

marketing innovations: topics, technology & trends

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Greetings MMA Members,

Welcome to the Marketing Management Association's 2007 Spring Conference! This year's theme focuses on Innovations: Topics, Technology and Trends. Building on our many successes in the past, this 3-day event continues to attract innovative marketing educators and scholars worldwide--a well-proven structure that affords the opportunity to share one's insights and ingenuity in the form of scholarly papers, panel sessions, discussions, and more.

Of special note is this year's keynote address to be delivered by the MMA's *2006-2007 Career Award for Innovative Contributions to Marketing*, Joe Hair, Professor of Marketing in the Coles College of Business at Kennesaw State University. Joe will share many insights from his exemplary career on Thursday at the Awards Brunch.

The success of this year's conference is a result of many. First, I want to thank the 16 track chairs for their diligence, leadership and countless efforts to attract quality papers, reviewers, discussants and session chairs: Dave Ortineau, John Fraedrich, Tomas Hult, Al Bush, Tori Bush, Bill Pride, Dave Kurtz, Chris Hopkins, Jill Attaway, Mitch Griffin, Joe Hair, Steve Skinner, Chuck Tomkovick, Michael Messina, and Jerry Albaum. Your efforts are greatly appreciated by me and all the conference attendees. This year's conference is outstanding because of you!

This conference would not be successful without the help of so many current and former officers. I would especially like to thank Judy Wiles and Brian Engelland. Their leadership and vision for what this conference could provide has set the bar quite high for those who follow. I would also like to thank those who have helped to shape the MMA in recent years: Bob Erffmeyer, Karen Kennedy, Mandeep Singh, Tanujia Singh, Mary Albrecht, Tim Aurand, John Cherry, Jerry Field, Carey Trimble, Russell Casey, Raj Devasagayam, Robin Luke, Rama Yelkur, Jo-Ann Linrud, Charlie Pettijohn and Fred Hoyt.

I extend a tremendous amount of appreciation and undying gratitude to the proceedings editor, Dee Anne Larson. Dee Dee's quick follow-up, problem solving, creativity and numerous efforts to ensure the quality of the proceedings are unparalleled. Her attention to detail and sincere desire to bring so many people's work together harmoniously, is a great talent and shows throughout these proceedings and beyond. In a parallel manner, Karen James has been a great asset as our Webmaster. Karen pulled information together, sought and created new material and generally kept up connected and on top of the 'goings on' of the MMA. Thanks so much!

And thanks to the generous support of Hormel Foods Corporation and their continued commitment to education and their partnership with MMA, this year's conference features the 5th

Annual Master Marketing Teaching competition. Under the astute leadership of past winner Timothy Graeff, along with his committee, MMA continued the tradition of soliciting the most innovative, insightful and ingenious group of educators to be honored for their educational prowess.

Finally, let me give special thanks to Melissa Moore, current President of MMA for her support and guidance throughout this entire process. Her quick response to any concern, helpful reminders, and willingness to help when and wherever needed is invaluable.

It has been my honor to serve you as your Program Chair and President-Elect. Enjoy the conference!

Linda Ferrell
University of New Mexico



About the MMA

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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Benjamin D. Goss, Missouri State University

Award for Best Paper in Ethics & Corporate Social Responsibility

“Using Seamless Integration to Teach Ethics”

Jeri Mullins Beggs, Illinois State University

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PRIVATE BRANDS: CREATING A FAVORABLE CONSUMER PERCEPTION OF BRAND QUALITY

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ABSTRACT

Private brands are becoming increasingly popular among retailers. However, consumers generally perceive private brands to have lower quality than national brands. To improve the perceived quality, we develop a typology of private brand strategies and examine their effects on consumer perception of private brand quality.

INTRODUCTION

The past decade has witnessed a dramatic growth in private brands – brands developed and owned by retailers (Ailawadi and Keller 2004; Batra and Sinha 2000; Baltras 1997; Hoch 1996). For example, the world's largest retailer Wal-Mart has offered more than 1200 private brands across many product categories such as Sam's Choice and Great Value in food and beverage categories (Condon 2002). This particular branding strategy yields successful outcomes. Research shows that the sales and market shares of store brands have increased significantly over the years (Batra and Sinha 2000; Baltras 1997; Hoch 1996).

The success of store brands is mainly due to lower prices and less marketing expenses – such as advertising and promotions – compared to national brands (Baltras 1997; Hoch and Banerji 1993). In contrast to their business success, store brands are generally perceived by consumers to have lower quality than national brands (Bellizzi et al 1981; Cunningham et al 1982; Richardson et al 1994). Private brands indeed need to improve the perceived quality (Richardson et al 1994). Marketing experts also point out that essentially brands compete for consumer perceptions (Quelch and Harding 1996; Richardson 1997). Consumer quality perception is so important that it predominantly determines the market share of a private brand (Hoch and Banerji 1993), the consumer proneness to buy a private brand (Richardson et al 1994), and the price premium consumers are willing to pay for national brands over private brands (Sethuraman and Cole 1999). In a nutshell, the perceived quality determines the likelihood of success of a private brand (Ailawadi and Keller 2004).

This research aims at establishing a theoretical framework of private brand strategies and examining the effectiveness of these strategies in creating a favorable consumer perception of private brand quality. Research efforts on private brand strategies are scant (Ailawadi and Keller 2004). The bulk of the branding literature focuses on manufacturer brands and the associated strategies (e.g. brand extension). This study takes the pioneering step by setting up a typology of private brand strategies and undertaking an empirical test of the effects of these strategies on consumer perception of private brand quality.

The typology of private brand strategies is developed on the basis of two decisions a retailer has to make in developing a private brand: labeling the brand and entering a product category. In labeling its brand, a retailer can adopt either its own store name or a name different from their store identity. For instance, Sears uses the brand name Kenmore for its refrigerator, whereas Ralph adopts its own store name for the juice product. Richardson et al's seminal research (1994) shows that consumers tend to rely on external cues such as brand name and package to make inference about the product quality. This implies that brand name would make a difference in consumer perception of brand quality. In the decision on product category, a retailer can choose to enter a category strongly associated with the store or otherwise. A recent study finds that consumers perceptibly connect retail channels with certain product categories. For example, grocery stores are linked to food items, drug stores with medications and health-care products, mass merchandisers with household items, and club stores with frozen foods, pet foods and snack items. The associations between these product categories and the

corresponding retailers are so entrenched in consumers' mind that they become the "signature" products of each retailer. In contrast, the non-signature products possess weak or null associations. To sum up, a retailer can choose from the following alternatives for the two decisions of private brands: 1) labeling the brand with own store name, 2) labeling the brand with a different name, 3) entering a signature product category, and 4) entering a non-signature product category. The combination of the decisions give rise to four types of private brand strategies: 1) store name and signature category (category extension strategy), 2) store name and non-signature category (store brand extension strategy), 3) different name and signature category (multiple private brands strategy), and 4) different name and non-signature category (new private brand strategy). We follow Kotler's typology of manufacturer brand strategy (2003) to name the private brand strategies. Table 1 shows the classification of these strategies along the two dimensions of private brand decisions.

Brand labeling and product category entry strategies affect consumer perception of private brand quality in different ways. Labeling a private brand with a name different from the store name would decouple consumer perception of the store from the brand. In contrast, entry into a signature category would facilitate the transfer of established consumer perception of the store to the brand. According to theories of consumer information processing, the two decisions either invoke or disrupt different information processing modes on the part of consumers. The brand labeling relates to the

"spreading activation" process (Collins and Loftus 1975; Raaijmakers and Shiffrin 1981; Ratcliff and McKoon 1988), whereas the product category entry decision pertains to the "categorization" process (Fiske and Pavelchak 1984; Keaveney and Hunt 1992). The first process results in activation of linkage from one information node (e.g. brand name) to another node (e.g. brand quality). The second process leads to a comparison between new information (e.g. a private brand's entry into a product category) and established knowledge structure of the similar nature stored in consumers' memory (e.g. a retailer's signature product category), and consequently a judgment of congruency between the two. In both processes, either activation of a linkage between a private brand and its store or perception of a fit between a category entered by a private brand and the signature category of its store would help transfer consumers' existing perception of the store to the private brand. The disruption of the linkage and a perceived mismatch would function to the opposite.

Retailer image best captures the stereotype consumer perception of a retail store. The image is a gestalt impression of a store in consumers' mind (Keaveney and Hunt 1992). We posit that retailer image moderates the main effects of the brand labeling and the product category entry strategies on consumer perception of private brand quality, because these effects originate from either the connection / disconnection or fit/misfit between a store and its private brand.

TABLE 1: A TYPOLOGY OF PRIVATE BRAND STRATEGIES

		Signature-ness of Product Category	
		Signature Category	Non-Signature Category
Brand Name	Own Store Name	Category Extension Strategy	Store Brand Extension Strategy
	Different Name	Multiple Private Brands Strategy	New Private Brand Strategy

CONCEPTUAL FRAMEWORK

First, we contend that a private brand labeled with a different name would receive a perception of higher quality than a store name. This effect is due to the “spreading activation” process, in which one information node is linked to another node (Collins and Loftus 1975; Raaijmakers and Shiffrin 1981; Ratcliff and McKoon 1988). In the context of brand labeling, this process would result in a recall of a store on the part of consumers being exposed to a private brand labeled with the store name. In contrast, a different brand name disrupts the “spreading activation” process by breaking up the cognitive linkage between the store and the private brand. Moreover, it makes the private brand look more like a national brand to consumers. Since consumers generally perceive national brands to have a better quality than private brands (Bellizzi et al 1981; Cunningham et al 1982; Richardson et al 1994; Wulf et al 2005), a private brand with a different name would perceptually have a higher quality than the store name. Thus, we hypothesize that:

H1: Private brand with a different brand name is perceived to be of higher quality than that with a store name.

Second, we speculate that entry into a signature product category would lead to a higher perceived quality than a non-signature category. The effect is due to the “categorization” process, in which consumers match new information (e.g. the product category entered by a private brand) with an established knowledge structure (e.g. a retailer’s signature category) developed and stored in memory (Fiske and Pavelchak 1984; Keaveney and Hunt 1992). When a retailer introduces a private brand into a product category, consumers go through the process by comparing the new category with the established store-category association and then evaluating whether a fit exists between the brand and the stereotype association. The fit occurs for the signature category but not for the non-signature category. Based on the reasoning, we develop the following hypothesis:

H2: Private brand entering the signature product category of a retailer is perceived to be of higher quality than that entering the non-signature product category.

Third, we argue that retailer image interacts with the effects of the brand labeling and the product category entry decisions. The moderating effects as such are captured by the change in the difference of

quality perception between the two strategies for each private brand decision as retailer image changes. Regarding the interaction between retailer image and the brand labeling decision, we argue that retailer image would *reduce* the effect of brand labeling decision on consumer perception of private brand quality. The rationales are as follows. The store name activates the recall of store image in consumers’ mind, which is then transferred to the private brand. The high image signals a better quality, compared to the low image. In contrast, a different brand name invokes a weaker activation due to the separation of the brand name from the store name. This line of reasoning leads to the following hypothesis:

H3: The difference in quality perception of a private brand between a different name and a store name is *lower* for a high retailer image than for a low image.

Regarding the interaction between retailer image and product category entry decision, we argue that retailer image would *enhance* the effect of product category entry decision on consumer perception of private brand quality. The explanation rests on the fit between the product category entered by the private brand and the stereotype category of the store. Because the fit arises exclusively for the signature category, the transfer of retailer image only happens for a private brand entering this category. The higher the image, the more favorable the quality perception would be. Thus, we develop the following hypothesis:

H4: The difference in quality perception of a private brand between the signature product category of a retailer and the non-signature category is *higher* for a high retailer image than for a low image.

EXPERIMENTAL DESIGN AND ANALYSIS PROCEDURE

The current study is still in progress. In the next step, we plan to conduct an empirical test of the hypotheses with the experimental approach. The independent factors include brand labeling strategies (a store name v.s. a different name), product category entry strategies (signature v.s. non-signature category), and retailer image (high v.s. low). The dependent variable is consumer quality perception of a private brand. In sum, the combination of the independent factors gives rise to a between-subject factorial design involving 8 ($2 \times 2 \times 2$) treatment conditions. We plan to recruit 240 university students

as the subjects and randomly assign 30 to each treatment condition.

In the experiment, the subjects will be exposed to a set of stimulus in each treatment, which consists of a retailer's private brand and a product under the brand name. To manipulate the independent variables, we will first create a list of retailers that have a variation in image. Candidate stores include Wal-Mart, Rite Aid, Target, Nordstrom, Ralphs, and J.C. Penny, among others. The choice of retailers should assure that retailer image can be stratified into high and low level. To manipulate the brand labeling factor, we will adopt real store names for the store name strategy but create artificial names for the different brand name strategy. A caveat is worth noting, though. Brand name can be meaningful or non-meaningful (Keller et al 1998; Kohli et al 2005). A meaningful name suggests a product's benefits, attributes, and its association with a product category (Keller et al 1998). It contributes to generating a favorable consumer perception of the product quality (Kohli et al 2005). In order to sidestep the confounding effect of a meaningful brand name as such, we will design artificial brand names that carry neutral meanings. To manipulate the store-category associations, we will follow the naming approach developed by Fazio et al (2000), in which respondents are presented with a stimulus and then requested to list their responses to the stimulus. In a similar fashion, we will use a retailer's name as the stimulus and solicit their recall of the product categories most closely related to the store. To measure the dependent variable, we will adopt 7-point scale with 1 representing the lowest quality perception and 7 the highest. Before the test, we will run a manipulation check of the independent factors. The hypothesis testing will employ standard ANOVA technique.

MANAGERIAL IMPLICATIONS AND LIMITATIONS

The hypotheses provide the following managerial implications as to how to improve the quality perception of private brands. First, a retailer can increase the perceived quality of its private brand by labeling it with a different name other than the store name or entering a signature product category of the store. In particular, these results suggest that different private brand strategies may have different effects on consumer perception of private brand quality. Going back to the typology of private brand strategies, we can make the following comparisons, where ">" means one strategy would generate a better quality perception than the other: 1) category

extension strategy > store brand extension strategy, 2) multiple private brands strategy > new private brand strategy, 3) multiple private brands strategy > category extension strategy, and 4) new private brand strategy > store brand extension strategy. Second, a private brand strategy may work differently for retailers with differentiated images. Specifically, the strategy of labeling a private brand with a different name is more effective for a *low-image* retailer than for a *high-image* one. In contrast, the strategy of entering a signature product category is more effective for a *high-image* retailer than for a *low-image* one.

The study is not without limitations. First, the classification of private brand strategies is based on two private brand decisions only, namely, the brand labeling and the choice of a product category to enter. In reality, the private brand decisions involve more than these two dimensions. For example, the brand packaging decision may also play a role in forming consumer quality perception of a private brand. Second, retailer image is a multi-faceted construct (Ailawadi and Keller 2004). Yet, we polarize consumer impression of a store into two consummate categories – high and low image, which may lead to a loss of information about the other aspects of retailer image. Third, the treatment of store-category association suffers a similar problem. To simplify the analysis, we classify products carried by a retailer into the signature and the non-signature category. However, the strength of the association may take on a continuous scale. Fourth, our experiment involving students as subjects is weak in generating results with external validity. We may address this weakness by conducting a field experiment that recruit real consumers instead. An appropriate setting for the field study can be a shopping mall, for instance. Future research can expand the scope of study by undertaking the following tasks: 1) examining the effects of additional private brand decisions, 2) conducting a comprehensive analysis regarding the moderating effects of all dimensions of retailer image, and 3) refining the measurement of product category signature-ness.

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PRIVATE-LABELS & STIMULUS GENERALIZATION: AN EEG ANALYSIS OF FRONTAL CORTEX RESPONSE

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ABSTRACT

Private-label manufacturers go to significant lengths to develop products that are similar in trade dress to the market leading brands. The assumption is that stimulus generalization occurs, and the benefits associated with the leading brand are generalized to the private-label. The current research seeks to evaluate EEG responses to manufacturer brands and corresponding private-label brands. If generalization between the brands indeed occurs, we should note similarities in the EEG response of subjects exposed the market leading brand and those private labels designed to look like it. If generalization does not occur, we would expect that the EEG responses to the 'like' products would be different. The more similar the trade dress, the more alike the EEG responses should be.

There were a total of eighty subjects that participated in this study. Twenty college students participated in EEG measurement. In addition, one group of thirty students was used to obtain similarity ratings, and a separate group of thirty more students was recruited to obtain familiarity ratings. Deymed Diagnostic TrueScan EEG acquisition device was used for EEG acquisition and 10-point similarity and familiarity Likert scales were utilized for rating purposes. Photographs of nine manufacturer brands and eighteen private-label products were taken by the researchers, and then incorporated in the Microsoft Power Point presentation slides. The two separate groups of 30 students were presented with a set of 27 stimuli to obtain similarity and familiarity ratings. The stimuli were presented sequentially at random, with 5-second stimulus presentation and 10-second inter-trial period within which participants recorded their ratings. It was determined that participants tended to be more familiar with any of the manufacturer brand products than any of the private-label products. Eighteen products (9 manufacturer brands and 9 private-label brands) were selected for the EEG recording phase of the study. Each participant was connected to the EEG device by the experimenter at the F3 and F4 electrode sites in accordance with 10-20 international system. One-minute EEG stabilization period was then observed and followed by 180-second baseline recording. The baseline EEG recording was followed by the presentation of the stimuli. Our similarity ratings yielded an $F(2, 807)=.506$, $p=.605$, indicating no statistically significant difference in similarity of the products presented to our participants. Participants also indicated in their ratings a significant difference in familiarity $F(2, 807)= 22, 587$, $p<.001$ between the brand and generic products. Simple effects indicated a higher familiarity with manufacturer brands category than with private-label brands category. EEG analysis was performed with frontal activity measures indicating no significant interaction between manufacturer brand and private-label groups in frontal EEG asymmetry (from the baseline to the stimulus presentation), suggesting that EEG responses to both were not significantly different from each other $F(1, 718)=1.868$.

The results of our pilot study seem to be promising. The apparent lack of significant difference in frontal EEG asymmetry demonstrates that subjects responded in a similar manner to manufacturer brand and a corresponding private-label. This finding suggests a possibility that stimulus generalization from the manufacturer brand to the private-label has taken place on the neuro-cognitive level despite participants' higher ratings of familiarity with manufacturer brands. Clearly this lack of distinction from the manufacturer brand, at least in appearance, would be desirable to the private-label brand. Whether through confusion in appearance or through stimulus generalization, buyers may respond favorably to the generally less expensive private-label brand. Findings are discussed in terms of strategy and recommendations for future research are presented.

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USING TRANSPORTATION TO AID IN BRANDING A NATIONAL PARK

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ABSTRACT

A national historical park is studied. Marketing the park's brand has been difficult because the park consists of many, dispersed sites with no clear park entrance. This study examines the economic feasibility of reestablishing historic transportation modes as a way to tie the park sites together and aid in branding.

INTRODUCTION

For marketers, a brand's value is derived from its relationship to customers. As Jacques Chevron (2000) has said, a brand "...is a covenant with the consumer, a promise that the brand and the products it names will conform to the expectations that have been created over time." Brand management and development for consumer and industrial products has been discussed in the literature. There is little discussion of brand development for national parks.

BACKGROUND

When the U.S. Congress established the Keweenaw National Historical Park (KNHP) in 1992, it created the park to commemorate the rich and complex story of copper mining on the Keweenaw Peninsula in northern Michigan's Upper Peninsula. The earliest mining activity in the area has been traced to Native Americans, but reports of enormous copper deposits on the Keweenaw Peninsula in 1843 spawned one of the earliest mining rushes in the United States. It preceded the famed California gold rush by six years. After an initial wave of individual fortune seekers, entrepreneurs arrived to direct an ordered extraction of this valuable mineral. From their efforts came a complex system of mining, processing, smelting, and transporting copper that helped stimulate the growth of industrial America.

The park is located in a rural area and far from major cities. Green Bay, Wisconsin is more than 200 miles away and Chicago is more than 400 miles

away. There are two major sites in the park; the Quincy site and the Calumet site, which are separated by about 15 miles (see Figure 1). The Quincy Unit, with 1,120 acres, is located just north and east of the City of Hancock and adjacent to Portage Lake. This unit includes remnant structures, mines, and railroad infrastructure of the Quincy Mining Company. There are seven Quincy mineshafts and surface works, and remnant worker houses, company administrative and service buildings and managers' residences on the site. Two of the significant structures on the site are the #2 Shaft House, which is built over a shaft that eventually reached 9,300 feet on the incline, and the #2 Hoist House. The largest steam powered hoist ever built, a Nordberg Hoist, is on display in the #2 Hoist House.

The 750-acre Calumet Unit includes remnant administrative structures, mine buildings, the associated historic landscape of the Calumet and Hecla Mining Company, and associated commercial, cultural, and residential areas of the Village of Calumet and Calumet Township. Calumet retains considerable integrity of its historic setting. In 2003 Calumet /Calumet Township received one of four "Main Street" designations by the Michigan Economic Development Corporation. Initiated by the National Trust for Historic Preservation, the program seeks to reestablish America's downtown districts as centers of community life including shopping, working, recreation, and living. Once a center of financial and cultural activity, Calumet almost became the state's capital and includes some of the finest historic architecture in Michigan.

Figure 1
 The Quincy and Calumet Units and Their Location in Michigan's Upper Peninsula

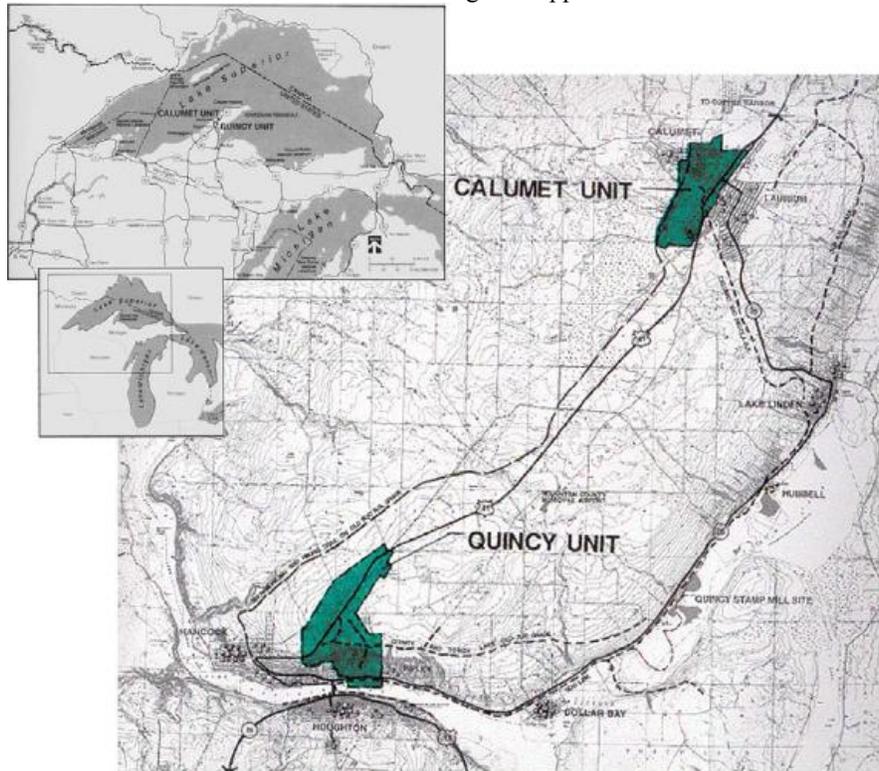
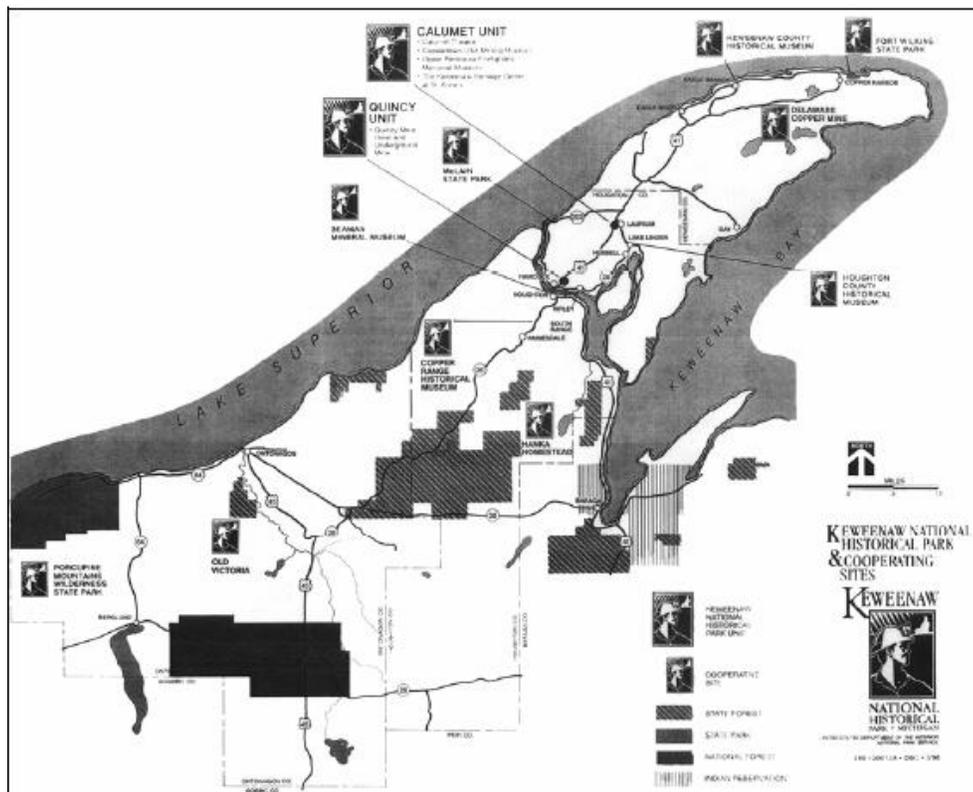


Figure 2
 Cooperating Sites



The initial idea of the KNHP emerged from economic difficulties in the Calumet area that had been developing ever since the closing of the Calumet & Hecla mine in 1968. City and business leaders were inspired by the successful establishment of the Lowell National Historical Park near Boston in 1978 to commemorate the labor and industrial history of Lowell. Just as was the case for Lowell, leaders in Calumet hoped that the park would serve as a foundation for economic development. The Keweenaw Peninsula was already a mildly popular tourist destination because of its pristine environment and abundant water recreation, and their goal was to make the Calumet area an additional destination for tourists. They understood that “Communities that have been successful at getting tourists to visit, stay, spend money, and come back have developed high-quality tourism attractions and put together successful tourism packages involving the community, its surrounding area, and businesses involved in tourism” (Wilson et al. 2001).

KNHP STUDY

One problem with the KNHP, in comparison to its Lowell model, is that the elements of the park are not contiguous; instead they are separated by many miles. In addition, the park has no clear entrance. Tourists who enter the Quincy mine site certainly know that they are visiting the mine, but they may not be aware that the mine is part of the KNHP as well.

Because of the distance between the Quincy and Calumet sites and fourteen other cooperating sites (see Figure 2 for a map of the cooperating sites), the General Management Plan of the KNHP identified transportation as an important element in improving the circulation of visitors through the park, in tying the sites together, and in branding the park. As a result, the National Park Service funded a study for the park. The study examined the financial feasibility of recreating the historical transportation modes which had connected some of the sites and which could enhance the historical experience of tourists.

Four transportation modes were studied to determine probable tourist enthusiasm for the transportation modes and their financial feasibility. First, a cog railroad already was established at the Quincy unit which took visitors from the Quincy mine shaft house to the entrance to the underground mine tour. An expansion of the cog railroad would tie

In order to estimate tourist activity, the survey asked where people stayed during their visit to the

in a planned movement of a nationally known mineralogical museum (currently housed at a nearby university) and a nearby proposed visitor center for the park. Second, the re-establishment of an interurban trolley between the Quincy site and Calumet on the old right-of-way was examined. Third, a trolley in Calumet, possibly following the original trolley tracks, would tie the numerous sites in Calumet together. Finally, a steam locomotive from Calumet to Quincy, following the original right-of-way, would tie together sites on the eastern side of the Keweenaw Peninsula and provide a additional historical tourist experience. All of the transportation modes have narrated tours in which the driver would relate stories of the history and point out attractions.

In order to estimate the possible ridership of the proposed transportation modes, surveys of tourists at three different locations on the Keweenaw Peninsula and during two different weeks during the summer tourist season were conducted. The surveys used personal interviews and included maps of the proposed routes and pictures of possible rail and trolley systems. 77.63% of the people who were approached and asked to answer the survey agreed to cooperate. A total of 332 responses were obtained.

TOURIST ACTIVITY

Because the KNHP does not have clear boundaries or an identified entrance, it is difficult to estimate tourist activity at the park. A baseline figure is provided by the number of visitors to the Quincy Mine unit, where tourists have to pay to enter. In 2003, there were approximately 45,000 paid visitors to that site. It was not known what this represented in terms of market penetration because the total number of tourists to the Keweenaw Peninsula was unknown. Therefore, one purpose of the survey was to estimate tourist activity on the Peninsula. This was necessary in order to be able to estimate initial use of the proposed transportation methods. Unfortunately, very little solid secondary data are available concerning the number of tourists; one of the few estimates is one made by Michigan State University in 1996 (MSU Tourism Resource Center 1996). That study, based on a mail survey of Michigan tourists, estimated 1,284,300 tourist-nights for Houghton and Keweenaw counties (the two counties completely contained on the Keweenaw Peninsula).

Peninsula; 56.3% of the respondents who stayed at least one night on the Peninsula said that they stayed

in hotels, motels, cabins or resorts (HMCR). The total number of visitors to the Peninsula could then be estimated because of a 2% tax that is assessed by all HMCRs in Houghton and Keweenaw Counties. Based on these data, it was estimated that there were about 660,000 tourist nights for the two county area. The difference between these two values demonstrates some of the difficulties associated with making these estimates; possibly, the true value falls somewhere between the two. 23.7% of the tourist parties in the survey were day-trippers (i.e., did not spend at least one night on the Keweenaw, in some cases because they were local residents). About half of the day-trippers were residents of the Keweenaw Peninsula.

4.6% of the respondents were from the Upper Peninsula of Michigan, but not residents of the

Keweenaw. Almost 33% were from the Lower Peninsula of Michigan (note that the drive time from the northern tip of the Lower Peninsula to the Keweenaw Peninsula is about 5 hours and the drive time from Detroit is about 9 hours). 26% were from the nearby states of Indiana, Ohio, Wisconsin, and Minnesota. The remainder was from other states and a few foreign countries. Based on the number of respondents in the sample, market penetration, not surprisingly, declines as the distance from the Keweenaw Peninsula increases (see Figure 3). Because the closest major population centers are four to nine hours by car from the Keweenaw Peninsula, increasing brand awareness in these metropolitan areas is important in order to improve tourist activity at the park.

Figure 3
Respondents by Region

Region	Number of respondents	Number of respondents as a percentage of total respondents	Number of respondents as a percentage of the region's population
Keweenaw Peninsula	51	14.7	$9.4 \times 10^{-2} \%$
Upper Peninsula, other than the Keweenaw Peninsula	16	4.6	$6.1 \times 10^{-3} \%$
Lower Peninsula	114	32.9	$1.2 \times 10^{-3} \%$
IN, OH, MN, or WI	91	26.3	$3.2 \times 10^{-4} \%$
All other states	75	21.7	$2.9 \times 10^{-5} \%$
Total	346	100	

AWARENESS

In order to do well in marketing any product or service, potential customers have to be aware of the brand, in this case KNHP. Blain et al. (2005) point out that awareness is the “crucial first step in the ... consumer decision process.” The problem with brand awareness for the park is exacerbated by its dispersed cooperating sites and the lack of any clear park entrance. This was demonstrated in the survey of tourists. Overall, 54.3% of the respondents said that they were aware of the park (the question was, “Are you aware of the existence of the Keweenaw National Historical Park?”). Interestingly, only 47.7% of the respondents who were interviewed at the Quincy unit said that they were aware of the existence of the park. This demonstrates the branding problem that the park has because the Quincy unit is the most identifiable unit of the park.

said that they had only visited one of the state parks, but none of the other sites (51 of the 332

All but three of the 348 respondents claimed to have visited at least one of the cooperating sites. This implies a market penetration for the park, as a percentage of tourists to the Keweenaw Peninsula, of about 99%. However, of those who claimed to have visited at least one of the cooperating sites, only 62.4% said that they were aware of the existence of KNHP. In other words, almost all of the respondents claimed to have visited at least one of KNHP's cooperating sites, yet 37.6% of them were not aware of the park. This further demonstrates the lack of branding and brand awareness of the KNHP.

Three of the cooperating sites are popular state parks on the Peninsula. It may be that visitors to these parks (Fort Wilkins, McLain, and Porcupine Mountains State Parks) are not aware that these are cooperating sites of KNHP and really do not care because their main destination is one of the state parks. The awareness of the KNHP for those who respondents), was only 33.3%. This strongly suggests that a better job needs to be done to make people who

are visiting the cooperating sites aware that they are also visiting part of KNHP. This should be used as an opportunity to sell the park and increase the number of tourist-days in the area.

ATTITUDES TOWARD TRANSPORTATION MODES

Sirgy and Su (2000) have pointed out the importance of a destination's environment or atmospherics, the natural beauty and historic factors, form the context in which tourists make their decisions. For a historical park, the atmospherics, at least in terms of initial impressions, may be the most important. One problem with the KNHP is that the atmospherics are not as clear as they could be. The proposed transportation system is partly designed to improve the atmospherics by enhancing the historical context of the tourist's experience.

The questionnaire asked respondents about the alternative transportation systems that were being considered in the study. For each question, respondents were asked to choose one of five alternatives concerning the likelihood that they would use the alternative transportation system. The choices were: Definitely would not, Probably would not, Don't know, Probably would, Definitely would. For each question, a price was given for the transportation mode based on similar prices at other venues and based on an estimate of the operating costs of the modes.

For all four transportation modes, approximately 25% of the respondents said that they would definitely use the transportation mode and about 45% said that they probably would use the mode. Based on this and based on the estimated number of tourists, approximately 50,000 tourists would use the transportation modes during the season. However, for those people who had used the currently available cog railroad at the Quincy site, 37.1% said that they definitely would use the expanded cog railroad at an additional price and 51.6% said that they probably would. This tends to indicate that experience increases the enthusiasm for that transportation mode.

As Chandon et al. (2005) point out, purchase intentions are widely used but imperfect indicators of actual buying behavior. One problem with purchase intentions is that there is likely to be response error, causing an upward bias in purchase intentions, because it is easy to say that the transportation mode would be used at the given price, compared to the act

of actually doing so. As a result, in the financial feasibility analysis, the estimated number of tourists who would use one of the transportation modes was based on the percentage of respondents who said that they would definitely use the mode.

However, from a subjective perspective, the interviewers and the researchers, in talking to tourists, found a high level of enthusiasm for the concepts studied. This was reinforced in the comments section of the survey. A typical comment was "Driving behind the mines, there is so much beauty. I would like to see some kind of transportation back there so that more people could see what I have seen in the last couple of days."

PARK AWARENESS AND INCLINATION TO BUY

People who had experienced the cog railroad were more likely to be favorably inclined to use an expanded cog railroad than those who had not experienced it. This suggests that increased awareness of the park's attributes might make people more inclined to use the park. In order to see if this was generally true, an "awareness" score was created for the respondents by adding the number of cooperating sites that each respondent was aware of and the number of cooperating sites that the respondent had visited. This awareness score therefore had a potential range of zero to thirty-two. The correlation of this awareness score with the inclination to buy answers for each of the transportation modes was small, but positive and significant (correlation coefficients varied from 0.140 to 0.233 with significance values ranging from 0.024 to 0.00015).

Furthermore, for those who had awareness scores of greater than 16 (about the top third of the awareness scale), more than 80% of the respondents said that they probably or definitely would use each of the transportation modes. This supports the notion that the more the tourists know about the park, the more they would want to use the transportation modes.

CONCLUSION

If KNHP becomes a destination park, the trade area from which the park will draw its visitors will expand and market penetration in the trade area will increase. A historical transportation system that helps to tell the story of the park and to tie the dispersed

elements of the park together is a key to branding the park, increasing awareness, and transforming the park into a tourist destination.

1. Using a conservative estimate, based on the percentage of respondents who said that they would definitely use one of the transportation modes and the estimate from the survey of the number of tourists currently visiting the Keweenaw Peninsula, the financial feasibility estimates show that the modes could pay for their operating and maintenance costs. The capital costs for establishing the systems would have to come from government or private grants.
2. The park needs to do a better job of informing tourists about the park and its cooperating sites. Each contact with a tourist should be viewed as precious, as an opportunity to promote the image of the park, park activities, and its cooperating sites – as an opportunity to establish or strengthen the brand covenant. The message should be clear, consistent, and engaging at each contact.
3. The more familiar people are with KNHP, the more they like it. This is good news and suggests that once tourists enter one of the cooperating sites, they need to be informed of the other activities of the park to give them an opportunity to strengthen their ties to the park.
4. Increasing brand awareness of the KNHP brand will be crucial in encouraging tourists who live in distant cities to visit the park. The transportation system should be an integral part

of the awareness campaign in these major metropolitan areas.

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SALES COACHING: A MODEL FOR TRAINING SALES MANAGERS

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ABSTRACT

After a literature review about sales coaching, the researcher draws conclusions and proposes the following training model: (a) Assessing, (b) Training, (c) Coaching, and (d) Applying (ATCA). This model can increase productivity by encouraging sales managers to apply their training in the field with their salespeople, using a coaching approach.

INTRODUCTION

Over the past ten years, a major trend has been emerging in the field of sales management--sales coaching. Successful sales coaching assists sales managers (a) in improving their sales team's productivity, (b) in reinforcing their sales representative's training in the field, and (c) in increasing their capacity for managing larger sales teams. Implemented properly, sales coaching can empower sales managers to perform their managerial duties and improve sales performance while developing their salespeople. Sales managers need training to develop their skills in sales coaching; otherwise, this management style is not likely to be practiced in the field.

LITERATURE REVIEW

Sales coaching is a deliberate process designed to improve sales performance over time. It consists of planned discussions and activities in which the coach provides ongoing observation, analysis, feedback, and encouragement (Corcoran 1994, p. 28).

Sales coaching is a daily process used to address a salesperson's interactions with internal and external customers. It is a collaborative activity in which the sales manager helps salespeople learn their own lessons. Rather than exerting their authority by giving direction, the most effective coaches are keen observers who lead by example. A common stumbling block in the coaching process occurs when sales managers, who achieved their positions by being superior salespeople, intervene in the sales call (Corcoran 1994). When making joint sales calls with customers, sales managers should not take over the calls or quickly intervene whenever things are not orders, making authoritative decisions, and by hoarding information. On the other hand, the coach

going well. Instead, sales coaches are careful observers of the interaction between clients and their salespeople. Effective sales coaches realize that allowing their salespeople to make mistakes will become a strong motivator for learning new ways to improve selling skills in future calls (Lorge 1999).

Applying Sales Coaching

Richardson (1998) explains that there are critical skills a sales coach needs to facilitate a coaching dialogue. First, a sales coach should develop the ability to convey a presence of self-confidence and a sense of comfort. This presence gives subordinates the impression that the coach wants to assist them in succeeding, rather than conveying that the coach is there to punish them for mistakes. Second, coaches relate to people in a friendly and positive manner, but can be tough on important issues. Using questions, a coach helps salespeople self-assess their situations by probing deeply during the coaching dialogue to uncover and remove obstacles.

As a coach, the role of the manager is one of support in which advice and assistance are offered to employees. In an objective manner, the coach should provide guidance to their employees and attempt to foster better relationships between managers and employees. A coach focuses on the employees' development needs by helping them achieve their full potential and improve flexibility. Furthermore, the move away from traditional management to coaching is a move away from rigid rules and procedures. As a result, the amount of flexibility in the ways tasks are performed is much broader (Buhler 1998).

Rather than exerting control over workers, the coach empowers employees to manage themselves. The directing manager exerted control through giving of today is an active listener, uses participative decision-making, and stresses the importance of

sharing information. After all, if employees are to be truly empowered and participate in decision-making, they will need to have access to the appropriate information (Buhler 1998).

Providing Support

An effective coach provides the ongoing support, resources, and information necessary for his or her people to get their work done. There are a number of ways in which managers provide support: An underlying theme is that a coach creates a workplace where people can do things with a minimum number of hassles and frustrations. The team will experience a greater sense of accomplishment if the following support issues are addressed (Longenecker and Pinkel 1997):

1. Provide the resources employees need to get the job done.
2. Offer employees the information they need to perform their jobs effectively.
3. Remove barriers that prevent employees from getting better results.
4. Give employees the authority needed to perform their duties.
5. Train and develop employees to work together effectively as a team.

Coaching Effectively

The typical authoritarian managerial environment puts employees on the defensive because they live in constant fear of being judged. "A judging relationship causes employees to hide their mistakes, defend their behavior, and refuse to ask for help or admit their weaknesses or vulnerabilities" (Mobley 1999, p. 57). Conversely, a coaching atmosphere creates trust and builds support because coaching is the opposite of judging. Coaching relationships help people work out issues and find their own answers through the skillful use of probing questions. Coaches help employees recognize their strengths and uncover their blind spots. In addition, coaches can offer additional possibilities and options that employees had not considered in evaluating their situations (Mobley 1999).

pieces of information for an employee to visualize: (a) A description of the employee's performance using specific examples or facts; and (b) a description of the coach's expectations of the

Coaching should focus on patterns of employee behavior, both positive and negative. Phillips (1998, p. 41) stated the following:

Coaching is not chewing out, taking to task, or threatening employees to try to improve their performance. Those tactics can work, but the results may be worse than the original problem. Such approaches tend to make employees passive-aggressive. They will walk the line and do nothing more or less than what's asked.

Fournies (2000) explains that managers who use punishment as a means to change employee behaviors may create unintended problems that far outweigh the benefits. In the field of psychology, behaviorism is based on the premise that people do things because of the positive and negative consequences associated with those behaviors. When applied in management, managers tend to use negative consequences as a way to reduce the frequency of problem behaviors on the part of their employees. There are, however, three potential hazards (Fournies 2000) that managers should be aware of in using this approach:

1. Negative consequences could be perceived as positive consequences by an employee; thereby, increasing the frequency of the problem behavior.
2. Negative consequences could create an environment of apprehensive employees, making them less willing to initiate actions or take risks.
3. Negative consequences could result in employee aggression, such as interfering with work productivity, damaging the manager's reputation with gossip, and disrupting work activities.

Getting an employee to recognize and agree that there is a need to improve his or her performance is important: This applies to an employee who has a specific performance problem or an employee who is an average performer, but could do better. "Without agreement, there's little likelihood that any improvement will occur or that it will be permanent" (Phillips 1998, p. 42). Getting an employee to agree that a problem exists involves having the coach paint a mental picture about the differences between what is expected and what the employee is doing. In doing this, a coach should juxtapose the following two employee's performance in the area being discussed. Placing these two pieces of information together allows the employee to see the difference between his or her performance and what is expected (Phillips

1998).

Summary

Coker, Del Gazio, Murray, and Edwards (2000) found that the following actions are taken by organizations that engage in successful sales coaching efforts:

1. Sales managers make coaching a high priority and understand how it supports the company strategy for keeping customers for the long and short term.
2. The entire sales department has the same expectations about sales coaching.
3. Based on the department's definition of sales coaching, sales managers are trained in coaching.
4. Sales coaching is provided to every salesperson.
5. To assure that coaches are able to apply coaching effectively in today's competitive selling environment, they are given continuing education about the market, industry, and product knowledge.
6. The objectives for training programs include input from sales coaches.
7. Coaching is not limited to the sales department; it is available to others within the organization.

CONCLUSIONS

With the goal of improving a salesperson's performance, sales coaching is a sequence of conversations and activities that provides ongoing feedback and encouragement to a salesperson or sales manager. Sales coaching is most effective when done in a systematic way (Coker et al. 2000). The focus of sales coaching should be on the behaviors of salespeople that directly impact results. For example, sales coaching can be used to improve knowledge about the company's products and services, understanding customers' needs, and personal selling skills. On an account-by-account basis, effective sales coaching occurs when sales managers and salespeople work together to identify ways to achieve training workshops (Monoky 1996).

RECOMMENDATIONS

To ensure that sales coaching is being applied in the field, sales managers need to receive on-going

the company's goals and meet or exceed customers' expectations (Corcoran 1994).

Companies generally fail to provide adequate training for their sales managers. An empirical study found that less than half of all sales managers, whether newly appointed or experienced, received any sales management training. The sales managers who received training were usually given sales management training only after being promoted to higher level sales management positions (Anderson, Mehta, and Strong 1997). Studies have shown that more than one-half of the firms surveyed do not provide any sales management training for new sales managers. Of the firms that provide training, many spend at least half of their time providing training that would be more suited for the job of a sales representative than a sales manager. Without proper sales management training, new sales managers find it difficult to prioritize their activities in terms of importance and suffer from role ambiguity (Anderson and Dubinsky 1999).

Sales managers need training on a regular basis to develop the skills and knowledge needed to compete in the market place. After sales managers have attended training, the next step is assuring that the new methods are understood and implemented in the field. Usually, reinforcing training for sales managers involves changing their compensation to support the effort. For example, rather than basing their compensation on sales revenue alone, top management could use ratings on reducing employee turnover, improving employee job satisfaction, spending time coaching their salespeople, and training new recruits (Lorge 1999).

To effectively coach, a sales manager must make time for coaching by removing or reducing competing pressures. In general, a sales manager should allocate about 30 to 40% of his or her time to develop salespeople. The sales manager should start by selecting a few salespeople as opposed to trying to coach everyone at once: Next, goals and objectives should be set for coaching during joint sales calls and planning meetings. In the early stages, sales managers should focus on dedicating adequate time for the coaching process and not worry as much about the quality of the interventions. To improve their coaching skills, sales managers should attend training about its practice. In addition to being trained on coaching techniques, sales managers should be given instruction on how to apply their coaching skills in a variety of situations. For example, after sales managers receive training on selling skills, product knowledge, or account management

techniques, they should be trained on using sales coaching with their salespeople. By adding the step of training about coaching, sales managers will come to realize that coaching is a behavior that is valued by the company, which will result in lasting change within the organization. The amount of time dedicated to coaching during each training session could vary depending on the degree to which sales coaching is being practiced in the field.

The researcher recommends the management approach of sales coaching as a way to change an organization's culture and improve its sales productivity. From the literature review, the following four constructs about sales coaching were identified: (a) Assessing, (b) Training, (c) Coaching, and (d) Applying (ATCA). Based on these constructs, the researcher devised the ATCA model for training sales managers. In implementing a comprehensive training program for sales managers, the following steps should be taken:

1. Assessing. Before preparing a training session, conduct a needs assessment to determine the training needs of the sales managers.
2. Training. Based on the results of the needs assessment, design and implement a training session for sales managers, which will develop their skills and knowledge.
3. Coaching. During the training session, spend time teaching the sales managers about the best ways to coach their salespeople.
4. Applying. After the training session, have the sales managers apply what they have learned in the field. With their newly acquired skills and knowledge and training about coaching, they should be able to develop their salespeople more effectively.

The ATCA model can increase sales productivity by encouraging sales managers to apply their training in the field, using a coaching approach. This model offers a systematic method for improving sales training and transforming sales managers into Monoky, John F. (1996), "Does Your Coach Cut It?" *Industrial Distribution*, 85 (April), 109-110.

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coaches; and it can be used repeatedly with various training topics. Too often, sales managers do not get the training they need. The ATCA model offers sales managers a way to enhance relationships with their salespeople and positively impact the performance of their sales teams.

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THE ROLE OF COMPENSATION, QUOTAS, AND BELIEF ON SALES PERFORMANCE IN THE OFFICE PRODUCTS INDUSTRY

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ABSTRACT

This study examines the effect of compensation strategies, specificity of quotas, and salespeople's belief levels on sales performance. A total of 187 office product salespeople participated. The results indicate a positive relationship between a commission structure, regular written quotas, and a belief that the compensation structure is fair with high sales performance.

INTRODUCTION

The purpose of this study is to examine different compensation strategies, quotas and perceptions of existing compensation structures on the part of salespeople and the impact of all three on performance. Office product salespeople from all over the country participated in the study. The goal of the study is to be able to identify compensation structures and quota activities that are more likely to result in higher levels of sales performance.

LITERATURE REVIEW

The primary objective of a sales incentive compensation structure is to motivate the sales force, first to sell more, but also to engage in particular desirable selling activities. If the sales force does not clearly see that the plan pays for performance, however, the plan will not motivate (Luo, 2003). The goal of the compensation systems is to consistently motivate salespeople; the goal does not appear to be met. Pfeffer, (2004) believes that incentives can be successful for reasons beyond being motivated for the cash. Additionally, incentives provide guidance as to what activities the organization sees as important, particularly for those who want to be successful.

According to Emmerson and Marks (2006), there needs to be an alignment between the key performance metrics that sales organizations want to see accomplished and the sales compensation program for the sales force. Two of the challenges in terms of restructuring the sales compensation system are to make it fair for the sales force and cost effective. In a 2005 annual survey of the

pharmaceutical industry, 92% of those organizations participating stated that 92% of the field sales leadership participates in the incentive structure offered to the sales force (Pharmaceutical Executive, 2006). The findings suggest that participation in the design of compensation program could be a key element in obtaining desired sales performance.

Stiffler (2005) has identified a need for increased consistency and simplicity to the incentive - compensation plans in the pharmaceutical industry, particularly when two different companies merge. Shipley and Kleiner (2005) state that companies need to be able to manage compensation of commissioned sales employees in a way that will maximize profit and motivate employees to close more sales. They believe the easiest way to do this is to simply ask sales employees what they want. Once an organization finds out what is most important to their employees, the organization can start putting together a compensation plan that satisfies people along with increasing productivity and profit, while reducing costs.

Schwepker and Good (2004) caution that in a results-oriented environment, the sales quota basis of many compensation systems can have sellers and managers behave in a way that is inconsistent with customer-oriented selling. Their results indicate that sales quotas can negatively affect sales force customer orientation based on sales managers' responses to salespeople's selling behaviors. However, a company's proactive ethical climate was found to positively influence sales force customer orientation. In a related research study, it was concluded that a company may encourage ethical

behavior and desire the salesperson to act only in the customer's best interest.

Within the security industry, Bangert (2006) recommends using an incentive structure that pays a percentage of gross profit. In order to make gross profit compensation successful, the selling organization needs to accurately determine their specific gross profit points.

METHODOLOGY

A total of approximately 1400 office products salespeople working for office product dealerships ranging in size from less than three million dollars in annual revenue to over 20 million dollars. The survey included a total of 28 questions addressing compensation issues, quotas and belief in achieving sales success. The 28 questions include five open ended questions. A total of 187 of the approximately 1400 electronic surveys were completed on-line. The on-line survey request was sent out by a provider of office products materials to office product dealers. One of the motivations of the study was to provide office product dealers and salespeople with compensation strategic information about the office product industry as a whole.

RESULTS OF THE STUDY

Key Frequency Findings:

The total range of dealer sales volume by dollars: 184 responses: 23% of the respondents were under \$3 million – \$5 million in volume, 30% were between \$3 million and \$10 million, and 39% were over \$10 million.

Sales volume per employee: 187 responses: 35% of the responses were between less than \$250k and up to \$500k, 29% sold between \$500k and \$1 million dollars, 28% sold more than \$1 million dollars.

Of the 187 respondents, a total of 109 were full time outside salespeople, 36 were full time inside salespeople, and 41 stated other roles.

In terms of new account development, 56% had between 0 – 2 new accounts a month (51% being between 1 – 2 accounts), 44% added 3 or more accounts (25% were between 3 – 5 accounts).

When addressing the issue of quotas and performance expectations, the most common responses for each of the types of sales quota were as

follows: For written weekly sales quotas, 42% were at no extent (1.08 sd), for monthly quotas 27% were at a large extent (1.42 sd), for quarterly quotas, 26% were at no extent (1.39 sd), for yearly quotas, to a very large extent was the most stated with 22% followed closely with a large extent 21% (1.45 sd).

A total of 68% of the salespeople surveyed preferred a variable commission oriented type of sales compensation plan, while 32% preferred a consistent salary oriented compensation plan.

A total of 40% of the respondents believed to a large extent to a very large extent that their current compensation plan provided an opportunity to make the amount of money they were capable of making. 60% held a moderate extent to no extent on their belief of being able to do so.

Only 22% of the surveyed salespeople stated that their current compensation program rewarded them for acquiring new accounts.

When asked: To what extent are you motivated by money, 78% of the respondents stated to a large extent and a very large extent.

A relatively small amount (30%) of the salespeople viewed the current compensation plan a fairly rewarding their efforts.

Only 12% of the survey takers stated to a large extent or a very large extent that they are paid different commission percentages for different product categories. In contrast 61% did indicate from a large extent to a very large extent that they were rewarded based on gross margin dollars.

Overall, how effective do you view your compensation plan? 60% of the salespeople thought their compensation plan was not effective to moderately effective. 40% believed to a large/very large extent that the compensation plan was effective.

To what extent do you believe your sales results are directly linked to your compensation? A total of 61% said to a large/very large extent, their sales were directly linked, and 31% viewed the link to be only moderate to extent. Relatedly, only 30% were satisfied with their own sales results to a large/very large extent.

In regards to satisfaction with the compensation plan at the company they worked for, 32% were

satisfied to a large/very large extent, while 63% were moderately satisfied or not satisfied at all.

The salespeople were asked how long they have been in the sales career, 69% had been in sales over 10 years (with 39% in sales over 20 years). 30% had been in sales for 10 years or less.

Income for the last 12 months (including salary, commissions and bonuses) was distributed as such: 47% were making less than \$50,000, 35% made between \$50,000 and \$90,000, and 13% made over \$90,000.

Correlation Analysis for the Salesperson Compensation Survey:

All of the correlations discussed are considered to be "highly significant" at the p value of .01 or less. There were several correlations found in the survey that the office product salespeople completed.

Inside versus Outside Salespeople:

- The results indicate that inside salespeople add more new accounts than outside salespeople.
- Outside sales people view the compensation structure more fairly than inside salespeople.
- Outside salespeople are more money motivated.

Individual annual sales volume:

- Sales people with yearly sales quotas sold more than those without yearly quotas.
- The opportunity to make the money that you are capable of making led to higher sales volume.
- A compensation plan for rewarding acquiring new accounts led to more sales.
- Extent of being money motivated extent of satisfaction with sales results
- More years of selling experience means more sales volume.
- The larger the dealership sales volume, the larger the individual sales volume.

Gaining new accounts:

- Inside salespeople gain more accounts than outside salespeople
- Salespeople with weekly, monthly, and quarterly quotas gain more new accounts.
- Those that are more money motivated gain more new accounts.

Annual Sales Quotas:

Those salespeople that have clear annual sales quotas are also more like to:

- Be rewarded based on gross margin dollars
- Yearly quotas are also correlated with effectiveness of developing the overall company's sales team performance.
- Dealer sales volume - meaning the LARGER the dealer volume, the more likely they will have written yearly goals.

Attitude toward sales compensation plan: Salary versus Commission

Salespeople that **prefer a commission type of income structure** are more likely to:

- have written monthly sales quotas
- have a comp plan that enables them to make the money they are capable of making.
- have comp plan that rewards gaining new accounts.
- be motivated by money.
- view their existing comp plan as fairly rewards their efforts.
- be rewarded on gross margin dollars.
- believe that sales results are linked to the compensation plan.
- be satisfied with the compensation plan.

Make the money you are capable of making:

The extent that salespeople **believe** that the compensation plan enables them to make the money they are capable of making is correlated with:

- the amount of sales over the last 12 months.
- having commission based sales attitude.
- obtaining NEW accounts.
- viewing the comp plan as fairly rewarding efforts.
- being rewarded based on gross margins.
- having a comp plan that is effective for the overall sales team.
- being satisfied with sales results.
- satisfaction with the compensation plan
- TOTAL INCOME for last 12 months
- dealership sales volume

It is the belief on the part of the salespeople that the compensation plan is good for them that is so crucial for them to be motivated to perform at a consistently high level.

Motivated by money:

The more a salesperson is motivated by money, the more likely they are to:

- be outside salespeople - (type of sales position).
- have a high amount of sales in the last 12 months.
- sell more new accounts monthly.
- have a strong commission drive sales attitude.
- view their compensation plan as fairly rewarding their efforts.
- be rewarded based on gross margins.
- want sales directly results linked to compensation.

Years of sales experience:

The more years salespeople have been selling, the more likely they have a greater amount

Dealership sales volume:

The **larger sales volume dealerships** are also more likely to have a sales force that:

- has clearly written yearly sales quotas.
- has a compensation plan that provides the opportunity to make the money they are capable of making.
- is rewarded for obtaining new accounts.
- is compensated based on gross margin dollars.
- is satisfied with a comp plan that helps the whole sales team sell more.
- believes sales results are linked to a compensation plan.
- are satisfied with their sales results.
- are satisfied with the compensation plan.
- have higher levels of total 12 month income compared to smaller dealerships.

