



Greetings MMA Members,

Welcome to the Marketing Management Association's 2008 Spring Conference! This year's theme is "***Focus on Change: Succeeding in a Global environment.***" 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 ***2007-2008 Career Award for Innovative Contributions to Marketing***, David L. Kurtz. Dave is Distinguished Professor of Marketing and holds the R.A. and Vivian Young Chair of Business Administration at the University of Arkansas. I can promise you that Dave will maintain your interest with his wit and perspectives on marketing, marketing education and its direction.

The success of this year's conference is a result of many. First, I want to thank the 13 track chairs for their diligence, leadership and countless efforts to attract quality papers, reviewers, discussants and session chairs: Catherine Curran, O.C. Ferrell, Michael Czinkota, David L. Kurtz, Jill Attaway, Michael Messina, Suzanne Nasco, A. J. Taylor, Allen Schaefer, Fred Hoyt, Stacey Hills, Gerald Albaum, and Timothy R. Graeff. 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 Linda Ferrell, Karen James, Don Roy and Judy Wiles. 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: Brian Engelland, Bob Erffmeyer, Karen Kennedy, Mandeep Singh, Tanuja Singh, Mary Albrecht, Tim Aurand, John Cherry, Jerry Field, Carey Trimble, Russell Casey, Raj Devasagayam, Bob McDonald, Rama Yelkur, Jo-Ann Linrud, Charlie Pettijohn and Fred Hoyt...and I am sure there are many more I have forgotten.

I extend a tremendous amount of appreciation and undying gratitude to the proceedings editor, Don Roy. Don's quick follow-up, problem solving, creativity and numerous efforts to ensure the quality of the proceedings are unparalleled. His attention to detail and sincere desire to bring so many people's work together harmoniously, is a great talent and shows throughout these proceedings. 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.

I would also like to recognize the generous support of Hormel Foods Corporation and their continued commitment to education and their partnership with MMA, this year's conference features the ***6th Annual Hormel Foods Corporation Master 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 Linda Ferrell, 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!

We encourage you to become involved in future conferences if you are interested in doing so. The secret to this conference being so enjoyable is due in large part to new ideas, new participants and new officers. We hope you enjoy the conference, Chicago, and the beautiful Drake hotel. Thanks so much for your participation!

Robin Luke
Missouri State University



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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RE-THINKING THE PURCHASING INVOLVEMENT CONSTRUCT

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ABSTRACT

This article presents an enhanced conceptualization of purchasing involvement that, in addition to explaining differences among consumers with regard to their level of interest or concern with purchases in general, offers a more developed notion of its dimensions (time value, attitude toward shopping, persistent sense of risk, and financial orientation).

INTRODUCTION

Development of purchasing involvement as a useful construct for understanding and predicting consumer behavior has lagged behind other areas. In large part this is due to its rather equivocal record in predicting behavior and this could be attributed to its conceptualization. Unless one is prepared to write off the involvement construct, it is warranted to investigate purchase involvement as one of the variables that helps to explain consumer behavior with respect to purchasing. Therefore, the aim of this article is to present a view of purchasing involvement that offers an enhanced conceptualization—including distinct dimensions. This is a necessary step for advancing the utility of the purchasing involvement construct.

Involvement has been referred to as an internal state variable that indicates the amount of arousal, interest, or drive invoked by a particular stimulus or situation (Mitchell 1979). The influence of involvement on consumer behavior has been suggested by numerous researchers (Celsi and Olson 1988; Howard and Kerin 2006; Zaichkowsky 1985). Since involvement with something influences attitudes and behaviors relating to it, it can be expected that involvement with purchasing should influence behaviors associated with purchasing (Slama and Tashchian 1985). Enduring involvement is viewed as a stable trait that represents an individual's degree of ongoing, long-term interest or arousal across situations, while situational involvement is the degree of involvement evoked by a particular situation (Bloch and Richins 1983). Although intrinsic characteristics of individuals have been recognized as one of the dimensions of the involvement construct (Houston and Rothschild, 1978; Zaichkowsky, 1985) besides situation and product specific variables, the efforts to understand

the individual differences independent from product and situation influences have been limited. While purchase involvement for a purchase decision is viewed as an outcome of values, goals, needs, and the self concept (Beatty, Homer, and Kahle 1988), the conceptualization of purchasing involvement has been analogous to either situational involvement as in purchase decision involvement (Mittal 1989) or to enduring product involvement (Higie and Feick 1989). Consistent with the conceptualizations put forth by researchers such as Slama and Taschian (1985), purchasing involvement is conceptualized as a general measure of self-relevance of purchasing activities to the individual. However, we propose that it should also be treated as an enduring individual difference variable—or “disposition”—that is different from (but interacts with) product and situational involvement. A proper conceptualization of a construct requires a clear understanding of different factors shaping it, and the mixed track-record of the purchasing involvement construct indicates that it has as yet not been sufficiently elaborated. Given the importance of involvement for consumer behavior, a better understanding of the enduring purchasing involvement disposition component within involvement would seem to be warranted. Moreover, advancing our understanding of purchasing involvement (PI) is essential if this concept is to contribute to consumer research in a meaningful way (i.e., prediction of behavior). Such an understanding may help in explaining differences among individuals across products and situations and thus lead to both useful practical implications for marketers (e.g., market segmentation), as well as important avenues for consumer research.

PRIMOGENITORS OF (ENDURING) PURCHASHING INVOLVEMENT

There are a number of different aspects or dimensions that would seem to play a role in shaping individual differences as they affect involvement. Here we are interested in factors as they may act to shape persistent and enduring dispositions toward purchasing involvement. In a sense these (e.g., attitude toward shopping, persistent sense of risk) are antecedents in that they precede purchasing involvement for any given occasion; however, although there are factors that may play a role in the short-term for any particular purchase decision, the focus here is on the factors as they have acted on a person over the long-term to help formulate a more general and enduring (across products and situations) orientation toward purchasing involvement. We offer the term “primogenitor”—by which is meant a “begetter,” rather than antecedent (“going or coming before”) in order to emphasize longer-term formative influences. Purchasing involvement is conceptualized as an enduring individual difference variable in which the various primogenitors giving rise to it are primarily derived from formative experiences as well as personal values. Such a notion of personal factors that influence consumers’ levels of involvement is not inconsistent with discussions offered by researchers in the involvement literature (e.g., Zaichkowsky 1985). In the discussion that follows, several “primogenitors” derived from relevant literature and a series of “thought experiments” (“gedankenexperiment”) are discussed with respect to their role as formulators of an enduring purchasing involvement disposition that is relatively consistent across products and purchasing situations.

Time Value

The “alternative cost” of time spent on purchasing activities can vary from individual to individual depending on how that individual values it compared to the other activities one must or might take on. A “time constraint” or “the amount of disposable time” an individual has can be considered as an individual difference variable since time can be more of a scarce source for some than others in general. Therefore, lack of time may influence an individual’s level of involvement with purchase activities (Kamis and Davern 2005). Individuals may also value time in terms of the use to which it is put.

