endorsements by rappers as well as references by rappers to various products/brands/companies in their lyrics. The latter, unsolicited brand mentions, are distinct from solicited brand mentions that have been entered into by companies with rap celebrities. The nature of brand mentions should have implications for consumer response to the brands involved. These responses are likely to be moderated by various individual difference factors, among them audience connectedness to the music genre. Various propositions regarding the possible moderating effects of nature of brand mention and audience connectedness on consumers' perceptions and attitudes are generated for exploration.

As a precursor to a more extensive research program on this issue, we conducted an experimental study in which we manipulated the nature of brand mention (solicited versus unsolicited) in a between-subjects design and assessed participants' response to: (a) the nature of attributions made; (b) perceptions of rapper's credibility; (c) perceived influence of the rapper; and (d) belief that the rapper used the product in the brand mention. One hundred and two (102) business students at a Midwestern US university took part in the study, in exchange for extra course credit.

The hypotheses tested in this study were the following: H1a. Consumers are more likely to make external attributions in the case of a rap celebrity making solicited brand mentions but internal attributions in the case of a rap celebrity making unsolicited brand mentions; H1b. Consumers are more likely to perceive a rap celebrity making an unsolicited brand mention as more credible than a rap celebrity making a solicited brand mention; H1c. Consumers are less likely to discount the influence of a rapper making an unsolicited brand mention than of a rapper making a solicited brand mention; and H1d. Consumers are more likely to believe that a rapper uses a brand when a brand mention is unsolicited than when the brand mention is solicited.

There was a significant main effect of nature of brand mentions on all the dependent variables, supporting H1a-H1d: attributions ($t[102] = 6.46$; MeanUNS = 14.90, MeanS = 21.42; $p < .00$); rapper credibility ($t[101] = 2.39$; MeanUNS = 19.69, MeanS = 16.44; $p < .02$); rapper influence ($t[102] = 2.68$; MeanUNS = 15.00, MeanS = 12.67; $p < .01$); and likelihood of brand use by rapper ($t[102] = 2.28$; MeanUNS = 3.22, MeanS = 4.02; $p < .02$). These results are consistent with our expectations. Study 2 will assess the extent to which audience connectedness to the rap music genre moderates these findings.

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MILLENNIAL NON-SMOKERS' INSIGHTS INTO GRAPHIC HEALTH WARNINGS ON CIGARETTE PACKAGING: THE ZMET METHOD

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ABSTRACT

FDA has proposed that in addition to text-only warning labels, cigarette packages should be accompanied by explicit pictures of the potential harm that smoking can cause. Millennials' insights of the proposed warnings on cigarette packaging were uncovered. The emerged contrasting concepts were combined thematically as social, health and policy-related themes.

INTRODUCTION

FDA has proposed that in addition to text-only warning labels, cigarette packages should be accompanied by explicit pictures of the potential harm that smoking can cause. FDA will obligate larger, more prominent cigarette health warnings on all cigarette packaging and advertisements in the US beginning 2012. According to the FDA, this requirement is a "significant advancement in communicating the dangers of smoking". The figure portrays a sample of a proposed Graphic Health Warnings (GHW) (available: <http://www.fda.gov/TobaccoProducts/Labeling/CigaretteWarningLabels/default.htm>).



One of the purposes of these warnings is to discourage starting smoking, particularly among younger generations: "Empower youth to say no to tobacco." However, what are youth perceptions of the proposed GHW? Berg et al. (2011) suggested that young adults, mainly college students, are at greater risk for smoking uptake. Above all, what are the college students' perceptions of GHW? What are the thoughts and feelings of young non-smokers toward this policy? Understanding the unique perceptions of the Millennial generation may assist to accomplish the purpose of discouraging young adults to smoke.

The aim of this study is an understanding of college students' perceptions of GHW and the meanings that they associate with them. Despite previous research efforts addressing responses to warning labels, scant research has explored the American non-smokers perception of cigarette label warning. Table 1 summarizes research addressing the effectiveness of GHW on quitting and/or smoking prevention.

Table 1. Summary of Research on GHW

Authors/Date	Country	Sampling size	Method
Berg et al. 2011	US	2,600 young adults	Online survey
Gallopel-Morvan et al. 2011	France	50 Adults	Focus group
Hammond et al. 2007	Canada, US, UK, Australia	14,975 adult smokers	Quasi-experiment and telephone survey
Miller et al. 2011	Australia	587 smokers	Survey
Sabbane, Lowrey and Chebat 2009	Canada and US	298 young adult nonsmokers	Experiment
Schneider, Gadinger, and Fischer 2012	Germany	95 adult smokers	Experiment
Thrasher et al. 2007	Mexico	89 adult smokers	Experiment auction method
Thrasher et al. 2011	US	404 adult smokers	Experiment auction method

As indicated, most research has been conducted overseas. In addition, the studies have been conducted with smoker samples. Lastly, only one study has managed qualitative data. Therefore, the present study is twofold. (1) To uncover young adult, American non-smokers' insights on GHW; and (2) to adopt a projective, qualitative approach rather than a questionnaire or an experimental method as a means to provide broader coverage of the likely meanings associated with GHW effects.

ZALTMAN METAPHOR ELICITATION TECHNIQUE

Zaltman Metaphor Elicitation Technique (ZMET) is the first patented market research technique (U.S. Patent Number 5,436,830). This qualitative technique is projective in nature. Overall, the technique consists of two steps. First, the technique draws metaphors from consumers by asking them to spend time thinking about how they would visually represent their experiences with a particular product, service or abstract idea. In order to accomplish this, participants are asked to make a collection of photographs and pictures from magazines and/or electronic sources that reflect their experience. ZMET also uses an in-depth, personal interview, which thereby enables researchers to explore and probe informants' thoughts and feelings more extensively. Followed by non-directing probing, the technique may reveal new insights about individuals' motives. Thus, differing to other projective techniques relying exclusively on imagery or narrative only, ZMET is unique in that it combines both imagery and subsequent narrative to interpret meanings.

Despite its potential, few academic studies have used this technique in the promotion arena. Coulter and Zaltman (1994) applied ZMET to understand how consumers think and communicate about brands. ZMET has also been applied to uncover consumer perceptions of advertising (Coulter et al. 2001). Interestingly, the metaphors attributed to advertising revealed that advertising has positive value, while also uncovering the negative perceptions of advertising.

METHOD

A total of 48 submissions were analyzed. The sample included 40% male; 60% female participants. All participants were undergraduate students. Participants disclosed they were non-smokers and unfamiliar with new label warning. A link to the FDA samples was provided to illustrate some of the new warning labels. Then, participants were asked to use magazines and/or digital imaging techniques to create a collage summarizing their thoughts and feelings regarding cigarette labels. In addition to the collage, a

brief narrative explaining the picture meanings was also enclosed. The following figure contains a sample of a collage.



For interpretation of the written data, narrative textual analyses (Patton 2002) were applied to discover the concepts that best enabled description of and insight into the perception of labels. I looked for emerging patterns and themes as well as irregularities, splitting them into categories, sub-categories, linking them together when possible and creating meaningful categories of several codes that emerged at the open coding phase. In the following section, I describe emerged common themes and discuss the implications of these themes on GHW perceptions.

RESULTS

This section presents the major themes generated through ZMET collages and narratives. Major themes include both positive and negative views. Results have been combined thematically as follows:

I. Social themes

1. Media portrays smoking as cool, cute or glamorous. Participants selected pictures of celebrities and politicians. Popular picks were President Obama lighting a cigarette and Charlie Sheen smoking. One participant noted: "My pictures focus on how smoking is glorified through fame."
2. Peer-pressure. Multiple participants selected a picture of "above the influence arrow". Some other indicated in the narrative the "over the influence" aspect as well.
3. Respect to smokers. A participant included a note saying "Your choice". Another one stated: "Even though I do have friends that smoke, I calmly respect their decision."

II. Health themes

1. Smoking disapproval. Pictures indicating disgusted faces and thumbs down. A participant noted: "I included the green sour face to show that my opinion of smoking is not all cool or cute, but gross."
2. Pro-health and pro-life views. A respondent included a picture of a girl dancing representing the freedom that could be obtained from quitting. Another one selected a picture of LifeSavers candy, to express that many lives can be saved by this policy. "I'm a big believer," another participant stated.
3. Smoking is wasteful. Some participants view smoking as a waste of money, as indicated from pictures of money rolls as toilet paper and multiple forms of dollar signs.

III. Policy themes

1. Unnecessary policy. According to some participants, current smokers will not be affected by GHW. "People who smoke will continue and pictures will not affect them."
2. Controversy. Some pictures indicating controversy included pictures of extremely surprised women, a facing thumbs-up and thumbs-down, and multiple forms of exclamation marks. A response also reads: "Even though the policy opens your eyes to the truth, it is controversial (emphasis by respondent)."
3. Government intervention. Respondents communicated some anger or frustration, even they questioned freedom. Some selected a picture reading "Big brother is watching you." Some question if government has "Gone too far?"
4. Uncertainty about the future of the regulation. Pictures of worried faces and question marks were included. A participant pointed out: "We are unsure about what will happen."

CONCLUSION

By obtaining qualitative insights, I propose a unique perspective exploring undergraduate students' perceptions of GHW. Three main themes emerged: social, health and policy related insights. I uncover opportunities for addressing people in favor of healthy lifestyles and subsequently, long life. Overall, most non-smokers exhibited a degree of acceptance to the policy. However, not all students were enthusiastic about embracing this policy. Some participants found

the practice controversial and government intervention as invasive and irrelevant to current smokers.

The dual (imagery and narrative) approach of ZMET has enhanced the opportunity for contrasting concepts to emerge and hence, future research may find this a useful approach to further explore this upcoming regulation. Future work could address a comparison of smoker vs. non-smoker insights. Similarly, a cross-cultural comparison of GHW perceptions could provide more generalizability of findings. Unexpectedly, Hansen, Winzeler and Topolinski (2010) concluded that mortality-salient text-only warnings may increase the smokers' tendency to favor smoking under certain circumstances. Thus, a closer look to qualitative insights to different appeals (e.g. comparing social versus health-related appeals) used in GHW may be of significance to advertisers and policy makers alike.

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BEYOND MARKETING: ENTREPRENEURSHIP AND THE QUEST TO REBUILD AUDIENCES FOR THE PERFORMING ARTS

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ABSTRACT

In response to recent trends of declining attendance and financial struggles, arts organizations are struggling to create long-term solutions – but often lack the tools to do so. An entrepreneurial approach provides a mechanism for exploring these challenges while facilitating development of a compelling brand and improved implementation of marketing strategies.

INTRODUCTION

The performing arts in the U.S. are in crisis. The arts and culture sections of newspapers from across the nation are filled with news of bankruptcies, labor strife, shrinking audiences, and cancelled seasons. Though arts and culture accounted for \$135 billion in economic activity in 2010 (Americans for the Arts Report, 2010), individual organizations – and the artists who serve them – often lack the financial and community support necessary to sustain their activities. While the causes of these problems may vary somewhat among communities and organizations, the trends of declining attendance, shrinking financial support (from individuals as well as institutions), and an aging audience are consistent enough to suggest a systemic cause that transcends the particular symptoms of a given group's illness. Unfortunately, performing arts organizations are tending to focus on immediate issues – usually centered around marketing to their existing (and shrinking) audience – rather than digging deeper into the relationship between their artistic product and the younger market they are trying to engage. The consequence of this mis-focus is results that are either short-lived or unsatisfactory, leaving the organization stymied and unable to reverse its fortunes. Principles of entrepreneurship, informed by theories of aesthetic consumption, suggest some strategies for overcoming this paralysis. By pondering the needs and sensibilities of the marketplace and fashioning an artistic product that fills those needs and resonates with those sensibilities, performing arts organizations can create a more

relevant artistic product and thus generate marketing efforts that are far more likely to succeed.

DEFINING THE PROBLEM

Recent statistics from the National Endowment for the Arts indicate that attendance at performing arts venues has been in decline for over a decade (NEA Report, 2009). Furthermore, the litany of cultural organizations struggling to stay alive continues unabated: major orchestras across the country lead this list, with Atlanta, Detroit, Minneapolis, and scores of regional orchestras either engaged in bitter labor disputes (centered around reduced pay for musicians and shortened seasons) and/or facing seemingly insurmountable financial challenges. And though my particular area of experience and expertise is in the area of classical music, these same challenges are facing theatres, ballet companies, jazz venues, and virtually all other areas of the performing fine arts.

With these acute challenges, and given the broad range of geographical and economic contexts in which they occur, arts administrators are beginning to realize that the solutions must consist of more than a short-term shoring up of their donor base or appeals to “angels” to bail them out. Unfortunately, most organizations are nevertheless still looking in the wrong places for solutions.

As Director of the Entrepreneurship Center for Music at The University of Colorado-Boulder, and as a composer and classical musician, I have observed a handful of strategies that have been employed over and over again by performing arts organizations – usually producing only short-term results (at best).

These strategies in fact feed on each other in a negative way, creating a downward spiral the likes of which we see throughout the performing arts today. I call this the “Irrelevance Cycle” (Figure 1).

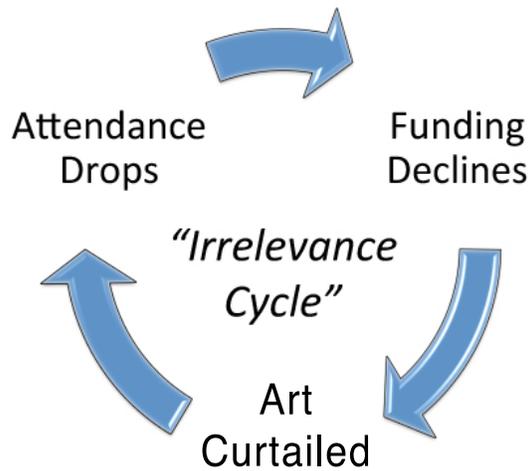


Figure 1. The Irrelevance Cycle

One can begin this cycle either with a decline in attendance or an unexpected cut in funding. Either way, the ultimate result tends to be a curtailing of the artistic product itself. This curtailing usually starts as modifying artistic programming to present more work perceived to be “audience favorites” (i.e., programming more and more of the same “chestnuts” and avoiding more obscure, modern, or otherwise challenging repertoire). This condescension towards the audience is the artistic equivalent of the political party that “plays to its base:” it may shore up support in the short term, but will not likely win over support from anyone outside the most narrow of constituencies, particularly the younger audiences arts groups crave. Once that proves ineffective (and in my experience, it nearly always does) and the cycle comes around again, actual cuts in programming come next: cancelled concerts, shortened seasons, fewer commissions, and of course cutting the salaries for artistic personnel (or cutting those personnel entirely).

Though financial realities may make budget cuts unavoidable, cutting support for programming is ultimately a self-defeating approach: it’s the artistic product the audience is buying; compromise the product and you’ve compromised your organization’s ability to attract the new patrons needed for sustainability over the long term.

FAILED RESPONSES

As arts groups struggle to break out of the Irrelevance Cycle, some combination of increased marketing and community outreach is usually employed. While these are likely to have some positive impact, they avoid the underlying problem driving the Irrelevance Cycle and therefore do not usually result in breaking free of it.

Enhanced Marketing

The almost knee-jerk impulse to implement a stepped-up marketing campaign is based on the faulty assumption that greater visibility and interaction with the existing audience will by itself lead to increased attendance and financial support. Such campaigns are often associated with expensive re-branding initiatives that are based on an image the organization thinks will resonate in the community rather than an accurate reflection of what the organization actually does (or, for that matter, a true understanding of what the community wants). In the near-term, the results may be encouraging: arts marketing has evolved into a highly sophisticated endeavor, and many organizations do not fully (or even partially) take advantage of what the discipline has to offer.¹ And so in and of itself the adoption of more rigorous and nuanced marketing strategies is a good thing, and may slow or even reverse the decline in numbers in the short term. Unfortunately, they are likely to only shore up support within the organization’s existing market – a demographic that is inexorably shrinking over time. Modified marketing strategies to attract younger audiences, if they exist at all, fail to consider the sensibilities and needs of that market, dooming them to failure.

Community Engagement

Often seen as a sort of magic bullet, community outreach/engagement activities can range from educational initiatives in the schools, chamber music performance in small venues throughout the region, or attempting to create social groups around targeted constituencies (such as young professionals). While such initiatives can be vital components of rebuilding an audience, they are not generally implemented with clear strategies to connect the audiences reached with the overall mission of the organization, or with sufficient attention paid to the needs and sensibilities of the targeted demographic. Therefore, once again the organization finds that it has spent precious

limited resources on an initiative that does not generate the desired results, further driving the Irrelevance Cycle and contributing to the sense of strategic paralysis.

All of these strategies may be required as part of any attempt to rebuild an audience for a performing arts organization. But the reason why the results are so inconsistent and short-lived (or, worse yet, ineffective altogether) is that they are not employed within a context of engaging with the underlying problem. Assumptions are made concerning why audience numbers have declined² and solutions are put in place based on those assumptions, often with little thought given to what is actually driving the decline. In order to devise a more effective strategy, a closer look at the relationship between the artistic product and the needs of the audience must take place.

The Underlying Problem

Here we return to the Irrelevance Cycle, for its very name speaks to the underlying problem most performing arts organizations are not seeing. Simply put, the fine arts – and performing arts in particular – have experienced a loss of value in their marketplace. In the wake of the digital revolution and an increasingly media-saturated culture, genres such as the symphony, opera, ballet, and theatre are having a difficult time creating relevance to a wider and wider swath of the population, particularly younger audiences for whom the digital world is the only known paradigm. This is most glaringly true for classical music organizations, which continue to present concerts in a paradigm that was established in the 19th century and then wonder why 21st century audiences are less and less interested in what they have to offer. In the last decade the methods by which the market accesses, distributes, purchases, and interacts with the product have all changed, while the producers of the product have not altered their business model in the slightest. I like to use the metaphor of a buggy manufacturer in 1910 wondering how to boost sales without considering the fact that more people are simply driving automobiles. In other words, the arts are facing a “relevance gap” in which their offerings are not seen to be sufficiently relevant to a sufficient amount of the population to be sustainable. An excellent illustration of this is the question of ticket prices. One oft-heard explanation for declining audiences for classical music is that ticket prices are too high. But if a college student is willing to save their dollars to buy a \$200 ticket to Lady Gaga, then clearly a \$25 ticket to the symphony isn’t too expensive, per se – it’s that the student doesn’t value the experience enough to save their money and make sure they can go. The problem isn’t

the ticket price, the problem is that the value established by the market is not sufficiently high to cover the cost of the product.

How did the arts get into this bind? Performing arts organizations, and artists in general, have long operated on the mindset that what they offer is a rarefied product that *should* appeal to persons of a certain class and level of education, and that all one must do is create awareness around the offering and the people will come. When necessary, an appeal to those individuals to support the vital cause of Art will be made and those who believe in the mission will contribute, thus allowing the organization to continue. And for decades this has worked (more or less). But as government funding has decreased (nearly 40% since the 1990s) and corporate underwriting has increasingly shied away from the fine arts, these models are breaking down, and are clearly not sustainable by younger generations of potential arts patrons who have a fundamentally different way of interacting with and valuing artistic content.³ How do arts organizations develop strategies to cultivate new audiences in the face of these fundamental shifts in their market? How can the arts restore value to their product?

In order to find an answer to this question, we must begin by pondering the very nature of the live art experience, and try to understand how the marketplace consumes (and therefore values) artistic experiences. What does research show us about the nature of consumption of artistic products? And in light of that research, how can we better connect the artistic product with needs and sensibilities of the marketplace?

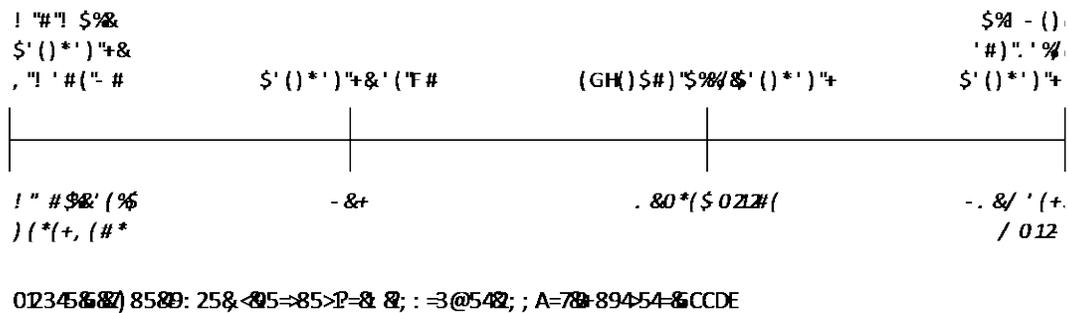
RESEARCH ON AESTHETIC CONSUMPTION

Several scholars have explored the nature of consumption of aesthetic products. The notion that products appeal to consumers for more than utilitarian reasons is nothing new. As noted by Levy (1959), “People buy products not only for what they can *do*, but also for what they *mean*” (p. 118). Subsequent research into the symbolic properties of products primarily focused on elements of a product such as its design and its brand identity; applications to the arts has been more slow in coming. The work of Hirschman, Holbrook and others advanced this cause, defining a specific realm of consumption (“hedonic consumption”) as “those aspects of consumer behavior that relate to the multi-sensory, fantasy and emotive aspects of one’s experience with products” (Hirschman and Holbrook, 1982; see also Holbrook and Hirschman, 1982). Lacher specifically tied this notion to the arts (1989), which led to further work exploring hedonic consumption in specific arts

markets (jazz recordings [Holbrook 1982] and the consumption of rock music [Lacher and Mizerski 1994]) and the development of musical taste generally (Holbrook and Shindler, 1989).

This later work inspired Charters (2006) to point out the inherent difference between the initial intent of the hedonic model (which centers around the “ancillary aesthetics” of a product) and what he terms “aesthetic consumption (which relates to products for which “the aesthetic dimension [is the] core component of a product” [p. 239]). He also argues

that hedonic consumption is primarily about pleasure, whereas “aesthetic consumption” relates primarily to the consumer’s response to the aesthetic object itself – a complex process that involves considerable cognitive engagement and may or may not be “pleasurable” (in the case of, say, a symphony that is highly cathartic and induces tears). To address this differentiation, Charters proposes a continuum of the aesthetic dimension in products, ranging from minimal dimension to almost entirely aesthetic (p. 241) (Figure 2).



The continuum suggested by Charters implies that marketing of largely aesthetic products should be conducted in fundamentally different ways than that of utilitarian consumer goods. It also underscores that the markets for aesthetic products themselves are fundamentally different from utilitarian goods. One critical difference is the range and diversity of the products themselves. “Whereas supermarkets may stock twenty brands...of tuna...the varieties of clothes or wine – and even more of music and books – available to the consumer will run into the thousands” (p. 242). Furthermore, in his landmark paper “Where are we now on cultural economics?” Mark Blaug points out that aesthetic tastes are variable and difficult (if not impossible) to predict: “The fact that the products of cultural industries are typically ‘experience goods’ for which tastes have to be acquired by a temporal process of consumption [...] only strengthens the point that stable and identical tastes are an implausible assumption” (Blaug, 2001). These observations have critical implications for how the performing arts must be marketed, because they reveal that marketing on artistic content alone (“Come hear Beethoven’s Second Symphony this weekend!”) will have little impact on any but the most informed fans, and even then may fail to motivate action on the part of the consumer.

How, therefore, *can* the performing arts be marketed more effectively? Here the concept of *intrinsic value* and *extrinsic value* is extremely helpful. Charters notes that aesthetic consumption has three elements: utilitarian function is minimal, the primary purpose of consumption is “enjoyment of...beauty or sublimeness,” and the possible presence of extrinsic motivations for consumption (Charters, 2006, p. 246). Extrinsic motivations are defined as elements that operate simultaneously with the experience of the aesthetic product itself, such as social interaction, civic pride, or status (Bell, Holbrook and Solomon, 1991).

The notion of extrinsic value is key to unlocking the problem of how to more effectively re-build audiences for the performing arts, particularly if the targeted demographic is audiences under the age of 40. In an age when artistic content can be accessed at anytime anywhere, presenters must work harder than ever to articulate the value of a live concert experience and differentiate it from other avenues of access. The unique value of a live experience hinges almost entirely on the extrinsic values of the experience: the social interaction, the variability in live performance, the sense of shared, communal experience, and perhaps civic pride and/or the social status of “seeing and being seen.”

Focusing on the extrinsic values of the performing arts experience reveals an important reason why traditional advertising and marketing approaches are increasingly ineffective, particularly to younger audiences. Since all but the narrowest sliver of an audience for fine art is highly knowledgeable of the content being presented, marketing based on repertoire (or even star soloists) is unlikely to resonate with most potential consumers. Therefore, building a brand identity around the extrinsic values of the *experience* is much more likely to be effective in building loyal, consistent audiences.

The implications of this go beyond that of marketing and brand identity, however. Focusing on extrinsic value also means that the performing arts must change the very way they present their artistic product. This is where entrepreneurial principles provide a mechanism for reinventing the nature of delivery of the artistic product, for at the core of entrepreneurial thinking is the notion that the design, marketing and sale of a product must be rooted in the needs of the market it seeks to serve.

So what unmet needs can fine arts organizations meet? How might the needs of younger potential patrons differ from those of the existing patron population? Traditionally these questions have been answered by the assumption that the arts are “good” for communities (and individuals) – without clearly articulating the nature of that benefit. This assertion has led many communities of all sizes to embrace artistic endeavors as an act of civic pride, and perhaps one of economic development. But in any case, the presentation of the art itself remains restricted to the traditional venues: visual art hangs in a gallery, a play is presented in a theater, classical music is presented in a concert hall, etc. But if we consider the possibility that the *experience* of the art in a communal context is at least as important to the audience as the art itself, then new ways of presenting art need to be developed that maximize the opportunities for the audience to experience those extrinsic values. Such things as less formal venues, more interaction between performers and audience, social events before and after shows, and the introduction of other media into the experience are just a few ways that extrinsic value can be built upon. And once again if the primary goal is to attract younger audiences, then attention must be paid to the nature of the art those audiences tend to consume (multi-media, blended genres, performer/audience interaction, etc.).

Deciding which strategy is best for the audience in question is likewise an entrepreneurial endeavor: determine the extrinsic needs of your particular audience and you will likely unlock value for that

audience that will translate into better attendance and more generous financial support. For arts organizations used to catering to the needs and sensibilities of an older and artistically educated audience, the entrepreneurial approach suggested here is particularly useful in helping shift the mindset and assumptions being made about the product and its relationship to new audiences.

CONCLUSIONS

The challenges facing performing arts organizations today are complex and varied, but several near-universal trends suggest that certain systemic issues are in play. Weak attendance and shrinking financial support clearly indicate that the audience for the performing fine arts is in decline, but in order to reverse that decline a deeper understanding of the issues driving it is in order. An entrepreneurial approach, informed by theories of aesthetic consumption, provides a mechanism for exploring the needs and sensibilities of an organization’s target market. This in turn illuminates the connection between audience needs and the artistic product, facilitating the development of a compelling brand and more effective implementation of the sophisticated arts marketing strategies now at our disposal. Only this combination of approaches can break an organization out of the Irrelevance Cycle and return it to a path towards sustainability and growth.

At the core of the entrepreneurial approach is identifying the needs of the target market and creating vehicles for meeting those needs through the product in question. For arts organizations, this means focusing not just on the artistic product itself but also on the extrinsic value of the live performance experience, including venue, avenues for social interaction, and incorporation of other media. Since most of the performing arts, classical music in particular, present their work in a 19th-century paradigm, there is ample room for experimentation with how the art is “framed” and presented – experimentation which must in turn be guided by more closely addressing the needs of the intended audience. The result will be marketing that truly reflects the artistic mission of the organization. More importantly, the deep value of arts organizations can once again be restored in the eyes of the community they serve.

ENDNOTES

¹ In recent decades, marketing for the performing arts has developed into a highly sophisticated and nuanced discipline, connecting ticket sales,

demographic profiling, attendance patterns, and financial contributions. An excellent resource for this is Kotler and Scheff's *Standing Room Only: strategies for marketing the performing arts* (1997). Although the largest performing arts operations likely employ these strategies already, many mid-sized and small arts groups lack the resources required to implement them.

² These assumptions include notions such as: "High ticket prices keep people away," "Greater visibility in our market will lead to increased attendance," or "A new branding campaign will make us look edgier and therefore attract more young audiences." These assumptions are seldom accurate, and therefore usually fail to produce the results hoped for.

³ An additional challenge, of course, is the fact that younger audiences have likely grown up in schools for which arts education is either weak or lacking entirely. While in my view this is not the core driving force in the "relevance gap" experienced by young audiences *vis-à-vis* the fine arts, it is certainly a contributing factor that makes the problem all that more difficult to solve.

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A PRICE-BASED APPROACH TO THE DIALECTICS IN AFRICAN AMERICAN FEMALE ENTREPRENEUR EXPERIENCES

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ABSTRACT

This research seeks to better understand the experiences of African American female entrepreneurs using a price-based, dialectical approach. Through 20 interviews with African American female entrepreneurs about their experiences of managing, marketing, and obtaining business financing, the costs and benefits they experienced as entrepreneurs are explored.

Using grounded theory, the interviews were analyzed and four price-based dialectics emerged: (1) Changing self vs. Maintaining self, (2) Being distrustful of others vs. Being faithful and trusting in God, (3) Weak support from own ethnicity vs. Strong supportive ethnic identity, and (4) Being halted by others' perceptions vs. Moving forward despite pre-conceived notions.

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HIRING A DEDICATED SALESPERSON: A CONSIDERATION OF THE ANTECEDENTS OF INTENTION TO HIRE

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Aaron D. Arndt, Old Dominion University*

ABSTRACT

Using the theory of planned behavior, the authors argue that three factors influence a small business owner's intention to hire a dedicated salesperson including the perception that customers expect to interact with salespeople, attitude about the value of sales training, and perceived ability to hire good sales talent locally.

INTRODUCTION

Personal selling is a key part of many firm's marketing strategy (Mantrala *et al.* 2010). Recent estimates put total expenditures on sales forces at more than \$800 billion, more than advertising in 2006, (Zoltners, Sinha and Lorimer 2008), and, according to Dartnell's 30th *Sales Force Compensation Survey: 1998–1999*, the "average" company spends approximately 10% of revenues on sales force expenditures. Accordingly, there is a sizable literature within the sales field on managing the sales force and optimizing the deployment of sales resources (Albers and Mantrala 2008); yet most of this research tends to focus on issues relevant to large businesses. According to Shipley and Jobber (1994, p. 41), "managers in small and medium sized firms face different sales management situations and use different sales management practices." Their findings paired with commonly identified differences between the practices of new and small businesses and mature firms regarding structure and decision-making (e.g. Busenitz and Barney 1997) suggests additional work on sales force management in small firms is warranted.

Shipley and Jobber (1994) investigated the sales management practices small and medium size distributors who already had a sales force; however, we argue that a more fundamental question is whether to start/add to a sales force. While it may seem intuitive to hire professional salespeople to managers in large businesses, there are several reasons why is not so intuitive for small business owners. First, many customers have a negative view of salespeople (Kirmani and Campbell 2004), and for many small business owners, if

customers do not want to work with salespeople, they have the option of working with customers directly. Hence, customer norms about salespeople influence small business owner decisions about hiring salespeople. Second, owners may not see value in the professional selling function. Most sales research and training is oriented towards large businesses (Mantrala *et al.* 2010). Given limited resources for recruiting and training, owners might perceive more value in hiring technically skilled employees rather than professional salespeople. Indeed, owners may feel that they themselves are the most qualified person to sell their own products /services, regardless of their selling background. Third, unlike large businesses, small business can generally only hire talent from within a local job market (Aldrich 1999). If owners feel they can't find good talent, they may forgo the professional sales function. Accordingly, we argue that a small business owner's intention to hire salespeople is based on a variety of owner perceptions regarding salespeople rather than a rational cost/benefit analysis of the optimal deployment of sales resources.

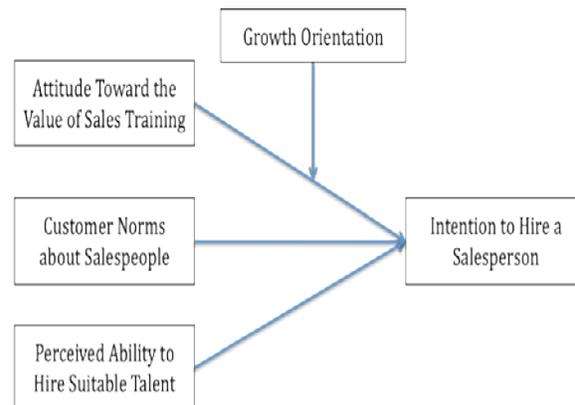
Therefore, our research explores small business owner's intention towards hiring/expanding their salesforce. We model intention to hire using the theory of planned behavior (e.g. Ajzen 1991). This is particularly appropriate because in new and small firms the entrepreneur's decision making is the firm's decision-making (e.g. Jack and Anderson 2002). This paper contributes to existing literature by looking at salesforce initiation/addition decision in small businesses, a new context, while proposing a model to explain the most important antecedent to action: intention.

MODELING INTENTION TO HIRE SALESPEOPLE

As is indicated above, the salesforce management literature has largely focused on large, mature organizations (Albers and Mantrala 2008). In efforts to better understand the ways in which organizations can optimize the deployment of an existing salesforce, scholars have created sophisticated models. However, increasingly, recent scholarship related to the marketing management has recognized that the small business context offers a distinct area for research (e.g. Shipley and Jobber 1994; Reijonen 2010; Walsh and Lipinski 2009). The focus of these studies has been on understanding similarities and differences between small businesses and their larger, more sophisticated compatriots (e.g. Coviello, Brodie, and Munro 2000; Walsh and Lipinski 2009). The focus of this work has, however, almost always been focused on these differences rather than on the decision-making in small businesses themselves. By incorporating the entrepreneurship literature, we aim to deepen our understanding about decision-making regarding the salesforce.

Within the entrepreneurship literature, one of the more commonly used frameworks for explaining behavior is the theory of planned behavior (e.g. Krueger and Carsrud 1993; Krueger, Reilly, and Carsrud 2000). As Ajzen (1991) explains, the theory of planned behavior finds that the immediate antecedent of action is the intention to engage in that action and there are three antecedents of intention: the *subjective norm* toward the behavior, *attitude* about the behavior and *perceived behavioral control*. The subjective norm represents perceived social pressure to engage in the behavior, attitude toward the behavior represents the degree to which the person perceives the behavior as favorable, and perceived behavioral control represents the perceived degree of ease in performing the behavior. Much of the entrepreneurship literature has focused on understanding the role of these antecedents on the intention to engage in entrepreneurship (e.g. Krueger and Carsrud 1993; van Gelderen *et al.* 2008), but it has also been applied to decisions made by entrepreneurs regarding the operation of their firms after startup such as succession intentions (Sharma, Chrisman and Chua 2004), IT adoption (Harrison, Mykytyn and Riemenschneider 1997), E-commerce adoption (Pavlou and Fygenson 2006).

Figure 1. Theoretical Model Predicting Intention to Hire a Salesperson



Subjective Norm

Normative influences represent the perceived social pressure to perform, or not perform, a behavior and are based on the likelihood that an important individual or group approves of a specific behavior (Ajzen 1991). In the case of small business owners, one of the most influential groups is customers. Hence, the perception of the small business owner regarding customer's views of salespeople should influence customer's intention to hire salespeople. According to Kirmani and Campbell (2004) customers may believe that salespeople will exert unwanted influence on the customer, which inhibits the customer's buying goals, and use strategies to avoid salespeople; alternately, customers may view salespeople as being potentially helpful facilitators of the customer's buying goals and thus seek to work with salespeople. If customers expect and want salespeople, owners will feel pressure to hire them. Interestingly, even when customers hold negative attitudes towards salespeople, they may still desire the services the salesperson provides, and thus, want to meet with a salesperson. For example, even though non-salespeople often hold negative views of car salespeople, customers generally want to test drive cars before purchasing a car and, thus, they exert normative pressure on dealerships to hire salespeople.

Essentially, founders who believe that customers see interacting with salespeople as a bad experience should have a diminished intention to hire, with the opposite holding true for founders who perceive customers interacting with salespeople as a good experience.

P1: The more that owners perceive that customers want to work with salespeople, the more likely that owners will be to intend to hire professional salespeople.