DISCUSSION OF THE FINDINGS

From the results of the study, we discovered that there is no singular compensation plan that works for all office product sales organizations. Different salespeople respond to different payment structures and incentives. Salespeople report inconsistent satisfaction with the current compensation structures that they work within, particularly for account growth and new account acquisition.

Several salespeople have stated that their dealer owners have done a poor job of aligning compensation with their organizational goals. One of the key issues of dissatisfaction was that commission structures based on gross profit does not reflect an overall industry movement toward increased lower margin pressure. Another point of contention was that there was very little reward for specifically generating new accounts. Additionally, many salespeople commented that they were being asked pay for more of their own sales expenses in newer and more expensive ways.

The salespeople that believe that their compensation plan enables them to make the money they are capable of prefer a commission based structure. Those who believe they could make the money they wanted obtained more new accounts, viewed the compensation plan as fair, were rewarded on gross margins, and had a higher total annual income than salespeople who did not the same compensation beliefs.

Our key findings indicate that salespeople with yearly sales quotas sold more than those without yearly quotas. The opportunity to make the money led to higher sales volume. A compensation plan for rewarding acquiring new accounts led to more sales. Salespeople with weekly, monthly, and quarterly quotas gain more new accounts. Those that are more money motivated gain more new accounts.

What is the power of belief? Is it simply a matter of taking the information about a compensation plan and evaluating the effective ness of the plan? Can two different salespeople view the same compensation plan as either positive or negative? We believe it is possible that a compensation plan can be responded to in a variety of ways.

Based on our analysis, we suggest sales management take into consideration the following compensation strategic recommendations:

- Offer a bonus or added compensation for obtaining new accounts.
- Determine in advance the likely sales margins when dealing with customers.

- Examine the actual activities that salespeople perform for their compensation.
 - Are they required to perform typical customer service duties and if so, are they addressed in the compensation structure?
 - Do salespeople have adequate time to prospect for the level of new account activity that sales management seeks?

- Reward current salespeople for helping a new salesperson take over small/average existing accounts by sharing commissions for 3 – 6 months.

- Invest in the success of new salespeople.
- Give a new salesperson a base of accounts to get them started.

In conclusion, we provide the following sales compensation structural recommendations:

- Compensation plans need to change over time – what worked in the past probably won't work today
- Develop a variable income plan based on results that can be accurately measured.
- Compensation plans need to be linked to profitability.
- Compensation plans must attract and retain quality salespeople. The cost of being tolerant of high levels of turnover is much higher than what is indicated on an income statement.

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AN EXPLORATIVE STUDY OF STUDENTS' PERCEPTIONS OF PERSONAL SELLING AS A CAREER

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ABSTRACT

The authors proposed a conceptual model adapted from Bristow and Kavas, developed and tested hypotheses, and suggested areas for future research. Business major and having family members in the sales career field were found to affect students' perceptions of personal selling as a career, whereas gender did not.

INTRODUCTION

Many business students initially enter the workforce through the sales field, and, consequently, there has been a continued interest in assessing said students' perceptions of the sales field as a career path. As noted by Stevens and Macintosh (2002-2003, p. 23), this "interest is fueled by the fact that college students make up a large and attractive pool of job candidates," recruiting companies "would like to know the reasons why students are or are not attracted to sales" and professors want to "know what role education plays in students' attitudes and perceptions of sales as a career."

The purpose of this paper is to explore a 21st century view of personal selling as a career ambition of college students using a proposed conceptual model. The study attempts to extract basic attitudes which can be translated into recommendations for professors to integrate into their classroom discussions.

LITERATURE REVIEW

Over three decades many studies have investigated college students' attitudes on the subject of personal selling as a career choice. Negative images, derived from various portrayals of sales people in various mass media, have been discovered by practitioners and academicians alike (see, e.g., *The American Salesman*, 1958; Bellenger, Bernhardt, and Wayman, 1974; Jolson, 1972; Paul and Worthing, 1970). Yet in other studies, students exhibited a more positive point of view towards sales as a career (Dubinsky, 1980; Dubinsky and O'Connor, 1983; Lagace and Longfellow, 1989; Swenson, et al., 1993).

Over the years many students have entered the workforce through the sales field. Many of them have become sales managers and have moved into various levels of importance in many wealthy companies. The need for well trained professional sales personnel to sell the products firms offer to the global markets is of major importance. The continuous recruiting process requires companies to seek out sales people who have the capability and desire to find and persuade buyers to consume goods and services (Weeks and Muehling, 1987). Honeycutt and Ford (1995) indicated that the educational level of sales candidates is an important factor for companies selecting members of their global sales forces. Efforts have been made to assess the skills needed by the sales profession and thereby adjust curricula to insure that students get the proper training that's needed by the profession (e.g., Luthy, 2006; Sohail and Bradmore, 2003).

CONCEPTUAL FRAMEWORK

Dennis Bristow and his colleagues applied the Marketing Lens Model (MLM) to personal selling careers in two recent studies (Bristow, Gulati, and Amyx, 2006; Bristow, et al., 2006). Bristow (1998) developed MLM from Brunswik (1952)'s Lens Model psychological theory, where the perception of one's environment (in this case, the salesperson) is influenced by one's experiences, expectations, and knowledge.

Meanwhile, Alican Kavas (2003) adapted a series of attitudinal statements for use in his study of African-American students' attitudes toward personal selling. He took 13 attitudinal statements that had been consistently used in research over the past 35-40 years (*The American Salesman*, 1958; Paul and

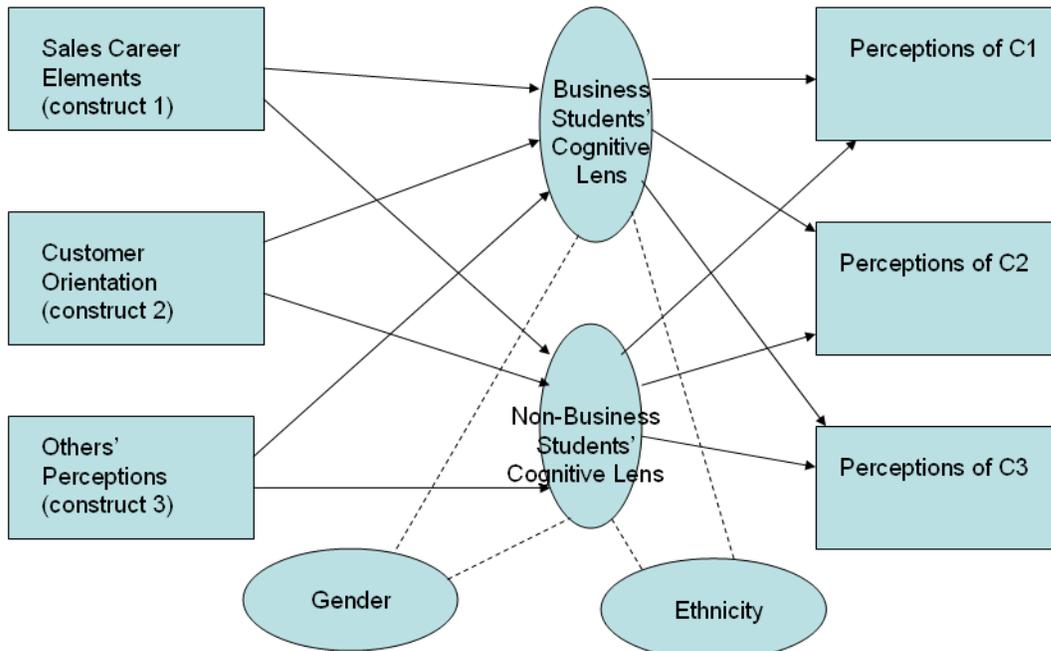
Worthing, 1970; Dubinsky, 1980; Lagace and Longfellow, 1989) and added three other statements suggested by Lucas (1996).

Upon comparison, Kavas' attitudinal statements match up, though imperfectly, with three of Bristow, et al. (2006)'s four components: elements of a sales career (RQ1), customer orientation of the salesperson (RQ3), and others' perceptions of salespeople (RQ4). Thus we propose that gender and ethnicity affect the cognitive lens through which students, business and non-business, perceive the sales profession as a possible career path. Gender differences in particular

have been studied by Cook and Hartman (1986) and Muehling and Weeks (1988), among others. Elements of a sales career (i.e., satisfaction, excitement, career growth, security, challenging) combine with how customer-oriented salespeople are (honesty vs. deceit, focused on the sale vs. focused on the customer) and how others perceive salespeople (prestige, admiration, trustworthiness) to create the attractiveness of the sales profession for a student considering it as a potential career. Being a business student or not also modifies how one perceives the profession. We call this proposed model the Modified Sales Lens Model (see Figure 1).

Figure 1

Modified Sales Lens Model



Hypotheses

As we explore and analyze the literature on personal selling we find that there are certain factors that affect the entry into the field of personal selling. Three of those are part of our investigation and have a major impact on decisions regarding whether a student enters the profession of personal selling.

Both men and women are involved in personal selling. Historically, men have been the primary actors in the sales field with women playing a minor role in personal selling. However, over the last 25 years women have begun to make major gains in employment in the sales field (Fugate, Decker, and Brewer, 1988). Because of the fact that women have begun to enter the sales field and are being accepted as important human resources in that profession, we posit that:

H₁ There is no significant difference between male and female students and their desire to work in sales.

Secondly, tradition is strong in many families. Many children's careers follow in the footsteps of their parents or relatives. Numerous examples can be presented where sons and daughters have pursued the same professional sales careers as their mothers, fathers, uncles or other relatives. Therefore we can say that:

H₂ There is a significant difference between students who have family or relatives who work or did work in sales and those without family members in sales, in their desire to work in sales, with desire being stronger for those with family ties to selling.

Students who have not studied the history, concepts and theory of selling may have a different perspective than those who have been exposed to a knowledge base about the selling profession. Such ignorance about the nature of the profession, how it functions and what its characteristics are, generates negative stereotypes that affect the perceptions of the students. Non-business majors' lack of knowledge about the profession will generate ideas that are not substantiated by research-based information. As such we state that:

H₃ There is a significant difference between business and non-business students in their desire to work in the sales profession, with desire being stronger for business students.

Our proposed model mentions the influence of ethnicity on students' perceptions and there should be a hypothesis related to this influence. However, a limitation is that so few ethnic minorities responded, thus prohibiting the testing of a hypothesis of no difference.

RESEARCH METHODOLOGY AND DESIGN

Data for this paper was collected from students through a self-administered survey. The first part (Part A) of the survey required the students to state three thoughts that came to mind about sales people. Next to these thoughts, the students were asked to evaluate these thoughts as positive, neutral or negative. The second part (Part B) requested that the students indicate whether after graduation they would be interested in selling. The possible answers for this question ranged from definitely would to definitely would not. The third part of the survey consisted of the attitudinal statements mentioned earlier. The meaning and definition of personal selling was explained in the instruction part of the survey. The students responded to a 16-item scale, which measured attitudes towards personal selling using a five-point Likert type scale with anchors of strongly disagree (1) and strongly agree (5). The fourth part of the survey related to questions associated with socio-demographic characteristics of the respondents.

Data was collected at three universities in the U.S.A. These universities were located in Pennsylvania, West Virginia and Florida. Students in business classes were asked if they were interested in completing a survey relating to perceptions of personal selling. Instructors of selected classes administered the survey during class time to students present that day. The respondents were able to complete the survey in about 15 minutes. A total of 261 respondents completed the survey.

Table 1: Descriptive Statistics

Statements	Mean*	SD	Median	Mode	N
Interest in a selling job after graduation	3.05	1.307	3	2	226
I associate a job in personal selling with:					
Frustration	3.29	1.005	3	4	260
Insincerity and deceit	2.88	1.111	3	3	259
Low status and low prestige	2.34	0.940	2	2	259
Much traveling	3.53	0.999	4	4	260
Salespeople being “money hungry”	3.19	1.097	3	4	259
Low job security	3.08	1.128	3	3	259
High pressure forcing people to buy unwanted goods	3.49	1.106	4	4	260
“Just a job” not a “career”	2.58	1.128	2	2	260
Uninteresting/no challenge	1.95	0.976	2	2	261
No need for creativity	1.89	0.996	2	2	259
Personality is crucial	4.43	0.882	5	5	257
Too little monetary reward	2.53	0.922	3	3	258
Interferes with home life	3.17	1.010	3	3	261
“Easy to get” job	2.82	0.868	3	3	261
Inappropriate career option	2.42	0.928	2	2	260
Difficult to advance into upper management positions	2.61	0.994	2	2	260
Open-Ended/Demographics	Top	%	Next	%	N
Thoughts #1 (+ = positive, n = neutral, - = negative)	+	44.6	-	36.3	240
Thoughts #2	+	41.8	-	34.7	239
Thoughts #3	+	43.6	-	31.1	225
Gender	Female	58	Male	42	257
Class Rank	Senior	40.6	Junior	23	256
Student Major (Business or Non-Business)	Bus.	87	N-B	13	254
Family in Sales	Yes	60.9	No	39.1	256

* Five-point rating scale where 1 = “Definitely *would* like” (Interest) or 1 = “Strongly Disagree” (16 statements).

FINDINGS AND DATA ANALYSIS

Table 1 provides a list of these statements along with responses, and the demographic profile of the respondents. Respondents tended to be women (58%), juniors (23%) or seniors (40.6%), and business majors (87%). Three out of five respondents (60.9%) indicated that they had family members involved in sales.

As indicated in Table 1, most of the open-ended thoughts (41.8 – 44.6%) generated by the respondents were positive. Students tended to agree with these perceptions of sales jobs: “low status and low prestige,” “just a job,” “uninteresting/no challenge,” “no need for creativity,” “inappropriate career option,” and “difficult to advance into upper management positions.” Students tended to disagree

with these perceptions: “much traveling,” “high pressure forcing people to buy unwanted goods,” and “personality is crucial.”

Independent t tests & ANOVA

Three significant differences by gender were revealed through independent t tests (see Table 2, which also includes Levene’s tests for equality of variances). Men were more interested in obtaining a selling job after graduation (Means: 2.64 vs. 3.31, $p = .000$). Thus we can reject Hypothesis 1. There is a significant difference by gender with respect to interest in a selling job after graduation. Turning to the 16 statements, women tended to agree more with “frustration” (Means: 3.4 vs. 3.15, $p = .048$), whereas men tended to agree more with “salespeople being ‘money hungry’” (Means: 3.4 vs. 3.01, $p = .005$).

One significant difference was found between major and interest in a selling career after graduation (see Table 2). Non-Business majors indicated a definite lack of interest in a selling job after their college years were over with (Means: 3.68 vs. 2.96, $p = .007$); therefore, Hypothesis 3 is not rejected. Five significant differences were found between family member in sales and perceptions of personal selling (see Table 2). Students with family members in the sales field tended to disagree more with “Just a job” (2.34 vs. 2.94, $p = .000$), “Too little monetary reward” (2.42 vs. 2.69, $p = .026$), and “Difficult to advance into upper management positions” (2.46 vs. 2.85, $p = .003$), and tended to agree more with “Personality is crucial” (4.58 vs. 4.24, $p = .003$). Respondents without any family members involved in sales tended to agree more with “High pressure forcing people to buy unwanted goods” (3.79 vs. 3.31,

$p .001$). However, no significant difference was found between family in sales or not and desire for a career in personal selling after graduation; therefore, Hypothesis 2 is rejected.

Three significant differences were uncovered using analysis of variance with respect to class rank and perceptions of personal selling, since we asked this demographic question (see Table 3). Sophomores tended to disagree more with “Insincerity and deceit” (2.45 vs. 3.29 for Graduate students, $p = .013$) and “Easy to get” job (2.48 vs. 3.24 for Graduate students, $p = .008$). Juniors, Seniors and Graduate students tended to strongly agree that “Personality is crucial” (means > 4.5 vs. 3.96 for Freshmen, $p = .002$). Homogeneity of variance tests were not significant for all three variables.

Table 2: Independent t Tests
Levene’s Test for Equality
of Variances

Items	Levene’s Test for Equality of Variances		Independent t Test	
	F Value	Significance	t Value	Significance
Group variable- Var21 (Gender)				
Var4 (Interest)	1.044	0.308	-3.802	0.000
Var5 (Frustration)	2.445	0.119	-1.991	0.048
Var9 (Money Hungry)	1.922	0.161	2.806	0.005
Group variable - Var23 (Major)				
Var4 (Interest)	0.015	0.902	-2.745	0.007
Group variable - Var24 (Family Sales)				
Var11(High pressure)	3.790	0.053	-3.441	0.001
Var12 (just a job)	3.421	0.066	-4.278	0.000
Var15 (Personality)	6.838	0.009	3.108	0.003
Var16 (too little \$)	2.459	0.118	-2.243	0.026
Var20 (advancing)	0.118	0.732	-3.052	0.003

Table 3: Class Rank (ANOVA)

ANOVA -ONEWAY	Significance	F Value
Var6 (Insincerity)	0.013	3.229
Var15 (Personality)	0.002	4.319
Var18 (“Easy to get”)	0.008	3.565

CONCLUSIONS

The results of this study have demonstrated that the overall sales career perception scale is a valid and reliable measure of students' ideas of sales as a career. We know that different people have different perceptions of sales as a professional career. We have demonstrated in this study that there are different perceptions among students, the potential sales people of the future, and who they are as individuals. Specifically we found out that there is no significant difference in male or female students' perception of the profession. That is an important finding because it means that both genders believe essentially that the same ideas exist among professionals in the selling field. The proposed influence linkage in the model is not supported.

Students who have family members affiliated with the sales profession also had some major difference in opinion on several factors (see Table 2). This suggests that the influence of selling from ideas about the job presented in family discussions may have affected their thinking about this profession.

Perceptions do differ by student major. The proposed model lens of major (business or non-business) does function to modify perceptions of characteristics and other factors relating to sales as a career choice.

With regard to class standing, though not a link in the proposed model, we found that there were differences between and among class standing. While there were no major differences with respect to desire for future sales career, there were specific differences in perceptions on ideas such as insincerity, deception, personality and ease of getting a job. Three of these variables are critical to the success for any sales person, yet we find significant differences among the students in each class. This may be caused by the maturing factor meaning that as they learn more and their perceptions refine, they have a more solid positive perspective on the issue.

MANAGERIAL IMPLICATIONS

Marketing professors need to be aware of the impact of major on students' perceptions of marketing careers in general, and of sales careers in particular. Professors need to pay attention to the stereotypes that students bring into the classroom and through exercises, role plays, and other experiential

methods, eliminate the negative perceptions wherever possible and reinforce the positive perceptions. Since family members involved in the sales field was shown to be an influence on perceptions, the professors should encourage dialog among students with and without family members in sales, as a means of enlightening all students about this crucial field of marketing.

LIMITATIONS & FUTURE RESEARCH

One major limitation of this study is that it was conducted at only three universities. Such a small selection of schools does not allow for diversity or a broader range of ideas about sales career perceptions. Another limitation is the fact that most of the students surveyed were business students. Surveying more non-business major may provide a sharper and more delineated indication of what the real perceptions are of divergent groups. A third limitation is the fact that an insufficient number of ethnic minorities participated in the study. Nevertheless, a number of areas for future research are suggested based on the above findings. First, the study should be repeated at universities with significantly larger ethnic populations (African-Americans, Hispanics, etc.). Efforts should be made to include more minorities in the sample size. In addition, more multi-university studies should be conducted, including a broader geographic diversity as well as public versus private schools, in order to fully study the perceptions of students toward personal selling as a career option.

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NEEDS ASSESSMENTS FOR TRAINING SALES MANAGERS: A PRACTICAL APPROACH

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ABSTRACT

This study examines the importance of needs assessments for training sales managers. The researcher assessed a group of sales managers at a tire dealer to determine their knowledge about sales strategies. Needs assessments improve training by focusing efforts in the areas in which sales managers have the most significant weaknesses.

INTRODUCTION

The purpose of this study is to examine the importance of doing a needs assessment with sales managers before making training recommendations. Like any specialized discipline in management, sales has a specific body of knowledge associated with its professional practice. Before sales managers can effectively train their salespeople about how to sell, they need to have a thorough understanding of the steps involved in the selling process. In this study, the researcher assesses the existing skills of sales managers at a tire dealer using a testing instrument. Using the sales managers' test results, the researcher analyzes the data to show their tendencies and patterns in selling, based on their knowledge about sales strategies.

Literature Review

Erffmeyer, Russ, and Hair (1991) conducted a study to determine the extent to which needs assessment practices are used in planning sales training. Of the firms surveyed, only one-third used formalized needs assessments for planning their sales training programs: An additional one-third of the firms used informal (i.e., judgment) needs assessments. Because two-thirds of companies used some type of needs assessment (formal or informal), most believe that there is real value in the needs assessment process. Zemke (1985) found that training departments using a more systematic approach to training design, development, and delivery receive larger budget increases than those that do not. Furthermore, Erffmeyer et al. (1991) state that formalized needs assessment practices should help to create better training programs and enhance the financial position of the training department.

manager: Subsequently, training activities can be assigned based on the assessment's results (Darraugh

Needs assessments can identify gaps responsible for less than desired managerial performance. At the end of the assessment, the needs analyses establish a basis for selecting specific training options to close those gaps. By conducting a needs assessment, trainers are able to improve their decisions with regards to choosing a solution that will yield the desired results (Kaufman 1994). In the development of training programs, an assessment of the needs of an organization's managers should be the first step. Without knowing the requirements of the organization and its individual managers, a trainer cannot effectively design a training program. Conducting a needs assessment helps to form the foundation for training. Also, it serves as a preventive measure by identifying potential problems--saving the organization time and money (Cline and Seibert 1993).

To develop a managerial training program and later evaluate its effectiveness, a trainer must measure the current skill levels of the organization's managers. This baseline data will allow trainers to identify strengths and weaknesses of the managers. Then, this information can be used to convince decision makers that certain training programs are critical to organizational success. Needs assessments are measurements that can identify organizational vulnerabilities, giving executives a chance to do something about them. Trainers can use this information to better evaluate training progress, identify effective parts of existing programs, and determine what changes need to be made to training (Hazucha and Holt 1991).

A needs assessment provides information for setting short and long range training goals and helps to justify the costs of training. Training budgets can be more wisely spent if needs assessments are used to identify which types of training are needed for each (1991). In selecting the best needs assessment design to use, trainers should consider the four parts of the

needs assessment process, including the planning phase, data collection phase, data-analysis phase, and reporting the results phase (Cline and Seibert 1993).

In the planning phase, trainers should do the following: (a) Decide whether to use external or internal resources, (b) establish and describe the needs assessment's goals, (c) secure the commitment of upper management, and (d) select the best assessment methodology for the organization. During the data collection phase, trainers administer the needs assessment and control the process. The parameters for conducting the assessment will depend on the project's methodology, which could be in the form of interviews, questionnaires, focus groups, and so forth (McClelland 1992).

In the data-analysis phase, trainers do the data compilation, statistical analysis, and preparation of a report. When compiling the data, decisions about how to use the information must be made. Statistical data will provide the baseline from which to monitor changes after the training has been implemented (Cline and Seibert 1993). During the reporting the results phase, trainers should attempt to work in a step-by-step manner to form a solid foundation for creating a training program. The final report needs to be written in a way that shows the results, indicates problems and requirements, and recommends strategies for improvement (Darraugh 1991).

When conducting a needs assessment to establish a baseline for training programs, Hazucha and Holt (1991) recommend the following seven steps:

1. Set objectives after determining the reasons for the training program.
2. Identify the people involved, including those being assessed, those providing feedback, and those whose input and perspectives are important.
3. Select the needs assessment design based on time, budget, and development needs.

4. Inform the participants about why they are being assessed, and assure them that the information will not be used against them.

5. Communicate clearly with those involved and arrange for the distribution of the results.

6. Work with top management and the participants in formulating the training and development plans.

7. Continue gathering data throughout the training program's development to find additional needs, and identify ways to improve the program.

METHODOLOGY

The methodology used was a quantitative measure, more specifically the instrument known as the Sales Strategy Index (SSI) from Target Training International, Ltd. (TTI). The SSI is a test that accurately measures the respondents' knowledge about the personal selling process. Its provenance is already established, along with its reliability and validity, and it has been widely used. After the questionnaires were completed, the respondents' scores were compared with proven sales professionals. Based on the 54-item questionnaire, the data analysis generates results that are directly related to the study's purpose (TTI 2000a).

The study's sample comes from a single organization, through the use of the convenience sampling method. The sample consists of 20 sales managers at a tire dealer called Tire-Rama, which is the largest independent tire dealer in the state of Montana. The study's survey instrument is complex and requires the respondents to rank each answer from one to four. In general, this research helps sales managers better understand the value of needs assessments by answering the following question: In the area of selling skills, how do sales managers at tire dealers compare with top sales performers in general?

The SSI test measures the sales managers' understanding about seven essential sales strategies, including Prospecting, First impression, Qualifying, Demonstration, Influence, Close, and General. A variety of analyses for each category are used to determine the training needs of the sales managers. The analysis takes the average scores of the participants and compares them with the "target means." The target means are based on the scores of top sales performers from various industries, such as automotive, truck, office machines, medical supplies, insurance, and real estate (TTI 1994a).

All seven categories of sales strategies were analyzed. The most significant weaknesses of Tire-Rama's sales managers were identified using a method called "Understanding what not to do rating." This method involves determining the frequency in which the respondents selected the least effective strategy as the most effective strategy. Overall, the analysis compares the means of the sample group (i.e., All sales managers) with the target means (i.e., Top sales performers) to determine their selling skill levels (TTI 1994b).

RESULTS OF THE STUDY

As presented in Chart 1, the most significant weaknesses of the sales managers at Tire-Rama were identified by using the Understanding what not to do rating. All sales managers scored an average of 32 points on Prospecting and 26 points on First impression. Top sales performers, on the other hand, scored an average of 55 points on Prospecting and 53 points on First Impression. This means that Tire-Rama's sales managers only scored 58% as high on Prospecting and 49% as high on First Impression as the Top sales performers did, which indicates a significant difference in skill levels.

DISCUSSION AND IMPLICATIONS

The purpose of the study was to draw conclusions and make recommendations about training sales managers based on the results of a needs assessment. The study's needs assessment is important because it focuses training efforts in the areas in which sales managers have the most significant weaknesses. The findings indicate that the sales managers at Tire-Rama and, quite possibly, other tire dealers have significant weaknesses in Prospecting and First impression. As a result, training programs should be designed for sales managers at tire dealers with an emphasis on these selling skills.

According to TTI (1994a), the two areas of significant weakness in this study can be described as follows:

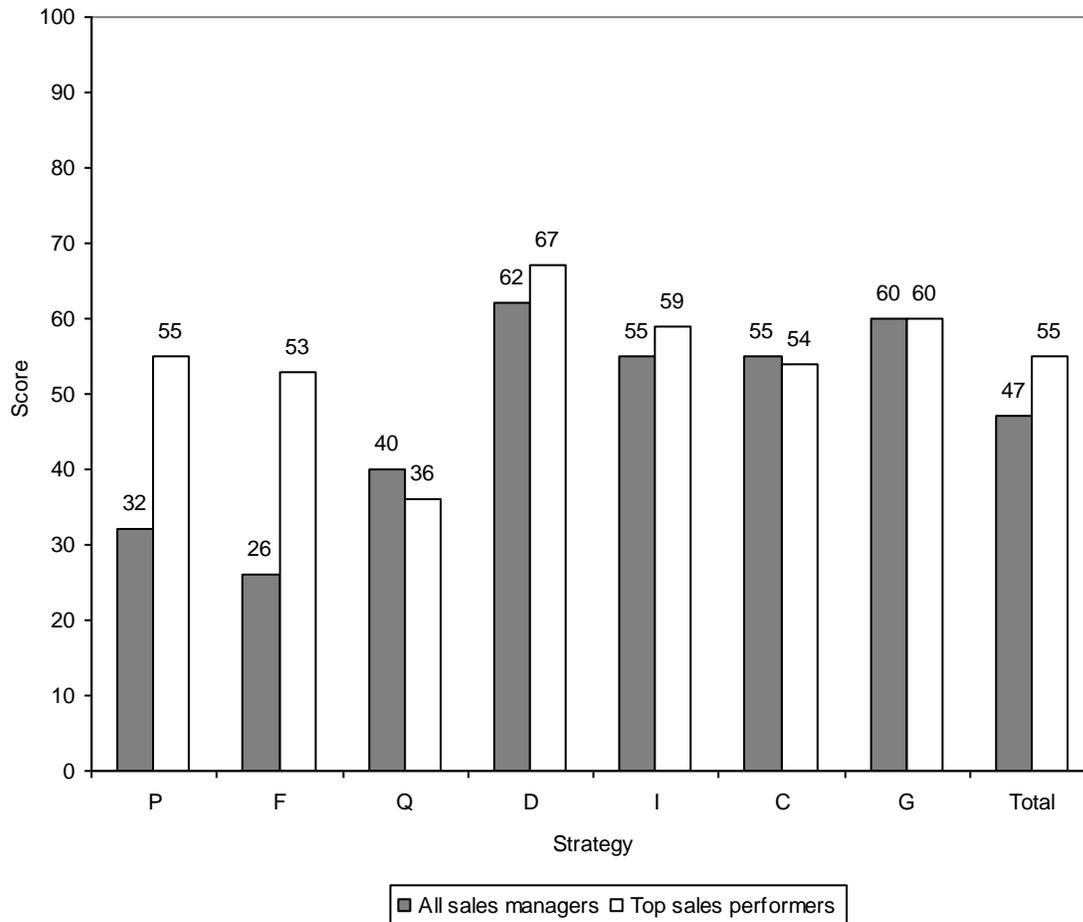
1. Prospecting. The salesperson identifies sales prospects, gathers background information, coordinates the physical activities of traditional prospecting, and develops an overall strategy for personal selling.

2. First impression. The prospect and the salesperson have their initial face-to-face interaction. In this step, the salesperson has an opportunity to (a) display his or her sincere interest in the prospect, (b) gain positive acceptance, and (c) develop a sense of mutual respect and rapport. It offers a chance to build trust and sets the personal selling process in motion.

Prospecting and First Impression are the first two steps in the selling process. If sales managers are weak in these areas, they will have difficulty in developing new business and training their salespeople to do the same. Because gaining new business is a critical function of sales managers and their teams, the results of this study should be considered when developing training for sales managers at tire dealers in the future.

CHART 1

Understanding what not to do rating: All sales managers (n=20) and Top sales performers.



P=Prospecting F=First impression Q=Qualifying D=Demonstration I=Influence C=Close G=General

Note. The data from Chart 1 is from “Sales Strategy Index” reports, by Baden, Gage, & Schroeder, LLC, 2000, Fort Wayne, IN: Author. Adapted with permission of the author.

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USING SEAMLESS INTEGRATION TO TEACH ETHICS

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ABSTRACT

Ethics education has received attention from the popular press and AACSB following the recent corporate scandals. This paper proposes a teaching technique based upon the premise that teaching ethics is different from other content areas because ethics is best learned when the student does not know it is being taught.

INTRODUCTION

In the weeks that followed Enron's and WorldCom's ethics crises, popular press and newspaper headlines singled out business schools as having been remiss in teaching ethical standards to the accused. MBA professors were especially targeted as having failed at their duties. Ghoshal (2003, July 17) writes "...faculty members need to own up to their own role in creating Enrons" and Merritt (2003) believes the starting point is "where careers begin—with management education" (p. 105).

However, while the press quickly traced these scandals back to MBAs and their business school educations, business school faculty themselves are still debating whether ethics can in fact be taught (Kohlberg and Hersh, 2001; Trevino and Brown, 2004; Weber and Wasieleski, 2001). As a group, business school faculty are not convinced that teaching ethics necessarily leads to behaving ethically in the workplace.

ROLE OF AACSB ACCREDITATION

Although the public outcry in regards to teaching business ethics is recent, it is not new. In the early 1990s, public officials, and to a lesser degree the public in general, looked to higher education to explain the scandals of the 1980s (e.g. the Exxon Valdez, the Iran-Contra affair, insider traders Ivan Boesky and Michael Milken, etc.). Faculty and administration have repeatedly called for more ethics coverage in the curriculum over the past 25 years (Guelcher 1999; Duska 1991; Lombardi 1985). Since 1979, the Association to Advance Collegiate Schools of Business (AACSB) has required that accredited schools show evidence of overall curricular coverage of ethical issues. The current standards (revised January 1, 2006) require "an undergraduate degree

program that includes learning experiences in four areas: Responsibility of Business in Society, Ethical Leadership, Ethical Decision-making, and Corporate Governance (AACSB Eligibility Procedures and Accreditation Standards for Business Accreditation). Although AACSB does not mandate *how* ethics is to be taught or *how much* coverage should be included, changes in AACSB standards and how those changes are interpreted ultimately impact how ethics is to be taught at accredited institutions. Standards continue to emphasize an evidence-based approach for assessment of learning—the Assurance of Learning Standards. Assurance of Learning Standards require "well documented, systematic processes to develop, monitor, evaluate, and revise the substance and delivery of the curricula of degree programs and to assess the impact of the curricula on learning" (AACSB, 2006, Standard 15, Management of Curricula, p. 15). Thus, it is no longer acceptable to simply show accreditation teams where "ethics" appears on a syllabus. AACSB requires evidence that students are in fact learning what it is we say we are teaching them. The changes in AACSB accreditation standards in regards to ethics and Assurance of Learning have made it imperative that business schools take another look at how they deliver ethics education.

While most business schools have started to examine their curricula in light of the recent accreditation changes, some educators are not satisfied with those changes. Hartman and Hartman (2004), and Swanson and Frederick (2005) are among the most vocal, charging that if AACSB were serious about increasing ethics education, ethics education would be explicitly required within new standards and part of this requirement would include a stand-alone ethics course as a necessary ingredient of adequate coverage. Teaching this stand-alone course would appropriately fall to those faculty especially trained in business ethics content.

The ambiguity of the AACSB standards, coupled with varying faculty attitudes and aptitudes towards teaching business ethics, has left the integration of ethics into the curriculum decentralized and fragmented. Many faculty members do not have the time or resources to include ethics in their courses (Langenderfer and Rockness 1989; McNair and Milan 1993). Other faculty do not feel qualified to teach ethics or are not comfortable with the subject (Lund Dean & Beggs 2006). Even faculty members who include ethics in their courses usually indicate that the coverage is a specific amount of time devoted to ethics (e.g. a chapter, a class period), not integrated throughout the course.

A common approach to ethics education has been ethics education across the curricula, wherein ethics topics are included among those for each functional area, such as accounting and finance. Ethics across the curriculum initiatives are not new. However, many educators believe that is not enough to rely on functional integration without a stand-alone course. Swanson and Frederick (2005) advocate for what they term the “gold standard” of ethics pedagogy-- business curricula that include a required stand-alone ethics course, a goal of ethics integration throughout the functional area courses, and consistent broader initiatives such as guest speakers, endowed ethics chairs, and service-learning assignments (p. 235).

EFFICACY OF ETHICS EDUCATION

While AACSB standards have increased and advocates are calling for more ethics education, studies of ethics education have shown that ethics training as it exists today does not always result in improved moral reasoning (ethical judgment) by students (Martin 1982; Smith 1996). Conroy and Emerson (2004) found that students’ perceptions of ethical behavior correlated significantly with religiosity (measured as church attendance) but not with completion of an ethics course. In a study of the relationships between marketing education and individual cultural values, Yoo and Donthu (2002) reported that students’ level of marketing ethics (as measured by a 24-item scale) was related to formal ethics education, but was also related to informal education, age, and individual cultural values.

In 1979, James Rest and his fellow researchers at the University of Minnesota published the Defining Issues Test (DIT) and a Four Component Model based upon Kohlberg’s six stages of moral development. Rest’s Model included moral

sensitivity, moral judgment, moral will and moral action, but the majority of research has been conducted using the DIT, and the newest version DIT-2, which focuses on the second component Moral Judgment. Although research using the DIT is not conclusive in providing consistent links between stronger moral judgment and a battery of demographics and psychographics, the beneficial effect of a college education on moral judgment has received consistent support. The moral judgment of college students as measured by the DIT increases throughout their college years beyond any development attributable to age alone (Rest and Thoma, 1985; Cummings et al., 2001). Studies that have utilized the DIT as a research tool (e.g., Armstrong, 1987, and Trevino and Youngblood, 1990) for measuring ethical or moral reasoning and subsequent decision-making are inconclusive in how education fits within the mix of such development.

Duska (1991) states, “...the futility of ethics courses is not due to ethics being either 1) already known, 2) unteachable, or 3) unknowable, but rather due to the way ethics is taught” (p. 336). Melé (2005) notes that business education with only exposure to ethical dilemmas and ethical theories will not enable students to go into the work world and “withstand environmental pressures” (p. 101) to behave ethically. He asserts that training in morals and values, including honesty, integrity, trustworthiness, and open-mindedness is the best way to help students remain ethical actors in the workplace (p. 101).

SEAMLESS INTEGRATION OF ETHICS

One of the problems with teaching ethics is that the effectiveness of the pedagogy is diminished by the students’ awareness of the topic. In other words, ethics is a subject that is best learned when students are not aware they are being taught. A different method for introducing ethics in to courses, the seamless integration of ethics, and a research agenda to study its effectiveness is proposed.

The typical integration of ethics into a course is overt and involves one or more of the following: a real-world example of unethical business practices, an ethics case, an ethics video, a set of ethical dilemmas, or a lecture on ethical decision-making frameworks such as Kant’s Categorical Imperative or the utilitarian approach. Ethics examples, exercises, etc. are sprinkled throughout the course or covered as one of many topics in the course. This type of integration is better than no coverage at all, but there is a problem with

this type of integration that may be particular to ethics.

The ineffectiveness of current teaching techniques may be due to the fact that ethics is different from other content areas in that the topic of ethics is best learned when the student does not know it is being taught. The problem with only covering ethics as a separate topic or within a specific scheduled class period is that students are alerted or sensitized to the topic. The way the problem is framed affects the outcome. In other words, students put on their "ethics" hat, the red flag goes up and students become incredibly ethical because they know every problem presented to them has ethical implications. They are looking for it!

The importance of framing is not only true within the classroom, but also in the workplace. Weber and Wasieleski (2001) assert, "...ethical decision making in the workplace is likely to be situation-specific. This means that predicting managerial ethical compliance or violation may be quite difficult because reasoning appears to be significantly influenced by how the decision maker frames the situation" (p. 99). Here is an example from my own classroom. Students are asked to consider themselves the Director of Purchasing for a large company. They are told, "As Director of Purchasing, you are in charge of millions of dollars and meet with sales representatives on a daily basis." They are then asked to look at a long list of items and decide what they would be willing to accept as a gift from one of the sales reps? The list ranges from pens and pencils imprinted with the company's name to all-expense paid vacations and cash in an envelope. The last time this technique was used in class, my students were so sensitive (alerted) to the fact that this was an ethical situation that the majority of them said they wouldn't accept the ever popular popcorn tin canister sent during the holiday season. In reality, how many popcorn tins, boxes of chocolate or fruit baskets are returned to the sender? The students are not acting naturally because they were told this is an ethics exercise. If ethics is seamlessly integrated into the other course topics, students are not alerted and they react more naturally.

There is obvious external validity in this technique because ethical dilemmas in the workplace are not usually presented as ethical dilemmas. Instead, supervisors and co-workers present these situations as standard business practice or "the way we have always done it around here". Employees are left to figure out that the situation is unethical on their own.

Other faculty have pursued this technique using different terms. Chiesl (1998) calls it unaided pedagogy or unaided instruction. He defines unaided pedagogy as "an experiential technique where an unmentioned ethical dilemma is embedded into a student exercise" (p.61). He gives two examples of student exercises using unaided pedagogy. In one example, students are asked to evaluate new product ideas. One of the five products that the students evaluate is an unethical product. Chiesl reports that students are shocked and amazed when they discover that they were being tested to see if they would act ethically if not prompted to do so.

Another example of seamless integration from my classroom is the following in-class exercise:

Discuss the difference between push and pull strategies in marketing. Ask the students to put themselves in the position of a pharmaceutical sales rep who is trying to get physicians to prescribe their company's drug. Present the following options as possible push strategies. Ask students to discuss the pros and cons of each option.

1. Leave a copy of the most recent article describing the benefits of your drug at the physician's office.
2. Offer the physician \$25 for every new prescription he or she writes for your drug.
3. Provide lunch for the office staff so that you can spend time with the physician informing him or her of the benefits of your drug over the competition.

Many would agree that option #2 above is unethical even though many years ago it was used as a push technique to give doctors an incentive to prescribe certain drugs. It has now been deemed illegal and therefore, banned by the pharmaceutical industry. This technique has a greater effect on students because it is unexpected. Obviously you cannot "surprise" your students over and over again, but there are ways to weave ethics in to your course without alerting students. Some examples are provided below:

1. One of the best ways to seamlessly integrate ethics is through simulations. The use of computer simulations with ethical and unethical options available at decision points is an excellent way to check the effectiveness of ethics education.

2. The use of in-class exercise (as described above) that include ethical and unethical options.
3. Add an ethics question to the end of a case analysis. Does your decision hurt anyone? Who benefits from your decision and who does not?
4. Bring an article from the newspaper in for class discussion. Include an ethics-based question.
5. Use a topic that is familiar to students such as downloading music. Ask how many students have copied music files from friends. Discuss the pros and cons of sharing music files with friends before introducing the ethics issues involved in this activity.

There are several advantages to this type of integration for faculty and students. The first advantage, which has already been mentioned, is that this technique provides for a more natural and honest reaction by the students. This leads to the second advantage which is that it is more memorable and useful for students than a list of philosophers and their respective viewpoints.

The third and fourth advantages are related to faculty attitudes and aptitudes toward teaching ethics. One of the barriers for many faculty members is that they do not feel that they are adequately prepared to teach ethics (Lund Dean & Beggs, 2006). Spending five minutes discussing an ethics question at the end of a case is not as intimidating to instructors as preparing an entire class on ethics might be. You don't even have to know any philosophers names! The fourth advantage is that instructors do not have to devote an entire class period to ethics. Since time is barrier for many faculty members this technique would benefit them. In actuality, ethics might receive more class time with this technique, but it is easier for the instructor trying to work everything into a semester's course schedule. A final advantage is that it is harder to dump the ethical content of your course if it is woven into the other content areas.

Clearly, it is neither possible, nor even desirable, to integrate ethics in to every exercise or every class period. Some classes lend themselves to seamless integration more than others. On the other hand, I have taught over a dozen different courses in marketing and management and have found that there were numerous opportunities to integrate ethics into each and every one. The possibilities for seamless

integration are endless, limited only by the creativity of the instructor. Also, the traditional techniques to ethics education and the seamless approach are not mutually exclusive. Ideally, a course would include both traditional ethics education and seamless integration of ethics.

RESEARCH PLAN

The research plan includes using 2 Consumer Behavior classes taught during the same semester by the same instructor. In one class, a traditional approach, which includes one and 1/2 class periods devoted to ethics, is used. In the second class, a seamless integration of ethics approach will be used. A third class, Integrated Marketing Communications, will be used as a control group. In the control group class, ethics coverage is minimal. All three classes are 300-level courses and are taught in the same format (2 days a week for 1 hour and 15 minutes). As mentioned earlier, ideally both techniques would be used in a course, but to differentiate the effects of the techniques, each class will only receive one type of ethics education.

In terms of measurement, students will complete the DIT-2 as a pre and post-test of moral reasoning and a survey incorporating a scale of ethical self-efficacy and a scale measuring ethical concern and the importance of ethical training. Data was collected in the Fall of 2005 but resulted in insufficient numbers so data is being collected Fall 2006 to increase the sample size.

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SALES ETHICS AND QUOTA FAILURE: AN EXPLORATORY INVESTIGATION OF SALES MANAGER QUOTA

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ABSTRACT

In today's highly demanding competitive environment, sales managers are being asked to successfully operate a salesforce while meeting the marketplace demands of becoming "more ethical" (Jones et al. 2005). This presents a challenge in the goal-oriented environment of sales where by nature quotas are results oriented. Evidence suggests that quota can likewise drive sales managers to lose focus of ethical standards and customers' needs. When this happens, the salesforce is likely to be less customer-oriented, an important precursor for the development of long-term customer relationships (Schwepker and Good 2004).

Given the paucity of research on quotas, particularly sales management quotas, coupled with the need to better understand quotas in relation to ethical behavior, and the desire to improve the quota setting process (Marchetti and Brewer 2000), this paper's purpose is framed. We examine several key issues as they relate to sales quotas by examining sales managers' view of their quota assignments. In a study of 240 sales managers (non-retail managers), four research questions were explored to determine the consequences of failing to reach sales quotas on ethical behaviors. First, we found that although goal setting theory might suggest otherwise, it appears that sales managers with more difficult goals are less likely to reach their annual quota. Second, upper management is willing to work closely with sales managers to improve performance when they fail to make quota, as slightly over half the respondents to this study indicated. Third, nearly half of the respondents to this study indicated that they would be terminated only after failing to achieve acceptable quota expectations three times. Finally, we found that over 15 percent of the respondents indicate an increased probability of allowing their salespeople to perform unethical acts in order for them to achieve quota.

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CORPORATE IMAGE MARKETING—ETHICS & ACTION

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ABSTRACT

Reasons behind corporations marketing corporate ethics and issues encountered when marketing company ethics are discussed. To grasp marketing corporate ethics, company trust, culture and leadership must first be understood, and then marketing ethics frameworks and theories are addressed. Finally, types of marketing ethics examples are presented.

INTRODUCTION

In the last ten years there have been many corporate scandals such as “sweatshop sourcing, unsafe products, environmental pollution and accounting frauds, which have sensitized the public to corporate ethics” (Schlegelmilch and Pollach, 2005) or the lack of corporate ethics. However, some organizations have chosen to be proactive in communicating their ethical culture and stance. Marketers usually take “artistic license when making goods and services” (Stoll, 2002), but taking such liberties when marketing corporate conduct is treading on dangerously thin ice. Empirical studies now show ethics expenses to be third largest budget item in the large companies’ corporate communication departments (Hutton, Goodman, Alexander, and Genest, 2001). Such a large expenditure on corporate ethics emphasizes its importance.

Why do some organizations market their ethical values aggressively and other companies do not? In short, how do companies market their ethics ethically? These questions and others are pursued in this paper through the identification of frameworks and guidelines affecting the marketing of corporate conduct. With so much cash and time output devoted to ethics, the author searches the existing body of research for foundation of a system to decipher the how and why behind the market of corporate ethics.

What is trust?

Organizational ethics is fostered by organizational culture, and organizational culture is formed by trust or lack thereof. Fukuyama defined trust as being created by a “shared set of norms, values and morals within a group or society of people” (Fukuyama, 1995). Trust must exist for long-term business survival in society. Companies that

develop a strong sense of trust are more likely to practice ethical decision making. People’s decision making evolves once trust is established in an organization; which then fosters the formation of trust in the political and economic institutions of society. A reflexive relationship exists; political and economic institutions are shaped by the society, but society, which includes corporations, also influence political and economic institutions. Some organizations are assimilating to new ethical expectations faster than others, which is seen in how companies communicate their ethics to employees and customers alike. Companies with strong organizational trust are able to make this transition better than those companies that lack organizational trust.

Fukuyama points to the vast changes which have been occurring over the last forty years in America. Due to the strength of the American economy, a change in American business culture has a large impact global business culture. In general, lack of societal trust, and specifically in corporations, lack of societal trust has affected public confidence in today’s organizations.

The inability of society to share norms and values as America becomes increasingly more diverse might possibly be reflected in decreasing social trust and communication of it. In the business realm, Mintzberg, Simons, and Basu (2002) see the slipping of trust as a trade-off. Mintzberg et al. (2002) state that the “human behavior model hypothesizes that individual decision making is based on constant trade-offs between things wanted”. Trades-offs are not strictly made in monetary possessions, such as stocks, property and money, but also of non-monetary items, like morals, trust and image. With the slipping of trust, companies trade-off their ability to foster long-term relationships, with communities, customers, suppliers, and especially

employees. Trade offs can also be seen in scaring company reputation, and if beyond replace, the company will eventually fail to exist in the marketplace.

Stakeholder theory

Stakeholder theory views of the relationship between all parties that are affected by or have an interest in a decision being made. In relation to marketing corporate ethics, stakeholder theory is a broad view of the formation of organizational ethic and its impact on marketing decisions being made. Some stakeholders may belong to more than one stakeholder group, possibly even to both internal (employees, board of directors) and external (consumers, investors, suppliers, community members and special interest groups) stakeholder groups (Balmer, 1998).

Freeman is the father of the stakeholder theory, which is normative in approach. By identifying key stakeholders of the firm, better communication of strategy, in which some companies include ethics as a cornerstone, can be better planned to satisfy all stakeholders. "The stakeholder approach to strategic management is to deal with those groups that can affect you, while to be responsive and effective in the long-term, you must deal with those groups that you can effect" (Freeman, 1984).

Framework for communicating corporate ethics

Schlegelmilch and Pollach present a framework for communicating corporate ethics. In effort to align organization performance with consumer perceptions, a relationship between behavior, communication, and perceptions as an "upward moving cycle rather than a static equation" is sought as shown in figure one (Schlegelmilch and Pollach, 2001). Few companies pass through all the needed reiterations of this model to truly be company communicating ethics with total transparency. How two companies, Nike and The Body Shop, travel through this cycle will be examined later.

When organizations fail to complete reiterations of this cycle, "pragmatic communication" occurs (Schlegelmilch and Pollach, 2001). Watzlawick, Beavin and Jackson (1967) stated that "one cannot not communicate", meaning even by choosing to do nothing or say nothing, one is in fact communicating through the lack of inaction. Companies that fail to communicate actively to consumers and employees on certain issues send the

nonverbal message that the company does not deem them important.

Although not implicitly stated, while moving through the corporate ethics communication cycle, companies must make their corporate ethics communication believable by balancing five key elements. These five balanced elements, also known as the Lasswell formula (1960), and is simply stated in the question "**Who** says **what** to **whom** in **which** channel and with **what** effect?" (Schlegelmilch and Pollach, 2001). Unless all five 'w' elements are balanced, corporate ethics communication will not be optimal. To ensure that organizations continue to adjust these five elements to meet societal demands, companies must continually travel the corporate ethics communication cycle.

Reaffirming Watzlawick et al. (1967), Brokerick, Jogi, and Garry (2003) highlight that it is critical for organizations, particularly retailers, to understand the importance to customers of an ethical corporate reputation in regard to maintaining their success. Based on survey results conducted in the U.K., a heightened focus on corporate ethics was seen in the doubling of consumers, from 1998 to 2002, who take corporate social responsibility (CSR) into consideration when shopping (Lewis, 2003).

There are many avenues to communicate corporate ethics; such as through a corporate web site, in store advertising, traditional print advertising, being cited in books and articles, being ranked on lists such as the "100 Best Corporate Citizens", news stories, and word of mouth. Source credibility has a strong influence of the communicating corporate ethics (Ruth and York, 2004), with information being reported by an external party having greater validity.

ETHICAL AND UNETHICAL MARKETING IN ORGANIZATIONS

To help illuminate the theory and frameworks outlined in the previous section, companies that hold certain ethical stances and reputations will be examined. First, a company with a rocky ethical history will be examined, Nike. Next the Body Shop will be inspected as to how they go about living the ethical strategic plan of doing business.

Nike

Nike received a great deal of negative media coverage when child labor and substandard working conditions were discovered in their subcontractor's Asian production facilities. "In the 1990s, protesters

railed against sweatshop conditions at some of its overseas suppliers and made Nike the global poster child for corporate ethical fecklessness” (Zadek, 2004). Media in general find negative business practices more newsworthy. The idea of corporate responsibility challenged Nike to evaluate their business model, and better understand their impact on the world (Nike, 2005).

Harvard business professor Debora L. Spar [. . .] argues that the rise of brand-based activism has been so successful in shaming corporations; it is no longer in the financial interest of brand-name multinationals to allow abuses to occur. She calls this theory the spotlight phenomenon. [The] need for outside regulation [is limited] because firms will cut off abusive suppliers or make them clean up because it is now in their financial interest to do so. The spotlight does not change the morality of U.S. managers. It changes their bottom line. (Klein, 2000)

Nike is now ranked 13th on the 2006 list of 100 best corporate citizens (Nike in the News, 2006). This ranking is due to their strong community and sustainable design environmental program, in which Nike is attempting to eliminate waste and toxic substances in their production process. To assess the program progress, a sustainability index has also been created (Raths, 2006). The evolution of Nike as a company has been vast. Nike now performs a social audit annually, which goes on to communicate their evolved ethical stance to the public. Zadek (2004) outlined the five stages that companies pass through on their way to becoming socially responsible, starting with stage one entitled defensive, then followed by compliance, managerial, strategic stages, and ending with civil stage. Nike is now on the fifth and final stage, civil, meaning that not just Nike but everyone needs to be socially responsible.

Nike has also been recognized by FTSE4Good Index Series, Ethibel Investment Register, and the Dow Jones Sustainability Index, all of which gauge if Nike is a socially responsible investment (SRI) (Nike, 2005). Partnering of advocacy groups with corporations is a relatively new notion; historically these two groups (corporations and advocacy groups) have been arch enemies. Now, labor practices are monitored by an external group called the Fair Labor Association (FLA).

Corporate responsibility has redefined the Nike business model and prepares them for future legislation, and consumer expectations (Nike, 2005).

Yet, an even greater evolution Nike can be seen, a genuine desire to inform and communicate with all stakeholders; Nike does not hope for feedback from stakeholders, but demands it in their quest to improve corporate responsibility.

The Body Shop

The Body Shop has gained a reputation as being ethical, as seen in their value statement; “never doubt that a group of thoughtful, committed citizens can change the world, indeed it’s the only thing that ever does” (The Body Shop Foundation, 2006). Ethical reputation is part of the Body Shop’s strategic plan rather than an ad hoc response to an image crisis (Kitchen and Schultz, 2001). The Body Shop brand is a cultural change centered on basic human ethical values. This cultural branding has been accomplished by the Body Shop through cultural sponsorship, political controversy, the consumer experience and as a lifestyle (Klein, 2000). Figure two shows an example of the Body Shop marketing used.

Slogans like “Act natural, enjoy your age” and “know your mind, love your body” (Roddick, 2005) demonstrates how The Body Shop blazes a new way to market their image to customers by; inviting customers to think about issues such as human rights or self esteem. The Body Shop calls on something deeper than physical superficial beauty that most cosmetic companies base advertising upon, The Body Shop calls upon a belief of what life should hold for all people and creatures. The Body Shop founder, Anita Roddick, explains her store marketing well

[. . .] my stores aren’t about what they sell, they are the conveyers of a grand idea—a political philosophy about women, the environment and ethical business. I just use the company that I surprisingly created as a success [. . .] to stand on the products to shout out on these issues. (Klein, 2000)

The Body Shop also advertises their excellent corporate ethics in small ways of value to stakeholders. Yet, at times, the Body Shop has received negative publicity, because some view the company as a role model, thus making it more likely to be attacked by the media or activists (Tixier, 2003) for any minor hiccup in their ethical image.

Developing a solid corporate reputation that is worthy of marketing takes time and devotion, but

the Body Shop has succeeded. “The Body Shop has broke[n] ground by proving to the corporate sector that a multinational chain can be an outspoken and controversial political player, even while making millions on bubble bath and body lotion” (Klein, 2000). Although most businesses can’t be another Body Shop, they should not stop striving to be an ethical organization; a company learns and improves with every effort made to be more ethical.

Nike and the Body Shop are in differing stages of communicating corporate responsibility to the public. One could hope that all companies were organized and contained the cultural and values that the Body Shop represents. The path the Body Shop has created is open to all corporations to follow, and as companies continue on this path, with each step they take, they better their corporate responsibility and hopefully contribute in a more positive way to the entire world.

Effects of implementation of marketing corporate ethics

By regarding oneself as ethical, media and competitors are much more likely to be critical of organizational actions. Corporations need to be ready for this, and create an organizational strategy to combat backlash positively as to not tarnish your ethical reputation. Safeguarding yourself against being improperly accused of being unethical is accomplished by communicating good corporate conduct in multiple ways. Consumers might start to demand more of organizations, by holding organizations to a higher standard of ethics. The SRI, as mentioned earlier, now exists to ‘grade’ companies on their ethical behavior. To overcome the stumbling blocks mentioned, constant reinforcement through a variety of communication channels is critical to successfully communicating corporate ethics.

CONCLUSIONS

Changing corporate ethics means changing organizational culture, which has been formed from traditions, norms and values of company history. Corporate cultural improvement is a continual process that requires constant reinforcement and evolution as the company itself changes to meet the changing needs of the environment in which it exists.

A delicate balance must be found between too much and too little when marketing corporate ethics. “Too much communication may be counterproductive” (Tixier, 2003, as cited by Schlegelmilch and Pollach, 2005) due to the source

of the publicity. Many companies now demand transparency and accountability from suppliers and business partners, which is especially highlighted during company audits.

Achieving this is difficult with the average tenure of a CEO being a little under five years (Krantz, 2005). The lack of CEO longevity might lead to lack of follow through on companies long-term strategic implementation goals, such as reinventing its corporate culture. If management is not committed to an ethical company culture an ethical company fails to be created.