Beyond such relatively straight forward valuations of time and how it may impact purchasing involvement, time value and use may exhibit

characteristics that are seemingly less “grounded” and more transcendent (across situations and products) in terms of an application to particular circumstances. For example, while some people vary time according to the magnitude of a decision, there are some people who seem invariant in terms of the time spent on any decision—with some of these devoting considerable time and effort to virtually all decisions while others display a propensity for extremely rapid purchase resolutions (problem/need definition, search, and decision) regardless of the seeming importance or magnitude. This sort of “time value or utility,” which varies across individuals (e.g., invariant slow, invariant fast, variable), would seem to be a function of an entrenched “decision-time ratio” that has been developed and exists as a consistent inclination within individuals; it is likely to exert an influence on purchase involvement across both products and situations. Even in cases when an individual adjusts his or her involvement, such adjustments are likely to occur on top of (additive with) whatever underlying proclivity (purchase involvement disposition) there may be.

Derived Attitude toward Shopping

Attitude toward shopping is acquired over time, derived from needs and values as well as a person’s cumulative shopping experience over the course of one’s life. It captures the *level of enjoyment* or lack thereof one might feel towards the shopping activity in general. This is different from the *level of interest* one has with purchasing activities in general since a consumer may have different motivations for being involved in purchasing. Consumers have been classified as “recreational shoppers” and “task oriented” (convenience or economic) shoppers (Bellenger and Korgoankar 1980; Bellenger, Robertson, and Greenberg 1977). Although “recreational shoppers” actually enjoy shopping as an activity (e.g., keeping up with the latest trends) or as a social event, others (task oriented, “economic shoppers”) may perceive shopping as a task that they have to get done or something they would avoid if they could. Recreational shoppers, as compared to economic shoppers, are likely to spend more time shopping on an average trip (Bellenger et al. 1977; Williams, Slama, and Rogers 1985), and enjoy being involved in shopping regardless of whether a purchase is made or not (Brown, Pope and Voges 2001). Therefore, recreational shoppers may exhibit a more positive attitude towards shopping than task-oriented shoppers. Shoppers who have a positive attitude toward shopping may exhibit a higher level of purchasing involvement than those who have a negative attitude towards shopping. On the other

hand, an individual who doesn't like shopping in general may exhibit a high level of involvement with purchasing activities because of, for example, a high level of persistent sense of risk he may perceive with purchases in general (this is discussed in the next section). Similarly, the level of purchasing involvement may be different for shoppers who although they have a similar attitude toward shopping perceive different levels of risk with respect to the outcomes of their purchase decisions.

Persistent Sense of Purchasing Outcome Risk

Purchase involvement is a function of the degree of care or concern one feels toward the outcome of the purchase decision or choice (Hawkins, Best, and Coney 1986) and is "closely related to the consequences element of perceived risk" (Beatty and Smith 1987, p.88). The more risk an individual attaches to the consequences of his/her decision, the more involved he/she is likely to be with the purchase process. The perception of risk associated with outcome uncertainty may be attributed to, at least in part, a personal disposition concerning the consequences of making a wrong purchase. Such dispositions, in addition to being formed by past experiences, may be shaped by influences like utilitarian (more focused on costs and benefits rendered by a product or service and interested in functional performance) and value-expressive (more interested in enhancing self-esteem or self-concept and in projecting a self image or expressing oneself to the outside world through the use of a product or service) concerns (Park and Young 1983). While utilitarian motives may lead to cognitive involvement, value-expressive motives are linked to affective involvement (Park and Young 1986; Zaichkowsky 1994).

Consumers who have a high level of enduring sense of performance risk want to make sure the purchased product delivers the desired performance whether it's an expensive high definition TV or a pair of socks. On the other hand some individuals might be consistently more concerned with the potential self-image threatening consequences of their purchase decisions. This sort of persistent sense of risk concerning purchase outcomes represents an accumulated disposition or orientation that carries forward and may thus act to affect perceptions of subsequently encountered purchase opportunities. It is an enduring and general orientation that is different from the perceived risk of any specific situation.

Default Financial Orientation

Beyond the influences of "disposable income," individuals have an enduring orientation towards spending and consumption that can shape a consumer's overall PI disposition. For example, people who grew up in families or countries or periods of great poverty have been known to carry with them a sense of frugality even when they later find themselves in extremely prosperous circumstances. In the case of such people, a sort of enduring financial orientation or outlook persists and exerts an influence, and this influence may override the current (financial) circumstances (wealth). Although this enduring financial orientation might be linked to personal values--for example, those who are primarily driven by personal values such as "security" in life might experience a higher level of enduring financial risk when compared to those who have "fun and enjoyment in life" or "excitement" as their most important value in life--it is perhaps more likely that values are shaped by particular circumstances (e.g., growing up in impoverished surroundings).

In a sense there is potentially a sort of "irrationality" of the type examined by Kahneman and Tversky (1979) encompassed in default financial orientation. For example, carrying forward an extreme sense of frugality after one's circumstances have very significantly improved, or spending lavishly even after one's finances have become unsound, represent an expansion of a decision frame over a period of decades or even a lifetime. Even though default financial orientation may sometimes be rather dysfunctional, this certainly need not be so, in fact, such orientations can serve consumers well as when an underlying orientation of care with money and consumption tempers enthusiasm against unneeded impulse purchases or alluring yet consequential buying opportunities.

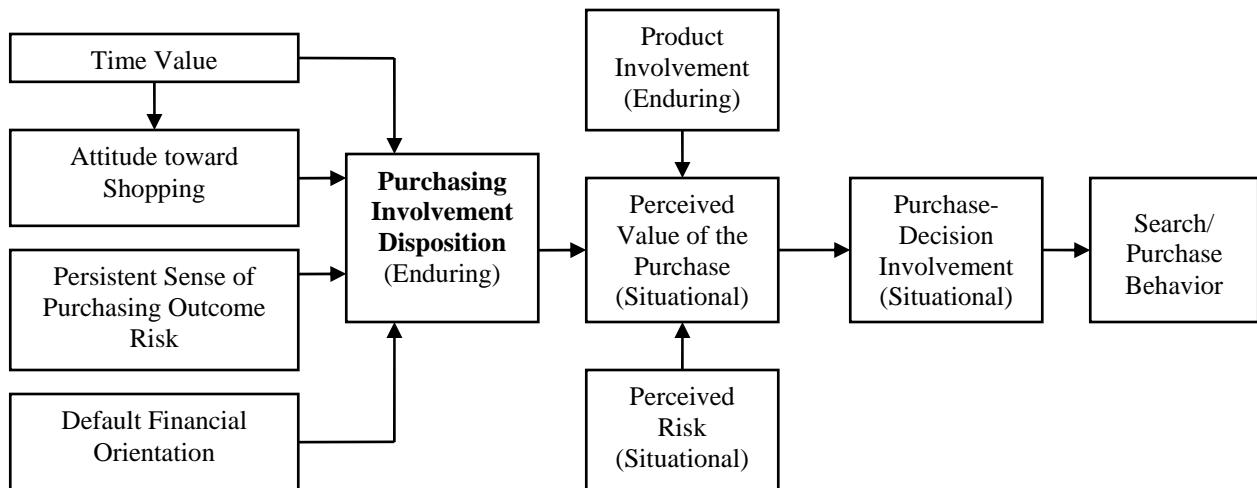
Enduring Purchasing Involvement Disposition

The four primogenitors combine to form a "Purchasing Involvement Disposition." This baseline enduring purchasing involvement, which reflects the formative influences of Time Value, Derived Attitude toward Shopping, Persistent Sense of Purchasing Outcome Risk, and Default Financial Orientation, are invoked as a generalized individual disposition upon encountering any specific purchase consideration situation. It is also important to note that people who have equal amounts of disposable time might value the time they invest in shopping differently. This is also related to one's shopping orientation and their

attitude towards shopping. That is why perceived value of time is expected to have both a direct effect

on purchasing involvement and an indirect effect through attitude toward shopping (Figure 1).