Attitude

Attitudes represent the degree to which a person holds a favorable or unfavorable appraisal of a behavior (Ajzen 1991). Small business owners hold beliefs about the value of the professional sales function. While there is no doubt that many larger organizations believe, and find, professional salespeople to be valuable (e.g. Zoltners, Sinha and Lorimer 2008), the perception of founders regarding a salesperson's value is likely to be a function of their own belief about whether there is value in sales training for small businesses. While there has been no academic study on this topic that we can find, relying on anecdotal evidence, it is clear that many entrepreneurs think that they can sell well without any formal sales training (e.g. Onyemah, Rivera, and Ali 2012; Stein 2012), while other entrepreneurs see formal sales training as critical (e.g. Shields 2012). It is the belief of the founder(s) of the firm about the efficacy of formal training in sales that affects their attitude about the value of having dedicated sales people in the organization.

P2: The more that owners believe the professional sales function is valuable in small businesses, the more positively owners will feel about hiring professional salespeople.

Perceived Behavioral Control

The last antecedent of intention is perceived behavior control. In the case of hiring salespeople, behavior control represents the degree to which small business owners believe they can find strong salespeople. We argue that there are two issues that owners consider when assessing whether they can find strong salespeople (1) can the owner locate suitable salespeople within the local market place? and (2) can the owner afford any talented salespeople they identify? First, small business owners often face more constraints finding sales talent than large business. Small businesses generally hire from the local market place (Aldrich 1999). In smaller, more rural or disadvantaged communities, the pool of skilled salespeople may be very small. Large businesses, on the other hand, are not constrained by the size of a local market's talent pool because they can hire salespeople from a national or global market with a

strong talent pool and then transfer those salespeople to local markets where the size of the talent pool is small. Hence, small businesses may draw from a smaller candidate pool than larger businesses.

Even when talent exists, small businesses generally have fewer resources than larger businesses. Shipley and Jobber (1994) found that small- and mid-sized business pay salespeople differently, generally with a lower percentage of outcome-based pay. This may be an indication that small businesses cannot afford to pay salespeople in the same way as larger business, and so may not be able to acquire the same level of talent.

P3: The more that owners believe that they can recruit suitable professional salespeople, the more positively owners will feel about hiring professional salespeople.

Moderating the Attitude and Intention to Hire Relationship

The efficacy of a direct relationship between the attitude and intention in the theory of planned behavior has been widely supported (Armitage & Conner, 2001; Conner & Soarks, 2005; Sandberg & Conner, 2008). While the direct relationship between attitude and intention has received significant support, recent scholarship has begun to focus on moderating variables in this relationship (e.g. Mittal & Kamakura, 2001). The efforts therein have focused on the fact that the context within which the action will occur affects the link between attitude and intention (e.g. Dabholkar & Bagozzi, 2002). In looking at the relationship between attitude toward hiring a salesperson and intention to hire, we expect that the growth orientation of the entrepreneur will play a major role.

The notion that there are differential characteristics between managers that lead some to perform better than others is grounded in the entrepreneurial orientation (EO) literature (Miller, 1983). Miller (1983) argues, and others have subsequently found (e.g. Barringer & Bluedorn, 1999; Wiklund & Shepherd, 2003), that managers high in EO tend to be more risk taking, innovative, and proactive than managers lower in EO. While EO was developed within the context of managers in larger firms, it has increasingly been applied, and expanded upon, by a group of scholars focused on differentiating "entrepreneurs" and "small business owners" (e.g. Moran, 1998). As research has further developed an understanding of the differences in decision making between small business owners and entrepreneurs, it has become clear that one

major differentiating factor is the amount they want to grow (Gartner and Bhut 2000). Indeed, at its categorical extreme, small business owners have been classified as lifestyle entrepreneurs who have engaged self-employment to allow them to work as they see fit (Bhide 1996). Accordingly, we believe growth orientation affects the relationship between attitude toward hiring and intention to hire.

P4a: Growth orientation moderates the relationship between attitude toward hiring a salesperson and intention to hire a salesperson such that higher growth orientations make the intention to hire more likely for those with a negative attitude.

P4b: Growth orientation moderates the relationship between attitude toward hiring a salesperson and intention to hire a salesperson such that lower growth orientations make the intention to hire less likely for those with a positive attitude.

DISCUSSION

The purpose of this research is to investigate the drivers of intention towards hiring salespeople by small business owners. Our model explains that sales force hiring decisions in small business are based on the perceived social norms around professional salespeople as driven by customer expectations, the attitude toward salespeople as driven by perceived value of the sales function, and perceived behavioral control as determined by the perceived ability to hire suitable salespeople. Hence, our model is an alternative to the conventional view that sales force hiring decisions are based on optimization. This is important because it means that findings from sales management research may not accurately portray small business sales hiring decisions. Whereas large businesses are concerned primarily with optimizing sales force resources, small business owners may base sales hiring decisions on a variety of non-economic considerations. This may also mean that there is a greater discrepancy in small business than large business between positivistic sales force decisions (i.e., the decisions that are *actually* being made) and normative theory (the decisions that *should* be made to optimize the sales force). If this contention is supported with empirical research, then it means that sales force research in small businesses can examine the sales force from three angles, (1) how small business owners *actually* make sales management decisions, (2) how sales forces can be *optimally* designed in small business given their limited resources and market position,

and (3) how sales force educators and consultants can help small business owners in their communities to rectify these potentially divergent views.

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SHOWROOMING AND THE SMALL RETAILER: SETTING A RESEARCH AGENDA

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ABSTRACT

This paper introduces the phenomenon of “showrooming,” in which shoppers use mobile devices in retail stores to check prices and other data on products that they then buy on-line. Its effects on small retailers have not been addressed in the literature. Interviews with four small retailers and needs for further research are discussed.

INTRODUCTION

Showrooming (SR) is a relatively new shopping behavior in which consumers visit stores to look at products but then place orders with competing online retailers using a smartphone or other mobile device, often before they leave the store (Ankosko, 2012). This behavior deserves study because it could grow to become a relatively permanent and important factor in retailing. In addition, SR raises a variety of public policy issues involving taxation, competition, economic efficiency and the market shares of competing retail formats. The purpose of this research is to explore the relationship between SR and small retailers, to determine its importance and identify strategies retailers may be using to defend their market shares.

LITERATURE REVIEW

A review of the SR literature produced no articles in refereed academic journals although the topic has been mentioned often in the trade press. Over 100 mentions were found during the January through August 2012 period. Apparently the topic is relatively new and of interest to retailers.

SR appears to be a growing phenomenon, although its size is unclear at this time. The Pew Internet and American Life Project (Smith, 2012) reported that 25% of mobile phone owners used the phone to look for a better deal while in a store. Of those shoppers 35% bought in the store, 19% bought online and 8% bought at another store. In addition, those using phones to look up product reviews while shopping tended to be younger, urban and suburban, with some college education. Concerning growth rate, InsightExpress (Ankosko, 2012) tracked Christmas shoppers' use of their smartphones to price shop and found it increased from 15% in 2009 to 59% in 2011. This suggests that

the growth of smartphone ownership may be one method of forecasting the growth of SR.

In contrast to the above, data from a TraQline (Wolf, 2012) study found that only 8.8% of Best Buy customers also shop Amazon for consumer electronics, with less than half of them actually buying from Amazon. The threat from SR was described as “overstated.”

Another study (Perez, 2012) reported that 35% of consumers say they SR, with consumer electronics and apparel the most popular products involved. Fifty percent of SR shoppers were 25 to 34 years old. The study also reported that SR shoppers tend to be younger, urban females who buy online frequently. A study of book buyers (Milliott, 2011) reported that 28% said they engaged in SR and purchased online.

RETAILER COMPETITIVE STRATEGIES

A variety of responses have been suggested to help avoid loss of market share to SR.

Match the online price. This strategy helps store retailers avoid some loss of sales, but stores are generally at a cost disadvantage in comparison with online-only retailers. Stores that meet lower prices could lose profitability (Ankosko, 2012). In addition, online-only retailers often do not collect state sales tax, making price competition difficult for stores. Pennsylvania, for example, has a state sales tax of 6%, giving online-only retailers a built-in 6% price advantage. While customers are supposed to pay sales tax on items when retailers don't collect it, this virtually never happens in practice.

Stress customer service (Ankosko, 2012). This clearly is a successful strategy for the segment of shoppers who are quite sensitive to service, but does little for those who are price sensitive. It also raises the store's costs.

Reward loyal customers. Loyalty and frequency rewards are becoming common and could help retain price oriented shoppers. A new electronic technique called “geofencing” sends special promotions to shoppers that are already close to the store — within a few hundred feet — and thus targets those most likely to engage in SR (Mattioli and Bustillo, 2012).

Block communications coming into the store, thus stopping SR. Jamming technology is readily available, but shoppers might resent the loss of service. In addition there may be legal issues making this strategy impossible (Klein, 2012).

Carry products that are unique, such as private label brands that are not available through competitors. This strategy is said to be one reason Target has joined with Neiman Marcus to carry some designer product accessories (Zimmerman and Mattioli, 2012).

Establish minimum prices. Several large consumer electronics manufacturers have recently announced a unilateral pricing policy to curtail SR, and threaten to stop selling to retailers that set prices below the minimum. However, not all manufacturers have joined this group, thus limiting the effectiveness of the strategy (Nuttall and Jopson, 2012). Of course legal issues could arise, since such activity has traditionally been viewed as vertical price fixing in the U.S.

SMALL STORE INTERVIEWS

Small, independent stores play an important role in U.S. retailing and might be significantly affected by SR. However, the literature to date has been focused almost exclusively on large retail chains such as Best Buy and Target. To help develop a better understanding of SR, interviews with four small, independent retailers were conducted, in person, with the results summarized below. The retailers are located in medium-sized towns (populations 20,000 to 25,000) close to a larger urban area in south central Pennsylvania. The stores retailed bicycle and exercise equipment; appliances; photographic equipment; and dance shoes and clothing.

Question 1: Are you familiar with Showrooming?
Answers: All four responded yes.

Question 2: Have you observed it happening in your store? Answers: All four responded yes.

Question 3: How common is this behavior?
Answers: “Three times a week”; “rarely”; “rare in the past, but more and more now”; “infrequently.”

Question 4: What proportion of your business is affected by showrooming? Answers: None offered a numerical estimate. Most described it as “small.”

Question 5: What products does this typically happen with? Answers: Middle- and lower-priced items, including bicycle shoes — not the higher-priced custom bikes that can cost around \$6,000 each. Dance

shoes primarily, which cost from \$40 to \$120. Televisions and other purchases of single items, except refrigerators.

Question 6: How much can your customers save by showrooming? Answers. Two retailers did not know. The dance retailer thought \$10 to \$20 per pair of shoes. The appliance retailer said \$40 on a standard clothes washer, not including state taxes, delivery and other services

Question 7: Does showrooming cause a significant loss of sales to your business? Three respondents said yes, while the dance shoe retailer thought it was not a significant loss

Question 8: Are the people who engage in showrooming different from the average customer in any way? Answers: Three of the retailers said that showrooming customers tended to be younger on average. One responded, “About half of younger people do it, while older customers do not do it.”

Question 9: Have you any other comments on showrooming? Answers: All of the respondents believed their customers were generally service-oriented and not just interested in the lowest price for the product. Several respondents noted that online retailers generally did not collect state sales tax and this caused an unfair competitive situation which disadvantaged stores. The dance store owner was the only one that took some action to discourage SR. The owner posted a sign announcing that a fee would be charged for fitting someone (often a time-consuming task) without a purchase. This is not an uncommon strategy among dance shoe stores and sellers of other specialized shoes such as ice skates.

DISCUSSION

This paper is only the beginning of an exploratory research project, but it does suggest a variety of additional research topics. First, does SR represent a threat to retailers? Is it possible that it simply substitutes for on-line shopping at home: i.e., there might be no net increase in on-line sales; SR just shifts the location from home to store? Second, what personal characteristics exist that tend to lead to or be associated with SR? Third, estimates of the size of SR are still unreliable — better data, systematically collected, are still needed. Fourth, a better understanding of the demand for SR would be helpful. Presumably factors such as the dollar savings involved, willingness to wait for delivery, delivery cost and degree of service required for installation might all affect the volume of SR that occurs.

SR also raises public policy issues. First, it allows some consumers to increase store costs that the consumers do not pay. In this case, the customer pays a price to the online seller that is below the total cost of

the transaction since the store costs are ignored by the customer and the online seller. Economic theory suggests this is an example of an external cost that contributes to resource misallocation: Too many resources are allocated to the online seller and not enough to the store. Second, in cases where state sales tax is not collected by online sellers (and buyers do not report and pay them), stores are disadvantaged. Is it efficient public policy to set rules that affect one competitor only? It appears probable that unequal collection of sales tax is an important factor in the development and growth of SR.

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WHAT MAKES SOCIAL SHOPPERS CLICK? A CONCEPTUAL MODEL OF THE ROLE OF SOCIAL SHOPPING REWARDS

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ABSTRACT

The integration of social media and online shopping has given rise to a new form of online shopping, called social shopping (Tedeschi 2006). Examples of social shopping sites include Kaboodle.com, Wists.com, StyleHive.com (Tedeschi 2006), and Click with me Now (www.clickwithmenow.com). Social shopping presents many opportunities for marketers. However, one pertinent question that arises is: can social shoppers be converted to social purchasers (Savitz and Kowal 2012)? One plausible strategy is to use a reward framework (Savitz and Kowal 2012). Thus, this conceptual paper examines the role of social shopping rewards (economic and social) in motivating social shopping behaviors.

Social shopping rewards are conceptualized as economic and social in nature. These social shopping rewards are modeled as antecedents to social shopping value (utilitarian and hedonic). Economic rewards are predicted to have a greater influence on utilitarian than hedonic value and social rewards are predicted to have a greater influence on hedonic than utilitarian value. In turn, social shopping value (both utilitarian and hedonic) is predicted to positively influence social shopping purchase intentions, positive word of mouth, and attitude toward the retailer. The hedonic value from social shopping is predicted to have a greater impact on social shopping purchase intentions than utilitarian value.

The conceptual model represents the start of a research program aimed at understanding what motivates the new-age shopper to engage in shopping with others in a virtual environment. There are implications for marketing practitioners wishing to invest in the social shopping channel. Prior to investing, venture capitalists may also benefit from knowing what motivates consumers to use these social shopping applications. Therefore, the model is also applicable in the innovation process for technology start-up companies in the social shopping and social commerce arena.

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UNIVERSITY BRAND EQUITY: AN EMPIRICAL INVESTIGATION OF ITS DIMENSIONS

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ABSTRACT

Over the past several years, colleges and universities have struggled in the face of an increasingly challenging environment. A difficult economic situation on national and local levels, combined with increasing competition on a global basis, has exposed the weaknesses inherent with the traditional marketing approaches employed by the higher education sector. As a result, colleges and universities, realizing the need for an effective strategic posture, are turning to branding and brand management in order to develop competitive advantage and sustainable success.

The existing literature on university branding is rather sparse, especially empirical research. This study attempts to help fill that void by utilizing the concept of consumer-based brand equity (CBBE) as a foundation to empirically examine the effects of university brand equity dimensions on overall university brand equity. Specifically, the study has an objective to determine the relative importance of the brand equity dimensions in creating strong university brands. Thus, by more thoroughly understanding the concept of brand equity and its underlying drivers, universities should be able to develop stronger brands in order to better attract and retain high quality students.

Drawing from the CBBE literature, a survey was developed to measure both core (i.e., learning and academics) and supporting (i.e., non-academic) brand equity dimensions. As no prior scales exist, specific items were developed from the available literature, which largely focuses on business-oriented applications. As suggested by the literature, the following constructs are addressed: brand awareness, perceived quality, brand association, brand loyalty, brand trust, reputation – overall brand equity, and brand emotion as the core factors, and career services, library services, physical facilities, and student life as the supporting factors. The survey was conducted at a small comprehensive university in the Midwest region of the United States. A total of 439 usable surveys were obtained from the targeted convenience sample, representing all undergraduate class levels and all four undergraduate colleges.

Factor analysis revealed five core and four supporting constructs. As for the core factors, perceived quality is most important for creating strong university brands, followed by university reputation, emotion, loyalty, and awareness. Among supporting factors, library services were most important, followed by student life, career services, and physical facilities. The results of this study, while suggesting all dimensions have some importance, highlight the critical importance of perceived quality and reputation of the brand. The results also indicate that developing strong college and university brands is both complex and multi-faceted and that core and supporting factors must be developed and managed in harmony. Thus, colleges and universities must develop a holistic approach to understanding their brands. A notable limitation of the study is that the research only considered the undergraduate student stakeholder perspective at one institution in one country. Future research should consider additional stakeholders at different types of institutions in a variety of locations/countries, while structural equation modeling could be useful in examining the interactions of the various brand equity dimensions.

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THE ROLE OF SELF-EFFICACY IN SALES EDUCATION

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ABSTRACT

Sales educators are increasingly focused on teaching experientially in order to link theory to industry practice, and both self-efficacy and sales knowledge have been demonstrated as determinants of sales performance in the industry. This study uses structural equation modeling to examine the degree to which collegiate sales programs, specifically experiential learning exercises, and real-life experience develop sales knowledge and self-efficacy in college students. Factors that determine intent to pursue a sales career are also examined with the model.

Findings show that both past sales experience and sales education, including experiential exercises, impact one's sales knowledge. This sales knowledge influences one's self-efficacy, which in turn impacts one's intention to pursue a career in sales. Other factors relating to sales knowledge, self-efficacy, and career intention are also discussed.

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MARKETING AND SALES: THE EXECUTIVE DECISION

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ABSTRACT

Much has been written about the sales and marketing functions with most research focusing on the interface of these two functions. The literature reports that the relationship between these two functions is tinged with a lack of cooperation, distrust, and poor coordination. Many organizations have trouble integrating their sales and marketing functions, often owing to their very different outlook on the job. Marketers are said to have a more long-term view of the business as they concentrate on brand building and customer relationships while sales has a more short-term view driven by quotas and monthly incentives. Sometimes the two business functions are combined into one department and may be headed by a vice-president of sales or vice-president of marketing. Other organizations have opted for a position encompassing both roles under the title, 'vp of sales and marketing'.

The objective of this paper is to analyze the differences in organizations that choose to have a vice president of marketing versus a vice president of sales, or vice president of sales and marketing. A number of firm characteristics are considered in this study including industry of the company, organizational performance, company size, innovation, and branding strategy.

Our findings indicate that there are considerable differences between organizations that have a VP of Marketing as opposed to a VP of Sales. Firms with a high ranking marketing exec are more likely to work for a larger company with a corporate branding strategy. They are business-to-consumer firms rather than business-to-business, have higher market-to-book values, and greater cash flow.

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AN EXAMINATION OF CLIENT PURCHASE DECISION FACTORS AND THE USE OF SALES SUPPORT TECHNOLOGY OF HIGH PERFORMING SALESPEOPLE IN THE OFFICE PRODUCTS INDUSTRY

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ABSTRACT

The purpose of this study is to determine the effective use of various customer purchase decision factors and the use of technology to assist in selling efforts within the office products industry. Results identify significant differences among reasons why customers switch vendors and the nature of technology used to assist in selling.

INTRODUCTION

The first purpose of this study is to determine the specific reasons why customers of high performing salespeople started to do business with the company. Reasons for switching that were incorporated in the study include; price of the products, personalized customer service, and the range of product selection, website functionality, timely delivery, accuracy of orders, satisfaction with their current supplier, and the relationship with the salesperson. The second aspect of this study investigates the use of technological tools utilized for day-to-day selling efforts. What technologically based tools do high-performing salespeople utilize in comparison to salespeople with lesser sales results? The technologically based selling tools assessed in this study include; smart phones, laptop computers, Facebook, Twitter, LinkedIn, the Internet specifically for pre-call prospect research, and PowerPoint.

LITERATURE REVIEW

Sales Performance and Outcomes

Stein (2011) believes that success comes when sales management understands the proper role of salespeople and the challenges they face. Stein claims that sales organizations need a comprehensive, strategic approach to sales development training. In addition, salespeople should be equipped with the tools, processes, education and ongoing managerial support they need to achieve consistently strong accountability based sales revenue targets.

According to Lytle (2003), a high performance organizational culture is needed to generate rewards for successful salespeople and to address departure decisions for low performing salespeople. To Lytle, the objective is to move average performing salespeople up to a higher level of performance while concurrently separating poor performers. He suggests specifying sales standards early in a salesperson's tenure, and creating monitoring systems that actually enable sales teams to reinforce themselves.

In sales research focused on the issues of competitiveness and interdependence, Robie et al (2005), found that the connection between competitiveness and sales performance was more direct for salespeople with a low level of interdependence characteristics. For those salespeople that possessed higher levels of interdependence, competitiveness was more indirectly tied to sales performance. Their findings suggest an opportunity exists for more group-based forms a selling and sales success. In an interesting contrast, Soyer et al (1999), examined two personality constructs, narcissism and achievement motivation. They determined that people who are or have been employed as sales professionals were more narcissistic and had greater needs for achievement than individuals who never worked as a salesperson. Where narcissism was positively associated with overall sales satisfaction and being more comfortable with ethically questionable sales behaviors; narcissism was unrelated to sales performance.

Clients Switching Behaviors from Current Vendor Price of Products

According to Homburg et al, (2011) one key challenge for salespeople is to assess the degree to which their customer-oriented behaviors drive sales performance. This is particularly relevant when a sales company is pursuing a premium price strategy within markets where a high degree of competitive intensity exists. In research on customer price sensitivity, Stock (2005) found an inverse relationship between customer satisfaction and price sensitivity. This was particularly the case in conditions of high product/service specificity and product/service complexity.

As an approach to supporting strong price points, Dion and Banting's (1988) work indicates that sales management practices stressing the development of the sales force's ability to formulate integrative, win-win bargaining solutions rather than ceding to price concessions. In a meta-analysis of sales performance studies from 1982-2008 on factors related to individual sales performance. The key finding from the study was that high performing salespeople are more adaptable in their sales behaviors than other salespeople (Wyld, 2011). This type of adaptability could be crucial to identifying proactive pricing solutions that benefit both a client and provider.

Customer Service and Satisfaction

Amyx and Bhuian (2009) believe that the provision of outstanding service quality is required to achieve corporate success. In turn, salespeople play a crucial role in delivering high-quality service as boundary spanners between customers and the sales organizations they represent. In research performed by Arndt and Karande (2012), they found the degree of individual sales performance depends on the fit of customer service clients prefer including situations of consistently high customer orientation. In a literature review of salespeople who work for the pharmaceutical industry Koc et al, (2008) found a significant relationship between customer orientation and organizational citizenship behaviors.

The Use of Technology in the Sales Profession

Research results conducted by Steward et al (2010) indicate that high-performing salespeople are more likely to utilize both relational and technical skills when working with customers and guiding sales team members to meet customer requirements.

In terms of developing and utilizing technical skills, Tuggend (2009) points out that social networking sites such as LinkedIn and Facebook are providing productive ways for companies to find people and peo-

ple to find professional opportunities. Brynko has highlighted the partnership between Hoover's Inc. and LinkedIn Corp. connecting 12 million electronic mail addresses and direct telephone numbers from Hoover's to 20 million profile summaries from LinkedIn.

When being interviewed by CRM Magazine (2011) Robert Wollan, managing director of customer relationship management (CRM) solutions at Accenture, argued that every company should develop a compelling Twitter feed. If this is the case, could the same use of technology be extended where sales forces can communicate to clients that are receptive to Twitter updates?

Initial database online research of prospects in efforts to set initial appointments should be centered on building specific lists of potential buyers of the company's products and services according to Ojala (2005).

METHODOLOGY

A total of 526 office product sales professionals participated in a study that was made available to an open network of office product salespeople. The network is comprised of individuals working in a variety of office products dealerships as well as those receiving information from an office products trade association journal. The survey was completed online. The survey included a combination of closed ended 1-5 Likert scale, categorical, and open-ended questions. Respondent participation in the survey was done on a completely voluntary basis.

Findings

Key Findings of the Office Product Dealer Salesperson Performance Survey

Office Product Dealer Salesperson Participant Company Sales Volume

What is the size of the company you work for in terms of annual sales volume?	
Answer Options	Response Percent
Less than \$500,000	3.1%
\$500,000 - \$1 million	9.1%
\$1.1 million - \$2.5 million	21.4%
\$2.6 million - \$5.0 million	22.0%
\$5.1 million - \$7.5 million	11.9%
\$7.6 million - \$10 million	7.8%
Over \$10 million	24.7%

270 (55.6%) of the dealer salespeople responding to the survey work for companies with sales of \$5 million or less.

216 (44.4%) of the dealer salespeople responding to the survey work for companies with sales \$5.1 million or more.

Monthly Sales Volume as a Factor of Sales Performance

In terms of sales volume, a comparison was made between salespeople who sold more than \$55,000 (U.S) to those who sold \$55,000 or less. A total of 267 respondents sold \$55,000 or less and 243 sold more than \$55,000 per month.

What is your average monthly sales volume?	
Answer Options	Response Percent
Less than \$10,000	6.7%
\$10,000 - \$25,000	12.0%
\$26,000 - \$40,000	18.6%
<u>\$41,000 - \$55,000</u>	<u>15.1%</u>
\$56,000 - \$70,000	12.0%
\$71,000 - \$85,000	10.2%
\$86,000 - \$100,000	8.6%
More than \$100,000	16.9%

Annual Income as a Factor of Sales Performance

With regards to annual income, comparisons took place between salespeople who earned an income of more than \$50,000 (U.S.) in previous 12 months compared to those who made less than \$50,000 over the same 12 months. With regards to annual income, a total of 275 reported an annual income of \$50,000 or less and 221 salespeople indicated an income level of more than \$50,000 (Green and Gardner, 2012).

What is your annual income?	
Answer Options	Response Percent
Less than \$20,000	3.8%
\$20,000 - \$30,000	14.5%
\$31,000 - \$40,000	18.1%
<u>\$41,000 - \$50,000</u>	<u>19.0%</u>
\$51,000 - \$60,000	12.1%
\$61,000 - \$70,000	9.9%

\$71,000 - \$80,000	5.8%
\$81,000 - \$90,000	5.8%
\$91,000 - \$100,000	2.2%
Over \$100,000 per year	8.7%

The Difference between Top Performers and Average Performers

Proposition I: To the extent that salespeople work with new customers that have primary reasons for switching to the salespersons' company, the salespersons' annual incomes and monthly sales volume will be higher than those salespeople who to a lesser extent work with new customers that have primary reasons for switching business: Primary reasons include:

- Proposition I a: Price of the products
- Proposition I b: Personalized customer service
- Proposition I c: Wide range of product selection
- Proposition I d: Website functionality
- Proposition I e: Timely delivery
- Proposition I f: Accuracy of orders
- Proposition I g: Dissatisfaction with their current supplier
- Proposition I h: Relationship with you as salesperson
- Proposition I i: Number of people that buy from you on a regular basis

T-test Results: Primary Reasons Why Customers Switch Vendors

Comparing Upper and Lower Annual Income Levels and Monthly Sales Volume

	Annual Income < \$50K	> \$50K
Price of products	4.02	3.93
Customer service	4.14	4.00*
Range of product selection	3.60	3.48
Website functionality	3.63	3.76
Timely delivery	4.23	4.19
Accuracy of orders	4.12	4.04
Dissatisfaction with supplier	3.51	3.57
Relationship with salesperson	4.16	4.14
Number of regular customers	6.12**	

*p = .057 **p <.01 t-test

	Monthly Sales Volume			Monthly Sales Volume	
	< \$50K	> \$50K		< \$50K	> \$50K
Price of the products	3.92	4.07*	Smart phone/PDA	2.87	3.54**
Customer service	4.09	4.04	Laptop computer	2.81	3.29**
Range of product selection	3.61	3.49	Facebook	1.56	1.50
Website functionality	3.56	3.80**	Twitter	1.16	1.17
Timely delivery	4.21	4.20	LinkedIn	1.47	1.67*
Accuracy of orders	4.12	4.05	Internet for prospect research	2.88	2.94
Dissatisfaction with supplier	3.44	3.63*	PowerPoint	1.70	2.20**
Relationship with salesperson	4.19	4.11			
Number of regular customers	4.31	6.42**			

*p < .05 **p < .01 t-test

*p < .05 **p < .01 t-test

Salespeople Utilizing Technologically Based Tools for Day-to-Day Selling Efforts

Proposition II: To the extent that salespeople utilize technologically based tools for day to day selling efforts, their annual incomes and monthly sales volume will be higher than those salespeople less actively utilize technologically based tools for day to day selling efforts.

- Proposition I a: Smart phone/PDA
- Proposition I b: Laptop computer
- Proposition I c: Facebook
- Proposition I d: Twitter
- Proposition I e: LinkedIn
- Proposition I f: Internet for pre-call prospect research
- Proposition I g: PowerPoint

	Annual Income	
	< \$50K	> \$50K
Smart phone/PDA	2.79	3.72**
Laptop computer	2.72	3.39**
Facebook	1.51	1.55
Twitter	1.12	1.22*
LinkedIn	1.43	1.73**
Internet for prospect research	2.89	2.90
PowerPoint	1.64	2.31**

*p < .05 **p < .01 t-test

DISCUSSION OF THE FINDINGS

Primary Reasons Why Customers Switch Vendors

Salespeople in the survey were asked to give consideration as to the primary reasons why new customers would switch vendors (specifically to the salesperson's company.) When examining the various reasons as to why customers switch to a new vendor, those factors have surprisingly little impact on the annual income of office products salespeople. The only factor that was marginally significant was the issue of providing personalized customer service. The results indicate that those salespeople with an annual income of below \$50,000 actually provide modestly significantly more customer service than those with an income of over \$50,000 per year. The only real factor that affects income was the number of clients that purchased from the salesperson on a regular basis. The more regular clients a salesperson had, the greater the income. This latter finding is a logical conclusion assuming that the size of average sales accounts is comparable across salespeople.

In contrast, there were multiple reasons why customers switch vendors that were significantly associated with the monthly sales volume that a salesperson sold. Specifically, vendors providing preferred pricing on office products to clients were directly tied to obtaining greater monthly sales volume. In addition, office product dealers that had improved website functionality making it easier for clients to purchase were significantly associated with substantial increases in monthly sales volume. A third reason why customers switch vendors as the results significantly show is because of having a high-level dissatisfaction with their

current supplier (as identified by the salesperson). To the extent dissatisfaction was determined and addressed by the new salesperson, monthly sales volume increased. As was found with income differences, a strong association existed between an increased number of clients that purchased from office products salespeople and substantially greater monthly sales volume.

What was not anticipated in these findings was that while clients' reasons for being willing to switch vendors led to substantial differences in monthly sales volume, it had rather little impact on the annual income of office salespeople. These results suggest that salespeople were having difficulty in translating the customer vendor factors from sales volume into meaningful increases of income. For example, dissatisfaction with a client's current supplier went well beyond the price issues only. However, it is possible that office products salespeople are having difficulty justifying higher price points while delivering preferred aspects of service compared to their competitors.

Salespeople Utilizing Technologically Based Tools for Day-to-Day Selling Efforts

The results of the office products sales force survey with regard to the use of technology to assist salespeople in their day-to-day selling efforts, suggest substantial differences between salespeople making above/below \$50,000 annual income and obtaining above/below \$55,000 monthly sales volume. Office product sales professionals who actively utilize smart phones and laptop computers on a day by day basis to sell, experience very significantly ($p < .01$) stronger differences in both income and sales volume compared to those who utilize such technology more moderately. The findings with those two forms of technology (smart phones and highly portable computers) indicate that they are simply required in today's selling environment in order to achieve the highest possible level of sales success. In terms of specific application, the use of PowerPoint materials in making sales presentations is also substantially higher ($p < .01$) for those salespeople who experienced both above average income and sales volume.

When comparing various social media resources including Facebook, Twitter and LinkedIn, the only social media vehicle that demonstrated a consistent difference was LinkedIn. However, it should be noted that average use of LinkedIn (as with Facebook and Twitter) was identified as only being used to a "slight extent." This finding indicates that greater use of social media on the part of office products salespeople is an untapped opportunity that should be used to create connections with new prospects and strengthen rela-

tionships with current customers. The challenge and opportunity is to find meaningful connections between social media and the provision of useful solutions for prospects and customers.

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FACTORS IMPACTING STUDENTS' SELECTION OF MARKETING MAJORS

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ABSTRACT

Selecting a major is a very important and complex decision for students. An understanding of the factors that influence students' decision making process in selecting a marketing major can provide useful insights to marketing educators and researchers. Deciding a college major is an important, high-stakes decision for students, and one that is likely to impact the rest of their life. Selecting a college major can be a very challenging and overwhelming process. With so many choices of majors and a plethora of information available, the decision to select a college major can be very difficult and overwhelming for students. As a result sometimes these decisions tend to be based on irrationality and misperceptions about certain majors and careers. This may explain the number of students who change their major several times or have undecided majors. Very few studies have attempted to examine the factors that are likely to impact students' decision to choose a marketing major. Some researchers suggest that marketing tends to be a "default major" for students who are not successful in quantitative courses or who continue to be uncertain about their majors and careers. Others have mentioned that students select a marketing major because they perceive the coursework to be "fun," "creative" and "less demanding" compared to other business majors.

The purpose of this exploratory study was to examine factors that influence students' decision to major in marketing. This paper presents the results of a pilot study that examined the factors that might influence a student's decision to select a marketing major. These insights can be very useful for Marketing departments, faculty, researchers, students and parents. Understanding what factors impact students' decisions can help us develop advising strategies and design courses and learning experiences that help students make informed choices about the selection of marketing major.

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PUNCTUALITY: CLASSROOM POLICIES AND STUDENT PERCEPTIONS

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ABSTRACT

At some point in their college career, most every student will likely arrive late to class. Whether students are commuters or local residents, their daily routines can interfere with their class punctuality. Consequence for tardiness can range from extra assignments, grade reduction or nothing at all depending on the instructor's on-time arrival policy. In many instances faculty members lack guidance regarding the most appropriate or effective policies, nor do they possess an understanding of how their on-time policies are perceived by students. Although students may be willing to share their thoughts about punctuality anecdotally, their limited experiences with on-time arrival policies hinder their ability to assess a detailed set of possibilities. A comprehensive study is needed to extract meaningful student perceptions.

Students at four institutions ($n = 1,034$) were asked to complete a survey asking for their perceptions regarding on-time class arrival policies and the influence those policies had on their actual class arrival practices. The surveys were distributed in various business courses with a greater representation of marketing classes. Class size ranged from 25 to 45 students. Demographic information was also collected on the survey. One large, regional, comprehensive public university in the study ($n = 366$) was located on the west coast, a second mid-sized, regional, comprehensive public university ($n = 95$) was located on the east coast. One private liberal arts college ($n = 279$) was located in the mid-west and a second private liberal arts college ($n = 294$) was located in the mid-Atlantic region.

Survey results show that students find a mandatory on-time arrival policy with some flexibility as most fair. The three mandatory policies that allow for a certain number of late arrivals or do not penalize for excused tardiness account for 61% of respondents. The most extreme policies with a penalty for each late arrival or bonus points for perfect or near perfect punctuality were selected least often. This suggests that students feel an obligation to come to class on-time and expect to be treated as responsible adults when it comes to tardiness.

Students claim they are indifferent regarding the influence of on-time arrival policies and their actual practice. However, the results of this study suggest that students behave differently according to the administered on-time arrival policy. Students seem to arrive on-time more often when there is a firm but fair policy. Thus faculty should implement an on-time arrival policy that students view as fair and that they consider increases individual and overall class performance. In this study the desirable approach was a mandatory on-time arrival policy with no penalty for excused late arrivals. This approach increases student responsibility by giving them the opportunity to decide and manage their own punctuality behavior choices. At the same time students also expect fair treatment when circumstances beyond their control make being on-time unattainable.

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PROACTIVE OR REACTIVE? TOTAL MARKET ORIENTATION'S AFFECT ON FIRM PERFORMANCE

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ABSTRACT

Market orientation has continued as a dominant theory in marketing. Research has progressed in understanding proactive versus reactive orientation. Thus, the purpose of this paper is to introduce theory and testing of the relationship of reactive market orientation versus proactive market orientation on firm performance.

INTRODUCTION

Firms employing a marketing orientation perform better than firms that employ other strategic orientations (c.f. Noble et al. 2002). However, researchers have pointed out the need for better outcome measures linking reactive and proactive market orientation to firm success (e.g. Narver, Stanley, and Douglas 2004). Research has stipulated which organizational characteristics comprise a market orientation (Jaworski and Kohli 1993) and has catalogued some of the cultural changes that occur in market-oriented firms. However, research has not yet provided evidence that market-oriented firms engage in observable behaviors that can be linked to firm-level outcomes for reactive and proactive market orientation. Thus, firms that wish to enhance their market orientation lack managerially relevant measures to guide total MO efforts.