With the growing public demand for socially responsible business practices, more and more academic research continues to be done on ethical businesses standards along with responses for businesses (such as ethics and compliance programs). Much of the research concentrates on ethical codes (Gellerman, 1989), but surprisingly little research has been done on the marketing an organization’s ethics to stakeholders and the research that has been done does not build upon itself, but rather creates new ‘silos’ of knowledge in differing fields. Public demand for socially responsible companies also calls on new ways for companies to develop strategy and communicate that strategy to stakeholders. The longevity of the corporate ethics marketing is a potential offspring for further research.

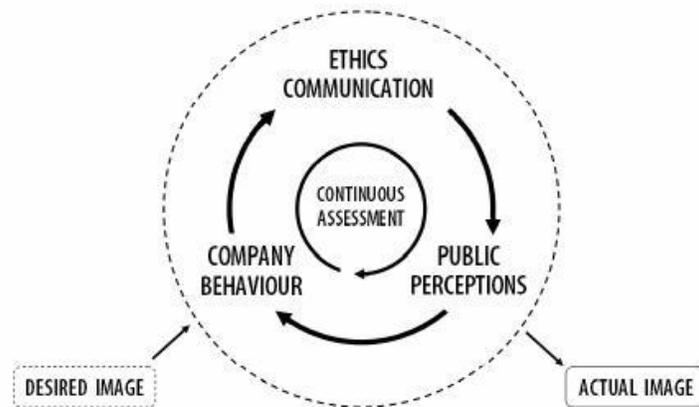
All three frameworks on communicating corporate ethics are somewhat spotty in areas focused upon, and fail to ensure that corporate ethics communicate continues to evolve. The blending of all frameworks touched upon, the corporate ethics communication cycle, the Lasswell formula, and the pragmatic communication model, would allow the frameworks to overlap and expand to become stronger as a whole. Although the expansion of a framework that incorporates all three models creates a more complete model, it would be more complex, and thus could affect the probability of successful application and implementation in corporations. The most critical success factor of communicating corporate ethics is creating trust, both within an organization and with its stakeholders. Continually striving to become better is increased by telling others of your ethics, but listening to what stakeholders demand and question is also key in the this process. In the broader corporate social responsibility realm, how the corporate ethical cultural will be passed onto future generations and evolved can also be examined. As organizational culture evolves to fit the changing business cultures

and values, more enquiries into marketing organizational ethics will eventually follow.

Few ethical organizational cultures exist, and fewer still have the company resources to communicate their corporate ethics to society. Much

more research is needed in the area of marketing a company's corporate ethics. As stakeholders both inside and out of the company demand companies exhibit a higher ethics culture, this area of study will continue to grow.

FIGURE 1: SCHLEGELMILCH AND POLLACH'S MODEL OF COMMUNICATING CORPORATE ETHICS



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A MARKET SEGMENTATION STUDY OF US TRAVELERS' PERCEIVED IMAGE OF INDIA

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ABSTRACT

This study explored segmenting travelers by using destination image variables as the segmentation criteria. Results of cluster analysis of 322 travelers to India suggested a three clusters solution. Members in those three clusters not only perceived India as a travel destination differently, but also demonstrated different travel patterns.

INTRODUCTION

Tourism is one of the fastest growing economic activities in the world (WTO 2005). As a result, many countries are promoting international tourism, allowing them to bolster job creations and foreign exchange earnings, while at the same time enhancing their national images in the global marketplace. Just as a product's perception influences the consumer's purchase behavior, tourism research has shown that perceived image of a destination has a strong influence on traveler's destination selection process (Beerli and Martin 2004). This is due in part to the fact that most travelers have limited destination knowledge prior to departure. Also, negative images of a destination are provoked by political instability, poverty, and humanitarian conditions (Grosspietsch 2006). Thus, one of the major objectives of any destination positioning strategy is to reinforce positive images held by target audience, correct negative images, and/or create new ones (Pike and Ryan, 2004).

Kotler, Haider, and Rein (1993) defined destination image as the sum of belief, ideas, and impressions of a place. A review of tourism literature indicates that previous research on destination image has focused primarily on leisure travelers. Very limited attention has been paid to business travelers. Though the travel decisions for business travelers may be based on business obligations, many business travelers can and do extend their business trips for pleasure whenever possible. Therefore, the willingness to spend extra time and money visiting attractions, extending the trip for leisure purpose, and revisiting the destination, may be determined by other non-business related factors including destination image.

Market segmentation refers to the process of identifying and partitioning the target market into several homogenous groups with similar characteristics, allowing marketers to design products or services to satisfy the special needs of those homogenous groups (Wedel and Kamakura 2000). It is imperative that marketers put together resources and develop strategies and promotional campaigns which focus on a particular group of customers (Kotler, Bowen, and Makens 2006). Past research has identified the utility of using demographic and psychographic variables in segmenting travel markets (Bowen 1998; Janga, Morrison and O'Leary 2002; Hofstede, Steenkamp and Wedel 1999). However, scant research has focused on utilizing destination image variables as criteria in travel market segmentation study. Consequently, the purpose of the current study was to explore the possibility of segmenting travelers by using destination image variables as the segmentation criteria.

India as a destination was selected because past research has found that the image of India as a travel destination was not appealing to international tourists (Chaudhary 1996, 2000). However, due to recent economic growth, especially in the information technology sector, travel to India has grown at a rapid pace. The World Travel and Tourism Council (2006) predicted that India will be the sixth fastest growing country for business travelers between 2007 and 2016. The Office of Travel and Tourism Industries (2006) also indicated that India ranked 15th in tourist recipients from the US. Moreover, data from the California Travel and Tourism Commission (2004) pointed out that India ranked eighth in California's overseas market, and most business travelers were from the San Francisco Bay Area where the major information technology companies are located. Due to the recent growth of business travelers from the United States, India needs to reposition itself as a

destination not only with cultural and heritage attractions, but also with quality tourism services and facilities. Accordingly, this study intended to answer three research questions: how do travelers from the US perceive India as a tourist destination? Are there groups of travelers who perceive India differently? Do those groups of travelers demonstrate different travel patterns?

LITERATURE REVIEW

A few definitions of destination image have been proposed. Kotler, Haider, and Rein (1993) defined destination image as the impressions, beliefs, ideas, and expectations accumulated towards a place. Destination image, according to Lawson and Baud-Bovy (1977) is the expression of all knowledge, impressions, prejudices, and emotional thoughts that an individual or a group has of a particular object or place.

Several scholars have attempted to conceptualize the construct of destination image. The predominant models of destination image formation include the general framework of destination image formation (Baloglu and McCleary 1999) and the model of the formation of destination image (Beerli and Martin 2004). The destination image framework of Baloglu and McCleary consists of three major determinants that influence the destination image: cognitive or perceptual evaluations (beliefs or knowledge of destination attributes), affective evaluations (feelings or attachments towards the destination attributes), and overall or global image (formed as a result of both cognitive and affective evaluations of the destination). Beerli and Martin (2004) stated that perceived image was formed from the image projected by the destination in consort with the individual's own needs, motivations, prior knowledge, preferences, and other personal characteristics and included nine dimensions. These were natural resources general infrastructure, tourist infrastructure, tourist leisure and, culture, history and art, political and economic factors, natural environment, social environment, and atmosphere of the place. These models provided the theoretical foundation for the current study.

Destination image has emerged as a crucial destination-marketing concept in the tourism industry, since it impacts consumer's buying decision making ability (Kim and Richardson 2003). Bigne, Sanchez, and Sanchez (2001) stated that the destination image was a key factor for destination managers, as it provides information on the perceived quality and satisfaction (evaluation of stay), the intention to

return, and recommend the destination (future behavior). Hence, the process of image formation is important to determine the target market, branding, and market positioning of a destination.

In order to ensure the long term success of a destination, it is vital to create a competitive position which will be helpful to marketers, developers, and planners in developing strategies (Chen and Uysal 2002). As identified by Pike and Ryan (2004), one of the major objectives of any destination positioning strategy is to reinforce positive images held by target audience, and to correct negative images or create a new one. Given the very personal nature of travel decision-making, it is imperative to understand the influence of destination image in this process, i.e., the need for the current study.

METHODS

The target population of this study was travelers visiting India, who were residing in the US, and were eighteen years or older. A convenience sampling method was employed due to difficulty in identifying and locating potential travelers. Participants were randomly selected from the travelers going to India on the survey days. A total of 322 travelers voluntarily participated in this study. The sample consisted of 237 males (74%) and 85 females (26%); 81% of the sample were between 30 to 55 years old; 69% were US citizens and 31% were non-US citizens but residing in the US. In terms of travel patterns, 57% indicated that India was their final destination and 43% also traveled to other countries; 45% of them had visited India one to two times before, and 30% never visited India before. Since it is common for long haul travelers to fulfill multiple purposes and visiting more than one cities, the sum of purpose of travel and city to visit was greater than the total number of participants. Sixty percent of the participants visited India for business purpose, and 43% were for vacation purpose; and the main cities to visit were Delhi (52%), Bangalore (42%), and Mumbai (29%).

A questionnaire with 27 destination image items was developed for collecting the data. These items were adopted from Baloglu and McCleary's (1999) study of destination image formation. This questionnaire measured the three constructs of destination image, i.e., cognitive image (24 items), affective image (2 items), and overall image (1 item). Cognitive image was defined as beliefs or knowledge of destination attributes. Operationally, it measured the perceived image of natural resources, attractions, culture and art, general infrastructure, tourist

infrastructure, atmosphere, social and economic setting, and environment. The affective image was defined as feelings or attachments towards the destination attributes appraised by two attributes: relaxing place and boring and unattractive place. One item was used to measure the overall image of India. Each item was assessed by a five-point Likert type scale to indicate the degree of agreement to each item (strongly disagree = 1 point to strongly agree = 5 points). Scores of each dimension and construct were calculated by summing up the corresponding items and dividing them by the number of items in that dimension. A higher score represented a favorable image, and a lower score represented an unfavorable image. In addition, participants' demographic and travel information, for example, gender, age, nationality, city to visit, purpose of travel, length of stay, and number of prior visit to India were also collected.

Ten travelers were recruited to pilot test the research instrument at the San Francisco International Airport. The purpose was to ensure the connotation of the items in the questionnaire and the validity of the instrument. Based on the feedback and suggestions from the pilot test participants, the questionnaire was finalized

Data collections were conducted at San Francisco International Airport because the majority of flights from the U.S. to India depart from here. Data were collected by personal interview around the check-in counters of five major airlines serving to India. The completed questionnaires were coded and entered into computer for analyses.

RESULTS

The 24 cognitive image items were factor analyzed by using principal component analysis with varimax rotation to confirm the dimensionality of cognitive image. Image items with factor loadings of 0.5 and above were retained. The results showed a six-factor solution which explained 66.69% of the variance (Table 1). Those six factors were labeled as: culture and heritage (Eigen value = 2.37, $\alpha=0.77$), nature resources (Eigen value = 1.97, $\alpha=0.64$),

tourism infrastructure (Eigen value = 1.71, $\alpha=0.62$), night life (Eigen value = 1.68, $\alpha=0.64$), social environment (Eigen value = 1.57, $\alpha=0.69$), and lodging services (Eigen value = 1.37). Examining those items retained from factor analysis, it was concluded that the travelers perceived that India has very rich cultural heritage (mean (m) = 4.54). However, they indicated that India needed to improve services to travelers, e.g., transportation (m = 2.60), health services (m = 2.85), and nightlife (m = 2.94). The travelers moderately regarded India as associated with poverty (m = 3.75) and being overcrowded (m = 3.81).

To examine the practicality of segmenting travelers by using destination image variables, this study took a post-hoc descriptive segmentation approach to segment the research participants (Wedel & Kamakura, 2000). In the second phase of data analysis, cluster analysis procedures recommended by Hair, Anderson, Tatham, and Black (1998) were performed by using those six cognitive image factors, the affective image, and the overall image as clustering variables. Because of the large sample size, a hierarchical clustering procedure was first performed. It was found that a three-cluster solution was most appropriate for this study. Next, the K-means nonhierarchical clustering procedure was conducted to divide the total sample into three clusters. The results showed that the first cluster had 62 members and represents 19% of the total sample; the second cluster had 161 members, 50%; and, the third cluster had 99 members, 31%.

To examine if these three clusters perceived India differently, mean scores of every destination image dimension for the three clusters were calculated and one-way ANOVA and Scheffe's pair comparisons were performed. Means and standard deviations of each dimension for the three clusters and the whole sample are presented in Table 2. As indicated by the results of ANOVA, these three clusters perceived India in a significantly different manner. To examine if significant demographic and travel pattern differences existed among the three clusters, contingency tables were computed (Table 3).

Table 1: Results of factor analysis of cognitive image items.

	Mean	S.D.	CH	NR	TI	NL	SE	TS
India has art and handicrafts	4.34	0.69	0.82					
India has rich cultural heritage	4.54	0.67	0.80					
India offers museums, historical sites	4.27	0.70	0.77					
Indians are friendly and hospitable	4.09	0.78	0.58					
India has got lots of scenic beauty	4.02	0.82		0.79				
India has good beaches	3.39	0.84		0.67				
India is a exotic destination	4.12	0.80		0.59				
India has adventure activities	3.18	0.75		0.57				
India has good transportation system	2.60	1.05			0.82			
India has quality health services	2.85	0.78			0.73			
India has good telecommunications	3.40	0.86			0.54			
India has good nightlife	2.94	0.66				0.83		
India has bars, clubs and discotheques.	3.14	0.61				0.78		
India is associated with poverty	3.75	0.78					0.86	
India is overcrowded and polluted	3.81	0.82					0.85	
India has good deluxe hotels and restaurants	3.78	0.78						0.84
Eigen value			2.37	1.97	1.71	1.68	1.57	1.37
Percent of Variance Explained			14.84	12.30	10.69	10.47	9.84	8.55
Alpha			0.77	0.64	0.62	0.64	0.69	n.a.

Note: S.D.—Standard deviation, CH—Culture and heritage, NR—Natural resources, TI—Tourism infrastructure, NL—Night life, SE—Social Environment, TS--Tourist services
n.a.—not apply, because of single item.

Table 2: Comparisons of destination image among the three clusters.

	All Sample		Cluster 1		Cluster 2		Cluster 3		ANOVA
	n = 322		n = 62 (19%)		n = 161 (50%)		n = 99 (31%)		
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	F
Cognitive image	4.31	0.55	4.26 ^a	0.57	4.49 ^{ab}	0.40	4.06 ^b	0.63	22.02 ^{**}
Culture and heritage	3.68	0.56	3.59	0.55	3.75	0.59	3.61	0.50	3.09 [*]
Natural resources	2.95	0.68	2.94 ^a	0.73	2.71 ^b	0.58	3.34 ^{ab}	0.64	30.29 ^{**}
Tourism infrastructures	3.04	0.55	3.04	0.55	2.92 ^a	0.57	3.24 ^a	0.44	11.38 ^{**}
Night life	3.78	0.70	2.79 ^{ab}	0.59	4.16 ^{ac}	0.40	3.77 ^{bc}	0.51	184.00 ^{**}
Social environment	3.78	0.78	4.06 ^a	0.60	3.89 ^b	0.77	3.43 ^{ab}	0.78	16.78 ^{**}
Tourist services	3.54	0.70	3.74 ^a	0.58	3.42 ^{ab}	0.72	3.64 ^b	0.71	6.24 ^{**}
Affective image	3.25	0.85	3.48 ^a	0.86	3.11 ^a	0.89	3.32	0.74	4.91 ^{**}
Overall image									

Note: S.D.—Standard Deviation
Means with the same superscripts denote significant difference resulting from Scheffe's test.
*--p < .05, **--p < .01

Table 3: Comparisons of demographic and travel profiles among the three clusters

	All Sample n = 322		Cluster 1 n = 62 (19%)		Cluster 2 n = 161 (50%)		Cluster 3 n = 99 (31%)	
	n	%	n	%	n	%	n	%
Gender								
Male	237	73.60	44	70.97	116	72.05	77	77.78
Female	85	26.40	18	29.03	45	27.95	22	22.22
Age								
Under 30	18	5.64	5	8.06	7	4.35	6	6.06
30 - 55	257	80.56	52	83.87	125	77.64	80	80.81
Above 55	44	13.79	5	8.06	27	16.77	12	12.12
Nationality/Citizenship								
USA	223	69.25	40	64.52	116	72.05	67	67.68
Non USA	98	30.75	62	35.48	45	27.95	32	32.32
Purpose of travel¹								
Business	194	60.25	50	80.65	79	49.07	65	65.66
Vacation	138	42.86	18	29.03	87	54.04	33	33.33
Visiting friends	30	9.32	6	9.68	15	9.32	9	9.09
Visiting attraction	51	15.84	6	9.68	21	13.04	24	24.24
Education	9	2.80	0	-	3	1.86	6	6.06
Other	7	2.17	1	1.61	5	3.11	1	1.01
City to visit¹								
Bangalore	135	41.93	36	58.06	53	32.92	46	46.46
Delhi	169	52.48	28	45.16	92	57.14	49	49.49
Chennai	60	18.63	19	30.65	28	17.39	13	13.13
Hyderabad	65	20.19	12	19.35	30	18.63	23	23.23
Kolkata	31	9.63	7	11.29	17	10.56	7	7.07
Mumbai	94	29.19	21	33.87	49	30.43	24	24.24
Other	138	42.86	19	30.65	86	53.42	33	33.33
Final destination								
India	185	57.45	37	59.68	61	37.89	39	39.39
Other	137	42.55	25	40.32	100	62.11	60	60.61
Number of prior visit								
0 visit	99	30.75	14	22.58	45	27.95	40	40.40
1 - 2 visits	145	45.03	28	45.16	81	50.31	36	36.36
3 - 4 visits	29	9.01	10	16.13	12	7.45	7	7.07
More than 4 visits	49	15.22	10	16.13	23	14.29	16	16.16
Length of stay								
Under 5 days	27	8.39	8	12.90	9	5.59	10	10.10
5 - 10 days	135	41.93	23	37.10	68	42.24	44	44.44
11 - 20 days	117	36.34	28	45.16	58	36.02	31	31.31
More than 20 days	43	13.35	3	4.84	26	16.15	14	14.14

Note: 1—Both purpose of travel and city to visit are multiple responses items. Hence, the total of n is greater than the sample size.

Cluster 1 consisted of 71% males and 29% females. The majority were between 30 to 55 years

old. They traveled mainly for business (81%) and vacation (29%) as well. The main city they visited

was Bangalore (58%). A plausible explanation for this may be that members in this cluster worked in the high tech industry. For sixty percent of the members, India was the final destination. Perhaps due to the fact that 78% of them had traveled to India at least once before, this cluster showed the highest overall image score ($m = 3.48$) and affective image score ($m = 3.74$, i.e., relaxing and not boring) among the three clusters. In terms of cognitive images, they identified that India had rich culture and heritage ($m = 4.26$) and offered good tourist services ($m = 4.06$), but tourist infrastructures needed further improvement ($m = 2.94$). The social environment was not perceived as poverty and overcrowded ($m = 2.79$).

Cluster 2 consisted of 72% of males and 28% females. This was an elderly group with 17% of the member above 55 years old. Primarily, their purpose of travel was vacation (54%) and they mainly visited other countries as well (62%). They stayed longer in India, i.e., 52% of them stayed in India more than 11 days. Major cities this cluster visited were Delhi (57%) and Bangalore (33%). Although about three quarters of them had visited India before, their overall perceived image ($m = 3.11$) and affective image ($m = 3.42$) of India were the lowest ones among the three clusters. They also associated India with poverty and being overcrowded (social environment = 4.16). In addition, they had poor perceptions of available tourism infrastructures ($m = 2.71$) and night life ($m = 2.92$).

The third cluster represented new visitors to India, where 40% of them had never visited India before. This cluster comprised of 78% males and 22% females. The majority were between 30 to 55 years old. Their main purpose of travel was business (66%), vacation (33%), and visiting attractions (24%). The cities visited were Bangalore and Delhi. Because many of them had never been to India before, their perceptions of tourist services was the lowest ($m = 3.43$) among the three clusters. Despite the fact that their perceptions of tourism infrastructures ($m = 3.34$) and night life ($m = 3.24$) were higher than the other clusters, the actual scores were still low.

CONCLUSIONS

This study explored the possibility of segmenting travelers using destination image variables as the segmentation criteria. Data analyses

were based on 322 departing travelers to India from the San Francisco International Airport. Although generalization of the study's findings are limited due to the convenience sampling method employed as well as sampling from one airport, the cluster analyses indicated that the three segments of travelers perceived India differently. In addition, the three segments demonstrated different travel patterns.

The contributions of this study are two fold. First, the findings provide insight into ways business travelers perceive a destination. This addresses a gap in literature where most of prior studies focused on leisure travelers. . With the current trend of globalization, there has been an increase in business travelers. Their increase spending has the potential of making significant contribution to the economy of the host destination. Although the overall image of India in previous research was depicted as largely negative, the findings in the current study suggest that the overall image has improved. More experienced business travelers perceived India positively than less experienced travelers.

Second, the findings indicate that the Tourism Authority of India needs to realign their marketing strategies to include not only the leisure travelers but business travelers as well. The strong positive image of India's rich cultural heritage has been identified even by less experienced travelers. As the economy is fast modernizing, the government needs to improve tourism infrastructures to accommodate the needs of business travelers. Also, tourism marketing should focus more on tourism services, e.g., lodging and night life which would entice travelers to revisit and encourage them to spend more time and money.

Although this study provides new insights to how travelers from the US perceive India as a travel destination, more research is needed to expand both the theoretical foundations and the practical applications of the findings. Due to limited resources, this study sample was drawn at a single airport. Future studies need to include more travelers and departing airports for improved external validity. Second, the differences between travelers and non-travelers regarding ways that destination image affected willingness to travel could not be determined. Finally, further research should focus on how destination image influences tourist spending in the host destination.

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CURRENT RELATIONSHIP BETWEEN EDUCATION AND ETHNOCENTRISM: OPTIMAL ENTRY STRATEGIES INTO INDIA FOR GLOBAL eMARKETERS

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ABSTRACT

An study using an August 2006 survey of 482 Indian consumers investigates the relationship between their education and ethnocentrism level. Both education and ethnocentrism are categorized into three levels each. Suggested optimal entry strategies for global eMarketers into promising segments are provided.

INTRODUCTION

The Asian continent has numerous rapidly growing markets. Investment opportunities in Asia are fabulous and that is where most of the business action will be in the 21st. century (Rogers 1998). Living in a global economy (Armstrong and Kotler 2000), consumer ethnocentrism is often a viable predictor of consumer product preferences and evaluations (Orth and Firasova 2003). The latest annual world development report published by the World Bank ranks three Asian markets among four of topmost economies in the world. The three markets from Asia are China, Japan, and India. These economies are bigger than the other members in the G-8 other than the USA (Netguruindia News Sept. 12, 2000). While the lure of the Indian market is simply irresistible, global companies, including those utilizing ecommerce, need to keep in mind certain intricate challenges posed in these markets that have a strong effect on their operations before starting and during the conduct of business with and within these markets. Primary among these competitive challenges are the need for the establishment of long-term relationships, the need for the establishment of globally cooperative work environments, the need for understanding of cultural and language barriers, the role of family, the need for language and religious sensitivity, and the need for culturally sensitive studies. Increasing communication and travel between the west and the Asian markets has facilitated higher interaction between markets and inspired consumers to have a greater say in their own choices (Macchiette and Roy 2001).

Expanding in the international market place can be very risky. In their attempt to expand in the international market place, companies need to pay attention to several factors that can be considered as determinants in the success or failure of the company. In particular, special attention should be paid by companies to the perception that prospective consumers in the potential countries hold pertaining to different countries of origin. Current research suggests that low ethnocentric consumers prefer products made by other countries, while high ethnocentric consumers prefer products designed and made in their own country (Brodowsky 2004). While many global companies have been highly successful in foreign markets, most have not been able to optimize success yet. This can be due to several reasons that can range from being political to missed marketing opportunities by many product manufacturers and marketers. If it is a political problem, then there is very little that a global eMarketer can do (Mendenhall, Punnett, and Ricks 1995). But, if it is not a political problem, then it is likely that they are not adopting proper marketing techniques to push their products. Often it has been stated by some marketers that they are losing business because of the cultural beliefs of the society in which they are trying to market their product. However, the fact is that cultural beliefs changes from generation to generation and all countries in the world have some people belonging to different generations. India is no exception to this rule. At the same time, more Indians are going online, particularly the educated youth in the cities and India has a rapidly growing information technology sector to provide the facilities and services enabling access

(Siegel 2004). This paper provides an overview of the Indian market. Following that is an insight into ethnocentrism. The study of education level and ethnocentrism in India is presented next. Finally suggested optimal eMarketing entry strategies into the Indian market for global firms are presented.

THE INDIAN MARKET

India is a country of many cultural values and beliefs. Over the past 20 years its political environment changed several times. At the same time, the Indian consumer, like other Asian consumers, became more sophisticated and demanding (Hou 1997). In the past five years, India has seen an influx of major foreign industries and products. This is primarily due to the liberalization policy that was adopted by the Indian government. At the same time, advances in telecommunications (like direct television broadcasts from satellites) provided the Indian consumer some exposure to foreign products via advertisements (Lamont 1996). Another media that is quite rapidly gaining acceptance as a valuable marketing type is the Internet. The steady growth in the number of Indian consumers being exposed to the Internet will also increase. This in turn will likely increase the level of exposure to foreign product advertisements by the Indian consumer. Most human beings have a tendency to crave for goods and services that they could not get easily. This is likely the reason that there was a craving for foreign made goods by the Indian consumer as well (Johansson 1997). However, despite its foreign made status, there are some foreign brands that are not as popular in some developing countries as one would imagine. Cultural and social background of the person plays a big role in this aspect of their lack of need for such foreign made products. One of these culturally and socially determined factors affecting the attitude of potential customers toward the country-of-origin of the brand or company marketing or associated with the brand is consumer ethnocentrism. According to the findings of Orth and Firbasova (2003), country-of origin is still the single most important predictor of consumer preference in the case of the highly ethnocentric consumer.

Often it has been stated that some marketers lose business in the international market because of the ethnocentric beliefs of the society in which they are trying to market their product(s). Like any other country, consumers of different generations, with a generation gap, coexist in the Indian market as well. India is a highly diversified country of many religions, languages, cultural values and beliefs. It has the

largest democracy in the world. The political environment of that country is quite different from that of the United States and the governing power has changed hands several times in the past two decades. The Indian consumer is also much more knowledgeable now regarding different products and services, available to them, than they were only fifteen years ago. In the early 1980s, the Indian government started operating several hundred new television relay transmitters. Before that time, only a handful of large metropolitan cities in India, primarily the state capitals, had a television station or a relay transmitter. After the expansion trend of the early 80s, most Indian consumers were exposed to at least some kind of advertisements via the television media. And as it has happened in almost all countries, television advertisements played a significant role in making the Indian consumer an informed consumer. It has been found that Indian people perceive foreign brands to be superior to local brands. Though Indian people display higher levels of nationalism, they are not, on the whole, prejudiced against foreign brands, and in fact, associate them with higher quality and availability (Kinra 2005). Beginning April 2001, the Indian government removed quantitative restrictions on most foreign products. India has the world's largest middle class, estimated at 400 million.

ETHNOCENTRISM

Consumer ethnocentrism is the level of biased preference for domestic products over foreign competitors. An understanding of consumer ethnocentrism can provide insights into consumer reactions to foreign products. Ethnocentric tendencies would also be helpful in indicating whether references to country-of-origin would be productive in promotional campaigns. These tendencies may be a determinant of business success abroad and may help in positioning products for target markets. At the same time, tracking consumer ethnocentrism may help explain product preferences based on country-of-origin (Han and Terpstra 1988; Parameswaran and Yaprak 1987). "Country-of-origin" was found to be a factor reflecting credibility on foreign brand names and is influential in the decision of Indian consumers to purchase certain products, such as cars, electronics and appliances (Kinra 2005).

The CETSCALE is a measure of consumer ethnocentrism. Netemeyer, Durvasala, and Lichtenstein (1991) found the CETSCALE developed by Shimp and Sharma (1987) to be reliable and valid across nations. Shimp and Sharma (1987) proposed that one of the practical implications of consumer ethnocentrism was market segmentation. They

recommended that the CETSCALE scores correlated with other segment variables would provide useful information for determining the formulation and delivery of effective marketing communications. They also recommended CETSCALE for tracking studies; thereby implying that consumer ethnocentrism varies over time. Country specific research is also extremely valuable in the area of ethnocentrism. This is especially so, because most findings in ethnocentrism research cannot be generalized, but rather these findings provide a compilation of highly productive insights (Bilkey and Nes 1982; Ozsomer and Cavusgil 1991).

RESEARCH METHODOLOGY

Specifically, this research explored the following propositions.

Proposition 1: Respondents with “High School And Less” education will be highly ethnocentric.

Proposition 2: Respondents with “Bachelor’s Degree” education will exhibit a low level of ethnocentrism.

Proposition 3: Respondents with “Master’s Or Higher Degree” education will be highly ethnocentric.

One of the notable positive aspects of this study was that the data was collected in the market under study. A survey was administered in August 2006 to 499 adult subjects in India. The questions, written in English, were used to elicit information from the respondents. The questionnaires were distributed by trained individuals who were fluent in both English and the local languages and were experienced in administering questionnaires to appropriate samples. 482 completed surveys were usable. Subjects for this study responded to the CETSCALE. This scale was used to determine individual ethnocentric tendencies. The scale had 17 items and they were asked to respond these items on a scale of 1 (strongly disagree) to 7 (strongly agree). The sum of the responses on each of the 17 items indicated the respondent’s ethnocentric tendency. Subjects were then categorized into three groups, low ethnocentric, moderately ethnocentric, and high ethnocentric groups. Demographic information was also collected. Based on education level, the respondents were categorized into three groups. Group one consisted of individuals with “High School And Less” education. Group two consisted of individuals who had a “Bachelor’s Degree.” Group three consisted of individuals with “Master’s Or Higher Degree.” Next, the responses on the CETSCALE were cross-tabulated with the education level of the respondents. Chi-square significance was calculated.

FINDINGS

Most the respondents of this study were males (60%). A majority of the respondents (67.1%) were at least college educated. The age distribution of the respondents were as follows: Below 20 years – 14.1%, 20 to 30 years – 33.1%, 31-40 years – 30.8%, 41-50 years – 13.2%, 51 years and above – 8.8%. The education level of the respondents were as follows: High School and Less – 33%, Bachelor’s Degree – 45.2%, Master’s Or Higher Degree – 21.9%. The analysis revealed 482 out of 499 valid cases. From these, 159 (33%) belonged to the “High School And Less” education. A total of 218 (45.2%) of the respondents had a “Bachelor’s Degree.” In the “Master’s Or Higher Degree” category, there were 105 (21.9%) respondents. In the ethnocentrism categories, there were 11 (2.3%) of the respondents in the “Low Ethnocentric” group, 392 (81.3%) in the “Moderately Ethnocentric” group, and 79 (16.4%) in the “High Ethnocentric” group. The cross-tabulation analysis revealed that among the respondents who were in the “High School And Less” education group 2 (0.4%) were “Low Ethnocentric,” 118 (24.5%) were “Moderately Ethnocentric,” and 30 (6.2%) were “High Ethnocentric.” In the “Bachelor’s Degree” group, 9 (1.9%) were “Low Ethnocentric,” 176 (36.5%) were “Moderately Ethnocentric,” and 38 (7.9%) were “High Ethnocentric.” In the “Master’s Or Higher Degree” group, 0 (0%) were “Low Ethnocentric,” 98 (20.3%) were “Moderately Ethnocentric,” and 11 (2.3%) were “High Ethnocentric.” The chi-square test revealed a Pearson chi-square of 11.249, with a significance of 0.024. Table 1 summarizes the findings of the cross-tabulation analysis.

DISCUSSION OF FINDINGS

It was proposed that respondents with “High School And Less” education would be highly ethnocentric. However, the results showed that the majority of people within this category (78.7%) were “Moderately Ethnocentric.” It must still be noted that a sizeable number (20%) were “High Ethnocentric.” It is quite possible that the majority were “Moderately Ethnocentric” because of socialization. Also, the widespread availability of cable television programming with foreign programming, and increasing internet access could be influencing local opinions. The influx of foreign companies and the availability of foreign products in the Indian market in recent years may also be reducing animosity towards foreigners. Also, with increasing globalization, the distinction between foreign and domestic could be waning.

The second proposition in this study stated that respondents with “Bachelor’s Degree” education would exhibit a low level of ethnocentrism. The results showed that only 4% of the members within this category exhibited a low level of ethnocentrism, a huge majority of 78.9% exhibited moderate levels of ethnocentrism. A relatively large number of 17% exhibited high levels of ethnocentrism. This trend could be because this group has recently gained a high level of economic prosperity and are gradually leaning towards becoming nationalistic.

According to the third proposition, respondents with “Master’s Or Higher Degree” education were expected to be highly ethnocentric. The results showed that a large number of respondents (89.9) in this category were “Moderately Ethnocentric.” However, a sizeable number of members (10.1%) in this category were highly ethnocentric. Again, like in the case of the college-only educated group, a sizeable number of them could also be influenced by their patriotism.

SUGGESTED OPTIMAL ENTRY STRATEGIES FOR GLOBAL EMARKETERS

Based on the findings of this study, it is advisable for global eMarketers entering the Indian market to concentrate on three segments based on the size of the individual segments. These three segments have one thing in common – the members of these three segments are “Moderately Ethnocentric.” This finding supports past studies that have argued that there are few or no ties between ethnocentricity and education level (Brodowsky 2004). These segments are: Segment 1: High School And Less Education – Moderately Ethnocentric; Segment 2: Bachelor’s Degree – Moderately Ethnocentric; and, Segment 3: Master’s Or Higher Degree – Moderately Ethnocentric. The following are recommended optimum entry strategies for each of the three segments selected in India.

Optimum Entry Strategy for Segment 1

In this segment, where consumers have “High School And Less Education” and are “Moderately Ethnocentric,” eMarketing joint ventures with strongly established partners in India should be considered as a potential entry strategy for global firms. This strategy reduces the costs and risks of going into a new market alone. The Indian market has domestic companies that work in groups and have a lot of experience in manipulating the less educated and have a substantial influence on the business communications policies of the government.

Should the global entrant decide to go it alone, they will more than likely face not only a barrage of natural business barriers (Porter 1980), but also artificial barriers created by companies and individuals in the host country. Such barriers could extend from various kinds of infrastructural to financial difficulties (Gerth 1998).

Optimum Entry Strategy for Segment 2

When conducting business with or within a segment that is dominated by consumers who have a “Bachelor’s Degree” and are “Moderately Ethnocentric,” the global firms should concentrate on appointing eMarketing agents as the optimal entry strategy. This strategy would provide the time and opportunity to assess the market potential and also to understand the market mechanisms. The global firms should be seen as a contributor to increasing the quality of life of Indian citizens and as a law-abiding corporation. The company would command a positive image as one that deals in a product that benefits standard of living, and as a responsible corporate citizen that does not intend to sabotage governmental policies and efforts. The global firm should project itself as a corporation, which is less likely to exploit the local economy and instead project itself as a corporation that contributes to the local economy.

Optimum Entry Strategy for Segment 3

In a segment comprised of consumers with a “Master’s Or Higher Degree” and “Moderately Ethnocentric” tendencies global entrants should go in with local eMarketing subsidiaries. This would be the optimum strategy for entry in this segment. Of course serious study and in-depth assessment of this segment needs to be made before and after an investment is made (Ghose 1992). A subsidiary in this segment would build an image of sincere commitment. It would also give consumers confidence that the company will be around past their first purchase should something fall short of consumer expectations. Consumers in this segment also believe that if a company has committed itself to start an operation based in their market, and invested in operations and people, then that company will not market substandard products and risk its goodwill in the long run. Sentiment traditionally plays a strong role in this segment. Long-term relationships are crucial and result in loyalty, which in turn results in financial benefits for the company. There is no strong necessity for a well performing global eMarketer to force itself into a joint venture or restrict itself to appointing an eMarketing agent. Any other strategy

would lower the earnings potential. However, other strategies should be contemplated only in cases where there are substantial symbiotic benefits in the global market (Ghose, Chaudhuri, and Ramaprasad 1992). A global eMarketing entrant in this segment would likely get involved in policy or interest conflicts with partners which in turn can compromise the managerial flexibility and organizational effectiveness (Schollhamer 1971). Joint ventures will require the global eMarketing entrant to share profits instead of keeping all of it for itself, as can be the case in subsidiaries (Robock and Simmonds 1973).

CONCLUSIONS

Overall, the prospects for eMarketing by global players in India seems to be bright at the current time. Whether by capitalizing on country-of-origin image, strategic alliances, or market segment development, or reaching out to opinion leaders, global eMarketers need to actively enter this market. Additional and frequent research in this market is vital to understanding its dynamics, reducing risks, and optimizing gains. Such research has its financial and logistical challenges. However, the findings of such research can help to assess, determine, develop, and execute eMarketing strategies in order to maximize financial returns from a market interested in foreign products. This market is also willing and able to purchase foreign products. If the global manufacturers and eMarketers miss this golden opportunity, the competitors will avail of it. Remember, first-mover advantages can far exceed follower benefits.

The entry strategies proposed in this paper should be used as a stepping-stone to understanding how to reap the optimum financial benefits in the growing Indian markets. The level of consumer ethnocentrism is a reliable predictor of product evaluations (Orth and Firasova 2003), and Indian consumers have shown a higher regard for foreign brand names (Kinra 2005). With adequate training and knowledge of the Indian markets, global eMarketers can be highly successful in India.

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Table 1
Cross-tabulation of Education and Ethnocentrism

ETHNOCENTRISM

EDUCATION	Low Ethnocentric	Moderately Ethnocentric	High Ethnocentric	Education Totals
High School And Less	2 *0.4%	118 *24.5%	30 *6.2%	150 *31.1%
Bachelor's Degree	9 *1.9%	176 *36.5%	38 *7.9%	223 *46.3%
Master's Or Higher Degree	0 *0%	98 *20.3%	11 *2.3%	109 *22.6%
Ethnocentrism Totals	11 *2.3%	392 *81.3%	79 *16.4%	482 100%

*Chi-Square 11.249, df 4, Sig. .024 *Percentage of total sample of 482 valid cases*

MAKING INTANGIBLES TANGIBLE INTERNATIONALLY: ANTECEDENTS OF GLOBAL MARKETING EQUITY

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ABSTRACT

This research addresses an emerging financial imperative in marketing by conceptualizing intangible resources as cross-functional future growth options. Linking the valuation of a firm's opportunities to its investments to support growth, this study responds to the emerging requirement to relate traditional marketing measures of multi-national firms to overall, long-term growth.

INTRODUCTION

Recently, scholars have begun to explore the conceptual and empirical underpinnings of the relationship between marketing and finance (Rust et al. 2004). In fact, in doing so, opportunities are being set forth for scholars to assess the financial relevance of the marketing function in firms. In discussions concerning the strategic readiness of a firm's intangible assets or findings concerning the importance of customer satisfaction in increasing shareholder and market value (Fornell et al. 2006), the financial imperative facing marketing researchers is apparent. For example, Rao et al. (2004) speculate that corporate brand strategy may be best for firms aiming to maximize overall value.

An equally important component of the marketing process is the level of creativity and innovation that a firm can create (Sorescu et al. 2003; Wuyts et al. 2004). Innovation has been analyzed in a variety of ways. These include: consequences of innovation and profitability in interfirm agreements (Wuyts et al. 2004); innovation, organizational learning, and market orientation (Hurley and Hult 1998); strategic business unit (SBU) level innovation (Zhou et al. 2005); and the financial valuation of different types of innovations themselves (Sorescu et al. 2003). In work paralleling the innovation stream of research but focusing on more traditional marketing functions, the relevance of creativity in marketing programs as well as its relation to both new product development and financial success have also been pursued (Im and Workman 2004). As such, it is argued here that these three measures of marketing outcomes – customer satisfaction, brand equity, and innovation creativity – are different facets of a firm's overall marketing outcomes and should be considered as a firm's global marketing equity.

Some previous attempts have been made to introduce financially-based concepts to industries with different marketing characteristics in the literature (e.g., Mizik and Jacobson 2003). However, the marketing function has been constricted by the notion that financial and accounting measures are incapable of capturing basic marketing principles. For instance, the innovation and related concepts described above refer to tangible and intangible assets that are “lumped [together] by accountants under the heading of goodwill and include things such as patents, trademarks, and licensing agreements, as well as “softer” considerations such as the skill of the management and customer relations” (Keller 2003, p. 493).

As such, some firm resources in the present study's model are more closely associated with technology (e.g., discovery expenditures, ideation personnel centralization, etc.) while other resources are more closely associated with marketing (e.g., marketing expenditures, secured intellectual property, etc.). As such, another major contribution of this study is to develop a typology of both intangible technological and intangible marketing resources to assess their combined influence on marketing outcomes and financial performance. In accomplishing this, a more comprehensive and managerially-relevant framework is pursued.

MODEL DEVELOPMENT

The literature has studied considerable topics concerning resources (Barney 1991), their inter-functionality (Li and Calantone 1998), and their application (Child 1972). In fact, there are typically three distinct sources of competitive advantage: physical, intangible, and financial resources

(Chatterjee and Wernerfelt 1991). In fact, intangible resources have become a pivotal factor in the development and explanation of the resource-based view (RBV) (e.g., Barney 1991). However, as acknowledged by the subjectivity of the concept, any attempt to explain the relevance of intangible resources entails significant measurement difficulties (Fornell et al. 2006).

Propositions

The literature to date has categorized intangible resources as either technology- or marketing-based. Though this is essential to establish a general approach to assess and evaluate the influence of intangible resources on firm performance, the premise underlying this viewpoint does not address the cross-functionality of common business practices (Vargo and Lusch 2004). Found to reduce inter-departmental conflict (Maltz and Kohli 2000) and increase responsiveness (Hult et al. 2005), recent marketing research findings indicate that cross-functionality is imperative to remain competitive in new product development teams (Joshi and Sharma 2004), radical innovation performance (Atuahene-Gima 2005), and preannounced product introductions (Wu et al. 2004).

Given this development in the literature, this study presumes that all resources included in the model to be tested have resource elements based in both technological- and marketing-oriented activities. However, given the resources of this model, some are more technology-based resources while others are more marketing-based resources.

Therefore, of the many technology- and marketing-based resources discussed in the extant literature, it is forwarded here that proxies for a firm's overall resource allocation follow a continuum and are as follows: discovery expenditures (as the most technology-based), ideation personnel centralization, production capacity, investment project potential, immediate financial power, logistics effectiveness, supply management efficiency, secured intellectual property, and marketing expenditures (as the most marketing-based).

To forward the development of this model, three general marketing outcomes used in the literature to date are customer satisfaction, brand equity, and creativity level. By proposing to analyze the forwarded relationships among multi-national organizations, it is forwarded here that these three facets represent a firm's global marketing equity.

Customer satisfaction. Based on the customer's assessment of a firm's perceived quality, perceived value, and customer expectations, the construct of customer satisfaction measures the level of overall customer satisfaction with the firm's products or services. Acknowledged as another variable that is formed over the long-term (Anderson et al. 1994), findings have indicated that firms which are market-oriented tend to enjoy higher customer satisfaction ratings (Homburg and Pflesser 2000).

Similar to the general tenets of market knowledge competence in that the antecedents of its three primary constructs (customer knowledge process, the marketing-R&D interface, and the competitor knowledge process) are both external and internal forces, effective implementation of these processes in the firm contribute to new product advantage and market performance (Li and Calantone 1998). Since a firm's properly-directed and developed new product advantage should be appropriately geared for the marketplace, the following should result:

Proposition 1: There should be a positive relationship between a firm's (a) Discovery expenditures, (b) Ideation personnel centralization, (c) Production capacity, (d) Investment project potential, (e) Immediate financial power, (f) Logistics effectiveness, (g) Supply management efficiency, (h) Secured intellectual property, and (i) Marketing expenditures, and its customer satisfaction.

Brand equity. A popular application of the concept of a firm's brand equity is that it is comprised of two components: 1) demand in the marketplace that enhances brand equity; and 2) the reduction of required marketing expenses as a result of enhanced brand equity (Simon and Sullivan 1993). However, based on Rao et al. (2003), the construct of brand equity is defined as the strength of a firm-level brand in the marketplace. The most widely accepted conceptualization of this variable includes four components: brand loyalty, name awareness, perceived quality, and brand associations (Aaker 1991).

Since the current study is assessing firm-level characteristics, results can be classified as applicable to the study of corporate brands. Advertising has been found to have a long-term impact on brand equity (Jedidi et al. 1999). Thus, this paper is including it as a firm-level variable with more

objective data. As such, the relation of a firm's tangible and intangible resources to its brand equity reflect the need to measure marketing outcomes comparatively to better assess a firm's competitive advantage (Ray et al. 2004). Thus:

Proposition 2: There should be a positive relationship between a firm's (a) Discovery expenditures, (b) Ideation personnel centralization, (c) Production capacity, (d) Investment project potential, (e) Immediate financial power, (f) Logistics effectiveness, (g) Supply management efficiency, (h) Secured intellectual property, and (i) Marketing expenditures, and its brand equity.

Creativity level. The concept of creativity varies with the context in which it is used. Findings from the management literature indicate that, while work standardization positively influences customer satisfaction, creativity can influence overall performance (Gilson et al. 2005). Whether studied at the cross-functional project level (Sethi et al. 2001) or at the individual innovator level (Hargadon and Sutton 1997), the commonality of creativity is that it is used to explain the resultant of a wide variety of work, experience, and analysis.

Such ability of the firm to develop new product and marketing program creativity can become a competitive advantage to firms as they would be more able to respond to changes in the marketplace vis-à-vis competitors (Barney 1991). In fact, the decision within firms to devote sufficient resources to develop the appropriate level of creativity in products, services, and innovation is imperative to develop a fit between the firm's abilities and resources and the marketplace (Child 1972). Thus, this variable is used to forward the literature concerning an innovation's market newness as it influences general marketing outcomes.

Proposition 3: There should be a positive relationship between a firm's (a) Discovery expenditures, (b) Ideation personnel centralization, (c) Production capacity, (d) Investment project potential, (e) Immediate financial power, (f) Logistics effectiveness, (g) Supply management efficiency, (h) Secured intellectual property,

and (i) Marketing expenditures, and its innovation creativity.

CONCLUSION

Scholars have begun to explore the relationship between the marketing and finance functions in an effort to make marketing research more managerially-relevant. As such, this project intends to examine the relationship between these two disparate fields of research by examining the conceptualization of intangible resources in marketing. In doing so, this research aims to borrow from relevant conceptual and empirical explanations in the marketing, management, and finance literatures to determine whether intangible resources have an impact on accepted marketing outcomes and financial performance. By linking resource allocation to marketing outcomes and, subsequently, financial performance at the corporate level with panel data, findings may lead to a more comprehensive framework for future marketing researchers and practitioners.

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TOO MANY CARDS? EXPLORING COLLEGE STUDENTS USE OF CREDIT

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ABSTRACT

Credit card debt was identified as one of the biggest problems of college students according to a recent survey of 1,200 students (*New York Times* 2006). More than half of all college students have at least one credit card, according to a recent *Wall Street Journal* article (WSJ 2006), making it very easy for college students to create debt in a short time period. "Today's 18-35 year olds have grown up with a culture of debt – a product of easy credit, a booming economy and expensive lifestyles. . . They often live paycheck to paycheck, using credit cards and loans to finance restaurant meals, high-tech toys and new cars they couldn't otherwise afford" (Dugas 2001). Students use credit to buy "essential" products (cell phone, pager, voice mail, iPod, computer with DSL and a Palm Pilot or Blackberry). Many college students are not fazed by the amount of debt they owe. One student was quoted as saying she "blamed the credit card companies and the University for allowing them to promote the cards on campus without educating students about credit" (Dugas 2001).

This exploratory study was designed to describe selected credit card behavior of college students at one West Coast university and to explore if there are differences in usage among students. The four guiding questions are: 1) How many and which types of credit cards are used by college students? 2) Are there differences in credit card usage among business and psychology majors? 3) Are there differences in credit card usage between undergraduate and graduate students? 4) Are there differences in credit card usage among students of different ethnic backgrounds? Credit card data were collected from 130 undergraduate students enrolled in upper-division business courses, 132 undergraduates enrolled in upper-division psychology courses, and 53 MBA students, resulting in a total sample of 315 participants.

The findings show that undergraduates, regardless of major, appear to exhibit similar credit card behavior. Bank cards are the cards of choice for the majority of students. T & E (American Express) cards are not commonly used by undergraduates, but are used by MBA students. MBA students were also found to have the highest number of credit cards on average. Hispanic students are more likely to think they have too many credit cards, while Asian students, who have the most credit cards, are least likely to agree that they have too many cards. Overall, the findings indicate that there are differences in credit card usage between undergraduates and graduate students. And significantly, the differences in undergraduate students appear to be more associated with ethnicity (cultural background) than with choice of major.

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‘BLINK’ AND THEY’RE GONE: A ‘QUICK-TAKE’ ON IMPULSE PURCHASE BEHAVIOR AND ENROLLMENT MANAGEMENT IN HIGHER EDUCATION

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ABSTRACT

The college-decision process that prospective students make has been characterized as deliberate and prolonged — a classic extensive problem solving behavior model. New research indicates that a significant proportion of students engage in impulse purchase behavior when choosing a college. Marketing implications for enrollment management and “Blink: An Intervention Model” are presented.

INTRODUCTION

Defining enrollment management as student acquisition and student retention is simplistic, but realistic. In theory, enrollment management encompasses all aspects of university life that attract and retain students. Hossler (2004) describes enrollment management as assessing how students choose a college and determining what factors influence them to remain or leave. Morest and Bailey (2005) suggest that university officials need to better understand why students leave, as retaining students is oftentimes less expensive than acquiring new ones. Because college choice has been characterized as being deliberative in nature (Kotler and Fox, 1985), this research is a first attempt at bringing a different paradigmatic perspective to the challenge of enrollment management.

A REVIEW OF THE LITERATURE

Impulse Purchase Behavior

The impulse purchase phenomenon has been studied in the marketing field for years (Stern, 1962; Bellinger, Robertson, and Hirschman 1978). The research indicates that impulse buying is an American lifestyle phenomenon (Rook, 1987; Rook and Fisher, 1995). Youn and Faber (2000) indicate that much of the work on impulse buying is focused on defining and measuring the concept, and less on determining the personality traits that underlie the tendency to buy on impulse. Specifically, Youn and Faber (2000) delineated eleven primary personality dimensions, three of which that have relevance for

the better understanding of impulse buying: (1.) Lack of Control/Impulsivity — spontaneous, prefer to “play things by ear,” respond to sales, bargains, and price; (2.) Stress Reaction — impulse buying is linked to an emotional release, a way to respond to negative emotional states like anxiety, distress, or guilt; and (3.) Absorption — the tendency to purchase because of environmental cues like sights, sounds, and smells.

On-The-Spot Assessments

Malcolm Gladwell in his latest book, *Blink: The Power of Thinking Without Thinking*, states that our first impressions, based on our genetically coded survival instincts and developed intuitions, can be astonishingly insightful when making decisions. Gladwell argues that first impressions can yield judgments as sound as those we might reach based on longer, more deliberate consideration, provided that our first impressions are not gathered under extreme stress or fears, or rooted in prejudices that can render on-the-spot judgments wrong. He concludes that our best decisions are often based not on mountains of empirical evidence, but on educated guesses or “thin-slices” of a few salient details we make within two seconds of seeing or hearing about something.

Social Involvement

Tinto has been studying student retention issues in higher education for over 20 years (Tinto, 1975; Tinto, 1987; Tinto, 1997). In 1987, Tinto reviewed the data and reported that nearly fifty percent of students entering a two-year college and

almost twenty-nine percent of those entering a four-year college do not continue beyond their first year. His research highlights the importance of social involvement activities and their impact on student retention efforts, but little is known regarding **when** the student makes the decision to leave the institution and **what** can delay or prevent the student's decision to withdraw from the university.

A DIFFERENT MINDSET IN ENROLLMENT MANAGEMENT

As alluded to earlier, college or university selection has been conceptualized as a thoughtful, deliberative process. But is it realistic to bring a fresh perspective to the enrollment management challenge? Is it useful to determine if an impulse purchase, or "blink" response, applies in the decision to attend and remain at an institution of higher education? Are social involvement activities fruitful avenues of discovery with respect to student retention efforts? This study investigates three areas of research — impulse purchase behavior traits; on-the-spot assessments; social involvement — and their applicability to student acquisition and retention strategies in higher education. Specifically, three hypotheses are tested, each of which is fundamental to the ultimate goal of developing a student intervention model that can be implemented immediately:

1. To what extent do personality traits associated with impulse purchase behavior affect enrollment management activities in higher education?
2. To what extent does the critical component of time affect the development of an intervention model in enrollment management?
3. To what extent does students' social involvement positively or negatively affect the withdrawal rate from the university?

METHODOLOGICAL CONSIDERATIONS

The information that was collected to answer the three aforementioned research hypotheses was derived from exit interviews over three semesters from a private, midwestern university. The total sample size of 222 was self-selected, given that all the participants had self-initiated the withdrawal process. The total sample was divided into two groups. The first group [n=93] was not interviewed, but was used to establish a retention baseline.

Student withdrawals were tracked over a thirty day period [the first thirty days] for three semesters. The second group [n=129] completed an exit interview over the same three semesters. Any student in the process of withdrawing must complete an exit questionnaire and answer specific questions in a structured interview. This systematic procedure ensures a complete sampling of all students who are considering withdrawal from the university. General student retention statistics, student characteristics, and academic profiles were obtained from the Admissions Department and Office of Institutional Research. The standardized test data [ACT, SAT] and achievement scores [High School GPA] indicate that the university from which these data were derived is "competitive" (Barron's 2006), and "moderately difficult" (Peterson's 2006).

The three research hypotheses were tested by using both qualitative and quantitative research techniques. For example, open-ended questions were sorted by frequency, ranked, and assigned to one of three personality profiles offered by Youn and Faber. Similar processes were used in coding and tabulating Gladwell's "blink response" data, i.e., when a student actually withdrew and when the decision to withdraw was actually made. Tinto's social involvement measures were also obtained in a similar manner. These clusters were then analyzed by using simple regression models that tested linear relationships.

RESEARCH FINDINGS

Personality Traits and Impulse Purchase Behavior

Seventy-eight percent of the students enrolled could be classified in one of the three personality profiles offered by Youn and Faber. The impulse phenomenon does apply to the college choice decision making process, at least with respect to student acquisition.

Specifically, those in the Lack Control/Impulsivity segment [50.9%] are likely to respond to sales, bargains, or price elements. Students in this segment stated that their decision was based on financial considerations, and offers of scholarships and merit awards were critical. Students in this segment exhibited no statistically significant relationship with when they withdrew. In other words, a student in this cluster was equally likely to withdraw on their first day as they were on their 14th day of school in their sophomore year.

Those students in the Stress Reaction segment [19.3%] are likely to respond to inner stress

by making a purchase as an emotional release. Students in this segment choose to attend the university because they “were tired of looking” or “frustrated with the process” or “wanted the decision to be made to reduce the stress”. This segment was found to have a significant, positive relationship [df=1/113; F=16.263; sig=.0001] with when the decision to leave was made. This segment has an R=.356 and R-square=.127, indicating that students postponed their decision to leave, that is, they made their decision to leave at a later date.

Those students in the Absorption segment [7.9%] are likely to purchase because of environmental cues. Students in this segment decided to attend because “the campus is beautiful”, or “the campus has nice buildings, people and flowers”. This segment has a significant, positive relationship [df=1/113; F=20.61; sig=.0001] with when the decision to leave was made. This segment has an R=.394 and R-square=.155, indicating again that students postponed their decision to leave, that is, they make their decision to leave at a later date.

Evidence of Gladwell’s “Blink” Response

As mentioned in the Methodology section, the total sample of 222 was divided into two groups. The first group [n=93] was not interviewed, but was used to establish a retention baseline. The research indicates a steady loss of students for five of the six weeks tracked. Most of the students were lost in the second week. When the data are aggregated, 47.31% of the students in this group had officially begun the withdrawal process in their second week of the semester; the rest of the group was fairly evenly distributed throughout the rest of the semester.

Group two [n=129] data indicate that the “average” withdrawing student remains enrolled 2.3 semesters before withdrawing. Specifically, 23.7% remained one semester; 39.5% remained two semesters; 23.7% remained three semesters; 8.8% remained four semesters; 3.5% remained five semesters; and 0.9% remained six semesters. However, an analysis of when the student decides to leave the university was also undertaken. The research indicates that 12.3% decide to leave before their first day of class; 20.2% decide to leave on their first day of class; 45.6% decide to leave in their first week; 9.6% decide to leave in their second week; 6.1% decide to leave in their third week; 21.5% decide to leave by mid-term exams; 11.4% decide to leave sometime after their first semester; and 5.3% decide to leave in or sometime after completing their second semester. There does appear to be a “blink”

response phenomenon in higher education, particularly with respect to student retention. The “blink” response is most likely to occur by the second week of the semester, suggesting that enrollment managers have a mere 14 days to target those “at-risk” students with appropriate intervention strategies.