FIGURE 1
A Framework for an Enhanced Conceptualization of Purchasing Involvement



Enduring involvement and situational involvement have been combined by several researchers to explain various involvement responses whether an additive model or an interactive model was proposed (Celsi and Olson 1988; Houston and Rothschild 1978; Richins, Bloch, and McQuarrie 1992). Richins et al. (1992) tested both models and results suggested that there were no interactions between enduring and situational involvement supporting a combined (additive) effect. Naturally, there may be a situation-specific component to any purchase decision, a taking into consideration particular aspects pertaining to a purchase decision as well as the potential for a product involvement influence. Nevertheless, the enduring PI Disposition that has formed due to the influences of the various factors discussed above would seem to offer insight into perhaps the most enduring and systematic component of a higher involvement construct. Kassarjian (1981) also suggested that purchasing involvement may be used in explaining those consumer behaviors that are not product specific, and may be combined with product and situation involvement to better explain buying behavior (Slama and Taschian 1985). Overall, we suggest this “enduring purchasing involvement” disposition, combined with “enduring product involvement” and “situational perceived risk,” shapes consumers’ perception of value for a specific purchase situation. This perceived value of the purchase (for a specific purchase situation), in turn, influences purchase-decision involvement (situational) and the

search/purchase behavior such as time spent, number of alternatives, information considered, and so on.

CONCLUSIONS

Although still preliminary, the conceptualization of the formative aspects of general purchasing involvement can help to build a more complete, fuller understanding of the involvement construct. In particular, by considering the individual difference dimension of the involvement construct (purchasing involvement) and how a baseline level is formed or what gives rise to it, an important component in the overall involvement phenomenon may begin to emerge. A form of “general and lasting purchasing involvement”—what we have termed “Purchasing Involvement Disposition”—as has been set forth here, although an individual difference variable, would seem to offer a window into a systematic component of consumer purchasing involvement. If, in fact, this is the case, a fuller conceptualization of purchasing involvement that includes formative influences (as have been briefly outlined in this work) is likely to offer both better descriptive models of purchasing involvement as well as a means for developing better predictive models.

The conceptualization of purchasing involvement proposed here has important research and managerial implications. This conceptualization extends our (the marketing discipline’s) understanding of purchasing involvement by focusing on what are held to be

primary formative influences in shaping peoples' (consumers') orientations that underlie purchasing involvement. Such dispositions may exert lasting and pervasive effects on consumers in terms of purchasing involvement across products and even situations. As researchers delve into this view of purchasing involvement the utility of appreciating the primogenitors and the different dispositions to which they may give rise will become more apparent in terms of things like the ability to apply this understanding to enhance segmentation, derive consumer preference functions, and better match (and develop) product offerings to consumers (or "consumer disposition types").

Clearly, an overriding concern with this line of research has to do with just how much variance that is currently unexplained by other dimensions/formulations of involvement (e.g., situational, product) can a conceptualization of purchasing involvement that includes the influence of the primogenitors explain? Certainly, this is a significant question to be taken up by consumer researchers working in the area of involvement. As part of such an examination, each of the four primogenitors delineated here should be scrutinized in order to assess whether the set is exhaustive, the manner in which these may interact, their stability, as well as how they may operate across individuals (and groups) over time; these are all important avenues of inquiry for a complete understanding of general purchasing involvement. The primogenitors briefly described here, while intuitively important, require a deeper examination in order to fully establish their primacy, and this holds promise for raising further issues of interest for consumer researchers. For example, the "decision to time ratio" alluded to in the discussion of Time Value requires exploration to delineate its range as a continuum. Likewise, the value or non-optimality of Default Financial Orientations should be examined in order to yield insights into how such orientations play out over the lifetimes of consumers.

It is hoped this work may help to move thinking forward, or at the least, raise questions about "purchasing involvement disposition." Along with further work in developing the purchasing involvement construct, empirical research developing a more complete measure of consumers' purchasing involvement is needed—such an effort would constitute much of the research program to empirically test this framework.

Tapping into the deeper purchasing involvement disposition may help to reconcile much of the

apparent discrepancy between previous measures of "purchase involvement" and exhibited behavior that seems to defy prediction since as can be seen from the previous discussions of primogenitors, at this dispositional level seemingly counter-intuitive behaviors might be explained that otherwise merely confound. Although there is still a need for refinement—and of course empirical testing—of the view presented here, it is hoped that at the very least this conceptual exploration has laid the groundwork for further inquiry, and that perhaps it contributes to revitalizing research and discussion (even debate) in this area.

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EXPLORING COLLEGE STUDENTS' ATTITUDES TOWARD COUNTERFEITING: A BEGINNING

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ABSTRACT

The attitudes towards counterfeiting of 253 college students are evaluated for differences based on gender, past purchase behavior, and academic area of study. Results suggest a number of significant differences based on past purchase behavior with minimal differences found based on gender or area of study. Results are evaluated and recommendations for future research are presented.

INTRODUCTION

Counterfeit products are imitations of name-brand products. In 2004 alone, estimates put the counterfeiting industry at nearly \$512 billion (Eisend and Schuchert-Guler, 2006) and it continues to grow. This study makes a contribution to the literature by evaluating the attitudes that college students hold with regard to counterfeits, focusing on gender, past purchase behavior, and major field of study. It involves an extension of previous research conducted by Tom, Garibaldi, Zeng, and Pilcher (1998). The current research applies their counterfeiting attitude questions to a much younger demographic, the college student, and extends beyond simply looking at the attitudes of those who have and those who have not knowingly purchased counterfeits. The objective of this study is to contribute to a better understanding of college students' beliefs about counterfeiting and the purchase of counterfeit products, and if or how ones major field of study or gender influences their attitudes and behavior. Practically, companies must understand the attitudes that consumers hold for the purchase of counterfeits as it may influence the development of marketing strategy. Further, as more schools place emphasis on teaching ethical business practices, academic majors may want to consider discussions of the economic and ethical implications of counterfeiting and the purchase of counterfeit goods.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In 1985, *Business Week* called counterfeiting "perhaps the world's fastest growing and most profitable business" (Grossman and Shapiro, 1988).

Growth during the decade of the 1990's is said to have quadrupled, with significant cost to U.S. businesses (Tom et al., 1998). By 2004, Eisend and Schuchert-Guler (2006) report that the industry had grown to \$512 billion. It has further been reported that 69% of Americans believe that there is nothing wrong with buying counterfeits (Boumphrey, 2007).

Studying the demographics of consumers who are more likely to purchase counterfeit items has resulted in conflicting results. (See Eisend and Schuchert-Guler (2006) for an extensive summary of previous research dealing with counterfeit purchases.) Some studies have found that age doesn't appear to have an effect on the propensity to purchase counterfeit items, while others suggest that younger individuals are more likely to purchase counterfeit goods (Eisend and Schuchert-Guler, 2006; Kwong, Yau, Lee, and Tse, 2003; Tom et al., 1998; Wee and Tan, 1995). Tom et al. (1998), using a sample with a mean age in the 30's, found significant differences in attitudes towards counterfeiting based on ones counterfeit purchase history. Further they note that the mean age of those that had admitted to knowingly purchasing a counterfeit product was younger than those that had not. Of additional interest are the findings that individuals of high-school or college age are more likely to accept questionable ethical practices and they find counterfeiting less wrong than non-students do (Vitell and Muncy, 2005). The current research extends the research of Tom et al., (1998) to a younger demographic with the intent of assessing college students' attitudes towards counterfeiting, focusing specifically on the attitude differences between college-students that have knowingly purchased counterfeits and those that have not.