Taken together, there are two important questions which emerge: "How can managers actively assess the extent to which their efforts are engendering a MO using current data?" and "To what financial outcomes are responsive and proactive MO differentially linked?" Examining these research questions provides significant contributions to marketing practice, addresses the concerns some researchers have leveled against MO, connects the constructs of proactive and reactive MO to measurable tangible strategic behaviors, and provides empirical support linking MO with objective marketing outcomes. Additionally, this paper provides support for the use of patent data as a means of measuring MO.

This paper is organized as follows: first, we discuss how patents can be used to measure market orientation. Then we examine the role of reactive and proactive MO on firm performance. The results show the importance of MO in generating managerially relevant outcomes as well as the strategic importance

of proactive and reactive MO. Finally, we discuss limitations, managerial implications and ideas for future research.

USING PATENT DATA FOR MEASURING MARKET ORIENTATION

There are two aspects of patent data which suggest that it could provide a viable means to assess market orientation. First, within the economics literature, patent counts are accepted as one of the most appropriate means to assess the innovativeness of companies in terms of new technologies, new products, and new processes (Pavitt 1988). Second, technological skill and innovation have been closely linked with market orientation. For example, Day (1994) refers to technological skill as necessary for the implementation of a market orientation strategy, and Dawes (2000) uses measures of response to technology by customers and technological change in the marketplace in his market orientation scales. Similarly, both Jaworski and Kohli (1993) and Deshpande and Farley (1998) include 'detecting fundamental shifts in technology' in their market orientation scales.

Given that patents are a reliable measure of innovation and technology usage, and that innovation and technology usage have been linked with MO, patents clearly provide a unique and cogent approach for assessing firm MO. Furthermore, patents are a credible source of information about competitor behaviors, but have not been used to assess MO research to date.

There are a number of advantages to the use of patent data. First, for a patent to be issued, the innovation must be novel and legally definable, non-obvious, and serve a commercial purpose (Scherer, 1965). In addition, one of the most important pieces of a patent's technical write-up is the use of technological antecedents of the innovation,

including citations to previous patents. Patent citations serve the important legal function of defining and limiting the scope of rights awarded for the patent. A patent that has been heavily cited by other patents is viewed as having greater impact, since the law requires citing all previous work that is relevant to the patent being issued. As a safeguard, the patent office removes all spurious citations, and maintaining a clear representation of the connections among the competitors in a given market.

Additionally, because the firm is responsible for citing each patent that it has built on to create a new innovation; it is possible to track the relative technological influence of a firm within a given industry thus satisfying the latent needs of the marketplace. If a firm can consistently produce innovative technology that is market changing, market defining, and spawns new technology in the future, then it will be valued more in the marketplace (Narver et al. 2000; 2004). Moving forward, patent citations can be used to assess the impact that a specific MO or firm has on a firm or even industry level.

REACTIVE AND PROACTIVE MARKET ORIENTATION

Firms demonstrate a responsive MO by leveraging existing knowledge bases and technologies to produce innovations that translate into new products and services that meet specific, expressed, market needs, and are positively related to firm innovation and profitability. Specifically, we propose that firms demonstrating a shorter patent cycle time employ greater responsive MO than do firms demonstrating a longer patent cycle time. This leads to the following hypotheses:

H1: There is a positive relationship between patent cycle time (reactive market orientation) and firm performance.

Significant competitive advantage is only achieved by firms that produce knowledge and technology which influences, rather than responds to, the market (DeCarolis 2003). Firms with a proactive MO seek to create new knowledge bases and technologies to anticipate the latent needs of the market. Therefore, we predict that the degree to which a firm's technology is cited within other patents will have a positive influence on market outcomes. Firms with heavily cited patents drive the behavior of other firms, suggesting a more proactive MO, which should lead to more positive market outcomes.

H2: There is a positive relationship between the current index (proactive market orientation and firm performance

The relative mix of a firm's responsive and proactive MO is a function of its characteristics (i.e. company culture, management, and objectives) and is manifest in the type of market opportunities pursued by the firm. Firms which have a predominantly responsive MO focus on opportunities which address expressed market needs, while firms with a predominantly proactive MO focus on addressing opportunities which address latent market needs.

It has been suggested that firms may lose their industry leadership and competitive advantage by becoming overly customer driven (Christenson and Bower 1996), which may reduce the level of innovation (Berthon, Hulbert, and Pitt 2004; Atuahene-Gima and Ko 2001) and inhibit research and development efforts (Frosch 1996; Macdonald 1995). Firms demonstrating a high level of proactive orientation emphasize knowledge generation and usage for the purpose of implementing new ideas, products, and processes (Hult and Ketchen 2001; Atuahene-Gima 1996; Han, Namwoon, and Rajendra 1998). This suggests that firms with a predominantly proactive MO will demonstrate a higher level of firm innovativeness than firms with a predominantly responsive MO. These firms seek to define, change, and create new technology and knowledge. This suggests that firms with a predominantly proactive MO, as measured by patent citations, should outperform firms with a predominantly responsive MO. Therefore,

H3: Firms demonstrating a predominantly proactive MO will achieve higher firm performance (ROE, ROI, ROA, and MTB) than firms with a reactive MO.

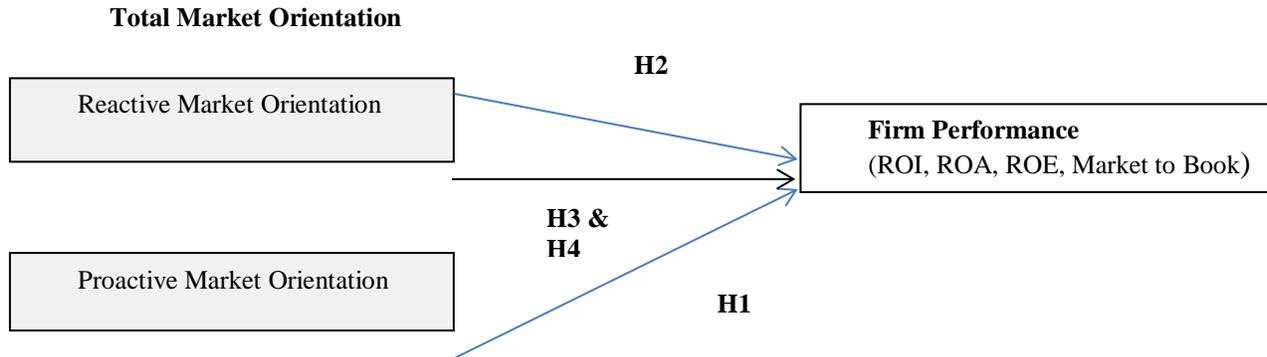
H4: Total Market Orientation will mediate the relationship between firm performance and individual reactive or proactive MO.

METHOD

Sample Selection

A sample was chosen from two biotechnology industry using the United States Patent and Trademark Office database, which contains worldwide patent data. The sample was drawn from five-years of data (2002-2006) and comprised of firms awarded more than 5 patents over the period studied. This allowed us to capture only those firms actively involved in turning knowledge into distinct innovation (Barrell and Mason, 2000). We then searched our sample to identify publically traded companies whose performance was tracked through 10Q's and annual reports. By selecting only publically traded companies our sample of biotechnology firms was reduced from 384 to 163.

FIGURE 1: Theoretical Framework



We examined the Mergent Online database to validate that they were publicly held from 2007-2009, which left a sample of 160 biotechnology firms. These firms had a total of 48,670 individual patents recorded.

Patent Measures

Patent Count. Patent count was used to assess overall MO. The patent count for a firm is the total number of patents awarded to a firm for a given time period, in relation to other firms in the industry. This is the first measure of a firm’s innovativeness, as it represents the ability of the firm to take explicit codified knowledge and develop new distinct innovations. Firms are reacting to the knowledge and expressed needs of the marketplace in order to create a clearly definable, patentable, piece of technology. The reach and impact of the technology, is yet to be determined.

$$PC_j = \sum_{i=1}^N x_{ij}$$

where x_i is the number of patents for firm j in year i , and N is the number of years.

Patent Cycle Time. Patent cycle time was used to assess reactive MO. Patent cycle time is defined as the median age in years of U.S. patents cited as prior art in the company’s new patents. This is a measure of a firm’s innovativeness because it tracks the ability and speed at which a firm can turn prior research and innovation into new, distinct, and codified

intellectual property. For the present study we calculated patent cycle time for each firm across the study period.

The calculation of this measure is as follows:

$$PCT_j = Med(a_{ij})$$

where Med is the median and a_{ij} is the age of patent i for firm j . This can be calculated for one year, or across a defined set of years.

Current Index. Current index was used to measure proactive MO. This measure shows the significance of a company’s patents by examining how often its U.S. patents are used as the basis for other innovations within a given time period. The more often a patent is cited by new patents, the more ground breaking and influential the patent is. For example, Hall, Jaffe, and Trajtenberg (2005) find a correlation of one extra patent citation increasing market valuation by as much as 3%. The current index measure is an aggregation of the citations for a firm’s patents over multiple years and normalized against an industry average, with one representing the average frequency for the industry. For example, a value of 1.0 indicates that a company’s patents are cited at the average rate for that industry while a value of 1.6 would indicate a company’s patents are referenced 60% more often than the industry average (Albert, Avery, Narin, and McAllister 1991). The current index was calculated for 2002-2006, allowing us to assess the effects of firm innovativeness on firm performance and to provide a level of proactive orientation for each firm.

The calculation of this measure is as follows:

$$CI_{jk} = \frac{\sum_{i=1}^{n_{jk}} x_{ijk}}{\sum_{j=1}^N \sum_{i=1}^{n_{jk}} \frac{x_{ijk}}{n_{jk}}}$$

Where n_j is the number of patents for firm j , x_{ij} is the number of citations for patent i for firm j , k is the year, and N is the number of firms.

Firm Performance

Past studies have suggested that the level of a firm's innovativeness will result in higher performance in variety of measures of new product success and firm innovation (Atuahene-Gima 1995). In constructing the study sample we considered only firms that are publicly held in order to be able to obtain objective, publicly available performance data. Accordingly, data was gathered on four performance variables; ROE, ROI, ROA, and Market to Book for the years 2007-2009. This data was then averaged by firm across the study period (2007-2009).

RESULTS

Descriptive Statistics

The number of patents awarded ranges from an average of 3 per year to 522 per year with a mean of 60.83. Patent cycle time ranges from 1.9 years to 13.5 years with a mean of 8.74 years. In the current index measure we see a similar amount of variance within the sample in terms of the impact of technology being produced. For current index, this is set so that the industry average is equal to 1.0, firms range from a minimum of 0.16 to a maximum of 12.28 with a mean of 0.98. This indicates that the worst performing firm is producing technology that is used only at only 16% of the industry average in the creation of new technology, while the best performing firm's technology is being used at over 1200% of the industry average.

As can be expected there is a great deal of variance among the internal measures of the firm's performance as measured by ROI, ROE, and ROA. The market-to-book ratio assumes that a company's approximate worth, tangible assets plus intangible assets, is indicated by its market value. Therefore, the difference between book value shown on the company's balance sheet and market value gives an

approximate measure of the intellectual capital that is part of the total company worth that does not appear on the balance sheet. The markets are valuing firms' intellectual properties and capabilities, with a range of 1.03 to 19.01 and a mean of 7.57.

Regression Models Tested

A system of panel regressions was formed to explain any variance or bias that may be inherent from fixed or random effects, control variables, and interaction terms. Firms may be "imprinted" or otherwise start on developmental trajectories before the start of our observation period. These trajectories may have naturally evolving patterns that change over time in coherent ways, but ones that we cannot foresee or measure. The omission of an important factor that changes over time within firms will result in auto-correlated errors and may bias estimates of the parameters in which we are most interested. One way of breaking the correlation over time, so as not to overestimate the effects of hypothesized independent variables, is to include a lagged dependent variable as a predictor. For each of the models reported, we estimated the effect of a serial correlation term in a first-order autoregressive model (Hsiao 1986).

After controlling for the lagged dependent variable, we found no significant residual correlation at the .05 level. Durbin-Watson and White's test (Kennedy 2003) statistics suggested that serial correlation was not a significant problem in our regressions. We calculated the mean absolute percent error (MAPE) by calibrating our model on two thirds of the data to compute MAPE. Over 25 different random runs, the MAPE was never higher than 10%. Finally, we also ran individual year cross-sectional regressions, and the resultant estimates were similar in magnitude and direction to those obtained using the time-series data.

In addition, we tested for violation of standard regression assumptions regarding model misspecification using Ramsey's (1969) RESET test, normality using the Jarque-Bera test, and heteroskedasticity using the Breusch-Pagan test. None of these violations appear to be either generalized or problematic in our data. Variance inflation and condition index statistic that are well below the standard cutoffs indicate no particular problems with multicollinearity in our regressions.

We further tested the potential influence of multicollinearity by reestimating our system of equations and removing each independent variable one at a time; the magnitude and significance of the remaining estimates showed no material changes. Lastly, a series of regressions were run

Table 1. Regression Results

	Model 1		Model 2		Model 3		Model 4	
	ROI		ROA		ROE		Market to Book	
	B	t	B	t	B	t	B	t
Adj R ²	.315		.344		.020		.358	
Age in Years	-.037	-.477	.027	.353	-.012	-1.121	-.042	-.561
Current Index	.579***	8.53	.608***	9.153	-.211	-.761	.699***	9.267
Employees	-.012	-1.21	-.017	-1.71	.094	1.765	-.036	-.375
F	15.64***		17.64***		1.65		18.67***	
Intercept	.282	.224	1.35	1.9	3.968	2.88	.186	.877
Number Patents	-.019	-.191	.015	.157	-.020	-2.019	.129	1.367
Patent Cycle Time	.087	1.26	.083	.004	.009	.059	.008	.124
R ²	.337		.364		.051		.378	
Residual variance	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Final estimations of fixed effects (with robust standard errors) are reported.

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

removing all control variables with the remaining independent and dependent variables left remaining. The pattern of results revealed no material differences from those we report in Table 1.

Models 1 through 4, we compare the independent variables, including the control variables to each dependent variable of venture profitability and market valuation. In model 1 the overall model was significant (F = 15.64, p < .001*), with an adjusted r-square of .315. The measure of proactive orientation (Current Index) had a significant influence (B= .579, p < .001*) on return on investment. Neither number of patents or patent cycle time was significant. In model 2 the overall model was significant (F = 17.64, p < .001*), with an adjusted r-square of .344. In addition, had a significant influence (B= .608, p < .001*) on return on assets. Neither number of patents or patent cycle time was significant. In model 3, testing the individual variables to return on equity, the overall model was not significant (F = 15.64, p < .001*), with the measure of number of proactive orientation (Current Index) had a significant influence (B= .579, p < .001*) on return on investment. Neither number of patents or patent cycle time was significant. In model 4, testing the individual variables to Market-to-Book the overall model was significant (F = 18.69, p < .001*), with an adjusted r-square of .358. The Current Index had a significant influence (B= .609, p < .001*) on Market-to-Book. Neither number of patents or patent cycle time was significant

DISCUSSION AND MANAGERIAL IMPACT

The availability and independent nature of our proposed measures of total, responsive and proactive MO provide a unique opportunity for future researchers interested in examining the intertwining nature of these three constructs. By testing our new measure across a large range of firms in an industry, and replicating previous MO findings linking market orientation with firm performance (Jaworski et al. 1993) we provide convincing and replicable support for our proposed measures. Furthermore, the focus on manifest variables provides unique strategic implications for managers, as this approach relies on data that firms are legally obligated to make public, and which are clearly linked to the core market orientation constructs.

In this study, the capital markets place a particularly high value on firms that demonstrate a strong proactive MO. Additionally, this study addresses a gap in research that was emphasized by Narver et al. (2000, 2004) for the need of broader measures of MO that capture both responsive and proactive orientations within a total MO framework. Further, no analysis has “utilized measures of MO that tap the domain of ‘proactivity’ in the anticipatory sense” (Narver et al, 2004). The use of these new measures, which use publicly available data and can be measured across an industry over different time periods, will help test the theoretical underpinnings of a total MO.

LIMITATIONS AND FUTURE RESEARCH

This study fully recognizes that firms have implicit, tacit knowledge that contributes to their MO and firm performance. The industries in our sample are very knowledge and technology driven, but differ in their end consumer (DeCarolis, et al, 1999). The model and measures may operate differently in industries with strategic constraints, or which rely less upon the generation of patentable knowledge for success. For example, our patent measures may not be as useful for measuring proactive and responsive MO in service driven industries.

The measures developed in this study provide a framework with which other industries could also be examined. This would address questions on how explicit knowledge and responsive and proactive MO may differ depending upon the nature of the industry. In addition, this study may provide the ability to further compare objective measures of MO with self-reported measures of MO across various measures of firm performance. Furthermore, testing across industries would give not only the right “fit” of a firm’s total MO given their resources, but also potential “fit” of total MO within an industry. This may provide insight to practitioners on how to deploy resources in their market orientation strategy, with respect to resource constraints and industry.

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SECONDARY DATA: CHALLENGES, PITFALLS AND SURPRISES

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ABSTRACT

The explosion in the amount of secondary data available has made the importance of learning how to navigate through secondary data more important. In an effort to incorporate more in-depth understanding of and greater expertise in using secondary data, a secondary data assignment was used in a marketing research class. The assignment created many challenges for students; there were some tricky aspects to the assignment where the information wanted was not clearly defined and students were expected to make critical decisions. Asking students to assess what they learned from the assignment produced some surprising results.

Recognizing that our marketing graduates will be expected to be knowledge workers in the new economy, the secondary data research project was assigned to students in an upper-level marketing research class. The assignment appeared deceptively simple: Students were asked to find the answers to eight seemingly easy questions. However, as one student wrote in her follow-up assignment, “. . . I found that the all-encompassing theme of this assignment was, all things are not as they seem.” The simple questions were not so simple and finding the answers proved challenging to every student in the class. One student labeled this assignment, “the most difficult” of her college career.

The purpose of the marketing research assignment included multiple objectives. The first, of course, was to acquaint the students with the wealth of information that is available in digital form. However, the other more important objectives were designed to help students become more aware of the knowledge, skills and patience needed to become proficient in researching information on the web. The practical, hands-on experience of having to know what to search for (search terms), where to search, how to search, how to evaluate, how to validate, and experiencing high levels of frustration in the process were designed to promote a significant learning experience for students.

A class session was devoted to going over what students had found for each question in an open discussion. Prior to their reporting, students were informed that they would all receive points for submitting the assignment and that the grade would not be based on the accuracy of the answers they submitted. Students reported their answers to the questions and the sources they had used. This was quite an “eye-opening” experience for them. Students were then given a follow-up related assignment, which asked for them to write a 1-2 page report about what they had learned from this exercise.

Overall, the most common learning cited by students was that they learned of so many new and different sources of information, other than Google. Many had never used commercial databases prior to this experience and they learned the wealth of information that is not available on the free web. They also gained an appreciation of all the information that is available through government sources, much of which can be accessed through the Census website. In addition, one common take-away stated by almost all students was that one should use more than one source for any information. All information needs to be checked and verified.

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INSIGHTS INTO HOW STUDENTS' CONSUMPTION VALUES AFFECT THEIR INTENTION TO PURSUE FURTHER STUDIES AT A PRIVATE EDUCATION INSTITUTION IN SINGAPORE

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ABSTRACT

This paper provides insights into how students' consumption values affect their intention to pursue further studies at the same Private Education Institution (PEI). The author uses the Sheth-Newman-Gross Theory of Consumption Values to explain how the five values affect students' decision on the selection of a PEI in Singapore.

INTRODUCTION

The study was conducted in Singapore, which is a higher-education hub in South East Asia. The purpose of this paper is to examine the factors that influence students' decision on the choice of Private Education Institutions (PEI). The research provides relevant data on the understanding of the educational needs of young adults who have enrolled in diploma level courses and how some key factors affect their intention to further their education within the same PEI. The findings should provide insights into understanding students better so that PEIs may adopt strategies to retain their current diploma students to continue their education with the institution.

This study adopted Sheth, Newman and Gross's approach (1991) as it has been widely used in the past two decades in disciplines such as sociology, psychology, economics and education. More importantly, the literature evidences the relevance of Sheth et al. (1991) in education domain (e.g. LeBlanc and Nguyen, 1999; Ledden et al, 2007; Stafford, 1994).

LITERATURE REVIEW

Perceived value is defined by Zeithaml (1988) as "the consumer's overall assessment of the utility of a product/ service based on perception of what is received and what is given." A review of literature has identified a number of theories and models used to study the perceived value in consumption value in education domain (e.g. Sanchez-Fernandez and Iniesta-Bonillo, 2006; Sheth et al., 1991; Sweeney and Soutar, 2001).

Sheth et al. (1991) developed a framework of perceived value which examines consumer choice as a function of five "consumption values", namely, functional, social, emotional, epistemic and conditional value. They assumed that each value has unequal contribution in different choice situations; and consumption values are independent of each other. The framework has been validated in various disciplines including psychology and economics (Sweeney and Soutar, 2001). It was also adopted in the field of education (e.g. Krickl and Geertshuis, 2012; LeBlanc and Nguyen, 1999; Ledden et al, 2007; Lai, et al., 2012).

Sheth et al. (1991) suggested that functional value was the key dimension on consumer choice, but the other four value dimensions were also relevant and applicable in some other consumption situations. Functional value relates to the economic utility of a choice in terms of functional, utilitarian or physical performance (Sheth et al., 1991). Examples of functional value in education include the development of knowledge and skills for professional employment (Bruce and Edgington, 2008; LeBlanc and Nguyen, 1999; McClung and Werner, 2008; Ng and Forbes, 2009; Stafford, 1994). Simmons (1997) suggested the specific functional value which includes tuition fees, types of program offered, or job placement after graduation. Specifically, functional values include academic reputation and recognition in the context of making a decision to further studies at a PEI.

Social value relates to how an individual is influenced by a specific social group (Sheth, et al., 1999). Individuals can be influenced by the opinion of reference groups when making a value judgment (Kalafatis and Ledden, 2012). In the context of

education, people who influence students may make students believe that taking a degree is a good thing to do (Ledden et al., 2007). With regard to the choice of PEI, social value may include the influence of students' peers, parents, relatives and teachers.

Emotional value refers to an individual's ability to arouse feelings or affective states (Sheth et al., 1991). In the context of education, emotional value is associated with the arousal of affective feelings while studying at the PEI, for example the feeling of safety and security in campus (Simmons, 1997); the feelings of self-achievement and pride (LeBlanc and Nguyen, 1999). In a PEI context, emotional value can be represented by campus setting and security as it is where students spend their time to learn and interact with their peers.

Epistemic value deals with the benefits derived from the choice of a product or service which arouses one's curiosity provides novelty and / or satisfies a desire for knowledge (Sheth et al., 1991). Stafford (1994) suggested that the primary benefit of epistemic value in education is the acquisition of new knowledge. In the context of PEIs, epistemic value can be referred to students' interest in the program and how relevant the knowledge they gain from the program will prepare them for their future studies and career.

Conditional value refers to a choice maker's response to a specific situation when making a choice decision (Sheth et al., 1991). In the context of education, the size of the department at the university and the number of students in a class may be the specific situations which influence the value of the educational experience (LeBlanc and Nguyen, 1999). Simmons (1997) suggested that distance from home, financial aid and scholarships may also be the specific conditions which may alter students' choice of course. In regard to the choice of PEI, financial cost such as scholarships, payment scheme and possibility of working part-time; and accessibility and location of the campus can be conditional value which may influence students' decision to further studies at a PEI.

Sheth et al. (1991) literature formed the basis for a number of studies which applied their scale of value to higher education. Stafford (1994) adopted Sheth et al. (1991)'s consumption value to examine the value students considered when making selection decision on courses at undergraduate level. The epistemic and conditional values were found to be significant predictors of students' choice behaviour. Epistemic value suggested that the desire for variety increased the likelihood that a course was chosen by students. Similarly, conditional value, such as the restrictions by

time scheduling or limitations imposed by specific courses, also led to the choice of a specific course. Stafford (1994) concluded that while the findings indicated the relevancy of epistemic and conditional values in determining course choice; it also implied that the other value, such as functional, emotional and social values were less influential in students' decision making.

The literature evidences that value delivers higher student satisfaction (LeBlanc and Nguyen, 1999; Ledden et al., 2007). LeBlanc and Nguyen (1999) studied how a number of factors had the impact on business students' evaluation of value during their educational experience. The results of regression analysis concluded that service value was explained by functional value in the form of price/quality and the benefits associated with the possession of a degree in business such as future gains and career objectives, and epistemic value in the form of knowledge and students' perceptions of the quality of education received from professors.

LeBlanc and Nguyen's (1999) scale was adopted and modified by Ledden et al. (2007) in their study to examine the functional relationship between personal values and perceived value in the context of education. Ledden et al. (2007) examined how both "get" and "give" components would affect the construct of consumer value and satisfaction. The "get" component was measured based on Sheth et al. (1991)'s five consumption value. The "give" component was measured based on monetary and non-monetary considerations (Cronin et al., 1997). The study concluded that the impact of the "get" component was noticeably higher than that of the "give" component, suggesting the explanatory power of consumption value on students' satisfaction.

According to the literature, consumption value leads to students' satisfaction. The past researches have provided insights into the outcome of education which were relevant to specific education systems in these countries including USA and Australia. However, with the unique higher education system in Singapore, it is important to extend the application of Sheth et al.'s (1991) consumption value to students' intention to further their higher education at the same education institution. Hence, the objective of the study is to identify the key factors that students use to decide on the choice of PEIs for higher education, and consequently, how some key factors affect students' intention to further their education within the same PEI. This study will extend the application of consumption value to higher education institution as an important means of understanding how to retain students.

METHODOLOGY

Target sample

Using cluster sampling, a self-administered questionnaire was given to a randomly selected cohort of respondents at a selected PEI in Singapore. Data were collected from 245 participants who were diploma students. Most of the respondents were from Singapore (39.6%) and Indonesia (23.3%), with a gender distribution of 56.7% female and 43.3% male. Almost forty percent of the respondents were aged between 16 and 18 years old, followed by the age group of 19 to 21 years old (30.6%), and 21 to 22 years old (20.8%). Refer to Table 1.

Table 1. Descriptive statistics of demographic profiles

Nationality	Frequency	Percentage
Singapore	97	39.6
Indonesian	57	23.3
Malaysian	24	9.8
China	18	7.3
Vietnam	16	6.5
Myanmar	12	4.9
India	10	4.1
Others	11	4.5
<i>Total</i>	245	100.0
<i>Gender</i>		
Male	106	43.3
Female	139	56.7
<i>Total</i>	245	100.0
<i>Age</i>		
16-18	98	40.0
19-20	75	30.6
21-22	51	20.8
23-34	11	4.5
25 years old and above	10	4.1
<i>Total</i>	245	100.0

Questionnaire Design

A focus group study was conducted to identify the types of questions relevant to the five dimensions of value in the context of PEI in Singapore. A structured questionnaire with 35 statements were developed and used to examine the factors influencing students' selection of PEI. A self-administered survey was chosen as it was easy to administer and relatively

cost-effective way of targeting at students. Responses were on a seven-point rating scale, ranging from "1" being the "least important" to "7" being the "most important". In addition, demographic characteristics were included in the survey.

RESULTS AND DISCUSSION

Factor Analysis

A factor analysis with a varimax rotation procedure was used to identify the underlying dimension used when students selected the PEI in Singapore. Four items with factors which cross-loaded on two factors with factor loadings greater than .4 were removed. The remaining 31 items were factor analyzed again. The factorability of the 35 items was examined prior to performing a factor analysis.

Principle Components Analysis was conducted to identify the factors underlying the selection of the PEI in Singapore. Seven factors had eigenvalues greater than 1, accounting for 65.66% of the total variance. All items had primary loadings over .50. All seven factors had relatively high reliability coefficients ranging from .74 to .89, which were all above .70. Table 2 presents reliability coefficients for all factors and percentage variance explained for all seven factors.

Table 2. Cronbach's alpha & percentage variance explained for all seven factors

Factors	Cronbach's alpha	% variance
Functional value:		
Academic reputation and recognition	0.85	30.41
Emotional value: Campus setting and security	0.89	10.22
Social value: Reference group influence	0.84	6.35
Epistemic value: Program relevancy	0.77	5.70
Conditional value: Promotional information	0.85	5.57
Conditional value: Financial cost	0.74	4.00
Conditional value: Accessibility and location	0.86	3.41

The first factor was labelled as "functional value – academic reputation and recognition" which explained the largest part of the total variance, namely 30.41% with a reliability coefficient of .85. This factor accounted for almost half of the total variance indicated that students valued the institution with a good academic reputation showing genuine concern for

the students; lecturers who have a good academic qualification and teach well; graduates who are successful and a friendly atmosphere. The result was consistent with Sheth et al.'s (1991) assertion that functional value is the key dimension of consumption value. The second factor was labelled as "emotional value – campus setting and security" which explained 10.22% of the total variance with a reliability coefficient of .89. This factor was labelled as such because students valued campus security in terms of where the campus was located and campus security itself; and campus environment in terms of its attractiveness and the availability of facilities at the campus. These two factors explained a total of 44.63% of the total variance of the entire sets of variables.

Multiple Regression Analysis

A conceptual model for multiple regression analysis was developed based on the research objective

of identifying the educational needs of young adults who have enrolled in the diploma level courses and how some key factors affect their intention to further their education within the same PEI. The findings should provide insights into the student retention strategies that PEIs may adopt to retain their current diploma students to continue their education with the institution.

The possible independent variables are identified, including functional value - academic reputation and recognition; emotional value - campus setting and security; social value - reference group influence; epistemic value - program relevancy; conditional value - promotional information; conditional value - finance cost; conditional value - accessibility and location. It is assumed that these independent variables could be used to predict the dependent variable, that is, intention to further studies at the current PEI.

Table 3. Coefficients for seven variables

Model	Unstandardized Coefficients ^a		Standardized Coefficients ^a		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	.673	.250		2.694	.008		
Functional value:							
Academic reputation and recognition	.542	.051	.558	10.701	.000	.505	1.979
Emotional value:							
Campus setting and security	.110	.037	.153	2.993	.003	.523	1.912
Social value: Reference group influence	.019	.031	.025	.604	.546	.803	1.245
Epistemic value: Program relevancy	.197	.047	.194	4.227	.000	.652	1.534
Conditional value: Promotional information	-.033	.038	-.040	-.866	.387	.632	1.581
Conditional value: Financial cost	.027	.037	.034	.731	.465	.649	1.540
Conditional value: Accessibility and location	.039	.027	.067	1.450	.148	.650	1.538

Dependent Variable: What is the intention to further your studies at the current institution?

In order to avoid the problem of multicollinearity, the variance inflation factor (VIF) was inspected. The $R^2 = .675$, (F-value of 70.214, $p < .05$), explaining 68% of the variance in the intention to further their studies at the current PEI. The t-values in Table 3 show that the constant and the coefficients for functional value – academic reputation and recognition, emotional value - campus setting and security and epistemic value - program relevancy are significantly different from 0 ($p < .05$).

A Trimmed Multiple Regression Analysis was conducted to eliminate the independent variables (social value - reference group influence, conditional value - promotional information, conditional value - financial cost and conditional value - accessibility and location) which are shown as insignificant. The trimmed multiple regression model with the significant independent variables (functional value - academic reputation and recognition, emotional value - campus

setting and security and epistemic value - program relevancy) are shown in Table 4.

It is shown in the table above that the R^2 is .670, which has slightly decreased as compared with the previous full model. The three independent variables, functional value - academic reputation and recognition,

emotional value - campus setting and security and epistemic value - program relevancy, still explain 67% of the variance in the intention to further their studies at the current PEI, which is highly significant, as indicated by the F-value of 162.885, $p < .05$, in the ANOVA table (Refer to Table 5).

Table 4. Model summary – Multiple regression with three independent variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 ^a	.670	.666	.555

Predictors: (Constant), FUNCTIONAL, EMOTIONAL, EPISTEMIC

Dependent Variable: What is the intention to further your studies at the current institution?

Table 5. Variance of analysis with three independent variables

	Sum of squares	df	Mean Square	F	Sig
Regression	150.736	3	50.245	162.885	.000 ^a
Residual	74.342	241	.308		
Total	225.078	244			

Predictors: (Constant), FUNCTIONAL, EMOTIONAL, EPISTEMIC

Dependent Variable: What is the intention to further your studies at the current institution?

Table 6. Coefficients for three variables

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	SE	Beta	t	Sig.	Tolerance	VIF
(Constant)	.733	.233		3.151	.002		
Functional value: Academic reputation and recognition	.555	.048	.572	11.457	.000	.550	1.817
Emotional value: Campus setting and security	.133	.033	.186	4.021	.000	.640	1.562
Epistemic value: Program relevancy	.197	.044	.194	4.429	.000	.714	1.400

Dependent Variable: What is their intention to further your studies at the current institution?

The examination of t-values in Table 6 shows that functional value - academic reputation and recognition, emotional value - campus setting and security and epistemic value - program relevancy are significant, as all three independent variables have significant levels of .000.

The results show that functional value - academic reputation and recognition, has the highest Beta standardized coefficient (.733), showing that functional value - academic reputation and recognition - has relatively higher predictive power than epistemic value - program relevancy (.197) and emotional value - campus setting and security (.133) - in the intention to further their studies at the current PEI.

CONCLUSION

The findings indicate that functional value - academic reputation and recognition, plays a primary role as the leading determining factor affecting one's intention to further their studies at the current PEI. Academic reputation and recognition means that students value a PEI with a good academic reputation which offers good academic qualifications and has successful graduates from the institution. While students value lecturers who teach well, it also means that students would like the institution to show genuine concern for their students. A friendly learning atmosphere with quality students is also important to students who decide to further their

studies at the current PEI. The findings are consistent with literature that functional value is the key dimension on consumer choice (Sheth et al., 1991).

The second key factor is epistemic value – program relevancy. Students value a program that prepares them for further studies and for a future career. It is also noted that the duration of the program needs to be appropriate and the program needs to enable students to transfer to other programs in the institution. When students are interested in the various courses/ modules in the program, it would also contribute to the intention to further their studies at the current PEI. The findings have confirmed that epistemic value is important as it satisfies a desire for knowledge (Sheth et al., 1999) and has similarities to Stafford's (1994) findings that the primary benefit of epistemic value in education is the acquisition of new knowledge. Given that students value the importance of program relevancy, educators need to ensure that the study of diploma modules helps prepare students to deal with future studies at the higher level degree courses offered.

The third key factor is emotional value – campus setting and security. Students value a campus with an attractive design which provides them with adequate facilities. The campus should also be located in a safe area with adequate security on campus. The findings have some similarities to Simmons' (1999) research that the feeling of safety and security in campus arouses affective feelings.

The results of this study provide a sound basis for future research. Although the research has limitations that restrict the generalization of its findings to other educational institutions, the findings of this study can be useful to PEI's, in particular, those which offer courses at both diploma and undergraduate level. It is important to ensure that the PEIs are able to develop effective student retention strategies which emphasize on functional value, epistemic value and emotional value.

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LOYALTY DETERMINANTS IN GRADUATE ONLINE PROGRAMS

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ABSTRACT

The explosion of the use of online learning systems in higher education allows students to leave the online programs quite easily. Therefore, educational institutions should try to retain their existing students. In this article, a model of student loyalty with online programs utilizing relationship marketing theory elements was developed.

INTRODUCTION

It is a widely accepted idea for educational institutions that higher education is a service industry, therefore they put more emphasis on meeting the expectations and needs of their customers who are their students (DeShields Jr, Kara, and Kaynak, 2005). DeShields et al. (2005) believe that due to the intensive competition found in the higher education market, universities must assess and adopt marketing orientation strategies that meet the target market needs. They should understand the needs of the customer, modify, and enhance their offerings in order to successfully deliver services of superior quality. This is a competitive market that requires a thorough understanding of the target markets including students and external and internal stakeholders.

Student loyalty has become incredibly important for educational organizations involved in higher education (Helgesen and Nettet, 2007a). Student (customer) loyalty is strongly related to two factors: student (customer) satisfaction and the university's performance (business unit) (Helgesen and Nettet, 2007b). Athiyaman (1997) and DeShields et al., (2005) have researched student satisfaction in the context of customer satisfaction and service quality. Student (customer) loyalty, student (customer) satisfaction, and the success of an educational institution are supposed to be positively related (Kotler and Fox, 1995; Zeithaml, 2000; Helgesen, 2006).