Student Social Involvement and Retention

Tinto’s model of student persistence stresses the importance of student social involvement in higher education. This research confirms Tinto’s fundamental assertions. Those students who reported being socially involved remained significantly longer than those who were not socially involved. Social involvement exhibits a significant, positive relationship [df=1/113; F=10.77; sig=.001] with how long a student remains enrolled. This variable has an R=.296 and R-square=.088, implying that when students are involved socially, they remain longer. Specifically, students more often than not commented that they remained longer because of their “Greek involvement”, “intramural loyalty”, “spring break plans”, or because of “promises and commitments” made to friends. Two other findings are also of interest. First, 8.8% of the students reported that they were not “involved” in the college even though they met the operational definition of being active in more than two extracurricular activities. This group of students commented that they did not “feel connected” to the campus, its groups and organized activities, lending support to Provost’s (1985) assertion that students become a retention risk when they have difficulty connecting to the university. And second, 11.6% of the participants were not included in the withdrawal data because this group of students decided to remain enrolled following the exit interview. This “change of heart” group [n=15], decided to remain because of a change in major, internship opportunity, field experience, or resolved “panic response”. This anecdotal evidence suggests that if social integration is to happen, it can also occur in the classroom (Tinto, 1997).

RECOMMENDATIONS FOR ENROLLMENT MANAGERS

The college-decision process that prospective students and their families make has been characterized by professional marketers as one that is deliberative and prolonged. It is a classic extensive problem solving behavior model, one that assumes that a college-bound student must define the qualities to look for in a college, closely examine specific colleges to determine how well they deliver these

desired qualities, and then embark upon the time intensive application process. This research challenges the popular paradigm and offers five recommendations to college and university enrollment managers. These five recommendations provide the fundamental framework for the “BLINK: An Intervention Model” provided in Table 1.

First, there is evidence of the impulse purchase phenomenon in the college-choice decision making process. Enrollment managers need to determine precisely when the student made the decision to enroll at their institution. For example, did the student suddenly appear, register late, or send their standardized test scores directly to the university as part of the formal admission process? This piece of information may be illustrative of impulse purchase behavior, thereby prompting the formulation of a pre-enrollment, “at-risk” student retention strategy. Since a sizable proportion of students make plans to leave the university prior to attending their first day, it would be useful for enrollment managers to build this kind of indicator in the application form. In other words, **B**efore a student arrives, start retention efforts.

Second, there are opportunities for retention efforts when an exit interview is a formal part of the student withdrawal process. Nearly 12 percent of the students decided not to leave the university after completing their exit interview. It makes good business sense to have this important information gathering device institutionalized in the student withdrawal process. In other words, **L**eaving students should be interviewed.

Third, students who are socially involved tend to remain enrolled longer. When the student

remains longer, this creates more opportunities for enrollment managers to improve their retention strategies. For example, here is an area where the value of Student Affairs offices can be enhanced. It is common for students to remain an extra semester or two when they become involved in Greek Life, Intramurals, Spring Break activities, and internship opportunities made available through the Career Services Office, an integral unit of the Student Affairs office. In other words, **I**nvolvement is related to retention.

Fourth, financial aid packages that are offered in a myriad of ways may entice students to attend the university, but there is no evidence to suggest that the student will remain to graduation. Specifically, “price” has an impact on student acquisition but not student retention. The “blink” response to enroll because of scholarship monies, grants or awards may engender a false sense of security among enrollment managers, thereby overlooking this student segment as a potential retention risk. In other words, it is imperative that enrollment managers are **N**ot too dependent on money or leveraging strategies to improve retention.

Fifth, effective enrollment management entails both student acquisition and student retention strategies. Savvy enrollment managers realize that effective intervention strategies are necessary to meet both short-term and long-term enrollment management objectives. Therefore, merging acquisition and retention models from the onset of student recruitment is paramount. In other words, **K**eeep awareness of enrollment objectives.

Table 1. BLINK: AN INTERVENTION MODEL

<p>Before a student arrives, start retention efforts  start in the summer — fall appears to be too late</p> <p>Leaving students should be interviewed  exit questionnaires are descriptive — exit-interviews are an intervention</p> <p>Involvement is related to retention  Student Affairs plays a key role — where all social intervention can occur</p> <p>Not too dependent on money or leveraging strategies to improve retention  money will acquire students — money will not retain students</p> <p>Keeep awareness of enrollment objectives  enrollment management — combine student acquisition and retention models</p>

LIMITATIONS

The research design and the data that were used to elicit these research findings possess some inherent limitations. The data emanated from one private, midwestern university with a known academic profile. Hence, generalizations must be weighed carefully. The sample frame consists only of those students who were in the process of withdrawing from the university. As a result, this research does not include data from students who graduate from the university. Student participants were categorized into a personality profile that described impulse purchase behavior. It is implicitly assumed, therefore, that many students decide to enroll based on emotional factors, not cognitive factors. Finally, when assessing the impact of financial-aid leveraging packages on student retention, qualitative measures applicable to merit-based grants were used. Therefore, no a priori quantitative data were used, nor was the impact of need-based grants on retention efforts assessed.

CONCLUSION

These research findings suggest that effective enrollment management — student acquisition and student retention — is dependent upon a better understanding of impulse purchase behavior. Assuming that the college decision-making process is deliberate, prolonged and logical may be incorrect. Moreover, the importance of student social involvement on retention cannot be over emphasized. In the end, it is imperative that retention efforts begin prior to enrollment, because the decision to enroll or withdraw can occur in the “blink” of an eye.

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BEAUTY MAY BE SKIN DEEP BUT SUCCESSFUL MARKETING STRATEGY IS NOT

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ABSTRACT

How do two firms from very different parts of the world, with different histories and marketing strategies achieve success in the same marketplace? How do these organizations manipulate their marketing mixes to reach a market that is both demanding and diverse? What are their "secrets"? This paper discusses those secrets.

INTRODUCTION

Coco Chanel may have given the world a little black dress and a famous perfume, but she also gave the world a brand name synonymous with luxury and prestige. Indeed it is one of the most recognizable brands in the world. This "French original" is now a global company with a reach that extends all the way to Asia, especially Japan. The esteem and respect with which the Japanese consumer holds Chanel, has allowed the company to survive Japan's recent lengthy recession relatively unscathed. With economic recovery now well underway, Chanel is flying higher than ever. But there is also another firm, headquartered in Japan, Shiseido, a firm that has been part of the economic landscape for over 130 years. They, too, have weathered many an economic and competitive storm. These two firms have achieved unparalleled success in Japan. Yet, their paths to success have followed somewhat different routes. This paper provides a brief overview of the similarities and differences in the approaches taken by these two firms to capture the Japanese cosmetics consumer.

SHISEIDO

Product

The Japanese cosmetic's market is a maturing and highly competitive market, although skincare products, which account for over 40% of the marketplace, is an area still experiencing meaningful growth (Jetro 2005a) This is understandable, as skincare has been solidly entrenched in the beauty regimens of Japanese women for many years, unlike their European and American counterparts. Thus,

Japanese manufacturers and importers have employed numerous strategies for assuring continued growth in this sector (Davies 2006). Over the past two years in particular, producers aiming at Japan are focusing on two skincare areas--anti-aging and skin whitening products. Confirming this boom, Shiseido says that the market for anti-aging related products has increased by 154% since 2000—according to Japanese press reports—a trend that seems to be growing all the more rapidly in the past 12 months (Pitman 2000a). In line with this, Shiseido introduced its Revital Retino Science Lotion in October 2005. Claiming to contain the most up-to-date formulation technology, the product is said to contain a vitamin that helps the skin to rejuvenate itself, allowing for unprecedented results. Priced at about \$85 for a one-ounce pot of night cream, the treatment does not come cheap; but the country's economic recovery means that after a lean period for retailers, Japanese consumers are now starting to come out of hibernation again. In response to this retail renaissance, Shiseido says that the sales of the Revital line, which includes both night and day creams, as well as a skin whitening treatment, have exceeded expectations by about 20% (Pitman 2006a).

Shiseido is no stranger to skin whitening products. Throughout the Asia Pacific Region, and in Japan in particular, certain interpretations of beauty dictate that women, and increasingly men, have an unblemished and light skin color (Pitman 2006b). Thus, men are not forgotten by Shiseido. Though the men's market in Japan is in the infant stages, usage trends are growing among men, particularly men in their 40s to 50s, who realize the benefits of skincare and of looking sharp as means of self-expression (Ono2006).

All of this suggests that learning about a country's culture and lifestyle segments is important in targeting a firm's products properly. And, although we will see in a later section that consumer products organizations often want to get their product into as many stores as possible, it is, perhaps, a smarter strategy to target outlets by consumer lifestyle. As Lloyd (2004) says, "it is a much more effective way to allocate resources."

Pricing

While Shiseido markets many higher end products to the department stores, it has become apparent over the years that consumers are becoming increasingly discriminating about value for the money for cosmetics. Changes in consumer lifestyles and sales channel diversification have resulted in a growing market for relatively inexpensive, self-service cosmetics that consumers can easily select in a drugstore or mass merchandiser (Jetro 2005b).

Distribution

The Japanese answer in general and Shiseido's, in particular, to the invasion of the foreign premium brands, like Chanel, has been to create new products with certain characteristics to match those of the best foreign brands, then to push the products out not just through the nation's 300 department stores, and 30,000+ cosmetics, drugstores, and general merchandizing stores around the country. This strategy has been surprisingly successful, with companies like Shiseido creating three high-end brands at the same time—Pied Nus, Proudia, and Elixir—which have helped the company weather some otherwise disappointing results over the last couple of years (Lloyd 2004.)

While one might think that selling a high-end brand in both upscale department stores as well as thousands of lower-end stores would dilute or even destroy a brand's positioning and value—that may not be the case. "Japan is unique in the cosmetic's world in that it is a very fragmented world with brands appearing in all kinds of shops. To the extent that the consumers don't really notice where they are buying from, it's the brand image that compels the purchase. Foreign brands [like Chanel] stay in the top department stores because the beauty consultants are essential to the value proposition—not something that can be delivered effectively from your local pharmacy" (Lloyd 2004).

Promotion

To help improve the bottom-line, Shiseido recently has implemented restructuring measures aimed at creating "mega-brands." This includes developing a small number of high-end, core brands sold at the department store level and backed by aggressive television and other advertising and some sales promotion (Jiji 2006; Moulin 2006). In addition, Shiseido is putting more emphasis on training. They currently are training approximately 8,000 beauty consultants in seminars across the country.

Shiseido's advertising approach has been notable in one particular way. Much of their advertising has been to focus not so much on the product but on the setting, the action, or the presenters, especially actors and actresses from either home or abroad. Shiseido wants to grab your attention, but seemingly at the expense of the product itself (Jiji 2006; Niagara University 2005).

The company also publishes *Hanatsubakiki*, an avant-garde magazine of culture and fashion (Harlan 2000). This in-house magazine is distributed to customers through a nationwide network of chain stores. This monthly magazine offers articles on domestic and overseas travel, fashion, and the arts. There also are essays and commentaries by leading literary figures of the day (FragranceX.com 2006).

In 1937, Shiseido established the Camellia Club, a service for loyal customers, with membership at about 9 million. The Club seeks to continue to build a relationship with the customer by offering promotional gifts and tickets to various events (Koplos 2001).

CHANEL

There is one firm that has not experienced the same problems that has challenged Shiseido. That company is Chanel. They clearly have appreciated that Japan is one of the best markets for luxury goods (and high profits). Thus, by focusing on the luxury side of the cosmetics marketplace, Chanel appears more insulated from the profit deflating arrows of a vulnerable economy and heated price competition. Indeed, they appear to have formulated a sensible and highly successful marketing strategy to attack this marketplace. The following pages outlines their plan of attack—a classic example of a firm having a full understanding of product positioning, and the distribution and promotion requirements of their customers.

Product

High-end products in Japan have always enjoyed a strong market because of the very specific emphasis that Japanese people place on quality. The Japanese have quality in their DNA, it is really something that they understand (Karasaki 2006; Foreign Press Center 2006). “[Indeed], the Japanese are sensitive to things. They understand the goodness of our products beyond their appearance or brand image. And for that reason they are an important market for Chanel” (Tokyo International Forum 2003).

But it is not just product quality that accounts for the success of Chanel in Japan. The Japanese consumer is traditionally more interested in skincare than in make-up and fragrances. In fact, skincare products in Japan account for the largest market share in the cosmetics group. This is in striking contrast to Western countries where make-up preparations have the largest share of the cosmetics market. In effect, Japanese women look to *enhance* their beauty, as opposed to the Western beauty standard of creating a new image. Thus, Chanel places a major emphasis on their skin-care lines (E-Beauty-on-line.com 2003). Chanel operates on the principle that for the Japanese consumer true beauty incorporates beautiful skin. Therefore, Chanel sees to it that its cosmetic’s colors that are marketed in Japan are tones of a more subtle variety. Also, many of their skincare products focus on “natural” looks and a light, non-oily feel, aimed at making their skin more attractive (Nomoto 2003).

One seemingly small, but important factor to keep in mind when it comes to marketing to the Japanese consumer is that there are actual differences between Asian and Caucasian skin possibly due to biological, dietary, cultural, or climatic reasons. Therefore, a product that is consumer tested in the U.S. may generate different results or complaints of skin irritation in Japan. It is important for manufacturers to adjust or to develop products with the different needs of local customers in mind. And it is because of this very factor that Chanel has an R&D facility in Japan in which to refine their products to meet Japanese consumer standards. (Jetro 2005a).

When it comes to packaging, Japanese consumers demand perfection as well. Exporters of cosmetic products should know that packaging, for example, is very important to Japanese consumers. In general, compared to consumers in other countries, Japanese consumers appreciate not only the content but also the external appearance of a product they

purchase. Package design, product texture and color are closely examined before purchase (Nomoto 2003).

While Chanel targets customers primarily from the teen to the middle-aged customer with an emphasis on the latter, the Japanese population is graying rapidly. The population over 65 years of age accounted for 17% of the overall population in 2000, a figure which is expected to rise to a remarkable 25% by the year 2015, making Japan the most rapidly aging society in the world (Nomoto 2003).

To address the needs of this “graying” population, cosmetics manufacturers, including Chanel, are focusing their research efforts on so-called skin-whitening cosmetics, which whiten the skin and, apparently, prevent wrinkles and freckles caused by ultraviolet rays. And though their main target customers for these products are middle-aged and senior adults, demand has been spreading for these products to younger adults, in their 20’s and 30’s, and even into their teens. Manufacturers do not want to miss out on these latter consumers. Thus, cosmetic makers, are pursuing research at a fever pitch to better understand the basic mechanisms of skin and of skin roughness, including using biotechnology to extract “high-performance” ingredients from natural substances, so they can commercialize these as active ingredients that are safe, inexpensive and available in consistent quantities (Jetro 2005a).

In general, then, the major decision-making criteria adopted by Japanese cosmetics consumers are (1) reputation, (2) quality, (3) safety, and (4) value. In addition to these four factors, fashion is an important criterion, but a somewhat unpredictable one (Jetro 2005a). Chanel is fully aware of these criteria and, so it appears, to have successfully adapted to them.

Pricing

Recent years has seen a definite trend toward polarization between higher-priced and lower-priced products in the cosmetics market (Jetro 2005b). Shiseido has capitalized on this trend. Still, more and more consumers want quality and luxury, and will pay for it. This has been Chanel’s niche. As noted, Japan has carved out a reputation as one of the best markets in the world for luxury goods (Webb 2003). In fact, according to Prasso (2003) and Towns (2006), surveys have shown that luxury items are “must haves” among the young Japanese consumer. He found, for example, that about 94% of Tokyo

women in their twenties own at least one item by Louis Vuitton, 92% own a Gucci product, 58% own Prada and, as noted earlier, 52% own a Chanel item. In an article by Hirano (2004), a Goldman Sachs analyst stated, “the Japanese market is, by far, the most important nationality for the cosmetics industry”. Chanel’s high pricing structure reflects this hunger for quality and luxury in Japan.

Chanel is also benefiting from a new trend in the marketplace. For the second half of 2002 and onward, growing numbers of women in their late 20s and 30s, as well as middle-aged and older women, are actively seeking personal beauty consultation, and are willing to pay more for value-added products and services. This has led to a surge for higher-priced cosmetics that offer these services. Thus, many exclusive brands have been introduced into those department stores that rely on face-to-face counseling as a marketing technique (and thus support a higher price) (Jetro 2005a).

Distribution

There are many channels through which cosmetics are distributed in Japan. Which channel a company selects depends upon the type of cosmetic under consideration. Cosmetics in Japan can be distributed through drugstores and/or mass merchandisers (usually via wholesalers), cosmetics specialty stores, door-to-door sales, department stores and in some cases through company-owned stores. Many foreign luxury brands, like Chanel, have focused primarily on opening “counter corners” at major department stores, which include face-to-face counseling and advice-giving. This concept has proven very successful. A company like Chanel is successful not only because of their prestigious image and their emphasis on providing product benefits the consumer wants, but also because the higher end stores provide consulting services using skin diagnostic equipment and scientific data, plus enhanced services such as professional makeup artist demonstrations and instruction (Jetro 2005a).

For its products to be delivered to the consumer in the most expeditious way, and without losing control of the distribution process, Chanel employs a direct-selling franchise system. In this system, Chanel deals directly with its own accounts, thus bypassing the middleman, a distribution format favored by most cosmetics manufacturers. In this way, Chanel carefully and tightly controls the distribution end-points for a firm’s products. This system also helps firms control the training process of the beauty consultants who work to satisfy the

highly demanding consumer who wants individual counseling services in the department store or the cosmetic shop (Nomoto 2004).

It is clear then that Chanel finds the use of middlemen anathema to their distribution efforts. To emphasize this point, in December 2004, Chanel opened its own 10-floor store, a “palace of glass” at the ritziest of all addresses in Tokyo—the Ginza. This is in addition to three other stores in Tokyo and one in Osaka (Expatica 2005).

Promotion

According to Lloyd (2004), being a prestige brand such as Chanel is hard work. Lloyd states, “not only do the (cosmetics) products need to be outstanding in their pharmacological qualities, but they need to stay in front of the consumers through substantial print advertising, beautiful counters, and other forms of marketing”. For example, special attention is paid to effective wall “gondola” displays and seasonal floor displays, all the while ensuring consistency in the image of Chanel in design and display of products, right up to the point of sale” (Global Cosmetic Industry 2003). While image may appear to be “everything,” Chanel’s drop in sales in the late 1990s caused Chanel to reconsider its marketing strategy. This strategy ran counter to what many people believe is Chanel’s unique advantage, namely its very high-end image. Richard Kuras (then CEO of Chanel) felt that the drop in sales reflected a feeling that the brand had become too snobbish. Thus, his strategy was to bring Chanel “down-to-earth”, to “lower the threshold” that separated the average consumer from the company’s products. “Our cosmetics were brought down from the exalted heights and stood shoulder to shoulder with domestic products, in a bid to meet consumer needs”. In the old days, Kuras stated, “our fashion shows used to attract about 300 people at most. We thought that [now] more people ought to see living garments and clothes that suit the body. But if we put on fashion shows, for example, in [low end] unsuitable places, the brand image would collapse. The Tokyo International Forum is very well suited to this new image of Chanel, as it seats 1,000. It’s a ‘top brand’, in the sense that the buildings are beautiful, and they introduce a high level of culture. But we think it is a place that suits Chanel’s shows for nowadays. This is our strategy” (Japan Times 2002). In other words, Chanel never lost sight of its powerful brand image while managing to open its market to a broader audience.

As noted earlier in this paper, another example of Chanel's approach toward bringing its prestigious brand "down to earth" can be seen in the opening of its new, and large, flagship boutique in Tokyo in late 2004 (it's the company's largest shop in the world). This ten floor, luxurious high-rise building, made of glass, is banking that Japan's appetite for luxury is as hungry as ever but accessible to the average consumer (Fashion United 2004). Thus, it appears that Chanel's promotional activities are as much geared to being an investment in the future as it is at generating sales today.

CONCLUSION

In conclusion, both Shiseido and Chanel are creative and highly successful firms that have proceeded along different marketing paths in the same marketplace. This paper has outlined the strategies of each firm.

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CREATING A MENTORING CULTURE FOR PEAK PERFORMANCE IN A MARKETING ENVIRONMENT

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ABSTRACT

This paper presents an updated view of the numerous mentoring options in use within business organizations today, discusses the benefits of mentoring to the protégé, mentor, and the organization, and provides implications of mentoring in a marketing environment.

INTRODUCTION

“Know that the ultimate, sustainable competitive advantage lies in the ability to learn, to transfer that learning across components, and to act on it quickly ... The opportunities open and close weekly, even daily” Jack Welch

In today’s challenging workplace, employers are realizing the need to update their perspective about the workplace environment to keep pace with motivating employee-productivity and meeting employee needs. Corporate restructuring, reorganizations, and massive job shifts can challenge marketers in their efforts to send the organization’s branded image throughout the organization and to the consumer. Companies spend vast sums of money to attract and train a highly intelligent, creative group of people, but employers are rethinking how to retain and profit from one of the most complex employee-bases the workplace has ever seen. Employers are learning that the danger of ignoring these workforce issues is bottom-line disaster.

Mentoring has been used by organizations for decades to develop select employees for leadership positions, using an exclusive one-on-one relationship, typically with an experienced member of senior management, who was able to pass on his knowledge in a structured way. This form of social support is used by the majority of Fortune 500 Companies to provide coaching, guidance, sponsorship, exposure, protection, and access to resources within and outside of the firm. “When executives of Fortune 500 companies were surveyed, 96 percent said mentoring is an important developmental tool, and 75 percent said it played a key role in their personal career success” (Madigan, 2000, para 29). However, today’s workforce requires a complex set of skills to compete

effectively in today’s dynamic business environment, and they are looking to more than one source for a just-in-time on-the-job-training experience.

Mentoring, one of the oldest corporate methods for developing individuals, has been reborn, and has evolved from the traditional dyadic relationship to numerous models that can extend throughout an organization. Instead of mentoring relationships consisting of a single mentor and a single protégé, contemporary mentoring is a multiple series of networks consisting of several people in dual roles as mentors and protégés. It is the multiplicity of the structure that accelerates the learning and the productivity. Contemporary mentoring is fast-paced, multi-tiered and provides a just-in-time format to supply continuous improvement in all areas of the organization.

The purpose of this paper is to present an updated view of the numerous mentoring options in use within business organizations today, to discuss the benefits of mentoring to the protégé, mentor, and the organization, and to provide the implications of mentoring in a marketing environment.

The roots of mentoring can be traced to ancient times when Odysseus left to fight the Trojans, leaving behind his young son, Telemachus, in the hands of his oldest and trusted friend, Mentor, who provided tutelage and guidance for the boy until his father returned. The traditional model of mentoring used in business replicates that of an older, wiser person counseling a younger, upwardly mobile colleague. “Odysseus’ friend, Mentor, has been immortalized by the attachment of his name to this widespread form of intergenerational knowledge-sharing” (Wilson and Elman, 2000, p. 88).

Today's mentoring takes on many forms that include:

1. Traditional one-on-one mentoring (older mentor, younger protégé) (Kram, 1985)
2. Informal one-on-one mentoring (mentor and protégé can be any age or position within the organization) (Clutterback, 2004)
3. Mentoring circles (one mentor and a group of protégés) (Ambrose, 2003)
4. Relationship constellations (one protégé seeking multiple mentors) (Kram, 1985)
5. Reverse mentoring (younger employees teaching skills to experienced executives) (Bliss and DuFrene, 2006)
6. Peer-to-peer mentoring (can be peer led) (Ambrose, 2003)
7. Team-to team mentoring (senior and junior teams) (Ambrose, 2003)
8. Strategic collaboration (hybrid model consisting of 2 experienced employees and 3-5 protégés) (Washburn and Crispo, 2006)
9. Developmental network mentoring (hybrid model consisting of protégé and network of mentors) (Higgins and Kram, 2001)

Traditional Mentoring

The traditional mentoring model involves a one-on-one relationship in which the less experienced protégé is selected to be mentored by a knowledgeable member of management. Typically the purpose of this relationship is two-fold: 1) to provide career and job-related skills and 2) to develop interpersonal enhancement. The relationships tend to be hierarchical and are used to attract, retain and develop high performers. These can be long-term relationships that include a contract between the two participants, and often have a specific agenda (Kram, 1985).

Informal Mentoring

The informal mentoring relationship is less formal and involves a one-on-one relationship between mentor and protégé. Typically, the protégée seeks the mentor and arranges the pairing. In this method, there needs to be a framework in place within the organization where this matching can occur, typically a company intranet. The protégé initiates the search when there is a specific need for knowledge or skill, and this relationship can be short-term face-to-face or even Internet based. This type of program is successful if there is training provided and there are sufficient mentors available within the organization (Clutterback, 2004).

Mentoring Circles

Mentoring circles is a multiple mentoring approach involving one mentor and a small group of protégés that is based on collaborative input from all participants, creating synergies within the group. This is a useful approach when the number of mentors is limited and can be effective for the delivery of technical and organizational advice and guidance. In this approach the group of protégés seeks the mentor from within the organization (Ambrose, 2003).

Relationship Constellations

The idea behind relationship constellations is that an individual requires essential development functions based on the stage of their career. This is a type of one-on-one or peer-to-peer relationship in which the individual can serve both as an advisor, sharing their knowledge, or learning from a colleague. This model illustrates how a mentoring relationship can evolve over time as the individual passes through Kram's (1985) 4 phases of mentoring: initiation, cultivation, separation, and redefinition. These relationships can include mentor(s), special peer(s), information peer(s), subordinate(s), family members and outside friends, and can serve to support an individual's development at any time in their career.

Reverse Mentoring

Reverse mentoring is an effective model to exploit the knowledge within an organization to its full advantage. This model was made famous by Jack Welch in 1999, then CEO of General Electric, when he ordered 500 of his top managers to find employees within the organization who were experienced with computer skills to teach the managers how to use the Internet. In this case, younger employees, aged 20 to 30 yrs. old mentored members of upper management, aged 30 to 60 (Madigan, 2000). Other companies that have established successful reverse mentoring programs are General Motors, Random House, Best Buy, Proctor & Gamble and 3M (Bliss and DuFrene, 2006).

Peer-to-Peer Mentoring

Peer-to-peer mentoring is an informal approach in which there is no formal mentor involved. This is a loosely structured relationship in which peers provide mentoring to each other on specific issues. These can be short-term relationships that are disbanded after the issue has been addressed and new relationships formed on need. A noted

example of this is the relationship between GE's Jack Welch and Sun Microsystem's CEO, Scott McNealy who mentor each other (Madigan, 2000).

Team-to-Team Mentoring

Team-to-team mentoring can involve senior and junior teams that may form temporary subgroups to solve an organizational or departmental issue. This method can be useful for cross-departmental teams and can provide improved consistency in product and service delivery (Ambrose, 2003).

Strategic Collaboration

Strategic collaboration is a hybrid approach that can be useful for succession planning by forming a strategic collaboration team consisting of 2 senior managers/executives and 3-5 junior managers/executives, thus creating a support structure to optimize upward mobility. This approach takes the best of one-to-one mentoring and combines with the collaborative benefits of multiple mentoring (Washburn and Crispo, 2006).

Developmental Network Mentoring

Developmental network mentoring is a hybrid approach that has evolved from Kathy Kram's (1985) model of relationship constellations, but now recognizes the importance of multiple developmental relationships. The mentoring relationship can be intra- and extra organizational, multilevel, and multiple dyadic/ networked relationships that can be provided simultaneously at any time in an individual's career (Higgins and Kram, 2001).

BENEFITS OF MENTORING

Regardless of the type of mentoring approach utilized by an organization, it is generally agreed that mentoring provides benefits to protégés, the mentor, and the organization. For the protégés, increased job performance and subsequent promotions are readily measured. Perhaps more valued by protégés is knowing they have allies within the organization, typically with greater power, prestige and position. This may give protégés added self-confidence realizing the mentors are there to guide them. Protégés develop knowledge and information about the organization, its products and customers, develop new networks, demonstrate strengths and explore potential. In addition, they are challenged to use talents and share expertise.

The mentors gain benefits, especially if mentoring is valued in the organization's culture. They can gain respect and recognition, enhance their personal skills in coaching, listening and counseling, and contribute something of value to others in the organization. In addition, they can demonstrate their expertise and gain referent power. The mentors can learn about other areas in the organization and recognize the barriers experienced by others. The sense of being needed and recognized professionally could even re-energize their careers.

The organization gains numerous benefits from supporting a mentoring culture, such as improved productivity, employee satisfaction, and communication throughout the organization. In addition, the organization can use employees as internal experts for professional development rather than hiring outside consultants, and foster an environment of shared values and team work. By supporting a learning culture, the organization becomes proactive, allowing the individual to recognize their limitations and support them in pursuing just-in-time delivery of learning in a way that is personalized to their needs (Scandura, Tejada, Werther and Lankau, 1996).

IMPLICATIONS FOR MARKETING

Intellectual capital is the lifeblood of an organization. In this knowledge economy, being able to harness this capital will provide a competitive advantage for an organization. Mentoring can be integrated through the various functions of marketing including small retailers (Hudson-Davies, Parker, and Byron, 2002), small-to-medium-sized-retailers (Kent, Dennis, and Tanton, 2003); franchising (Moran, 2006); sales forces management (Brashear, Bellenger, Boles, and Barksdale, 2006); and innovation (Cutler, 2003).

Mentoring can enhance the time-to-market knowledge cycle, allow an organization to anticipate rather than react to changing dynamics in the market, and identify emerging ideas, trends, methods and technologies (Brandenburg and Ellenger, 2003). Small retailers can benefit from creating peer-to-peer mentoring relationships in which owners can discuss situations common to each other and the industry, such as marketing, visual merchandising and display, business management, and store design. Creating a retail network would allow the owners a sounding board in which they could challenge assumptions and gain valuable perspectives (Hudson-Davies, Parker and Byron, 2002; Kent, Dennis and Tanton, 2003).

An important concern in the franchise industry is developing effective methods of communication between the franchise company and the franchisee. New franchisees often feel alienated and have difficulty developing relationships with their peers within the franchise system. It is suggested by Moran (2006) that all franchisees within a system become included in a mentoring program to help establish and build camaraderie.

Key issues in sales force productivity focus on retention, sales force deployment, and managing non-customer-facing time. Benefits from mentoring could include increased performance, organizational commitment, and decreased salesperson turnover. As the employees gain a sense of membership and understanding of the organizations' products and policies, they may develop an increased sense of commitment to the organization and to others within the organization, thereby reducing the high cost of recruitment and training, as well as the loss of sales due to high turnover (Brashear, et al, 2006).

Whirlpool Corporation used a mentoring process to implement a new innovation system. 350 people from within the organization were chosen to serve as Innovation Mentors to grow ideas from within the organization. The purpose is to seek and encourage new business ideas from within the organization, drive the expansion of single ideas into multiple opportunities, work to develop business plans that focused on customer benefit and revenue generation, and work to test the appeal and feasibility of potential new opportunities (Cutler, 2003).

CONCLUSION

Today's Mentoring addresses and fulfills at an incredibly fast rate the same concerns facing employers, as well as, employees: information and technology learning and transfer, productivity, diversity and retention. Developing a mentoring culture encourages creativity, builds trust, and maintains high morale and company allegiance. Properly created, developed and nurtured, the mentoring culture will become self-sustaining self-perpetuating, and self-evolving, providing an intangible competitive advantage for the organization.

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ANALYSIS OF INTERNET USE BY NONPROFIT ORGANIZATIONS

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ABSTRACT

This preliminary research study assessed the level and purpose of Internet presence by nonprofit associations. Results of the research indicated that slightly more than 50% of the nonprofit associations had an Internet presence. Each website was evaluated according to five categories. A variance was demonstrated across sites within each category.

INTRODUCTION

Nonprofit organizations have historically eschewed information technology as a means of connecting to constituents and donors and as a means of achieving goals. Instead, many nonprofits see their role as one of bringing people together face-to-face with the goal of developing the reciprocal and enduring relationships required to enact change and provide services and information. The Internet is seen as the anthesis of real civic engagement. Hall (2005), in an interview with the president of a major foundation, asked about the investment of resources in the nonprofit's information and communications technology. The response was an emphatic "No" with reasons relating to the need of nonprofits to bring people face to face.

Trade magazines for nonprofit organizations indicate the need for an Internet presence and offer "How To" tips for developing a Web site. Yet, nonprofit demonstration of acceptance is not evident on the Internet. Rather than embrace the Internet, many nonprofit organizations continue to eschew it or launch a website with little regard to design or strategy. Kent, Taylor and White (2003) studied 150 websites from a sampling of two types of nonprofit organizations (activist and environmentalist) to determine how well the sites were used to build relationships. They concluded that many nonprofit organizations underutilize the power of the Internet; public relations personnel acknowledge the viability of the web but regard it with low priority.

However, those from whom nonprofits are trying to solicit support are online. Persons in the 35-54 age group formed the largest percentage of people

who owned a computer (72.6%) and had Internet access at home (65.2%) (Burns 2006). Additionally, 33.6% of this same age group volunteered in 2005 (Bureau of Labor Statistics 2005) and are therefore the most likely donators (Hart 2002). People are willing and technically able to support their favorite causes online, if given the opportunity. One of the greatest demonstrations of this willingness and ability occurred after the September 11, 2001 terrorist attacks. One philanthropic foundation verified that "more than \$138 million was donated online from some 1.4 million donors (Hart 2002). Nonprofits must embrace the Internet as a viable medium of soliciting support, educating stakeholders, and establishing relationships.

Care must be taken though to develop appropriate models for nonprofit Internet presence. Kent et. al (2003) suggested that nonprofit organizations that see their publics as "customers" will have difficulty building the long-lasting relationships required to sustain a nonprofit organization and achieve an organization's mission. Public relations research for nonprofit organizations centers around relationship building and organizational communication. The main guiding theories (stakeholder theory, situational theory, dependency theory) address ways to encourage interaction with stakeholders with the ultimate purpose of stimulating participation and action. The Internet is seen as one medium to use in accomplishing this purpose, but no models developed specifically for nonprofit Internet usage were located.

The first step in model building is to define the modeling scope and set the modeling context. Therefore, the purpose of this phase of the research

was to define what types of nonprofit associations were using the Internet and how they were using it.

PROCEDURES

Content analysis is a standard research methodology for describing communication content of websites. It is a systematic procedure of making inferences via analyzing content. Content analysis methodology was used to assess a stratified random sample of 259 association websites listed in the Associations Unlimited Directory (AUD) and having a presence in a Midwestern state known as being representative of target market populations. Twenty-three percent of the downloaded associations with URLs were analyzed using a modified version of Huang's (2006) content-analysis instrument and the five-stage model for e-government sophistication described by Hiller and Belanger (2001).

RESULTS

The findings are organized according to the five stages of e-government website sophistication: distribute information, support two-way communication, support transactions, and facilitate integration. The fifth category of participation was changed to "Support outreach." An initial pilot study resulted in 33 content analysis characteristics. SICs with 25 or fewer listings were omitted from the comparative analysis.

As can be seen in Table 1, over 50% of the sampled nonprofit associations had an Internet presence. However, further analysis indicated that the percentage of associations with websites varied by SIC code. Least proportionally represented via the Internet were labor organizations (30%). As expected, business associations had the greatest Internet representation (80%). Few nonprofit associations were listed under the religious or political categories; however, 75% and 64%, respectively, of those listed had a website.

Distribute Information

Distributing or publishing information about themselves or their activities is the first level in the evolution of e-services (Hiller and Belanger 2001). Organizations use a variety of means to distribute information to their stakeholders. The purpose of the current analysis was to identify the presence of the various modes of disseminating information—not the effectiveness of any given method.

As can be seen in Table 2, nonprofit associations used a listing of events (M = 81%) most frequently to inform stakeholders of activities. News and events items differed based on purpose. Whereas "Events" and "Calendar" looked at both short and long term future events, respectively, "News" and "Newsletter" recorded past events either in blurbs/short articles or compilations of blurbs/articles. Only 35% of the associations published calendars of events.

Table 1. Percentage of Nonprofit Associations with an Internet Presence

SID Code	Description	Total N	% of Total ¹	with URLs ²		Coded ³	
				No.	%	No.	%
8631	Labor Orgs	115	0.05	35	0.30	16	0.46
8641	Civic & Social Assocs	427	0.20	153	0.36	35	0.23
8300	Social Services	22	0.01	9	0.41	1	0.11
8699	Membership Orgs	952	0.44	476	0.50	97	0.20
8651	Political Orgs	11	0.01	7	0.64	3	0.27
7389	Business Services	12	0.005	8	0.67	2	0.25
8621	Professional Orgs	270	0.13	185	0.69	47	0.25
8661	Religious Orgs	32	0.01	24	0.75	3	0.13
8611	Business Assocs	309	0.14	246	0.80	55	0.22
	Total:	2150	0.995	1143	0.53 ⁴	259	0.23 ⁵

¹ N / 2150 (total in SIC category divided by 2150 associations downloaded from database)

² Within each category, the number of associations with URLs divided by total number in category

³ Within each category, the number of URLs coded divided by the total number of URLs available

⁴ 1143 / 2150

⁵ 259 / 1143

The overall large percentage (64%) of organizations that provided printer-friendly information (Dwnld) indicates a continued stakeholder reliance on print media. The lower percentages of printer-friendly information from labor (50%) and civic and social (54%) associations may be an artifact of their preferred mode of communication. That is, if their primary mode of recruiting and engaging stakeholders is face-to-face (either in rallies or one-on-one), then they may not have a large quantity of print materials. The organizational brochure, a subset of downloadable/printable material, was not available on most sites.

Differences in the use of History pages seem to be related to the purpose of both the History page and the organization. The image portrayal purpose by professional organizations was to associate longevity with prestige; affiliation with a prestigious organization would reflect well on the member. History pages in this context were important to establish credibility. Conversely, the purpose of business associations (e.g., BBB) seemed focused more on current and future member benefits; therefore, historical data was not as important to the organization (BBB) as it was to the member (e.g., member of BBB since....).

Variance in published information for conferences or tournaments may be attributed to size of organization, proximal geographic location of

participants, and mode of meeting. Although many organizations (e.g., American Academy of Emergency Medicine) encourage participation in an annual conference or tournament, others (e.g., Adopt a Husky) may represent too narrow of a niche interest to support such an event. We expected a higher percentage of professional organizations to publish conference information, since conferences can be a major source of funding. Additionally, few associations published information related to grants and scholarships (even though some are related to the conference/tournament or common knowledge about organizational sponsorship exists).

Although most associations published information regarding periodic meetings, maps to the meeting locations were usually not published. Whereas union members (6%) meet in local union halls, the location of which is published via fliers, newsletters, and phone directories, professional (11%) and civic and social organizations (14%) may have different venues (e.g., restaurants or other locations) for their periodic meetings.

FAQs represent a missed opportunity in basic Internet presence for nonprofits. FAQs are common on most e-commerce websites because of the cost savings associated with enabling customers to locate information themselves rather than engage personnel in telephone, email or face-to-face communication. That cost savings in time is also related to increased personnel productivity.

Table 2. Percent of Content Characteristics that Support Distributing Information

SIC	History	Calendar	News	Events	Nwsltr	Dwnld	Broch	Map	Mtg	Grant	Org	Jobs	Conf	FAQ
Bus N = 55	0.45	0.58	0.65	0.89	0.42	0.73	0.27	0.38	0.44	0.15	0.15	0.25	0.33	0.24
Prof N = 47	0.77	0.15	0.64	0.77	0.66	0.81	0.17	0.11	0.66	0.15	0.43	0.40	0.79	0.06
Labor N = 16	0.56	0.44	0.75	0.75	0.63	0.50	0.00	0.06	0.75	0.19	0.44	0.00	0.56	0.06
Civic N = 35	0.60	0.26	0.54	0.86	0.49	0.54	0.26	0.14	0.60	0.20	0.26	0.14	0.46	0.23
Mbrshp N = 97	0.71	0.31	0.56	0.76	0.51	0.61	0.20	0.22	0.56	0.16	0.33	0.26	0.42	0.36
Ave.	0.62	0.35	0.63	0.81	0.54	0.64	0.18	0.18	0.60	0.17	0.32	0.21	0.51	0.19

Support Two-way Communication

Providing constituents or stakeholders the ability to interact with the organization (via emails or forms) is the second level in the evolution of e-services (Hiller and Belanger 2001). As Huang (2006) noted in his study of e-government, some of the characteristics under Support Two-way Communication appear to be a distribution of information, but their purpose is to facilitate communication between the association and stakeholder. As seen in Table 3, all the sampled business associations provided at least a phone number and mailing address. The lower percentage (69%) of labor organizations providing email addresses may be associated with type of union work performed in that geographic region or just a different preferred mode of contact.

As with the distribution of conference information, the wide variance in percentage of associations who provide stakeholders the ability to download membership applications and conference registrations may be due to proximal geographic location of participants and mode of meeting. The logistical constraints placed on professional organizations comprised of international members almost dictates use of electronic media (either via downloading and manual submission or electronic submission).

Support Transactions

Enabling stakeholders to execute transactions over the Internet is the third level in the evolution of e-services (Hiller and Belanger 2001). Previous research in e-government (Huang 2006; Koh & Prybutok 2003; Norris & Moon 2005) constrains transactions to payments or exchanges providing a transfer of value. Therefore, applications or registrations where stakeholders process the payment online are included in the “support transactions” category; applications and registrations printed and submitted manually are included in the “support two-way communication” category.

In surprising contrast to the trend set in the above categories, Table 4 indicates that labor organizations represented the highest percentage (44%) of organizations providing online membership application, followed closely by professional organizations (43%). However, even though 56% of labor organizations published information about a conference, they did not provide access to conference registration materials for either electronic or manual submission. Additionally, labor organizations had no database access for member services; 45% of professional organizations provided additional membership benefits via a database login.

Table 3. Percent of Content Characteristics that Support Two-Way Communication

SIC Code	ContactName	Email	Phone	Mail	OfficerCont	Webmstr	DwnldApp	DwnldConf
Bus: N = 55	0.64	0.96	1.00	1.00	0.56	0.15	0.29	0.07
Prof: N = 47	0.87	0.98	0.87	0.81	0.74	0.34	0.57	0.34
Labor: N = 16	0.69	0.69	0.63	0.75	0.38	0.25	0.06	0.00
Civic: N = 35	0.66	0.77	0.91	0.94	0.54	0.23	0.26	0.17
Mbrshp: N = 97	0.75	0.87	0.87	0.89	0.57	0.29	0.32	0.04
Ave.	0.72	0.85	0.86	0.88	0.56	0.25	0.30	0.13

Table 4. Percent of Content Characteristics that Support Transactions

SIC Code	Online App	Online Conf Reg	Database	Merchandise
Bus: N = 55	0.24	0.07	0.25	0.18
Prof: N = 47	0.43	0.30	0.45	0.23
Labor: N = 16	0.44	0.00	0.00	0.13
Civic: N = 35	0.23	0.03	0.20	0.29
Mbrshp: N = 97	0.28	0.02	0.19	0.40
Ave.	0.50	0.12	0.27	0.35

Support Integration; Support Outreach

The last two categories, integration and outreach, addressed the level at which websites were linked to other websites and how explicit the association was in soliciting support. For a nonprofit association, the primary goal of integration would be to increase the power and “voice” of the organization by joining forces with other like-minded individuals and groups. Table 5 indicates that all associations were well linked to other presumably relevant sites, with little variance among the different associations. The main variance in integration concerned links from the chapter to the national organization. Only 27% of business organizations were linked to the national sites, whereas approximately 50% of associations in the other categories were linked.

Almost all professional organizations (94%) included some type of vision or mission statement containing promotional rhetoric. Some organizations integrated mission and membership by placing a “Join” link directly onto the same page as their vision/mission statement. Explicit recruitment of membership was not evident in all associations, although an association’s livelihood is dependent upon continued membership. On average, 75% of the sampled nonprofit associations included some type of recruitment text, the most common of which was membership benefits. Although 72% of nonprofit associations promoted membership via persuasive

rhetoric, only 31% made a persuasive appeal for donations. Over two thirds (69%) published a mission or vision statement with a somewhat persuasive appeal.

CONCLUSION

This first phase of research was effective at defining what types of nonprofit associations were using the Internet and how they were using it. Given the tremendous outreach potential and business benefits associated with using the Internet, the fact that an average of only 53% of nonprofit associations have an Internet presence was surprising. The great variance between the percentage of business associations (80%) and civic and social associations (36%) with websites clearly identified the latter as the unit of analysis for future research.

Although focused on privacy and security in e-government, the 5 levels of e-government technology sophistication (Hiller & Belanger 2001) holds promise as a base for developing a model for nonprofit association Internet presence. However, use of the Huang (2006) measurement instrument proved only partially satisfactory and will have to be modified further for use with nonprofit associations. Focus of the new instrument will be more closely aligned with the increased information technology sophistication required at each level of assessment.

Table 5. Percent of Content Characteristics that Support Integration and Outreach

Support Integration				Support Outreach		
SIC Code	Link to Nat'l	Part of Nat'l	Rel Links	Vision	Promote Mbrshp	Solicit \$
Bus: N = 55	0.27	0.16	0.98	0.58	0.75	0.15
Prof: N = 47	0.53	0.13	0.96	0.94	0.81	0.28
Labor: N = 16	0.44	0.06	0.81	0.56	0.69	0.06
Civic: N = 35	0.49	0.11	0.89	0.74	0.74	0.37
Mbrshp: N = 97	0.49	0.14	0.86	0.77	0.75	0.51
Ave.	0.44	0.12	0.90	0.72	0.75	0.27

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REVOLUTIONARY RESEARCH ON THE CHEAP: LEVERAGING NEUROSCIENTIFIC STUDIES IN MARKETING

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ABSTRACT

Recent advances in neuroimaging offer both new methodologies and insights into consumer behavior but at potentially high expense. This paper describes a model of the decision making process using ideas presented in neuroscientific research and serves as an example for leveraging advances in neuroscience technology without incurring the full expense.

INTRODUCTION

Knowledge of the underlying architecture for decision making has always been of interest to marketing. To improve understanding of consumer behavior, marketing academicians have mined the fields of psychology, anthropology, sociology, and other disciplines that employ types of behavioral analysis methodologies. Marketing scholars investigate the potential applications of new research methodologies in these fields as they arise to further their ability to model consumer behavior. Such investigations have added research methodologies like conjoint analysis (Green and Wind 1975) and structural equation modeling (Bagozzi 1977) into the marketing tool kit. In this spirit, the goal of this paper is to show how it is possible to leverage neuroscientific research findings in a marketing context so as to enjoy some of the benefits of advances in brain scanning technology and not the full expense that would be encountered in the use of brain scanning equipment.

The drive to improve knowledge of behavioral and decision processes led marketers to work with the neuroscientific tool Electroencephalograms in the 1980's (Rothschild 1983; Myers-Levy 1987). Recently, Zaltman (2003) has used a more advanced neuroimaging technique, functional magnetic resonance imaging, in conjunction with a metaphor elicitation technique to study how unconscious thoughts affect our decisions. Another direction has been the emergence of neuromarketing. This new approach to marketing research studies physiological brain activity in respondents when they view branded materials or advertising (Haggood 2004; Walter, et al. 2005). Currently the methodology appears to be more

actively utilized by marketing practitioners than by marketing academics. Although the neuromarketing sub-discipline is gaining some attention, it has yet to be widely accepted due to either a lack of appreciation for the great impact neuroscientific research holds for the practice of marketing (Lynch 2004) or perhaps access to the cost of the equipment required.

Also of importance, the fields of neuroscience and economics are converging into a research strategy that identifies specific physiological processes involved in reasoning activities related to economic exchange and social interaction (Glimcher 2003; Camerer, Lowenstein, and Prelec 2004; Walter, et al. 2005; Rustichini 2005). Some of this research extending from social science fields, such as economics (Glimcher 2003; Camerer, Lowenstein, and Prelec 2004) and sociology (Turner 2000) into neuroscience has potential implications for marketing. One way to tap into the technological advances in neuroscience is to investigate applicable social and economic theory that has been revealed in these other studies and use it to inform marketing theory. This approach can be used as a way of avoiding the costs and requirement of expertise while still enriching the field of marketing.

While neuroscientific inquiry is a potentially beneficial research methodology, accessibility to neuroscientific equipment is problematic due to issues of cost and expertise. The purpose of this paper is to present ideas that have arisen through neuroscientific inquiry and integrate that work into a decision making model that can be used to guide future inquiry. This is done to provide an example of

leveraging the knowledge available from the new neuroscientific lines of inquiry. A brief overview of current neuroimaging techniques is provided below. This is followed by a general discussion of the components of the theoretical model.

NEUROSCIENTIFIC RESEARCH TECHNIQUES

Up until the last quarter century, the vast majority of understanding of brain function was obtained by studying subjects with relevant forms of brain damage. This technique is still used today to understand how physical brain characteristics can affect thought processes. (Tekin and Cummings 2002, Spinella, Yang and Lester 2004). The basis for many recent neuroscientific and neuroeconomic discoveries, and of more general interest to this study, are advances in neuroimaging techniques. Broadly stated, these are techniques used to monitor activity in the brain with the goal of understanding what part of the brain is used for a specific type of thought processing. This is done by monitoring either blood flow or electrical currents emitted from the brain. Two examples of widely used neuroimaging techniques are electroencephalography (EEG) and functional magnetic resonance imaging (fMRI).

EEG is the oldest of these neuroimaging techniques (Camerer, Lowenstein and Prelec 2005). In this technique, electrodes are placed on the scalp to measure electrical activity related to a stimulus or task. The electrical activity is known as event related potentials, or ERPs. It can measure activity in units of one millisecond, providing high temporal resolution (time between images) and allowing quickly occurring processes to be measured. Another benefit to this technique is that it is unobtrusive and rather portable. The primary problem with it is that the spatial resolution (the ability to isolate what part of the brain experience the activity) is rather poor.

The newest and currently the most frequently used method is fMRI (Kenning and Plassmann 2005; Camerer et al. 2005). This technology has reasonable temporal and spatial resolution and it is not invasive. fMRI monitors magnetic images created in the brain by blood oxygenation. These changes are referred to in neuroscientific literature as the BOLD signal (Camerer et al. 2005; Walker et al. 2005). While fMRI has good spatial imaging (3 – 5mm), it is limited by poor temporal resolution (Kenning and Plassmann 2005; Walker et al. 2005).

Measuring the physical manifestations of thought has given neuroscientists and social scientists alike a window into the physiological components of emotional thought. These techniques have been used to monitor what part of the brain is used when subjects have been made to experience emotions, such as the sense that they are being dealt with unfairly (Sanfey et al. 2003).

Neuroscience research has used neuroimaging techniques to identify areas of the brain that are used as the subject experiences a variety of stimuli similar to that which would be encountered in the market place (Braeutigam et al. 2004; McClure et al. 2004). Some neuroeconomic research has already reached into the realm of marketing-related questions. In one study, for instance, subjects were given taste tests of Coke™ and Pepsi™ and then placed in an fMRI machine to better understand how they responded to those drinks. Activity was identified in the brain that led researchers to conclude that brand knowledge as well as the way that they perceived the taste were both important components of respondents' behavior (McClure et al. 2004). The researchers identified this brand knowledge as “cultural information biases” affecting behavior (McClure et al. 2004, p. 385). As demonstrated in this example, it is the measuring of the physiological responses monitored within the physical characteristics of the brain that define this area of inquiry.

THEORETICAL MODEL

As stated earlier, this paper takes the position that theories developed in studies employing neuroimaging techniques may offer a great deal of information from which consumer behavior researchers could benefit. To make this case, a theoretical model is proposed for conceptualizing human action based on concepts derived from neuroscientific studies and theory. Such a model could be applied to better understand consumer behavior, channel partner relationships, or any other aspect of marketing activity that involves decision making.

For the purposes of simplification, the model defined here will be described as a neuroeconomic model for consumer decision making. This model consists of two exogenous variables, socialization and physical brain characteristics, that then drive emotion. Out of emotion either comes a “gut reaction” leading straight to a decision, a utility-maximizing calculation called the rational thought process, a calculation that employs an evaluation of

social outcomes called mentalizing, a calculation that discounts time in way other than utility maximizing called intertemporal choice, or a calculation that places undue value upon certain items called direct rewards.

Socialization

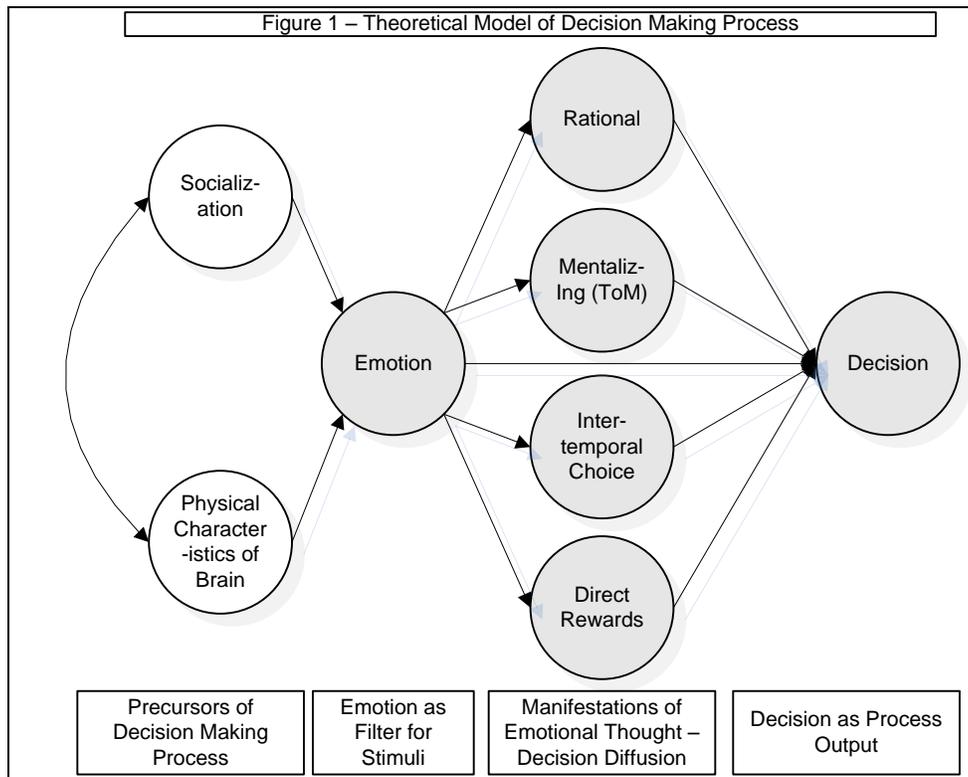
The model begins with two exogenous constructs. The first of these is socialization. Socialization provides the context within which the consumer operates. As such, it is exogenous and has an effect (direct or indirect) on each component within the decision making process. It is through socialization that the individual becomes aware of his or her world and by which conceptual constructs they use for decision making become defined (Zaltman 2000). Socialization determines the “what” of the decision process. It gives qualification and quantification to all constructs that can be evaluated in the process.

Physical brain characteristics

The brain’s physiology also functions as an exogenous variable in a direct or mediated

relationship with each component of the decision making process. The brain provides the measurability of phenomena and ability to process information. In other words, the set of physical characteristics of the brain is the “how” of the decision-making process. It determines the capacity for utilizing the information gathered through socialization. There is a covariance relationship between the physical characteristics of the brain and socialization because the brain is not completely predetermined by our genetic code – part of brain physiology is developed as a response to the environment (Damasio 2005 [1994]).

Socialization and physical brain properties both lead to the development of the human brain’s capacity for emotion. Although emotions are often seen as the force that sways us from rational thought, some neuroscientists have seen the relationship between emotions and rational thought as being a far more complex. Emotions should not be thought of as merely the opposite of rationality, but the basis for our ability to assess value and compel us to act. Emotion is what informs our considerations of value and alerts us to risk in the decision-making process.



Somatic markers – from emotion to decision

The purely emotional decision, the decision in response to a gut feeling, is one path to an outcome in the decision making process. Damasio describes a version of this when he writes about somatic markers (Damasio 2005 [1994]), or physical responses to mental images related to projected outcomes. This type of decision is the most efficient from a mental-processing perspective (Shiv et al., 2005), but it is based solely off of emotions developed through past experiences and therefore employs less calculation.

Rational

Balancing out emotions with what is often called rational thought is sometimes required. As Shiv et al. (2005) state, “Emotions serve an adaptive role in speeding up the decision-making process. However, there are circumstances in which a naturally occurring emotional response must be inhibited, so that a deliberate and potentially wiser decision can be made.” (p. 438) Rational thought is not a force that competes with emotion so much as a downstream process that responds to emotion. The less emotion we sense in a decision, the greater the opportunity for rational thought in its classical economics, utility-maximizing sense.

Mentalizing

Emotion in this model can lead to three processes that employ calculation but, unlike rational thought, are not calculations to maximize utility. The first is mentalizing. Also described as Theory of Mind (ToM) (Camerer, Lowenstein and Prelec 2005; Hill and Sally 2003; Walter et al. 2005), this is a social psychological thought processes. It is how we conceptualize our dealings with others and understand how we affect them. Mentalization represents a set of cognitive skills used to evaluate oneself within the context of what others think, feel, and are likely to do. Those skills are also used by individuals for evaluating social rules and fairness.