Table 1: Mean scores and t-Test/ F-Test of Attitude toward Counterfeiting by Student Past Purchase of Counterfeit or Legitimate Products, Gender, and Academic Area of Study

Attitude Statement	Overall Mean	Past purchase behavior (Have vs. have not purchased)	Gender (Male vs. Female)	Academic Area of Study (Business vs. Science vs. Humanities)
		t-statistic	t-statistic	F-statistic
a. Counterfeit products do not hurt the U.S. economy (H1,2,4a)	2.39	-.353	-1.399	.632
b. Counterfeit products hurt the companies that manufacture the legitimate product. (H1,2,4b)	3.94	-1.581	-.646	.543
c. I like counterfeit goods because they demonstrate initiative and ingenuity on the part of the counterfeiters. (H1,2,4c)	2.19	2.805**	-.820	1.153
d. I buy counterfeit products because counterfeiters are the “little guys” who fight big business. (H1,2,4d)	2.01	4.517**	.879	.388
e. Buying counterfeit products is a way to get back at uncaring and unfair “big business.” (H1,2,4e)	2.39	3.739**	-.699	2.187
f. People who buy counterfeit products are committing a crime. (H1,2,4f)	2.80	-3.008**	-.846	.524
g. People who sell counterfeit products are committing a crime. (H1,2,4g)	3.52	-2.462*	-.209	.120
h. Buying counterfeit products demonstrates that I am a wise shopper. (H1,2,4h)	2.32	2.543*	.419	1.522
i. I like buying counterfeit products because it's like playing a practical joke on the manufacturer of the non-counterfeit products. (H1,2,4i)	1.93	2.764**	.260	2.245
j. I buy counterfeit products because the prices of designer products are unfair and gouge. (H1,2,4j)	3.11	5.797**	1.880	1.707
k. Counterfeit products are just as good as designer products. (H1,2,4k)	2.40	2.638*	2.969**	3.541*
l. I would buy counterfeit products even if I could easily afford to buy non-counterfeit products. (H1,2,4l)	2.11	3.806**	3.233**	.484

Scale: 1=strongly disagree, 2= disagree, 3=neutral, 4=agree, 5=strongly agree

* Significant at $p < .05$

** Significant at $p < .01$

H1: Generally, attitudes of individuals who have previously purchased counterfeits will be more favorable towards counterfeiting than the attitudes of individuals who have not purchased counterfeits. (See Table 1 for details of individual hypotheses.)

With regard to gender, Moores and Chang (2006) report that gender does not factor into counterfeiting attitudes. Tom et al. (1998) found no difference in the proportion of men and women that had purchased counterfeit goods. However, Ang, Cheng, Lin and Tambyah (2001), Cheung and Prendergast (2006), and Kwong et al. (2003) all agree that males have a more favorable attitude towards buying counterfeits and will do so more often than females. From this it is hypothesized that males will have a more favorable attitude towards counterfeits. More specifically it is hypothesized that:

H2: Generally, attitudes of males will be more favorable towards counterfeiting than the attitudes of females. (See Table 1 for details of individual hypotheses.)

H3: The percent of males who buy counterfeits will be higher than the percent of females who buy counterfeits.

The final demographic characteristic to be considered is education. Previous research has evaluated the level or amount of education held, with Eisend and Schuchert-Guler (2006) reporting conflicting results with regard to the impact that level of education has on counterfeit purchase behavior. Cho and Yoo (2005) conclude that people of higher education are more likely to purchase counterfeit software because they have a better understanding of how software works. This however contradicts the findings of Tom et al. (1998). Research looking at specific major or area of study is however lacking. Do business majors, as a result of their understanding of the economy, sales, branding, and perhaps counterfeit goods, hold different attitudes toward counterfeiting? Do students participating in educational programs with strong ethics components hold attitudes that vary with those whose major programs do not have an ethics component? Evaluating counterfeiting as an ethical and moral issue allows for the introduction of research that specifically looks at ethical decision making and ones education or academic major (Beltramini, 1984; Cocanougher (1972); Ford and Richardson, (1984); Mansfield, 2000; O'Fallon and Butterfield, 2005). These studies highlight contradictory findings with regard to academic major or area of study. With the

lack of previous research addressing counterfeiting and academic major, the null hypothesis is assumed.

H4: Generally, there is no difference in the counterfeit buying attitudes of students pursuing different types of education. (See Table 1 for details of individual hypotheses.)

H5: There is no difference in the counterfeit buying frequency of students pursuing different types of education.

RESEARCH METHODOLOGY

A paper and pencil survey was administered during classes and in intercept fashion in various academic buildings on campus. The survey was voluntary and there were no incentives provided for participation. The survey is an extension of research conducted by Tom, Garibaldi, Zeng and Pilcher (1998). In addition to a number of questions that assessed student attitudes towards counterfeits, information was gathered regarding past purchase behavior and demographic characteristics. In total, 268 responses were collected. For the purposes of the current study, only 253 were used. The sample included 89 males and 164 females; 140 subjects were business majors, 24 were science majors, and 83 were humanities majors. Fifteen were eliminated based on age. Also, when looking at academic major, there were 6 surveys left blank; those records were eliminated for the analysis of academic major and attitudes. Data was input and analyzed using SPSS. Past purchase behavior was evaluated using chi-square tests, while attitudes were evaluated using t-tests and ANOVA, with significance determined at the $p < .05$ or $p < .01$ level.

RESULTS

Attitude differences between those who have knowingly purchased counterfeits and those who have never knowingly purchased counterfeits

When looking at the attitudes of those who have purchased counterfeits and those who have not, it is clear that there are significant differences. Refer to Table 1 for a summary of results. All hypotheses have been supported with the exception of H1a and H1b. This suggests that those that have purchased counterfeits and those who have not hold similar attitudes with regard to the impact that counterfeit products have on the U.S. economy and that counterfeit products hurt the companies that manufacture the legitimate products. For all other attitude statements, significant differences are noted.

Attitude differences between males and females

The results suggest little difference between men and women with regard to attitudes held. Only two hypotheses demonstrated significant results (H2k and H2l). Men disagree more strongly with the statement that counterfeit products are just as good as designer products. They also demonstrate a higher level of disagreement with the statement that “I would buy counterfeit products even if I could easily afford to buy non-counterfeit products.” The results fail to support H2a-H2j. Results of chi-square analysis show no difference between men and women in their counterfeit purchase behavior, thus H3 is rejected (chi square=1.021, $df=1$, $p=.312$). In the current sample, approximately 79% of the women and 73% of the men have purchased a counterfeit product in the past.

Attitude differences between academic majors

When comparing attitude measures by academic major, there was one significant difference found. Thus all hypotheses are supported with the exception of H4k, “counterfeit products are just as good as designer products”. Results support H5, as there is no significant difference in counterfeit purchase behavior based on academic area of study (chi-square = 3.253, $df = 2$, $p=.197$). Of those with a business major, 81% had purchased a counterfeit in the past, while 79% of science majors and 71% of liberal arts majors reported this behavior.