The purpose of this research is to investigate the relationships between factors that may lead to customer loyalty in online educational organizations. Specifically, the study seeks to examine the relationships between service quality, commitment and satisfaction, reputation, and ultimately loyalty. A new model is presented which includes and tests these variables. The research questions addressed are:

1. What is the relationship between the university's reputation and student loyalty in online educational systems?
2. What is the relationship between student satisfaction and the university's reputation in online educational systems?

THEORETICAL BACKGROUND

Relationship Marketing

Berry (1983) defines relationship marketing as "attracting, maintaining and in multi-service organizations-enhancing customer relationships" (p. 25). Approximately twenty years ago, this emphasis on relationships or relationship marketing led to a major shift in marketing theory and practice (Morgan and Hunt, 1994; Akarapanich, 2006). Gummesson (1994) found "Relationship marketing (RM) is marketing seen as relationships, networks and interactions" (p. 5). Strengthening the relationship and converting different customers into loyal ones are the goals of relationship marketing. The connections with customers lead to benefit profitability, reducing costs, and increasing revenue (Fournier et al., 1998).

Service Quality

Several researchers believe that satisfaction attitude is formed by customers when the performance they received from the products surpasses their pre-purchase expectations (Oliver, 1980). The best way to measure the user satisfaction is to assess the relationship between customer satisfaction and service quality (Pitt, Watson, and Kavan, 1995). Service quality has different definitions. To what extent a service meets customers' needs or expectations is called service quality (Lewis and Mitchell, 1990;

Dotchin and Oakland, 1994a; Asubonteng, Mcclary, and Swan, 1996; Wisniewski and Donnelly, 1996).

Customer Satisfaction

The relationship between a customer and a seller after the first transaction is defined as customer loyalty (Hallowell, 1996; Dehghan, 2006). The rapid growth of online transactions has raised significant questions about customer satisfaction and loyalty in the online environments (Wind and Rangaswamy, 2001). Online environments offers more opportunities for buyers and sellers, however these opportunities may impact customer satisfaction and loyalty differently compared with offline environments (Shankar, Smith, & Rangaswamy, 2003). Having a clear understanding of the relationship between online loyalty and satisfaction helps businesses to allocate their marketing budgets more efficiently between satisfaction initiatives and loyalty programs (Shankar et al., 2003).

Commitment

Commitment is a key factor of any successful long term relationship (Gundlach, Gregory, Achrol, and Mentzer 1995). Anderson and Weitz (1992) defined commitment as “an enduring desire to maintain a valued relationship” (p. 18). Commitment and customer loyalty are interconnected (Pritchard, Havitz, and Howard, 1999). Also, loyal customer behaviors can be measured by commitment and the positive relationship that exists between customer commitment and the purchase of goods (Bowen and Shoemaker, 2003).

Reputation

Customer satisfaction and brand reputation are the principals of loyalty (Selness, 1993). Selnes (1993) states “Although both brand reputation and satisfaction have been found to affect loyalty separately, very little is known about the interaction effect” (p. 45). Reputation can be the customer's overall perception about a company. Indeed, trust and reputation are related..

Student Loyalty

Helgesen and Nettet (2007a) state “Student satisfaction has the highest degree of association with student loyalty, representing a total effect about three times the effect of the image of the university college” (p. 37). The main income source of private universities is tuition fees; therefore retaining students will help educational institutions to develop their future activities. In addition, based on relationship marketing

theory, gaining new students is more costly than maintaining current ones. Student retention helps universities to reduce their costs dramatically (Reichheld, 1996; Akarapanich, 2006). Those educational institutions that have the ability to attract new students and retain the existing ones benefit of having loyal students (Oliver, 1997; Henning-Thurau et al., 2001, Helgesen and Nettet, 2007a).

Loyal students can impact teaching quality positively by functioning participation and committed behavior (Helgesen and Nettet, 2007b). Henning-Thurau et al. (2001) found “The lecturer's own involvement in the course increases if students are highly motivated, jointly contributing to a classroom atmosphere that stimulates learning” (p. 332). Loyal students may take part in research activities by proposing innovative research idea or participate in data collection for a research project (Henning-Thurau et al., 2001). According to Henning-Thurau et al., (2001), as an alumni, a loyal student may financially support his or her university through a variety of donations; provide written or verbal recommendations to pre-current-post students; and provide other services valuable to the university such as lectures, assisting with placements for students. It behooves the university to nurture student loyalty as the benefits of growing student loyalty are a multiphase process extending from enrollment to retirement and beyond.

Online education institutions provide a wide variety of programs that let students easily leave their schools and switch to another service provider (Helgesen and Nettet, 2007a). Therefore, profitable growth of educational institutions is dependent on an in-depth understanding of the loyalty intention in online learning programs (Reichheld, 2003). Various factors make student loyalty a significant theme for educational institutions. According to Helgesen and Nettet (2007b), these criteria are:

- 1) Increased performance-based public funding;
- 2) New legislation designed to reform higher education;
- 3) Increased student mobility;
- 4) Increased global competition. (p. 330)

Understanding the factors that drive students' interests is imperative to managers of higher educational institutions. Teaching professionals are faced with their performance being measured through their professional degrees, performance in publications, and research as well as student performance. Therefore, loyalty is vital and carries significant strategic importance.

According to Thomas (2011), a master's degree holder has a better chance to improve his earnings than someone with a bachelor's degree alone. Announced by U.S. Bureau of Labor Statistics, the average salary for a master's degree holder in 2011 was \$102,000

(Riot, n.d). This is significantly higher than an individual holding a bachelor's degree. Furthermore, it is reported that only 5.9 percent of American adults hold master's degrees. This demonstrates the significance of obtaining master's degrees.

This research contributes to prior research by investigating whether commitment, satisfaction, reputation and service quality influence the loyalty intentions of online graduate students. If loyalty increases, growth and profitability of universities will be influenced, proving that enhancement of satisfaction, reputation, service quality and commitment, is a desired goal for any educational institution (Reichheld, 2003; Akarapnich, 2006). The outcomes of this study help educational institutions

improve their marketing strategies to ensure that online students remain with their desired online programs.

PROPOSED RESEARCH MODEL

This study adopted the work of Hennig-Thurau et al., (2001), Helgesen and Nettet, (2007a; 2007b) and Akarapnich (2006) by positioning satisfaction and reputation as mediators to the understanding of relationship marketing outcomes (loyalty intentions). Akarapanich (2006) and Hennig-Thurau et al., (2001) found significant relationships between the mediators of satisfaction, trust, commitment, and customer loyalty between customers and service employees. This study implemented the combination of all these models in an online environment.

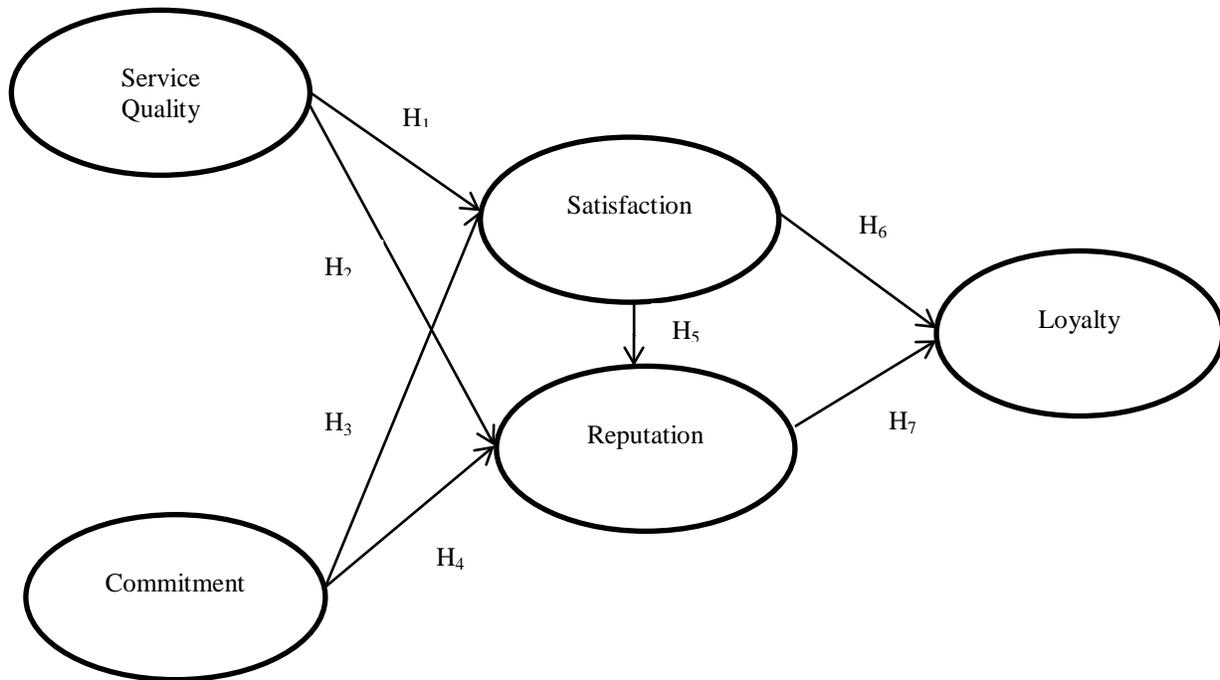


Figure 1. Research Framework

HYPOTHESES

In accordance with these arguments, the following hypotheses are offered (note Figure 1):

H₁: There is a significant and positive relationship between service quality and satisfaction in online educational systems.

H₂: There is a significant and positive relationship between service quality and reputation in online educational systems.

H₃: There is a significant and positive relationship between commitment and satisfaction in online educational systems.

H₄: There is a significant and positive relationship between commitment and reputation in online educational systems.

H₅: There is a significant and positive relationship between satisfaction and reputation in online educational systems.

H₆: There is a significant and positive relationship between satisfaction and loyalty in online educational systems.

H₇: There is a significant and positive relationship between reputation and loyalty in online educational systems.

RESEARCH METHODOLOGY

The population for this research was all Master's students enrolled in online programs within the U.S.

The research sample included all the students registered in the online Master's programs within a

regional Midwestern university. According to the office of Institutional Research and Information Management (IRIM) at this university, there are 1140 Master's students enrolled in online courses for Fall 2011. Of those, 687 were enrolled exclusively in online programs. In addition, according to Extended Programs and Educational Outreach Office (EPEO) at the regional Midwestern university, nine online Master's programs were offered.

Once the content validity was determined by the panel of experts, a pilot test was conducted at MKT510 Master's course at this regional Midwestern university in Winter 2012. A pilot can be used to test logistics and collect information before conducting the larger research, in order to improve the latter's readability and obtain an estimate of reliability. A cover letter including the URL of the survey was emailed to the students by the researcher. The students were asked to comment on the validity of the questions and the overall survey design. The respondents were asked about the readability, ease of use and browsing and transition from one page to another. At the end, the respondents were asked to provide their overall views.

DISCUSSION

The first stage was identifying any missing data and outliers. The second stage was reliability analysis to assess the data quality. Cronbach's alpha was used to measure the consistency and the value of Cronbach's should exceed 0.7. The results demonstrated that the

Table 1. Questionnaire

No	Service quality
1	Within my program, student exercises are relevant to topics
2	Instructors are accessible
3	Instructors provide students with timely and appropriate feedback
4	My program contains some synchronous elements, such as live chat, Elluminate, etc
5	I am required to interact with my classmates by using online discussions, peer reviews and etc
	Commitment
6	I am committed to those faculty in my program
7	My relationship with faculty is very important to me
8	I am committed to this program

	Satisfaction
9	I am satisfied with this university
10	I did the right thing of entering this program
11	I talk positively about this program to others
12	I am satisfied with the university comparing with an ideal one
	Reputation
13	This university has a good reputation
14	My program of study has a good reputation
	Loyalty
15	I would recommend this university to my friends
16	I would choose to attend this university if starting if given the opportunity to start again
17	I would consider enrolling in more programs at this university

Cronbach's alpha value for each construct surpassed the minimum level (0.7). The Third stage was normality. In the fourth stage, descriptive statistics for each construct were calculated including mean, variance, standard deviation, item means, item variances, inter-item correlations, item-total statistics and so on. Each construct consisted of several items and each item was assessed using a five-point Likert-type scale: Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5).

In order to assess the construct validity, confirmatory factor analysis was performed using SmartPLS. A wide range of unmeasured sources of variability in a data set can be modeled by using Factor Analysis (Hoyle, 2000). Hoyle (2000) states "Confirmatory factor analysis (CFA), otherwise referred to as restricted factor analysis, structural factor analysis, or the measurement model, typically is used in a deductive mode to test hypotheses regarding unmeasured sources of variability responsible for the commonality among a set of scores" (p. 466). Factor analysis can also identify the sources of errors in the original model (Paatero, 1994). The last stage was testing the hypotheses using SmartPLS. Partial Least Square (PLS) was used to analyze the data and specifically, assessing the construct validity. The measurement model is assessed based on the items loadings. Factor loadings of less than 0.30 are considered insignificant, those greater than 0.4 are more important and any loadings over 0.50 are considered significant, however in confirmatory factor analysis, loadings greater than 0.7 are considered very significant (Costello & Osborne, 2005). The figure 2 shows that factor loadings for each construct and its indicators are greater than 0.5. which validates the model.

RESULTS

The findings reveal that six hypotheses were supported, and one was rejected. Although, service quality as it relates to the program had a direct effect on student loyalty to the program in face to face (F2F) educational systems (Hennig-Thurau *et al.*, 2001), the results obtained from this study do not support H₂ with 0.297 t-values respectively. Obtained results demonstrate that service quality influences satisfaction, however it has few impacts on the university's reputation. Findings suggest that program service quality is the least important factor among all constructs investigated regarding perceived student loyalty to the program. Analyzing the items related to program service quality in this study revealed that students put more weight on tangible services. Therefore, program service quality becomes more important in face to face (F2F) settings because more tangible services involving various methods of interaction likely occur in face to face (F2F) programs.

Additionally, there is no significant relationship between service quality and reputation of the program. Moreover, it contradicts two well-known previous studies by Hennig-Thurau *et al.* (2001) and Helgesen and Nettet (2007a). Service quality is related significantly to satisfaction with 0.309 path. The last stage was testing the hypotheses using a Structural Equation Modeling (SEM) procedure with SmartPLS (Partial Least Squares) software. Casual relations and qualitative assumptions can be tested and estimated by using SEM.

For any score greater than +2 or -2, the hypothesis is accepted (Weaver, 2011).

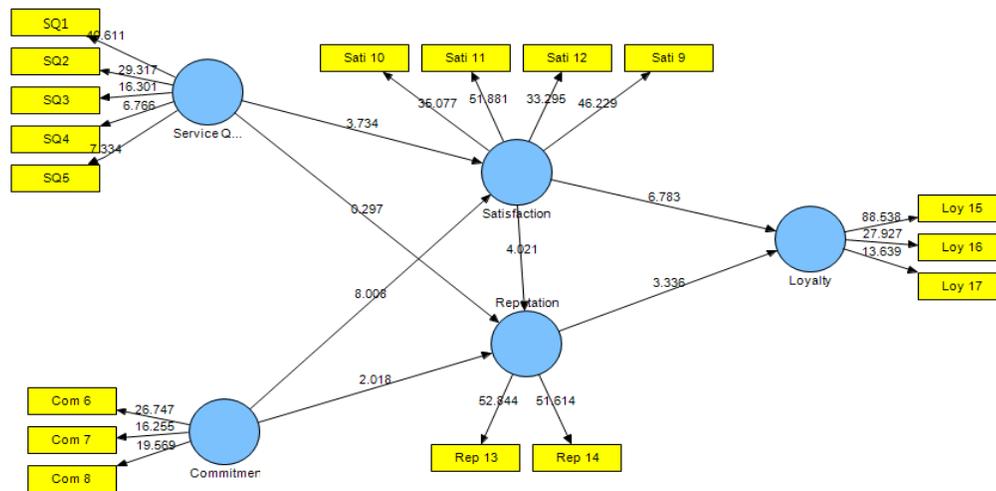


Figure 2. Structural Equation Modeling from SmartPLS Output

Table 2: Hypothesis Testing

Path	Hypothesis	Path Coefficient	t-Value	Result
Service Quality → Satisfaction	H ₁	0.309	3.7342	Approved
Service Quality → Reputation	H ₂	0.031	0.297	Rejected
Commitment → Satisfaction	H ₃	0.622	8.0082	Approved
Commitment → Reputation	H ₄	0.233	2.0180	Approved
Satisfaction → Reputation	H ₅	0.514	4.0210	Approved
Satisfaction → Loyalty	H ₆	0.620	6.7829	Approved
Reputation → Loyalty	H ₇	0.326	3.3365	Approved

coefficient, and interestingly it does not affect reputation with 0.031 path coefficient.

Surprisingly, commitment and satisfaction have the most significant relationship with 0.622 direct effects. This supports H₃ with 8.0082 t-value. This given path coefficient is greater than what was found by Helgesen and Nettet (2007b). The relationship between commitment and satisfaction is stronger in online educational systems. But, commitment and reputation are weakly related in these online programs, which affirms the results obtained by Helgesen and Nettet (2007b) when studying face-to-face (F2F) programs. Also, findings support H₄ with 2.0180 t-value. The authors argued that, although there is not a very significant relationship between commitment and reputation, educational institutions should focus on this factor which helps attract faculty and researchers.

An analysis of the results of this study demonstrates that satisfaction and reputation are significantly correlated supporting H₅ with 4.0210 t-value. Moreover, both have significant relationships with loyalty, endorsing H₆ and H₇ with 6.782 and 3.336 t-values. Although, satisfaction and loyalty has an outstanding correlation, findings contradict previous research. In previous studies, satisfaction and loyalty has the highest relationship among all constructs, meaning satisfaction impacts loyalty the most. However, the role of commitment in this research and its relationship with satisfaction is the most significant.

CONCLUSION

In this study, two research questions were addressed. These questions and the obtained results

are discussed as follows:

Research Question 1

"What is the relationship between the university's reputation and student loyalty in online educational systems?"

Results from the testing of hypothesis 7 supports the findings of Hennig-Thurau *et al.* (2001) and Helgesen and Nettet (2007b). As was expected, the results show that program reputation affects program loyalty. The findings demonstrate that the relationship between program reputation and program loyalty in graduate online educational systems is more significant compared to traditional ones. The findings recognized reputation of the university as a vital mediator for building a mutually beneficial relationship between students and universities.

Research Question 2

"What is the relationship between student satisfaction and the university's reputation in online educational systems?"

Findings from the test of hypothesis 5 confirm the perception that student satisfaction with the program depends to a large degree on the university's reputation. These results support those found in the research of Helgesen and Nettet (2007b).

IMPLICATIONS

The research findings also support relationship marketing theory (Morgan & Hunt, 1994) and the roles of commitment and trust. However, this research found the role of commitment more important than that of trust. Conversely, Akarapanich

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(2006) put more weight on trust in his research. This study recognized reputation of the university as a vital mediator for building a mutually beneficial relationship between students and universities. However, student satisfaction with the program was found as a key predictor for enhancing student loyalty to the program.

Program service quality was found as one of the key factors in determining the student loyalty to the program in face to face educational systems (Hening-Thurau *et al.*, 2001; 2002; Helgesen and Nettet, 2007a; 2007b), however it was found as an insignificant element in assessing the student loyalty to the program in online courses. Surprisingly, the construct of technology was found as an important factor. Especially, the role of using synchronous elements in the online educational systems, such as Elluminate, was found to be significant.

FUTURE STUDIES

Based on the results of this study, the following recommendations for future research are provided:

1. Since, confirmatory factor analysis was used in this research to analyze the data, using exploratory factor analysis in analyzing the data may result in a new model which is more appropriate for student loyalty assessment in online educational systems.

2. The researcher used SmartPLS to analyze the items in Structural Equation Model (SEM), however LISREL and SmartPLS can be used in future research and the results could be compared.

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THE BRAND IMAGE OF THE UNITED STATES: A GLOBAL STUDENT PERSPECTIVE

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ABSTRACT

This paper examines perceptions of the United States, as well as their influence on purchasing behavior, using a survey administered to international students at a private liberal arts college and university on the East Coast of the United States.

INTRODUCTION

We live today in a globally interconnected world that is economically interdependent, a trend that has accelerated over the last two decades. In this process of economic globalization, nations are increasingly focusing on how they "brand" themselves in the world marketplace. Just like with business branding, the public perceptions of a country – commercially, politically, and socially – all have a tangible impact on its economy. This movement toward "nation branding" has become a popular topic in both the academic and popular press in recent years (Anholt, 2002). Moreover, young consumers often form the vanguard of this popular opinion. This paper examines the perspective of international students in the United States toward its brand image, and how it affects their purchasing behavior.

Many commentators have stated that this increased globalization and resultant increase in competition between countries, coupled with today's mass-media driven marketplace, has caused a greater awareness among many nations about managing their public brand image (Van Ham, 2001; Kotler and Gerner, 2002; Papadopoulos and Heslop, 2002; Dinnie, 2008; Skinner and Kubacki, 2007; Anholt, 2008; Avraham and Ketter, 2008; Saunders, 2008; Stock, 2009; Dinnie et al., 2010). At the same time, opinions differ regarding what constitutes nation or country branding. Some simply view it as being equivalent to country-of-origin or place marketing, while others see it as a broader strategy for a country's strategic vision and communications with the rest of the world (Fan, 2006, p. 6; Kotler and Gertner, 2002).

A review of the literature shows that many believe a nation's culture should and does play a big part in any nation branding initiative. Dinnie (2008), for example, asserts that implies that a nation's cultural

assets such as music, film, literature, language and sport are defining traits that form a basis for its national identity. Conversely, others feel that nation branding is more complex than simply focusing on culture as a basis. Lidstrom (2005) states that country branding involves more than simply adding a 'made-in label' to a product, while a study by Young (2005) on the role and nature of place marketing in attracting foreign direct investment concluded that "... simple promotional campaigns that aim at raising investor awareness of localities in the region have quite limited impact and in order to be successful place marketing must become a sophisticated and complex set of strategies and address investor-specific needs" (Szondi, 2007, p. 14).

Country branding ultimately should be distinguished from product or corporate branding. First, its aims are often much broader: Kotler and Gertner (2002), for example, view it as a key part of a country's marketing strategy to attract tourism, companies, and investment. According to Lodge (2002) the major difference between product or corporate branding and nation branding is found in how the classic marketing elements of proposition and positioning are addressed, stating that, "Countries that need branding often have little to differentiate them from the competition: similar beaches, same sort of investment offer, and one apple is not much different from another apple. The art of positioning countries is not yet very sophisticated, yet positioning is often the biggest problem the brand must seek to remedy if the country in question is to pull itself out of "the wrong set" geographically" (Lodge, 2002, p. 1).

Regardless of what criteria or means are used to formulate a nation branding program, or how simple or complex that program is, the obvious key measure of that branding initiative is its effectiveness. Simonin (2008) notes that a nation's identity should resonate

with people inside of and outside of a country, while Lodge (2002) states that nations must create an image that persuades people to buy while being acceptable to their indigenous populations. Regardless of the lack of a well-settled definition for nation branding, it is clear that nations that have initiated a branding program benefit from that implementation. In fact, some in the literature have stated that country or nation branding has more value than product or corporate branding. Versi (2009a, p. 359) states that that this is due to that fact the national companies, its citizens, and national attributes all benefit. Versi states, "Not only are its [a country's] products and services in high demand, its culture and philosophy are held in high esteem. It often attracts the best talent around and investors fall over each other to be part of the success story" (p. 359).

A review of the literature indicates numerous specific benefits of nation branding, including "increase currency stability, help restore international creditability and investor confidence; reverse international ratings downgrades; increase international political influence; stimulate stronger international partnership and enhance nation building" (Dinnie, 2008, p. 17; Stock, 2009, p.123). Others in the literature have stated that nation branding beyond the marketing area such as for political area. Fan states that "instead of reinforcing old stereotypes or creating new ones for short-term economic gains, nation branding could help different countries to develop better mutual understanding and improve international relations" (Fan, 2006, p. 12). Conversely, Dinnie (2004, p. 3) cites Van Ham (2001) as stating that "the unbranded state had a difficult time attracting economic, political attention, and that image and reputation are essential parts of the state's strategic equity."

The United States as a brand has been on a downward trend over the last decade, although it has recovered somewhat recently. For example, Dinnie (2008) cited a global poll of over 25,000 people sponsored by BBC World Service, which found that less than a third of respondents felt the USA had a positive influence on world affairs, and that this influence was declining (Frost, R. 2007, cited from Dinnie, 2008, p. 175). Anholt (2009), cited in Randolph (2010, p. 9) notes that this downward trend increased during the Bush presidency of the 2000s and may be reversing since the 2008 election of Barack Obama; he estimates that "the 'Obama effect' on America's image abroad is worth \$2.1 trillion, raising the value of the American brand to \$11.8 trillion." He also found that currently the U.S. has once again become the most admired nation in the world, as compared with the Bush administration when the U.S. was in 7th place.

This paper looks at the brand image of the United States from a unique perspective: that of international students who attend or have recently attended college in the United States. This group is part of a demographic that will serve as future thought leaders for world opinion, and one that speaks from direct experience with both their own culture and that of the USA. These respondents come from a wide range of countries, ranging from close allies such as Canada and Japan to Eastern Bloc countries and former Soviet republics, with widely varying cultural perspectives toward America. The results of this survey form a composite view of where the United States currently stands within the world marketplace, and how this brand image is evolving in the future.

METHODOLOGY

A 31-question electronic survey was administered to international students and recent graduates at a private Liberal Arts College and university on the East Coast of the United States, using data from an online listserv of such students. These questions revolved around attitudes and perceptions about the United States and its brand image, using both qualitative and quantitative responses, as well as demographic information such as graduation year, graduate school status, full or part time status, major, gender, and country of origin. Exposure to global culture was also measured from a standpoint of domestic and international travel experiences as well as languages spoken. The survey questions, administered via a link to an online form through SurveyMonkey.com, were as follows:

I. Demographic questions

1. What year did or do you expect to graduate from college? (2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, Other)
2. If applicable, are you in graduate school? (Yes/No) – If applicable, list the degree program.
3. If applicable, are you a full-time (9 credits or more per term) or part-time student?
4. If applicable, what is (or was) your major in college?
5. What is your gender? (F/M)
6. What country are you from?
7. If applicable, how many years have you been a student in the United States?
8. Have you visited different states/cities in the United States? (Yes/No) If so, approximately, how many states have you visited in United States?

9. How many countries have you visited other than your home country? List them.
10. List the languages you speak fluently.

II. Brand perceptions of the United States

11. If the United States were an animal, what would it be? Explain why.
12. If the United States were a car, what type of car would it be? Explain why.
13. If the United States were a sport, what sport would it be? Explain why.
14. If United States were an actor, what actor would it be? Explain why.
15. If United States were a flavor, what flavor would it be? Explain why.
16. If United States were an article of clothing, what would it be? Explain why.
17. What is the first company that comes to mind when you think of the United States? Explain why.
18. Do you associate the following attributes with the United States? (Yes/No): Friendly, Diverse, Affordable, Dependable, Fun, Modern, Popular, Powerful, Stylish, Diplomatic
19. If the United States were a person, would he/she . . . (Yes/No): Use social media, e.g. Facebook?; Own a smart phone?; Be eco-friendly?; Be a good listener?; Be a good neighbor?; Be open and accepting?; Be up-to-date and globally aware of current issues?; Be trustworthy?
20. Please rate the following aspects of the United States (Strongly Disagree/Disagree/Undecided/Agree/Strongly Agree): Growing economy; Sizable market for goods and services; Availability of suitable qualified labor; High productivity levels; Low input costs; Regional hub for international business; Ease of doing business; Stable currency; Innovation; Good infrastructure; Good corporate governance; Well-run country; Abundance of raw materials; Reliable energy source; Time zone compatibility; Sophisticated financial systems; Favorable tax incentives for investment; Unstable political environment; High crime rate; Rigid labor market; High levels of corruption; Poor human rights record; Difficult to protect copyright and intellectual property.
21. As a college or graduate student, what is the one thing that would most improve the United States "brand" image for your country?
22. I have the feeling I really understand the United States (Strongly Disagree/Disagree/Undecided/Agree/Strongly Agree).
23. The United States has always been good to me (Strongly Disagree/Disagree/Undecided/Agree/Strongly Agree).

III. Country perceptions and purchasing decisions

24. If a product is made in the United States it represents _____ (Strongly Disagree/Disagree/Undecided/Agree/Strongly Agree): Quality; Customer service; Craftsmanship; Cutting-edge technology
25. When I am ready to buy a cell phone, the country-of-origin I look for and prefer is: (China; Finland; France; Italy; Germany; Japan; South Korea; Sweden; United Kingdom; United States; I don't care about the country of origin for my cell-phone; Other)
26. When I am ready to buy a car, the country-of-origin I look for and prefer is: (China; Finland; France; Italy; Germany; Japan; South Korea; Sweden; United Kingdom; United States; I don't care about the country of origin for my car; Other)
27. When I am to buy clothes for casual wear, the country-of-origin I look for and prefer is: (China; Finland; France; Italy; Germany; Japan; South Korea; Sweden; United Kingdom; United States; I don't care about the country of origin; Other)
28. When I am to buy clothes for work or special occasions, the country-of-origin I look for and prefer is: (China; Finland; France; Italy; Germany; Japan; South Korea; Sweden; United Kingdom; United States; I don't care about the country of origin; Other)
29. A product's country-of-origin is important in my purchase _____ of _____ (Strongly Disagree/Disagree/Undecided/Agree/Strongly Agree): Electronics; Cars; Clothing; Food products; Other
30. I often make a final purchase decision based on a product's brand name reputation. (Strongly Disagree/Disagree/Undecided/Agree/Strongly Agree)
31. I often make a final purchase decision based on product's country-of-origin. (Strongly Disagree/Disagree/Undecided/Agree/Strongly Agree)

A total of 61 responses were received, 55% of which were female, and the majority (73.3%) of which were from currently enrolled students with projected graduation dates of 2011 or later. Nearly 90% of these respondents were full time, and over a third were graduate students pursuing MA, MBA, or other advanced degrees. Respondents came from a wide variety of countries representing Eastern Europe (25), the Americas excluding the United States (12), Asia (11), and Western Europe (10), with leading countries represented including Albania (18), Canada (6), and Japan (5). Students responding were generally literate

and well traveled, with an average of 2.5 languages spoken fluently, most having traveled to five or more countries, and a majority (78.3%) having traveled to multiple US states or cities. Responses were coded as either quantitative responses, or analyzed by performing a content analysis using specific heuristic categories.

RESULTS AND DISCUSSION

The first set of survey questions were qualitative ones designed to elicit perceptions and cultural stereotypes surrounding students' views of the United States. These questions asked respondents to choose what animal, car, sport, actor, flavor, article of clothing, or company best represented the USA, together with an explanation of why these chose their responses.

The responses to these questions are summarized in Table 1. In general, the responses painted a complex picture of the USA as a country that is powerful, successful, and at the same time perhaps arrogant and insensitive to the agendas of the rest of the world. For example:

- While the symbol of America is an eagle, nearly twice as many respondents chose the image of a lion or big cat as a representative animal, symbolizing power and aggression.
- Nearly half of the students chose a large, wasteful vehicle such as a sport utility vehicle or luxury car to represent the USA, and many made it clear that this sense of wastefulness of resources and affluence was behind their choice.
- While baseball is technically referred to as America's national pastime, nearly twice as many respondents chose American football as a representative sport, typifying brute strength and force (often explicitly using the term "American football" versus the global game of football, known as soccer here.)
- A plurality of respondents chose blue jeans as the USA's representative item of clothing, signifying practicality and independence.
- Conversely, questions on both the actors and flavors that best represented the United States elicited a widely distributed range of responses, with no clear theme or plurality.

The last of these questions, regarding which company students would compare the United States to, perhaps comes closest to exploring the USA from a standpoint of corporate branding. Nearly all of the responses to this question – including Microsoft, McDonalds, Coca-Cola, and Apple – speak to America's success in exporting specific brand names as household names to the rest of the world, and many

respondents spoke explicitly to this sense of global reach in their responses.

Table 1. Responses comparing the United States to other metaphors

<p><i>If the United States were an animal, what would it be?</i></p> <p>Lion/big cat – 21 Eagle – 11 Dog – 7 Bear – 5 Snake – 2 Other animal – 9 No response - 5</p> <p><i>If the United States were a car, what type of car would it be?</i></p> <p>Hummer or large SUV – 20 Other gas-guzzler – 8 Sports car – 8 Truck – 3 Jeep – 3 Other – 7 No response - 1</p> <p><i>If the United States were a sport, what sport would it be?</i></p> <p>Football – 28 Baseball – 16 Basketball – 4 Lacrosse – 2 Other – 5 No response - 5</p> <p><i>If United States were an actor, what actor would it be?</i></p> <p>Brad Pitt – 6 Johnny Depp – 2 Al Pacino – 2 Jack Nicholson – 2 Other individual actors/actresses – 39 No response - 9</p> <p><i>If United States were a flavor, what flavor would it be?</i></p> <p>Sweet – 6 Sour/bitter – 6 Chocolate – 4 Other individual flavors – 40 No response - 4</p> <p><i>If United States were an article of clothing, what would it be?</i></p> <p>Jeans – 15 T-shirt – 4 Underwear – 4</p>
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Other individual clothing items – 31
 No response – 6

What is the first company that comes to mind when you think of the United States?

Microsoft – 10
 McDonalds – 10
 Coca-Cola – 8
 Apple – 8
 Ford – 5
 Other individual companies – 18
 No response - 1

Within these responses was a wide range of opinions of the United States, both positive and negative. For example, some students made comments such as, "(The U.S.) fights every poor country" or "U.S. people seem to be so competitive and eager to win," while others stated things like "(The U.S. is like a) fox ... always using their brains to reach goals" or "You are a free person in the USA." Taken in sum total, there were several common themes in the comments students made about their responses to this set of survey questions:

- The United States is seen as a strong and powerful nation.
- It is seen as a trendsetter for the rest of the world, particularly in the business arena.
- America is seen by many international students as being arrogant, not willing to listen to other viewpoints, and a country that uses its might to impose its will on other nations and people.
- Conversely, respondents largely recognize and admire the independence and work ethic that they feel helps define American culture.

It should be noted that this composite brand image – one of an nation that is strong, successful, competent, and trendsetting, and at the same time one of a somewhat self-absorbed culture that exercises its might on the world stage – is one held by international students from countries that are largely considered allies of the United States, and who are self-selected as being willing to live and study here. It is particularly noteworthy that very few respondents come from countries whose administrations are hostile to the United States, and none were from regions where the US is currently involved in military conflict, such as the Middle East or Afghanistan.

The next set of questions explored specific opinions held about the United States and its brand image. The first of these presented a list of positive attributes such as friendly, diverse, affordable, and diplomatic, and asked respondents if they associated them with the USA. The results from this question are shown in Figure 1. For all but one of these attributes

(Stylish, at 34.5%), a majority did associate these traits with the United States, and for the majority of these traits (except for Dependable at 67.8% and Diplomatic at 62.0%), over 70% associated these attributes. Notably, the attribute of "Powerful" – one of few traits on the list that could be seen in either a positive or a negative light – was associated by nearly 100% of respondents with the USA.

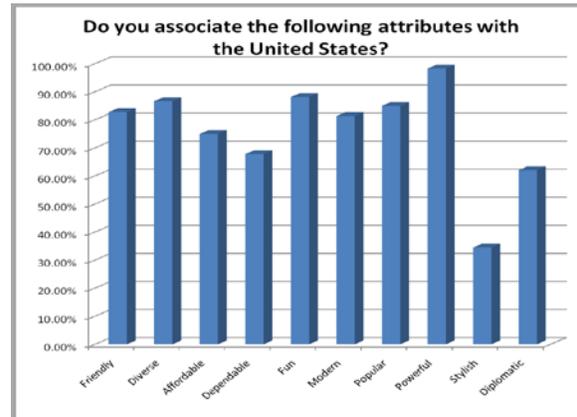


Figure 1. Ratings of attributes associated with the United States

The next question explored traits that the United States might have if it were a person. The results of this question are shown in Table 2. Respondents universally felt the USA would use social media, and a majority felt that it had positive traits such as being a good neighbor, being open and accepting, and being aware of global issues. Conversely, most people disagreed with the notions that America was eco-friendly or a good listener, and were split evenly on the question of whether the USA was trustworthy.

Table 2. How the United States is seen as a person
If the United States were a person, would he/she ...