Intertemporal choice

The second non-utility-maximizing process is emotional effect on intertemporal choice, or the way in which emotion can change the way an individual discounts a value over time. Intertemporal choice is the term used to describe the discrimination processes at work in the comparison of the value of something now versus the value that one would receive at some point in the future. Classic economic theory assumes

that a rational process is used by individuals in intertemporal choice to discount values at a constant rate based on the length of time involved (Camerer et al. 2005). In practice, however, intertemporal choice can become a bifurcated system balancing impulsive motives and rationally calculated criteria, depending on one’s conception of long-term consequences. When emotion is involved in the decision, there is less of a tendency to delay gratification. When emotion is not involved in the decision, it is more likely that intertemporal choice will be evaluated in a way that more closely fits classic economic theory of utility maximization within the limits of the computational skills of the individual.

Direct rewards

The third of these non-utility-maximizing processes is the evaluation of direct rewards. Again referring to economic theory, money is seen as having value based on what it can be used to acquire. Based on research within neuroeconomics, however, this does not seem to always be the case. When the brain registers potential rewards of primary reinforcers such as drugs or food, dopaminergic neurons are activated. Those are the same neurons that are activated by receiving money. The implication is that money is a similar direct reward (Camerer et al. 2005).

This falls in line with consumer research done by Hsee, et al. (2003) on medium maximization where alternatives to money became the reward. A medium in this context is any item that is collected for the sole purpose of exchanging it for something else. When subjects were presented with situations where they could earn points that could subsequently be used to “purchase” ice cream, those subjects regularly chose to complete a longer task for a larger point reward and then redeem those points for a less-preferred ice cream flavor. The medium of points became worth more than the utility of the most preferred ice cream that it could provide.

Interaction of model components

While any decision can involve multiple components, decisions that evoke high levels of emotion may not be thought about in any other way prior to a decision. Decisions that evoke lower levels of emotion will invite more calculation under rational thought. As the fairness of an offer is questioned, the mentalizing component becomes active. As emotion is associated with an offer that is in some way time

sensitive, intertemporal choices are evaluated with less regard for profit maximization. As mediums are presented as part of an offer, their status as a direct reward can pull the decision process away from a true utility-maximizing calculation. This is the central concept to the model: the process for decision making is informed by emotion and emotion drives the way that the value of the decision is calculated. Building on the outline above, a theoretical model emerges (see figure 1). Socialization provides a context, and physical characteristics of the brain provide a capacity, for decision making. Emotions set the stage for a variety of ways of calculating the costs and values of the decision being employed. Note that within this model all processes that occur between the basic emotional component and the final outcome -- all decisions that employ a kind of calculation -- are labeled as "decision diffusion" so as to reflect the fact that the decision process can be pulled in more than one direction by these model components. The concept behind this is that the activities of the competing components can engage multiple calculation processes.

CONCLUSION

This paper has presented a discussion of some of the topics explored to date in neuroscientific research and provides insight into an integrated view of results of studies already conducted on decision processes. The model identifies important components in the decision making process and a structured basis for future research efforts. It is hoped that further consideration of the implications of neuroscientific studies on marketing will be generated.

Neuroscience has a lot to offer the field of marketing. Recently, brain imaging techniques were used in Journal of Consumer Research study (Yoon et al. 2006), so the migration of these concepts into the academic marketing mainstream seems to be progressing. As a discipline, we should embrace this new technology as an opportunity to improve our understanding of how consumers function within the market. Two challenges that create a barrier between marketing and neuroimaging research techniques are physical (or, in a way, fiscal) resources and bringing the expertise of neuroscience into the discipline of marketing. By learning what we can of the technology and the discoveries made using it, we can circumvent the first challenge and make an incremental step toward addressing the second. Leveraging the existing research means that we do not need to have the equipment and yet we can learn something about the technology and its potential benefits. This work points to the idea that not all

gains that are realized from neuroscientific research need to be made using an fMRI machine. Studies that have already been conducted using neuroimaging techniques offer a great deal of food for thought and can be used as a starting point for the development of new models of inquiry and new approaches to experimental research.

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TO BLOG OR NOT TO BLOG? ADVICE FROM ESTABLISHED BUSINESS BLOGGERS

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ABSTRACT

Blogs will make or break your business. They have the power to disseminate information and host global conversations on any topic. Every publication from Business Week, Forbes, and the Wall Street Journal to online white papers from Marqui warns businesses that blogging is not optional. Those that don't won't survive.

INTRODUCTION

In 1999, when there were only a small number of blogs in existence, the *Cluetrain Manifesto* was published. This classic precursor to the blogging phenomenon has a clear and concise message: "Markets are conversations." Six years later in 2005, with 14 million blogs in place, three white papers were issued. This body of work was offered by Marqui (www.marqui.com), ComScore (www.comscore.com) and Backbone Media (www.backbonemedia.com).

Marqui's paper dissected how blogs function in an effort to demonstrate that blogging can help humanize an organization. ComScore tracked 400 blog domains to estimate the scale, composition and activities of their audiences. Backbone interviewed 75 corporate bloggers and concluded that the blogs they authored allowed both known and obscure brands to connect, build trust and get feedback from their audiences.

In early 2006, Robert Scoble and Shel Israel released *Naked Conversations*, a history of business blogging. The book seeks to change the way business is conducted. Their message is to use new technologies like blogging to conduct one's business in a more open and transparent way.

Also in 2006, Harris Interactive (Makovsky), the University of Massachusetts (Barnes), and the Pew Internet Project (Lenhart) released some of the first large scale studies of bloggers. Each took a different perspective in an effort to better understand this new channel and those using it.

Harris Interactive surveyed senior executives from Fortune 1000 companies and concluded, "They are slow to react to the growing credibility of corporate blogs as a communications

medium." The University of Massachusetts study sought out and interviewed established and well-known business bloggers, some of which had blogged for more than six years. The study reported that blogging takes time, commitment and honesty. In return, personal and strong connections are made between the blogger and reader. The Pew Internet Project, based on a random sample of American bloggers (n=233), concluded most bloggers author personal journals as a "hobby". Their motivation is to write and share their voices with the world.

The academic literature is scant in the area of developing new channels of communication within the Internet environment. Articles have been written on viral marketing, virtual communities, digital influencers and electronic word of mouth. Most of these focus on the motivation of consumers to participate in electronic communities for economic or social gain. Some work has been done on consumer motivation for engaging in electronic word of mouth communications (Hennig-Thurau et. al., 2004). This study examines the behind the scenes of the blogging phenomenon as a new communications channel and what it requires from its authors.

METHODOLGY

Internet searches were done on wikis, directories and web sites to compile a list of corporate/business blogs. Each blog with a published email address was contacted and invited to participate in this study. Two hundred and ninety-eight invitations were extended and 74 bloggers responded.

The 74 bloggers included in this paper are some of the biggest and best in the business (or most successful independent blogs). Each of our 74 respondents listed key words that describe their blog. We searched using their keywords on Google to see

which blogs appeared in the results. Twenty-six of the blogs in this study (36%) come up in the Google top ten using their key words search and sixteen ranked 1st or 2nd.

The blogs in this study have been operating an average of 2-3 years. Seventy-three percent of these bloggers have been running their weblogs for over a year, including 20% who have blogged for more than 3 years. Fifty (68%) of the bloggers in this study have direct or indirect ties with a corporation or business. The independent blogs are some of the most established in the blog community. These are amazing statistics given that blogging began in 1998 and corporate blogging is only a few years old.

FINDINGS

Blog Basics

1. Blogs Take Time and Commitment

Initially many of the bloggers in this study did not anticipate the time their blog would take. A good blog is one where posts are fresh and new posts are frequent. Researching interesting new things to share with your audience takes time. One blogger noted, *“The worst blogs are those that are updated infrequently.”* He cautions others with, *“Be prepared to spend more time than you think.”*

If your posts have to be vetted by legal or discussed with others in your organization, there will be additional time demands on the blogger, and delays on posting. A business blogger in the study advised, *“The corporate communications team needs to commit to rapid turnaround of items submitted for pre-posting.”*

In this study, 49% of bloggers reported the time a blog takes as the major drawback to running one. Two-thirds of the bloggers report spending less than one hour a day on their blog, while 31% spend 1-3 hours a day. One blogger writes, *“Look on it as a learning experience (you will get back as much as you give). Once you start, don’t stop.”* Another warns, *“Make sure you have time and resources dedicated to supporting it.”*

Some of the time commitment is due to bloggers spending more time posting. Thirty-eight percent have increased the number of posts to their blog since they began. Overall, bloggers feel that the time investment is worth it with 95% reporting their blogs are successful. Some measure success in links, some in income, some in self-satisfaction, and

some in the quality of human connections they have made.

2. Blogs Must Be Part of a Plan

It is unlikely a successful business or a new venture would be lacking a business plan. As part of that plan, or in addition to it, most businesses and organizations developed mission statements long ago. Many have added service mission statements to guide their customer service component. These plans and mission statements are created to focus peoples’ efforts and capture the purpose of the organization and its relationship to its customers.

One blog author was adamant about the need for a business plan for creating and running a business blog. *“Like anything else in business, a blog requires a plan. Without a plan, the blog is going to fail within three months. Period.”*

Bloggers also create business plans or decide on a focus for their site. Surveyed bloggers say, *“Create a business plan. Since this is intended to make money, a full business plan was created for it and we are still tweaking it a bit (you might say it is in Beta right now).”*

“Have a purpose in mind and method for measuring success. Don’t do it just because everyone else is.”

“Define your audience and that will help in defining the voice and direction of your blog”.

As a new communications tool, blogs are essential for communicating with your target audience. Blogging can help to mitigate problems as well. One business blogger offered: *“In a company environment blogs can be used as a tactic to solve a number of communications issues so don’t blog just for the sake of having a blog.”*

Blogs can be internal, external or both. They can be used in conjunction with websites, or in some cases instead of them. Blogs can be used to gather data, disseminate information or both. They can be official business blogs or can be affiliated or sponsored by a business. The purpose of the blog will determine who should post, how often, and how the blog should be directed.

To maximize the potential of a blog, it must be viewed as part of the overall package and voice of the organization. If it is not part of an integrated strategy, it will lack focus and a following. The plan should also address policies on reader

comments, directing traffic to the blog from company websites, products and advertising.

In this study, 18% of blogs reported having a public policy regulating conversation on their blog. These policies range from the formal disclaimer and creative commons license to the very informal directive on comment forms. Policies are found on front pages, FAQ section or in comment fields on blogs.

Fifty-eight percent of bloggers reported their company website directs visitors to their blogs. In all cases the link was on the company site home page. Fewer bloggers (39%) reported their company packaging, labeling or promotion directs people to the blog.

3. A Blog is a Conversation

Author Robert Scoble (<http://scobleizer.wordpress.com>) calls it “naked conversations.” Early blogger Dave Winer (<http://www.scripting.com>) calls it “come-as-you-are conversations”. Some marketers call blogs “2-way marketing”. The point is the same in all cases--the blogosphere respects participation. One respondent says, “*Don’t start a blog unless you have people in your organization ready to post to it daily in an open, friendly, and excited tone. A blog is a conversation. Don’t open the line unless you’re ready to really talk*”.

A blog is an invitation to debate, discuss and exchange. It is what makes blogging different than websites. The responsive nature and human connection pull people in. Consumers want to talk about products and services. If they can’t talk to the vendor or the manufacturer, they will talk to others online.

The plethora of articles being published on Web 2.0, speak to this new paradigm. In the first generation of online experiences, the web provided a vehicle for mostly one-way communications. Websites were static. Many are not updated. Email allows us to speak to a certain designated person or group.

A survey respondent cautioned against blogging with a traditional mind-set: “*Don’t think of a blog in terms of publishing metaphors—it’s not a newsletter replacement. Blogs are a great communication tool. But when you set one up to serve as a “corporate voice” it’s as effective as spam. Find human beings to blog—don’t set up a blog and*

try to find someone to manage it. It will fail if you do.”

It is important not to be afraid of giving up the mono-directed control that usually characterizes an organization. One respondent offers, “*Blogs are conversation rather than one-way speech. Allowing that conversation actually strengthens your base.*

Blogs, facilitated by increased access to the Internet, high-speed connections, RSS feeds, a selection of easy to use blog software, and new blog search capabilities, now allow businesses to speak to current and potential customers in real time. Equally important, consumers can talk back in real time. Bloggers say, “*It’s a great way to get closer to your users, customers and other critical stakeholders.*” “*There is no downside to getting to know your customers on a more personal basis.*”

“The opportunities for businesses to test new ideas, discuss product lines, introduce brands, or conduct online research are infinite. The prerequisite for success however, is that the business blog accepts the premise that the blog is a conversation, not a monologue or an infomercial.” *This is what our seasoned business bloggers had to say about the essence of a blog conversation:* “The ‘popularity’ of your blog is directly related to frequent posting, open and honest dialogues.”

4. Transparency, Authenticity, and Focus are good. Bland is Bad.

Consumers know when they are being talked at, played, or deceived. Respondents say, “*Be authentic. If you can’t, don’t blog.*” “*Don’t focus on execs, the public wants to hear from people they can relate to—the average worker. Pick a “short fuse” topic to get started, with a definite start and end date, before you start an indefinite blog.*”

Consumers want corporate/business blogs to talk honestly and candidly about their products, services, ideas, and plans. Consumers want more than to be on the receiving end of commercials. Bloggers warn, “Write it yourself, no PR guys on it. Comment broadly on your industry. Don’t just summarize your press announcements.”

People are looking to talk to someone in authority about their experiences, ideas, and suggestions. If they have something negative to say, they expect (on a blog) that their comments will be heard. A recurrent theme with the bloggers studied

was honesty and openness. They advised, *“Be transparent and authentic.” “Make it genuine, make it interesting, have guest authors talking about all aspects of your business.” “Make it real. Have the right people talking about product innovation, not the PR people.”*

Keep in mind that conversations will happen outside your blog that relate to your products or industry. You need to be aware, current, and honest in dealing with those conversations too. One business blogger wrote, *“Monitor the blogosphere closely, both for discussions about your brand, and for comments about your blog. Respond with comments to those outside blog posts. The blogosphere respects participation, so respond.”*

Consumers who feel like a business blog is authentic, honest and interesting will contribute to it and support its products. These contributions, and the resultant conversations, provide a rich new data source for companies as well as great new relationships. One experienced blogger summed it all up for a company thinking about starting a blog: *“Be honest and don’t pander. Readers can tell.”*

Blog Growth and Development

A blog is constantly evolving, growing and developing. Bloggers are looking for new and better software, exciting and innovative information to post and for new links to increase their presence on search engines. The bloggers in this study are doing all this and more. Fifty-four percent of those surveyed are planning to make changes to how their blogs function.

Corporations encourage blogging. Some corporations are encouraging employees to start blogs. Of those some are choosing to focus on products or product applications. These product-oriented blogs are particularly successful in targeting niche markets that may not warrant major corporate expenditure. Other employee’s blog about R&D as well as up coming product releases. Employees using a blog to discuss general happenings in the industry are also contributing to the corporate presence. The blogs give the corporation a human face and allow multiple ways to communicate with the company.

As additional bloggers are added, the blog may need to adapt. One blogger plans to do that and says, *“As we add bloggers, we will need to change the layout to accommodate so it doesn’t become cluttered.”*

Blogs serve as barrier breakers. Some companies are running (or considering) blogs in other languages to reach markets where traditional marketing may be costly and difficult. These are particularly good to “introduce” products without the expense or risk of a full campaign.

Blogs evolve. Bloggers surveyed also plan to add more video, introduce new media/mobile technology, add podcasting and expand the number of visitors to their sites. Here are some of the responses that address these kinds of changes:

“I am thinking of doing a podcast that I would append to the blog, probably covering and expanding the same topics, but maybe doing some interviews.”

“Getting us listed on more blog engines, having our associates post comments to other blogs and linking those posts to ours, incorporate images in our posts.”

“I may add more advertising and affiliate stuff-I am interested in how it works and this is a good place to explore these areas. I may replicate more of my posts to the corporate site. I may look for more discussion and responses.”

Most of the bloggers in this study spoke of redesigning their blog and changing their software. One offered, *“I’d like a better index-TypePad says they are planning to introduce this soon.”* Another said, *“I will be moving the blog from Blogger to its own domain name in WordPress soon. The charge will allow significantly increased functionality over the free blogspot.com set up currently used.”*

For the bloggers in this study redesign includes the appearance as well as content changes. Bloggers indicated they were planning to, *“offer a dynamic style sheet for users to pick their favorite style layout”* or *“become more topical with events in our industry as other process manufacturers, trade press, automation suppliers, join in the blog conversation.”*

Adding additional authors. Many of the bloggers spoke about adding authors, more information on authors, more channels and more frequent posts. In this study, 38% have increased posts on their blogs since they began them.

Blogging begets blogging. When asked how to grow readership and promote a blog, our respondents were very clear.... One blogger wrote, *“The best way to promote a blog is by commenting on other people’s blogs in the same niche and*

industry.” Another offered, “Grow your blog by being cited by other more popular blogs.” The theme continued with, “Get linked to by talking about issues of importance to bloggers with high PageRank.”

Publicize yourself. Many of the bloggers in this study suggested using a link in your email to your blog. They suggest talking about your blog in your emails and encouraging people to visit. Beyond that, send email blog posts to people who might find them interesting. One business blog author said they “constantly reinforce the blog within the membership, mentioning it every chance we get, in every email we send out and at every meeting we have.”

You need to connect. Ultimately the growth of a blog will depend on the quality and quantity of posts on it and on what one blogger calls “blogger relations”. One blog author attributes growth to, “Consistent quality postings coupled with relevant comments adding to the conversation on other blogs over the long haul.” Another says, “Provide useful information, post regularly, be honest, and be user-oriented.” In classic blogger form, we get advice that is both humorous and probably true: “Be brilliant, pick a fight.”

Nuts and Bolts of Business Blogging

There are all types of blogs. They include political, business, religious, financial, health oriented blogs and many more. Each has hundreds of specific subdivisions. In this study there are, corporate blogs for internal and external use (38%), independent blogs (27%) corporate sponsored blogs (15%), business affiliated/endorsed blogs (7%), business and business development blogs (5%), internal corporate blogs (3%) and a “network” blog. Three blogs in this study did not fit any of the above classifications. There are strategies to learn from every blog. One important decision is defining your niche, or type. That allows you to formulate a tag or classification so that readers can find you quickly and easily.

High visibility key words help potential readers find you. All 74 of our respondents provided their blog type and key words that would help visitors locate them through popular search engines. Twenty-six of those blogs came up in the top ten of Google Searches using the key words provided. Further, 16 come up as 1st or 2nd in their key word search.

Do competitive searches. Once you have decided on key words for your blog, a good idea might be to do your own search to see who comes up. It is a great way to define your competition within a category, or industry. In the end, your goal is to have descriptive key words, many links and sufficient traffic to push your blog to the top of a search engine list.

As indicated in Chapter 1, blogs take time. Most (89%) of the bloggers in this study receive 10 or fewer comments on an average day, and most reply in a timely fashion. Those replies, updates to the blog, creating posts etc., take about an hour a day according to two-thirds of our respondents. Plan to set aside more than an hour a day initially to get things started. This time is more than worth the investment.

Choose responders carefully. Attention must be paid to who actually responds to readers when they comment. Bloggers in this study report the company CEO or the blog owner/author reply most (54%) of the time. Nineteen percent of replies come from top management or marketing directors. Other options reported were a hired blog master (11%), a rotating list of people (10%), or a company employee (3%). The decision on a responder will depend on the purpose of the blog, resources, legal considerations and the nature of the posts on the blog.

To review or not to review? Businesses need to consider the need for review of posts by company officers, the public relations people, or legal department. If there is a review necessary, turnaround time becomes a factor. Seven percent of bloggers surveyed have a review process prior to posts. They reported posts going through a marketing vice president, a product manager, or a corporate communications team. Some said the topic would determine if a review was needed and by who.

Think ahead about possible repercussions. Another consideration for bloggers is the possible consequences of what is said on their site. While a full 43% said there was no downside to running a blog, 49% noted the time a blog takes as a possible drawback, 4% cited competitive disadvantages, and 3% said their blog had been involved in legal problems. If possible, businesses should strive to run an informative and interesting blog without jeopardizing their strategic position in the market.

A public policy may be helpful. Some blog authors have instituted public policies regulating

conversation on their blogs. In this study, 18% of blogs have and post such a policy. In most cases, these policies are readily available on the site and address industry regulation, disclaimers, or the right to correct factual errors.

All bloggers need a system for dealing with negative comments or criticism. Eighty-seven percent of respondents in this study adhered to fairly simple rules. Here is a sample of what they said:

“Comments with obscenities and such are summarily deleted.”

“If I don’t think it adds value or it isn’t relevant, I don’t post it. I’m not a bulletin board.”

Posts appear exactly as sent unless spam, racism, hate or overboard swearing.”

“We’ve not yet faced negative comments, but I’d like to use Microsoft’s Robert Scoble as a model to publish it, and discuss it rapidly, openly and transparently.”

Most bloggers agree that there should be as little screening as possible. Readers will quickly see through sites that have been “cleaned” and authors that only post views agreeing with their own.

The Human Factor...

People are important. The ultimate success of any blog depends on the person that manages and posts. Blogs are a human endeavor, a personal conversation, a sharing of thoughts and ideas. Readers form relationships with bloggers that are very real. Communities are formed and friendships are made. One of the blog authors tells us, *“I bump into strangers who know my dog’s name.”* There is a real person that entertains, provokes and responds. In many ways, blogs are a place to go for all that is missing in today’s off line world.

Blogs have not stolen the hearts and minds of consumers, consumers have gone willingly in search of a more meaningful relationship. Most business communication is impersonal and one way. Customers do not feel they are valued by organizations that have built multiple walls between them and those they supposedly serve. They cannot get a human voice on the phone, an option that fits their problem, or a call back. Now, with the Internet, customers can know more about any business than the business itself is willing to tell. Employees, x-employees, past customers and

industry experts are no more than a click away, and your customers are indeed clicking.

Businesses are no longer the soul source of product information or new product development underway. People are getting the information they need to make purchase decisions from other people. Remember, there are over 40 million blogs with a new one springing up every second. If only one tenth of one percent of those can impact your market, you have 40,000 new voices talking to your customers as we speak.

It is the humanity of the blogosphere that makes it an enormous threat to business as usual. The only way for businesses to survive this new consumer movement is to understand what makes blogs successful. We asked our prestigious group of bloggers to tell us what characteristics make a good blogger. Many offered lists of personal traits including:

“Dedicated, opinionated, inquisitive”

“Disciplined”

“Intelligent, diligent, and patient”

“Personality, commitment, networking ability”

“Responsible, honest”

“Being true and real at all times”

“Passion, engagement, sincerity, authenticity, to be coherent, to answer comments (even the negative ones), to post regularly (even if only once per week)”

Others offered more extensive comments on what makes a blogger or blog successful:

“Above average conversational or writing skills, creativity, persistence, complete honesty and integrity (if you aren’t honest you’ll be found out quickly); the ability to separate yourself from your blog. The worst bloggers are those that identify so thoroughly with their blog that conversation and debate can’t occur—they are just seen as personal attacks.”

“Short and concise postings, blogging is not about really long articles, powerful useful tips of information, a good search feature, a tad bit of humor but also knowledgeable on the subject matter. Sharing of cutting edge info rather than old news.”

One well known business blogger wrote, *“The blogosphere has changed forever how people share information and what their takes are on just about any topic under the sun. The net result being the world which was getting flat is now even flatter and you are a couple of clicks away from smart*

people with first hand knowledge and insight into all kinds of ideas that you care about.”

In typical blogger form, some sent links to other blogs that have compiled lists of highly effective bloggers, others sent things they have written or have seen on the subject. This is typical blog behavior... people helping people.

CONCLUSION

The data presented in this study came from the most established and well-known bloggers in their respective fields. They have run their blogs for several years, some more than six years. In the world of the blogosphere that makes these contributors the wise elders. They responded to a simple inquiry that promised to pass on their advice to businesses contemplating entering their world. Seventy-four bloggers responded with candid comments and quantitative data that are rich and clear.

Blogging takes time, commitment, and honesty. In return connections are made that are personal and strong. Blogs are not a fad. They are no longer even an option. Those businesses that choose to remain outside this online conversation will be sidelined. Eventually they will become extinct.

Consumers will move about the wired world in search of products and services that meet their needs. Every serious business needs to have a presence in this electronic global marketplace. But there is more. Businesses need to listen to other conversations happening around them, respond to other blog posts and comments.

The blogosphere itself is a provider of more and better research than off line businesses are getting now. A true competitive analysis takes place when one searches blogs to see who your competitors are in the minds of your target market. Blogs can be like huge, ongoing focus groups providing feedback and ideas. Some of the most brilliant people in the world are blogging. Talk to them. Let them help you

become more successful. Move your business forward in a way that is new, exciting, a bit scary, and ultimately necessary.

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SERVICE CONTACT EMPLOYEE CUSTOMER ORIENTATION, SERVICE QUALITY AND SATISFACTION AND THE MODERATING ROLE OF INVOLVEMENT

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ABSTRACT

This paper reports a study that focuses on the moderating role of involvement in the relationships between customer contact employees' customer orientation and service quality perceptions and satisfaction. The methodology consisted of a sample of 869 consumers drawn from four different service providers, scale measures are validated via confirmatory factor analysis and a conceptual model is tested using non-monotonic moderated regression analysis. Study findings revealed that higher levels of involvement lead to greater levels of consumer loyalty and a lower need for scarce marketing resources. Hence, involvement does play a significant moderating role; in most cases the relationships are stronger for consumers with higher involvement.

In terms of practical/managerial implications, relative to customers with low levels of involvement, managers must be sure to motivate their employees to work with customers to help solve their problems and thus enhance the level of involvement. Conversely, for highly involved customers, contact employees must be aware that they may not play as significant a role in the overall purchase experience as the consumer feels they (the consumer) are an "expert" relative to the products offered. In such cases, customer-oriented employees' role is to be willing to play a supporting and less important role in the customer's purchase decision.

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EMPOWERMENT OF POSTMODERN SPORTS FANS: A CONCEPTUAL FRAMEWORK FOR THE EXAMINATION OF INFLUENCES ON FANTASY SPORTS CONSUMPTION

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ABSTRACT

It is estimated that fantasy sports was a \$2 billion industry in 2005, including website fees, game add-on features, video games, etc. The explosion of popularity in fantasy sports participation and the dearth of research about it create a need for investigation in this relatively new form of sport spectatorship. The purpose of this paper is to propose a conceptual framework for marketers to utilize in their examinations of influences on the consumption of fantasy sports by postmodern sports fans. The framework is based on literature from psychology, sociology, sport management/marketing, general management/marketing, and consumer behavior.

A person's decision to play fantasy sports games is influenced by several variables. A review of relevant literature leads to the proposition that fantasy sports consumption is impacted by the interplay of psychological characteristics internal to consumers, social influences, and marketer-controlled influences controlled by marketers of fantasy sports games. Psychological influences identified as having a potential impact on the fantasy sports consumption decision are: the desire to exert control; the need to escape from reality; and the feelings of achievement experienced when success is attained in competitive play. Social influences pertain to the playful interactions among people engaged in fantasy sports, identified from the literature as consisting of community and socialization. Marketer-controlled influences are external forces that can impact a consumer's decision whether to engage in fantasy sports and the type of fantasy game played. Product, price, and promotion variables that affect fantasy sports consumption are discussed.

The emergence of fantasy sports enables empowerment of sports fans and has led to greater development of communities among people who share an interest in a particular sport. The challenge facing fantasy sports marketers is developing a greater understanding of motivations to participate in fantasy sports and devising strategies that not only persuade consumers to play but foster creation of bonds that lead to continued consumption and loyalty.

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AN EMPIRICAL INVESTIGATION OF THE TOTAL MARKET ORIENTATION CONSTRUCT

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ABSTRACT

The present study is the second effort to develop and analyze the construct of “total market orientation” (e.g. Narver, Slater and MacLachlan, 2000, 2004). We argue that (1) “total market orientation” is a construct that comprises a proactive and a reactive dimension and (2) the two forms of market orientation are empirically differentiable.

INTRODUCTION

The beginnings of study of market orientation and of the different approaches to the concept reflect a desire (initially) to explain it in terms of the marketing concept. Ever since these beginnings, research has focused on studying its links with various business performance indicators. It could be said that past research on market orientation has hinged on the trilogy of definition / conceptualisation / performance. In his introduction to a collection of publications on market orientation spanning ten years and published under the sponsorship of the Marketing Science Institute, Deshpandé (1999) underlines that terms such as “market-oriented, customer-focused, market-driven and customer-centric” have become synonymous with proactive business strategy in firms worldwide. However, close scrutiny of literature shows that such terms mean different things to authors who have worked on the market orientation concept and there is a distinct lack of consensus in this respect. Furthermore, reactive market orientation is actually the most-studied form of market orientation.

Beyond the classification put forward by Lafferty and Hult (see Lafferty and Hult, 2001), a careful and accurate study of literature reveals three dominant conceptualisations, which all aim to create and offer superior value to customers (Langerak, 2001; Kohli and Jaworski, 1990; Narver and Slater, 1990; Deshpandé, Farley and Webster, 1993). The latter being linked to financial value, competitive advantage and long-term business success (see Payne and Holt, 2001; Porter, 1980; Woodruff, 1997).

Nevertheless, it seems that for the last decade, little progress has been made towards a conceptual development of market orientation. However, the most recent conceptual development is that of “total market orientation” as put forward by Narver, Slater and MacLachlan (2004). This approach is well suited to the current economic situation, which is focused on the problem of

balancing customer acquisition and customer retention using the two reactive and proactive dimensions of total market orientation. The approach represents not only a synthesis of previous approaches but also aims to extend the boundaries of previous studies. For these reasons, the conceptualisation of market orientation offered by these authors is enlightening and opens up an interesting avenue of exploration. This avenue searches beyond the different dimensions of market orientation which had been developed up to that point and splits it into a proactive and a reactive stance. The emphasis of this conceptualisation is clearly much more in keeping with customer needs.

NARVER, SLATER AND MCLACHLAN'S PROACTIVE-REACTIVE APPROACH OF MARKET ORIENTATION (2000, 2004)

The authors claim that market orientation exists in two fundamental and complementary forms. The first is “reactive” market orientation (refer to the terms “customer-led” by Slater and Narver (1998) and “customer-compelled” used by Day (1999)) and which is the concept upon which research has been centered to date, and which, consequently, at least in principle, is the form of market orientation that has given rise to criticism (Narver, Slater and MacLachlan, 2004), notably in terms of the existing relationships between market orientation, innovation and business performance. The second form is “proactive” market orientation, which has received little attention from academics, has hardly been the focus of any empirical analyses and which has received no criticism (Narver, Slater and MacLachlan, 2004). It refers to the kind of business that attempts to discover and satisfy customers' latent needs, i.e. opportunities for satisfaction of which customers are themselves unaware.

The theory and the empirical results of their research suggest that proactive market orientation is a vital addition to the concept of market orientation. The main implication of this study is that, for every business, the best basis for obtaining long-lasting competitive advantage,

creating customer value, attaining better performance and greater innovation, is to be totally market oriented: this implies coupling reactive market orientation with proactive market orientation.

RESULTS OF OUR RESEARCH

Sampling and Methodology

We used a quantitative approach in order to carry out empirical testing on the research hypotheses. Firstly, a questionnaire was administered to 146 managers from 54 FMCG companies. Though not a random sample, the respondents were chosen to comprise a broad spectrum of industries (cosmetics, food, personal

computers, automotive, etc.). Next, we used Amos 5.0 software to test the validity and reliability of the “total market orientation” scale which initially comprised two independent dimensions: reactive and proactive (see Table 1). We then tested the existence of a more abstract construct.

Given the small size of the final sample (146 respondents), we carried out a systematic exploratory factor analysis of the total market orientation scale. First of all, the sample of managers was randomly divided into two sub-samples. Next, an exploratory factor analysis was carried out on the first sub-sample and then on the second sub-sample. Finally, a “confirmatory” factor analysis was conducted on the entire pool of samples.

Table 1: Total market orientation items retained for analysis.

SCALE/ITEMS	TOTAL MARKET	
	Proactive dimension	Reactive dimension
1. We continuously try to discover additional needs of our customers of which they are unaware.	X	
2. We incorporate solutions to unarticulated customer needs in our new products and services.	X	
3. We brainstorm on how customers use our products and services.	X	
4. We innovate even at the risk of making our own products obsolete.	X	
5. We search for opportunities in the areas where customers have a difficult time expressing their needs.	X	
6. We work closely with lead users who try to recognize customer needs months or even years before the majority of the market may recognize them..	X	
7. We extrapolate key trends to gain insight into what users in a current market will need in the future.	X	
8. We constantly monitor our level of commitment and orientation to serving customer needs.		X
9. We freely communicate information about our successful and unsuccessful customer experiences		X
10. Our strategy for competitive advantage is based on our understanding of customers' needs.		X
11. We measure customer satisfaction systematically and frequently		X
12. We are more customer-focused than our competitors.		X
13. I believe this business exists primarily to serve customers.		X
14. Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.		X

The Measuring Instruments Test: An Exploratory and Confirmatory Approach

Each dimension was tested on the first and second sub-samples. We present the findings obtained for each dimension below.

The proactive dimension test

Results obtained for the “proactive” dimension, which comprised seven items, highlight first a non-adjustment of the measurement model. Observation of the standardized regression coefficients (<0.5) and standardized residue (>2.58) for each item allows for the deletion of 3 items (numbers 4, 6 and 7) which do not fit in the statistical prerequisites. Finally, adjustment of the model is satisfactory following a second analysis that takes into account this deletion. Tests conducted on the second sub-sample indicate similar results except for item 3 but, for this item, we retain the previous structure since deleting it leads to few improvements and allows us to maintain the direction of the scale. Following these two tests, the “proactive” dimension comprises four items.

The reactive dimension test

The result of the exploratory factor analysis on the first sample highlights a standardized regression coefficient of <0.5 for item 9. A second analysis shows that item 13 is also problematic; therefore we decided to delete it. The third analysis indicates a satisfactory adjustment of the model. Analyses carried out on the second sub-sample show that item number 8 may cause problems. Therefore, in order to remain in keeping with the theory, we decided to remove it from the

measurement model. The different indicators show an entirely satisfactory adjustment of the model. The “reactive” dimension comprises four items.

The Existence of a Second-Order Concept

Literature (Roussel et al., 2002) has highlighted that a correlation in excess of 0.6 between two dimensions suggests the existence of a second-order concept. We proceeded to test the first-order model in order to observe correlations between the two dimensions. We then conducted an analysis of the second-order model. The results of the different tests are presented below.

The first-order model

In order to test the hypothesis of a second-order construct, we added a covariant relation between the two dimensions: proactive and reactive. The first analysis shows that item 3 has a regression coefficient of 0.34. Consequently, we deleted it. The results of the second analysis indicated a correlation of 0.63 between the two dimensions and a satisfactory adjustment of the model. Based on literature (Roussel et al., 2002), we assume the existence of this construct.

The second-order model

The analysis shows similar results to those obtained previously. The standardized regression coefficient stands at 0.97 for the “proactive” dimension and 0.65 for the “reactive” dimension. The adjustment indices are considered acceptable (see Table 2). We therefore confirmed the existence of a more abstract concept of “total market orientation” which comprises a “proactive” and “reactive” dimension (see Table 3).

Table 2: Indices related to the model fit of the second order construct.

Indices	Model fit (second order construct)
RMSEA (< 0.10)	0
ρ (RMSEA > 0.5)	0.75
Standardized RMR (< 0.1)	0.0432
GFI (> 0.90)	0.96
AGFI (> 0.90)	0.92
$\chi^2/df < 2$	0.86
CAIC saturated – CAIC > 0	148.51 – 86.25
CFI (> 0.90)	1.00
RFI (> 0.90)	0.90
TLI (> 0.90)	1.00

Table 3: Synthesis of the indicators related to the measurement instrument of total market orientation.

Scale	Initial items	Final items	Cronbach's alpha	Explained variance	Construct validity (Rhô)	Extracted variance
Total market orientation (proactive dimension + reactive dimension)	14	7	0.82	62.94%	0.87	49.84%
Proactive dimension	7	3	0.76	48.6%	0.77	52.26%
Reactive dimension	7	4	0.77	14.34%	0.78	48.09%

SUGGESTIONS FOR FUTURE RESEARCH

In order to understand the value of proactive market orientation and its contribution towards the conceptual development of market orientation from its beginnings as a single reactive component, we assumed the existence of a second-order concept: total market orientation. Results linked to this measurement scale give initial confirmation of the concept's two-dimensional structure. However, it turns out that the original content of the two dimensions is not conserved. We may explain this by the fact that the starting scale was built and tested within the context of B2B relationships in the United States. However, its transposition to the context of B2C relationships in France shows that it has adapted relatively well. For this reason, the two forms of market orientation are empirically distinct and a business may simultaneously commit to both forms. Thus, it appears that the two forms coexist within firms in our sample but to differing extents. In this way, it seems that the two dimensions compensate and complement each other.

This change in the content of the market orientation concept opens up several promising avenues of research. Our research has revealed the existence of a second-order concept comprising two dimensions: reactive market orientation and proactive market orientation. Nevertheless, taking into account the methodology of systematic exploration that we adopted during this phase, the existence of Total Market Orientation as a second-order concept has yet to be confirmed. Such confirmation could be obtained within the context of service industries and from there could lead to a cross-cultural and inter-industry comparison.

Other researchers go one step further by approaching research fields such as resource-based view, management and marketing. At the center of these research fields, the issue of market orientation has been tackled from different perspectives, helped by different approaches within

these two academic disciplines (see Becker and Homburg, 1999). This desire for integration is also clearly present in research into "market-oriented resources" which aims to extend the boundaries of past studies by categorising market orientation as an intellectual market oriented resource (see Srivastava, Shervani and Fahey, 1998; Srivastava, Fahey and Christensen, 2001). In a more general way, these approaches help discredit the market orientation concept, opening the way to interesting perspectives of application notably with regards to "corporate brand" management (see Hatch and Schultz, 2003). These approaches also help to show convergent interests in several research fields and open new avenues for studying a number of concepts from new angles. Consequently, both theoretical and empirical revelations may help to solve the problem of evaluating the efficiency of market orientation from the customer's point of view. The adoption of a holistic perspective would allow fragmented domains to be grouped together within an integrated framework according to common problems.

However, it seems vital to respect the nature of market orientation and other related concepts within a theoretic framework that is expanded so that it enriches rather than distorts the concept. This is especially the case in situations where aggregation levels are different. In the end, literature may encourage further dialogue between researchers in different disciplines by integrating these different domains.

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UNDERLYING MOTIVATIONS FOR ESTABLISHING E-COMMERCE BUSINESS

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ABSTRACT

Most businesses have established some kind of Internet presence since the early nineties. This paper attempts to examine the reasons for establishing e-commerce. Two hundred and three Internet business executives were surveyed for their reasons to establish e-commerce. A factor analysis indicated that there are two major underlying dimensions for establishing e-commerce.

INTRODUCTION

E-commerce activity in 2004, worldwide, was estimated to exceed three trillion dollars, of which over 400 billion dollars was B2C ecommerce (Iyer et al., 2002). Why have so many companies persisted, even after the dot.com melt-down in the first years of the 21st century? This paper, based on survey research of e-commerce companies, explores the reasons that companies have started e-commerce, beginning with a review of relevant literature.

Reasons for a company to use e-commerce

Enhancements in technology, such as the Internet, have helped lower the barriers in a variety of industries (Porter 2001). This has made the marketplace easier to reach for businesses (Bandyopadhyay 2001). While there is literature that focuses on barriers to using the Internet – including variables ranging from individual to company to country to cultural level, the following literature review focuses on factors that move companies to use the Internet, in particular why companies move beyond basic Internet use, such as email, to more advanced applications such as e-commerce.

A number of studies have examined factors leading companies to use the Internet, in particular for e-commerce. Teo and Pian (2003) collected data from 159 firms and examined contingency factors that affect both Internet adoption and their impact on competitive advantage. Wiseman (1988) defines competitive advantage using four factors as differentiation, cost reduction, innovation, growth, and alliance. The results showed a positive relationship between the combination of a proactive business technology strategy and a competitive advantage to the level of information technology

adoption by the company. However there was no relationship between Internet adoption and technology compatibility or top management support. Erdem & Karakaya (2005) found that e-business may be the preferred option of customers for products and services that are faster and lower in cost on the Internet. Yap et al., (2006) found the following reasons compelling to a company when deciding whether to move to e-commerce -- increasing sales, reducing costs, providing customer service, gathering information, and improving business productivity.

E-commerce adoption and the smaller company (SMEs)

Small firms have not adopted the Internet or e-commerce as quickly as large firms (Walczuch et al., 2000). This is of particular interest given the expectation that SMEs have the opportunity to compete on more equal terms with large companies when competing on the Internet. A number of studies have focused on e-commerce adoption and the smaller firms. For example, Mehrtens et al. (2001) based his study on data from 10 small firms and found three variables positively affected Internet adoption -- perceived benefits, organizational readiness, and external readiness. Karakaya & Khalil (2004) used data from 94 SMEs. They found that company size related to overall Internet adoption. They also determined that technological readiness was positively related with website sophistication, use of the Internet for marketing support, and Internet use for marketing intelligence. Dholakia & Kshetri (2004) researched factors that contributed to a SMEs' involvement with the Internet (adoption and e-commerce applications). They reported that prior technology use and competitive pressure were positively related.

MacGregor & Vrzalic (2005) studied 177 regional small businesses in Sweden to examine if small businesses that were part of a strategic alliance had a better e-commerce adoption experience compared with a single company going it alone. They found that there were advantages for small companies that are part of a strategic alliance, but the benefits were related to other factors such as size of business and business sector. Finally, Al-Qirim (2006) used a focus group methodology of 6 participants representing 6 SMEs in New Zealand to study innovation factors and e-commerce. The SMEs, due to their limited resources, were not likely to invest in any EC initiative perceived to be risky.

Although the literature shows a variety of reasons for engaging in e-commerce, there may be some major underlying reasons. These reasons may not be so obvious. Furthermore, there may be relationships between motivational factors to start e-commerce and financial performance of e-commerce operations. We hypothesize that there are underlying motivations, sustaining competitive advantages (Wiseman 1988; Porter 2001). We also hypothesize that there may be relationships between satisfaction with e-commerce business performance and motivational factors for engaging in e-commerce. In addition, the motivational factors for starting e-commerce may differ between firms that have achieved their expected return on investment and those that have not. Validating or invalidating these hypotheses will enhance our understanding of Internet adoption and some of the factors that impact financial performance and satisfaction with e-commerce initiatives.

METHODOLOGY

One thousand businesses with online operations were randomly selected from a mailing list of e-corporations (a high technology business directory). A cover letter and the questionnaire were mailed to the potential respondents, those who were listed as the main contact person. The cover letter also asked the main contact persons to forward the questionnaire if they were not in a position to answer the questions in the survey. A summary result of the study was promised as an incentive to the respondents for completing the survey. Thirty-two surveys were returned as non-deliverable or incomplete. Two hundred and three surveys were usable. As part of a larger study, nine motivational factors as reasons to establish e-commerce were examined in this paper. These motivational factors were measured using a five point Likert scale ranging from strongly agree to

strongly disagree. In order to assure validity of the questions, the survey was pre-tested with ten e-commerce executives and some questions were modified based on feedback.

A variety of demographical variables about company characteristics were also included in the survey. Fifty three percent of the responding companies were in manufacturing, 25 percent in service, seven percent in distribution, four percent in retail, and two percent in software industries. Approximately 10 percent of the companies classified themselves as other (e.g., IT consultants). Twenty-two companies rated themselves as pure online businesses only. Seventy four percent of the respondent had revenues under one million dollar coming directly from e-commerce operations. Similarly, nineteen percent had revenues between one and five million dollars, and three percent had revenues over 15 million dollars directly attributable to e-commerce operations. The average age of the responding companies is 29 years with a minimum of zero and a maximum 150 years. The average size of the companies is 990 employees ranging from one to 40,000.

RESULTS

In an attempt to understand which of the nine motivational factors were indeed important in influencing businesses to have e-commerce operations, the frequencies and means were calculated (Table 1). Keeping up with technology trends in business, and expanding sales to a wider geographic area have the highest mean ratings (4.18 and 4.17 respectively). Eighty four percent of the companies strongly agree or agree that "keeping up with technology trends in business" was a reason for starting e-commerce operations. Similarly, eighty percent of the responding companies strongly agree or agree that "Expanding sales to a wider geographic area" was a reason. These two reasons appear to be almost equally important. However, they clearly seem to be more important than the rest of the motives for establishing e-commerce. Cost savings through decreases in personnel has the lowest rating as a reason to start e-commerce (mean=2.96). Only 30 percent of the companies in the study strongly agree or agree that cost savings through decreases in personnel was a reason to start e-commerce. This is the only variable that the respondents feel neutral about. All other variables are closer to the agree and strongly agree side since neutral is coded as 3.0. The rest of the table is self-explanatory and can be interpreted in a similar manner.

In exploring the underlying dimensions of the nine motivational variables, the reasons for starting e-commerce, an exploratory factor analysis was performed. In conducting the factor analysis, the principal component extraction method and varimax rotation were used. A scree test and analysis of the factor structure matrix suggested selection of a two-factor solution. Table 2 shows the varimax-rotated factor loadings. The two-factor solution presents an

interpretable factor structure with the two factors combined accounting for 48.2 percent of the variance in the data. The reliability coefficients using the Cronbach alpha procedure in SPSS (Cronbach 1951) were calculated to be 0.70 and 0.64 for factors one, and two respectively. While the second factor has lower reliability coefficient, this is reported as acceptable in exploratory studies (see Robinson et al. 1991).

Table 1
Descriptive Statistics for Motivational Factors in Establishing E-Commerce

Motivational Variables	Mean	Std. Deviation	Frequencies*
Keeping up with technology trends in business	4.18	0.773	84.8
Expanding sales to a wider geographic area	4.17	0.978	80.0
Customers' expectation of e-commerce use	3.91	1.024	73.7
Inexpensively making the company widely known	3.90	1.080	69.5
Improving customer service via E-Commerce	3.72	0.988	66.1
Top Management's enthusiasm for using high technology	3.62	1.033	61.3
Cost savings through E-commerce operations	3.57	0.944	55.8
Maintaining company prestige	3.46	1.082	51.6
Cost savings through decreases in personnel	2.96	1.124	30.2

*Measured on a five point Likert scale ranging from strongly disagree (1) to strongly agree (5). The percentages include strongly agree and agree responses only.

The first factor accounts for 26 percent of the variance and is composed of five variables. They are as follows: 1) cost savings through decreases in personnel; 2) providing customer service; 3) cost savings through e-commerce operations; 4) making companies widely known inexpensively, and 5) expanding sales to a wider geographical area. All of these variables deal with efficiency of e-commerce and cost reduction. For example companies reduce their customer service time by providing information on their web sites in their customer service area including a frequently asked questions and answers. Again, expanding sales to a wider geographical area is also an efficient way to reach potential customers. Amazon.com now markets its products in Europe and other continents through its web site. The same is true for eBay. Therefore, these five variables represent cost savings and can be labeled as "**FINANCIAL REASONS**" or "**PROFITABILITY**."

The second factor contains four variables and accounts for 22 percent of the variance. These four variables are 1) to maintain company prestige; 2) keeping up with technology trends in business; 3) customers' expectations of e-commerce use, and 4)

top management's enthusiasm about using high technology. All of these for reasons for establishing e-commerce operations are related to maintaining and improving company image or reputation. Therefore, the second factor is labeled as "**MAINTAINING AND IMPROVING COMPANY IMAGE**." All four variables are highly correlated to company image.

In an attempt to examine the relationship between company satisfaction with e-commerce initiative and the two factors discussed above, a multiple regression analysis was performed using the factors scores as independent variables and satisfaction with e-commerce initiatives as the dependent variable. The results show that the first factor "**FINANCIAL REASONS**" or "**PROFITABILITY**." is a statistically significant predictor of company satisfaction with e-commerce initiative ($R^2 = .03$; $\beta = .16$; $t = 2.22$, and $p = .03$). The second factor was not statistically significant. While the R^2 value is very low, the first factor is still a predictor of satisfaction with e-commerce initiative. Similarly, another regression analysis was performed using percent of company sales attributable to e-commerce as dependent variable and the two factors

as independent variables. Once again the first factor is statistically significant ($R^2 = .10$; $\beta = .30$; $t = 3.99$, $p = 0.000$).

A more detailed analysis of using company satisfaction with e-commerce initiative as dependent variable and the nine reasons for establishing e-commerce as independent variables, a stepwise regression analysis was performed. Three independent variables including cost savings through e-commerce, keeping up with technology trends in business, and top management's enthusiasm to use high technology were determined to be related to company satisfaction with e-commerce initiatives. Table 3 shows the results of the regression analysis.

In examining the differences between companies that have achieved their estimated return on

investment and those that have not, independent sample t-tests were performed for the reasons to establish e-commerce. Six of the nine variables differ between the two groups of companies. The companies that have achieved their estimated ROIs rated all variables higher compared to those that have not. For example, the firms that have reached their estimated ROI rated the expanding sales to a wider geographical area as 4.52 compared to those that did not achieve their estimated ROIs, rating it as 4.04. The other variables that have been rated highly by the firms achieving their expected ROIs are: e-commerce is inexpensive way to make a company widely known, cost savings through e-commerce, improving customer service, e-commerce is expected by customers, and top management's enthusiasm for using high technology.

Table 2
Rotated Factor Solution for Motivational Factors in Establishing E-commerce

	Factor 1	Factor 2
Cost savings through decreases in personnel	.800	.024
E-commerce improves customer service	.693	.161
Cost savings through our E-commerce operations	.686	.268
E-commerce is an inexpensive way to make our company widely known	.558	.128
Expanding sales to a wider geographic area	.518	.181
Maintaining company prestige	.099	.812
Keeping up tech trends in business	.039	.774
E-commerce is expected by our customers	.337	.543
Top Management's enthusiasm for using high technology	.272	.519
Cronbach alpha coefficients	.70	.64

Table 3
Regression Analysis Results for Company Satisfaction with E-commerce Initiatives and Reasons for Establishing E-Commerce

Variables	Significance	Beta	T-value	Statistical
Cost savings through e-commerce operations		0.180	2.34	0.021
Keep up with technology trends in business		-0.187	-2.47	0.014
Top management's enthusiasm in using high technology		0.160	2.10	0.037
Multiple R= .28;	$R^2 = .08$	n=194	$F_{3,190} = 5.05$	p=0.002

DISCUSSION AND CONCLUSIONS

Keeping up with technology trends in business and expanding sales to a wider geographical area are the most important reasons for establishing e-commerce as indicated in the results section. Cost savings through decreases in personnel appear to be the least important reason, but the respondents remained neutral in their ratings of this variable. However, this variable is highly correlated with the first factor “**FINANCIAL REASONS**” or “**PROFITABILITY**.” In fact it has the highest factor score among the five variables composing this factor.

The two factors identified in the principal component analysis are important in keeping current customers and obtaining new ones. It appears that companies hope to lower their costs and create positive image by using e-commerce. Indeed, this is true and mass media has many examples of companies’ reducing their costs through e-commerce. The findings are consistent with creating and sustaining competitive advantages as proposed by Wiseman (1988) and the reasons for establishing e-commerce as indicated by Yap et al., (2006). The factor “**FINANCIAL REASONS**” or “**PROFITABILITY**” is a predictor of company satisfaction with e-commerce initiatives. In the same manner, the individual variables - cost savings through e-commerce, keeping up with technology trends in business, and top management’s enthusiasm to use high technology - are also significant predictors of satisfaction with e-commerce initiatives. The R^2 is low, but is statistically significant. This may mean that there are other variables not included in this study explaining company satisfaction with e-commerce initiatives.

The more successful companies, those that have achieved their estimated ROI’s rated six of the nine reasons higher compared to those that have not yet achieved their estimated ROI. One could deduce that these six variables have an impact on company success. Four variables belong to factor one, “**FINANCIAL REASONS**” or “**PROFITABILITY**.” Cost savings through decreases in personnel is the only variable that is not different between the two categories of companies, but is part of factor one. This variable deals with a sensitive issue with a rating of “neutral” meaning that the respondents neither agree nor disagree with this variable as being a reason to start e-commerce operations.

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PORTAL DESIGN ISSUES FOR PUBLIC INFORMATION MANAGERS

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ABSTRACT

Around the world, the availability of information through the Internet has vastly increased the average individual's ability to access information, documents, resources and solutions with unprecedented ease. Businesses overall, have become more seasoned regarding the decisions relating to the structure and composition of information online. However, governments and government agencies are increasingly faced with the task of balancing their information technology capabilities with the demands for electronically based solutions by citizens. The impersonal citizen contacts made through web interfaces is fundamentally different than traditional interfaces in that the interaction may often be perceived to be easier and quicker than physically visiting the government agency. However, there is also a potential cost for this impersonal contact. With personal interactions, citizens can usually conduct multiple tasks and can obtain advice and guidance on courses of action. Online, citizens are normally required to make decisions based on the information provided on the web site. Less than optimal situations and citizen decisions can arise if the information is incomplete or, if the citizen is provided information through hyperlinks which may or may not be based on totally objective information sources.

Public managers who are the gatekeepers regarding the informational content of communication systems have to be especially cognizant of which resources to provide on public owned systems. At times, online solutions provided by the government may involve referring citizens to for-profit firms through hyperlinks on government owned web sites such as through the IRS.gov links to private providers of income tax service providers. The inclusion of one firm over another on government web sites can be a real concern for public managers, as a link on a government site may infer trust and reliability onto the hyperlinked firm. In this paper, we use a legal perspective to examine the impact of public information strategies that allow firms to have hyperlinks embedded within the content of public information systems. Specifically, we examine 1st amendment rights as they apply to government forums, using recent court decisions to highlight potential areas of concern for public information managers.

Based on our discussion regarding free speech and the definitions of public forums, we present a set of guidelines for developing hyperlink policies for managers. The discussion and guidelines allows the public information manager to make informed decisions when developing government portal strategies.

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SHIFTING FROM COLLECTION TO ACCESS: THE ROLE OF E-PROCUREMENT IN LIBRARY ACQUISITIONS

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ABSTRACT

The ability to control costs and coordinate activities across the supply chain is rapidly emerging as primary source of competitive differentiation within many organisations. However, it has been established in studies that most organisations (other than corporate bodies) such as libraries have realised the significant cost and process savings by using Internet-based procurement technologies to automate the acquisition and management of non-production of goods and services. Given the growth in the number of available titles, libraries today spend even more on a declining portion of the world's scholarly journal literature. Under this pressure and new costs, libraries have recognised that they need to seek new efficiencies through technology innovation.

The purpose of this study is to provide better understanding of how e-procurement has transformed the buying process of a university library. A focus group meeting with library procurement experts was conducted to elicit their views. It was found out that one of the advantages of e-procuring is for libraries to gain online access to multimedia features not available in print journals, such as video, audio and spreadsheet files. Indications are that the library studied is enjoying the speed to which materials can be acquired but the impact has not been fully appreciated on cost of materials.

Yet, the evidence of management of online contracts was also lacking whilst discussions are currently taking place to develop standard benchmarks to measure suppliers' performance against specifications and to identify performance targets for inclusion in future specifications. These areas need to be looked into in order for university libraries to reap the best of e-procurement. As libraries are now being held accountable for the cost-effectiveness of their efforts, the results are expected to be of interest to all academic libraries in their quest to finding efficient ways to e-procure. This study also demonstrates the benefits of e-procurement to libraries that are yet to move from their traditionally established ordering methods to access broader online media.

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STUDENT PERCEPTIONS OF PEDAGOGICAL EFFECTIVENESS OF FOREIGN-BORN INSTRUCTORS

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ABSTRACT

This research examines student perceptions of foreign-born instructors in higher education. Based on the country of origin effects, this study begins with operationalization of constructs in classroom settings and student-teacher interactions. A sample of student respondents is used for validity purposes. This study's findings are useful to foreign-born instructors in order for them to better meet their students' needs.

INTRODUCTION

Country of origin (COO) heuristic is usually used by the customer to predict the expected quality, durability, and reliability of a product or service (Borjas 2000). Although, the country of origin effect may not always be a reliable indicator of product quality, it continues to be used due to the ease of effort it offers in the customer product purchase decisions. Although COO is not the only criterion used for product evaluations (other elements of the marketing mix contribute to the perceived value proposition as well), it indeed has been shown to be an important attribute effecting purchase decisions (Gurhan-Canli et al 2000; Laroche et al 2005).

In this study, we extended the country of origin heuristic to the world of academia. Our focus in this research is to examine any relationship between teaching-learning encounters, and the country of origin of the instructor (native-born or foreign-born). Although there are a few studies previously carried out on this topic, they mainly focus on the consumers (college students), and foreign-born teaching assistants (Borjas 2000). We were unable to locate any studies that dealt with *full-time faculty* in a business school that had a non-native origin. The current study attempts to bridge this gap in the literature.

This paper is organized as follows. First, the numbers and trends of foreign-born instructors (FBI) in U.S. colleges and universities are discussed in order to establish the need and scope of this study. Second, the nature of the COO heuristic is examined in order to understand theories about how it may influence the perceived quality of teaching-learning earned one-third of U.S. doctorates and 55% of engineering doctorates; while U.S. born doctoral

experiences. Third, we examine the relationship between the country of origin heuristic and foreign-born instructor's FBI teaching effectiveness perceptions. Based on the preceding discussions, we conducted a two-phase data collection process. We collected data from a private liberal arts college (LAC), with a religiously affiliation from the Northeast U.S. and then extended the study to include a wider sample from across the nation. The results of our study are expected to provide students, and teachers of foreign origin, with insights into student perceptions and expectations that may lead to a well-rounded learning experience for teachers and students. It is expected that our results will enrich the pedagogical strategies employed by FBI in their classroom encounters. Overall, the results of our study attempt to enhance the level of satisfaction with the teaching-learning service encounter on part of both, the customer and the service provider.