DISCUSSION

Attitude differences between those who have knowingly purchased counterfeits and those who have never knowingly purchased counterfeits

In general there were strong attitude differences between those who have previously purchased counterfeits and those that have never knowingly purchased counterfeits. Both groups did agree however that counterfeits hurt the U.S. economy and the companies that manufacture the legitimate product. Those who have never purchased counterfeits indicated that people who buy and sell counterfeits are criminals. Individuals who had in fact purchased counterfeits believed that the prices of designers were unfair and that the quality of the counterfeit was equal to that of the legitimate product. This finding is consistent with Boumphrey (2007) who reported that 76% of Americans say that a counterfeit good has the same quality as any legitimate manufactured good. Buying counterfeits is

their way of supporting the “little guys” who show their creativity by satisfying demand in the market. Those that have purchased counterfeits believe that counterfeits are a way to get back at “big business” who they believe have unfair prices for an equal product. Further, they don’t believe that people who buy or sell counterfeits are criminals. The current findings are similar to those reported by Tom et al. (1998).

From a managerial standpoint, it is important to understand how one’s products are perceived in the marketplace. It is necessary to identify competing products, substitute products, and counterfeits or knock-offs designed around your products. Strategic decisions must be made with this information considered.

Attitude differences between males and females

Previous research demonstrates inconsistent findings with regard to gender. Of the research reviewed, some of the more recent research demonstrated males expressed more favorable attitudes towards counterfeiting. Based on those findings, the current hypotheses were formed. The results suggest little difference in attitudes held by males and females. There were significant differences in attitudes towards the quality of counterfeit products and the willingness to pay for non-counterfeit products. Compared to men, women would be more likely to consider the purchase of a counterfeit. It was surprising to find that when asked if counterfeits were just as good as designer products, males disagreed more (mean 2.13) than females, who were closer to neutral (mean 2.54). Also males were much less likely (mean 1.83) to buy counterfeits even if they could afford the non-counterfeit product (mean 2.26). While the response of males and females are both on the disagree side of the neutral point, it is women who are more likely to purchase a counterfeit product even if they have the money to buy the non-counterfeit good. The current findings contradict the earlier findings of Ang et al. (2001), Cheung and Prendergast (2006), and Kwong et al. (2003), who suggested that males are more likely to buy counterfeits than females. Our results are more consistent with the findings of Moores and Chang (2006) and Tom et al. (1998).

The number and percent of the sample that have purchased a counterfeit or knockoff in the past is much greater than expected. The current results indicate that more females (79%) have bought counterfeits than males (73%). This statistic does not support H3, which offered that males would have a

higher counterfeit purchase percent. A look at the different attitude statements and responses helps shed light on these findings. Recall women are more likely to believe that the quality of counterfeits is closer to that of the manufacturer brand. While there wasn't any significant difference, the attitude statement about designer prices being unfair did result in fairly different means. Females agreed that designer prices were unfair (mean 3.21) more than males did (mean 2.92). Note that these mean results show that women are on the agree side of the neutral point, while men are on the disagree side. It makes sense that females would buy the counterfeit version even if they could afford the non-counterfeit product more than males if they believe that counterfeits are close in quality to the manufactured version and that designers have unfair prices.

Attitude differences between academic majors

After evaluating results comparing the means of the attitudes of different academic majors it is clear that there was very little significant difference between them. Interpreting the value and direction of the mean scores, some interesting findings are noted. Science and liberal arts majors show differences in the strength of the opinion held with regard to buying counterfeits was a way to get back at "big business", where science majors tended to disagree more (mean 2.00) than liberal arts majors (2.49). Also there was a difference in opinion on if they liked buying counterfeits because it was a way to play a joke on the manufacturer, science majors disagreed with this more (1.63) than liberal arts majors (2.04) again. Both of these questions are related to buying counterfeits to hurt "big business" and to play a joke on them and science majors disagree with acting in this way. It also appears that liberal arts majors believe that counterfeits are just as good as the designer product (mean 2.65) more than business majors (mean 2.28). It may be that a business background helps them understand that counterfeits are often created at a much lower standard of quality and out of much cheaper material.

CONCLUSION

There were three main areas of focus in this first phase of our research: attitudes toward counterfeiting based on gender, past purchase behavior and major field of study. The current findings contribute to the counterfeiting literature and to the gender studies literature. They also highlight additional areas of study for consideration. The counterfeit purchase behavior of the sample appears higher than the US counterfeit purchase behavior as a whole, likely due

to the young age of the sample. While the sample was appropriate for the purposes of the current research, it does present some limitations. By design, college students were selected from only one campus. The sample contained 65% females and 35% males. This is skewed towards females, with the academic institution demonstrating a 59% female and 41% male ratio. It is also not representative of the college-age population in general. Results for a more balanced gender sample may be different. The same may be true for academic major. With a wider sample, one would expect differing results. Further, it is possible that the size, location, and type of college (Catholic) may also impact the results. Phase 2 of this research will involve the use a sample selected from a much wider range of academic institutions.

Additional recommendations for future research, beyond expanding the sample to a wider number of college-age individuals, is to assess attitudes based on cultural background, age (an older sample), income level, and geodemographic characteristics (zip codes of home and college, for example). Does living in a big city influence attitudes towards counterfeiting and counterfeit products? Further, why do some individuals prefer to buy counterfeit even when they have the financial resources to pay for the manufacturer's brand? How do ones level of moral development and ethics impact attitudes towards counterfeiting? Finally, research into specific products and their attributes is also important. A number of these questions will be studied in subsequent phases of this counterfeiting research.

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MARKETING TO HELICOPTER PARENTS: HOVERING HEADACHE OR UNTAPPED ECONOMIC RESOURCE?

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ABSTRACT

Too often helicopter parents are deemed bothersome to professionals in higher education. However, this research indicates that helicopter parents are a niche market. Thus, incorporating the helicopter parent into a university's official target marketing campaign appears warranted and necessary given the current economic climate.

INTRODUCTION

For more than thirty years, researchers have demonstrated a keen interest in understanding the familial and parental dynamics associated with facilitating students' transition to university life (Chickering, 1969; Tinto, 1975). Kenny (1990), and Kenny and Donaldson (1992) found that "securely attached" students experienced a smoother adjustment to collegiate challenges. Wintre and Yaffe (2000) demonstrated that "authoritative parenting" contributed positively to academic adjustment and institutional attachment. Given these earlier research efforts that are supportive of the "involved parent" dynamic, a serious question emerges regarding the somewhat pejorative term "helicopter parents" and its attendant economic and marketing implications.

Helicopter Parents

Numerous characterizations of "helicopter parents" have emerged over the past two years. Wills (2005) defined "helicopter parents" as those moms and dads who persistently "hover" during orientation exercises, oftentimes hampering their child's transition to college life away from home. He documents the increased usage of "parent bouncers" on college campuses, whose primary task is to keep parents away from their child during orientation and advising sessions. Rainey (2006) defines "helicopter parents" as those who are in frequent contact with their children via cell phone, e-mail, and visits to campus. Damast (2007) offers a similar definition of

"helicopter parents," albeit with a new twist—their children are graduate students entering a prestigious MBA program. Finally, a meta-analysis of ten public universities reported in the Christian Science Monitor (2007) indicates that between 60 and 70 percent of parents exhibit some form of "helicopter" behavior.

One could readily assume that "helicopter parents" is a pejorative term with negative implications to university administrators (Thom, 2007). Word Spy [http://www.wordspy.com/words/helicopterparent.asp], an online educational resource, provides a definition of helicopter parents taken from a 1991 *Newsweek* article (Zeman): "a nosy grown-up who's always hovering around. Quick to offer a teacher unwanted help." Regardless of its definition or characterization, one fundamental economic reality has emerged—"The days of parents dropping off their student on campus and waving good-bye are gone" (Lum, 2006).