Answer options	Yes	No
Use social media, e.g. Facebook?	57	0
Own a smart phone?	48	10
Be eco-friendly?	15	42
Be a good listener?	16	41
Be a good neighbor?	35	22
Be open and accepting?	35	22
Be up-to-date and globally aware of current issues?	32	25
Be trustworthy?	28	28

The following question asked respondents to rate the United States on a number of factors relative to its business environment. (Specific factors are listed in this methodology section under question 20.) In general, a majority of people agreed or strongly agreed

with most of the positive factors, such as productivity, ease of doing business, stable currency, and reliable energy; those few positive criteria where the majority did not agree included a growing economy (45.0%), low input costs (28.8%), and favorable tax incentives for investment (32.2%). Conversely, a majority did not agree with most negative factors such as political instability, crime, corruption, poor human rights, and inadequate copyright protection.

The next question asked students to share the one thing that would most improve the brand image of the United States. As with the other quantitative questions, there was a clear plurality for the USA to become less ignorant of other countries: nearly a third of respondents made comments such as, "Think about things from others' perspective," "The world does not revolve around the USA," and "Be more open to the world, know what's going on in the world instead of staying in your own bubble." Other areas gathering multiple responses included ceasing or avoiding participation in military conflicts (4 responses) and becoming more ecological (2 responses).

Students surveyed were then asked two important, overarching questions about their own brand perception of the country where they lived. The first, "I have a feeling I really understand the United States," drew agreement from 65% of respondents, with only 15% disagreeing and the remainder undecided, as shown in Figure 2. The second question, "The United States has always been good to me," drew an almost identical response, with 63.3% agreeing and 15% disagreeing, shown in Figure 3.

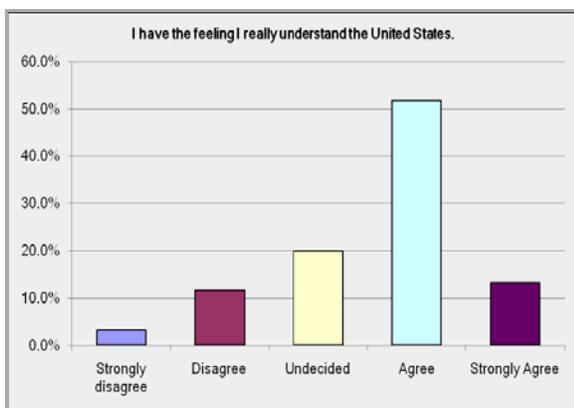


Figure 2. Ratings of understanding the United States

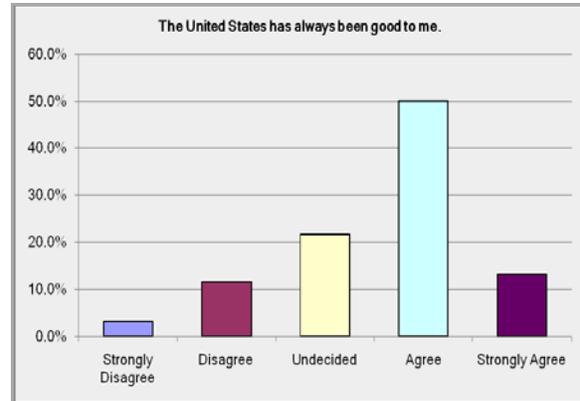


Figure 3. Ratings of whether the United States has always been good to respondents

The final series of questions on this survey revolved around the influence of country-of-origin on purchasing behavior. As a general observation from the survey data, the United States has a good reputation overall in the eyes of respondents; however, country branding still has not necessarily risen to the level of product branding in making purchasing decisions.

One of the first of this cluster of questions examined perceptions of products made in the United States, from a standpoint of quality, customer service, craftsmanship, and cutting-edge technology. In all but the craftsmanship category, close to two-thirds of respondents (64-72%) had a positive opinion (e.g. responded with "Agree" or "Strongly Agree," while a majority also had a positive opinion about craftsmanship. Figure 4 shows the results from this question.

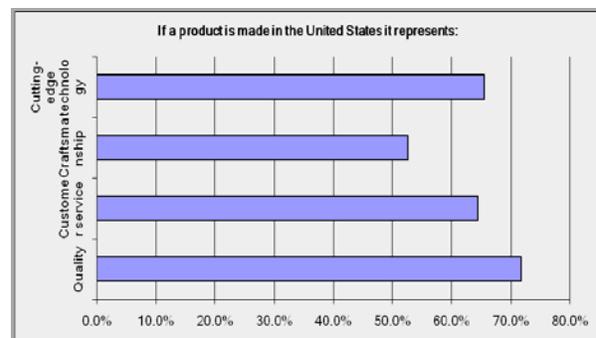


Figure 4. Perceptions of products made in the United States

At the same time, country-of-origin had a decidedly mixed influence on specific purchasing decisions. The next group of questions asked about country-of origin preferences for cellular telephones, automobiles, casual wear clothing, and business/dress clothing. In each of these cases except for automobiles, a plurality of respondents (ranging from 30% to 43%)

stated that they did not have a country-of-origin preference for purchasing these items. Among countries, different ones were favored for different categories: Finland (home to Nokia Corporation) for cellular telephones, Germany (home to Volkswagen, Audi, and Porsche) for automobiles, and Italy for both of the two clothing categories.

These responses correlate with those for the closing questions, assessing the importance of product brand reputation versus country-of-origin brand reputation. An overwhelming majority (78.3%) agrees that they often make a final purchase decision based on product brand reputation, while only slightly more than a third (38.3%) felt that they often made these decisions based on a product's country of origin. Moreover, 43% of respondents explicitly disagree that their purchasing decisions are based on country of origin, versus only 13% for product brand name reputation. Figures 5 and 6 show the breakdown of responses for these two questions.

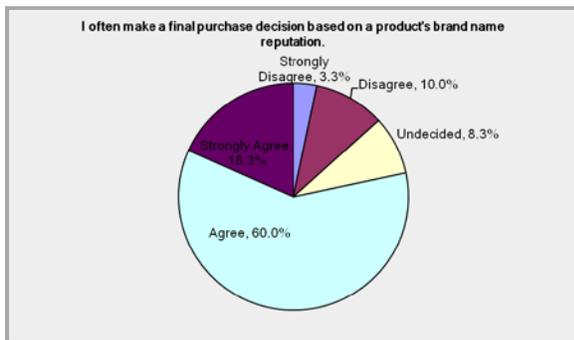


Figure 5. Influence of product brand name reputation on purchasing decisions

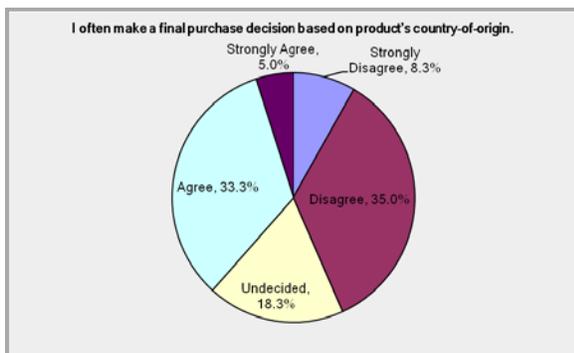


Figure 6. Influence of country-of-origin reputation on purchasing decisions

CONCLUSIONS

This survey provided a very clear view of the brand image of the United States, as seen by a group

that will play a key role in defining this brand image: international students who experience living here as they gain their education. Their responses appear to point to *three* clear, actionable conclusions relative to this brand image and its future importance:

1. The United States is largely admired and respected, but is also seen as myopic and wasteful.

Most – but not all – respondents view the US in positive terms overall. At the same time, there is a very strong plurality of respondents who view this country as ignorant or even arrogant toward the interests of other world countries, a view that may have its roots in both cultural difference and the students' own experiences being foreigners in this country.

2. When it comes to purchasing behavior, brand identity still outweighs national identity – however, national identity does matter.

The survey result showed clearly that student purchasing preferences tend to be product-specific rather than country-specific. In addition to their explicit responses, expressed country preferences on this survey could in fact also be product preferences: for example, while a plurality of respondents noted that they would prefer a cell phone from Finland, it is not clear from the data that a new cell phone provider other than the popular Nokia Corporation would be preferred because it was Finnish.

Examples of product sales being affected by national brand image abound, however. For example, generations ago products from Japan were sometimes considered cheap and inferior, a reputation that changed following the country's embrace of manufacturing quality and subsequent economic success in the late 20th century. Likewise, the South American nation of Columbia has successfully leveraged the image of advertising icon Juan Valdez to create an image of Columbia as a provider of high-quality coffee. Conversely, a country like China – which has grown strongly as a global manufacturer to the world – has at times struggled with situations where unsafe or inferior products have affected its perceptions in the world community. While this survey paints a more complex picture than that of a monolithic national brand identity, country-of-origin perceptions clearly weigh as a factor in purchasing decisions.

3. The relationship between the United States and the world needs to become more of a dialogue, and less of a monologue.

We now live in a globally linked economy, where the United States no longer automatically enjoys a preference for its products or a unique reputation for quality. Many social trends underlie this new

economic, ranging from old ones such as the decline of colonial influence from superpowers, to new ones such as the global rise of social networking and teleconnectivity – for example, as this is being written, a revolution in Egypt is largely being orchestrated via Twitter and Facebook.

This new world requires new ways of thinking, and new relationships with our global partners. In a very real sense, the international students who took this survey are serving as a guide to how the USA can function better in this new, interconnected world: look beyond your own borders, listen to others, and become even more a part of a world community. Beyond these conclusions, some potential areas for further research include:

- Studying a larger sample size, including students from a broader range of countries with a diversity of relationships with the United States.
- Comparing results from students inside versus outside the United States
- Correlating the perceptions of international students with those from the United States
- Looking at more specific examples of purchasing behavior, and the impact of nation branding on these purchasing decisions

Above all, it is clear from this survey that a nation's culture and brand identity plays a key role in its success in the marketplace, as well as its future prospects. These results validate the attention being paid to nation branding in the current academic literature, while clarifying that it normally remains subordinate to product branding. Moreover, this national brand identity can be actively engaged and managed in the eyes of these students. With further research, we have the potential to learn how the "brand" of an entire nation could be leveraged as a strategic asset, and in turn used to benefit the economic future of its citizens.

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INCREASING COLLEGE FOOTBALL ATTENDANCE: AN EXPLORATORY STUDY OF FAN TYPOLOGY

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ABSTRACT

No sport enjoys more popularity in the USA than football. However, not every college can fill their stadium. This study examined spectator typology and college football attendance. Four typologies emerged as well as a chronology of expectations for game events. Presented is PUNT a sport marketing strategy to increase football game attendance.

INTRODUCTION

Watching competitive sports is a leisure behavior engaged in by millions of people worldwide (Madrigal, 1995). However, no sport has higher popularity in the USA than football. The National Football League (NFL) is already America's game (Redding and Peterson, 2009) and college football is setting all-time attendance records (Beck, 2012). The overwhelming popularity of football may be abundantly clear, but what is unclear is the role of spectator personality in relationship to attendance. The question becomes, what is the typology of attraction to a college football game beyond the basic fan demographics? Four conceptual components are important to this research: fan demographics; classification; attendance; and typology.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Fan Demographics

Beck (2012) delineated the typical college football fan by distilling cumulative characteristics as published by the National Football Foundation. The fan profile includes the following demographic characteristics: 61% are male; 12% are 18-24 years old; 18% are 25-34 years old; 19% are 35-44 years old; 20% are 45-54 years old; 16% are 55-64 years old; 16% are 65 or older; 61% have household income of \$50,000 or more; 42% have household income of \$75,000 or more; 25% have household income of \$100,000 or more; 32% are college graduates and 61% are married. This summary is an important and recognized market

segment of those who are fans of football, valuable information to all sport marketers.

Madrigal (1995) contributed to establishing a fan demographic by publishing findings specifying that fans attend college football games because they identify with the team. Brokaw (2000), in a factor solution, revealed two primary characteristics of fans: (1) true fans need only to know the schedule; and (2) marginal fans need special attractions to bring them to the stadium. As a result, the concept of fan classification emerged and became the foundation of marketing and advertising strategies for promoting football attendance.

Fan Classification

Twenty five years ago, Smith (1988) classified sport fans into two groups: those who were serious and those who were normal. The serious fan believes that the results of an individual game or season matter in life; the normal fan enjoys the moment, but their life is not impacted by a win or loss. The serious fan will include participating in rituals and celebration; the team becomes identified as an extension of self and lasts a life time. The normal fan is often a spectator who may bask in reflected glory (Cialdini et. al., 1976) and will make statements such as "we won" or "they lost" (Grove et. al., 1991; Wann and Dolan, 1994), but game outcomes are not extended to their identity or beyond the week. Moreover, fans can be local; they support the team because it represents a certain geographic area, specifically where they live (Jones, 1997). However, this fan can or will change allegiance and attendance with residence, even if trace memories are good or bad.

Fan Attendance

Fink, et. al., (2002) suggested that a fan's identification with a team is a strong predictor of fan consumption behavior. They are more likely to purchase items or pay for tickets to attend their college football team's game when identification is high. Trail, Fink and Anderson (2000) identified nine motives that foster fan identification and attendance. These motives are based on psychological needs of vicarious achievement, aesthetics, drama, escape, and special time with the family, along with acquisition of knowledge, appreciation of physical skills, social interaction and physical attraction to the athletes. The authors are alluding to psychological factors or perhaps typologies and their relationship to attending a sporting event or college football game. In summary, it appears that demographics, specifically, a fan's identification with a team, play a role in fan attendance.

Fan Typology

Ironically, Mowen (2000) discovered that 62 percent of the variance in participating in sports comes directly from personality; however, there is a paucity of literature examining the specific personality traits or typology when examining if a certain type of person attends a college football game for an identified reason. So far, clustered research findings offer a descriptive summary or classification of fans by emotional bonding or social identification theory, but no typology exists in relationship to attendance. Stewart, et. al., (2003) examined the sport consumer and derived a dualistic typology in the following manner: old vs. new; genuine vs. corporate; traditional vs. modern; expressive vs. submissive; irrational vs. rational; symbolic vs. civic; and die-hard vs. less loyal. This dualistic typology does not address specific or tangible differences regarding why one type of person attends a sporting event or more importantly, what can drive a spectator to attend a college football game.

RESEARCH PURPOSE AND QUESTIONS OF INTEREST

Although one could argue the relative importance of college football in the grand scheme of higher education, it is harder to dispute the amount of economic investment allotted by many universities. University officials typically justify this expenditure by acknowledging the sense of community (SOC) that college football creates (McPherson, Smith-Loven and Brashears, 2006). Also, researchers who examine this SOC have found better student academic performance and retention (Battistich and Hom, 1997). Therefore, if researchers are correct when reporting that college football helps to establish an SOC, it seems imperative for universities to investigate what in particular the student spectator is expecting to experience at a college football game and then provide it.

As indicated earlier, previous research has focused on fan identification, personality or demographic variables associated with attending a college football game (see Fink, et. al., 2002; Mowen, 2000; and Brokaw, 2000). Other researchers investigated environmental characteristics (Baade and Tiehan, 1990), cognitive and affective factors (Madrigal, 1995) or "fanship" in general (Zillmann and Paulus, 1993). However, this review found no literature that examined the relationship between specific fan typology and college football attendance, given the "why" fans attend a game in the first place. Specifically, four research questions are addressed: (1) Do fans have expectations when attending a college football game?; (2) Are there clear student-spectator typologies?; (3) Do typologies for universities emerge?; and (4) Is there a chronology to expectations for game events?

METHODOLOGY AND STATISTICAL ANALYSIS

A five (5) question viral survey addressing why individual spectators attend a college football game was initially sent to five students attending two Midwestern universities. The selection of these five students was not random; these students had participated in other, non-related studies and appeared to have large, personal student networks ($N > 250$). These selected students agreed to send an electronic survey to their college peers attending other universities. These students in-turn sent it to their friends. This process allows the research to extend beyond a single geographic area or university, permitting students at multiple universities to participate across multiple states. This technique is commonly referred to as snowballing (see Goodman, 1961; Biernacki and Waldorf, 1981; Spreen, 1992).

Participating students responded to the following 5 questions: (1) Are you male or female; (2) What college do you attend; (3) Are you more a thinking or feeling person, operationally defined as: A THINKING person makes decisions and actions on rational or logical thoughts, and tends to schedule events in their life; A FEELING person makes decisions and actions on emotion or gut intuition, and tends to be flexible with events in their life; (4) Would you describe yourself as an introvert or extrovert, operationally defined as: An INTROVERT prefers to spend time in isolation and thoughts; An EXTROVERT prefers to spend time with others and in activities; and (5) Why have you attended college football games in the past or what would be the reason to attend a game in the future? Students could also make comments. These five questions were not only pragmatic, that is, specifically addressing the research of interest, but were also brief, therefore, fostering the snowball effect of participants.

The use of a "thinking vs. feeling" or "introvert vs. extrovert" as a student typology measure is pragmatic, relatively simple, and directly applicable to a college

population. The questions are classic, conceptual areas used on well-known and established typology measures (see Briggs-Myers and Briggs, 1985). Moreover, the establishment of a four-factor typology is sufficiently comprehensive to establish spectator profiles for sports marketing planning purposes.

The clustering of student comments used a top-of-mind approach common in marketing research. However, by research design, instead of asking and sorting specific brand names or products that come to mind first, all responses related to why they as students attend college football games. All responses were coded and categorized according to their initial response.

This was an open format, with no established areas or Likert scale to evaluate. Table One highlights the conceptual typology of a 2 x 2 model for college football attendance.

Table 1. College Football Attendance: A Typology Model

	INTROVERT	
EXTROVERT		
THINKING	TI	TE
FEELING	FI	FE

The data collected to answer the four research questions were analyzed with a simple rank-order cluster methodology. Researchers sorted and assigned the student responses with the greatest frequency (percentage) to one of four categories, given the respondent's initial typology assessment, as determined by questions 3 and 4 on the snowball survey: (1) Thinking/Introvert (TI); (2) Thinking/Extrovert (TE); (3) Feeling/Introvert (FI); or (4) Feeling/Extrovert (FE). This analytical technique is appropriate, given the qualitative and exploratory nature of this study. Specifically, the research instrument used is characteristic of an open-survey format, which elicited top-of-mind responses, with non-Likert scaling. This format allows for an orthogonal assignment. A narrative summary addressing each relevant area per categorical assignment (TI; TE; FI; or FE) was then performed. Finally, frequency distributions of college typologies used binomial statistical analysis to assess significance.

RESEARCH FINDINGS

The total number of participants included 2,961 students, representing 168 colleges and universities from 14 states: Florida; Georgia; Illinois; Indiana; Kentucky; Michigan; New York; North Carolina;

Ohio; Pennsylvania; Texas; Virginia; West Virginia; and Wisconsin. The male/female ratio approximated a 60/40 split. The colleges could not be defined by one single typology. However, approximately 26% of colleges possess one of two typologies (i.e., FE and TE), approximating a 50/50 split; 11% of the colleges possess one primary typology, representing more than 75% of the participants from that college. This 11% is characterized as a Thinking/Introvert typology. Moreover, it was common for participants to say that they did not attend college football at their university.

Inter-rater agreement between two researchers addressed each conceptual area: (1) why a participant attended a college football game; (2) frequencies for each conceptual area were then tabulated; and (3) every conceptual area was assigned to one of four quadrants (TI; TE; FI; or FE). This was a forced assignment by greatest frequency. Therefore, it was not necessary to have a significant difference between the frequencies of occurrence. Categorization of the research findings became the foundation of a narrative by typology (see Table 2). No significant differences appeared in the response pattern by male or female status.

A deeper analysis of the data discovered anecdotal evidence suggesting that many spectator participants would not attend their own college football game, but would attend games at other colleges. These comments came primarily from TI and TE typologies. Moreover, many spectators commented that they were unaware of an imminent game event at their university. However, the FE and FI typologies were most likely to comment about only attending the tail-gate parties or leaving the game at half-time.

DISCUSSION AND IMPLICATIONS

Addressing the first research question, "Do fans have expectations when attending a college football game?", participants offered over 75 specific areas, often in a conceptual framework. For example, an expression like "I love the total environment", referring to the crowd, sounds or airplanes flying overhead is typical. It is clear that fans have expectations. The implication is that spectators are anticipating more than a football game. Even the TI typology that spoke primarily of the game, referred to conceptual areas beyond the game at hand. Therefore, marketers must do more than post a game schedule, especially if your team has a history of low attendance. Some universities have a history of fulfilling spectator expectations and can simply post a game schedule and enjoy adequate game attendance.

The second research question was, "Are there clear student-spectator typologies?" Table 2 demonstrates discernible typologies. The implication is that spectators do attend college football games for unique

Table 2. Spectator Typology

<u>Thinking/Introvert (TI)</u>	11% of sample
This typology attends games because of the competition. They want real football, a national focus or playoff contention. The stadium history was important. TI spectators have great interest in game strategy and team record. They also used the whole school name as the descriptor. Comments often referred to having interest in observing pro-prospects. TI spectators apparently enjoy watching other fans as well as the game; however, the focus is the game.	
<u>Feeling/Introvert (FI)</u>	16% of sample
This typology attends the game because of the social interaction. They love banners, wearing their college letters (e.g. OSU), the wave and cheering. Many spectators commented on face-painting, wearing university colors, sweaters and jackets. They prefer high scoring games and were often athletes in high school, although not football. FI spectators wanted souvenir items and spoke of the joy of purchasing team merchandise. They enjoy half-time events with friends and having bragging rights with wins. FI spectators were the only group to discuss the importance of the weather and drinking either coffee or hot chocolate.	
<u>Thinking/Extrovert (TE)</u>	44% of sample
This typology attends games to be with friends and family. They often view getting a ticket as a status-symbol and game memorabilia. TE spectators use the college nickname, wear team t-shirts and want a championship. They appear to support the local team and played football at some point in life. TE spectators want a winning record and strong defense. They spoke of enjoying the team introductions, fog machines and cannon fire. TE reflected on reunions and new stadiums or scoreboards. Post-game events, such as, dinners or meeting with friends are important to game attendance.	
<u>Feeling/Extrovert (FE)</u>	29% of sample
This typology attends games for the entertainment value. FE loves tail-gating parties, wearing jerseys, alcohol, balloons, body painting, souvenirs, bond-fires and team rallies. They get a rush-feeling being with the crowd. FE spectators spoke of the team mascot and having team spirit. They love the band, loud music and airplanes with banners flying over the game. They enjoy all the sights, sounds and people at the game. FE spectators were the only typology to mention free-tickets and pre-gaming activities.	

or specific reasons. Fan segmentation is possible and warranted. It is important to know the fundamental typology of your college or fan base. This provides the sports marketer a base on which to build a better understanding of the marketplace. Furthermore, it is important to note that the largest typology attending a college football game is TE, followed by FE. Therefore, if a sports marketer is not aware of their college typology, cautiously start with the normative data.

DISCUSSION AND IMPLICATIONS

Addressing the first research question, “Do fans have expectations when attending a college football game?”, participants offered over 75 specific areas, often in a conceptual framework. For example, an expression like “I love the total environment”, referring to the crowd, sounds or airplanes flying overhead is typical. It is clear that fans have expectations. The implication is that spectators are anticipating more than

The third research question was, “Do typologies for universities emerge?” This research did not uncover a single typology representative of all colleges (i.e. except for the TI typology). This is most likely a result of low participant numbers from each specific university. Anecdotal evidence would suggest that most university marketers, faculty, staff or students

could assign a typology of their college. This is likely to be an intuitive process, but it probably could be quantified by benchmarking or assessing standardized test scores and total student involvement records. Regardless, the point remains that knowing a university’s typology becomes the foundation of any marketing plan aimed at increasing football attendance. The fourth research question was, “Is there a chronology to expectations for game events?” The results suggest that there is a natural process, or discrete events, characterizing the unfolding of a college football game. For example, FE spoke predominantly about the pre-game and entertainment; TI focused on the game and the individual experience; FI discussed the half-time and the social aspects; and TE highlighted being with family or close friends, and post-game events. The implication for marketers is to understand spectator typology not only as a segmentation strategy, but by the chronology or unfolding of key activities pre; during; and following the game event.

Finally, this research suggests that even the most ardent fan is a spectator with expectations that go beyond the game. Findings confirm all the background literature reviewed for this study. However, this research offered the “what and when” to market in relationship to “who.” Table 3 highlights a simple marketing strategy (P-U-N-T) to increase college football attendance. P-U-N-T is a conceptual model, therefore, areas are not listed in any particular order.

Table 3. P-U-N-T

<p>Personalize the fan experience</p> <ul style="list-style-type: none">➤ <i>Match expectations with fan typology</i> <p>Understand the marketing options</p> <ul style="list-style-type: none">➤ <i>By pregame, game, half-time, and postgame activities</i> <p>Nobody benefits from an empty stadium</p> <ul style="list-style-type: none">➤ <i>Develop, test, refine, and improve your marketing strategy</i> <p>Typologies are real</p> <ul style="list-style-type: none">➤ <i>Determine your college typology</i>
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LIMITATIONS AND FUTURE STUDY

This research was qualitative in nature. This type of research design is useful for theory development and hypothesis generation. Future research should include quantitative analytics like factor analysis, factor scores, and discriminant analyses to confirm conceptual factors and typologies. It would then be possible to delineate specific typologies (market segments) with differentiated marketing mix elements catering to each market segment. Moreover, this study examined college student attendance exclusively; further research on fans not attending college is also warranted. With this type of information, sport marketers would likely improve their chances of a “winning” season at the box office.

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JERSEY SPONSORSHIPS: THE FINAL FRONTIER IN AMERICAN SPORT MARKETING?

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ABSTRACT

Sponsorship of sport leagues, teams, events, venues, and athletes has experienced consistent growth over the past two decades. Despite the proliferation of sponsorship among professional sport properties in the United States, one opportunity has gone largely unclaimed: team jerseys. This research develops a conceptual framework that identifies factors related to successful adoption of jersey sponsorship as a sport marketing practice in the United States. Literature review of sponsorship and consumer behavior is conducted to develop a theory-grounded understanding of influences on acceptance of jersey sponsorship.

Three factors that impact sponsors and consumers form the foundation of the conceptual framework: sponsor factors, market factors, and audience factors. Sponsor factors pertain to policies or guidelines that stipulate the types of sponsorships that will (and will not) be considered. Market factors are set by sellers (i.e., sport properties that could potentially sell jersey sponsorship rights). Audience factors deal with responses of the target audience to communications delivered via jersey sponsorship.

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THE USE OF PROMOTION IN SPORTS MARKETING: A COMPARATIVE STUDY OF TWO FRANCHISES

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ABSTRACT

The Chicago Blackhawks and the New York Yankees were suffering declining attendance, weak profits and generally low team value. Within four years, George Steinbrenner and Rocky Wirtz significantly reversed the fortunes of their franchises through promotion. Are promotional methods perhaps as important as the player on the field or ice?

INTRODUCTION

Once upon a time there were two great sports franchises, long established but very much in the doldrums. Both teams suffered from declining attendance, weak profits and low team value. In short, their “organizational health” was in jeopardy. Then, almost without warning, there appeared “two white knights”. These knights came on the scene some thirty four years apart from each other; yet, they both provided the leadership and initiatives that breathed new life into these moribund organizations (Gallagher, Lake and Smith, 1996; Smith, 2008). Who are these two men who resurrected their respective organizations within the remarkable span of four years? These knights were George Steinbrenner of the New York Yankees and & Rocky Wirtz of the Chicago Blackhawks.

How did they manage to achieve their successes? What magic was in their toolboxes? In large measure it appears to be their emphasis on the promotion component of the marketing mix.

This paper concentrates on the early years of these two franchise owners. Specifically, the four-year period that brought them from despair to success.

GEORGE STEINBRENNER

Steinbrenner had one prime goal - bringing as much media coverage/exposure to the Yankees as possible, and he accomplished this in many ways. In effect, he was a natural marketer. Some of his attempts to gain attention were obvious, while other attempts were less understood by the casual observer; yet they all had the same effect of gaining that sought after media coverage and notice.

George Steinbrenner bought a lackluster, marginally successful franchise from CBS in 1973

(Gallagher, Lake and Smith, 1996). Soon after Steinbrenner purchased the team, he made significant changes, both on and off the field. His entire goal was not only to become a winner once again, but also to revive a fan base that had become disinterested during the CBS ownership years of 1965 until 1972 (Madden, 2010). Immediately, he thought he would shake things up, if only to bring some attention to the team. He brought in a new manager, Bill Virdon. Next, in conjunction with the Mayor’s Office of New York, he had Yankee Stadium renovated during the 1974 and 1975 seasons. But, one of his biggest media exploits occurred midway during the 1975 season. Here, Steinbrenner changed managers. Virdon was fired after only a year and a half on the job. Steinbrenner brought in Billy Martin for his first of five stints as manager (over a thirteen year period). This action in and of itself caused a bit of a media stir (Allen, 2000). Steinbrenner espoused the old axiom that any publicity is good publicity, and he meant it.

Immediately, Steinbrenner recognized that “star power” brings attention and helps build a fan base. He made an expensive acquisition by bringing in “Catfish” Hunter from the Oakland Athletics. Hunter became the highest paid pitcher in baseball when he signed with the Yankees in 1975. This action alone brought the team even more attention. Steinbrenner saw free agency (a new concept in baseball at the time) as a promotional tool because each free agent acquisition generated enormous publicity and fan interest (Madden, 2010).

After the 1976 baseball campaign, Steinbrenner added Reggie Jackson to his lineup. Jackson immediately alienated legendary catcher Thurmon Munson. Neither did Jackson like Billy Martin. And George Steinbrenner had harsh words for all of them. This intra-team conflict combined with an awakening and energized fan base, plus the quickly changing

demographics surrounding the Yankee Stadium, earned the franchise the title of the “Bronx Zoo”, a phrase coined by Yankee relief pitcher, Sparky Lyle (Lyle and Goldenbock, 1979). Another notable Steinbrenner policy was his military-style grooming code: all players, coaches, and male executives were forbidden to display any facial hair other than mustaches (except for religious reasons), and scalp hair could not be grown below the collar. This angered the players, but it did generate considerable fan comment and discussion in the media as well. In addition to the obvious focus on his team, there was considerable turmoil within the back offices of the Yankees, with staff being hired and fired seemingly at will (Linn, 1982). Regardless, this “Bronx Zoo” allowed the Yankees to be the recipient of enormous free publicity through the widespread media attention it generated. The goings on within this “other” Bronx Zoo allowed the Yankees to monopolize the “back pages” of the New York tabloids and the Sports Section of the venerable New York Times. Promotion at its finest?

Steinbrenner also recognized the value of star players. There was publicity and “magic” in the names of Di Maggio and Mantle. He would bring back and “promote” as many ex-stars as possible. Each event highlighted a special player or players and was a promotional extravaganza that gained considerable fan interest and media coverage (Madden, 2010).

The Yankees were probably the most famous sports brand in America, as well as located in the largest media market in the United States; therefore, Steinbrenner immediately recognized the importance of corporate sponsorship as a promotional marketing tool. In those early years, Steinbrenner started to rebuild corporate sponsorship to what was going to become a very important source of revenue as well as promotional tool (Linn, 1982). All of these sponsors advertised their wares in the tri-state area, each noting that they were an “official sponsor” of the New York Yankees.

ROCKY WIRTZ

Rocky Wirtz assumed control of the Chicago Blackhawks upon the death of his father, Bill Wirtz, in 2007. Much like George Steinbrenner, Wirtz used the promotion aspect of the marketing mix to breathe new life into a declining franchise. Team attendance was at a low point and profitability declined significantly (Weinberg, 2000). His first and most important objective was to restore the fan base, and he was able to accomplish this, relatively quickly, through the use of various promotional tools.

Rocky, unlike his father, grew up in an era when the media (TV in particular) had tremendous influence on all sports. To his disappointment, the Blackhawks

were not on television. Therefore, his first promotional move was to broadcast a number of games on the cable outlet Comcast Sportnet Chicago, following this up quickly with an arrangement to broadcast additional games on “free TV” via Superstation WGN-TV (Larz, 2011). But he also realized that the broadcasting of these games would not be complete without some attention being paid to the play-by-play announcer for these games. So he brought back their last great voice, a major fan favorite, Pat Foley (Marobella, 2009). If nothing else, this showed the fans that Rocky Wirtz was making changes, and that the fan was now becoming “number 1”.

In his first season, Wirtz hired the President of the Chicago Cubs, John McDonough, long considered the “marketing genius” of the Cubs organization. McDonough consistently managed to fill the seats at Wrigley Field, despite mixed results on the field. McDonough’s charge was to create sellouts for home games and high fan interest overall. His job was to create a “buzz”, which in turn would create a chain reaction resulting in more local sports media coverage (Chicago Tribune, 2010).

Another aspect of promotion that Wirtz used with great success was to welcome back former superstars into the “new” Blackhawk organization. Those legends of yesteryear, Stan Mikita and Bobby Hull, for example, were made “ambassadors”, engaging them in public appearances on behalf of the club (Hockey News, 2008). This provided the club additional attention as well as provided the fan base with the feeling that this new leadership really cared about the fan, not just the success of the club itself.

In his second season, Wirtz accomplished even more with his use of promotion. Not only did he embark on the Ambassador’s program, but he also held “Welcome Back” nights for the stars of old. Media coverage and fan excitement for the Blackhawks were reaching new heights (Hockey News, 2008).

Blackhawks management produced another promotional sports marketing coup by bringing the 2009 Hockey Winter Classic to Chicago. The game against the Detroit Red Wings generated considerable publicity, both locally and nationally, and kept the Blackhawks in the news during the summer off-season. The game drew 4.4 million viewers, the highest total for an NHL game on television since 1975 (Truitt, 2008). Wirtz hit a sports marketing “home run” with this promotion.

Another promotional event the Blackhawks utilized well was the decision to hold an annual summer Blackhawk Convention. The goal? Once again, to gain the attention of the media and fans during the off-season. The convention allowed fans to “rub shoulders” with the players, both past and present. In addition, it brought the Chicago media and press

corps to the convention over a three-day weekend (Sullivan, 2008). Wirtz also knew how involve the larger Chicago community in the club's promotional efforts. "Cause Marketing" was very important to Rocky Wirtz. It can be seen in his relationship with the Boys & Girls Club of America, Chicago Gateway Green, Chicago Pet Adoption, and Mayor Emanuel's program of bringing hockey to Chicago neighborhoods at the grass roots level (Chicago Tribune, 2011). All of the above had important value to the community, but these initiatives can also be considered meaningful promotional vehicles as well.

Even though Wirtz brought back past stars, he also realized that present stars would generate as much, if not more excitement in the fan base, especially among younger fans. He wanted his new stars to be very familiar to the average fan. Therefore, he showcased his star players through TV, print, radio and online advertising, and encouraged them to gain endorsements from companies like Chevrolet. The young stars Jeremy Toews and Patrick Kane were included in Chevy advertising wearing Blackhawk uniforms. There was also the "Blackhawks Fan of the Year" promotion with Chevy, as well as an appearance by the two stars at the Chevrolet display at the 2009 Chicago Auto Show. These promotions increased media exposure and continued to arouse the fan base (Vardi, 2010).

During these years, the number of corporate sponsorship, a traditional sports marketing tool, significantly increased from near zero to over twenty sponsors. They included not only Chevrolet, but also AT&T, Coca-Cola, Verizon Wireless, Anheuser Busch Inbev, and others (Vardi, 2010). Corporate sponsorship, of course, is a very important way to increase media exposure because each organization utilized the Blackhawk name and logo.

RESULTS

One of the most reliable ways to measure the success of a sports marketing effort is to look at a team's yearly attendance figures. Of course, other factors can impact attendance such as the economy, league attendance in general, size of stadium and team record. Still, total attendance is the generally accepted way to determine the success of a professional sports franchise.

It appears that both Steinbrenner and Wirtz presided over the rebirths of their respective organizations, the New York Yankees and the Chicago Blackhawks. In the case of the Chicago Blackhawks, attendance doubled, almost to near capacity plus, and for the first time, a seven thousand fan season ticket waiting list (Greenstein, 2010). Steinbrenner, too,

doubled yearly attendance to well to over two million visitors per season at Yankee Stadium (Allen, 2000).

It is also interesting to note that the value of their franchises increased dramatically after each was at the helm for four years. Toward the end of the Bill Wirtz era (2006), the Blackhawks were valued at \$168 million. By the end of the 2010 season, the team value almost doubled to \$300 million (Forbes, 2009). Steinbrenner purchased the Yankees in 1973 for \$10 million and by the time they won their first championship under Steinbrenner in 1977, only four years later, it is estimated that the value of the team increased, conservatively, to \$40 million (Hauptert, 2007).