FOREIGN-BORN INSTRUCTORS IN THE U.S.A.

As of recent years, many American universities have significantly increased the number of FBIs on their campuses. According to one study, the number of foreign-born instructors in American colleges and universities has reached 135,000 -- 24% of the total number of professors (U.S. Census Bureau 2001). This ever-increasing trend is most likely because the number of foreign applications to American graduate schools has climbed significantly in recent years. According to the results of an annual survey released earlier this year by the Council of Graduate Schools (McCormack 2006), foreign students have received a high share of doctorates in several different fields. In 2003, foreign students participation dropped sharply. Also, it was observed that 61% of the 1998 foreign student doctoral

graduating class continued to stay and work in the U.S. as of 2003 (National Science Foundation 2006).

Due to the large number of foreign students on American campuses across the nation, undergraduates routinely come into contact with foreign-born teaching assistants that teach undergraduate classes. Foreign-born TA's had often been criticized by American undergraduate students due to the simple fact that the students could not understand what the TA's were saying. Studies reveal American students feel that the lack of English-language proficiency among foreign-born TA's generally hinders their understanding of class material (Borjas 2000). Borjas' results concluded that foreign-born graduate students did not significantly affect the academic achievement of undergraduate students who were "like them." Foreign-born TA's did have an impact on undergraduate students who had cultural backgrounds that were different from the TA's.

Although there are several studies conducted on the impact of foreign-born TA's and their teaching effectiveness with American undergraduate students, there is a paucity of research on the impact of foreign born faculty upon teaching-learning endeavors. This paper focuses on foreign-born *instructors'* (full-time faculty) teaching effectiveness and students' perceptions of them. We also investigated whether the country of origin heuristic is used by students when comparing foreign-born instructors' effectiveness to that of their native counterparts.

LITERATURE REVIEW

The country of origin effect traditionally refers to the extent to which the place of origin (manufacture) influences product evaluations by customers. Schooler and Wildt's seminal study in 1968 created a stream of research in the COO area that has spanned four decades. Usunier (2006) meta-analysis reports more than 400 peer-reviewed articles that deal with COO from 1965 through 2005 (Verlegh et al 2005).

The COO construct finds its roots in consumer attitude toward products based on where the products originated. In fact, country of origin is often reported to be used as a common cue when interpreting product or service attributes. This was especially true for products that are considered new and innovative (Gurhan-Canli et al 2000). According to Han (1989), consumers who were unfamiliar with a certain pedagogical strategies. We also examined the affective components in terms of reasons why a

product or product category tended to use stereotypical country of origin information more extensively than experts in a particular product category did. Han further explained how country of origin served as a heuristic that reduces the amount of information processing when a consumer made a purchasing decision. Country of origin made it easier for consumers to formulate product/service decisions. Since consumers were cautious of new products because they did not know much about such products, they presumed that if the product or service was from a particular country, then it was either good or bad. The positive or negative evaluation of the product was a result of how the consumer felt towards that specific country (Han 1989).

In additional research analyses of the country of origin effect, Papadopoulos et al. (Papadopoulos 1993) concluded that, "the image of an object (product or service) results from people's perceptions of it and the phenomena around it". In order to substantiate their claim, Papadopoulos et al. (Laroche et al 2005) were the first to conduct various studies, in which their data produced a list of characteristics that made up consumers' perceptions of the country of origin of a product. They include:

- (1) A cognitive component, which includes consumers' beliefs about the country's industrial development and technological advancement.
- (2) An affective component that describes consumers' affective response to the country's people.
- (3) A conative component, consisting of consumers' desired level of interaction with the sourcing country" (Laroche et al 2005).

They posited that the aforementioned components helped explain how consumers' formed their attitudes when dealing with imported products and services.

Based on extant literature, we proceeded to create a conceptual understanding of the country of origin effect in student perceptions of native-born versus foreign-born instructors. We operationalized the perceptual dimensions of student evaluations in terms that are familiar to student and faculty. Teaching effectiveness is operationalized as a function of perceived knowledge of instructor, personality traits of the instructor, and teaching style and communication strategies that undergrad student might or might not take courses with a FBI. Finally, the conative constructs were operationalized

in terms of past experience with FBI and future interactions that might be expected between the student and FBI.

SCALE DEVELOPMENT

Our survey was designed to target students who had taken classes with foreign-born instructors as well as students who had not taken courses with them. The survey branched out into sub-components associated with either specific student groups that had taken no course with FBI or those that had encountered an FBI in classroom at least once during their time in college.

The demographic questions dealt with gender, age, college attended, year in school, GPA, and race/ethnicity of the respondent. These demographics questions were deemed important as they provided additional insights when cross validated with subsequent data (for instance, the age or ethnicity of the student might have had an impact on their perception of FBIs). Respondents were alerted in this survey that FBI referred to someone whose country of origin was not the United States of America. The questions were designed with a battery of Likert-type items. Respondents chose the best option for them on a scale of 1-5. Based on pretests, this type of scale was used because it was simple, fast, and did not make the respondent have to do a lot of work. The option 1 was anchored by “not important” or “no impact,” while the option 5 was “very important” or “strong impact.”

The questions that focused on what made a person “seem” like they were foreign-born was important to our research. First, we wanted to know what American students in general thought or considered when identifying an instructor as “foreign-born”. In addition, we wanted to see how much these elements contributed to student perception of an instructor as being “foreign-born”.

The second set of statements directed to students who had not taken a course with a FBI delved into the reasons why a student did not take courses with FBIs, was it out of compulsion (no such courses were offered) or out of choice (perhaps alternative course offerings). The results from this question are valuable to a FBI because the data would allow them to see what factors led their American students to steer clear of the courses they offered. Additionally, the administrative decision makers could benefit from the insights as well. statements by the click of a mouse. First wave of data collection was conducted at a small Liberal Arts

The next set of questions was created exclusively for students who had taken courses with FBIs. The first part in this section had to do with FBIs’ perceived credibility. This was an important question to place in our survey because we wanted to see what specific elements students analyzed in order to perceive an instructor as being credible or suitable. The responses from this question would be valuable information to a FBI that was interested in establishing their credibility in the classroom encounters from the very start of a semester. These responses would further help them understand the students that they were teaching by offering ideas for improvement in areas that students reported as being perceived as deficient.

The next set of question dealt with rating FBIs in overall classroom activity and student/teacher relationships. It was significant for us to have an FBI personality question included in this survey as well. We wanted to know if students felt that their foreign-born teachers possessed positive personality traits. We also included questions that related to effective communication skills and strategies that students expect from FBIs. This was an important question for students to answer because this question’s results could help provide FBIs with advice on how to decide and implement the best communication methods in their classrooms. Given that prior studies in the area indicated communication skills to be the most essential skill while evaluating TAs of foreign origin, this question becomes even more relevant. The results could additionally improve the learning experience that students would gain from FBIs. Further, the FBIs could find and manage the form of communication that suited most students, leading to enhanced student abilities to learn and understand class material better. The final set of questions included had to do with statements comparing FBIs to native-born professors (NBIs). Respondents frequently commented on their discomfort with direct comparisons between FBIs and NBIs; however we retained the questions to be true to the conative dimensions of COO.

DATA COLLECTION

All primary data for research was collected through an online research service that was contracted specifically for this research. In an effort to minimize the time needed to participate in the survey, questions primarily consisted of the Likert-type format that required respondents to rate College in the Northeast. The college as whole has been making strides in recent years to improve the

learning environment for its students and provide the essential resources to succeed following graduation. A strategic initiative of the college is to increase diversity among faculty. In view of this goal and a steady supply of FBIs, the college has been very purposive in its attempt to offer courses with FBIs.

In light of our target audience's (students) preference for online communication, the use of Internet for data collection was also deemed as the best way of contact and enhanced participation. Before we sent this survey out via email, we pre-tested it several times in order to ensure its effectiveness. Also, we made sure that the ease of response that we promised to our respondents was in fact valid.

At this stage, a total of 477 respondents were from the LAC. About 14% of LAC students responded to the survey, which was a high response rate than usually seen in studies of this nature. A wave of email was sent to students from other schools nationally. We were able to post our request for participation on Myspace.com in college group settings. Ultimately, we posted our request in 75 college groups. This process yielded an additional 308 responses, thus a total of 785 responses constitute the national sample of this study.

SAMPLE DESCRIPTION

Of the seven hundred and eighty-five people surveyed, 93.8% were between the ages of 18-24. The remaining 6.2% were 25 or older. Our sample had an overwhelming response of predominantly females at 69.3%, while male respondents were 30.7%. 82.8% of our sample was from the main Liberal Arts College (LAC), while the remaining 17.2% of respondents were from universities across the United States. Nearly 50% of respondents in our sample responded that their GPA was between 3.0-3.59. Also, 29.6% reported to have a GPA of 3.6-4.0. The remaining 20% had a GPA that was 2.99-2.0. Less than 1% of students in our sample had a 2.0 or below. The majority of respondents, 70.4%, were presently in their sophomore, junior, and senior levels year of college. 18.1% were freshman in college. Half of the respondents in our sample stated that they were full-time students. 38.4% of the respondents were responded to being residents on their college campuses, while 13.4% were commuters. Not surprisingly, 85% of our respondents reported to be Caucasian. About 5% were Asian American or email over the summer. They did not feel the need to have to check their email because obviously school

Pacific Islander, 2.3% were African American/Black, 2.8% were Hispanic/Latino, 2.1% were Multi cultural, and 2.3% were Other. Of the 2.3% that responded Other, most of these respondents stated to be Indian. Less than a half percent responded to being Native American or Alaskan Native. Table 4 briefly summarizes the sample characteristics.

PRELIMINARY FINDINGS AND DISCUSSION

The results from the preliminary analysis clearly indicate that the majority of students did not perceive FBIs any differently than they did NBIs. In fact, most students had a positive attitude towards FBIs. Students generally felt that FBIs were very effective and respondents learned a lot from them. Students who did not take courses with FBIs did not have anything negative that led them to that decision. The major reason why these individuals did not take courses with FBI had nothing to do with their ethnicity, heritage, language barrier, etc. The primary reason stated was the perceived quality of other professors being higher than the particular FBI that offered a particular class.

Our analysis and findings have implications for students and educators alike. Our results reveal that there are specific areas where students rated FBIs the strongest and other areas were identified as being in need of improvement. For FBIs, preliminary results suggest that American students welcome FBI and evaluate them just like the NBI on campuses. Primary student concerns were regarding a professor's ability as a teacher, not their national heritage.

One major limitation we encountered during this study was finding college student email addresses from other schools besides LAC. This turned out to be a hard task; one could not just find email addresses on a Google search. We did not have enough funds to purchase the email addresses. Another limitation that we experienced was the fact that our study did not ask for students to indicate FBIs nationality (we felt that that might be a mere guess on part of our respondents). We also had no way of measuring the notion of socialization and acculturation in respect to cultural assimilation of the FBI. Again, our respondents would have no direct knowledge of such issues.

Sending students our survey during the summer time was a major limitation. This was because many students did not ever look at their was not in session so they were not receiving emails about student life, and from professors or other

classmates. If this survey was sent during peak times within the college academic year, we felt that the response rate would have been much higher because students would usually be reading their email regularly. Yet another limitation presented in our study was the fact that our sample did not contain diversity in terms of ethnicity and age of the respondents.

As this research is continued in the future, we would further refine and improve the scales used in this study. Another research avenue deals with more in-depth interviews that uncover the nuances of perceptions of FBIs. Alternatively, we might offer open-ended questions where students could write how they personally felt about FBIs in their classrooms. It might also be equally interesting to measure FBI perceptions of American students that they have taught. This promises to be a rich research stream as the U.S. is progressively becoming more diverse and the academe is reflective of this diversity as well.

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MARKETING STUDENTS' PERCEPTIONS OF CLASSROOM FUN

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ABSTRACT

An exploratory study of undergraduate marketing students' attitudes toward how various the activities would add "fun" to a classroom and the perceived responsibilities of the students and the instructor for initiating and maintaining those activities. Humor and anecdotes from an instructor's professional experience were found to be particularly effective.

INTRODUCTION

Several years ago I started a class with the question, "So, what do you want to do today?" Amid the chorus of "cancel class" and "let's leave early," was a call from the back of the room, "Let's have fun." I replied, "Fun? You expect to have fun in class? I'm not sure that my idea of fun is the same as yours." By the end of the full class period the students departed with several pages of notes, and I was left with the nagging questions: What did students expect? Should they get what they expect? If they expected to have fun, what would they consider fun?

The purpose of this study of undergraduate marketing students in a private, four-year liberal arts college is twofold. The study attempts to gain further insights into students' expectations beyond their general desire for "fun" in the classroom (Hurdle 2004) by analyzing survey responses to various classroom activities that could be thought of as contributing to a fun classroom environment. The study also provides practical guidelines for incorporating activities perceived as adding the most fun into the classroom in an effort to increase student satisfaction and to help reach the learning goals of the course. The differences in attitudes based on gender and class performance about what activities qualify as adding fun to the classroom are also explored.

Thinking of students as customers with needs and desires to be met by their service provider is a matter of contention. On one hand, if the student is dissatisfied with the services provided by a particular institution, he can chose to transfer elsewhere. In an effort to promote a long-term, satisfying relationship between the student and the educational institution to the benefit of both, many schools are turning to customer relationship management (CRM) theories (Bejou 2005; Savarese

2004). Controversial as they may be, for-profit universities such as the University of Phoenix stress customer service and a learner-centered pedagogical approach as critical components of their business model (Berg 2005).

While treating students as consumers of a service puts them at the center of the educational process, detractors say that short-term student satisfaction doesn't translate into long-term knowledge and learning (Schwartzman 1995) and that students cannot be thought of as customers because they do not pay the full price of the services they are provided; many students receive financial aid that covers a portion of their tuition (Winston 1998). Also, it is thought that universities should provide a mix of education and training for lifetime use, about which teachers, not students, know what is best (Bishton 2005).

A number of authors have addressed the issue of students as customers and have offered alternative suggestions. Students can also be likened to clients rather than customers due to students' need to trust the professional judgment of faculty (Armstrong 2003) or as patients with their professors taking on the role of doctors (Shelley 2005).

The field of service marketing offers insights into the relationship between expectations and satisfaction. According to Parasuraman, Zeithaml, and Berry (1988) service quality is the difference or gap between perceived performance and customer expectations. Their approach has been used in a variety of contexts, including real estate, hospitals, dry cleaning, banking, fast food, and higher education (Zeithaml and Bitner 2003). Student preferences are not necessarily at odds with the goals of educators; their input into proposed curriculum revisions and recommendations for needed skill sets has been found to be consistent with data from

market trend analysis, alumni, and employer data (Phillips, Settoon, and Phillips 2003).

While there is a dearth of research literature on “fun,” a number of authors have addressed the issue. According to William Glasser’s Choice Theory (Glasser 1998) students are intrinsically motivated to meet their needs for survival, love and belonging, personal power, freedom, and having fun, which is “the genetic reward for learning” (Glasser, p. 41) and without which the hard work and long hours would be drudgery. Halsey (1997) found that it was possible for students to have fun while successfully retaining information when a combination of traditional and non-traditional assessment techniques were used.

METHODOLOGY

Informational forms were completed by students on the first day of class in three undergraduate marketing courses (Principles of Marketing, Consumer Behavior, and Marketing Planning) over a single academic year. In addition to a student’s name, email address, and hometown, the forms included eleven statements about different classroom activities that students were asked to respond to indicating their level of agreement. Students could choose among the Likert scale responses: Strongly agree; Agree; Somewhat agree; Neither agree nor disagree; Somewhat disagree; Disagree; Strongly disagree. At the conclusion of the course, final grades were added to the data set for each student.

Students were asked to express their level of agreement with the statements below.

A class can be more fun if

1. The instructor tells jokes and is humorous.
2. There are videos shown at least once a week in class.
3. Students are broken up into small groups for in-class exercises.
4. Students are asked to go to the front of the room and make short verbal presentations.
5. There is wide participation in class discussions.
6. There are short (less than a page), non-graded papers given in class.
7. Students are asked to present thoughts or opinions as drawings on the blackboard.

8. The instructor accesses the Internet during presentations.
9. The instructor uses examples from his or her professional experience.
10. The instructor talks about his or her personal life (vacations, kids, books read, etc.).
11. The instructor calls on students for their thoughts and opinions.

A total of 115 surveys were collected. The sequencing of courses (e.g., Principles of Marketing, followed by Consumer Behavior, then Marketing Planning) made it possible for a student to take more than one marketing course and be asked to fill out a survey a second time. To prevent double counting and skewing the results, only the first completed survey from an individual student was recorded, leaving 105 unduplicated responses from 52 males and 53 females.

RESULTS

Analyzing the results of the surveys provides insights into the attitudes of students toward the level of fun they would experience from various classroom activities (Table 1).

The study shows that students significantly agree with the statements concerning eight of the eleven of the activities under study. All activities were perceived to contribute to a fun class with the exceptions of going to the front of a classroom to make short verbal presentations, short non-graded papers, and being asked to present thoughts or opinions as drawings on the blackboard. The responses to the statements regarding these three activities, however, were not statistically different from neither agree or disagree.

Using the arithmetic mean as a way of measuring the strength of the attitudes and as a way of comparing the activities, the instructor’s telling jokes and being humorous and using examples from his or her professional experience were thought of as the best means of making class more fun. Coincidentally, the standard deviations of the responses for these two items were the lowest among all responses, indicating the greatest levels of agreement among students.

Table 1. Undergraduate Marketing Students' Level of Agreement with Statements about Fun Activities in Class

Statement	Mean	Std. Dev.	<i>t</i> -Value	<i>p</i> -Value
The instructor tells jokes and is humorous.	1.667	0.927	-25.80	0.000
There are videos shown at least once a week in class.	2.286	1.133	-15.51	0.000
Students are broken up into small groups for in-class exercises.	2.771	1.295	-9.72	0.000
Students are asked to go to the front of the room and make short verbal presentations.	4.771	1.540	5.13	0.000
There is wide participation in class discussions.	2.276	1.014	-17.42	0.000
There are short (less than a page), non-graded papers given in class	3.905	1.522	-0.64	0.523
Students are asked to present thoughts or opinions as drawings on the blackboard.	3.981	1.323	-0.15	0.883
The instructor accesses the Internet during presentations.	2.638	1.066	-13.09	0.000
The instructor uses examples from his or her professional experience.	1.838	0.774	-28.63	0.000
The instructor talks about his or her personal life (vacations, kids, books read, etc.).	2.838	1.136	-10.48	0.000
The instructor calls on students for their thoughts and opinions.	2.781	1.209	-10.33	0.000

Notes: Sample size (n) = 105. Std. Dev. is the standard deviation of the coded responses. t -Value is the tabulated t -value for a two-tail test for comparing the sample mean to the hypothesized population mean of 4 (Neither agree nor disagree). At a significance level of 0.05 and given 105 of degrees of freedom, the critical value of t is 1.985. p -Value is the tabulated p -value, or the probability of wrongly rejecting the hypothesis (student attitude toward statement is neither agree nor disagree) if it is in fact true. Strongly agree = 1; Agree = 2; Somewhat agree = 3; Neither agree nor disagree = 4; Somewhat disagree = 5; Disagree = 6; Strongly disagree = 7.

When the Likert scale questions are divided into two groups, predominantly instructor oriented (statements 1, 2, 8, 9, 10, and 11) and predominantly student oriented (statements 3, 4, 5, 6, and 7), and the means of the responses are examined, it becomes evident that students perceive as more fun those activities that the instructor is responsible for initiating and being the primary participant. According to the data, the most fun for students is when the instructor is humorous, uses examples from his or her professional experience, shows videos, and accesses the Internet during presentations. The single statement thought to provide a high level of fun and grouped into student-oriented activities (wide participation in class discussion), may not contradict the notion of students' wanting the instructor to be

responsible for fun - an individual student could view class participation as an activity that he or she could listen to or participate in as he wished. The three statements deemed less fun than the other statements were explicitly student oriented and suggested that it would be less desirable in the interest of having fun for students to write short, non-graded papers in class, present thoughts and opinions as drawings on the blackboard, or go to the front of the room to make short verbal presentations.

A two-sample t -test was used to test the differences in responses between women's and men's attitudes toward activities making a class more fun. The results show that there are significant differences in responses to three statements. Males thought it

would be more fun than females to view videos at least once a week, to be divided into small groups for in-class exercises, and to present thoughts or opinions as drawings on the blackboard. Overall responses to two of the three statements (videos shown at least once a week and being divided up into small groups for in-class exercises) were not significantly different from neither agree or disagree.

Using standard deviation as a measure of agreement among respondents, females' greatest level of agreement was reached on the statement concerning the instructor's telling jokes and being humorous. For males, the greatest level of agreement was obtained on the statement about the instructor using examples from his or her professional experience. Females expressed the least agreement among themselves on the statement about there being short, non-graded papers given in class; males showed the least agreement on the statement about students being asked to go to the front of the room to make short verbal presentations.

Studying the relationships among student attitudes toward fun activities in class revealed a number of associations. Correlation analysis of the responses shows a strong positive association between statements about the instructor's calling on students for their thoughts and opinions and wide participation in class discussions, which indicates a relatively high level of validity among responses. The statements about an instructor's telling jokes and being humorous was significantly and positively correlated with the instructor's talking about her or her personal life, which might indicate that students hope for interesting, humorous personal stories. A significant, positive association was also found between the attitudes toward students being divided up into small groups for in-class exercises and their being asked to go to the front of the room to make short presentations. There was found a positive, significant correlation between the attitudes for the instructor's accessing the Internet for presentations and the instructor's using examples from his or her professional experience.

Survey data was parsed into quartiles based on final course grades and analyzed for descriptive purposes only. Based on two-sample *t*-tests, there were two significant differences between the highest and lowest groups. The bottom quartile believed that watching videos in class at least once a week would make class more fun than those in the top quartile. The bottom quartile believed that short (less than a page), non-graded papers given in class would

contribute more to a fun class than the students in the top quartile.

DISCUSSION

The use of humor in the classroom has been widely researched. Using humor in a college classroom, especially in 'dread' courses such as Statistics, can be an important teaching tool to enhance learning and teaching effectiveness (Kher 1999) and can reduce anxiety and improve performance in course tests (Berk 2000). Torok, McMorris, and Lin (2004) conducted a study of college students' perceptions of professors' teaching styles and the use of humor in the classroom and found that students believed that professors who used humor constructively were more likeable and that humor increased students' attention, reduced tension, increased student morale, and facilitated understanding of concepts. While examining the relationship of humor as a teaching tool and its effect on learning and retention of information in a university setting, Garner (2006) found that students exposed to humor appropriate to the subject matter rated the instructor higher and believed that lessons were better communicated and that they recalled and retained more information than those student in a control group.

This study is limited in its using only marketing students at a four-year, private liberal arts college as subjects; the results may or may not be applicable to all subject areas or at other educational institutions. The study's brief, eleven-statement Likert scale instrument was administered in this study to allow the survey to be completed in a short period of time. Future research could focus on students' wanting to be entertained in a classroom as opposed to being active participants in a productive and fun classroom environment. Similarly, the relationships between students' perception of fun in and out of the classroom could be explored - are students bringing into the classroom their expectations for having fun and being entertained from outside the classroom?

CONCLUSIONS

This exploratory study highlights students' attitudes toward fun in the classroom and its relationship to student satisfaction and achieving learning outcomes in the classroom. Whether describing students as customers, clients, or patients, meeting their expectations does help achieve learning goals. While adding fun to a class by way of the instructor's telling jokes and being humorous and using examples from his or her professional

experience, instructors must be cognizant that they are perceived to be chiefly responsible for providing the means by which students have fun.

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USING CORRELATION COEFFICIENTS TO EXAMINE THE ASSOCIATION BETWEEN ACADEMIC PERFORMANCE OF MARKET RESEARCH STUDENTS AND THEIR PREFERRED LEARNING STYLES

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ABSTRACT

The Index of Learning Styles was administered to students enrolled in a Market Research course. The purpose of this exploratory research was to measure the strength of association between students' preferred learning styles and their academic performance in the Market Research course using Pearson's correlation coefficient.

INTRODUCTION

Although there is conceptual and empirical complexity and controversy that characterizes the array of research in the field of learning styles there is an importance of continuing to add to this literature. How can we effectively teach students if we do not know how they learn? Is it possible that students, who we urge to become lifelong learners, will be more motivated to learn by knowing more about their own strengths and weaknesses as learners? If teachers can respond to individual strengths and weakness in the classroom, is it possible that retention and academic achievement in degree programs will rise? With these questions in mind, this exploratory study uses Pearson's correlation coefficient to measure the strength of association between a: (1) market research student's preferred learning style and his/her cumulative performance on three exams, and (2) market research student's preferred learning style and his/her overall course grade.

SELECTED LEARNING STYLE MODELS

It is estimated that throughout the world there are over 100 learning style models in existence (Mitchell 1994). Since the 1970's there has been a growing interest in applying the concept of learning styles to methods of teaching and learning. A brief summary of selected current models follows.

The Felder-Soloman Index of Learning Styles (2006) consists of four dichotomous dimensions: active-reflective, sensing-intuitive, visual-verbal and sequential-global. Students learning style preferences on a given dimension may be strong, moderate or mild. According to the Dunn

and Dunn model (2003), learning styles are divided into five stimuli strands: environmental, emotional, sociological, psychological and physiological. Strong student preferences form the basis for encouraging teachers to make changes to areas such as light, sound and design. Jackson's Learning Styles Profiler (2002) is a model that describes four styles: initiator, analyst, reasoner and implementer. Students are given suggestions for building on strengths, dealing with challenges, and changing maladaptive learning. According to Kolb's Learning Style Inventory (Kolb 1999) learning styles are both flexible and stable. The model evaluates students on four learning styles: active, reflective, abstract and concrete. Students are encouraged to become competent in all areas so as to become balanced, integrated learners. Entwistle's Approaches and Study Skills Inventory for Students (Entwistle 1998) attempts to encompass approaches to learning study strategies, attitudes and development skills in higher education. Teachers and learners are encouraged to share ideas about effective and ineffective strategies to learning. Riding's Cognitive Styles Analysis (Riding and Rayner 1998) suggests that learning strategies may be learned and improved. The model is designed to measure ways of organizing information (holist-analytic) and ways of representing information (verbalizer-imager). Riding claims that teachers need to take account of the learner's individual differences in working memory as well as style.

MARKET RESEARCH COURSE DESCRIPTION

The Market Research course is required for all Marketing majors. Students typically take the class as a junior or senior since prerequisites of various marketing and statistics courses are

necessary. The course is designed to teach research concepts and at the same time have students apply those concepts to actual research problems of business clients. In any given term the business clients can represent small entrepreneurs, large corporations, and non-profit organizations. Four students comprise a team, and each team works with a different business client. Students meet with their clients the first week of the term to assess the research problem and brainstorm potential courses of action. Students are responsible for designing a survey instrument, collecting and analyzing the data, drawing conclusions and making recommendations to solve the research problem. The end products are typically a lengthy, comprehensive document and a PowerPoint presentation to the client and whomever the client wishes to invite to the oral presentation. Throughout the term three essay exams are given which cover approximately one-third of the course material.

A student's grade is determined on the basis of 500 total points for the term. The essay exams are each worth 100 points and focus on the application of concepts to different research scenarios. The remaining 200 points of the course are divided among a: team peer evaluation, team oral presentation, team paper grade and an individual paper grade. Each of these components is worth 50 points. A student's peer evaluation grade is the average score given by individual teammates. The class as well as the course instructor grades each team's oral presentation. The team's final oral presentation grade is the average between the instructor's grade and the class average grade. Each team member receives the same oral presentation grade. Each team submits one research paper. The course instructor assigns the team paper grade, and all team members received the identical grade. Team members are asked to identify what sections of the paper they write, and their individual paper grade is based on the quality of their work. Typically no two teammates received exactly the same individual paper grade.

RESEARCH METHODOLOGY

Although many learning style models exist, the Felder-Solomon Index of Learning Styles (ILS) was chosen for this study for various reasons: the questionnaire is available on-line, free, simple to use and interpret, easily applicable, and the instrument has good validation results (Felder and Spurlin 2005, Litzinger et al 2005, Zywno 2003, Livesay et al 2002).

The current version of ILS consists of four dichotomous dimensions and a student's learning

style can be defined in terms of the answers to the following questions (Felder 1993): How does the student prefer to process information: *actively*—through engagement in physical activity or discussion, or *reflectively*—through introspection? What type of information does the student preferentially perceive: *sensory*—sights, sounds, physical sensations, or *intuitive*—memories, ideas, insights? Through which modality is sensory information most effectively perceived: *visual*—pictures, diagrams, graphs, demonstrations, or *verbal*—sounds, written and spoken words and formulas? How does the student progress toward understanding: *sequentially*—in a logical progression of small incremental steps, or *globally*—in large jumps, holistically?

The ILS was administered to 84 Market Research students during the first week of the fall, winter and spring terms of the 2005-2006 academic year. Students were given a printed version of the ILS questionnaire that consisted of 44 incomplete sentences to which an "a" or "b" response could be selected to finish the statement. The questionnaire took approximately 10-15 minutes to complete. The responses of students were submitted on-line and a profile for each student was returned with scores on all four dimensions. Each learning style dimension was scored on a scale from -11 to +11 and showed an emerging preference for the given modality. For statistical analyses it was convenient to calculate only the "a" responses so that a score on a dimension would be an integer ranging from 0 to 11 (Felder and Spurlin 2005). Using the visual-verbal dimension as an example, 0 or 1 "a" responses represented a strong preference for verbal learning, 2 or 3 a moderate preference for verbal learning, 4 or 5 a mild preference for verbal, 6 or 7 a mild preference for visual, 8 or 9 a moderate preference for visual and 10 or 11 a strong preference for visual learning.

DESCRIPTION OF THE SAMPLE

Data presented in Table 1 shows the frequency distributions for each of the four dichotomous dimensions: active-reflective, sensing-intuitive, visual-verbal, and sequential-global. Of the 84 respondents eight students represented strong active, 16 students moderate active and 26 students mild active. Mild reflective and moderate reflective responses combined represented 33 students, and only one student fell into the strong reflective category. Active learners tend to understand and retain information best by engaging in hands-on activities. Unlike reflective learners who like to study and solve problems alone, active learners like group work where they discuss material with others.

**TABLE 1
FREQUENCY DISTRIBUTIONS FOR ALL LEARNING DIMENSIONS**

Preference	# of Students	Preference	# of Students	Preference	# of Students	Preference	# of Students
Strong Active	8	Strong Sensing	12	Strong Visual	20	Strong Sequential	6
Moderate Active	16	Moderate Sensing	22	Moderate Visual	28	Moderate Sequential	13
Mild Active	26	Mild Sensing	22	Mild Visual	18	Mild Sequential	35
Mild Reflective	24	Mild Intuitive	13	Mild Verbal	15	Mild Global	19
Moderate Reflective	9	Moderate Intuitive	7	Moderate Verbal	2	Moderate Global	11
Strong Reflective	1	Strong Intuitive	8	Strong Verbal	1	Strong Global	0
Total	84	Total	84	Total	84	Total	84

In the sensing-intuitive dimension 12 students recorded a strong sensing, 22 students moderate sensing and 22 students mild sensing. On the intuitive side 13 students were mild intuitive, seven students moderate intuitive and eight students strong intuitive. Sensing learners understand information better with real-world applications. They like learning facts, brainstorming solutions with group members and solving problems in a methodical way. The intuitive learners are comfortable with abstract ideas, mathematical formulas and reflecting on creative methods of problem solving.

The visual-verbal dimension showed the largest frequencies favoring the visual learner. Of the 84 students 20 were strong visual, 28 represented moderate visual and 18 mild visual. Mild verbal, moderate verbal and strong verbal represented 15 students, two students and one student respectively. Visual learners learn and remember information best when they see diagrams, pictures, videos, and demonstrations unlike their verbal counterparts that learn best by reading written material from textbooks or handouts and listening to class lecture and discussion.

In the sequential-global dimension six students were strong sequential, 13 students were moderate sequential and 35 students were mild sequential. The number of students in the mild global category was 19, with 11 representing moderate global and zero students in strong global. Sequential learners first understand logical sequential steps that comprise the whole picture rather than global learners who need to grasp the whole picture first before understanding the individual steps.

In addition to learning style preferences, there were 31 males and 53 females who completed the questionnaire. Of the 84 students one student was in the age category of 17 and under, 36 students were between 18 and 20 years old, 31 students between 21 and 23 years old, and 16 students were 24 and older.

CORRELATION RESULTS

Pearson's correlation coefficient (r) was used to investigate the degree of association between students' preferred learning styles and their performance on exams as well as their overall course grade in the Market Research class. Table 2 describes the variables that were used for the correlation analysis. Gender and age were also run against exams and overall course grade to see what degree of linear association existed.

Table 3 shows the correlation coefficients between overall course grade (OVERALL), the four learning style indices (ACT-REF, SEN-INT, VIS-VRB, SEQ-GLO) and the two demographic variables GENDER and AGE. The data showed a positive correlation between OVERALL and SEN-INT and OVERALL and SEQ-GLO. These results suggested that as students' learning preferences moved towards sensing and sequential their overall course grade was higher. However only SEQ-GLO was statistically significant at the .05 level. There was a negative correlation between OVERALL and ACT-REF and OVERALL and VIS-VRB. These results suggested that as students preferred more active and visual learning their overall course grade decreased. Only VIS-VRB was statistically significant at the .10 level.

TABLE 2
DESCRIPTION OF VARIABLES USED IN CORRELATION ANALYSIS

Variable Name	Description
OVERALL	Overall Grade for the Course (Percentage of 500 total points)
TOTALEXAM	Total of three exam scores (Percentage of 300 total points)
ACT-REF	Active-Reflective Learning Style Preference (Scale of 0 to 11)
SEN-INT	Sensing-Intuitive Learning Style Preference (Scale of 0 to 11)
VIS-VRB	Visual-Verbal Learning Style Preference (Scale of 0 to 11)
SEQ-GLO	Sequential-Global Learning Style Preference (Scale of 0 to 11)
GENDER	Gender: 1 = Male, 2 = Female
AGE	Age: 1 = 17 & under, 2 = 18-20, 3 = 21-23, 4 = 24 & older

TABLE 3
PEARSON CORRELATION COEFFICIENTS 2-TAILED

	ACT-REF	SEN-INT	VIS-VRB	SEQ-GLO	GENDER	AGE
OVERALL	-.058 (.601)	.145 (.188)	-.190* (.083)	.220** (.044)	.263** (.016)	.119 (.283)
TOTALEXAM	-.001 (.994)	.111 (.316)	-.188* (.086)	.197* (.073)	.245** (.025)	.076 (.494)

* Correlation is significant at the .10 level (2-tailed)

**Correlation is significant at the .05 level (2-tailed)

A positive correlation existed between TOTALEXAM and SEN-INT and TOTALEXAM and SEQ-GLO with only SEQ-GLO being statistically significant at the .10 level. These results implied that as students preferred more sensing and sequential learning their total exam scores were higher. The data showed a negative correlation between TOTALEXAM and ACT-REF and TOTALEXAM and VIS-VRB. VIS-VRB was statistically significant at the .10 level. These results implied that students who preferred more reflective and verbal learning had lower total exam scores. Of the four learning indices, the highest correlation coefficient was .220 which was associated with SEQ-GLO. This showed only a low positive correlation between OVERALL and SEQ-GLO. GENDER was positively correlated with both OVERALL and TOTALEXAM and statistically significant in both cases at the .05 level. AGE was positively correlated with both OVERALL and TOTALEXAM but was not statistically at either the .05 or .10 levels.

CONCLUSION

This exploratory research has been an attempt to use correlation analysis as a tool to explain what type of linear association may exist between students' preferred learning styles and their academic performance. Eighty-four students enrolled in Marketing Research for the 2005-2006 academic year were given Felder and Soloman's Index of Learning Styles questionnaire. In addition, students' scores from course exams and their overall course grade were recorded along with the demographic variables of gender and age.

Frequency distributions suggest that the majority of students prefer learning styles that are active, sensing, visual and sequential. Of all the learning style indices only SEQ-GLO was statistically significant at the .05 level when compared to OVERALL. Looking at the association between TOTALEXAM and the learning style indices both VIS-VRB and SEQ-GLO were statistically significant at the .10 level.

Overall it was concluded that although correlation coefficients did provide some insight into the relationship between students' learning preference, exam performance, and overall course grade, these measures did not provide statistically significant results. One major limitation to the study was the small sample size. Additional statistical tests such as chi-squares could have been performed on the data but were beyond the scope of this particular study.

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THE CHANGING FUTURE STUDENT POPULATION OF THE BUSINESS CLASSROOM & IMPLICATIONS

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ABSTRACT

Forecasters are predicting changes in college enrollment which will ultimately impact the business classroom. Faculty recognition of these trends will allow the preparation and further discussion of necessary educational developments. This paper details a thorough examination of these educational changes as well as a discussion of related implications.

INTRODUCTION

The face of the college classroom has changed drastically over the past three decades and continued, sustained change is expected in the future. Some senior business professors have witnessed and experienced these changes in their classrooms; moreover, many are accustomed to the changing face of today's collegiate population. However, business professors recently entering academia generally have not experienced the changing culture in today's classrooms. Thus, further education and awareness of such topical issues will better prepare our professors to approach the students in their field of study in a modernized manner.

TOTAL ENROLLMENT

Currently there are 17 million college students enrolled in post-secondary degree granting institutions in the United States (U.S. Dept of Education, 2006). Enrollment in post-secondary degree granting institutions has grown 20 percent in the past decade and is predicted to increase 15 percent by 2015 (U.S. Dept. of Education, 2005). By then the number of students enrolled in post-secondary degree granting institutions will approach 20 million. (Hussar & Bailey, 2006)

In contrast to the pervasively experienced baby boom following World War II, future increases in college enrollment will not be experienced equally by states. Nationwide births between 1990 and 2000, commonly referred to as the baby boomlet, were distributed unevenly and resulted in a college age population which will vary widely according to geography (McKibben & Faust 1999). In fact, due to relocation and continued international immigration,

particular states will experience greater population growth than others. Specifically, domestic migration and international immigration will greatly influence birth cohort populations. Examination of high school graduation figures indicates future trends; according to the Western Interstate Commission for Higher Education, Arizona, Florida, Georgia, Nevada, North Carolina, Texas, and Utah will have the greatest number of high-school graduates during the academic year 2017-18 (Jacobson 2004). In contrast, Hawaii, Louisiana, Maine, Montana, North Dakota, South Dakota, Vermont, and Wyoming are expected to experience the greatest decline in high school graduates.

The largest high school graduating class in history occurred in 1977. This graduating class of 3.1 million reflected the large number of births during the baby boom period between 1946 and 1964 (Jacobson 2004). In a similar manner, today's body of incoming students is expected to rise considerably; the high school graduating class of 2008-09 is expected to reach 3.2 million. If these predications are in fact observed, there will be 2.5 million more college students in 2015 than 2005. As can be expected with this increased enrollment, higher educational institutions must be able to meet the needs of this emerging educational population. A thorough examination of these educational predictions requires an analysis of our federal state legislatures; if state and federal aid are reduced, institutions will face a growing challenge to provide economical support to students. Reduced funding could cause tuition increases at schools. To manage these financial burdens and defray educational expenses, students may find it absolutely critical to obtain part-time employment. In response to these

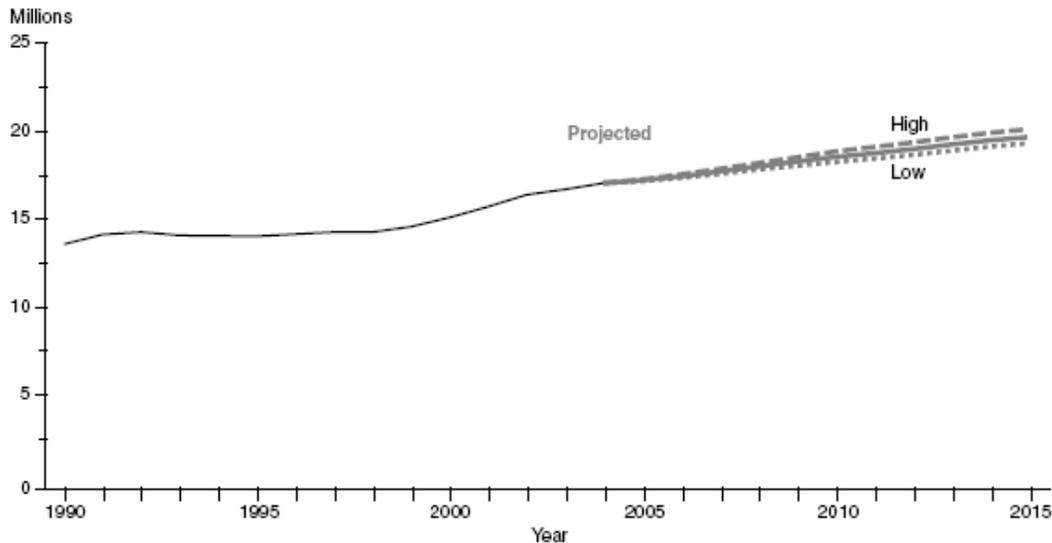
changes in the student population, there may be an increased demand for classes during evening hours, when most students have retired from part-time positions. Consequently, course section availability may be greatly compromised, and students may not be best accommodated in course timing. In a similar manner, student housing will become a serious issue for the current educational student body; as housing accommodations become less accommodating, students may be forced to consider alternative schools and/ or alternative living situations to best meet their educational needs.

GENDER

In addition to the tremendous growth in student body size, the transformation in the gender breakdown will be significant. According to the *Condition of Education 2006*, (U.S. Department of Education 2006) report, the number of male students in post-secondary degree granting institutions

exceeded the number of female students until 1978. Since then, female enrollments have remained larger than male enrollments and are anticipated to grow faster than the male enrollments. The U.S. Department of Education report *Fall Enrollment Survey (2005)* states that female enrollment will grow by 18 percent from 2004 to 2015 while male enrollment will grow by only 10 percent. Females are currently making a significant contribution to the college demographic; the majority of college students are now women. They represent 57 percent of the undergraduate population, and their enrollment numbers continue to increase at a faster rate than male undergraduates (McCormack 2005). The effects at the graduate level are even more pronounced. Female graduate students have outnumbered male graduate students since 1984. The number of full-time female graduate students increased by 66 percent compared to 25 percent for full-time males during the period 1994 to 2004. (National Center for Education Statistics 2006).

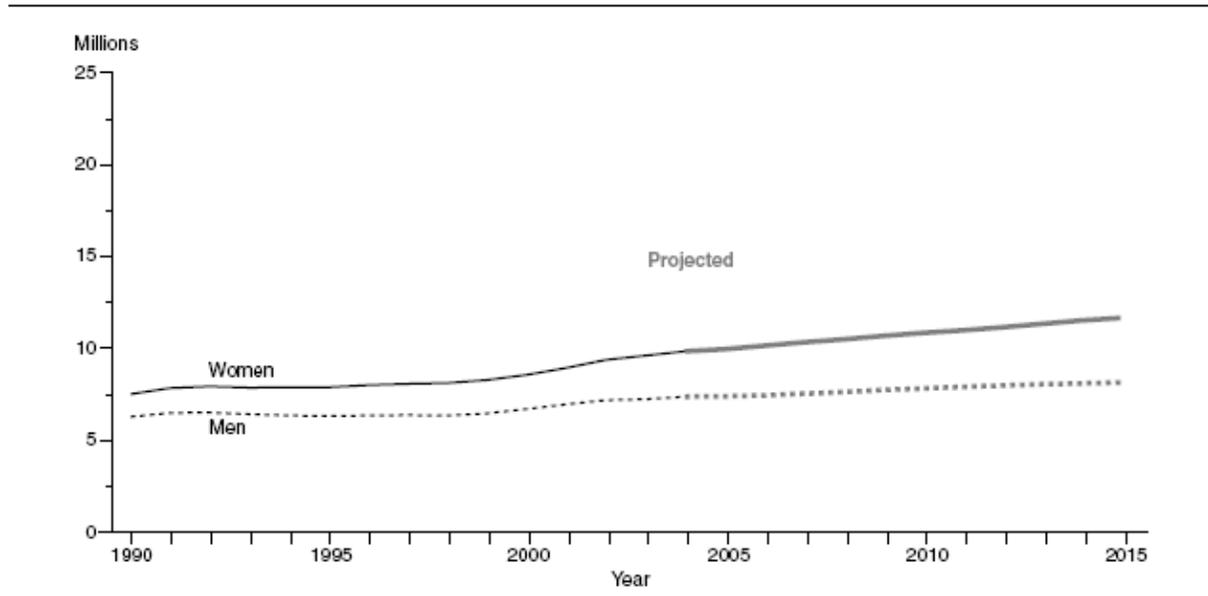
Figure 1
Actual and alternative projected enrollment numbers, post-secondary degree granting institutions 1990-2015



SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, "Fall Enrollment Survey" (IPEDS-EF: 90-99), and Spring 2001 through Spring 2005; and Enrollment in Degree-Granting Institutions Model, 1980-2004.

Figure 2

Actual and middle alternative projected numbers for enrollment in degree-granting postsecondary institutions by sex



SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, "Fall Enrollment Survey" (IPEDS-EF: 90-99), and Spring 2001 through Spring 2005; and Enrollment in Degree-Granting Institutions Model, 1980-2004.

The increase in female students will also affect the racial breakdown of future classes. Jacqueline King (2006) discovered that races were heavily skewed by their gender representation in post-secondary degree granting institutions: 63% of African-American students were female, while Hispanic students were 57% female.

Furthermore, the female influence is apparent in the adult student population, which is predominantly female. Adult women who return to school often do so with the added burden of raising children alone. Horn, Peter and Rooney (2002) report that women account for 70 percent of single parents. Adult female students will face a complex situation; many will be challenged to meet the demands of employers and families, as well as classes. As can be imagined, these stressors will ultimately impact the quality of education that an adult female learner experiences. For instance, the opportunity to spend additional time on campus is often difficult for these students and may limit out-of-class time available for interaction with others. In studies of adult learners, researchers have reported that these students have a strong need for affiliation with other students like themselves. Barnett and Caffarella (1992) verified that adult learners have both a need and a desire to affiliate

with other learners and a desire to be actively involved in their learning. Instructors dealing with adult students and a majority of female adult students may find it advantageous to provide an atmosphere which reflects that of the learning community. The U.S. Department of Education (1984) stresses the importance of learning communities as well as group learning in higher education. Group learning emphasizes a culture of friendliness, cooperation, and respect among its members. Group interaction promotes an eagerness to learn in a community and to share experiences with others while united by a common goal.

AGE

Between 1990 and 2015, the number of traditional-age students (18-24 years old) will continue to represent the majority of students. (See table 1) Those students 24 years old and older will comprise the category termed "non-traditional students". Both traditional and non-traditional groups will grow and approximate a 60/40 ratio in the future. The number of traditional 18-24 year old students will grow by 25 percent from 2000 to 2015 while the number of non-traditional students is expected to grow 35%.

Adult students, typically characterized as 25 and older, will represent a sizeable number of college enrollments. Gerald and Hussar (1999) state that adult learners represent approximately 40% of college enrollments; this trend is expected to be observed for a period of time. However, the learning experience of an adult student is remarkably different from that of a traditionally aged college coed. The traditional student has more time for study, collaborative learning exercises outside the classroom, as well as unique internships and long-term travel opportunities. (Figure 3)

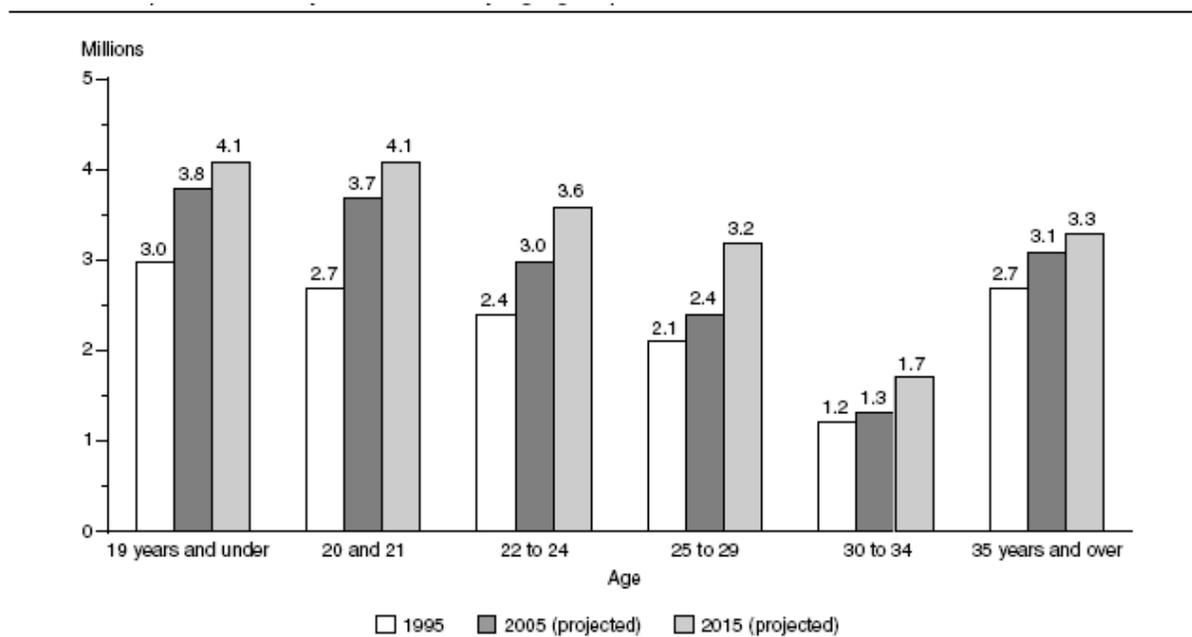
In 2015, members of Generation X will be between the ages of 39 and 50. Members of this generation were born during the years 1965 and 1976; there are currently 45 million members of this age group. By 2015, they will represent 17% of total enrollments. In contrast to earlier generations, Generation X has different experiences with the social and employment world. To describe, this generation came from dual-income households, is familiar with female employment, reads print less,

and is quite familiar with the internet. (Hawkins, Best, Coney, 2004)

However, in 2015, the members of Generation Y will be between the ages of 38 and 21. Generation Y consists of members born between the years 1977 and 1994 and represents a large cohort with nearly 71 million members. This cohort rivals the baby boom cohort (80 million) and is expected to grow with immigration while the baby boom declines due to mortality. These members were raised in dual-income households, exposed to divorce and diverse family arrangements, and are comfortable with cultural diversity.

In 2015, 73 million persons will comprise the “baby boomlet” generation, consisting of births between 1990 and 2000. Members of this group will start entering college in 2008 and in 2015 will span the ages of 15 to 25. Part of this group will be the graduating high school class of 2009, the largest graduating high school class in U.S. history at 3.2 million students (Hussar & Bailey 2006).

Figure 3
Actual and middle alternative projected numbers for enrollment in degree-granting postsecondary institutions by age group, 1995, 2005, 2015



SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, “Fall Enrollment Survey” (IPEDS-EF: 95); Enrollment in Degree-Granting Institutions Model, 1980–2004; and U.S. Department of Commerce, Census Bureau, *Current Population Reports*, “Social and Economic Characteristics of Students,” various years.

ENROLLMENT BY ATTENDANCE STATUS

A significant change will be the increase in full-time students versus part-time students. The number of full-time students is expected to increase 18 percent by the year 2015, nearly double the expected increase in part-time students. Full-time enrollment is clearly more costly than part-time enrollment; hence, these full-time students will be required to evaluate their financial situations. Additionally, more full-time students will create an increased demand for additional class sections. Increased class sections will inevitably lead to larger class sizes. As foreseen in the adult learners population, there may be a heavier demand for classes that meet at times accommodating working students. Over the past 10 years, full-time enrollment has grown four times as fast as part-time growth. (National Center for Education Statistics, 2006).

MINORITIES

Minorities (including African American, Hispanic, American Indian, Asian/Pacific Islander) account for nearly 30 percent of all enrollments at degree granting institutions and are projected to reach nearly 40 percent by the year 2015. The number of minority students in postsecondary degree granting institutions has nearly doubled since 1976. In fact, in the past decade, Hispanic students represented the greatest gains in enrollment. In 2003, Hispanics had grown to 10 percent of college students, doubling their enrollments of the past decade. While Hispanics had a higher growth rate, African Americans and Asians still represented 13 percent and 7 percent, respectively, of the student body (U.S. Dept. of Education 2005).

As minority representation in higher education continues to grow to nearly 40 percent by 2015, African Americans will remain the largest minority group, but Hispanics will grow at a faster rate, over 40%. In contrast to the peer minorities, the number of white, non-Hispanic students, who represented 65% of students in 2006, is expected to decline to 60% by 2015. As previously mentioned, the majority of African-American students will be female (63%) while the majority of Hispanic students will also be female (57%).

Laura Rendon (1994) investigated the culturally diverse student and reported that validation is one method of reducing the anxiety that may be present in the racially diverse student population.

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According to Rendon, the non-traditional student and the minority student both had experienced doubts about their ability to succeed academically. Classroom strategies to counter the anxiety and doubts these students experience include: a racially encompassing curriculum, case studies featuring minority business leaders, and discussion of the diverse leaders in today's business world.

DEGREES AND FIELD OF STUDY

The number of bachelor's degrees awarded continues to increase. There was a 33 percent increase between 1989 and 2004 (National Center for Education Statistics, 2006). More bachelor's degrees were awarded in business than in any other discipline. Not only were business degrees the most prevalent but they also remained considerably greater in number than the next closest field, social science.

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THE DEVELOPMENT OF A CHANCE/HAZARD SCALE TO MEASURE ABERRANT ONLINE CONSUMERS' PERCEIVED RISK OF APPREHENSION AND PUNISHMENT

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ABSTRACT

Given the recent highly publicized copyright infringement lawsuits filed by the recording and movie industries, risk is central to understanding and diminishing aberrant online behavior. However, for deterrence to be effective, an individual must be able to assess both the potential punishment for aberrant behavior and the likelihood of being caught and punished. Although perceived risk has been conceptualized as a two-faceted construct, studies on aberrance involving risk have primarily been measured as a single item or two-item (chance/hazard) scales. Further, existing perceived risk scales are insufficient for measuring online aberrance because of the differences between virtual and corporeal worlds.

Digital files (i.e., music or software) are not the same as variants found in a bricks and mortar store. There is nothing to steal because digital files lack a physical presence. Therefore, rather than legal norms, virtual communities seem to rely on behavioral norms, suggesting that a new set of risk measures is required.

To address these issues and to allow modeling of perceived risk using structural equations, the authors develop a multi-attribute, two-faceted perceived risk scale based upon a chance function (probability of being caught) and a hazard function (penalty imposed if caught). They then test the scale's ability to predict online aberrant behaviors using an online aberrance scale created for this study.

The authors first created a new five item perceived risk scale and a three item online aberrance scale and report coefficient alpha for all scales exceeded 0.87, indicating excellent reliability. Factor analysis affirmed convergent and divergent validity for each scale, while KMO test values of and a significant Bartlett's Sphericity test ($p=0.00$) confirmed the appropriateness of using factor analysis.

Fit for the model is excellent ($\chi^2_{(n=217)}=17.21$, $p<0.372$, GFI=0.98, RMSEA=0.02, TLI=0.99, CFI=0.99). All parameters for scale items are significant (i.e., $t>1.96$). The structural model has two non-significant paths, from *risk of getting caught* to *aberrance* ($t=0.09$) and *aberrance* to *download and burn files* ($t=1.93$), which suggests those engaging in online aberrance may consider whether or not they might be discovered, but not the penalty if caught. Additionally, those engaging in the activities seemingly are not doing so to burn files on disc, but rather to simply enjoy their use on IPODs or on their computers.

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MEASURING THE COST OF LIFE STYLE

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ABSTRACT

This paper reports preliminary results of a statistical analysis of life style markers and their relation to medical claims filed by employees under company medical plans. The markers include blood pressure, body mass index, total cholesterol, and smoking status. The relationship was modeled using linear regression methods.

INTRODUCTION

Good/poor life style choices are evident in what we eat, how we exercise, if we smoke, and how we monitor biometric markers of health. If we eat properly, exercise as recommended, abstain from smoking as warned, and seek periodic professional monitoring of the body's responses to such, we can expect good health and low cost maintenance of good health. Over time, the consequences of the life style choices we make are measurable in the reimbursements funded by employee and employer supported medical claims programs. For example, poor nutrition in time many leads to plaque deposits in arteries that cause heart disease, heart attacks, and strokes. We know the medical costs of treating these consequences are high. And the rising costs of renewing medical benefit programs are well known. Both motivate employers to seek ways to contain or reduce the rising costs of supporting medical benefits. Higher deductibles, higher co-pays, reduced benefits, or even elimination of benefits have resulted. In short, employers seek relief from the spiraling costs that directly and immediately affect the cost of doing business. Promising strategies for better management of the costs include motivating employees to improve diet, engage in routine exercise, abstain from smoking, and become educated in monitoring body functions that reflect its health. In short, employees are asked to take responsibility for good health over time that results in fewer and less costly encounters with doctors, hospitals, and others of the health care system.