Parental Hovering: Economics in Disguise

One rational explanation for parental hovering could be investment in, and protection of, their economic asset. Although no lengthy recitation of escalating costs in higher education is attempted, two salient points must be made: (1) the Pell Grant, which once covered 40 percent of the total cost of a private four-year college education, now covers 15 percent (Kahlenberg, 2007); and (2) the cost of attending college continues to rise faster than the rate of inflation, the Consumer Price Index, and other

economic indicators (Lovett and Mudhenk, 2004). What's more, this parental hovering does not automatically cease with commencement. It is not uncommon to find parents showing up at job fairs discussing options and negotiating salary and benefits (Armour, 2007). A compelling argument can be made that an important segment of parents commits to a significant economic investment in their child's education and they want to ensure that this long-term investment pays off. Parental hovering may be an economic calculation, not a psychological inability or failure to sever the umbilical cord.

Enrollment Management: University Economics

Although most academics would argue that the university should not be viewed as a business, the reality is that the university official who neglects the bottom line will inevitably court disaster. University costs continue to escalate in tandem with those rising parental costs. There has been a constant growth in university administrators, partially attributable to "bureaucratic accretion," an adaptive response to complexity (Gumpert and Pusser, 1995). University officials must make huge investments in various infrastructures if they want to maintain their academic ranking (Ehrenberg, 2002). There is less public funding for universities, and more of an emphasis on building recreation centers and stadiums to attract and retain students (Physical-Education Facilities/Recreation Centers, 2007). When taken together, university officials have as many economic challenges as the parents. It becomes evident that a stakeholder partnership is necessary.

RESEARCH QUESTIONS

Currently, there is a paucity of empirical research that addresses demographic and socioeconomic variables and their relationship to the familial dynamic of helicopter parenting. An article by Jayson in *USA Today* (2007) does acknowledge that mothers of sons do most of the "hovering," but the bulk of what is known about helicopter parents is still derived from anecdotal evidence. No empirical research could be found that examined the possible relationship between students' cognitive ability or aptitude and the presence of a helicopter parent in the family.

This research is focused on the marketing and enrollment management considerations pertaining to the helicopter parent phenomenon. Thus, as the basis for hypothesis development, four research questions are posed: (1) Is student gender associated with having a mother or father designated as a helicopter parent?; (2) Does the student's cognitive ability or

aptitude, as measured by ACT/SAT score, predict the presence of a helicopter parent in the family?; (3) Can having a mother or father designated as a helicopter parent predict enrollment?; and (4) Does the presence of a helicopter parent have more predictive influence than the student's gender or cognitive ability when predicting enrollment?

DERIVATION OF HYPOTHESES

Four hypotheses were tested in this research. These hypotheses assess the demographic relationships and enrollment probabilities associated with the phenomenon of helicopter parenting.

- H1: Does the student's GENDER account for a significant amount of variance when predicting the criterion variable HELICOPTER PARENT?
- H2: Does the student's ACT/SAT SCORE account for a significant amount of variance when predicting the criterion variable HELICOPTER PARENT?
- H3: Does the variable HELICOPTER PARENT account for a significant amount of variance when predicting the criterion variable ENROLLMENT?
- H4: Does the variable HELICOPTER PARENT account for a significant amount of variance when predicting the criterion variable ENROLLMENT over and above the combined variance accounted for by the student's GENDER and ACT/SAT SCORE?

METHODOLOGY

All data were derived from a regional, private Midwestern university. The initial student applicant pool [N=2000] was reduced to a sample size of 112 applicants, given research delimitations. A "helicopter parent" was operationally defined along three dimensions: (1) those parents who had more contact with the admission counselor than their son or daughter; (2) those parents who had additional contact with faculty or student affairs directors (i.e. residential, student activities, counseling, etc.); and (3) those parents who had more contact with the admission department than the average student applicant or parent. Students were then assigned to one of two groups: (1) a self-selected parent group (i.e. helicopter parent) that had more contact with the admissions representative, faculty, or student affairs official than the applicant, i.e., their son or daughter; and, more contact than the average parent in the application pool [n = 56]; and (2) a randomly selected

Table 1 -Summary Table

	R	R-square	Adjusted R-square	F	Alpha	Sig.
H1: df = 1/112	.018	.0000	-.009	.035	.05	.851 (NS)
H2: df = 1/112	.103	.011	.002	1.191	.05	.278 (NS)
H3: df = 1/112	.447	.20	.193	27.47	.05	.0007 (S)

student group in which their parents had not initiated any known contact with the admissions representative, faculty, or student affairs official [n = 56]. Telephone conversations and/or personal interviews with helicopter parents were documented for later assessment.

RESEARCH FINDINGS

The findings illustrating the results of the first three specific hypotheses can be found in Table 1. H1 addressed the student's gender and its ability to predict helicopter parenting. This hypothesis was found to be not significant. The applicant's gender bears no relationship to their mother or father being designated a helicopter parent. This is contrary to the information in the *USA Today* article, but the author cited preliminary research findings, with additional research interviews planned.

H2 examined the student's cognitive ability and its relationship to helicopter parenting. This hypothesis was found to be not significant. Helicopter parents are equally likely to be involved with their son or daughter, without regard to their academic aptitude or ability.

H3 assessed whether being designated a helicopter parent is important in predicting enrollment. This hypothesis was statistically significant [df = 1/112; F = 27.47; sign. = .0007]. This model had an R = .447 and R-square of .20, implying that being designated a helicopter parent, i.e., contacting university officials more than the student applicant, will predict enrollment.

The findings for hypothesis four can be found in Table 2. H4 focused on whether helicopter parenting is important to enrollment, over and above the combined variance accounted for by the gender and cognitive ability of the student. This hypothesis was important both for forecasting and segment validation. Using model comparison, this hypothesis was found to be statistically significant.

The Restricted Model [Model 1] includes the variance accounted for by gender and cognitive ability; the Full Model [Model 2] includes gender, cognitive ability, and helicopter parent. Model 1 accounts for .011 percent of the variance; whereas Model 2, with the variable helicopter parent, added .198 percent of the accounted variance [Sig. F Change = .0009]. Therefore, being a helicopter parent accounts for a significant amount of variance over and above the variance accounted for by gender and cognitive ability, when predicting enrollment. This research finding implies that being designated a helicopter parent is relatively more important when predicting enrollment than either the student's gender or cognitive ability.

DISCUSSION AND RESEARCH IMPLICATIONS

Four hypotheses were tested, with H1 and H2 found to be statistically non-significant. It is important to note, however, that these two non-significant findings do have implications for enrollment managers. For example, since gender has no significant relationship to being designated a

Table 2 - Model Summary

H4: Does the variable HELICOPTER PARENT account for a significant amount of variance when predicting the criterion variable ENROLLMENT over and above the combined variance accounted for by the student's GENDER and ACT/SAT SCORE?					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F. Change
1 (Restricted)	.106 ^a	.011	-.007	.50324	.011	.622	2	109	.539
2 (Full)	.457 ^b	.209	.187	.45212	.198	27.043	1	108	.001

^aPredictors: (Constant), GENDER, ACT/SAT SCORE
^bPredictors: (Constant), GENDER, ACT/SAT SCORE, HELICOPTER PARENT

“hovering” parent, it is not reasonable to assume that a male or female student is more likely to have a helicopter parent. Moreover, since no statistical significance was found between the student’s academic aptitude and having a helicopter parent, it is not reasonable to assume that “capable” or “less capable” applicants will have helicopter parents.