CONCLUSION

George Steinbrenner and Rocky Wirtz stressed the promotion component of the marketing mix to substantially increase their fan base and team value. In this paper the authors have noted that when gauging a team's success by these two important yardsticks (attendance and team value) both Steinbrenner and Wirtz had similar achievements within the same short time frame, even though they achieved their results some thirty years apart. Why? It is proposed that they both emphasized and utilized similar promotion tools to achieve their success. The lesson may be that if a sports organization is to achieve success, at least when judged by attendance and team value, then promotional marketing efforts may well play a large role, perhaps even a larger role than previously thought.

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YOUR DATA FOR SALE: STUDENT ATTITUDES TOWARD PRIVACY

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ABSTRACT

This paper examines the results of a student survey examining beliefs, knowledge and attitudes toward the privacy of their personal information. Areas explored include privacy of personal information, attitudes about privacy relative to their parents, and the need for privacy education, together for recommendations for postsecondary education in business.

INTRODUCTION

With the growth of the Internet and social media, the privacy of our personal information has emerged as a key social issue in recent years. As Solove (2008) reports, almost every nation has enacted some form of constitutional or legislative rights for the protection of privacy. At the same time, concerns over privacy date back generations, with vehicles such as the *United Nations' 1948 Universal Declaration of Human Rights* and the *European Convention of Human Rights* of 1950, both of which recognized privacy as a basic human right. This body of legislation makes it clear that there is a worldwide consensus about the importance of privacy and the need for its protection (Solove, 2008, p.4).

Despite privacy's importance in society, experts lack consensus on its definition. Solove (2008), for example, states that "Privacy seems to encompass everything, and therefore it appears to be nothing" (p. 7). Some scholars frame privacy in terms of concepts such as personal autonomy, democratic participation, identity management, social coordination, or the need to keep information out of the possession of those less than desirable individuals (Cho, Rivera-Sanchez, & Lim, 2009). Others have described it as (1) matters that are personal and secretive (Stephen, 1967); (2) the right to be left alone (Cooley, 1880; as cited in Turkington & Allen, 2002; Warren & Brandeis, 1890); (3) the degree of accessibility to an individual (Bok, 1984); (4) dependent on the context of use (Viseu, Clement, & Aspinall, 2004); or, (5) one's ability to control information about oneself (Fried, 1970; Westin, 1967).

This latter definition is perhaps closest to the popular view of privacy. Yao, Rice and Wallis (2007) asserts that one seminal definition of privacy deals with the control of personal information, citing Jourard (1966), who observed privacy as an outcome of people

withholding certain knowledge about their present experiences from others; Bennett (1967), who defined privacy as the selective control of information; Westin (1967), who defined privacy as "the right of the individual to decide what information about himself should be communicated to others and under what condition" (p. 7). Yao, Rice, and Wallis (2007) summarize this as, "the autonomy of decision making, information about one's self, and a process of communicating this information" (p. 698).

Timm and Duven (2008, p. 90) and other researchers (Richards, 2007; Hodge, 2006; Etzioni, 1997; Kaplin & Lee, 1997) assert that privacy is defined as "personal information that an individual deems important and unattainable by the general population". Examples of this might include a person's name, physical address, e-mail address, online user name, telephone number, social security number, and any other information with which that person could be identified (Blakely, 2007; Richards, 2007). In a related vein, scholars and privacy experts have asserted that privacy also involves the right of a particular individual to control his or her dissemination of their particular personal information (Berman & Bruening, 2001). Barnes (2006) state that critical to an individual's right to privacy is possessing the autonomy necessary to control the sharing of information and further how that information will be used and, in turn, manipulated.

A more specific framework that has garnered a fair amount of study by privacy experts and scholars is that of consumer privacy, e.g. the consumers' ability to control when, how, and to what extent their personal information is to be provided and sent to others (Westin, 1967; Goodwin, 1991; Phelps, Nowak, & Ferrell, 2000; Milne & Culnan, 2004; Lanier & Saini, 2008). Privacy scholars assert that the key concern in this consumer privacy area is not necessarily the actual information disclosed, but more importantly the

“degree of control that is exercised over the collection of information and its subsequent use by marketers” (White 2004, p. 41; Youn, 2009, p. 391).

One aspect of consumer privacy that has garnered a fair amount of attention relates to on-line consumer privacy. Youn (2009) reports that the online disclosure of personal information is considered inherently risky in the online marketing context, and that consumer concerns about this risk can lead them to adopt specific risk-reducing behaviors. As one of the key drivers of online trust, Bart et al. (2005) identified the level of privacy to be associated with information risk. Youn (2009) and others emphasize that “Information risk is related to the uncertainty associated with how personal information is handled by online establishments and who has access to it” (p. 391). Consumer privacy experts and scholars further assert that consumers are particularly vulnerable due to the fact that they possess little to no control over the e-marketers' information collection and subsequent use beyond the original purpose for the information collection (Nowak & Phelps, 1992, 1995; Dinev & Hart, 2006a, 2006b, 2004; Milne & Culnan, 2004).

Timm and Duven (2008) state that understanding social networking-site privacy it requires the understanding of how personal information is potentially shared and beyond that the intent of sharing it. Like many other privacy scholars Reszmierski and Ferencz (1997) stated that privacy is an individual's right to control personal information. Meredith (2006) declared that when an individual shares personal information on a social networking site, he or she does so willingly, however although they are sharing information with the rest of the world, their likely intent is to share that information with only a select group of people.

It has been reported in the literature that in the U.S.A. alone, with over half of Americans online, the threat to online privacy has become a public concern that ranks above a number other public policy issues, including health care and crime (Hong et al., 2005). Azza Abdel-Azim (2010) notes that the explosion among youth in using social networks exacerbates this problem, and cites Lenhart and Madden (2007a, 2007b) noted that over 84% of American online users report being concerned about the invasion of privacy via collection of personal information online (p. 76).

Kachhi and Link (2009) have asserted “The digital age not only has facilitated near effortless data collection and access to personal information, but also has created a divide between those who readily adopt information technology and those who do not; ‘adopters’ and ‘laggers’ (i.e., nonadopters), respectively” (p. 76). Berton (2006) notes that younger generation technology adopters are, in turn, are more open to sharing their information within online social

networks and thus likely to be less concerned about on-line privacy issues. These “Generation Y” technology-adopter individuals have grown-up during in a period when the trading information for both monetary and social benefits is the norm compared with previous generations. Kachhi and Link (2009) and Barnes (2006) report that although adults in the US are concerned about how both the government and businesses are centralizing data about citizens and consumers, teenage and college age students are much more willing to give up personal and private information in online journals, and are less likely to be concerned about privacy issues in general in the on-line context.

Previous survey research by Wolfe (2007, 2010) reveals similar trends among student attitudes toward trust and sharing in an online environment. For example, while bias and the quality of news content are among the biggest concerns overall for students with news media channels; they have a much higher level of trust and satisfaction in Internet news channels (Wolfe, 2010). Likewise, the use of social media is changing student attitudes towards learning itself, from a one-way transfer of knowledge to a much more interactive and group-oriented environment (Wolfe, 2007). As a group, students clearly view the online world as an accepted channel of preference to both receive and share information.

This project was designed to explore these trends further, through the lens of today's growing privacy concerns versus the changing attitudes of students toward their own personal privacy. In particular, it was designed to explore some of the differences between attitudes and behavior; its questions were designed around the hypothesis that that most people value privacy as an abstract construct, and yet share information extensively in a world of online social networking. Its results serve as current snapshot for the rapidly evolving landscape of online and commercial privacy.

METHODOLOGY

A thirty-question survey was administered to students at an East Coast liberal arts college at the beginning of the Fall semester, assessing knowledge of privacy issues and attitudes toward privacy, together with basic demographic information. Participants filled out the survey using SurveyMonkey.com, via a link contained within e-mail invitations sent to students. A total of 141 unique responses were received.

The distribution of respondents by class was clustered around juniors in the class of 2013, with 32.6% of responses; between 17% and 20% of respondents were in the adjacent classes of 2012 and 2014, with smaller numbers in other classes. Over two-

thirds of the respondents (68.8%) were female, approximately reflecting the gender ratio of the school itself. Students came from a widely distributed range of majors with key clusters including business (34.8%), psychology (7.8%), and liberal arts (6.4%). The following questions were asked on the survey, and results were compiled and analyzed:

I. Demographic Information

1. What year did or will you graduate from college?
(2010, 2011, 2012, 2013, 2014, 2015, Other)
2. State your major in college.
3. What is your gender?
(Female, Male)

II. Survey Questions

4. Check the box if you agree the statement describes your attitudes towards technology.
(Technology is important to me in my daily life, Technology is important but I am worried about the effects on our lives, Technology sometimes intimidates me, Technology has made my life easier, Technology has made the world more connected and distance between people a lot closer)
5. Please answer "Yes" or "No" to the following statements: (Yes, No)
 - I have an email account
 - I have more than one email account
 - I have a Twitter account
 - I have a Facebook account
 - I have a LinkedIn account
 - I have another social network account (not listed above)
 - I have a debit or credit card(s)
 - I have a cell phone
 - I have a smart phone (Internet access)
 - I text messages from my cell phone
 - I use search engines (e.g. Google, Firefox, Bing, Yahoo)
6. Please indicate how frequently you do each of the following activities online.
(3 or more times daily, 1 or 2 times daily, 3 or more times per week, 1 or 2 times per week, Once a week, 2 to 3 times per month, Once a month, Less than once a month, Never)
 - Use your school email account
 - Use other email accounts
 - Log-in to social-networks (e.g. Facebook, LinkedIn, and/or Twitter)
 - Purchase goods or services online
 - Pay bills

- Make transfers between bank accounts, check bank account balances
 - Research specific medical conditions
 - Purchase prescription drugs for your own use online
 - Visit government health or disease association websites
 - Use search engines (e.g. Google, Firefox, Bing, and/or Yahoo) for personal interests and concerns that you do not want others to know
7. How do you feel about the following types of information?
(Yes: This is personal/private information, No: This is not personal/private information)
 - Your date of birth
 - Your place of birth
 - Your home address
 - Your salary (range)
 - Your race and ethnicity
 - The type of car you own (if applicable)
 - Your academic records
 - Your Social Security Number
 - Your School Identification number
 - Your current medical conditions
 - Previous medical conditions
 - Your hobbies
 - Purchases you have made using your credit card
 - Purchases you have made at a (brick or click) retail store
 - Your friends on social networks
 - Your dating history
 - Your sexual orientation
 - Your religion
 - Your health insurance information
 - Your emails even if you did not pay for the Internet service
 - Photographs of you on the Internet
 - Photographs of your house (or parents house)
 - Your Internet searches using browsers such as Google, Firefox, Yahoo, &/or Bing
 - Assume "if" you were married or divorced, your marriage certificate or divorce records would be available online
 - Assume "if" you had a criminal record, this information would be available online
 - Assume "if you had a traffic violation, this information would be available online
 - Assume "if" you made a donation to an organization or political party, this information would be available online
 - The use of "full-body scans" at public transportation (e.g. airports)

- The use of RFID tags by retailers. (e.g. are intelligent bar codes that can talk to a networked system to track every product that you put in your shopping cart)
8. In the past five years, do you feel we have more or less control of our privacy?
(More control, Somewhat control, Less control, Don't know)
 9. In the next five years, do you feel we will have more or less control of our privacy?
(More control, Somewhat control, less control, Don't know)
 10. Compared to your parents/guardians, how do YOU rate your concern for privacy issues:
(More concerned, Somewhat concerned, Less concerned, Not at all concerned)
 11. How concerned are you with the privacy of your personal medical records?
(Very concerned, Somewhat concerned, Not very concerned, Not at all concerned, Don't know)
 12. How concerned are you with the privacy of your academic records?
(Very concerned, Somewhat concerned, Not very concerned, Not at all concerned, Don't know)
 13. How concerned are you with the privacy of your personal information on social networks (e.g. Facebook, LinkedIn, Twitter)?
(Very concerned, Somewhat concerned, Not very concerned, Not at all concerned, Don't know)
 14. How concerned are you with the privacy of your personal information (your searches) on browsers such as Google, Firefox, Bing, and/or Yahoo?
(Very concerned, Somewhat concerned, Not very concerned, Not at all concerned, Don't know)
 15. How concerned are you with the privacy of personal information that you have provided to credit card companies? For example, your address, date of birth, and purchases bought using this credit card.
(Very concerned, Somewhat concerned, Not very concerned, Not at all concerned, Don't know)
 16. How concerned are you with the privacy of personal information being traded to other companies you do business with? For example: Your present credit card company, telecommunications/Internet provider, your social network (e.g. Facebook, or Twitter), and/or magazine or newspaper subscription trades or rents your information to another company.
(Very concerned, Somewhat concerned, Not very concerned, Not at all concerned, Don't know)
 17. How much access do you think each of the following now has to your own personal information?
(Access to everything, Limited Access, No Access, Don't know)
 - You (yes, you . . . how much information you have on yourself)
 - Close relatives like your parents or children
 - Your college
 - Your employer (even it part-time)
 - Your physician and other health care professionals
 - Your social network providers (e.g Facebook, Twitter)
 - Your Internet searches using browsers such as Google, Firefox, Yahoo, Bing
 - Your financial institutions (e.g. your bank)
 - Your credit card company
 - Your Internet provider
 - Your cell phone company
 18. As far as you know, do you have the right to ...
(Yes, No, I don't know)
 - Have corrections made to your own health information by your medical provider
 - Be notified if your health information has been accessed or shared
 - Prevent certain parties from accessing or sharing your health information
 - Give your permission before your health information can be accessed or shared for certain purposes
 - Get a report on when and why your health information was shared for certain purposes
 - Give permission to have your name and address rented out to another organization
 19. How willing are you to share your personal information or records with: (Very willing, Somewhat willing, Not at all willing, I don't know)
 - Your parents/guardian
 - Your medical provider
 - Your pharmacy
 - Your academic institution
 - Your employer (even if it is only part-time)
 - A government agency
 - Your financial institution (e.g. bank)
 - A credit card company

- A Internet provider (e.g social networks, browsers/search engines)
 - A retail store
 - A magazine or newspaper
 - A travel agency or airline
 - A telecommunications company (e.g cell phone)
20. How much do you worry about "identity theft"?
(Very worried, Somewhat worried, Not at all worried, I never thought about this issue)
21. A recent article by Joel Stein in Time magazine (March 21, 2011), stated "Every detail of your life — what you buy, where you go, whom you love — is being extracted from the Internet, bundled and traded by data-mining companies. . . Your data is for sale. . get over it! " What is your feeling towards this statement, should we get over it?
(Strongly agree, agree, somewhat agree, disagree, strongly disagree)
22. How old were you when you started to use a social network?
23. In your opinion, how old SHOULD you be when you start using a social network, such as Facebook?
(6- 8, 9-11, 12-14, 15-17, 18-20, 21 years old and up)
24. When you started to use a social network or search engine, did your parents, organization, or school offer a workshop on how to protect your privacy?
(Yes, No)
25. Do you feel students should be required to take a workshop on "how to protect your privacy" on the Internet? (Yes, No)
26. Would you pay a service (e.g. monthly fee) to protect your privacy? (Yes, No)
27. Are you aware of any specific incidents where the privacy of peoples' personal information was compromised? (Yes, No)
28. Do you feel we must give up our right of privacy to ensure safety in your country? (Yes, No)
29. Please state if this statement is true or false: "In addition to the new browser options, an increasing number of online advertisements have a little i (an Advertising Option Icon), which you can click on to find out exactly which companies are tracking you and what they do." (True, False).

30. Some commentators believe that we are placing too much emphasis on Internet privacy while accepting other advertising mediums such as direct mail. Do you agree or disagree? (Agree, Disagree)

RESULTS AND DISCUSSION

The results of this survey showed several clear trends. First, today's students understand and, to some degree, accept that we live on an electronic frontier where access to personal data is growing. There is a clear split in trust and acceptance between family, institutional, and business use of personal data. Respondents tend toward a conservative view about when young people should be allowed to share data via social networking. Finally and most importantly, students are not always clear about the current boundaries of privacy, have often not been explicitly taught these boundaries, and feel strongly that more education on privacy is a must.

Part of the context behind these results is that students today are universally plugged into technology and social networks. Over 99% of respondents use text messages, cell phones, and the Internet. Over 94% are on Facebook, have e-mail, and use credit cards. Nearly two-thirds (65.2%) own web-enabled smartphones, 36% use Twitter, and 22.9% have their own websites. By corollary, most live in a world where they regularly share information online, regularly accept terms for content access that impact their privacy, and are closely linked as part of a digital community. The following conclusions break down survey results that show how the Web 2.0 generation feels about privacy issues, and what they see for the future.

1. This is no longer your parents' privacy

Students are clearly aware that their lives are increasingly becoming part of a database. 67.9% of respondents feel we have less control over our privacy today, and 72.1% feel we will have even less control over the next five years. In the aggregate, they have a cautious but accepting stance toward these trends: only 23.6% feel they are more concerned than their parents about privacy, with the majority (55%) being "somewhat concerned". However, this did not translate completely to a lack of concern: 41.8% of respondents would pay a service to protect their privacy, and on a larger scale, 73.8% disagreed that we must give up our rights to privacy to ensure the safety of their countries,

Time Magazine columnist Joel Stein noted, as outlined in question 21 of the survey, that, "Your data is for sale – get over it" (Stein, 2011). Opinions are almost evenly divided among survey respondents for and against this statement, but the majority tilts slightly in favor of agreeing (51.1%) with him. The results from this question: strongly agree, 7.8%; agree 19.9%;

or somewhat agree 23.3%; versus 31.9%, who disagree; and 17% who strongly disagree. These results, in turn, mirror what is clearly an ongoing social debate about using personal information.

Shifting to personal consequences of privacy, over three quarters of respondents (75.2%) rated themselves as "somewhat worried" about the possibility of identity theft, with only a small minority (14.2%) being "very worried," and nearly two-thirds (63.1%) had no personal knowledge of anyone's personal information being compromised. Among those who did have such knowledge, incidents ranging from unauthorized online purchases to in-person incidents such as stolen student IDs and credit cards; along similar lines, there was close to a 60/40 split (58.9% versus 41.1%) between people who disagreed versus agreed that there is too much emphasis on Internet privacy versus other mediums such as direct mail.

2. Trust decreases as profit motives increase

When asked how willing they were to share their personal information or records with various parties, there was a clear trend among responses: the more you are helping them, and the less you are selling to them, the better. A majority of students (70.2% and 52.5% respectively) were "very willing" to share their data with parents or medical providers, and a majority were either very willing or somewhat willing to share data with their school, their employer, a government agency, banks, and credit card companies. Conversely, a majority were "not at all willing" to share their information with retailers, magazines or newspapers, travel agencies or airlines, or telecommunications firms. These results are detailed in Figure 1.

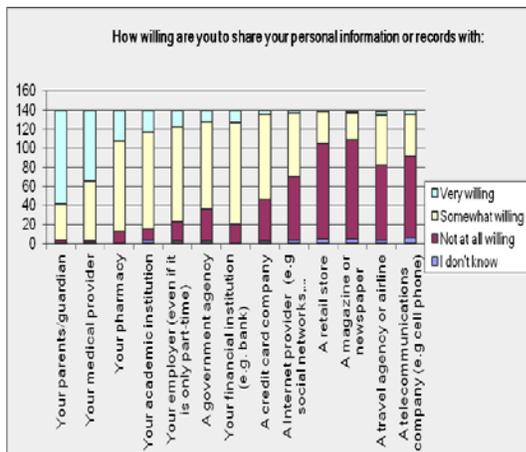


Figure 1. Student willingness to share personal information with specific stakeholders.

A similar pattern emerged with questions regarding how concerned students were over specific types of personal information that is currently being shared. For data such as medical records, academic records, information on social networks such as Facebook, and Internet searches, a majority of responses range from "somewhat concerned" to not at all concerned, with a plurality (ranging from 39.7% to 44.7%) in the category of "somewhat concerned", and a minority (ranging from 24.1% to 34.8%) being very concerned. With businesses, it is another matter entirely. For information provided to credit card companies, a majority (57.9%) are very concerned, while 53.6% are very concerned about the privacy of personal information being traded to other companies they do business with.

3. Young people need protection from social networking

One of the more surprising findings of this study was the age at which students feel people should be able to share information about themselves on social networks. Students' opinions were substantially more conservative than the actual policies of social networking providers, and some would even limit access beyond ages at which people can vote, drive, or get married in many states.

Students reported having first used social networking tools themselves at an average age of 16.4 years, at individual ages ranging from 10 all the way to 48. Not surprisingly, this group sees this average as a normative age for most people to start using social networking: a majority of respondents, 55%, feel that people should be 15 to 17 years old to start using social networking tools such as Facebook. What is perhaps most surprising is the large number of people who feel that this minimum age should extend into adulthood: 30% feel the minimum should be 18 to 20 years, and 3.6% even feel it should be 21 years of age or older. Conversely, only 11.4% felt that 12 to 14 year-olds should be allowed to access these networks, and no students agreed with access for younger age groups of 6 through 8, and 9 through 11 years of age. Figure 2 shows the breakdown of these results.

These findings are interesting in light of Facebook's actual policy of allowing users who are 13 years of age or older on the system. Facebook's CEO Mark Zuckerberg has in fact gone on record as being in favor of banishing such age limits, and it is estimated that over 5 million children under the age of 10 currently use Facebook (Protalinski, 2011).

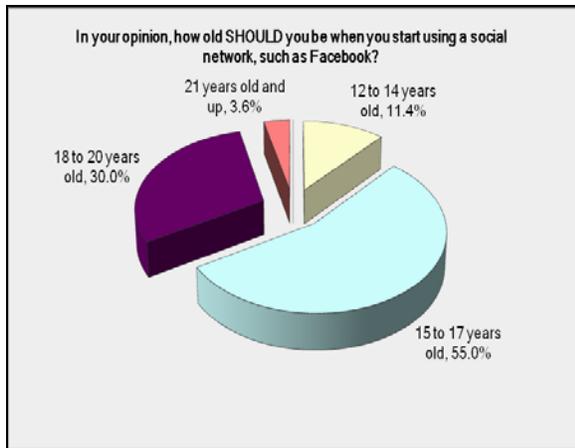


Figure 2. Responses to ages at which people should start using a social network.

4. Confusion abounds on the limits of privacy

The survey results showed gaps in knowledge about who has access to the private information of students, some of which were substantial. While these gaps spanned both extremes, in general, many respondents felt they have less privacy than they actually do. For example, an overwhelming majority of students felt that close relatives such as parents or children had full access (36.2%) or limited access (57.4%) to their information, when in fact adult-age students have the same privacy rights as any adult – rights of access under the *Family Educational Rights and Privacy Act* transfer from parents to students at college age or upon reaching age 18. Similarly, 43.6% of students believed that physicians or health care professionals have access to all of their personal information, not realizing there are substantial Federal safeguards on disclosure and transfer of health information to practitioners under the Health Information Portability and Accountability Act (HIPAA). Conversely, nearly a quarter of respondents felt that Internet search providers had no access to their search information, when in fact such information is routinely archived and also used to deliver targeted advertising. Figure 3 shows specific responses for the range of stakeholders discussed in question 17 of the survey, include others such as colleges, social networking providers, financial institutions, and cell phone companies.

The results showed somewhat greater visibility regarding their own rights to their own health information. A majority of students were aware of the protections they had under HIPAA, in areas such as correcting information or being notified about disclosure, with between 65.2% and 74.5% of respondents correctly answering "yes" to each of the items in question 18 of the survey. At the same time,

between a quarter and a little over a third of respondents either answered incorrectly or did not know the answer. Conversely, they had less visibility about their privacy rights surrounding targeted Internet advertising; when asked about whether an icon existed on many Internet ads for advertising information and options, over two-thirds (66.7%) felt this was false, when in fact the correct answer is "true."

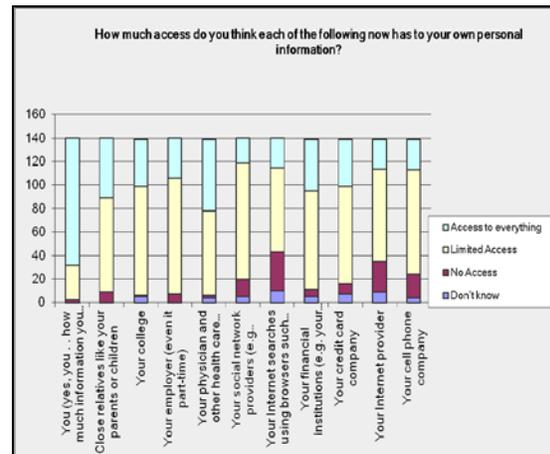


Figure 3. Perceptions of access to personal information by specific stakeholders.

5. Better education is a must

Perhaps the clearest gap, and strongest opinions, surrounded education on privacy. The vast majority were never formally taught about protecting their privacy, with 74.3% of respondents not having been offered a formal workshop on privacy by their parents, organization, or school before they first started to use a social network or search engine. An even stronger majority, 81.4%, feel that such a workshop should be required; moreover, those who responded felt such a workshop should be offered at an average age of 14.2 years, with responses ranging from ages 10 to 17.

From a standpoint of business education, these results point to three key pedagogical recommendations:

- **Students should be encouraged to understand – and exercise – their choices regarding privacy.** There is clearly a gap in how students perceive and respond to privacy issues, in an era where these issues loom larger than ever. By building awareness of rights and choices, students can and should become active participants in the use of their personal information.
- **Education about privacy issues should become a routine part of both secondary and postsecondary education.** The clear demand for increased privacy education, combined with the ages at which students are using online and social

networking tools, call for early education on privacy issues that should be encouraged at the high school level, and reinforced at the college level. Moreover, such education needs to evolve with a rapidly changing landscape for the use of personal information.

- **Attitudes about privacy should inform students' own business careers.** There is a clear distrust between students and commercial businesses regarding the use of their information. This means that these students have a valuable role to play as change agents in the way that businesses, advertisers, and other organizations interact with their consumers, particularly in how they educate consumers and build the kinds of brand communities that encourage people to "opt-in" to a closer business relationship.

Taken in sum total, these recommendations are designed to give students more power and control in their personal lives, while becoming part of the dialogue on privacy in their professional lives, in a way that ultimately enhances both the interests of consumers and the organizations who serve them. This, in turn, underscores the importance of business educators in helping to both protect the interests of students and encourage them to become active participants in way business seeks and uses personal data, as well making both students and faculty part of the larger social debate surrounding privacy issues.

CONCLUSIONS

Students realize – and to some degree accept – that their personal data is often captured and sold. Moreover, they are often willing participants in this process. This is a generation that has become used to advertisements being served to them on search engines and social network sites based on their searches and posts – and who, in turn, appear to have looser standards over what they choose to share online versus generations past, ranging from personal feelings to relationship statuses.

A clear direction for further research is to understand the specific of privacy concerns in young people; for example, most are "somewhat concerned" about their privacy with many organizations, and in some cases "very concerned" about privacy with businesses. Understanding where these concerns lie will help organizations and students alike work with and engage these concerns. Other areas for future study include attitudes of younger students versus older ones, correlation of privacy concerns with level of

technological sophistication, and how student attitudes compare with the public at large, particularly consumers.

Business education not only prepares its students for professional life, but has a higher purpose of training people to engage and question the status quo. In this sense, perhaps a key role for survey research in privacy issues is to help the next generation of business and technology professionals frame this discussion for the future. The online and social networking world that surrounds many of these privacy issues was largely created by young people, and students emerging from postsecondary education today have an equally large role in both the future of this environment and its impact on business. As educators, we now have a unique opportunity to influence this evolution.

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UNCONSCIOUS SHOPPERS IN VIRTUAL RETAIL SPACE: THE IMPACT OF AUTOMATIC PRIMING AND ASSIMILATION/CONTRAST EFFECT ON CONSUMERS' PERCEPTIONS AND BEHAVIORS

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ABSTRACT

The goal of this study is to understand unconscious effects in a 3D virtual store by examining how environmental cues in a store prime shoppers and change their perceptions and behaviors automatically. It was hypothesized and confirmed that age stereotypical avatars activate stereotype related concepts and influence shoppers' walking speed as well as their choice of a product in a 3D virtual store setting. In addition, the study proved that priming through elderly avatars can positively affect participants' intentions to donate and to volunteer for a charity organization. The results also supported the predictions of an assimilation/contrast effect with important qualifications related to preexisting prejudices.

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CAN AUGMENTED REALITY SERVE AS A MARKETING TOOL FOR JOBS AND TOURISM IN NORTHEAST NORTH CAROLINA?

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ABSTRACT

This paper examines whether augmented reality can assist northeast North Carolina in growing the region's economy. The technology is being considered for aiding job seekers in locating employment and increasing regional tourism. Augmented reality is explained and examples are given of how it might be used to accomplish the objectives.

INTRODUCTION

This research looks at the viability of using augmented reality to advertise employment opportunities in northeast North Carolina and bring job providers and jobseekers together. The study also evaluates the potential for using augmented reality as a tool to promote tourism in the region. Studying both of these uses of augmented reality is being considered because economic development is a goal with which the region is struggling.

Job creation is a high priority in the region and nationwide; however, discovering companies that are hiring and finding open positions continues to pose a serious problem for those seeking jobs. Electronic and internet search methods are being used in conjunction with traditional job search methods to facilitate the process of locating and applying for jobs. Augmented reality is emerging as the latest electronic advance in bringing employers and prospective employees together.

Augmented reality is also being used on an international scale to aid tourist locations in promoting the attractions of their settings. The same technology that allows users to scan buildings to learn if there are job openings can also scan buildings to reveal the history of the structure as well as the menu of a restaurant located inside. Individuals can direct their phone cameras to a site and collect information that converts a trip into an "experience" that they may want to return to as well as encourage others to visit. Experiences such as these are what help tourism grow and become economic drivers in a region.

AUGMENTED REALITY

Appreciating how augmented reality can drive employment and tourism requires an understanding of augmented reality and how it operates. Augmented reality integrates digital information with live video or the user's environment in real time. The technology combines a real world image with a computer generated virtual image or environment (Bimber 2005). The term augmented reality was first coined by Tom Caudell, a researcher at Boeing, who in 1990 used it to describe a digital display used by aircraft electricians that blended virtual graphics onto a physical reality (Cassella 2009). Presently, a common application of augmented reality can be viewed during televised football games when the actual image of the football field is overlaid with a computer generated yellow arrow and line that illustrate the yardage required for the offensive team to achieve a first down.

Augmented reality should not be confused with virtual reality. Azuma (1997) states that virtual reality completely immerses a user in a synthetic environment, which contrasts with augmented reality's capability of allowing the user to see the real world with virtual objects superimposed. Augmented reality supplements reality rather than completely replacing reality by giving the impression that the virtual and real objects coexist in the same space. Foster (2012) embraces augmented reality and states that the augmented reality applications are about to go mainstream. His faith in the value of the technology is so strong that he argues that augmented reality may supplant QR Codes. Foster believes that augmented reality opens enormous real-

world marketing opportunities. Asif Khan (2012) welcomes the innovations stemming from augmented reality technology. He stated that augmented reality directly takes physical real world images and modifies them using computer generated software to create a new whole world.

NORTHEAST NORTH CAROLINA ECONOMY

The use of technology such as augmented reality as a job search tool is important because recovery from the most recent recession has been slow and painful and the unemployment rate is disconcerting. According to the U.S. Bureau of Labor Statistics (2012), the nation's unemployment rate in the month of August 2012 stood at 8.1 percent. Prosperity Watch (2012), of the North Carolina Justice Center, states that North Carolina continues to have some of the worst labor market conditions nationwide. The North Carolina Division of Employment Security (2012) stated that northeast North Carolina, the region that is the focus of this study, had a 9.7 percent unemployment rate in August 2012.

Jobs in northeast North Carolina's region have traditionally been derived from the agrarian and manufacturing industries. Growing tobacco and manufacturing furniture and textiles were the dominant sources of employment in the past. However, jobs in those industries are waning (North Carolina Commission 2011). The state is attempting to create new jobs to help bring the employment rate to the pre-recession level. New jobs are developing in the service industry such as hospitality and tourism, restaurants, retail outlets and small business operations. The state is also bringing new industries like aviation, automotive and biotechnology into the region. (North Carolina Commission 2011).

According to North Carolina Department of Commerce- Labor and Economic Analysis Division (News Releases 2012), the northeast and southeast regions of North Carolina have lagged substantially behind the other regions of the state in terms of economic development. The northeast and southeast regions are unique in that they are the only areas of North Carolina that experienced shrinking numbers of employed individuals over the year. The Labor and Economic Analysis Division also commented that workers in these regions may be withdrawing from the labor force because they have been unable to find jobs. Even though new industries are being added to the region and new job openings are being advertised, the unemployed may not be aware of the available positions in a timely manner. The exodus from the labor force could be reduced if the job search process becomes faster and easier. Augmented reality holds the

promise of streamlining the job seekers tasks and identifying employment opportunities quickly.

AUGMENTED REALITY AS A JOB SEARCH TOOL

Huhman (2012) states that 77 percent of today's job seekers are using apps on their smartphones to facilitate the search process. Augmented reality is one such tool to be used because it can facilitate reaching employment objectives by superimposing employment information in the form of text and video streams over a physical landscape. Some facilities have already made it possible for people to use their smartphones and tablets to scan a building and use augmented reality to see if the company inside is hiring.

Smartphones with built in augmented software applications like "Layar" can have the cell phone cameras directed at visible sites such as a building or poster and see what companies have positions open at that time. Individuals can then download the companies' openings for further follow up. The ability to get information from scanning a building can be especially helpful to the job seeker who did not know that a company was at that location in the first place (Augmented Job Search 2009). Furthermore, friends and family can easily be enlisted in the search process since they are only being asked to scan locations with their phones and forward any information found.

Dan Schawbel (2011) states that when installed on a smartphone, Layar allows the user to access JobAmp Mobile, which in turn provides the individual with the ability to see the companies and positions open near the user's location. An information box appears when the smartphone's camera is directed toward an edifice. The information included may be positions available, skills required, a contact number, and/or a web address. Individuals have the capability of seeing company information such as the number of employees and salary information. Layar also has the power to capture any job listing stored in any database close to the user's location. Job seekers in northeast North Carolina will likely find openings with small businesses, in retailing, agriculture, fishing, hospitality, and heritage tourism. Additional opportunities for those with specialized training and education will be in aviation, automotive, and biotechnology.

According to Direct Recruiting (2011), Mightbe.me is another augmented reality application being used to assist job seekers in their search for employment. This software application feeds in the employment opportunities from job search sites and prospects can view job openings superimposed on office locations as the buildings are scanned. The job listings, city of listing, building location and proximity can be easily identified if the job seeker has the

requisite software application. Mightbe.me is currently in use in Stockholm, Sweden but it might possibly be adapted for use in northeast North Carolina.

NORTHEAST NORTH CAROLINA TOURISM

North Carolina is implementing a long-term strategy with an overall goal of diversifying the regional economy. One of the target areas for growth is tourism. Mary Hunter (2012) states that North Carolina is the sixth most visited state in the U.S. Visitors enjoying the state's offerings of historical sites, scenic beauty, and outdoor activities in 2011 spent \$18 billion. The expenditures made by tourists supported 40,000 businesses and approximately 200,000 jobs statewide. Additional state benefits are derived because North Carolina earns \$1.5 billion annually in taxes on spending done by visitors. The sixteen counties that make up the region offer an appealing combination of inland waterways, oceanfront, and beaches. Northeast North Carolina also has a history that is an integral part of the nation's heritage. The draw of these factors intimates that tourism could become an increasingly important economic activity for the region.

AUGMENTED REALITY AS AN AID TO TOURISM

Augmented reality can play a major role in enhancing tourism traffic and spending in northeast North Carolina. Conde Nast Traveler has demonstrated how augmented reality can be utilized in the tourism industry. It has released augmented reality city guide apps for New York, Barcelona, Rome, and Paris. Tourists and locals download the app to a smartphone, scan points of interest in the environment with the phone's camera, and augmented reality overlays the site with information. Individuals can use the scan to learn the history of a city, take audio tours of local sites, and hear residents provide "word of mouth" comments about their favorite eateries and activities (Conde 2010).

Northeast North Carolina tourism agencies might want to consider creating apps for the area that build on the model fashioned by Conde Nast Traveler. The region not only has the beauty of the oceanfront and inland waterways, and the accompanying water sports to appeal to visitors, it also has a rich history that can make the area an attractive tourist destination. Visitors could scan the terrain with a smartphone and employ augmented reality to view events that occurred in northeast North Carolina in a manner that would simulate real time experience. Some examples of the activities that could be viewed with augmented reality apps follow.