In some workplace situations employees are called upon to take responsibility for life style choices related to good diet, exercise, and abstinence/moderation where indicated. They are motivated to do so through monetary incentives. One such program is a supplement to existing medical benefits program that reimburses employee outlays for medical care covered by the primary medical plan. See www.benicomp.om. The Benicomp program and

others motivate employees to make life style choices that over time are reflected in improved measures of blood cholesterol, blood pressure, body mass index, and others. Reimbursements to participants are based upon improved measures.

This paper reports a preliminary analysis of body mass index (BMI), systolic blood pressure (BPS), and total cholesterol derived and their relation to annual medical claims. The data resulted from annual tests of employees engaged in the Benicomp Advantage (BA) Program at two northeast Indiana businesses.

DATA

Data was obtained from two companies that offered non-mandatory supplemental benefit coverage that allowed employees to recover as much as \$2,000 in costs (deductible) per year depending on same year lifestyle biometrics (body mass index, blood pressure, total cholesterol, and smoking status). The metrics resulted from annual testing administered by health professionals. They included blood tests. Data was recorded in years 2004 and 2005. Age and gender as well as dollar claims in each year were included in the record.

MODELING THE DATA

The data made available for analysis included what we refer to as 'ideal', that is, there were no missing datum relating to the biometrics of body mass index, blood pressure, total cholesterol, smoking status, age, gender, and dollar claims in years 2004 and 2005.

We investigated the utility of the single equation linear regression model in estimating the relationship among body mass index, blood pressure, total cholesterol, smoking status and annual dollar claims for reimbursement of medical expenses covered by the plan. In this analysis, we dealt with the 'ideal' data set.

Of interest in the early stage of modeling the data was the single equation linear regression model

$$Y_i = b_0 + b_1X_{1i} + \dots + b_kX_{ki} + e_i \quad i=1,\dots,n$$

where Y_i denotes the i th observation of the response variable corresponding to $X_{1i} \dots X_{ki}$, the k values of the associated predictor variables. The e_i is the unobservable error in y_i and b_0, b_1, \dots, b_k are the unknown parameters whose values are sought under the principle of least squares. The $e_i, i=1,\dots,n$, are uncorrelated random variables with expected value zero and unknown common variance S^2 .

Early investigations resulted in best results using log base e of the response variable (annual employee medical claims) and the three biometrics (body mass index, blood pressure systolic, and total cholesterol) as the predictor variables measured in natural units. At this stage, the data set included observations for smokers and nonsmokers. Natural log transformation of the response variable, suppression of the constant (intercept b_0) term, and values of the three predictor variables in natural units produced the following results for the 2004 and 2005 data.

RESULTS

Let

C = annual medical claims filed by employee for reimbursement

BMI = body mass index

BPS = blood pressure systolic

$TCHOL$ = total cholesterol.

In the following displays, the R^2 is the value of the coefficient of determination; $S.E.$ is the standard error; F_{calc} is the calculated F value; and n refers to the number of observations used to fit the model of C on the three predictor variables ($BMI, BPS, AND TCHOL$).

$$\begin{aligned}
 &2004 - \text{Model 1} \\
 C &= 0.0004BMI + 0.0450BPS + 0.0017TCHOL \\
 &\quad (0.2647) \quad (10.2124) \quad (0.6390) \\
 R^2 &= 0.9322 \\
 S.E. &= 1.6932 \\
 F_{calc} &= 513.7609 \\
 n &= 115
 \end{aligned}$$

The value in parentheses is the calculated t statistic for the estimated parameter appearing above it.

Given the statistical insignificance of BMI and $TCHOL$, we investigated the statistical attributes of the simple linear regression model using BPS as the predictor variable. The results follow.

$$\begin{aligned}
 &2004 - \text{Model 2} \\
 C &= 0.0478BPS \\
 &\quad (39.5198) \\
 R^2 &= 0.93197 \\
 S.E. &= 1.6818 \\
 F_{calc} &= 1561.8175 \\
 n &= 115
 \end{aligned}$$

The multiple linear regression model was fitted for the 2005 data and produced the following.

$$\begin{aligned}
 &2005 - \text{Model 1} \\
 C &= 0.0085BMI + 0.0421BPS + 0.0019TCHOL \\
 &\quad (1.1272) \quad (10.1952) \quad (0.7081) \\
 R^2 &= 0.9196 \\
 S.E. &= 1.8194 \\
 F_{calc} &= 1304.2088 \\
 n &= 345
 \end{aligned}$$

Again, given the statistical insignificance of BMI and $TCHOL$ in the 2005 fitted model, we investigated the statistical attributes of the simple linear regression model using BPS as the predictor variable. The results for the 2005 fit follow.

$$\begin{aligned}
 &2005 - \text{Model 2} \\
 C &= 0.0324BPS \\
 &\quad (52.2266) \\
 R^2 &= 0.8880 \\
 S.E. &= 2.1413 \\
 F_{calc} &= 2727.6182 \\
 n &= 345
 \end{aligned}$$

REMARKS

The fitting of the 2004 and 2005 data produced interesting results. For each year, the coefficient of BPS was the only significant parameter estimate. Was found among the results of fitting the multiple and simple linear regression models for each data set (2004, 2005). Further, the coefficient of BPS was relatively the same in each year.

The antilog of the estimate of the coefficients in the multiple linear regression models in each year yielded a value near one (1). This suggests the sum of the three biometrics (body mass index, blood

pressure systolic, and total cholesterol) as a predictor of annual dollar claims.

IMPROVING THE PREDICTOR

We examined the display of claims against the sum of the three biometrics. We noted the variance between the actual and the predictor annual figures for each year's data. We investigated variance reduction technique through segregation of the data within each year. Specifically, for each year's data, we grouped the observations in four parts based upon age, gender, smoking status, and magnitude of annual

medical claims. None of the segregations offered improvements in prediction. We looked to the utility segregation by dollar claims and varying weights given to the sum of the biometrics and age. We will report the results in the March 2007 Meeting of the Midwest Business Administration Association (MBAA) and its Marketing Management Association (MMA).

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None to cite at this time.

PRELIMINARY RESULTS FROM A SURVEY RELATED TO THE TEACHING OF MARKETING RESEARCH

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ABSTRACT

This paper presents the findings from a survey of marketing research faculty. We find SPSS is the most used statistical software, that cross tabulation, single, independent, and dependent t-tests, and ANOVA are among the most important statistical tools according to respondents. Bivariate and multiple regression are also considered relatively important.

INTRODUCTION

The College of Business at a mid-sized Midwestern state university undertook an initiative to dramatically change the undergraduate business curriculum. The changes involved including adding a second statistics course to the requirements for all majors within the College of Business. For the Marketing Department this meant that we needed to re-examine some aspects of our curriculum, particularly a Marketing Analysis course and a Marketing Research course.

Because students would now be exposed to single, dependent, and independent t-tests, ANOVA, cross tabulation with Chi Square tests, and multiple regression in the statistics sequence we needed to consider how this might impact the content that we include in the marketing courses mentioned above. As a part of our curricular review we wanted to see what was being done at other schools in the Marketing Research course and what faculties at other institutions see as important content for this course. We also wanted to re-evaluate texts with specific interest in their coverage of statistical topics.

METHODOLOGY

A survey research project was conducted to investigate certain aspects of what faculties are doing with relation to the teaching of Marketing Research. A mail survey was conducted during the spring of 2004.

The sampling frame used for a faculty survey related to the teaching of marketing was a list of Marketing Research professors obtained from the Prentice Hall *Marketing Faculty Directory 2002-*

2003, compiled by James Hasselback. Faculties were selected if they indicated an interest area in Marketing Research or a related area. This resulted in the selection of 423 faculties. Due to faulty addresses 14 were returned as undeliverable. Recipients who did not teach marketing research were asked to pass the survey on to someone in their department who did teach this course.

We received responses from 147 faculties, a response rate of 35.9% (based on the 409 mailed and not returned for having an incorrect address). Based on the initial mailing of 423, the response rate would be 34.8%. Responses came from professors representing 42 states. The state with the most responses was Ohio with 14 followed by Texas with 13. Thus, there was good geographic dispersion in the sample of 147.

Among the respondents there were more males than females, ages ranged from 29 to 77 with a mean age of 51.3, and the majority of the sample had a doctoral degree. The number of years teaching Marketing Research ranged from 0 to 35 with a mean of 16.2. Most professors taught undergraduate classes, some taught masters level classes, and a few taught doctoral level classes. Typical class sizes for undergraduate classes ranged from 3 to 75 students with a mean of 32.7, masters classes ranged from 1 to 45 students with a mean of 23.4, and doctoral level classes ranged from 4 to 30 students per class with a mean of 10.1. Most schools require Marketing Research for an undergraduate major (85%), and the number of students on the campuses represented ranged from 1,000 to 70,000 with a mean of 13,961.5 students. Table 1 contains an overview of the demographic characteristics of the sample.

Table 1. General characteristics of the 147 survey respondents.

Characteristic	Sample Results
Respondent's Gender	Female - 23.1% Mean age = 46.6 * Mean Years Teaching Marketing Research = 11.8 * Male - 76.9% Mean age = 52.6 * Mean Years Teaching Marketing Research = 17.5 *
Respondent's Education Level	Both Genders: Masters Degree - 2% Females - 5.9%; Males - 0.9% Both Genders: Doctoral Degree - 98% Females - 94.1%; Males - 99.1%
Level of Courses Taught (Some respondents taught at multiple levels)	Both Genders: Undergraduate - 90.5 % Females - 97.1%; Males - 88.5% Both Genders: Masters Level - 42.9% Females - 20.6%; Males - 49.6% Both Genders: Doctoral - 8.2% Females - 0.0%; Males - 10.6%

* Differences in age and number of years teaching marketing research between genders are significant at $\alpha = .05$.

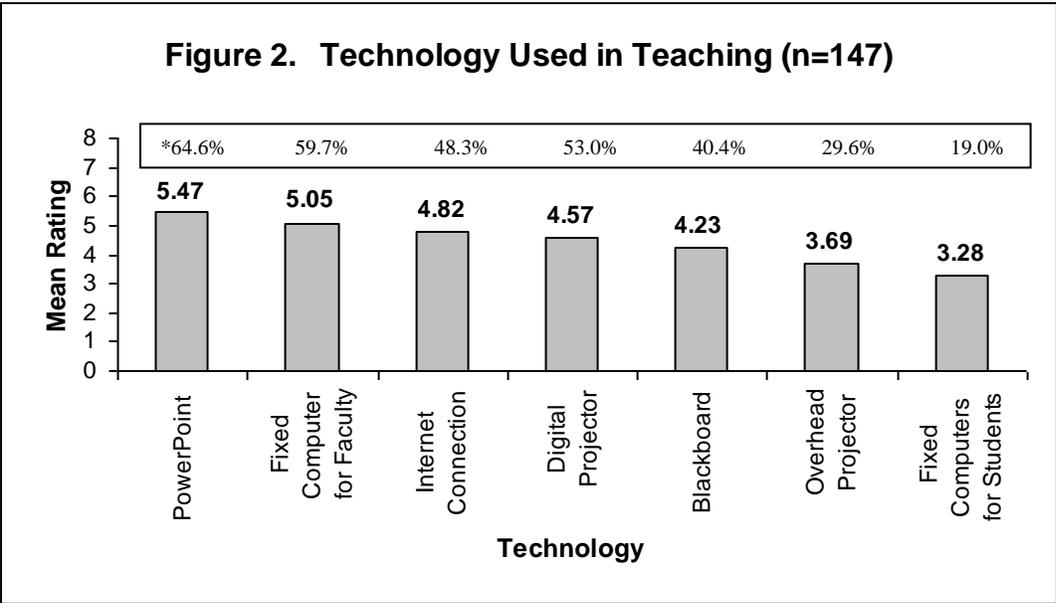
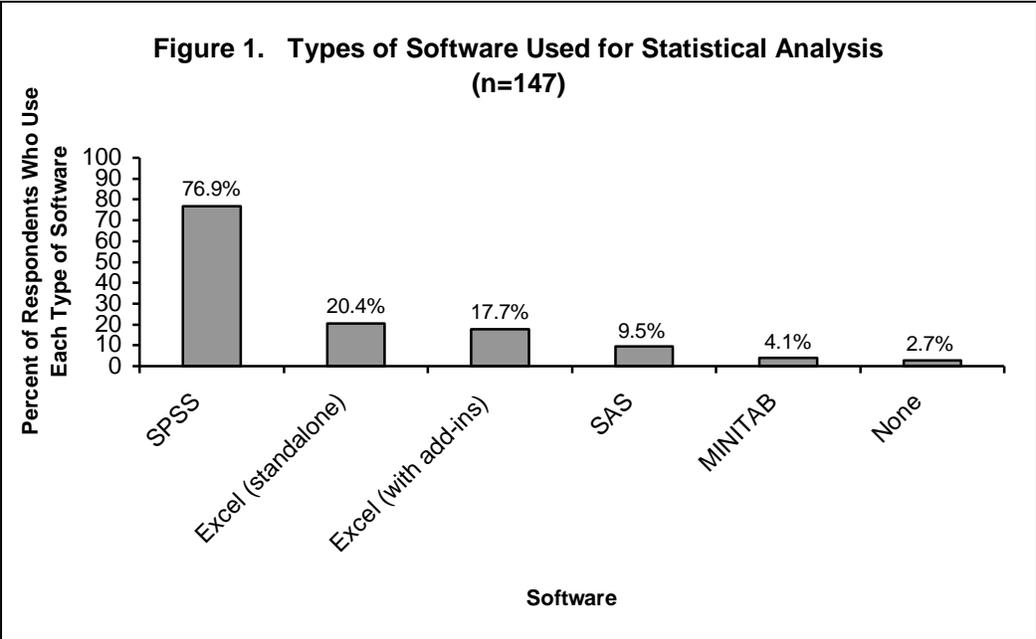
FINDINGS

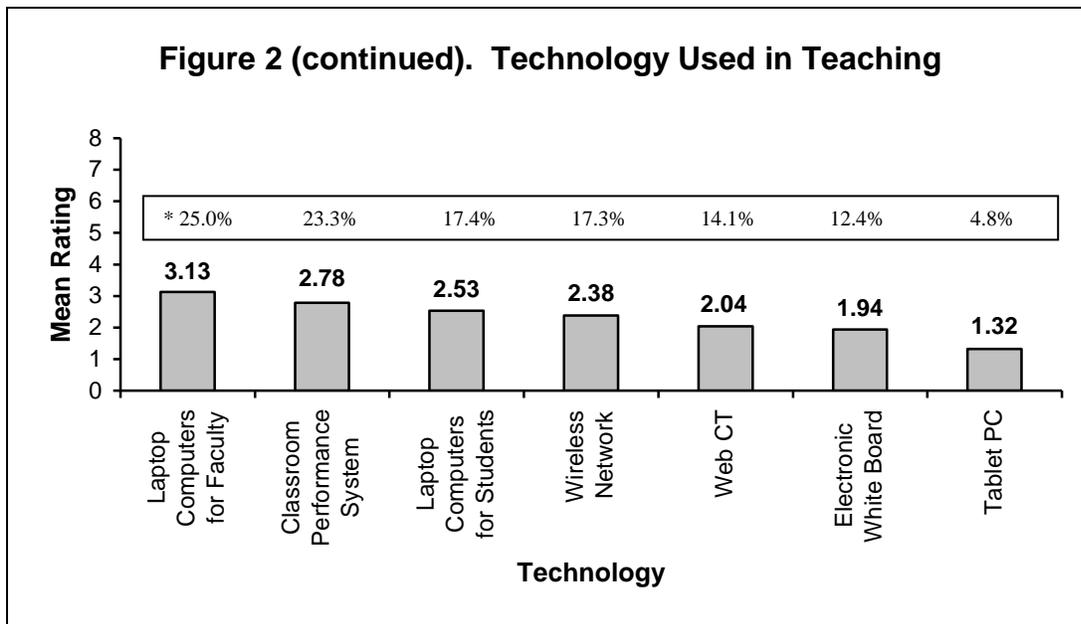
Software Use. Respondents were asked to indicate which software products they have students use for statistical analysis. Figure 1 summarizes our findings in this regard. SPSS is used more often than any other software. SPSS is widely used in the marketing research industry and has, for some time, been offered in a student version which may be why we see it used so much more than other software in the teaching of marketing research.

SPSS is followed by Excel, either as stand-alone software or with add-ins. Excel is a relatively standard spreadsheet that most students have on their personal computers and it is used commonly used in businesses, which may be why we see it used frequently in teaching marketing research. However, wide use of native Excel may be a cause for concern given the errors that have been documented in Excel's statistical routines. (McCullough, 2005 and 2006) The use of Excel add-ins may not be of as much concern but it might be wise to verify correctness of such add-ins by comparing results to those found in statistical software such as SPSS, SAS, or MiniTab. The latter two statistical packages were also mentioned by our respondents.

Only 2.7% of respondents indicated that they did not use any software for statistical analysis when teaching marketing research. The total of the percentages shown in Figure 1 add to over 100% because many faculty indicated use of more than one type of software.

Use of Teaching Technologies. A list of various technologies was provided, and respondents were asked to indicate how frequently each was used based on a scale of 1 to 7 with 1 being very infrequently to 7 being very frequently. As shown in Figure 2, PowerPoint is the most frequently used followed by fixed computers for the faculty, Internet connection, and digital projectors. We suspect that a follow-up survey would show increased use of laptop computers by both faculty and students, based on anecdotal observations at our own campus. In general, women are using technology in teaching more so than men. Women are significantly higher ($\alpha = 0.05$) in the frequency of use of a Classroom Performance System, Fixed Computers for Students, and Web CT. One reason women may be using more technology than men could be that they are in general younger and thus may be more inclined to adopt new technologies.





* Percent answering either "Frequently" or "Very Frequently" (6 or 7 on a 1 to 7 scale)

Use of Statistical Tools. Respondents were asked to indicate, on a scale of 1-7 with 1 being not important and 7 being important, the importance they placed on each of 31 statistical methods in their teaching of marketing research (not in their own research). In the questionnaire the statistical tools were arrayed in alphabetic order as shown in Appendix A.

Table 2 contains a summary of the importance ratings for various statistical tools ordered from the highest mean evaluation to the lowest mean evaluation. Cross tabulations, hypothesis testing, Chi-square tests, and grouped t-tests were rated among the most important methods used in teaching. These methods are commonly used in marketing and mathematics classes. Multiple regression is also taught in many classes. Students should have a general understanding of some of these methods before they are exposed to them in their marketing research classes because these concepts are taught in many mathematics classes. They are also used in businesses. These methods are easier for students to grasp compared to other methods such as ANOVA or MANOVA. Some of the methods that are not as important to professors are Automatic Interaction Detector Analysis, Neural Networks, and Log Linear Models. These methods tend to be more complex and not taught as much in the classroom.

In general, there isn't much difference between the amount of importance men and women place on different statistical methods used in teaching. The only significant difference is when rating Conjoint Analysis. Men appear to use this method more often than women.

CONCLUDING COMMENTS

This paper is based on data collected in 2004 so it is to be expected that changes have taken place since that time. We suspect that these changes would be most important with respect to technologies that are used in the teaching of Marketing Research. It would seem less likely that there would have been dramatic changes in the statistical tools being taught or in the software being used.

Also, we have looked at some of the marketing research texts to consider the statistical coverage in the texts. To date we have only done this by looking for terms identified in the index of each text. For this reason the findings to date are very tentative. However, in case they are of interest to readers of this paper we are including a summary of what we have found in Appendix B.

Table 2. Importance of Various Statistical Tools: Ordered by Mean Importance Score from Most to Least Important

	n	Mean	Std. Deviation	% Answering Important or Very Important
Cross tabulations	140	6.18	1.52	80.7
Hypothesis testing	139	6.10	1.49	80.6
Chi-Square tests	141	5.94	1.49	74.4
Grouped (independent sample) t-tests	137	5.88	1.63	75.9
Pearson correlation	137	5.50	1.81	63.5
Single sample t-tests	136	5.34	2.04	61.7
F-tests	134	5.19	2.10	58.9
ANOVA	138	5.03	1.93	47.8
Univariate tests of significance	129	4.98	2.22	55.0
Bivariate linear regression analysis	134	4.83	2.02	45.5
Z-tests	136	4.79	2.17	48.5
Paired (dependent sample) t-tests	137	4.74	2.07	46.0
Multiple regression analysis	139	4.42	2.23	41.0
Multivariate analysis	131	3.44	2.15	18.3
Spearman rank correlation	133	3.34	2.16	18.8
Factor analysis	137	3.23	1.91	14.6
Stepwise multiple regression	129	3.22	2.21	20.2
Cluster analysis	136	2.86	1.91	12.5
Rank sum tests	132	2.71	2.02	12.1
Discriminate analysis	135	2.67	1.71	6.7
Conjoint analysis	134	2.57	1.73	6.0
Kruskal-Wallis	132	2.38	1.80	7.6
Kolmogorov-Smirnov	131	2.23	1.62	5.4
Manova	133	2.23	1.58	3.8
Wilcoxon matched pairs test	128	2.12	1.68	6.2
Mann-Whitney	131	2.00	1.62	6.2
Cramer's V	129	1.91	1.56	5.4
Correspondence analysis	128	1.79	1.37	3.9
Log linear models	129	1.74	1.42	5.5
Neural networks	129	1.49	1.15	2.4
Automatic interaction detector analysis	124	1.31	.77	0.0

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Appendix A

Cover Letter and Questionnaire

Dear Marketing Professor,

As part of my assignment for the current semester I am investigating certain aspects of what other schools are doing with relation to the teaching of Marketing Research. Your name was selected from the Prentice Hall *Marketing Faculty Directory 2002 - 2003*, compiled by James Hasselback. If you do not teach marketing research would you please pass this on to one of your colleagues who does?

Your participation will help us identify what other schools are currently doing and will be helpful as we evaluate our curriculum and prepare custom materials for our courses. This questionnaire is being sent to a relatively small sample of people who teach Marketing Research so *your input is especially important*. It is designed so that you can complete the survey in just a few minutes.

Your responses will be *strictly confidential and anonymous*. You need not identify yourself or your school. Please find enclosed a postage-paid business reply envelope for your convenience. We look forward to receiving your completed questionnaire. Thank you very much for your time and information.

Sincerely,

PS. If you would like a summary of the findings enclose a business card (or other card with a mailing address) with your questionnaire. I will have someone from our clerical staff open returns and remove such cards before I see the questionnaire.

1. Please indicate which software you have students use for statistical analysis. (Check all that apply)

- Excel (standalone)
- Excel (with add-ins)
- MINITAB
- SAS
- SPSS
- None
- Other Please specify _____

2. Please indicate how frequently you use the following in your teaching using a 1 to 7 scale with 1 being very infrequently to 7 for very frequently. Circle 8 for not applicable.

	Very Infrequently			Very Frequently				
Blackboard	1	2	3	4	5	6	7	8
Classroom performance system	1	2	3	4	5	6	7	8
Digital Projector (eg. Visualizer)	1	2	3	4	5	6	7	8
Electronic white board	1	2	3	4	5	6	7	8
Fixed computer for faculty	1	2	3	4	5	6	7	8
Fixed computers for students	1	2	3	4	5	6	7	8

Internet connection	1	2	3	4	5	6	7	8
Laptop computer for faculty	1	2	3	4	5	6	7	8
Laptop computers for students	1	2	3	4	5	6	7	8
Overhead projector	1	2	3	4	5	6	7	8
PowerPoint	1	2	3	4	5	6	7	8
Tablet PC	1	2	3	4	5	6	7	8
Web CT	1	2	3	4	5	6	7	8
Wireless network	1	2	3	4	5	6	7	8
Other: Please specify _____	1	2	3	4	5	6	7	8

3. If you use a laptop in class is it...

1. Your personal laptop
2. A laptop provided by the department or the college
3. Not applicable; do not use a laptop in class

4. On a scale of 1 to 7, with 1 being not important and 7 being very important, please indicate how important the following statistical methods are in your teaching of marketing research course(s). Please indicate the course level you have in mind as you answer this question – answer for the **one** level you teach the most often. **Check only one level.**

- Bachelor
 Masters
 Doctorate

	Not Important			Very Important			
	1	2	3	4	5	6	7
Automatic Interaction Detector Analysis	1	2	3	4	5	6	7
ANOVA	1	2	3	4	5	6	7
Bivariate linear regression analysis	1	2	3	4	5	6	7
Chi-Square tests	1	2	3	4	5	6	7
Cluster analysis	1	2	3	4	5	6	7
Conjoint analysis	1	2	3	4	5	6	7
Correspondence analysis	1	2	3	4	5	6	7
Cramer's V	1	2	3	4	5	6	7
Cross tabulations	1	2	3	4	5	6	7
Discriminate analysis	1	2	3	4	5	6	7
Factor analysis	1	2	3	4	5	6	7
F-tests	1	2	3	4	5	6	7
Grouped t-tests (independent sample)	1	2	3	4	5	6	7
Hypothesis testing	1	2	3	4	5	6	7
Kruskal-Wallis	1	2	3	4	5	6	7
Kolmogorov-Smirnov	1	2	3	4	5	6	7
Log linear models	1	2	3	4	5	6	7
Mann-Whitney	1	2	3	4	5	6	7
MANOVA	1	2	3	4	5	6	7
Multiple regression analysis	1	2	3	4	5	6	7

Multivariate analysis	1	2	3	4	5	6	7
Neural networks	1	2	3	4	5	6	7
Paired t-tests (dependent sample)	1	2	3	4	5	6	7
Pearson correlation	1	2	3	4	5	6	7
Rank sum tests	1	2	3	4	5	6	7
Single sample t-tests	1	2	3	4	5	6	7
Spearman rank correlation	1	2	3	4	5	6	7
Stepwise multiple regression	1	2	3	4	5	6	7
Univariate tests of significance	1	2	3	4	5	6	7
Wilcoxon matched pairs test	1	2	3	4	5	6	7
Z-tests	1	2	3	4	5	6	7
Other: Please specify _____	1	2	3	4	5	6	7

5. Are you...

1. Male
2. Female

6. What is your current age?

7. What is your highest level of education completed?

1. Bachelor's Degree
2. Master's Degree
3. Doctoral Degree

8. For how many years have you been teaching marketing research?

9. Please indicate the level of course(s) you teach in marketing research and the typical class size for each level you teach.

Undergrad	Yes	No	Typical Class Size _____
Masters	Yes	No	Typical Class Size _____
Doctorate	Yes	No	Typical Class Size _____

10. Is a marketing research course required for undergraduate majors at your school? ____ Yes ____ No

11. Approximately how many students attend classes on the campus where you teach most often?

12. If you could make one change to how you teach marketing research or the materials you use, what would that change be?

Thank You for Your Participation

Appendix B

Initial Review of Statistical Coverage in Marketing Research Texts (Based on the index of each text, not a review of actual content)

<i>Author Copyright</i>	<i>Burns & Bush 2006</i>	<i>Churchill & Iacobucci 2005</i>	<i>Churchill & Brown 2004</i>	<i>Cooper & Schindler 2006</i>	<i>Malhotra 2002</i>	<i>Sudman & Blair 1998</i>	<i>Hair, Bush & Orinau 2000</i>	<i>Tull & Hawkins 1990</i>	<i>Dillon, Madden & Firtle 1987</i>	<i>McDaniel & Gates 2006</i>	<i>Zikmund (2nd Ed) 2003</i>	<i>Zikmund (8th Ed) 2003</i>	<i>Lehmann, Gupta & Steckel 1998</i>	<i>McDaniel & Gates 2002</i>	<i>Kumar, Aaker & Day 2002</i>
<i>Automatic Interaction Detector Analysis</i>				Yes		Yes			Yes				Yes		
<i>ANOVA</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Bivariate linear regression analysis</i>	Yes		Yes	Yes	Yes	Yes	Yes			Yes	Yes			Yes	Yes
<i>Chi-Square tests</i>	Yes	Yes	Yes	Yes	Yes	Yes			Yes		Yes	Yes	Yes	Yes	Yes
<i>Cluster Analysis</i>		Yes		Yes		Yes	Yes	Yes	Yes			Yes	Yes	Yes	
<i>Conjoint Analysis</i>		Yes	Yes			Yes	Yes	Yes	Yes				Yes	Yes	
<i>Correspondence Analysis</i>		Yes		Yes				Yes					Yes		
<i>Cramer's V</i>			Yes	Yes	Yes										
<i>Crosstabulations</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Discriminant Analysis</i>		Yes				Yes	Yes	Yes	Yes			Yes	Yes		
<i>Factor Analysis</i>		Yes		Yes		Yes	Yes	Yes	Yes			Yes	Yes	Yes	
<i>F-tests</i>				Yes	Yes		Yes					Yes	Yes	Yes	
<i>Grouped t-tests (independent sample)</i>	Yes		Yes									Yes			
<i>Hypothesis testing</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes

AUTHOR COPY-RIGHT	Burns & Bush 2006	Churchill & Iacobucci 2005	Churchill & Brown 2004	Cooper & Schindler 2006	Malhotra 2002	Sudman & Blair 1998	Hair, Bush & Ortinau 2000	Tull & Hawkins 1990	Dillon, Madden & Firtle 1987	McDaniel & Gates 2006	Zikmund (2nd Ed) 2003	Zikmund (8th Ed) 2003	Lehmann, Gupta & Steckel 1998	McDaniel & Gates 2002	Kumar, Aaker & Day 2002
Kruskal-Wallis				Yes				Yes				Yes			
Kolmogorov-Smirnov		Yes	Yes	Yes				Yes						Yes	
Log linear models		Yes				Yes							Yes		Yes
Mann-Whitney				Yes				Yes				Yes			
MANOVA				Yes		Yes									
Multiple regression	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes			Yes
Multivariate analysis		Yes	Yes	Yes	Yes	Yes	Yes				Yes	Yes		Yes	
Neural Networks	Yes	Yes								Yes	Yes	Yes	Yes	Yes	
Paired t-tests (dependent sample)			Yes												
Pearson correlation	Yes	Yes	Yes	Yes	Yes		Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rank sum tests												Yes			
Spearman rank correlation		Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Stepwise multiple regression	Yes					Yes									Yes
Univariate tests of significance		Yes		Yes	Yes	Yes									
Wilcoxon matched pairs test				Yes				Yes				Yes			
Z-tests	Yes	Yes	Yes	Yes	Yes		Yes				Yes	Yes		Yes	Yes

PERMISSION MARKETING: MARKETING COMMUNICATIONS, CUSTOMER RESPONSE AND SALES EFFECTIVENESS

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ABSTRACT

This paper explores issues relating to the effectiveness of permission marketing initiatives. The goal is to analyze sales response of a permission marketing program along with its sales effectiveness compared to a simultaneous traditional advertising program. It attempts to determine the ability of permission marketing initiatives to yield segmentation descriptors.

INTRODUCTION

Permission marketing, a term first coined by Godin (1999), is changing the way marketers communicate with customers. Permission marketing is an approach to selling goods and services in which a prospect explicitly agrees in advance to receive marketing information (Godin 1999). With the advent of Internet technology and email communication avenues, marketers now have added another communication tool to their media arsenal allowing them to change the way they communicate and develop relationships with their customers. This growing promotional tool is impacting the way marketers communicate with prospects and customers. According to Jupiter Research, advertisers were to have sent 268 billion e-mail messages in 2005; 22 times the number of messages sent in 2004 (Jupiter Research 2001).

The consumer benefit is the receipt of relevant messages yielding several advantages. According to a model by Pavlou and Stewart (2000), first, by sending meaningful and sought after information, the consumer is likely to be more receptive to its content. Second, permission marketing may reduce search time involved in making purchase decisions and therefore provide the customer with the economic value of reduced search time. Third, the customer's active participation in the advertising process is likely to increase advertising effectiveness.

There also exist benefits to the marketer. First, permission marketing invites the marketer to communicate, persuade and sell. The cost of marketer-to-consumer communication is low on the Internet (Hoffman & Novak 1996; Shiman 1996),

yielding cost savings and increased efficiencies. Traditional advertising, even with targeting efforts, has waste coverage resulting in increased cost per contact. Conversely, permission marketing's production and distribution costs are less while yielding superior targeting performance (Godin 1999).

According to IMT Strategies (1999), more than 40% of all email users feel very positively or somewhat positively about permission email marketing, and 70% of Internet users have clicked either a few times, several times or often on advertising messages sent by permission email, compared to just 30% in the case of unsolicited commercial email. This research also suggests permission email marketing is five times more cost-effective than direct mail and 20 times more than Web banners.

Though these benefits are significant, the application of permission marketing has its challenges. To what extent has permission marketing allowed marketers to cut through traditional advertising clutter and impact purchases (advertising issues)? What perceived value must customers receive in order to take action (consumer benefits versus costs)? Does permission marketing provide for effective segmentation (predictive segmentation)? These topics are becoming more important as marketers continue to make permission marketing part of their overall integrated communication plan. Finding effective and cost efficient methods of identifying, communicating and selling products and services to the intended market group has become even more important in a result oriented management environment.

LITERATURE REVIEW

Advertising issues

Despite the benefits to both consumers and marketers, permission marketing may still contend with effectiveness issues (Pavlou and Stewart 2000). There exist at least three inherent issues associated with traditional advertising effectiveness related to permission marketing.

First, the purchase decision process begins with a perceived need. According to Pavlou and Stewart (2000), customers who are not currently in the market for a given product are less likely to respond to interactive advertising. Second, integrated marketing communication programs do not rely solely on one advertising medium. Campaigns are comprised of several media in order to create synergistic effectiveness of the campaign. Interactive advertising may well make the determination of precisely what marketing actions produced a particular outcome even more difficult to do. The influence of any particular advertising message may be less important than the cumulative reciprocal communication between advertiser and consumer (Pavlou and Stewart 2000). Third, advertising programs do not exist in vacuums. Socio-economic, channel member and competitor initiatives factor into sales results. In-market sales are the result of a complex set of events the marketer has little control (Pavlou and Stewart 2000) making sales measurement even more complex and less discernable. For example, competitors and retailers may implement their own advertising programs or adjust pricing. These factors interact with a fluctuating economic environment (prosperity, recession, etc.) influencing advertising effectiveness.

According to Pavlou and Stewart (2000), when people select that to which they attend (interactive media), the act of attending becomes a powerful determinant of advertising response. The traditional paradigm for examining the effects and effectiveness of advertising has served the profession well, but it is incomplete in an increasingly interactive context. For example, where a consumer obtains information via interactive advertising, but buys from a traditional retailer, it may be very difficult to associate the advertising with the sale. Thus, the advent of interactive advertising will not necessarily make it easier to measure the effectiveness of advertising in terms of sales. This will continue to be an area of important research on the measurement of the effectiveness of advertising even as advertising

becomes more interactive (Pavlou and Stewart (2000). As the foregoing discussion suggests, there is little empirical evidence to show the degree of correlation between permission based marketing communications and in-store sales effects.

Consumer benefits versus costs

Advertising messages of any nature yield both consumer costs and benefits. Permission marketing includes consumer costs that are comprised of entry costs, message processing costs and privacy costs (Krishnamurthy 2001). First, entry costs are the effort the consumer makes to provide permission to opt-in to receiving email communications from an advertiser. This may include such tasks as completing a form (either online or in writing) and providing personal preferences and information. Second, message processing costs are the time and energy expended by the consumer to receive, cognitively catalog and comprehend the volume of their permission marketing messages. Third, privacy costs are the concern consumers have regarding the security and use of their personal information (Krishnamurthy 2001).

According to Krishnamurthy (2001), consumer benefits of permission marketing include the message relevancy and monetary benefit. The more relevant the message is to the consumer's needs, the higher the perceived value of the program. Likewise, monetary benefit (either through payment for participation or savings on purchases) impacts customer value and therefore economic benefit. Krishnamurthy (2001) makes one final association related to consumer benefits; the higher the message relevance, the lower the impact of monetary benefit on consumer interest in the permission marketing program. If the customer has sufficient interest in the program and/or message, low or no monetary value is needed for participation; there is enough value in the message relevancy alone.

While permission marketing efforts can improve the relevance of advertising messages, consumers are asked to do more in comparison to more traditional direct marketing approaches. Overall consumer interest in permission marketing is determined by the net impact of these benefits and costs (Krishnamurthy 2001). Therefore, as Krishnamurthy suggests, the consumer benefit of relevancy and benefit of the permission marketing message should exceed the cost of receiving, comprehending and responding to permission marketing initiatives.

Predictive segmentation

Predictive demographic classification of online behavior, including permission marketing efforts, seems elusive. A study of 2,466 Internet users found no dominant forms of online behavior by groups of people who routinely engaged in one sort of activity over others (Rozanski et al. 2001). Regardless of stated preferences, demographics, and lifestyle characteristics, users showed distinct behavior in distinct occasions, each time choosing what fit their needs and mood. This suggests the basis for effective segmentation and targeting are needs, not demographics, lifestyles, attitudes, or even stated interests (Tizende et al. 2002).

Godin (1999) suggests permission marketing improves segmentation and targeting precision. Permission marketing utilizes the concept of self-selection: providing customers with the power to choose the information they wish to receive. As a result, permission marketing enables the marketer to identify segments, create databases and deliver messages to each segment appropriately. The question of traditional demographic segmentation analysis for permission marketing has not been well addressed nor has the question of commonality among permission marketing respondents.

RESEARCH HYPOTHESES

The goal of the paper is to analyze 1) the sales response of a permission marketing program; 2) a permission marketing program’s sales effectiveness

compared to a simultaneous traditional advertising program; and 3) the ability of permission marketing to yield segmentation descriptors.

How effective is permission marketing in generating consumer response? According to Best (2005), marketing communication follows a hierarchical set of customer response effects. There exist several hierarchies of effects models that are similar in nature and structure. The hierarchy of effects model is based on the premise marketing communication moves individuals systematically through a series of psychological stages such as exposure, awareness, comprehension, intention, and action.

According to Best’s model, exposure is defined as transmission of message; exposure to the ad. Awareness is defined as reaching the customers; making the target audience aware of the ad. Comprehension is defined as communicating meaningful (value) benefits in the ad content. Intentions are measured as a strong value proposition; motivation of the consumer. Action is measured as an actual purchase or sale.

The overall customer response index (CRI) for the combination of effects in the response hierarchy is the product of the proportions of individual effects that comprise its combination. The CRI equals the awareness percentage times the comprehension percentage times the interest percentage times the purchase percentage (Figure 1).

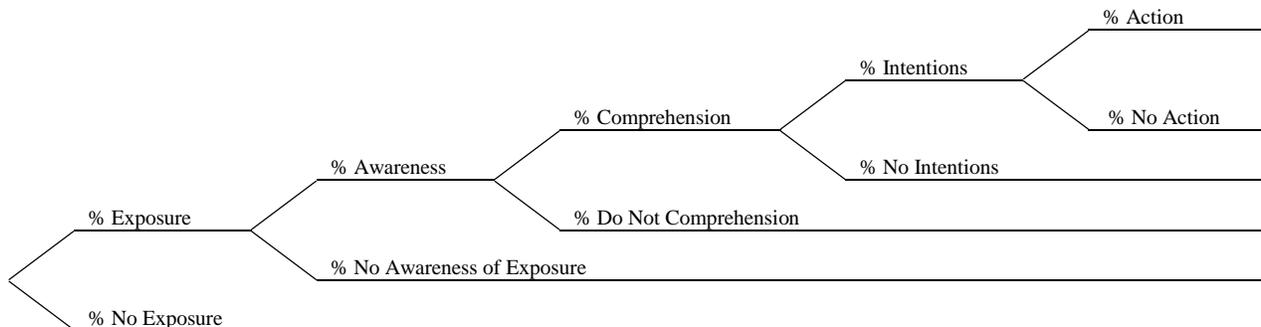


Figure 1: Customer Response Index (CRI) Model

The CRI model, utilized by Arndt (1994), provides a benchmark for marketing communication performance evaluation. Results at individual levels can be evaluated for performance improvements at each stage while the overall CRI score rating yields a standardized scoring system allowing longitudinal analysis of communication programs. In Arndt study, the CRI model tested the effectiveness of a marketing communication program. The tested firm had low levels of awareness in the industry according to a market research study. A marketing communications program was implemented for nine months to attempt to improve this awareness level among the firm's target market. Following the campaign, a post-test study was conducted showing a 30% increase in unaided recall (Best 2005). The following hypotheses were developed based on Best's CRI model to determine the net response for the experimental permission marketing initiative.

Since permission marketing recipients request information, there is the likelihood email messages will be opened and the recipient exposed to the message (Krishnamurthy 2001; Salo and Tähtinen 2005). According to a survey conducted by DoubleClick (2001), 65% of participants responded that permission based emails were their preferred method of learning or being notified about new products, services, and promotions. The link between the consumer's interest and the information contained in the permission marketing email would generate higher levels of attention and comprehension to the message.

H1: Permission marketing communications are likely to have a significant effect on awareness of the promotional message.

Since permission marketing recipients request information, there is the likelihood they perceive and economic value (economic or time savings) (Krishnamurthy 2001). In addition, financial incentives improve the intention to participate in permission marketing messages (Kavassalis et. al. 2003).

H2: Permission marketing communications are likely to have a significant effect on the respondent's comprehension of the value of the offering.

Since permission marketing recipients request information, there is the likelihood the effort will result in a sale. There is little empirical evidence that links permission marketing efforts to in-store sales. However, in related studies click through rates

(defined as clicking on a link taking the user to the sender's website) for permission marketing messages generate approximately 3% (Rettie and Chittenden 2002). In a study of 30 acquisition permission email marketing campaigns run by Claritas (UK) Ltd., it was found higher response rates (click through to URL) correlated with more attractive incentives (Rettie and Chittenden 2002).

H3: Permission marketing communications are likely to have a significant effect on total sales.

H3a: Permission marketing communications are likely to have a significant effect on permission marketing promotional sales.

H3b: Permission marketing communications are likely to have a significant effect on permission marketing non-promotional sales.

Permission marketing recipients have access to a computer, the internet and email; demographic commonality may exist among the group. However, results from a study by Tizende et. al. (2002) suggested that demographic variables may be weak indicators of response. According to a study by Haghirian and Madlberger (2005), the age of the advertising recipient reflecting on the perceived advertising value and on their attitude toward advertising via mobile devices was not supported.

H4: Permission marketing respondents are unlikely to have similar demographic profiles.

PROPOSED METHODOLOGY

To test these hypotheses, an online questionnaire (composed and housed at a proprietary survey site) can be developed and linked to a permission marketing message to measure the level of response generated by this permission marketing effort. Advantages of e-mail surveys are the speed of data collection, above average response rates (58%), low financial resource implications and short response time. Finally, the demographic profile of Internet users in the United States towards 1998 has started to mirror a general population reducing gender bias (Ilieva et. al., 2002).

Potential limitations of this proposed methodology include sampling error (non-random sample), small sample size and/or response rate and non-response errors. Analysis of respondents based on the date of their survey submission may identify significant differences within the group. Limitations

can be minimized by sending four reminder email messages during the promotional timeframe to the group and offering a prize or gift as an incentive to participate (Andrews et al. 2003).

The online survey would measure the stages of the CRI model including awareness, comprehension and intention to purchase based on the permission marketing message. Awareness would be determined by the percentage of survey respondents opening all four of the weekly email messages. Comprehension would be gauged by the percentage of survey respondents ranking permission marketing messages as the first order of the sources they relied on to find information. Intention would be measured by the respondent response to price (value) being extremely important in factoring their decision making. Action would be valued as the percentage of respondents who redeemed coupons at the retail location during the promotional period in order to determine the overall CRI index.

As Andrews (2003) suggests, the consumer would be asked to bring a coupon, included in the survey, into one of the retail stores in order to redeem it for a small gift and to be entered into a drawing for the chance of winning a larger prize. At the time of coupon redemption, the items sold (if any) to the customer would be tracked (amount and dollars of items sold that were promoted in the flyer and were on sale along with the amount and dollars of items sold that were not promoted in the flyer and were not on sale) to measure sales results. Finally, the survey would include questions relating to demographic variables to determine if there exists any degree of commonality among respondents.

CONTRIBUTIONS

Permission marketing has become a popular tool to marketers. It is claimed that permission marketing allows marketers to advertise to their target market with lower cost compared with traditional marketing. At the same time, it is believed that permission marketing allows consumers to be more receptive to advertising content as well as helps reduce consumers' search time in decision making process. However, it is still unclear how effective permission marketing is in generating consumer response; i.e., purchase.

This paper conducted comprehensive literature review in the area of permission marketing and raised different questions for future research. Different hypotheses were developed based on the Customer

Response Index (CRI) Model. Future research can be done to understand the effectiveness of permission marketing initiatives; possibly a study to test consumer responses to a permission marketing program utilizing the CRI Model. The findings will provide a useful tool for marketers to assess the sales response of a permission marketing program and the ability of permission marketing to yield segmentation descriptors.

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WOMEN'S ROLES IN TELEVISION ADS: A CRITICAL ANALYSIS OF "BEST" COMMERCIALS 1995-1999

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ABSTRACT

Advertising influences consumers to buy more than products: it shapes values, self-worth, images and concepts of success, love, sexuality and perceptions of normalcy (Belch and Belch 2006). This study presents a critical analysis of 169 perceived "Best" commercials, 1995-1999, employing feminist theory. Themes representing strategies of patriarchal containment and resistance are discussed.

INTRODUCTION

The societal marketing concept holds that "organizations are accountable to a larger society, and that the well-being of society at large should also be recognized in an organization's marketing decisions," (Kerin, Hartley, Berkowitz and Rudelius, 2006, p.21). Thus, how an organization directs its marketing activities and allocates resources to benefit its customers, such as in the execution of advertising strategy, becomes an issue spanning beyond business management and into the realm of social responsibility (Kotler and Levy, 1969; Kerin, et al. 2006).

More than 200 companies spend over \$100 million annually on advertising and promotion (Belch and Belch, 2006). Studies estimate that the average American is exposed to between 1500-4000 ads per day, (Belch and Belch, 2006). A significant body of research over the past several decades has evidenced that TV ads serve to shape more than just attitudes about sponsored products (Belch and Belch 2006). As women's roles have changed in society, advertisers have been faced with the task of how to portray women as representing "typical," "appropriate," and "realistic" consumers of their products. Leigh, Rethans, and Whitney (1987) noted that advertisers have been criticized for under-representing working women, presenting women as sex objects or inept housewives, and presenting women as generally in need of and seeking approval from men.

The goal of my study is to examine feminist theoretical strategies of patriarchal containment and resistance demonstrated in popular television commercials aired in 1995, 1998, and 1999. The commercials in my study have gained recognition as

being rated "Best" for their creative and entertainment values, thus it is reasonable to suggest that due to the increased audience exposure they have enjoyed, critical assessment of these messages in particular is more important. The critical analysis employs feminist theory criteria, discussing strategies of patriarchal containment (the male gaze) as well as strategies of resistance (the female gaze) found blatant or embedded in the television commercials.

The Male Gaze: Strategies of Patriarchal Containment

Male spectatorship, a concept originated by Laura Mulvey in 1975, is described by Cooper (2001) as "a patriarchal ideology that is represented and reinforced in 'narratives that marginalize women and encourage spectator identification with male protagonists,'" (p. 417). Though originally used to describe male looks or gazes of females in Hollywood films, the strategy has subsequently been widely researched in the areas of television and advertising (e.g. see Cooper, 2000, 2001; Humm, 1997; Lin, 1999; Waldman 1989). Types of male spectatorship include the look of the camera, the look of male characters, the look of spectators, as well as morality plays that function to warn women of the consequences for resisting patriarchal gender roles (Cooper 2001).

The Female Gaze: Strategies of Patriarchal Resistance

Narratives structured in terms of female spectatorship are defined as "the preferred viewpoint of the narratives that privilege activities, experiences, and qualities more likely to characterize women's than men's lives," (Foss and Foss, 1994, as cited in Cooper, 2001, p.419). A large body of feminist

research (e.g. see Cooper, 2001; Waldman, 1989) has discussed strategies of patriarchal resistance that include the following mockery and the use of humor to illustrate sexism: returning the male gaze with one that makes spectacles of men; narratives that represent women as unapologetic for their sexuality; narratives that are structured around active female protagonists; narratives that celebrate the genuine supportive nature of female friendships; and, the dismantling of patriarchal definitions of femininity and masculinity, where the social ideology of double standards between genders is resisted and challenged (Cooper,2001).

METHOD

While not necessarily representative of the broader population of all commercials, the judgment sample of 169 “Best” commercials studied here from 1995, 1998, and 1999 received programmatic exposure as well as the additional exposure and prestige associated with prime time television programming as presented in the compilations. Content analytic coding categories included commercials employing, 1) the male gaze; 2) the female gaze; 3) commercials using women as sex objects; 4) male voice over and male dominant characters; and, 5) female voice over and female dominant characters.

RESULTS AND DISCUSSION

Of the total sample, 128 (76%) used male voice-overs and/or male dominant characters, while

only 11(7%) used female voice-overs and/or female dominant characters. In a similar study done by O’Donnell and O’Donnell (1978), 254 (69%) of the total 367 commercials coded used male voice-overs, and 18 (5%) used women’s voices. A later study by Lovdal (1989) evidenced 320 (91%) male voice-over commercials of the total 353 analyzed, with 31 (9%) employing women’s voices (see Table 1).

By averaging the three studies’ results in terms of dominant male or female voice-overs and character representations, we can observe that this study evidences only a slight decrease in the percentage of male dominance (76% vs. the three study average of 79%), and a match with the three-study average of 7% in female dominant representations (see Table 2).

Thus, for more than the past decade, the condition of male dominance and female marginalization in commercials as represented in these studies has remained about the same. This study revealed male spectatorship as the dominant theme of “favorite or best” commercials in this sample. One hundred twelve (66%) commercials employed various strategies of patriarchal containment (see Table 1), and of these, 27 (16%) used women in explicitly sexual roles. While each of the previously described male and female gaze strategies were observed and coded in this study, only a few from each category will be discussed here.

Table1

Year	Number of Commercials	Male gaze	Employed Sex	Female Gaze	Male Voice-Over/Dominant Male Characters	Female Voice-Over/Dominant Female characters
1995	64	40	14	5	53	5
1998	54	34	4	9	35	3
1999	51	38	9	8	40	3
Totals	169	112	27	22	128	11
%	100%	66%	16%	13%	76%	7%

Table 2

Year of Study: Authors	Number of Commercials	of Male Over/Dominant Characters	Voice-Male	Female Over/Dominant Female Character	Voice-
1978: O'Donnell & O'Donnell	367		254 (69%)		18 (5%)
1989: Lovdal	353		320 (91%)		31 (9%)
2006: Workman	169		128 (76%)		11 (7%)
3-Study Average %			79%		7%

The Male Gaze: Strategies of Patriarchal Containment

Women as sex objects: The emphasis placed on the role of females as sexual objects for the pleasure and enjoyment of males was depicted in 27 (16%) of the ads. Examples include a 1995 Candies shoe ad, a 1995 Jordache ad, a 1998 Levis jeans ad and 1999 cell phone ad.

In each of these commercials, the female audience is left with a powerful underlying sexist message: if we buy the sponsors' products and embedded ideology, we will be positively viewed by, and thereby accepted by and "successful," with society in general and with men in particular. This popular strategy of patriarchal containment employing women as sex objects in commercials did not escape even the senior citizen generation: three such ads were found in this study. These ads contain subtext morality play undertones suggesting that women should be delighted and only pleased to be viewed in these derogatory manners by men.

The Female Gaze: Strategies of Patriarchal Resistance

Celebration of female friendships: A 1995 commercial depicts two senior females playing a friendly but competitive game of pool. At the end of the game, the camera enables us to see that both women were using walkers the entire time. A male voice-over states, "Just because you're 75, doesn't mean you have to feel as if you're 105." The Lumex Walker company name appears. This commercial reverses two social stereotypes usually held about men; the first is that women can competitively play men's sports and remain friends. In addition, a second stereotype, ageism, is challenged here.

Unapologetic women: Several commercials in this study revealed a strategy of patriarchal resistance toward female sexuality. New England Ice

Cream, a 1995 commercial, represents the best of this small thematic group. A young woman is viewed sitting alone in front of her television in her robe, slowly eating ice cream directly out of the container with a spoon. We eventually hear her screaming with delight as she passionately enjoys licking her spoon. Her demonstration is filled with enough overt sexual overtones and behavior to melt an entire freezer filled with this sponsor's product. Suddenly we hear a male voice-over state, "New England Ice Cream: One taste and you're away!"

CONCLUSION

As with previous research (e.g., Bartsch 2000; Lindner 2004; Mastin, Coe, Hamilton and Tarr 2004), this study evidences stereotypical images of women are found frequently; 66% of the commercials employed various strategies of patriarchal containment, and of these, 16% used women in explicitly sexual roles. The majority of women's role portrayals in television commercials were found to be marginalized relative to men's, with only a few exceptions out of a sample of 169 ads. It is clear that much work lies ahead in attempting to change the patriarchal ideology dominant in television commercials. That mass media in general, and television commercials in particular, are important contributors to the process of socialization and role modeling cannot be denied. More equal and accurate representation of women in television commercials is required in order for women's images and roles to be changed and corrected in the future (Lovdal 1989).

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DTC PRESCRIPTION DRUG ADVERTISING: WHAT DO CONSUMERS SEE AND COMPREHEND?

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ABSTRACT

Direct-to-Consumer advertising is an effective and powerful means of educating and reaching millions of consumers. The purpose of this paper is to serve as a preliminary investigation of the impact of prescription direct-to-consumer advertising using broadcast media. The study measures the number of direct to consumer prescription drug ads broadcast on television, compares afternoon versus evening programming, consumer recall, awareness of benefits and risk, and level of comprehension. Consumer perceptions regarding the amount and type of information provided and their level of understanding of the information is analyzed.

DTC advertising for prescription drugs has been criticized for leading to inappropriate use of medications, unnecessarily driving up drug spending, and harming the doctor/patient relationship. DTC advertisers are also criticized for promoting a drug's benefits to a greater extent than the drug's potential adverse side effects. Meanwhile, proponents of DTC advertising argue that it increases customer awareness of disease, treatment options, risks and benefits, and expands treatment for under-diagnosed conditions.

Three hours of primetime TV evening programming and three hours of afternoon programming were videotaped for each of the three major networks, ABC, CBS, and NBC for a one-week period during mid-January, 2006. DTC ads accounted for 4.52% of all advertisements. Afternoon programming had a slightly higher percentage of DTC ads, 5.91%, with evening programming containing only 3.46% DTC ads in all of the advertisements broadcast.

A convenience sample of 105 undergraduate students was surveyed regarding their level of knowledge about prescription drugs and awareness of either benefits or risks as presented in advertisements for prescription drugs. Less than 20% indicated they used DTC advertising for gaining prescription drug information. When asked about the kind of information they specifically look for in DTC ads, 55% look for what the drug treats, 42% look for symptoms the drug treats, 39% the warnings, and 34% costs. Subjects were asked to match trade names of eleven drugs with the symptoms/disease each treated, and to identify side effects for each. The percentage of respondents who correctly identified the drug and what it treats ranged from 11% to over 50%. However, when it came to identifying the side effects for these drugs, less than half of the subjects even attempted to answer this item, and responses were too sporadic to analyze.

Future research should examine the content of advertising on cable networks as well as the major networks. Furthermore, additional research should investigate DTC ads by products, relative to programming and the respective target audience. Future research should expand the subject base to include consumers from a broader age range, and then analyze comprehension of prescription drug information by drugs relative to different age and gender groups.

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ADVERTISING TO CHILDREN: ARE WE USING SOCIALLY RESPONSIBLE MARKETING?

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ABSTRACT

Children are high target of advertising because of the amount of money they spend, the influence they have on their parents' spending, and the money they will spend when they grow up. The paper discusses ethical concerns of advertising, especially the use of animated and spokes-characters, misleading practices, advertising regulations, and implications for socially responsible marketing.

INTRODUCTION

Marketing is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. The marketing offer consists of some combination of products, services, information, or experiences offered to a market to satisfy a need or want. The marketing concept is a philosophy according to which achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do.

Marketers today are using new alternative promotional methods to reach the target market. Due to heavy clutter and media proliferation, breakthrough advertisement requires companies to be innovative and memorable. The advertising appeal must be relevant to the audience. To be successful, the message must be meaningful, pointing to the benefits that make the product desirable or interesting to consumers. Furthermore, the advertising needs to be distinctive, explaining how the product is better than the competing brands.

There has been an on-going debate about the efficacy of advertising to children since the early days of television (Bandyopadhyay, Kindrea, and Sharp 2001). Proponents of child-targeted advertising claim that children comprise a separate target market from adults (McNeal 1987) and children between the ages of 4 and 12 spend about \$23 billion annually (Bodnar 1999). Many parents and consumer protection groups argue that advertising to children is dangerous and unethical because it is deceptive and manipulative, stimulates wants, promotes consumerism and poor nutritional habits (Bandyopadhyay, Kindrea, and Sharp 2001).