H3 and H4, found to be statistically significant, bring “gravitas” to H1 and H2. Specifically, they demonstrate the relative importance of being designated a helicopter parent in relationship to enrollment. The actual yield rate elicited in this research indicates the following: For a non-helicopter parent, the yield is 25 percent; for a helicopter parent, the yield is 69.6 percent. This important finding strongly suggests that a helicopter parent increases yield by a factor of three [2.78 to be precise]. The overall yield rate for this class was 26 percent. This finding is important for two reasons: (1) it provides a theoretical basis for forecasting the impact of an applicant having a helicopter parent; and (2) it validates the finding that students do not select this specific university based on their gender or academic aptitude. This last conclusion is important when generalizing to highly selective institutions or gender balancing policies.

From a marketing and enrollment management perspective, it makes good business sense to target this niche, helicopter parents. Marsha Lindsay (2007) argues that the future of marketing is niche marketing, and that the only marketers that survive and thrive will be those who embrace “nichecraft.” This is a narrow niche of parents that exhibits characteristics that create opportunities for astute

university officials. If offerings and attendant communications strategies are created that resonate with this niche, a more loyal customer base with all the benefits like more predictable revenue stream and word-of-mouth advocacy, can be generated on the university’s behalf.

RESEARCH LIMITATIONS

This study exhibits all the inherent concerns of examining an intact and self-selected group. However, the most obvious limitation is the representativeness of students and parents examined. The research findings were limited to one admission class in one Midwestern university. Obviously, an examination of a larger, more representative sample is warranted in any attempt to generalize research findings and implications. .

This research used an operational definition of helicopter parent, thus generalizing results or combining these findings for meta-analysis could present some difficulty. In addition to the stringent operational definition, a helicopter parent in this study was not considered in its typical contextual placement. In this research, students had not yet enrolled and thus were not students at any university. Moreover, these parents may have “hovered” at other institutions prior to “landing” at this university, a design artifact that has been not been controlled. For clarity in future research endeavors, a more precise definition of hovering behavior should be considered. However, based on these preliminary findings, it is reasonable to assume that these “over involved” parents are exhibiting “pre-helicopter” parenting behavior.

IMPLICATIONS FOR FUTURE STUDY

This research validates the existence of a narrow niche of helicopter parents. However, little is known regarding their key information needs. For example, what “clusters” of information will resonate with this audience? What kinds of offerings and communications messages can be tailored in such a way that university enrollment managers can provide something ultrarelevant and vastly different from competitive institutions? What kinds of instantaneous, interactive feedback are necessary to minimize “buyer’s remorse” as helicopter parents reconsider their initial decision to enroll their son or daughter at the university? Answers to these types of questions would complement the body of professional literature and benefit all those engaged in marketing institutions of higher education.

CONCLUSION

This research offers a valid rationale for developing a niche marketing strategy targeting helicopter parents. Findings suggest that it makes economic sense for university officials to target helicopter parents in their marketing communications strategies. The yield rate is nearly three times that of a non-helicopter parent. Moreover, even though both “partners”—parents and university officials—have their own economic concerns, both will ultimately benefit from the student matriculating until graduation. Helicopter parents may appear to be a hovering headache to some, but to savvy marketers, helicopter parents are an economic opportunity attempting to land.

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PROPOSING THE APPLICATION OF THE BRAND COMMUNITY MEMBERSHIP TYPOLOGY WITHIN THE ORGANIZATION: A VIABLE INTERNAL BRANDING ALTERNATIVE?

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ABSTRACT

Based on the well-established importance of developing a strong brand with external constituents, the inherent benefits of successful internal branding initiatives, and the profound strength of a brand community among a brand's customers, there appears to be a dramatic opportunity for a synergistic program coordinating internal and external branding initiatives. We are proposing a study in which the appropriateness of developing a brand community within an internal branding framework is examined.

INTRODUCTION

The inherent importance of branding continues to gain notoriety as firms attempt to differentiate themselves in crowded, competitive, multi-national markets, and to improve customer loyalty once their brands have been established. A brand, or "name, term, sign, symbol, or design, or a combination of them, is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition" (American Marketing Association definition, Keller, 2003, 3) can be as nebulous as it is imperative to a firm's success. A strong brand has been found to be instrumental in the facilitation of numerous marketing goals including: improved brand loyalty, brand-based price premiums and higher margins, improved new product introductions, greater shareholder and stakeholder returns, and clear, valued and sustainable points of differentiation as well as the simplification of consumer decision making, the reduction of consumer risk, and the establishment of expectations (Davis, 2000; Keller, 2003). The role of perception in branding is therefore critical:

"The challenge for marketers in building a strong brand is ensuring that customers have the right type of experiences with products and services and their accompanying marketing programs so that the desired thoughts, feelings, images, beliefs, perceptions, opinions, and

so on become linked to the brand" (Keller, 2003, pg. 59).

Branding initiatives have, however, traditionally focused on external stakeholders. Only relatively recently have branding efforts specifically targeted an organization's own employees. Promoting a brand internally can be seen today at such corporate giants as Southwest (D'Innocenzo, 2002), Standard Register, Cisco, Ernst & Young (Boone, 2000), BASF (Buss, 2002), Sears, BP, IBM, Nike, and Miller Brewing (Mitchell, 2002). These firms have realized the importance of an informed workforce committed to delivering the firms' brand promises. This engagement of employees in the brand and branding process, leading to their representation of brand qualities to outside constituents is often times referred to as *internal branding, employee branding, or internal marketing* (Keller, 2003; D'Innocenzo, 2002; Mitchell, 2002).

A dramatic opportunity, therefore, appears to exist for a synergistic program coordinating internal and external branding initiatives. Ind (1997, 2001), LePla and Parker (1999), Schiffenbauer (2001), Duboff (2001), Hatch and Schultz (2001), all stress the importance of a coordinated internal and external branding program and the inherent benefits of marketing efforts that address not only the needs and wants of the target market, but the proper hiring, training, and motivation of those who must deliver the brand's promise (Aurand, Gorchels, & Bishop, 2005). Externally, brands such as Harley Davidson

and Jeep have gone so far as to establish brand communities within which customers are enmeshed in a network of relationships with the brand and fellow customers, as opposed to the traditional brand loyalty. These communities strengthen bonds with the customer in a superior fashion than the more traditional, externally focused branding endeavors. McAlexander, Shouten, and Koenig (2002) define brand communities as, "Communities whose primary bases of identification are either brands or consumption activities, that is, whose meaningfulness is negotiated through the symbolism of the marketplace. A brand community is a specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand. It is specialized because at its center is a branded good or service." They further state that, "A brand community from a customer-experiential perspective is a fabric of relationships in which the customer is situated. Crucial relationships have typically included those between the customer and the brand, between the customer and the firm, between the customer and the product in use, and among fellow customers." (Devasagayam and Buff, 2007).

Based upon the well-established importance of developing a strong brand with external constituents, the inherent benefits of successful internal branding initiatives, and the profound strength of a brand community among a brand's customers, we are proposing a study in which the appropriateness of developing a brand community within an internal branding framework is examined. We will investigate the validity of a brand community within a firm's own walls, and determine if such a concept would benefit an organization and its internal constituents. Specifically, we put forward the question of the appropriateness of a brand community typology within an internal brand setting and hope to determine the rationality of an organization embracing the brand community concept internally.