The Great Dismal Swamp Refuge is located in northeastern North Carolina and continues up into southeastern Virginia. The swamp's 111,000 acres of beautiful forested wetlands has served as a refuge for people as well as animals. Mystery, facts, and legends have enshrouded the region over time making it appealing to locals and visitors (Great Dismal 2012). Three documented events within the Great Dismal Swamp are proposed as possibilities for augmented reality's use in increasing the draw of tourists to the area. The first to be considered would be an application that allows smartphone owners to use the cameras on their phone to scan the swamp and experience a simulation of being transported back to 1864. That was the time in history when Robert Frost was making the Great Dismal Swamp his home. Individuals could see how it would have been for the not-yet-famous poet to live with duck hunters after he was expelled from Dartmouth College and spurned by his lady of interest. (Today in Literature, 2012).

Another augmented reality application could illustrate George Washington and others draining parts of the swamp to yield farmland they believed would be fertile. Viewers could also see his disappointment when he learned that draining the swamp was too costly to make continuing the activity feasible. Washington led the development of the Dismal Swamp Canal during this time. The canal is a part of the Atlantic Intracoastal Waterway and the oldest man-made waterway that has been in continuous operation (Project543, 2012). The founding father could be shown transporting harvested timber and shingles from the area through the canal as history relates (Wester, 2012).

The Great Dismal Swamp also served as a station on the Underground Railroad that African-American slaves used to escape to the north where they could gain their freedom. Some of runaways chose not to continue the journey northward but instead to make the Great Dismal Swamp their home. The U.S. Department of the Interior dedicated the National Wildlife Refuge in the Great Dismal Swamp as the first refuge officially included in the Countrywide Underground Railroad Network to Freedom Plan February 13, 2004 (In Pursuit 2004, Maroon 2012). Augmented reality could show the arduous journey slaves made to acquire their freedom, the challenging lives of those who chose to create a home in the swamp, and even the celebration of the U.S. Department of the Interior's dedication two and a half centuries after the Underground Railroad activity.

Augmented reality scans could illustrate the relocation of Cape Hatteras Lighthouse, the tallest of the U.S. traditional lighthouses. The Cape Hatteras Light Station consisting of seven structures, including

the lighthouse, was completed in 1870. Its location was originally 1,500 feet from the ocean; what was considered a safe distance from the shoreline and the ravages of the Atlantic Ocean. However, time, tide, and winds proved that assumption wrong. Pervasive and sometimes gale force winds, along with storm-driven tides eroded the beach on the eastern side of Hatteras Island where the lighthouse stood and redeposited the sand on the western side. In 1970, the shoreline had moved to within 120 feet of the lighthouse. Years of debate over how to save the lighthouse ensued and in 1999, the final decision of moving the lighthouse generated action. First, the other six buildings that made up the lighthouse station were moved to the new location. Next, the Cape Hatteras Lighthouse was moved 2,900 feet in 23 days and resumed serving as a functional lighthouse (Moving 2012, project543 2012).

The Outer Banks that lie along the Atlantic coastline of North Carolina are home to Kill Devil Hills where Orville and Wilbur Wright took their famous flight in 1903. The Wright brothers selected the location for their maiden flight because there was open space with no trees and little other vegetation. Furthermore, there was a hill 80 feet high from which to begin the flight, strong, steady winds to carry the plane, and soft, sandy ground on which to land. Augmented reality would allow visitors to scan Kill Devil Hills and be carried back in time to view Orville and Wilbur Wright stay aloft for 59 seconds (Hause year unknown).

The imagery of these historic activities overlaying actual landmarks would be a powerful tool for attracting visitors. Tourism revenues would most certainly increase as the state Division of Tourism and regional and local convention bureaus promoted the opportunities of experiencing history as it originally occurred via smartphones and augmented reality. Currently, the closest tourist bureaus can come to bringing historical activities to life is to produce reenactments of the events. Such productions are costly to produce and the cost must be passed on to the audience. Tourists might find it difficult to justify the expenditures of attending the reenactments in today's economic climate. Augmented reality apps have a one-time production cost that can be spread over a large number of subscribers. CondeNast Traveler is charging \$10.00 for its tourism apps. A \$10.00 expenditure that covers an entire region for a family is a minor cost. Contrast that with \$64.00 per person that was charged to enter the Biltmore Estate in Ashville, NC in 2012. Individuals that have budget concerns will gravitate to the inexpensive experience that augmented reality provides.

CONCLUSIONS AND FUTURE RESEARCH

This descriptive and qualitative study sought to examine whether augmented reality applications might be of value to the northeastern region of the state of North Carolina. The work looked at the need for employment assistance in the region and how augmented reality can be used in advertising open job positions. Research showed that northeastern North Carolina has an unemployment rate higher than both the nation and the average for all of North Carolina. The state is making strides in creating jobs and augmented reality has the potential to bring job seekers and job providers together and grow the region economically.

CondeNast Traveler has shown that augmented reality can play a role in enriching the experience of tourists. Northeastern North Carolina has scenic beauty and historical significance that would project well with augmented reality. Tours can be created elaborating on popular locales, leading visitors to less traveled sites, and explaining the flora and fauna of the region. The historical facts that can be brought to life with a smartphone and the technology of augmented reality span a wide range of interests that will appeal to many different target markets. North Carolina tourism currently creates 200,000 jobs and support 40,000 businesses as well as increases tax revenues. Those numbers point out the significance of tourism to the state. The northeast region of the state could grow the numbers using augmented reality to attract tourists and increase the length of their visit.

The next step is to conduct in-depth interviews with entrepreneurs, managers, and members of the chamber of commerce in northeast North Carolina to determine how receptive they are to the concept of using augmented reality in filling employment openings. Interviews with tourism officials and museum directors will be conducted to ascertain their attitude toward using augmented reality to promote visits and tourism in northeast North Carolina. In both cases, the subjects will also be asked to fill in any areas that they believe have been overlooked in the initial study.

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MISSED EWOM OPPORTUNITIES: AN ANALYSIS OF ONLINE MONITORING BEHAVIOR AMONG U.S. COLLEGES AND UNIVERSITIES AND TOP MBA PROGRAMS

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ABSTRACT

This paper provides unique empirical evidence that US colleges and universities and top MBA programs are not listening to online conversations. Findings indicate monitoring behavior may be related to SM usage, presence of a written policy, specific goals related to SM plan, tracking measures, and staffing the SM function.

INTRODUCTION

Traditional Word of Mouth

Marketers have spent many years trying to understand and influence word of mouth (WOM). It can be a significant asset to a company or its greatest challenge. Johan Arndt, one of the earliest researchers on the influences of WOM, defines WOM as “face-to-face communications about products or companies between those people who are not commercial entities” (Arndt 1967). Litvin et al. later defined it as “the communication between consumers about a product, service or a company in which the sources are considered independent from commercial influence” (Litvin 2008). Traditional WOM occurs between what Katz and Lazarsfield (1955) labeled “opinion leaders,” and the receiver or the non-purchasers. Their two-step flow of communication model theorized that all communication flowed from mass media to opinion leaders, and then was diffused by the opinion leaders to a wider population.

Traditional WOM is most effective if the opinion leaders are well respected by the receivers, or trusted and viewed as honest without having any commercial influence. This, many times includes relatives, co-workers and others within the receiver’s social circle. Rarely, do we receive a message via traditional WOM from a stranger. According to Ajzen and Fishbein’s Theory of Reasoned Action, when we

trust the source, we view what they have to say more positively and therefore are more motivated to act (Fishbein and Ajzen 1975). This is what makes WOM such a powerful marketing tool.

An important aspect of WOM communication is that it can be shared between two people spontaneously and vanish into the air as quickly as it arrived, leaving no trace of what was said and no concrete way of being tracked (Stern 1994). For marketers, being able to monitor these conversations has always been difficult. While they have the ability to affect or create the messages that these opinion leaders or consumers are receiving, there is no way to directly influence or become aware of all face-to-face communications that occur involving a specific company or product.

Word of Mouth in the Digital Age

The widespread use of the internet and the ability consumers now have to use message boards, chat rooms, and blogs to voice their opinions about a product or a company, creates a significant new challenge. This new form of WOM is commonly referred to as “eWOM.” EWOM has been defined as “any positive or negative statement made by potential, actual or former customers about a product or company, which is made available by a multitude of people and institutions via the internet” (Hennig Thureu et al. 2004), and “all informal communications

directed at consumers through internet based technology related to the usage or characteristics of particular goods and services, or their sellers” (Litvin et al. 2008). T. Hennig-Thureu’s research has shown that eWOM is effective, similar to traditional WOM in forming attitudes, creating motivations and affecting purchasing behaviors. EWOM has been found to be more effective than online materials that are officially or firm generated, at creating a positive consumer response (Bickart and Schindler 2001).

There are several significant differences between eWOM and the traditional form of word of mouth. First, many times the “opinion leaders” are strangers. Rarely, are online readers able to tell if a comment is from someone who is knowledgeable on the topic and also holds no commercial interest. Second, anything said online about a company or product is now permanent, lingering online in the form of forwarded messages even after the original comments are deleted. Now, instead of words being spoken face-to-face and disappearing, opinions and thoughts are shared in the form of text for many to see and read for what could be forever. Lastly, marketers are now able to track and monitor these conversations in much more convenient ways. Monitoring consumer eWOM activity has become in itself a business (Tedeschi 1999). Several studies now highlight the importance of monitoring what is being said about your company and being able to more successfully control your reputation and message (Kovoor-Misra and Misra 2007; Baird and Parasnis 2011; Spencer Stuart 2012).

In an executive report from IBM (2011) involving both consumers and executives on a global scale, less than 50% of the businesses studied monitor their brand, despite fear of negative brand exposure (Baird and Parasnis 2011). Not monitoring is a missed opportunity and potentially damaging. With the rise in eWOM conversations, we are seeing the introduction of specialty software, consulting companies and analytical tools to help monitor them. Businesses can now hear and participate in these online discussions, something traditional WOM never allowed. Not capitalizing on this opportunity, and especially not being able to be in front of a crisis, can have damaging repercussions. In a study by Spencer Stuart and Weber Shandwick (2012) on crisis management, global chief communications officers indicate that the effects of a crisis (besides threat to reputation) include: more media and governmental scrutiny, loss of public trust,

decline in share price, loss of revenue and greater customer dissatisfaction.

RESEARCH QUESTIONS

While the extant research on eWOM provides insight into its importance in forming attitudes, creating motivations and affecting purchasing behavior, there is scant empirical research that actually quantifies the monitoring of the eWOM function. Any research that does exist, tends to come from non academic sources or is anecdotal in nature. Data on monitoring US colleges and universities is unique to this paper.

Beyond that, it is important to identify relationships between eWOM monitoring and other aspects of a social media plan. Given that this research is exploratory in nature, the following questions were generated to guide the work:

- (1) How prevalent is the monitoring of eWOM among top MBA programs and 4 year US colleges and universities?
- (2) What elements of a social media plan are most closely related to the eWOM monitoring function of top MBA programs and 4 year colleges and universities?

METHODOLOGY

Procedure and Sampling

A marketing research center at a large northeastern US university has been surveying diverse sectors since 2007 to assess their adoption and use of social media and to provide some of the first academic as well as longitudinal data on the topic. The latest rendition of these studies includes continued research on US 4 year accredited undergraduate colleges and universities (using a comprehensive list available from the University of Texas) as well as a new study on the top US MBA programs (identified annually by US News).

For the top MBA programs, all schools identified on the US News list were called. For the comprehensive list of 4 year accredited colleges and universities (N= 2,000), a proportional sample was utilized to assure an accurate geographical distribution. In both cases, sampling error is $\leq .05$ with a 95% confidence interval.

All data has been collected through telephone interviews with those most knowledgeable about

the use of social media for marketing their school or program. In most cases, the appropriate Admissions Director provided the data. All surveys included questions on usage of an array of social media tools, the existence of a written social media policy to govern online communications, how they measure the effectiveness of their social media efforts, who manages their social media and if they monitor online conversation about their school or program name.

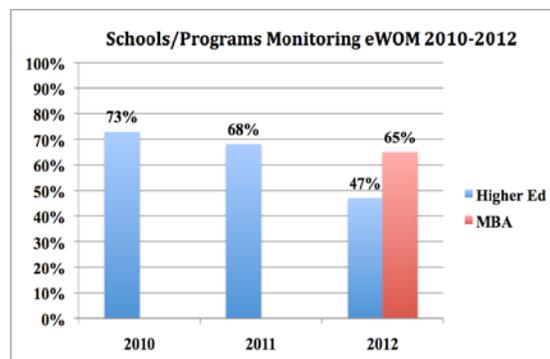
It is this last issue of monitoring eWOM that is the focus of this paper. The empirical evidence from academic institutions will show that while many are participating in online conversations, nearly 1 in 3 makes no effort to listen to eWOM if it does not come through their social media portals. This number actually increases to 1 in 2 for one sector studied. Clearly, academia can improve on the important challenge of monitoring eWOM. In fact, the longitudinal data will show a DECREASE in eWOM monitoring among our 4-year schools.

To measure the existence of eWOM monitoring behavior, schools were asked *if they check for online or buzz, conversations or mentions of their name, program, causes or brands either manually or using some automated alert*. Responses to the monitoring question were analyzed with all other questions in each sector's survey to determine possible relationships that might explain eWOM monitoring behavior.

Results

- (1) *How prevalent is the monitoring of eWOM among top MBA programs and 4 year US colleges and universities?*

Figure 1. Schools/Programs Monitoring eWOM 2010-2012



Colleges and universities have been studied annually for several years. The top MBA programs in the US were studied for the first time in 2012. Figure 1 shows data from 2010-2012 for colleges and universities and for the most recent addition of the top MBA programs.

The latest statistics available show that the number of schools that monitor the buzz around their name is 47%. The number of MBA programs monitoring is 65%. Approximately two-thirds of the top MBA programs are currently monitoring eWOM as it applies to their name or programs. It is curious however, that 1 in 3 of the top MBA programs in the US do not listen to online conversation as it relates to their name. The results are especially interesting for US colleges and universities where monitoring eWOM has declined sharply over the past three years. Currently, fewer than half of these institutions of higher education (47%) are monitoring their school's name or online buzz about their program.

Correlations in Monitoring

Spearman's correlations were used given the ordinal nature of the survey data collected on the two groups. For each sector, the question that asked if they monitor the buzz or online conversations about their name or program was correlated with every other question in that survey. For the first time, it can now be empirically demonstrated that aspects of a social media initiative correlate with monitoring eWOM in academia.

- (2) *What elements of a social media plan are most closely related to the monitoring function for top MBA programs and 4 year colleges and universities?*

Both *academic* sectors show significant positive relationships between having a written social media policy and monitoring eWOM behavior (.243 $p=.050$ for MBA programs and .114 $p=.006$ for undergraduate institutions). In both graduate and undergraduate admissions, those that feel they have a well planned and well executed social media plan are also more likely to listen to eWOM as it relates to their schools (.287 $p=.020$ and .083 $p=.046$, respectively). These two sectors also differ in some important ways.

There is a significant negative correlation between having student help and monitoring eWOM (-.273 p=.026) among top MBA programs. The programs with full time employees dedicated to the social media efforts are more likely to listen to online buzz. Additionally for the MBA programs, significant correlations occur for several variables related to measuring the effectiveness of their social media efforts. Those programs that use comments left on blogs or other accounts, watch the numbers of fans and followers, check page views or use Google Analytics to measure their social media effectiveness are more likely to monitor eWOM. MBA programs that plan to increase their social media investments are also more likely to listen to online buzz. (See Table 1)

Table 1. US news top MBA programs monitoring correlations

	US News Top MBA Programs (2012) n=70
Have written social media policy	.243 (.050)
Employ permanent staff to handle SM	-.273 (.026)
Measure effectiveness of SM using comments	.122 (.004)
Measure effectiveness of SM using fans/followers	.159 (.000)
Measure effectiveness of SM using page views	.232 (.000)
Measure effectiveness of SM using Google Analytics	.307 (.000)
Believe SM is worth the investment	.101 (.016)
Have a well executed SM plan	.083 (.046)

Table 2. US colleges and universities monitoring correlations

	US Colleges & Universities (2011) n=570
Use Twitter	.169 (.000)
Use YouTube	.163 (.000)
Use LinkedIn	.158 (.001)
Use FourSquare	.152 (.001)
Have written social media policy	.114 (.006)
Have a well-executed social media plan	.287 (.020)

For the 4-year colleges and universities, using specific social media tools was related to eWOM monitoring behavior. There are significant relationships between using Twitter, YouTube, LinkedIn, and Foursquare and monitoring. (See Table 2).

IMPLICATIONS

Schools are beginning to realize that utilizing social media tools helps to keep them competitive and aware of ongoing conversations but this alone is not enough to assure success in recruiting or retention. Neglecting to listen to potential students or other constituents as they discuss your school or program can be disastrous. Not monitoring eWOM can severely impact a schools reputation.

By monitoring eWOM, schools can uncover negative exposures or threats and handle them quickly, keeping their reputation intact and possibly even improving it. Negative eWOM can develop into a crisis and take on average 15 months to resolve (Stuart and Shandwick 2012). By responding to complaints or being aware of issues when they happen, it is easier to create a plan and act quickly, keeping the organization stable. Without monitoring, there is a significant increase in difficulty in handling these matters and quelling negative eWOM.

Klamm (2011) suggests that schools develop a strategy and set goals both to guide efforts and to be able to evaluate effectiveness later. He encourages schools to pick and choose the platforms they use, empower and support departments using social media and to develop a consistent look and voice for your school across all portals.

Most importantly, Klamm suggests having a social media policy. (The surveys utilized for both the Top MBA programs and the four year colleges and universities did include a question on having a social media policy for their program or school. Forty-seven percent of the top MBA programs do have such a policy and 49% of the colleges and universities have one).

Despite WOM existing as a marketing tool for many years, the opportunities that eWOM provides today are dramatically different. Adopting new strategies for capitalizing on eWOM will separate the social media beginners from the experts, and in turn, successful schools and programs from those that will be left behind.

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SMALL MANUFACTURING FIRMS IN INDIA: ACHIEVING COMPETITIVE ADVANTAGE

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ABSTRACT

Managers today need access to opportunities and insights that enable their firm to achieve a competitive advantage in the market place. Supply chain initiatives (e.g., integration and flexibility) are of interest because of their proven benefits. This research examines information sharing, in conjunction with supply chain integration and flexibility to determine their impact on organizational performance and ultimately competitive advantage for small-scale manufacturing firms in India. The study sample consisted of 75 owners of small scale manufacturing firms in Coimbatore, India. Partial Least Squares was used to test the constructs and the structural model.

In our effort to add to the supply chain literature, we undertook this research; however the findings of the study were not as expected. The ultimate outcome is that the weak constructs did not work as hypothesized in our model. The only significant finding in this study is that supply chain integration has a negative relationship with supply chain flexibility, which is counterintuitive. This finding may be due to the nature of small organizations where employees have to perform many roles which, when combined with a culture that values relationships, may translate into respondents who do not see the difference in the two concepts. Based on the poor outcome of our study we recognize the need for future research.

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PROPOSING A SCALE TO MEASURE THE FEAR OF MISSING OUT

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ABSTRACT

Viewing social media may cause individuals to relate their own lives to what they see or read, resulting in feelings that they are somehow missing out. When individuals (particularly college students) feel they are missing out, they may be experiencing feelings of irritability, anxiety, and inadequacy. While the fear of missing out is not an entirely new concept, it has been suggested that the intensity of the fear of missing out has significantly increased with the rise of technology—namely social media. Social media's presence in our lives is becoming inescapable. Social media sites and blogs dominate American's time online, now accounting for nearly a quarter of their total time spent on the Internet (Nielsen). While the fear of missing out has existed for as long as communication channels have existed, there is no doubt that social media's presence has amplified the need and ability to know what others are doing and saying at all times.

Attempts to identify existing measures of fear of missing out were unsuccessful. Therefore a scale to measure a fear of missing out (FOMO) construct is proposed. As mentioned, the psychological components that have been identified as most relevant to the fear of missing out are inadequacy, anxiety, irritability, and self-esteem. Thus the FOMO scale was constructed using extant scales that measure these psychological components. A number of scales were reviewed and evaluated based on their intended use, as well as the past research results associated with their use. Ultimately, four existing scales were selected as a starting point. Redundant scale items were eliminated, resulting in a 37 item scale. Once finalized, the scale was pre-tested with a sample of students from a private college in the Northeast (n=30). In addition to the scale items, questions to assess how frequently individuals view social media, self-reported degree of fear of missing out, and the urge to check social media were included.

Based on qualitative and quantitative results of the pre-test, students do identify with the concept of the fear of missing out, although they may not fully understand the term without a definition or scenario provided. Quantitative results show a range in frequency of checking social media. Specifically, 26.7% indicated they checked social media 1-4 times daily, 26.7% indicated they checked social media 5-9 times a day, and 30% indicated they checked social media 10-19 times daily. Sixty percent of respondents indicated they spent on average 5-9 minutes when they use, view, participate, contribute to, or encounter social media. Nearly forty-seven percent of respondents check Facebook 1-4 times daily whereas only 23.3% check LinkedIn 1-4 times per day (76.7% indicated that they never check LinkedIn daily). Minor changes were made to the survey and it has been administered to a wider sample. Subsequent analysis will focus on scale development and reliability testing.

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BEAUTY AND THE ADS

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ABSTRACT

We conducted a content analysis of ads for beauty products appearing in magazines that target African-American and European-American female readers to assess the ads' role in constructing beauty. Findings confirm the portrayal of beauty based on the use of more youthful female models, predominantly of slim or thin build. We discuss the implications and limitations, & future research directions.

INTRODUCTION

The pursuit of beauty or other idealized images through consumption of various products has been a perpetual theme in many cultures (Askegaard, Gertsen, & Langer, 2002; Vacker and Key, 1993). In some cultures this pursuit has had negative consequences for those involved. For example, prior research has pointed to the negative impact that mediated images have had on target audiences (Carrigan and Szmigin, 1999; Carrigan and Szmigin, 2000; Silberstein, Perdue, Peterson, & Kelly, 1986; Wiseman, Gray, Mosimann, & Ahrens, 1992). The unattainable body images have been implicated in lower levels of body satisfaction, lower self-esteem, distorted body image, depressed mood, higher levels of anger and anxiety, unrealistic ideas of thinness and beauty, increased levels of insecurity pertaining to physical appearance, & a higher prevalence of eating disorders in Western Societies (Durkin and Paxton, 2002; Harrison and Cantor, 1997; Paiewonsky, 2000; Shaw and Waller, 1995; Silberstein et al., 1986).

Previous studies of mediated female images motivated the questions: If one were to use ads for beauty products that appear in women's magazines to glean information on the construction of beauty, what would one find? To what extent is beautification associated with a certain age or body type? To what extent is beauty focused on different parts of the body and, by extension, different products? Who are the "models" being presented to audiences for their "consumption"? To what extent does beauty also include objectification of models in ads for these products, via body exposure?

We begin by briefly discussing cultivation theory, whose tenets justify a concern for the way different groups of people are presented in mediated images. We then develop hypotheses to be tested. Next we describe a content analysis that was done to glean information on the portrayals of women in print ads for beauty products. The results of this study, a discussion of the

findings, & a general discussion follow. Finally, we discuss the limitations of the study and avenues for future research.

BACKGROUND AND HYPOTHESES DEVELOPMENT

Cultivation Theory and Depictions of Beauty

Cultivation theory provides justification for focusing on how female models in ads for beauty products are depicted. The basic idea from this theory is that consumers' perceptions of reality are heavily influenced by mediated depictions. The theory suggests that repeated exposure of an audience to mediated images will lead to those audience members' beliefs and attitudes being shaped by the mediated images (see, for example, Gerbner, Gross, Morgan, & Signorielli, 1986). The beliefs about, & attitudes toward, those depicted in mediated images may be distorted (Gerbner, 1980). This is likely to happen especially when those being exposed to mediated images have little direct contact with the people depicted in the mediated images (Signorielli and Morgan, 1990).

Based on cultivation theory, the depictions that young women see of themselves in the media may come to shape how they perceive themselves and relate to others. The portrayals may also influence their social reality (Shrum, 1996; Tapper, 1995). A modification to the theory was the concept of resonance. Resonance is one of the mechanisms through which perceptions of reality are cultivated, & it suggests that those whose realities are similar to mediated images are more susceptible to being impacted by the mediated images (Shrum, 2001). According to Shrum (2001), "resonance predicts that direct experience will moderate the cultivation relation such that those with more direct experience will be more affected by television viewing than those with less direct experience" (p. 191).

Additional studies in support of this theory have looked at gender-stereotyped role portrayals on television and have found that heavy television viewers held more traditional gender-stereotyped ideas regarding proper role behavior than light television viewers (Signorielli 1989; Signorielli, McLeod, & Healy, 1994). In addition, Signorielli (1993) found that adolescents' perceptions of future occupations were influenced by occupational roles to which they had been exposed in television viewing. The main conclusion then, based on this theory, is that advertisers have to be mindful of the portrayals of physical attractiveness via mediated images. There can be possible negative consequences, since many of those exposed to these images may engage in undesirable behaviors in order to attain the idealized images to which they have been exposed (Halliwell and Dittmar, 2004). This underscores the importance of determining the extent to which we might glean a departure from the typical depictions of female models in print advertising, as well as the extent to which differences in depictions occur based on the ethnic groups being targeted.

Age and Beauty

In Western society, one of the key factors in the assessment of physical attractiveness is youthfulness (Paiewonsky, 2000; Vacker and Key, 1993). Thus, youthful models dominate the advertisement industry and are even used as representatives when the products are geared towards older consumers (Carrigan and Szmigin, 2000; Smith and Moschis, 1985). Researchers have suggested that ageism is at work in the advertising industry and is largely responsible for the misconceptions and stereotypes perpetuated in today's society (Carrigan and Szmigin, 2000; Zhou and Chen, 1992). Saad (2004) undertook an analysis of several studies that had used content analysis as the basis for assessing the depiction of women in advertising. That analysis demonstrated a longitudinal stability and cultural invariance in the more frequent use of women as young and attractive decorative models in advertising. For the above reasons, we expect that this focus on youthfulness will also be evident in ads for beauty products, since our view is that youthfulness will be part of the construction of beauty. The following hypotheses result from the above discussion:

H1a. There will be a disproportionate use of younger models in ads for beauty products.

Despite the emphasis on youth in advertising, the likelihood is that cultural factors will have an impact on how models in advertising may be viewed. So, among consumers of different racial and ethnic backgrounds, there will be differences in how youth and old

age are perceived; hence, there may be differences across magazines based on how one group of consumers view sources of influence.

H1b. There will be an interaction between type of magazine and age of models in ads for beauty products, such that models in ads that target European American women will be younger than models in ads that target African American women.

Body Type and Beauty

Prior research has found a predominance of thin female models in advertising (Owen and Laurel-Seller, 2000; Silberstein, Perdue, Peterson, & Kelly, 1986; Wiseman et al., 1992). Rodin (1992) argued that in Western society, there is a spotlight on female appearance rather than male appearance, &, in particular, a focus on slenderness for women. Nemeroff, Stein, Diehl, & Smilack (1994) and Silberstein et al. (1986) also supported this view. Furthermore, Wiseman et al. (1992) documented a focus on the "thin standard." Assessing measurements taken from *Playboy* magazine centerfolds as well as Miss America beauty contestants from 1979 through 1988, they found that contestants and centerfolds were 13-19% below their target or expected weight, based on age and height. Another study provided information about body standards into the 1990s. Owen and Laurel-Seller (2000) investigated body standards by assessing the body measurements of *Playboy* centerfolds and models advertising on the Internet. They found that thinness was increasing for centerfolds, & that many of them met the weight criteria for anorexia. There were also unhealthy levels of thinness in the Internet models. Sypeck, Gray, & Ahrens (2004) looked at depictions of fashion models on the covers of popular magazines across a 40-year span (1959 - 1999) and found that body size for these models had decreased significantly during the 1980s and 1990s. We expect to find a similar "thin" standard replicated in the advertising of beauty products.

H2a. There will be a disproportionate use of thin models in ads for beauty products.

Although women may feel the social pressures differently than their male counterparts, women of different ethnicities react and respond dissimilarly to the same images of thinness (Owen and Laurel-Seller 2000, Patel and Gray 2001). For example, researchers have found that African American women are more satisfied with their bodies than Caucasian women (Patel and Gray, 2001; Thompson and Corwin, 1997). African American women also tend to be heavier than Caucasian women, are less likely to report having

weight problems than Caucasian women of equal weight, & are also less likely to suffer from eating disorders (Rand and Kuldau, 1990).

Attempts have been made to explain the discrepancies between Caucasian and African Americans regarding levels of dissatisfaction, eating disorder prevalence, & perceptions of ideal body weight. Fallon and Rozin (1985) concluded that Caucasian women did not estimate the level of thinness preferred by Caucasian men correctly. That is, Caucasian women incorrectly estimated the slenderness preferred by Caucasian men, which in turn, may have escalated their desire to be super-thin. African American women estimated correctly the thinness preferred by African American men, & were therefore more realistic in their own body image. Some researchers have also suggested that these discrepancies may also stem from the fact that Caucasian men do prefer thinner women than do African American men (Greenberg and LaPorte, 1996; Powell and Kahn, 1995). African American women, therefore, may not be as sensitive to the ultra-slender image portrayed in advertisements, because they perceive African American men as finding larger women attractive (Patel and Gray, 2001). Based on this discussion, we make the following predictions:

H2b. There will be differences in the body types of women used in ads for beauty across magazine types. There will be an interaction between type of magazine and body type of models in ads for beauty products, such that models in ads for beauty products in magazines that target European American women will be thinner than models in ads for beauty products in magazines that target African Americans.

Body Exposure and Beauty

A number of researchers have concluded, from a social constructionist perspective, that, in western cultures, the female body is oftentimes objectified, one that has to be viewed and evaluated sexually (see, for example, Fredrickson and Roberts, 1997, Tiggemann and Kuring, 2004). Fredrickson and Roberts (1997) proposed objectification theory as a basis for explaining the fact that women's bodies are looked at, evaluated, & always potentially objectified (p. 175). They concluded that, in these media, there was more emphasis placed on women's bodies and that "confrontations with these images, then, are virtually unavoidable in American culture" (p. 177).

We expect, then, that if ads for beauty products represent a way through which we can glean information about cultural standards surrounding objectification, we should see focus on women's bodies in these ads, through the degree of body exposure. We

make the following hypotheses, drawing on the above discussion of objectification theory:

H3a. There will be a disproportionate focus on the body of women, as against the faces of women, in ads for beauty products. This will be evidenced by body exposure in these ads.

The amount of body exposure has been studied in regard to women's self-esteem, stereotyping, & psychological well-being, & racial differences have been observed. For example, when African American women were used in ads, they were more likely to be viewed in a full-body fashion. Furthermore, instead of an up-close facial view, African American models were more likely to be depicted from a distance, in full-body view (Jackson and Kelly., 1991, McLaughlin and Goulet, 1999). Much research has been done on the implication of facial versus distant body views in advertising (Hall and Crum 1994). Facial views project to the viewer a sense of intelligence and ambition, whereas distant photographs or full-body views were perceived to project unintelligence (Archer et al., 1983). Plous and Neptune (1997) found, in a study of racial and gender biases in magazine advertising, a significant increase in body exposure, especially among European American women. These factors lead us to expect that there will be differences across magazines in terms of body exposure.

H3b. There will be an interaction between type of magazine and body exposure in ads for beauty products, such that there will be differences in the parts of the body that are exposed in ads that target European American women and parts of the body that are exposed in ads that target African American women.

Product Emphasis and Beauty

Some research and popular culture suggest that African American women are more likely than European American women to place emphasis on their hair. McCarley, Spurrison, & Ceminsky (2002), for example, noted the importance of hair within the African American community. They revealed in their study that African American women spent about \$532 each year on personal products, which included hair care products. This expenditure was some 41% higher than the expenditure by non-African American women. Neal-Barnett et al. (2000) remarked that, among African Americans, "To achieve more mainstream standards of beauty, the person must alter his or her hair texture either through the use of chemicals or heat" (see also Rooks, 1996). Hence we expected differential focus on

beauty products across magazines. The following hypothesis results from the above discussion:

H4a. There will be differences across magazines in emphasis on beauty products. There will be an interaction between type of magazine and product type, such that there will be differential focus on products targeting African American women and European American women.

METHOD

Magazines and Sample

We conducted analyses of advertisements for beauty products in four different women's magazines published in 2002¹. Two magazines that targeted a predominantly African-American audience, *Ebony* and *Essence*, & two magazines that target a predominantly European American audience, *Cosmopolitan* and *Glamour*, were included in the sample frame. These magazines are comparable in content and circulation rates. All 12 issues of each magazine for the year 2002 were obtained for this content analysis. This resulted in a total of 48 issues for our analysis.

Unit of Analysis. In keeping with the study's focus on how beauty is constructed via ads for beauty products, we identified and retained for our analysis every ad that was for a beauty product that was at least ¼ page in size and featured at least one female model, regardless of race or age. Duplicate ads were retained, regardless of whether they appeared in the same magazine or in different magazines. In all, 1,130 ads for beauty products that featured at least one female model were gleaned from this exercise. These ads formed the basis for our content analysis.

Categories and Coding. Based on discussion between the authors, we developed a coding sheet that would reflect the categories in which we were interested. Age of models in advertising has been a factor that has been explored before (for example, Carrigan and Szmigin, 1999; Zhou and Chen, 1992). Hence, we coded the ages of models in the ads. In the case of body type, a number of researchers have investigated the impact of body type on women's self-esteem, self-worth, & feelings of inadequacies (Groesz, Levine, & Murnen, 2002). There have also been studies that have pointed to racial differences in body type preferences among men and women (Greenberg and LaPorte, 1996; Patel and Gray, 2001). If body type is an important element in the construction of beauty, then this should be reflected in the portrayal of models in ads for beauty products. In the case of body exposure, we used a scheme similar to that used by Plous and Neptune (1997) to code this variable.

The nature of the beauty product was considered important, since the extent of advertising for these products might reflect focus on particular aspects of beauty. In addition, prior research has shown that there were differences across cultures in terms of products that were advertised in women's magazines (see, for example, Frith, Shaw, & Cheng, 2005). Our focus was on the extent to which the beauty products marketed to women could be seen as part of the construction of beauty. Datamonitor Industry Market Research annual publication on performance of products in different categories was used as a source for classification of beauty products.

Two independent coders were trained to code the ads that were identified in our sample frame. They both did an initial coding of some 50 ads for practice. Of the 1,130 ads in the sample, both coders coded 252 (22%; see, for example, Frith, Shaw, & Cheng, 2005), in order to assess inter-coder reliabilities. Inter-coder reliabilities were determined using the Perreault and Leigh's (1989) formula. Inter-rater reliabilities were: magazine: 1.00; age of model: 0.84; body type of model: 0.84; body exposure: 0.74; and nature of beauty product: 0.96.

RESULTS

We used the following methods of analysis: (a) frequencies, performed on all the categories and variables in our study; and (b) cross-tabulations and chi-square tests to test the relationships between different variables in our study. The results from our analyses are presented and discussed below.

Age and Beauty

An issue related to physical attractiveness that has interested other researchers, & which we coded in our study, was the age of models used in the ads for beauty products. Age can serve as an index as to who a particular culture might consider popular or attractive. We predicted in H1a that there would be a disproportionate use of younger models in ads for beauty products. Consistent with this hypothesis was our result, which showed a statistically significant difference in age of model ($\chi^2[4] = 2405.66, p < 0.001$). H1b also predicted that there would be differences across magazines in the age of models used in ads for beauty products. There was support for this hypothesis ($\chi^2[12] = 95.91, p < 0.001$). Interestingly, the difference resulted from the fact that many of the ads in *Ebony* used older models (37.2%), while the other three magazines used a substantial number of younger models: *Cosmopolitan* (84.5%); *Essence* (80.9%); and *Glamour* (77.2%).

Body Type and Beauty

The body type of models in advertising has also attracted attention, & we assessed whether beauty product ads would reflect this focus on body type. Our analysis indicated that the majority of ads for beauty products (59.9%) contained headshots or other images that did not allow for body type of the model(s) to be determined. However, in those images where body type could be discerned (453 ads), 89% of those ads featured models that were considered slim or thin. There were very few images of medium-build models (1.8% in the overall sample; 4.4% in cases where body type could be determined). There were no cases of plus-size models being used in ads for beauty products. A chi-square test revealed significant differences in body types of models in these ads for beauty products ($\chi^2[3] = 1071.90, p < 0.001$), with the majority of ads featuring head and/or shoulder shots where the models' body type could not be adjudged. When the head and shoulder shots were removed from the analysis, significant differences in body types persisted, with an overwhelming use of slim/thin models in these ads ($\chi^2[2] = 631.17, p < 0.001$).