ETHICAL CONCERNS

The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureau (CBBB) works with businesses to ensure that advertising directed at children is accurate and sensitive to the audience. Neeley and Schumann (2004) examine the effect of animated spokes-characters in advertising to young children. The results of the study support previous findings that although character action and voice may influence a young child's attention to an ad, character, and product recognition, and even a positive attitude toward the product, the relation between spokes-characters and a child's preference, intention, and choice of a product is uncertain.

The ethical concerns of advertising to children evolve around the issue of whether children understand the persuasive role of a spokes-character, whether they understand the difference between animated and human characters, and whether advertising spokes-characters influence children's attitudes (Neeley and Schumann 2004).

Stage theory suggests that preoperational children (2 to 7 year olds) are bound by their reliance on perceptual understanding, so messages must be perceptually salient and relevant in order to be understandable to a young child. Roedder (1981) suggests that "the shortcoming of young children is their failure to evoke and utilize cognitive plans for storing and retrieving information. In response to the concerns of advertising to children, the National Science Foundation published a research report in 1977 (Kunkel and Roberts, pp.62-64, 1991) which outlined three key aspects of the issue:

1. Young children experience difficulty distinguishing perceptually between programs and commercials.
2. A substantial proportion of children, particularly those below age 8, express little or no comprehension of the persuasive intent of commercials.
3. Young children who are unaware of the persuasive intent of television advertising tend to express greater belief in commercials and a higher frequency of purchase requests.

According to a recent study of the National Institute on Media and the Family (http://www.mediafamily.org/facts/facts_childadv.html), the average American child may view as many as 40,000 television commercials every year. The Institute's study states that children as young as age three recognize brand logos, with brand loyalty influence starting at age two. Critics say that young children are not able to distinguish between commercials and TV programs. They do not recognize that commercials are trying to sell something (Roedder, D, 1981, Neeley, S. and D. Schumann, 2004).

Strasburger (2002) found that children who watch a lot of television want more toys seen in advertisements and eat more advertised food than children who do not watch as much television. According to McNeal (2001), children 12 years and under, influenced the household spending of over \$600 billion. Counting all media, advertising and marketing budgets aimed at children approached \$12 billion in 1997 (McNeal, 2001). Cartoon and toy characters are used on all kinds of products, seeking to catch the children's eyes and purchases. Promotional tie in to cartoons, TV shows and movies promote brand consciousness and loyalty. Databases of child customers are being built from information gathered on Internet sign-ups and chat rooms, from electronic game and toy registries at stores like Kellogg's, Keebler, Toys "R" Us, and from direct surveys.

Health concerns

Particular concern in advertising is the nutritional value of the children's food items as these are mostly overstated. Many ads present these products as fun and entertainment. Often, well-known characters are shown to create excitement and interest among children. Tie-in promotional offers further entice the kid's need for the product: "Mickey Clip" mail-in offer, limited collectible pin, clips on belt, Magical movie collection, Walt Disney World

vacation planning Kit, Magical Gatherings photo frame, wristband offer, t-shirts, sweepstakes, etc. In order to get the promotional items, the product must be purchased. The prizes and give-away are available only by earning qualifying points generated by purchases.

The children's perception of this practice is that they are getting a special prize and great value because they get special promotional items. However, kids don't realize that in order to get these items, they need to make a certain number of purchases to qualify. Children generally do not understand this marketing concept, thus make their parents buy more of the advertised product because of their emotional attachment to the characters and the special prizes and promotions.

Psychological issues

Lawlor and Prothero (2002) examine the child's ability to understand the intent of the advertisement. It is suggested that children may perceive the intent of advertising in a different manner than adults. For instance, the uses and gratifications perspective recognizes that the advertising recipient may use advertising for purposes other than marketing (O'Donohoe, 1994). The effects of advertising on children are multiple, including cognitive, attitudinal, behavior, and unintentional effects.

Piaget's framework considers that children pay attention to those stimuli that are meaningful to them, they learn what they are ready to learn and they screen out other information. The child's understanding of the persuasive intent of advertising emerges in the concrete operational stage, from the age of seven years onward. At this stage, children move beyond accepting advertising at face value and become more evaluative of the advertising messages.

Lawlor and Prothero (2002) note that while the majority of the children studied were able to identify the advertisements, when asked to differentiate between a commercial and the Captain Kangaroo show, 90% of the four-year-old children were unable to explain the difference. Children are often misled by character ads, thinking, for example, that to be "cool" and "have fun," they need to buy Keebler cones. The ads of course do not reveal that eating ice cream can be unhealthy or it may contribute to weight problems and obesity.

Harvard psychologist, Susan Linn (2005), discusses the harmful effects of food companies' marketing junk food to children. She notes that

advertisers have found a better way than TV to reach children. By luring children to go on interactive web sites, marketers have a direct channel to children's stomachs through web-based video games. This is especially troublesome because advertisers are forming our children's value systems, giving them uniform and corporate views of habits and consumption patterns.

Recently, the Children's Advertising Review Unit (CARU) applied its *Self-Regulatory Guidelines for Children's Advertising* for evaluating ads of snack food and had questioned Kellogg's use of the category name "fruit snacks" and the use of copy stating "made with real fruit juice" for its fruit-flavored snacks because the use of those words creates the impression that these snacks are made substantially of fruit. According to CARU, the tagline of Twistables had the potential to mislead children to believe that it is made out of "real fruit juice" instead of "fruit flavored."

Effects on consumers

Lawlor and Prothero (2002) identify that the effects of advertising may be informing, assisting, persuading, selling or entertaining. For example, the objective of advertising from the child's perspective might be to illustrate how eating in McDonalds promises enhanced social interaction. At one level, the audience may recognize a selling or persuasion objective, but at another level, other reasons (fun and entertainment) might be more relevant.

A recent study by Bloomberg (2005) notes that advertising snacks may be contributing to poor eating habits in U.S. children by encouraging them to choose foods and beverages that are higher in fat and calories, according to a government-sponsored report. The study claims that food marketing geared to children often promotes unhealthy foods and influences the short-term preferences of 2- to 11-year-olds, according to the nonprofit Institute of Medicine's review of more than 120 relevant studies. Advertisers are able to sell the idea of sugared foods containing nutritional value through a number of means. Products are often referred to as being "enriched" or "fortified" by essential vitamins. Further, sugared snacks are often sold along with the disclaimer of being part of a nutritious breakfast. The snack typically includes crackers, cookies, milk, orange juice, and fruit. However, the advertising message implies that eating the snack will provide a sufficiently healthy meal.

Johnson and Gannon (2001) examine children's understanding of the balanced meal concept. In the study, 4 to 7 year old children were shown a snack ad containing the balanced meal disclaimer. When asked about the commercial, two-thirds of the children could remember none of the foods depicted, two thirds of the children didn't understand the meaning of the term balanced breakfast, and two thirds of the pre-school subgroup thought that the snack alone would be sufficient in providing the balanced meal.

Johnson and Gannon (2001) also examine the effect of another technique used by advertisers to sell food, i.e. to identify a person, or more likely a cartoon character, with the food. The study reveals that children find these cartoon characters (e.g. Fred Flintstone and Barney Rubble) to be credible and knowledgeable sources of nutrition information. In addition, the study found that heavy T.V. viewing children were more likely to attribute credibility to these animated characters than were light viewers.

SOCIAL RESPONSIBILITY

Young children are high target of advertising because of (1) the amount of money they spend, (2) the influence they have on their parents spending (the nag factor) and (3) the money they will spend when they grow up. The ethical concern regarding the cumulative effect of advertising unhealthy products to children is critical because it is not only shaping children's product preferences but it also influences the basic nutritional beliefs of the children.

KidsSource.com reviewed the literature on the impact of advertising sugared foods to children as nutritious and concluded that "Exposure to commercials for sugared products led to greater consumption of sugared products, greater preference for sugared foods, including foods that were not advertised, and lower nutritional knowledge." Further, Johnson and Gannon (2001) studied a group of 5 to 12 year olds and concluded that "heavy viewers of food ads on television were twice as likely as light viewers to say that sugared snacks and candies (sweets) were highly nutritious."

The health effects of eating sugared products were found to contribute to a wide range of health problems including: tooth decay, obesity, precipitating diabetes in those genetically predisposed, possibly hypertension, and even increased levels of cholesterol and heart disease. This implies that corporate advertising can potentially mislead children into believing that sugared foods are

actually healthy for them while it can potentially cause negative health effects among children.

Assuming that children do not understand the health effects of high sugar content food and the consequences of an unhealthy diet (junk food and snacks), food advertising that does not use ethical practices has the potential to manipulate the youth into an unhealthy lifestyle that could be devastating, especially because children are the most vulnerable to this sort of manipulation.

GUIDELINES AND REGULATIONS

The CARU Self-Regulatory Guidelines for Children's Advertising provide a basis for evaluating child-directed advertising. These guidelines are based on six underlying principles:

- Children have a limited capacity for evaluating information, therefore, advertisers have a special responsibility to protect young children from their own susceptibilities.
- Advertisers should be careful not to exploit children's imaginative qualities, creating unrealistic expectations for their products.
- Advertisers should recognize that children may try to imitate what they see in ads which may affect their health and well-being.
- Since ads have the potential to influence behavior, advertisers should provide examples of positive and beneficial social behavior.
- Advertisers should avoid social stereotyping and appeals to prejudice.

To engage in socially responsible marketing, advertisers also need to know about CARU guidelines related to using premiums, sweepstakes, and clubs. These are appropriate forms of children's advertising as long as they meet CARU's Advertising Guidelines.

Premiums. If product advertising contains a premium message, the child's attention should be focused primarily on the product and the premium message must clearly be secondary. Conditions of a premium offer should be stated simply and clearly. Disclaimers and disclosures should be stated in terms that can be understood by the child audience.

Sweepstakes. Sweepstakes can be exciting, as any adult who has played a lottery or entered a

drawing can attest. Advertisers must be careful not to raise children's expectations of their chances of winning or inflate their perception of the prize(s) offered. The prize(s) should be clearly presented, the odds of winning should be clearly noted in the audio portion of the commercial, for instance, "Many will enter, only a few will win." All prizes should be appropriate for the child audience, and alternate means of entry should be disclosed.

Kids Clubs. Kids love clubs! However, anytime your children want to join a club, be sure to ask several key questions. What will you get? What will the club entitle you to? Also, before advertisers use the word "club," the following requirements should be met:

- Interactivity -- The child should perform an action whereby he joins the club and receives something in return. For example, filling out a form or application and receiving a card or certificate. Watching a program or eating in a restaurant does not constitute membership.
- Continuity -- There should be an ongoing relationship between the club and members, such as a newsletter.
- Exclusivity -- The activities or benefits derived from club membership should be exclusive to its members.

It is also important to note that the information the sponsoring organization receives about the children should be used only for that club and not released to any other services.

MARKETING IMPLICATIONS

Advertising is a valuable tool in learning about a product. Like any tool, using it properly takes time and practice. As with so much of what children learn and absorb, parental guidance is essential.

Product advertisers target children and youth to build product recognition and brand preference. By displaying familiar characters and product taglines, children will recognize the product and develop liking for it. The ethical concerns of advertising to children require that advertisers provide accurate information and do not mislead nor manipulate the target audience. It is important to protect the children's rights to privacy and not to exploit their vulnerability for product information or lack of

understanding of terms and associations related to the marketing effort.

CONCLUSION

Research on advertising to children is an important area of study. Studies need to be conducted on the effect of advertising on children's attitude and behavior relative to different advertising stimuli. There are many ethical concerns and issues that need to be examined. Socially responsible marketing requires consideration of the social impact of advertising. Particular concern is the use of marketing that considers the children's needs and preferences, along with their psychological state of mind, their level of understanding and reaction to marketing stimuli, the long-term effects on health and consumer behavior, and protection of consumer rights, especially of children and youth for their long-term benefit.

Marketers use advertising for engaging the audience in learning about the product, establish brand familiarity, and develop brand preference and brand loyalty. Advertising and sales promotion directed at children can be effectively used for building favorable word-of-mouth, creating buzz and excitement, and positively influencing consumer preferences and buying habits. Advertising needs be part of the Integrated Marketing Communication program to enhance the value to customers and help the company connect with the target audience. In the case of advertising to children, reaching the audience must be done in an ethical manner that builds on commonly accepted industry practices and the health concerns of youth and the public at large.

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STUDENT ATTITUDES TOWARDS SOCIAL NETWORKS AND LEARNING MODALITIES

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ABSTRACT

Social networks such as Facebook, MySpace and others have become an integral part of student life. This paper examines how the use of social networks affects student attitudes towards learning modalities in the classroom, based on results from a survey of over 480 students. Issues surveyed include preferences towards specific pedagogical tools, attitudes towards the use of social networking tools in the classroom, and the use of social networks for rating classes and faculty members.

INTRODUCTION

The continued growth of the cyberspace era has brought with it a permanent change in the way that students interact and socialize. A major part of this change is the advent of so-called *social networking* sites on the Internet, which have evolved to become virtual communities where people communicate, share information, and perhaps most important, build and maintain ongoing relationships. On-line social networking communities such as Facebook and MySpace have become part of the daily life of a majority of college-level students, with a potentially far-reaching impact on the way that they study and learn.

This major social trend has brought with it a number of questions for marketing educators, such as:

- Do our pedagogical tools and teaching approaches need to change for students who live in an increasingly wired world?
- Do we need to start bringing social networking tools into the classroom experience?
- Do student learning experiences get shared with the broader on-line community as part of the social networking process?

Marketing educators have seen a tremendous increase in the types and numbers of new information technologies used in, and potentially as a replacement for, the classroom (Atwong and Hugstad 1997, Benbunan-Fich et al. 2001, Celsi and Wolfmarger 2002, Karns and Pharr 2001, and Lincoln 2001). The Internet has expanded exponentially over the past several years and as a result the wealth of information available to students and professors alike is never been greater (Kaynama and Keesling 2000; Strauss and Frost 2001). Among marketing educators, Internet technology is seen as a means to further

numerous objectives including enhanced learning through improved technological expertise, up-to-date materials, global perspectives and strong linkage to business, as well as improved job market skills like communication, leadership and team-building (Atwong and Hugstad 1997, Benbunan-Fich et al. 2001, Ives and Jarvenpaa 1996; Lamont and Friedman 1997; Ueltschy 2001).

One such interactive web-learning concept is the virtual community, a broad concept whose specifics can be found in many of today's on-line social networks. The literature has focused special attention to the understanding of the role of virtual communities play in enhancing student-to-instructor and student-to-student relationships (Mathwick 2000, Maharg 2001, Long et al. 2000). According to the 2006 Horizon Report, "social computing and personal broadcasting have exploded over the last year, and solid educational uses and examples can easily be found on many campuses" (New Media Consortium et al 2006). Hagel and Armstrong (1997) also emphasize the relationship building aspects of virtual communities, providing an opportunity to bring together people with similar interests unrestrained by time and space. Through such community relationships, information content and intra-community communications are exchanged and members learn from each other.

In this paper, we seek to answer the questions posed at the beginning of this section by examining student usage of social networking sites – ranging from personal environments such as Facebook and MySpace to educational networks and faculty rating sites – and correlate this with their attitudes towards the learning experience at the college level. The objectives of this study were both to assess the scope and breadth of on-line social networking among the current student population,

and examine how such usage affects the needs, perceptions and learning styles of these students in the classroom environment. By understanding these factors, we can design and develop appropriate pedagogical strategies for the future of marketing education, within a student body whose approach to learning is continuing to evolve alongside broader technological changes in society.

METHODOLOGY

A survey was administered to students at a liberal arts college on the East Coast shortly at the beginning of the Fall term, containing 12 questions designed to explore student use of social networks, attitudes towards different learning modalities, and demographic information. A total of **485** responses were received, with roughly equivalent representation of each class year from freshman through senior level (122, 107, 122 and 130 respondents, respectively, plus 4 graduates), and approximately a 3 to 2 ratio of females to males (308 versus 177). The survey questions were as follows:

I. Demographic information

The following questions were asked to classify the demographics of the respondents:

1. What year did or do you expect to graduate from college?
2. What is your major and/or specialization?
3. What is your gender?

II. Use of social networks

4. How many different social networks* have you used in the past year? (*A definition of social networks was provided with the survey, including examples of popular sites.)
5. Do you have social network accounts, such as Facebook or MySpace accounts?
6. Please list the top three social networks accounts you use.
7. What are your attitudes towards our school's (proprietary) educational social network? (Response choices include positive, negative, or neutral.)
8. How often do you use our school's (proprietary) educational social network for your classes? (Response choices include never, once a month, two to four times per month, once a week, two to six times per week, or daily)
9. Do you agree with the following statement: "Because students are online all the time and messaging through other means, there is little need for personal, school-based email accounts. Everybody simply uses the built-in tools in the virtual spaces they inhabit."?

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10.a. Have you ever heard of the social network, "ratemyprofessors.com"?

b. How many times have you used the social network, "ratemyprofessors.com"?

c. How have used ratemyprofessors.com? (Response choices include research a faculty member, submit a rating, use the site to determine to enroll in a class, or other.)

11.a. Do you believe social networks such as Facebook and MySpace could be used in a classroom setting?

b. If yes, can you give an example of how it could be used?

III. Ratings of learning modalities

12. Students were asked to rate the following descriptions as Poor, Average, Good, or Excellent, to indicate how they felt about the following learning modalities:

1. Instructor writing notes on chalkboard with lecture
2. Instructor using PowerPoint/Internet with lecture
3. Instructors and students in a class uses an on-line education network
4. Lecture (no notes) with Q&A from students
5. Instructor and students in a class uses email as a teaching and communication tool
6. Instructor and students uses FaceBook or MySpace as a communication/learning tool for a class
7. Debates
8. Case videos with discussion
9. Group discussions
10. Group Activities
11. Guest Speakers
12. Other (Student comment):

Results from the survey questions listed above were then coded as followed for further analysis:

- Major and specialization values were grouped into one of the following overall categories: Business, Education, Social Science, Science, and Liberal Arts and Other Areas.
- A content analysis was performed on responses to question 11b, on possibilities for using social networking in the classroom, with answers grouped into one of the following categories: Interacting with Students, Information Resource, Interacting with Faculty, Interacting with Others, and Other.

- Other survey responses were coded as quantitative values as specified by respondents.

This data was then analyzed for trends relating social network usage to both demographics and educational preferences. The usage level of social networks was correlated with class year, major, and gender, responses to question 12 regarding learning modalities were correlated with the level of social network usage, and responses to other questions were compiled and analyzed.

RESULTS AND DISCUSSION

The results of this survey indicated that an overwhelming majority of students make use of social networks in their daily life, and that there are indeed differences in learning preferences between students who use them and students who do not. These results show a very clear and consistent pattern of social networking usage across every significant demographic subgroup within the student population:

- Over 90 per cent of respondents currently use social networking sites, with nearly one-third using multiple sites.
- Use of these networks was heavily weighted towards a few highly popular sites, including Facebook (82.7% of respondents surveyed), MySpace (41.8%), and America Online's AIM system (37.4%). Most of the thirteen other social networking sites listed were used by three percent or less of the respondents.
- There is minimal correlation between gender, class year, or major and the use of social networking. Table 1 shows a consistent usage rate around the 90% range across each of these demographic subgroups.

The results from the analysis of these survey responses provide an overall picture of what should – and should not – change as students increasingly interact with each other in an on-line world. We will examine these results in light of the questions raised at the beginning of this paper.

Table 1. Demographic distribution of social network users

A. Social network usage by class year

	Freshman	Sophomore	Junior	Senior
Percentage	86.89%	94.39%	93.44%	90.77%

B. Social network usage by major

	Business	Education	Social Science	Science	Liberal Arts/Other
Percentage	90.00%	88.89%	92.22%	85.71%	95.35%

C. Social network usage by gender

	Female	Male
Percentage	92.21%	90.96%

1. Do our pedagogical tools and teaching approaches need to change for students who live in an increasingly wired world?

There appear to be differences between the learning preferences of students who actively use social networking tools and those who do not, particularly for the leading indicators of items rated “excellent”. Figures 1 and 2, which outline learning modalities

rated “excellent” and “good” normalized as a percentage of each group’s responses, show that social networking users prefer interactive classroom experiences such as discussions and activities, particularly among “excellent” ratings, while non-users have higher “excellent” ratings than users for more passive modalities such as lectures with notes, lectures with Q&A, and guest speakers.

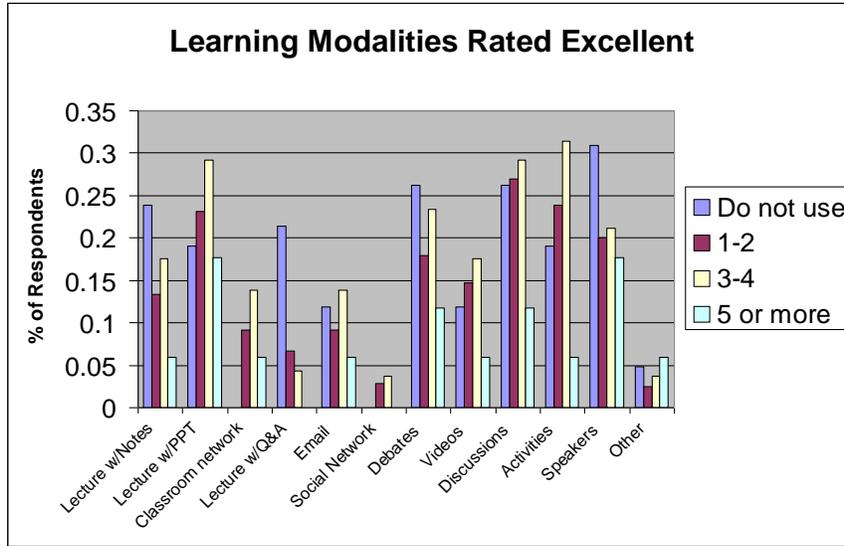


Figure 1. Learning modalities rated “excellent” across different levels of social network usage.

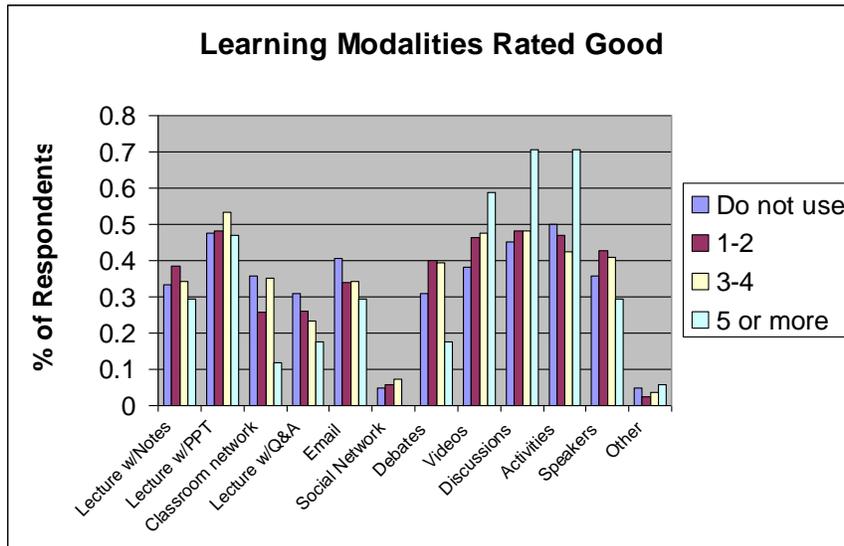


Figure 2. Learning modalities rated “good” across different levels of social network usage.

Similarly, learning modalities rated “average” or “poor”, shown in Figures 3 and 4, show lower overall ratings for more passive modalities among social networking users. In particular, social networking users gave higher levels of “average” ratings to all three lecture modalities versus non-users, as well as higher levels of “poor” ratings to two of these three modalities. While respondents using 5 or more social networks also rated activities more poorly, this was relative to a small sample size of 17 such users; hence these four responses, involving less than one percent of the overall survey sample, do not appear to be significant.

Notably, most students rate social networking tools themselves as a poor learning modality – yet at the

same time, social networking users give a greater number of “excellent” ratings to a networking tool designed specifically for educational purposes at this school. This trend is further borne out by survey results that over 90% of students currently use this school’s educational network tool, with less than 10% having negative opinions about it. As discussed further in the following section, this indicates that students would appreciate having the *capabilities* of social networking in the classroom, such as interactive access to information and study partners, while still not wishing to bring the social networking tools of their leisure time and social life into the classroom setting.

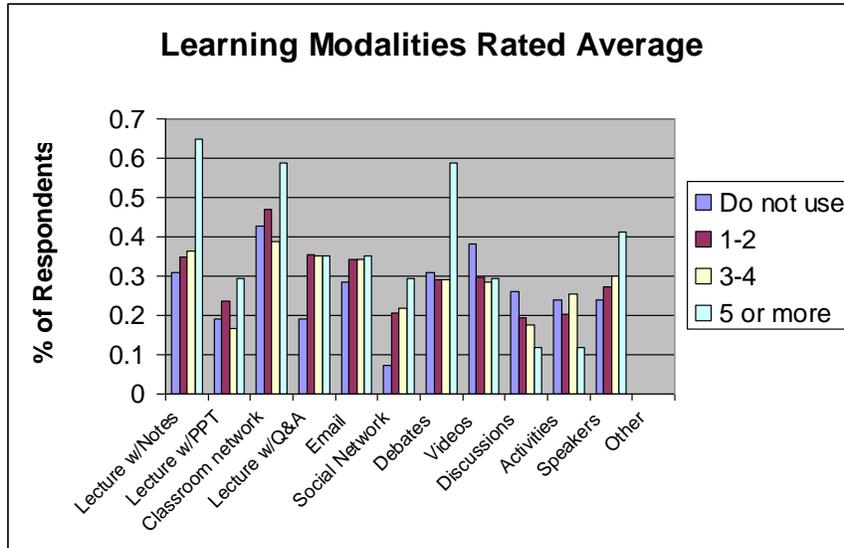


Figure 3. Learning modalities rated “average” across different levels of social network usage.

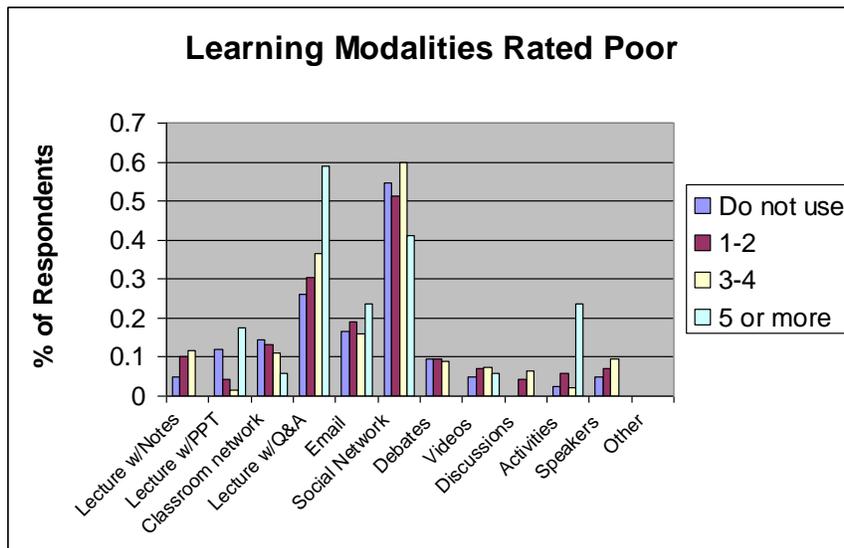


Figure 4. Learning modalities rated “poor” across different levels of social network usage.

2. Do we need to start bringing social networking tools into the classroom experience?

At an informal level, faculty who are observing trends in student life are starting to ask questions such as, “Should we start using tools such as MySpace as part of our classes?” The survey results make it clear that the answer to this question is *no* – but at the same time, the lessons of social networking must continue to inform the design of the classroom experience and content delivery.

When asked about whether existing social networks such as Facebook and MySpace should be brought into the classroom, over 85% of respondents say “no”. Similarly, over 80% of respondents do not see such tools replacing the more traditional communications medium of electronic mail. Among the minority (61 of the 481 total participants) who say “yes” and offer suggestions for how these tools could be used, their responses break down into the following categories, as shown in Figure 5:

Interacting with Students: The largest category of responses (39%) propose using these tools as an extension of their current on-line social interactions, to meet, interact with, and study in groups with fellow students.

Information Resource: Another substantial group of responses (30%) sees these tools being used as a “bulletin board” to post classroom and examination information, in much the same manner as course web sites on the Internet.

Interacting with Faculty: A much smaller group (13%) sees social networking tools as potential areas for faculty to participate and interact with students.

Interacting with Others: Some respondents discussed imaginative ideas such as using social networking tools to meet people from other countries or outside the classroom community, to further their learning goals.

3. Do student learning experiences get shared with the broader on-line community as part of the social networking process?

One issue of interest to marketing educators is how the growing use of social networks could lead to environments where students can freely share and post opinions on-line about their classes and professors, thereby expressing their learning preferences in a very direct and real-time way. To explore this issue, the survey contained questions about the student’s use of RateMyProfessors.com, a national web site with ratings of professors posted

anonymously by students. Findings from the survey included the following:

- Over half of all respondents (53.8% of all respondents, and 54.8% of social networking users) had heard of RateMyProfessors.com.
- Nearly a third of all respondents (29.3%) had used this site at least once, with over half of this group returning multiple times.
- 11.8 per cent of those who had used the site submitted ratings of faculty members.
- The majority of these users (60%) used the site to research specific faculty members, while a much smaller number (3.5%) used the site to help them determine their class enrollment.

These findings indicate that social networks have the potential to help students self-select faculty whose teaching modalities best fit their own learning style, while having a minimal overall impact of selection of courses and programs themselves. While concerns remain about this public yet anonymous means of rating faculty, ranging from false or vindictive ratings to selection bias, tools like this also represent part of a growing trend for public rating information being made available through social networks in many areas of life, such as ratings of physicians or consumer products. This underscores the need for marketing faculty to remain aware of trends in student learning preferences, as well as feedback about their own pedagogical skills, and be prepared to adapt to both.

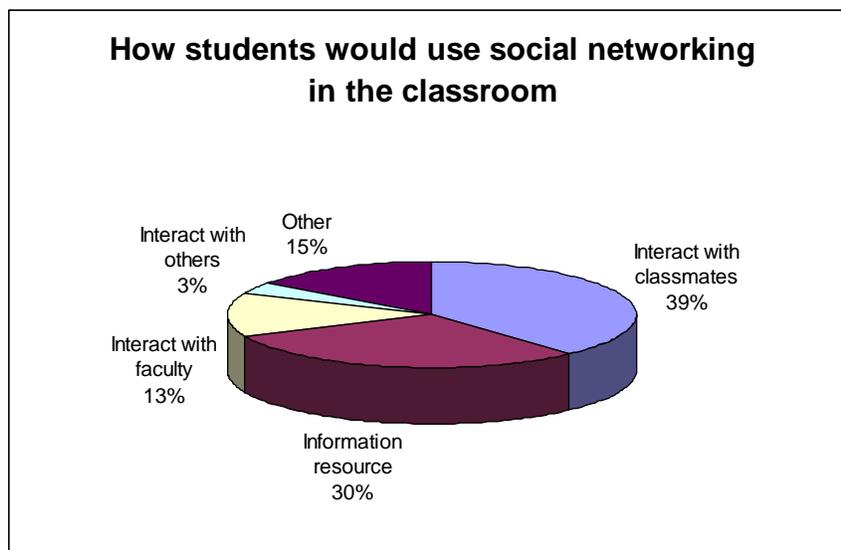


Figure 5. Student responses for how social networking could be used in the classroom.

SUMMARY

The results of this survey demonstrate the need for the classroom experience to keep pace with the growing interactivity of life itself, particularly in areas such as increased levels of positive interaction within the classroom, as well as on-line access to information and people. Social networking tools are now used overwhelmingly by students today, and these in turn appear to correlate with broader changes in the overall learning culture. At the same time, social networking tools themselves currently shows no signs of supplanting existing instructional or communications mediums at present, and there remains a clear boundary in the minds of students between the on-line tools of social life versus academic life.

While popular social networking tools have clearly become intertwined with the personal and social lives of students – a world that students are not necessarily anxious to share with adult figures such as their college faculty – it is clear that many of the underlying capabilities behind these tools have a future role in learning. Tools such as real-time access to instructional media, the potential to share opinions and ratings, and the ability to communicate interactively within peer groups are likely to have a continued growing impact on the classroom experience. More important, the use of these tools is changing student attitudes towards learning itself, from a one-way transfer of knowledge to a much more interactive and group-oriented environment. These survey results open up a broad range of areas for further study, such as the role of individual social networking tools within the classroom, while at the same time showing clear trends towards an increasingly interactive environment for marketing education.

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LAPTOP TECHNOLOGY AND HIGHER EDUCATION: INVESTIGATING THE DIFFERING VIEWPOINTS OF STUDENTS AND FACULTY

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ABSTRACT

This study is based on perceptions of students and faculty regarding the integration of laptops in classroom endeavors. Empirical findings are based on data collected from a sample of 290 students and 56 faculty members in a private liberal arts college in the Northeast USA. Two key findings related to the integration of laptop technology into the classrooms of higher education are reported.

INTRODUCTION

In the digital age, new technological advances are becoming integrated into everyday life at a very fast pace. For example, technologies such as the cell phone have quickly evolved from a “portable telephone device” to an all in one emailing, text messaging, personal organizing digital device. Although digital devices of this nature continue to seep into everyday life, the use of technology in the classrooms in higher education is still in question. Technology has brought about sweeping changes such as high-speed WIFI internet capabilities and more versatile laptop computers; however, these technologies have yet to find their way into classrooms of universities and colleges across the country. One of the main reasons behind the current situation is the fact that there are several different viewpoints as to whether bringing such technologies to the classroom would bring positive changes to the classroom environment or if it would work in the opposite direction and dilute the learning experience. This research looks at the topic of laptops and their integration into the classrooms of higher education. In an attempt to look at the educational experience in the classroom as a transaction, the factors influencing the use of the laptops in the classroom are investigated from the perspective of students as well as faculty. We start with some general perspectives expressed by students and faculty in informal interviews.

THEORETICAL FOUNDATIONS

The use of technology in the classroom learning experience is of crucial importance to marketing educators. One among many of our constituents (and some would argue the most

important of them all), our students are engaged in a service encounter in the classroom that should reflect the realities of the world they grew up in and are destined to serve in. In all aspects of marketing the provider-customer interaction is undergoing a sea change based on the integration of technology in such critical moments. Salespeople routinely rely on technology to make their value propositions come alive and customers are frequently required to grapple with technology as they tend to perform more and more of the value-adding tasks themselves (think ATM machines). We as service providers in the institutions of higher education have to keep up with our customers and their demands (Dabholkar 2000). There is a dearth of research that looks at technology integration in service encounters (see Bitner, Brown, and Meuter 2000).

Based on Parasuraman’s pyramid model of services marketing (1996), this paper focuses on the interaction between educators and their students and the role of technology integration in the learning experience offered in their classrooms. In order for us to arrive at a point where educational institutions would be able to provide their internal customers (educators) with the motivation, support, and incentives to integrate technology in the classrooms, we first have to examine the diverse perspectives that the service provider (educator) and the service recipient (student) represent when it comes to integration of laptops in the classroom. In the section above, based on interviews with students and faculty we can surmise that some of the views regarding this issue might be at divergence from each other.

This research is the first step in building a theoretical foundation to gauge the differing

perceptions of students and faculty regarding integration of laptops in the classroom. The goal in this study is to arrive at dimensions that would be helpful in developing measurement scales that are psychometrically robust enough to be used in a larger study at a national level.

Past research in the area of technology adoption has relied heavily on the telecommunication industry (for instance, Short, Williams, and Christie 1976, Berry 1999). Alsop (1999) and Mossberg (1999) present a customer-driven perspective of the frustrations and disappointments expressed by customers faced with new technology in marketing transactions. Mick and Fournier (1998) make a case for how technology can cause both negative and positive reactions in a marketing encounter, they term this mixed reaction “technology paradox”. In pursuing our research we have been mindful of this tension and in fact as we developed the scales for this study we preserved the nature of that tension (and technology paradox) in all aspects of the classroom experience and integration of laptops in classroom.

Cowles and Cosby (1990) alert us that the customer perception regarding technology might in itself lead to segmentation based on tech-perception. Dabholkar (1996) reported a positive correlation between feelings and perceptions regarding technology and intention to use such technology. Our scales draw upon these studies and further use the notions of ease of use, motivation to use, and benefits of technology use, and the perceived problems and risks associated with technology adoption propounded by Davis, Bagozzi, and Warshaw (1989) and Dabholkar (1994).

SURVEY DEVELOPMENT

All primary data for research was collected through an online survey that was developed specifically for this research. In an effort to minimize the time needed to participate in the survey, questions primarily consisted of the Likert-type format. For each question respondents rated their evaluation of a statement by selecting from the scale with 1 representing “Strongly Disagree”, 3 representing “Neither Agree or Disagree” and 5 “Strong Agree”. Research for the study was conducted at a small liberal arts college in the Northeast USA. The college as whole has been making strides in recent years to update the learning environment for it’s students and provide the essential resources to succeed following graduation. Currently the college does not encourage laptop use by students in the classroom and as a result

respondents with no previous experiences were asked to comment on how they would like laptops to be used in the classroom.

Prior to the distribution of the survey, every effort was made to increase the respondent’s level of ease. This was accomplished through two waves of pre-testing. Each wave consisted of two to three students and faculty members who worked through the survey and provided their comments. It is important to note that these individuals were not included in the final sample.

All respondents were contacted through the college e-mail system. Each member of college student and faculty bodies received an email outlining the objectives of the study. Participation was voluntary and was completed through an online survey-hosting website. A total of 356 useable surveys were obtained for the study giving us a response rate of over 10%, which is in line with the response rates reported by similar studies in the past.

SAMPLE PROFILE

Of the 356 respondents, approximately 65% (231) were female. Nearly 75% (236) of our sample consisted of individuals who are between the ages of 18 and 23. Approximately 81% (288) of the sample was made up of students, while the remaining portion represented the faculty body of the college. Of the 228 students, approximately 65% (188) are from three of the college’s major schools, including 24% (85) School of Business students, 19% (67) from the School of Science/Technology and 22% (78) School of Liberal Arts students. Students were given the option to provide their minor if it was applicable, however 77% (222) reported they were undecided or provided no response. Nearly 50% of the student respondents (115) reported a GPA of 3.0 or higher. About 50% of the faculty teach in the School of Business (14) and School of Liberal Arts (13). Please note that approximately 23% of the faculty respondents did not respond. Interestingly, faculty members experience (years) was very well represented with 23% (12) having four to ten years experience, 34% (19) with eleven to twenty years experience and 27% (15) with twenty-one or more years of experience. It should be noted the preceding demographic information was not required, rather an optional section of the survey.

FINDINGS AND DISCUSSION

In an effort to further examine the views of students and faculty on the integration of laptop

technology into the classroom, cross-tabulation with chi-square and frequency distributions were used. We then used ANOVA to check for differences in mean ratings of faculty and students, further regression models were developed to examine the significant aspects survey results. Surprisingly, there were very few instances where students and faculty shared similar opinions on the effects of integration of laptops in the classroom upon the student academic performance.

Results indicate that, 65% of the students believe that laptops develop a more interactive learning environment while only 34% of the faculty shares this same feeling, further this difference in perceptions is significant, as indicated by a chi-square test (Value: 22.006 p: .0001). Similar results were found when comparing the views of students and faculty as they relate to the statement that laptops make learning easier for the student. About 61% of students strongly agreed with this statement compared to only 31% of faculty at the 0.05 level (Value: 23.478 p: .0001).

Two other areas in which student and faculty feelings significantly differed is the belief that laptops enhance classroom discussion and improve the academic performance of students. For both, about 40% of students strongly agree with these statements, while for faculty this number is only 25%. As in earlier findings, these differences are significant at the .05 level (Value: 24.193 p: .001).

Additional variables in which significant difference were present at the 0.05 level included statements suggesting that laptops aid with the progression and comprehension of course material. For both statements, around fifty percent of the students strongly agreed.

The variable related to laptops in the classroom aiding in the overall ease of learning in the classroom was regressed upon facilitating note taking for students, creating distraction for students, developing more interactive learning environment, and enhancing classroom discussions, and facilitating information gathering in class time, As expected the respondents that related ease of learning to the use of laptops in classroom reported that laptops were not a significant distraction in the classroom and strongly believed that the ease of learning derived from the use of laptops was instrumental in the academic success of the students. The overall model was a good fit at 0.001 level (F: 127) the adjusted R-square was 58.8%.

All the individual coefficients were positively related to the dependent variable, as expected, and significant at the 0.001 level. The level of impact upon laptops being perceived as enhancing the ease of learning was in the following order: laptops develop a more interactive learning environment, laptops enhance classroom discussion, laptops facilitate information gathering during class time, and lastly laptops facilitate note taking in the classroom.

These findings are counterintuitive because laptops are most commonly perceived as a tool for facilitating note taking for students. However, our findings indicate that laptops are desired by students for developing a more interactive learning environment and enhancing classroom discussion. Additionally these findings provide guidance on what laptops could be used for when being integrated into the classroom with the goal of aiding in the enhancement of the ease of learning environment.

Similarly, the variable related to laptops in the classroom aiding in the overall satisfaction derived learning in the classroom was regressed upon facilitating note taking for students, creating distraction for students, developing more interactive learning environment, and enhancing classroom discussions, and facilitating information gathering in class time. As expected, the respondents that believed in enhanced satisfaction from learning due to the use of laptops in classroom reported that laptops were not a significant distraction in the classroom and strongly believed that the overall satisfaction from the use of laptops in the classroom was significant to the academic success of the students. The overall model explained 55.1% of the variance in the dependent variable (Adjusted R-square) and was significant at the 0.001 level (F: 109).

All individual variables were positively related to the explained variable and all of these were significant at the 0.001 Level. The level of impact upon laptops being perceived as enhancing the satisfaction derived from the learning experience was in the following order: laptops develop a more interactive learning environment, laptops facilitate information gathering during class time, laptops enhance classroom discussion, and lastly laptops facilitate note taking in the classroom.

Again, note taking is in the last place, just as it was in the previous regression model, which looked at the overall ease of the learning when laptops are used. Once again, laptops are perceived as useful for

classroom use based upon the fact that they provide a more interactive learning environment and ultimately a more satisfactory learning experience in the classroom.

A third regression model regressing overall satisfaction with the learning experience as the explanatory variable was developed. Findings indicate that the overall academic performance has a significant positive impact upon the satisfaction derived by the student from the learning experience. The overall model was significant at the 0.001 level (F: 213) and the individual coefficient was significant at the 0.001 level.

Concluding Remarks and Future Research Direction

Our study has contributed two key findings related to the integration of laptop technology into the classrooms of higher education. The first contribution is a detailed explanation on the difference in opinions held by students and faculty on the topic. Rather than simply identify that students and faculty feel differently, our study has gone one step further and explained the specific variables that attribute to the specific differences.

The second contribution our study has made is in explaining the desired use of laptop technology in increasing the satisfaction of the learning experience. Traditionally, laptop technology has been viewed as tool for facilitating note taking. However, our findings indicate that the learning experience is greater when laptops are used to develop a more interactive learning environment, increase information gathering during class time, and enhance classroom discussion.

It is important to recognize that there are limitations inherent to our research findings. First, the faculty representation is much smaller than those of the student body. However, it should be noted that 56 of the 184 faculty members at the college our study took place did participate. The 30% response rate is attributed to the fact that the faculty are members of a teaching school, which resulted in an increase in faculty interest. Additional limitations result from the fact that our study only took place at one institution where laptop technology is not currently popular, therefore many of the responses are based on what students would like to see with laptops in the rather classroom rather than what they have experienced.

As we continue in our research, we hope to collect data from a national sample. By doing so some of the current limitations discussed in the preceding paragraph will be minimized. Other research plans include investigating additional data from our survey that were beyond the scope of this paper and conducting additional statistical analysis in an effort to develop a theory that be applied to the adoption of new technology (beyond laptops – podcasts, RSS, IRC, etc.) in the classrooms of higher education.

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CONVERSION RATES IN ONLINE STORES OF HYBRID RETAILERS: IMPACT OF IMAGE CONGRUITY WITH PARENT PHYSICAL STORE AND RIVAL ONLINE PROTOTYPE

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ABSTRACT

According to the U.S. Census Bureau, online retail sales grew by 24.6% between 2004 and 2005 compared to an overall retail sales growth of 7.2% in the same period. The National Retail Federation's online division, shop.org, estimates that online retail sales will exceed \$200 billion in 2006. Although online sales is increasing, albeit at a decreasing rate, a major concern plaguing Internet retailing is low shopper conversion rates, "the percentage of visitors to a retail site who actually make a purchase" (Holzwarth, Janiszewski, and Neumann 2006, p.19). According to a Nielsen/NetRatings study (2005), while the top 10 online retailers enjoy conversion rates between 10 and 20%, online stores of hybrid retailers (i.e., retailers with both physical and online stores) score significantly lower conversion rates despite attracting high traffic. The purpose of this study is to examine why this is the case and to offer guidance to hybrid retailers on attracting and retaining customers on the Internet.

As Schlosser, White, and Lloyd (2006) emphasize, consumers' perceptions must be viewed as a definitive factor in formulating e-commerce strategies. However, very little is known on consumers evaluate online stores of hybrid retailers and whether such evaluations influence their purchase intentions, and conversion rates. Borrowing from prior work on the importance of store image and drawing theoretical support from information integration, categorization, and congruity theories, we develop a framework of image congruity perceptions and conversion rates for hybrid retailers. Specifically, the framework proposes that consumers' perceptions of image congruity (defined as the degree of match or mismatch between corresponding store related attributes) between (a) a hybrid retailer's physical and online stores and (b) a hybrid retailer's online store and a rival online prototype influences their attitude towards the online store of the hybrid retailer and, ultimately, conversion rate. Attitude formation is expected to be moderated by existing attitudes regarding the hybrid retailer's physical store and the rival prototype. Finally, theoretical and managerial implications are proposed.

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VISUALIZERS & VERBALIZERS: A NEW SCALE

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ABSTRACT

A shorter questionnaire for use in research or by businesses was developed to use in place of the 20-question Verbalizer-Visualizer Questionnaire. Factor analysis of three- and four-question scales administered to 145 participants identified a single factor measuring cognitive learning style. Reliability analysis yielded Cronbach's Alphas of .726 and .716, respectively.

INTRODUCTION

Not all people learn in the same way. One means by which differences in learning styles are classified is visualizers versus verbalizers (e.g., Ausburn & Ausburn 1978). For example, when learning new words in a foreign language, some people will “see” a mental picture of the letters of the word, while others will form a mental picture of the object being learned (Kirby, Moore, and Schofield 1988; Plass et al. 1998). What it is that leads to successful training is still controversial, in part because of the scales that have been used to measure learning styles, specifically one known as the Kolb Learning Style Inventory (KLSI – 1976) and another developed by Richardson (1977). Bostrom et al. (1990) found a relationship between learning styles in short training sessions, but Ruble and Stout (1993) challenge that, arguing that “the conclusion that learning styles are important factors in end-user training (EUT) is unsupported at the present time.” In their rejoinder, Bostrom et al. (1993) argue that the defects of the measure being questioned were more relevant for classroom learning situations where the learning process may be adaptive than for the one-shot organizational training they were looking at.

Kirby et al. (1978) demonstrated that the verbalizer-visualizer scale developed by Richardson (1977) was a two-dimensional scale, not a one-dimensional scale. That is, rather than measuring whether one is a verbalizer or visualizer, the scale measures high or low levels of each. Thus, one could be high on both scales, low on both, or high on one and low on the other. In fact, many of the factor loadings obtained by Kirby were rather weak, suggesting that a number of the questions did not load on either factor. Richardson's scale (known as the VVQ) has been criticized on this account, although it has proved to have significant correlations with other measures of learning in some studies (Mayer and Massa 2003). A study by Kozhevnikov,

Kosslyn, and Shepard (2005) provided a further argument for verbalization and visualization being two separate scales, although the issue is far from settled. For example, Mayer and Massa (2003) break out visual and verbal learning into three areas: cognitive ability, cognitive style, and learning preference. In their schemata, they consider the VVQ to be a measure of cognitive style. They found significant correlations between the VVQ and other measures, including SAT Verbal scores, a vocabulary test, a self-defined (i.e., defined by the participant) verbal-spatial ability rating, the Santa Barbara Learning Style Questionnaire, a separate verbal-visual learning style rating, and two multimedia learning preference measures.

As an alternative to a multi-item survey such as the KLSI-1976, Leutner and Plass (1998) suggest that offering people both visual and verbal learning methods and observing which they choose may be at least as good a measure of learning style as a multi-item questionnaire. Robotham (1995) suggests that at least initially, many learners-to-be may lack the confidence to correctly choose a method of training and therefore may need assistance in making the appropriate choice. As the learning process proceeds, the trainer should recede into the background as the learner becomes more adept at figuring out what else he needs to learn and how to do so.

Single-item measures, as is well-known, are vulnerable to quirks in the question that is asked and for that reason, multi-item measures are generally preferred. In addition, as noted above, persons undergoing a learning experience may not be the best-suited to choose the most appropriate method of education or training. While the schemata Mayer and Massa (2003) present is interesting, if some phenomenon other than learning style is to be studied, it may not be practical to give a single participant the 14 different measures they present. Further, while it may be true, as Kozhevnikov et al.

(2005) argue, that verbalization and visualization are two different scales, there are times, in academic research, in educational settings, and in training situations, when an individual must be assigned to a group and must be evaluated as a dominant verbalizer or a dominant visualizer. For that reason, we undertook the present research, in an attempt to find a short scale that could be used in the context of other studies, either to group people together or to analyze data.

METHODS

A total of 145 participants were recruited for this study. Participants included undergraduate students from two state schools in the Midwest who completed the survey as an optional extra credit assignment, and 60 individuals from the metropolitan area of a medium-sized city in the Northeast who were participating in another research project. The 60 participants were drawn from the general community and represented a mix of ages, occupations, and ethnic groups. Of the total, 87 participants were male and 58 were female. Participants ranged in age from 20 to over 75.

Each participant was asked to complete the VVQ, with three additional questions added, along with some demographic information. The three questions were developed by the researcher in consultation with other researchers with backgrounds in learning theory and based on the findings of Leutner and Plass (1998) and Kirby et al. (1978). Those three questions were:

1. When learning a new task, I would rather see someone perform the task than read instructions about how to do it.
2. It is easier for me to follow written instructions than to follow explanations that use pictures.
3. I learn better by reading how to do something than by seeing other people doing it.

Completion of the survey took all participants less than 5 minutes.

RESULTS

Factor analysis was performed on the data to see whether a single scale or two scales could be identified. The extraction method used was Principal Axis Factoring, which, unlike Principal Components Analysis, allows factors to be correlated. If factors are truly independent as PCA requires, then they will

show up as independent in PAF as well, but if there is a relationship, then PAF can catch that, whereas PCA would not. The resulting matrices were then rotated using the Quartimax with Kaiser Normalization. This rotation method yields slightly “cleaner” factors than another popular method, Varimax, which maximizes the explanatory value of each factor. The differences in results are, in any event, marginal. A factor analysis was performed on the 20 questions of the VVQ, then on the 23 questions, then, based on the results of the second analysis, on question 5 of the VVQ and the three additional questions. Question 5 was chosen because in pretesting on a sample of 48 students (not included in later analysis), it was found to load with the three additional questions rather than with the questions in the previous scale. A reliability analysis was conducted on the resulting scale. The data were analyzed using SPSS 14.0.

The initial factor analysis of the 20 questions yielded what might best be described as a confused mess, which is not entirely surprising given the results Kirby et al. (1978) reported. The matrix converged in 56 iterations. SPSS extracted 7 factors, two of which did not have any variable loadings exceeding .486, and some variables did not really load on any of the factors. (For example, question 4, “I read rather slowly,” had a maximum factor loading of .424.)

The results of this factor analysis appear below in Table 1.

The second factor analysis, of the 20 questions from the VVQ plus the three additional questions, also yielded a mess. The matrix did not actually converge, even after 100 iterations, and SPSS halted the effort with a convergence of .002. Nine factors resulted, again lacking much explanatory power.

The third factor analysis, using question 5 from the VVQ (“I prefer to read instructions about how to do something rather than have someone show me”) and the three additional questions was more successful. SPSS extracted a single factor that explained 54.3% of the variance. The factor matrix appears below as Table 2. Since there was only a single factor, the matrix could not be rotated. Because of the relatively low loading of question 22, an additional factor analysis was conducted, using only questions 5, 21, and 23. The results of that analysis appear below in Table 3.

Table 1
Rotated Factor Matrix^a

Question	Factor						
	1	2	3	4	5	6	7
1	.849	-.023	.169	.014	.042	.093	-.024
2	.749	.010	.189	.020	.079	.179	-.024
3	.336	.026	.831	-.111	-.036	-.041	.200
4	-.243	.089	-.226	.352	-.146	.024	.424
5	-.045	-.200	.146	-.340	.222	.199	-.153
6	.172	.023	.700	-.066	-.171	.037	-.182
7	-.368	-.007	.031	.179	.092	.095	.164
8	-.553	-.022	.017	.461	.023	.282	-.071
9	-.431	-.104	-.112	.264	.100	.037	-.263
10	-.004	.166	-.027	.121	.375	.021	-.104
11	-.013	-.187	-.125	.281	.126	.040	.059
12	.026	.447	.125	-.116	-.009	.130	.236
13	-.020	-.118	-.156	.126	.768	-.062	.093
14	-.075	-.348	.006	.323	.042	-.817	-.050
15	-.011	.583	.098	-.154	-.062	-.039	.241
16	-.039	-.074	-.009	.209	.019	-.016	-.015
17	.073	.694	-.073	-.041	.131	.109	-.095
18	-.018	.635	-.068	.057	.053	.012	-.017
19	-.123	-.039	.061	.486	.167	-.167	.000
20	-.028	.496	.001	-.101	-.078	-.023	-.304

Extraction Method: Principal Axis Factoring.
Rotation Method: Quartimax with Kaiser Normalization.
a Rotation converged in 9 iterations.

Table 2
Factor Matrix^a

	Factor 1
q5	.760
q21	-.720
q22	.421
q23	.591

Extraction Method: Principal Axis Factoring.
a 1 factor extracted. 9 iterations required.

Table 3
Factor Matrix^a

	Factor 1
q5	.865
q21	-.699
q23	.512

Extraction Method: Principal Axis Factoring.
a 1 factor extracted. 20 iterations required.

Because of the wording of the questions, question 21 was then reverse coded in order to develop a scale. The reliability analysis showed strong results, with a Cronbach's Alpha of .716 for the four items, and .726 if question 22 is omitted.

VALIDATION

As a test of the robustness of the factor analysis, separate analyses were conducted on each of the three samples that constituted the entire sample pool. Similar results were found in the factor analyses of each of the samples, though the loadings varied. The same was found for tests of the scale reliability. In evaluating a scale, it is necessary to test the content, convergent, discriminant, and nomological validity (Pedhazur and Schmelkin 1991). Convergent and discriminant validity were demonstrated in two studies involving training individuals to use the Internet and to prepare a previously unknown recipe. The scores obtained from the proposed scale correlated with the VVQ, but proved to forecast different aspects of expectations and performance of the tasks (Friedman 2005). The similarity of split sample results obtained from significantly different populations strengthens the case for content validity.

DISCUSSION

The results of the factor analysis demonstrate that there is a single factor being captured in these questions. Following on the work of Kirby et al. (1988) and Mayer and Massa (2003), this four-question measure (or three-question measure) can be used to evaluate cognitive style. The scale is short enough that it can be used in other research projects where it is necessary to distinguish between verbalizers and visualizers. To be sure, information is lost when using a one-dimensional scale as opposed to a two-dimensional scale. With a two-dimensional scale, one could be high on both verbal and visual learning, low on both, or high on one or the other. A one-dimensional scale looks for cases where a participant is relatively high on one type of learning and relatively low on the other type. An individual who is equally high on both will wind up near the middle of the one-dimensional scale, regardless of whether the person is there because he likes both types of learning or dislikes both types. However, given the goal of this scale – to divide people into groups, this is not a significant failing. Further research using this scale in various research projects should establish the importance of knowing the details behind the placement of an individual into one group or another.

Table 4
Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
q5	7.5103	5.543	.575	.610
q21r	7.8345	5.584	.561	.619
q22	7.4552	6.680	.373	.726
q23	7.5724	5.858	.512	.649

Using the schemata Mayer and Massa (2003) present, the present scale measures learning style preference, rather than strength. While there is some correlation between the two, the lack of perfect correlation suggests that some individuals may be making sub-optimal choices, picking a style of learning where they are relatively weaker. Further research is needed to determine under what conditions individuals do better with the learning style they are better at rather than the style they prefer. The effects on motivation to learn and attitudes toward the person/organization providing the learning could be important findings of this future research.

In addition to aiding academic researchers needing to classify participants, the proposed scale could also be used by businesses that are trying to determine what training method to provide to employees or customers (for example, in the case of customer co-production of services or for a method of providing instructions) when a choice needs to be made. Further research may be helpful in establishing the extent to which – and circumstances under which – following a learner’s preferences increases not only the effectiveness of the training, but the attitude towards the training and towards the business providing the training.

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