In addition, we also found differences across magazines in the body type of models in the ads. The majority of ads across all magazine types used headshots of models, from which body type could not be discerned. In the cases where body types could be discerned, the majority of the ads featuring slim/thin built models appeared in *Cosmopolitan* (40.7%) and *Glamour* (32.5%). Of the 20 ads in our sample that featured models of medium build, 13 of them (65%) appeared in *Ebony* and 5 (25%) appeared in *Essence*. These findings were consistent with our predictions.

Body Exposure and Beauty

We also assessed the extent to which different parts of the bodies of models in ads for beauty products were exposed, given the possibility of objectification via body exposure and differential focus on different parts of the body by women (Cash, Rissi, & Chapman 1985, Fredrickson and Roberts 1997). In addition, the exposure of different parts of the body in ads for beauty products might serve as an index as to those body parts that are considered salient in constructing beauty. The results in table 2 show that the majority of ads were of headshots of the models (33.2%). There were a number of instances where multiple parts of the models' bodies were exposed (20.6%), or of shoulders being exposed (19.7%). In 53 cases (4.7%) the entire body of the model was exposed. These differences in body exposure were statistically significant ($\chi^2[11] = 1680.20, p < 0.001$). We had expected to find, based on H3a, more focus on other body parts than headshots of

the models. However, we found a dominance of headshots.

Based on H3b, we expected to find differences in body exposure across magazine types. There were statistically significant differences in this case ($\chi^2[11] = 77.36, p < 0.001$). In general, a greater percentage of ads targeting European Americans featured headshots (35.3%), in contrast to ads targeting African Americans (28.4%). Ads with women fully exposed were more likely to be found in magazines targeting European American women (5.7% of total ads versus 2.4% for African Americans) as was the case with ads in which multiple body parts were exposed (23.6% vs. 13.6%). On the other hand, there was a greater percentage of ads in which the woman's chest/breasts were exposed in African American magazines (3.6% vs. 1.1%), as was the case with no exposure (8.0% vs. 5.9% for European American) and mixed/more than one model with different levels of exposure (12.4% vs. 7.5% for European American).

Product Categories and Beauty

We investigated whether there was a difference in ads based on the target audience for the publications. We hypothesized that there would be differences, given the differential focus of African American women on hair care, as compared to European American women. The cross-tabulation indicated highly significant differences in ads based on target audience ($\chi^2[24] = 109.44, p < 0.001$). In the case of *Ebony*, 51.9% of the ads that came from that magazine were for hair care products. A similar pattern was observed in *Essence*, with ads for hair care products accounting for 54.5% of the ads that came from that magazine. In contrast, these kinds of ads accounted for only 30.0% of the ads that came from *Cosmopolitan* and 27.8% of the ads that came from *Glamour*.

DISCUSSION

The purpose of our study was to determine the extent to which an assessment of ads for beauty products could be used to unearth information on the construction of beauty. We used cultivation theory as a justification for this focus on the construction of beauty, given the principal tenets of this theory. It holds that constant exposure to mediated images will shape how target audience members come to see themselves and how others might perceive them. We did not set out to test cultivation theory; rather, we used it as a framework to argue that advertisers need to be mindful of the depictions to which members of their target audiences are exposed, as some audience members are likely to internalize some of the "ideals" being transmitted (Gerbner, Gross, Morgan, & Signorielli, 1986).

The results of our study are consistent with some prior results that had looked at the depiction of women in earlier decades (Carrigan and Szmigin, 2000; Owen and Laurel-Seller, 2000; Wiseman et al., 1992, Saad, 2004; Sypeck, Gray, & Ahrens, 2004). Advertisers continue to use younger, thin models as the idealized image in pitching products to female consumers. However, we found this to be the case more for magazines targeting European American women than for those targeting African American women. This might be because in African American communities there is likely to be more rejection of the mediated images to which these consumers are exposed (see, for example, Duke, 2002).

If we refer to cultivation theory, the argument can be made that European Americans are more likely to internalize mediated images of women than African American women; hence, there may be more of an immediate need for advertisers to address depictions of women in ads targeting European Americans. This is especially important in an environment where there has been an increase in eating disorders and other body image-related illnesses, especially among European American women (Hoek, 1993; Sypeck, Gray, & Ahrens, 2004).

In terms of the body type of models used to advertise products, our findings were consistent with previous studies, even though women's magazines have been criticized over the years for promoting dangerously thin and unrealistic images of models. Women are bombarded with images of waif-like models, causing many to reevaluate their self-worth and take dangerous measures to meet unobtainable expectations (Wolf, 1990). For some women, thinness is no longer viewed as just an arbitrary weight or measurement; thinness has become a metaphor for beauty, success, status, likableness and control (Paiewonsky, 2000). The trend persists, as evidenced by our study, notwithstanding the various documented negative consequences: growing insecurities, lower self-esteem, increased feelings of inadequacies, depressed mood, anxiety, increased levels of anger, &, an increase in eating disorders (Durkin and Paxton, 2002; Groesx, Levine, & Murnen, 2002).

In regards to body exposure, unlike the findings of other studies such as Plous and Neptune (1997) and contrary to our predictions, the magazines we analyzed used more of headshots than the body shots to advertise beauty products. Only in 4.7% of the cases were the entire bodies of women in the ads exposed. This is in contrast with findings by Sypeck, Gray, & Ahrens (2004), who found an increase in body portrayals of fashion models on magazine covers from the 1960s up to the 1990s. On the basis of objectification theory, there was little evidence of women's bodies being objectified, if we use full body exposure as a criterion for assessing objectification. If objectification indeed ex-

ists, it would be more so in the cases of the ads in the magazines targeting European American women, as there were more cases of multiple parts of the bodies of the models or entire bodies of the models being exposed in these ads. On the other hand, one might argue that this could be a reflection of a resistance to depicting African American women as sex symbols.

Ads for beauty products focused more on hair than on other parts of the body, such as skin, particularly in magazines targeting African American women. To the best of the authors' knowledge, this is the first time that this index of beauty has been assessed: that is, what body parts are considered important in constructing beauty. Repeated exposure to these ads among women might shape the importance that they attach to decoration of different parts of the body as beauty sites.

CONCLUSION

There are some additional areas for investigation. Our study could have benefited from inclusion of ads from magazines that target other ethnic groups, for example, Hispanic and Asian women. Another issue that we did not investigate was skin tone as a variable in the depictions of women in ads for beauty products. Research in this area could also benefit from looking at depictions in other media other than print. In addition, as with any content analysis, one cannot say specifically how and why women exposed to these depictions are affected. Rather, one can undertake, as was done here in the second study, additional studies to investigate how women may respond to certain depictions in the media.

Much of the research on physical attractiveness and body image among women indicates that oftentimes women strive for certain body types, because they think these are what men consider attractive (Greenberg and LaPorte, 1996; Patel and Gray, 2001). A future study could look at dyads to see how a woman's perceptions of beauty might be impacted by her partner's expectations. There are also other individual difference factors that could be investigated, for example, levels of skepticism, levels of marketplace persuasion knowledge, as well as susceptibility to interpersonal influence.

Overall, it would also be interesting to conduct these kinds of studies in other societies, where emphasis on body image may not be as strong as in the US. Given the spate of globalization and especially access to information via various media, including the Internet, it may well be the case that other societies' attitudes toward body image and depiction of beauty may be undergoing changes. Also, since the content analysis was confined to a one-year period, a longitudinal study that will investigate the extent to which there have been

changes in the depictions of female models in advertising is encouraged.

FOOTNOTE

¹ Work on this project commenced in 2003, so we used the most recent year's magazines at the time, as we were interested in the current decade. Other studies have looked at depictions of women up to the 1990s (for example, Owen and Laurel-Seller, 2000, Wiseman et al., 1992).

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CELEBRITY BRANDS & ASSOCIATIVE LEARNING: THEORY OF THE BENEFICIAL MEDIA SCANDAL

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ABSTRACT

Using associative learning concepts, this study seeks to answer one of marketing's eternal questions, "Is all publicity, good publicity?" Previous research has focused primarily on the impact of celebrity media scandals on celebrities when engaged in an endorsement relationship with corporate and product brands. Very little research, however, has been conducted examining the effect of celebrity media scandals on the celebrity as a brand in and of itself.

Traditionally, a brand is conceptualized as a type of cue (e.g. name, symbol, design) that identifies and differentiates a product or a company to consumers. On limited occasions, prior literature has extended the concept of "brand" beyond a product or a company to that of a human being. Based on a synthesis of the literature, a celebrity brand is defined as *a well-known and professionally managed persona that identifies and differentiates a person from others*. This view of the celebrity brand makes a distinction between the *persona* and the *person*. The *persona* is the professionally managed identity of the celebrity while the *person* is the professionally unmanaged identity of the celebrity. Thus, to the consumer, the celebrity brand is an amalgamated cue comprised of the total *persona* sub-cues and *person* sub-cues.

The fundamental tenant of associative learning asserts that mental representations are linked together in memory through experiences. There are two distinct associative learning processes: human associative memory (HAM) learning processes and adaptive learning processes. HAM learning processes are used for foundational type learning and are offered as an explanation of how consumers form enduring attitudes toward a celebrity brand. It is proposed that there is a positive relationship between the frequency of consumer observations and evaluations of a celebrity brand and the strength of consumer attitude toward the celebrity brand. Since the celebrity brand cue is comprised of *persona* and *person* sub-cues, a consumer's attitude toward the celebrity brand is reinforced when he or she consumes managed and unmanaged offerings from the celebrity brand.

Adaptive learning processes are used for more elaborate learning processes such as prediction and are offered as an explanation of how consumers develop expectations of the celebrity brand. It is proposed that the correspondence (discrepancy) between a celebrity brand's expected and actual behavior is positively related to the reinforcement (deterioration) of the consumer's expectations for the celebrity brand. Behaviors from the celebrity brand's *person* (such as those that produce a media scandal) can impact not only a consumer's expectation of the celebrity brand, but also his or her evaluation of the celebrity brand. It is further proposed that (in) congruence between a celebrity brand's expected and actual behavior is positively related with a more (less) favorable consumer attitude towards the celebrity brand. Thus, if the behaviors in a media scandal are inconsistent with what a consumer expects from a celebrity brand (i.e. *person* does not match *persona*), then it is predicted that the consumer will view the celebrity less favorably producing a *detrimental media scandal* for the celebrity brand. However, if a media scandal is consistent with what a consumer expects from a celebrity brand (i.e. *person* matches *persona*), then it is expected that the consumer will view the celebrity more favorably producing a *beneficial media scandal* for the celebrity brand.

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COLLEGE STUDENTS' PERCEPTIONS OF MOBILE PHONE ETIQUETTE

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ABSTRACT

Marketing research students modified a questionnaire used in a 2003 study of mobile phone usage/etiquette and collected data. The authors re-analyzed the students' data set and discuss findings related to mobile phone etiquette perceptions. Significant results are compared to the 2003 findings. Recommendations for future research are provided.

INTRODUCTION

The use of mobile phones in society has increased rapidly over the past decade. According to the wireless industry's CTIA website, as of December 31, 2011, there were 331.6 million wireless connections in the USA and its territories (Guam, Puerto Rico and U.S. Virgin Islands), up from 128.4 million at year-end 2001. As of December 31, 2011, 31.6% of all USA households were wireless only, up from 10.5% in 2006 ("Wireless Quick Facts" 2012).

Such growth has resulted in the use of the technology in more places than usual, including in business meetings and other work settings, in public places, and in the college classroom. With this growth have come public perceptions of increased rudeness/incivility among people, an overall decline in proper mobile phone etiquette. The purpose of this paper is to report on the attitudes of college students at one university regarding the etiquette of mobile phone usage.

LITERATURE REVIEW

The use of mobile phones in more public situations, such as while driving, in libraries, churches and fitness clubs, and in schools and universities, has created concerns about public safety (e.g., Khan & Stark 2011; Nasar, et al. 2007; Richtel 2009), cheating (Nichols 2008), inappropriate camera shots (Saint Louis 2011), general rudeness (Schuldt, et al. in press) and addiction (Gibson 2011). Elgan (2010) offered an updated list of etiquette rules, including lowering one's voice when on the phone in public, drive without using the phone, assume it's your carrier that dropped the call, and avoid searches while on the phone.

When looking at mobile phone usage, one needs to understand how technology is accepted. The Technology Acceptance Model (TAM) was developed by Davis (1989) and has been studied and modified since then by many researchers, and applied to the consumer market. "TAM was adapted originally from the theory of reasoned action (Fishbein & Ajzen 1975) and identified the relationships between perceived ease of use (PEU), perceived usefulness (PU), attitude, and behavioral intention toward a target system (Davis, Bagozzi, & Warshaw 1989)" in Choi and Totten (2012). "More recently, it has been extended to include subjective norms (SN) to explain PU and usage intentions in terms of social influence and cognitive instrumental processes (Venkatesh & Davis 2000)" (Choi & Totten 2012).

A search of the relevant literature revealed very little has been written about college students' perceptions of mobile phone etiquette. More recent articles have dealt more with mobile phone usage (including motivations) and students' personalities and social networking skills (e.g., Angster, et al. 2010; Guo, et al. 2010; Hakoama & Hakoyama 2011; Head & Ziolkowski 2010; Junco, et al. 2010; Love & Kewley 2005; Stubblefield, et al. 2010). Gerow, et al. (2010) investigated the issue of slacking behavior in the classroom and found that three factors (social norms, multitasking and cognitive absorption with Internet-related technologies) contributed to students' likelihood of using those technologies to "cyber-slack;" i.e., using the Internet in class to do other tasks.

The one article that has been mentioned by other researchers when they briefly mentioned etiquette has been the work by Lipscomb, et al. (2007). A convenience sample of students at four universities and colleges in the USA was collected by the authors in 2003. A detailed questionnaire that addressed mobile

phone usage (situations, frequency, features used, locations used) and etiquette was developed by two of the authors, pretested, and then used at all four schools. Women students thought that the use of a cell phone during worship services was inappropriate. Part-time employed students, younger students (18–21) and those from North Dakota and Louisiana thought it was appropriate to use a hand-held cell phone while driving (Lipscomb, et al. 2007, pp. 51–52). The authors called for continued research on etiquette and how to educate college students about the potential for abuse (driving accidents, bullying, etc.).

METHODOLOGY

The original questionnaire used by Lipscomb, et al. (2007) was acquired by the lead author. A group of marketing research students in the spring 2011 class was in need of a project topic, so the author suggested mobile phone etiquette and loaned them the questionnaire. The student group proceeded to modify the survey, updating the features to reflect the technology changes that occurred since 2003. Each of the five students distributed the IRB-approved survey to students on the campus of a southern state university in different locations. A total of 250 usable surveys were collected by the team through this convenience sample, edited and coded, and entered into SPSS version 18 in the computer lab. The lead author has since gone back to their data file, re-run the statistics they ran for their paper, and run other pertinent statistics. The focus of this manuscript is on the etiquette section of the survey data.

RESULTS

Overview of Findings

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

The demographic variables were subjected to crosstabulations and chi square analysis to determine if

there were any significant relationships between them. Some degree of cell size problem (CSP) was found, even after recoding. Women students tended to rely on scholarships and loans as their primary source of education funding, while men tended to rely upon

Table 1. Profile of Respondents

Demo-graphic:	Mode	Fre.	%	N
Ownership	>2 yrs	244	97.6	250
Gender	Female	138	55.4	249
Marital St.	Single	212	85.5	248
Children	Zero	213	86.6	246
Employed	Part-time	144	58.8	245
Source	Schol/Loans	111	45.5	244
Major	Non-business	082	33.3	246
Age	21 years	053	21.6	245

themselves and/or family ($\chi^2 = 8.363$, $df = 4$, $p = .079$, $CSP = 20\%$). Those who are unemployed relied on scholarships and loans, while those who were employed part-time relied on their families ($\chi^2 = 22.827$, $df = 8$, $p = .004$, 33%). Younger students (18 or 19) tended to rely upon themselves or scholarships/loans, while 22 year olds relied on family and/or scholarships/loans. Those between the ages of 24 and 30 tended to rely on themselves, while older students (>30) relied on themselves and/or scholarships and loans ($\chi^2 = 49.649$, $df = 28$, $p = .007$, 52.5%).

Turning to age, female participants tended to be between the ages of 18 and 20 or older than 30, while males tended to be 22 or between the ages of 24 and 30 ($\chi^2 = 14.798$, $df = 7$, $p = .039$). Older students (24 plus) tended to be employed full-time while 18 and 19 year olds tended to be unemployed ($\chi^2 = 38.367$, $df = 14$, $p = .000$, 33.3%). Finally, with regard to major, marketing and management majors tended to be employed either full-time or part-time while accounting and finance majors tended to only work part-time ($\chi^2 = 12.391$, $df = 6$, $p = .054$).

Means and other descriptive statistics for the 10 etiquette questions are summarized in Table 2. Students tended to disagree that it is appropriate to use mobile phones in three settings, church, classroom and while driving (texting only). Some disagreement existed regarding the use of phones to text in movie theaters. Most agreement among participants existed for use in the grocery store.

Significant Differences on Etiquette

Analysis of Variance (ANOVA) tests and one independent t-test were used to determine whether any significant differences by demographic variables existed for the 10 etiquette statements in the study. Given the lopsided response to the marital status and children questions, these were not used in the tests. Several significant differences are reported in this section of the paper.

Responses to eight out of the ten statements were statistically significant by gender, as shown in Table 3. Female students tended to be less neutral regarding the appropriateness of mobile phone usage while driving or in the library, and about texting in the classroom or the movie theater. Women disagreed more than men did regarding texting while driving. The biggest difference between the sexes was the appropriateness of bathroom use, with women being more neutral and men being more in agreement with this statement.

A number of significant differences were identified by employment, major and age. Unemployed students tended to disagree or strongly disagree with three statements that dealt with driving (calling and texting) and the classroom (texting), versus those employed full-time (Means: 2.47 vs. 3.195 for driving-calls, $F = 4.265$, $p = .015$; 1.63 vs. 2.17 for driving-texting, $F = 2.698$, $p = .069$; and 2.33 vs. 2.73 for classroom (texting), $F = 2.728$, $p = .067$).

Table 2. Descriptive Statistics for Etiquette Questions

Appropriate:	Mode	Md.	x	S.D	n
To use while driving.	Neutral	3	2.82	1.296	249
Use during church.	Strongly Disagree	1	1.33	0.745	248
Use during class.	Strongly Disagree	1	1.68	0.934	249
For texting in class.	Disagree	3	2.68	1.308	249
Text while driving.	Strongly Disagree	2	1.92	1.229	249
Use in a library.	Disagree	2	2.51	1.212	249
On public transportation.	Neutral	4	3.54	1.198	249
In the bathroom.	Strongly Agree	3	3.29	1.384	249
In the supermarket.	Strongly Agree	4	4.01	1.145	249
Text in movie theater.	Strongly Disagree	2	2.25	1.291	249

Scale: 1 = Strongly Disagree, 5 = Strongly Agree.

Non-business majors were more neutral regarding the appropriateness of texting during class versus

general business majors (2.927 vs. 2.281, $F = 2.336$, $p = .074$). Accounting and finance majors disagreed the most with texting while driving, compared to non-business majors (1.638 vs. 2.195, $F = 2.498$, $p = .06$, homogeneity of variance problem), and with using a phone in the library versus general business majors (2.19 vs. 2.81, $F = 2.536$, $p = .057$).

Two statements were found to have significant differences by age. Older students (31+) disagreed the most with texting during class compared to younger students (18-23) (1.647 vs. means > 2.7 , $F = 2.161$, $p = .038$). Older students (26-29) disagreed the most with using a phone in the movie theater versus 20 year olds (1.625 vs. 2.77, $F = 2.639$, $p = .012$, homogeneity of variance problem).

Table 3. Significant t-test Differences by Gender

Statement:	W ¹	M	T ²	DF	P
Appropriate to use while driving.	2.696	2.982	1.741	247	.083
Appropriate ... for texting in class.	2.558	2.838	1.685	247	.093
Appropriate ... to text while driving.	1.710	2.180	2.982	209.94*	.003
Appropriate ... in a library.	2.312	2.757	2.925	247	.004
Appropriate ... on public transport.	3.355	3.766	2.724	247	.007
Appropriate ... in the bathroom.	2.884	3.793	5.438	247	.000
Appropriate ... in the supermarket.	3.877	4.180	2.093	247	.037
Appropriate ... to text in movie theater.	2.123	2.414	1.752	220.05*	.081

¹W = women, M = men; ²T = all t values had minus signs; *Equal variances not assumed; Scale: 1 = Strongly Disagree, 5 = Strongly Agree.

DISCUSSION

It is important to first acknowledge the limitations of the current study before discussing any conclusions and suggesting recommendations for marketers and educators. The revised questionnaire was not pretested by the student research team before data collection occurred. Both studies focus on location of use regarding etiquette issues. No measurements of device volume, user volume or other factors that play a role in etiquette are included. The sample size is lower than the Lipscomb, et al. (2007) study, and was drawn as a convenience sample of college students at one regional

state university instead of at four schools in a wider geographic range. The students incorrectly coded some of the data, so the lead author had to clean up the coding mistakes before running the analyses. Therefore, the discussion that follows is at best exploratory in nature of student mobile phone etiquette perceptions.

Lipscomb, et al. (2007) found that women perceived the use of mobile phones during church as being more inappropriate than men did. No difference by gender for this etiquette situation was revealed in our study. However, there were eight situations discovered than involved gender differences in perception of etiquette (see Table 3). Also unlike what Lipscomb, et al. (2007) found with regard to employment and using the mobile phone while driving, part-time employed students in this study were found to be in the middle, with the significant differences existing between unemployed students (inappropriate) and those employed full-time (neutral or appropriate). Lastly, while Lipscomb, et al. (2007) found that younger students thought using the mobile phone while driving was appropriate versus older students, no such evidence was found in our study. Older students did find the use of phones to text during class to be very inappropriate versus younger students, but this was a new etiquette situation. There were also differences by major with respect to the other new etiquette situation, texting while driving, as noted in the second part of the Results section.

We support the original call for further research into students' perceptions of mobile phone etiquette situations that was made by Lipscomb, et al. (2007). The research should be expanded to include a wider range of college students from more geographic regions of the USA and across ethnicity, marital status, and even religious preference demographics. The research should also be expanded in terms of age to include perceptions of Americans of all generations (Millennials, Gen-X, etc.) as well as to teenagers. The human subjects documentation is more burdensome for surveying high school and middle school children, but worth the effort. We need to provide marketers of mobile phones with sufficient data to encourage them to promote an awareness of mobile phone etiquette among their customers. Perhaps we also need to measure the perceptions of faculty members regarding mobile phone etiquette. We need to provide marketing (and other) educators with more data and suggestions on how to deal with mobile phone usage in the classroom, especially in light of today's apparent growing incivility or rudeness exhibited publicly in many locations, including our classrooms (see Schuldt, et al. in press).

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WHO'S SHOPPING ON THE INTERNET? EXAMINING THE SOCIETAL VALUES OF ONLINE SHOPPERS

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ABSTRACT

Societal values have long been used as important tool in predicating consumer behavior in a variety of contexts. This paper describes the results of a study that identifies the societal values of online shoppers. Results suggest that strongest predictors of potential online shopping are security, social, and achievement values.

INTRODUCTION

Research shows that the development of the commercial trade through the Internet has remarkably changed the retail environment in the world since 1990 (Chen and Chang 2003; Delafrooz, Paim and Khatibi 2010). According to Forbes 2011, retailers of all types are expanding product offerings, adding in-store pickup and free shipping. Online shopping is considered the fastest growing internet sector (Fortune 2000). Furthermore, more recent statistics by Forrester Research Inc predicts that online retail revenue will grow from \$191.7 billion in 2011 to \$248.7 billion in 2014, representing an 8 percent compound annual growth rate (Schonfeld 2010). While there has been growing interest regarding the business value of e-commerce, there is a lack of theoretical and empirical literature in understanding persisting characteristics, such as social values of online shoppers which is the focus of this study.

SOCIAL VALUES LITERATURE

Social values have been considered as a strong factor in explaining consumer behavior in a variety of contexts (Kamakura and Novak 1992), including natural food shopping (Homer and Kahle 1988), organic food purchase (Finch 2005), charity contributions (Manzer and Miller 1976), vacation activity preferences (Madrigal and Kahle 1994), mass medial usage (Becker and Connor 1981).

Online marketers should revisit traditional models of consumer behavior and explore their validity in the new business model—namely, Internet (Patrick and Peppard 1998). One model of consumer behavior that could be applied to the purchasing behavior on the Internet is list of values (LOV). LOV developed by

Kahle (1983) and was based on values research developed by Rokeach's list of 18 terminal values (Rokeach 1973), Maslow's hierarchy of values (1970), social adaptation theory (Kahle 1983), and Feather's list of values (1975).

The LOV consists of nine social values: sense of belonging, excitement, warm relationships with others, self-fulfillment, being well respected, fun and enjoyment of life, security, self-respect, and a sense of accomplishment. This study employed LOV because of it is parsimonious and simple to administer (Beatty et al. 1985). Moreover, LOV is considered a better predictor of daily behavior (Beatty et al. 1985).

The objective of this paper is twofold. First, the paper examines the structure of the social values of online shoppers. Second, the study develops and tests a set of hypotheses concerning the ability of the developed dimensions of the social values to predicate the online shopping behavior.

ANALYZING THE STRUCTURE OF THE LOV

Research on the LOV suggests that the nine items of the LOV are better represented by internal and external domains and reduced number of underlying dimensions (Homer and Kahle 1988; Kahle 1983). Several underlying dimensions have been identified empirically (Homer and Kahle's study 1988; Madrigal and Kahle 1994; Kahle 1988). Although these studies identify factor dimensions for traditional consumers and salespersons, they don't cover online shoppers. Hence, this paper explores the core dimensions of the LOV for online shoppers prior to developing hypotheses concerning the association between shoppers' social values and online shopping.

METHOD

A questionnaire was administered to 200 full-time undergraduate and graduate students, at a southeastern University. Due to missing data, the final sample size for the study was 176 (61% males and 39 % female). Of the participants, 65% of the female and 70% of the males are online shoppers. The mean age of the sample is 23 years.

MEASURES

A written questionnaire was developed that included measures related to LOV, Internet usage, and demographic characteristics. The first section asked the respondents to indicate the importance of each value in their lives using a nine-point scale. The study employed the ratings, rather than the ranking method to obtain an interval level (Kahle and Kennedy 1988). The second section asked respondents if they had ever made online shopping last year (yes or no question). The responses to this question have been used as the dependent variable in subsequent logistic regression analysis.

Analysis And Results Of Factor Analysis

Principal components analysis with Varimax rotation was undertaken for the nine value ratings. Table 1 shows the results. Three factors are extracted which accounted for 71.092% of the variance in the total variance. The eigenvalues of the three factors are 3.025, 2.195, and 1.179. The first factor, labeled “social needs”, is highly correlated in terms of factor loading with sense of belonging, warm relationship with others, security, and being well respected. The second factor, labeled “achievement”, has three values with high factor loading that reflect sense of accomplishment, needs for self-fulfillment, and self-respect. The last factor is highly correlated with the needs for excitement and fun. This factor has been labeled pleasure-seeking. The three dimensions are used for the subsequent logistic regression analysis.

Table 1. Varimax-rotated Matrix

	Social Needs	Achievement Needs	Pleasure-Seeking
Sense of accomplishment	-.255	.879	7.163E-03
Excitement	.111	-4.925E-02	.898
Warm relationship with others	.791	7.064E-02	.171
Self-fulfillment	-2.959E-02	.899	5.546E-02
Being well-respected	.638	.187	.372

Fun and enjoyment	.232	.106	.842
Security	.734	-.193	-5.349E-02
Self-respect	.303	.719	2.728E-02
Sense of belonging	.819	2.498E-03	.232

HYPOTHESES

Since there is a lack of research in studying the social values of online shoppers this paper draws on the literature of diffusion of innovation (Rogers, 1995), acceptance of technology (Davis 1989), and hierarchy of needs (Maslow, 1970) to develop the necessary hypotheses for this study.

Achievement Needs Dimension

Davis (1989) suggested the Technology Acceptance Model which proposed that the perceptions or beliefs about the innovation are instrumental in the development of attitudes that will eventually result in system utilization behavior. The model also proposed that the attitude is directly affected by the usefulness and ease of use of the system. Several studies concluded that a system which is easy to use (e.g. online shopping) often requires less effort on the part of users and thereby increases the likelihood of adoption and usage (Toe 2001; Buton-Jones and Hubona 2005; Bisdee, 2007; Selamat, Jaffar and Ong 2009; Yuslihasri and Daud 2011; Lime and Ting 2012),

Several studies (Childers et al. 2001; Kim, Williams, and Lee 2003; McCloskey 2004; Barkhi, Belanger and Hicks 2008; Lime and Ting 2012) showed that the ability to improve shopping performance, shopping productivity, and most importantly, accomplish shopping goals, were concluded as valid determinants as to what makes consumers’ shopping activity useful. As a result, to satisfy the need for self-fulfillment and self-accomplishment, one should maximize the use of his or her time and efforts in activities that are more productive (Baron and Greenberg 1990). Similarly, to realize self-respect, an individual should strive to achieve success by allocating more effort and time to more constructive activities.

Research has also shown that the use of the Internet is positively related to the perceived usefulness or the extrinsic motivation acquired from using the Internet (Teo, Lim and Lai 1999). The various Internet activities, including on line shopping, have been considered *instrumental* in achieving useful outcomes that are different from the use of the Internet itself (Teo, Lim and Lai 1999). Donthu and Garcia (1999) found that convenience (i.e., time saving) is a significant determinant of online shopping. That is,

online shoppers are considered more convenience seekers than non-online shoppers. Therefore,

H1: Shoppers who place high value on achievement needs are more likely to shop online.

Social Needs Dimension

The social needs identified in this study are security, warm relationship with others, being well respected, and sense of belonging. Research has shown that the motivation to seek a particular choice may be hampered by the amount of perceived risk associated with that choice (Bettman 1973; Peter and Tarpey 1975). Uncertainty about the choice situation may stem from two sources, first, uncertainty about the outcome, implying a lack of information about the effectiveness of the choice. Second the uncertainty about the consequences. (Sharma, Bearden and Teel 1983)

There are a variety of risk types that have been suggested, including financial, performance, physical, social, convenience, and psychological risk (Sharma, Bearden and Teel 1983; Solomon 1996; Tarpey 1975). In addition, some other dimensions of risk such as source credibility (McCorkle 1990) and privacy (Elliot 1995) are likely to be associated with electronic shopping.

Many studies have reported that most internet surfers are not conducting online transactions because they are concerned about Internet security and fraud (Haas 1998; Romani 1998; Minahan 1997). Also, it is reported that online shoppers tend to be more risk takers than non-online shoppers (Donthu and Garcia 1999). Given the amount of risk that online shopping may involve, it is both practically and theoretically plausible to propose that risk-averse consumers are not likely to shop online.

The discussion in the following sections pertains to three of the social needs dimensions: sense of belonging, being well-respected and warm relationships with others. These values have been found to represent related dimensions (Homer and Kahle 1988; Swenson and Herche 1994). Hence, taken together as a one dimension, these three values are assumed to have the same relationship to online shopping.

People have a strong need to be loved by others and to play a part within social interactions. However, the impersonal nature of the internet poses a threat to human beings' social needs of "being in touch" (Cole and Cole 1998). A study by the Stanford Institute for the Quantitative Study of Society found that there is a negative relationship between the time spent online and the time spent in social interactions with family and friends (Dolliver 2000). These results have been seen as an indication that high Internet use is associated with weaker social ties and social isolation (Cole and Cole

1998; Dolliver, 2000; Sanders et al. 2000; Zhao 2006). Therefore, it is expected that Internet shoppers have low social needs.

H2: Shoppers who place high value on social needs are less likely to shop online.

Enjoyment and Excitement

It has been found that perceived enjoyment has significant effects on the usage of the various Internet activities, including online shopping (Teo, Lim and Lai 1999). According to Schwartz and Bilsky (1987) the excitement and fun domain is opposite to the maturity domain (sense of belonging and warm relationships with others); that is, individuals who place more importance on maturity domain tend to give more importance to excitement and fun. Hence, Internet shoppers are expected to have strong needs for enjoyment and excitement. Therefore:

H3: Shoppers who place high value on fun and excitement needs are more likely to shop online.

ANALYSIS OF THE RELATIONSHIP BETWEEN LOV DIMENSIONS AND ONLINE SHOPPING

Given the ordinal nature of the dependent variable, the study relied on logistic regression analysis for hypotheses testing. In all cases, the dependent variable was whether or not a customer had made online shopping. The three factors of LOV, identified in the factor analysis, comprised the set of independent variables. Table 4 shows the results of logistic analysis.

Goodness of Fit of the Model

The model is significant at the .001 level. The model is statistically better than random guessing. The -2 log likelihood (LL) is 75.738. The -2 LL value of 75.738 is not significant at an alpha of .05, suggesting that the model does fit the data. The chi-square test is significant (p = .000). The model has empirical validity because the model fits the data. In other words, the model will predict the online-shopping behavior more accurately than random guessing over 99 percent of the time.

Table 2. Logistic Regression Model Test Results Test for the Goodness of Fit of the Model

		Sign.
-2 Log Likelihood	75.738	
Goodness of Fit	165.401	
Model Chi-square	142.884	.0000

Classification Accuracy of the Model

How well the model classifies the observed data is a second way to determine how well the model performs. The model was more accurate at predicting online shopping than the non-online shopping. The model correctly predicts 95.04 percent of the online shopping and 87.27 percent of the non-online shopping for an overall accuracy rate of 92.61 percent. Since random guessing produces a 50 percent correct classification, the model is approximately 20 percent more reliable at classifying a particular customer as online shopper or non-online shopper.

Table 3. Classification Table

Actual Group	Predicated Group		Percentage Correct
	Non-online shopper	Online-shopper	
Non-online shopper	48	7	87.27 %
Online-shopper	6	115	95.04 %
Overall Correctly Classified			92.61 %

Parameter Estimates and Significant Variables

Hypothesis 1 was expected is supported. The results showed that there was a negative relationship ($p < .000$) between the social needs factor and online shopping. These results indicate that online shoppers are more risk-takers than non-online shoppers. Further, these results indicate that online shoppers place less importance on warm relationship with others and sense of belonging.

Table 4. Parameter Estimates for the Logistic Regression Model

Variable	B	S.E.
Social	-2.8519	.5188
Achievement	2.3397	.4061
Fun	.5702	.3032
Constant	1.8823	.3920
Variable	Wald	df
Social	30.2131	1
Achievement	33.2011	1
Fun	3.5371	1
Constant	23.0534	1

Variable	Sig	R
Social	.0000	-.3592
Achievement	.0000	.3778
Fun	.0600	.0838
Constant	.0000	

Hypothesis 2 is supported. Shoppers who place more importance on achievement try to get the most out of their time and tend to look for convenience.

Hypothesis 3 is not supported since insignificant results are obtained.

DISCUSSION AND IMPLICATIONS

This study aims to enhance the existing knowledge about the Internet shoppers and to help Internet marketers in understanding the values of internet shoppers so that they can efficiently develop successful marketing strategies. For instance, knowing that internet shoppers put a great value on sense of accomplishment and self-respect leads marketers to adjust its e-commerce advertising strategy to emphasize such societal values. Furthermore, societal values may be a basis for product positioning.

The study is limited by the nature of its sample (student sample). In spite of this limitation and the exploratory nature of the study, a number of findings seem appealing.

The findings of this study indicate that the nine terminal values of the LOV can be represented by a smaller number of underlying factors. A factor analysis revealed three underlying dimensions of the nine values representing the LOV. Although it seems plausible the three dimensions identified in this study differed slightly from those developed in other studies. The evidence suggests that certain values are associated with online shopping. These values are achievement, sense of accomplishment, self-fulfillment, and self-respect.

The results also showed that social needs dimension has negative influence on online shopping. This makes sense when one considers the amount of perceived risk associated with the use of the Internet. Also, these results are consistent with the positive relationship between internet usage and social isolation.

The results indicate that the need for excitement and fun is not predictive of online shopping behavior. One plausible explanation for this insignificant finding is perhaps the low average age of the respondents in this study. Research suggests that younger generation

is more likely to seek fun, enjoyment, and excitement (Kahle, Poulos and Sukhdial 1988), while older Internet users are more likely to surf the Internet to make online shopping (Donthu and Garcia 1999). Another plausible explanation is that since online shoppers are economizing on time and convenience, they do not seek fun or excitement from such shopping behavior.

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