BRAND COMMUNITY DIMENSIONS

Traditionally communities have been envisioned as being geographically rooted and therefore constrained by the complex psychological and sociological notions of shared consciousness and moral obligation leading to collective action. It's been assumed that socio-psychological kinship inherent in a brand community is dependent upon geographic proximity among its members. Subsequent research by Devasagayam and Buff (2005, 2007) proposed that such a limited conceptualization of community may not be

congruent with modern technological advances. The research illustrated that brand communities may be conceived and nurtured in the physical world as well as the virtual world. The members of physical brand communities congregate and share consumption experiences in a predetermined location usually under the very identifiable auspices of the brand owner. The virtual brand community on the other hand meets in cyberspace to share consumption experiences and this community might have either evolved on its own or could have been facilitated by the brand owner. Often, the virtual community might devise rituals and mores of its own, beyond the control of the brand owner (NFL.COM, for example). We will investigate two extreme ends of the 'Spatial' characteristic of brand community within the context of internal branding: Physical (Geographically Bound) and Virtual.

Similarly, we find that sufficient observational and empirical evidence (McAlexander, Shouten, Koenig 2002; Devasagayam and Buff 2007) exists to support the notion that consumption communities are not bound by temporal constraints, and would consider furthering this analysis in the internal branding arena. The newfound freedom of interacting in a virtual community leads to a temporal freedom on the part of the participants. There are clearly identifiable extremes of the 'Temporal' dimension of community: Synchronous and Asynchronous. The participants in an internal brand community could choose to participate in the community at a predetermined time (chat rooms, conference calls, geographically bound events) and interact in a temporally synchronous environment. Alternatively, communication technology (emails, blogs) offers the freedom to internal members of participating in the community in a temporally asynchronous fashion.

Internal brand communities could also exhibit distinct characteristics based on the nature and frequency of participation. For instance, some geographically bound events are choreographed by the brand owner and necessitate infrequent gatherings due to the overwhelming logistics of organizing the event and extensive commitment of resources. Virtual participation usually is less resource dependent and might facilitate more frequent participation in the community. The very nature of the brand, the culture of the firm or organization, characteristics of the products or services produced, and attendant employee behavior in terms of involvement and job function may also determine the

Table 1: Typology of Brand Community Membership Types and Corresponding Strategic Alternatives for Targeting Internal Branding Participants

Category	Description	Strategic Alternatives	Dimensions
Traditional	Infrequent participation Value face-to-face interaction Participate in real time	Wedded to tangible physical internal branding efforts	Transactional Synchronous Physical
Independent	Sporadic participants Value real time interaction Open to participating in cyberspace Kinship and belonging is achieved through synchronous communication and participation	Prefer interactive and virtual internal branding strategies	Transactional Synchronous Virtual
Diffidents	Infrequent participation in community Seek human interaction that will result in a internal brand commitment Do not place high importance on synchronous interaction Prefer a more traditional community experience	Branding through physical medium	Transactional Physical Asynchronous
Loners	Sporadic participants Place low value on real time interaction Open to participating in cyberspace Seek community through asynchronous means that are limited in nature Goal would be transaction, not relationship building Vulnerable to distractions	Branding through virtual medium	Transactional Virtual Asynchronous
Passionates	Seek relationships within the community Establish relationships through traditional means where two way flow of information is vital May have already engaged in transactions that lead to repeated purchases of branded product They nurture and foster brand communities	Prefer face-to-face interaction with brand elements and fellow members	Relational Synchronous Physical
Hard-wireds	Physical proximity is not important Comfortable using technology Truly engaged in the virtual marketspace Synchronous communication would build and support the relationship Interaction and community is achieved though real-time means, albeit without physical proximity	Chat rooms discussing brand experiences Respond to on-line branding in real time	Relational Synchronous Virtual

Introverts	May not be frequent participants in the community Seek relationships with a brand in a limited and controlled manner Contact would be asynchronous in nature in a physical location	Long-term commitment to brand and loyal to community	Relational Physical Asynchronous
Loose-wireds	Individuals who do not need community contact in a physical location or real-time communication Community member will control communication Do not confuse their reluctance to communicate with a lack of kinship or belonging in the community Vulnerable to distractions Frequency and nature of participation makes them desirable members of community	Long-term commitment with loyalty to the firm/organization based on convenience	Relational Virtual Asynchronous

Devasagayam & Buff (2007)

frequency of member participation. Once again, we conceptualize the two extremes of the 'Exchange' continuum as Transactional and Relational.

The Transactional brand community is characterized by low frequency of participation and low involvement on part of the members. The community would thus exhibit a low sense of belonging and a muted sense of collective action. A Relational bent community on the other hand would exhibit a higher level of participation in the community with a heightened sense of belonging and collective action. Members in a Relational community tend to be more involved in the brand.

INTERRELATIONSHIPS OF CHARACTERISTICS

Three characteristics, spatial, temporal, and exchange, display interrelationships and often brand communities will have membership that draws from each one of these dimensions (See Devasagayam and Buff, 2005). For instance, an external member that attends a geographically bound event (Harley Davidson rally) might also choose to participate in the community through a portal in the cyberspace (HOGS) between the rallies. Such communication could be synchronous (chat rooms) or asynchronous (bulletin boards, blogs, emails, SIGs). They might also travel to the local dealership to purchase the latest model, resulting in a transaction that reinforces brand community. The nature and frequency of a member's participation might also vary based on time

constraints or the recency of an organized event. We acknowledge that in looking at a brand community in its entirety, there would be overlap in membership types based on occasion of participation, mode of participation, and the frequency of participation, and the type of organization when considering the implementation of the concept. Further, an individual member's participation in community will vary depending on the personal goal sought with each internal brand contact.

Typology of Membership

Having discussed the dimensions of brand community that lead to a clearer conceptualization of brand communities themselves, we will proceed to underline the implications of our conceptual framework for strategy development in the internal branding arena. In doing so, we will investigate eight different brand community membership types (see Table 1 below) in the corporate environment. The typology is based on the interrelationships of the various dimensions of the aforementioned characteristics of brand community and lends itself to draw certain preliminary strategic recommendations regarding targeting internal organizational members that exhibit a certain type of behavior at a given time.

STUDY FRAMEWORK

Details regarding the methodology that will be employed to better understand the validity of applying brand community concepts to internal

branding initiatives have not yet been determined. We will present our proposal at the Spring 2008 MMA Conference and garner input from those in attendance regarding our proposed study and means by which the study should be successfully implemented. A modified and expanded version of the methodology implemented by Devasagayam and Buff (2007) will serve as the foundation, but considerable modifications will be made to adjust for a significantly different group of participants and a considerably larger sample.

CONCLUSION

The impact of a workforce that “lives the brand” on corporate programs cannot be understated (Ind, 2001). Gratton (2007) propounds the concept of organizational transformation that leads to an organization being dubbed a “hot spot,” a rock bed of ingenuity, energy, and innovation. The concept of hot spot organization relies on synchronization of goals to gain commitment from members of an organization to establishing a rhythm of communication that yields superior results. One could directly apply the concept of internal branding typology to achieve cooperative mindset within the organization, which could then ignite a common purpose of achievement that Gratton views as the very foundation of hot spots. Employees who inherently understand their employer’s brand and the brand promise that it represents can serve as ultimate brand ambassadors through their work with internal and external constituents. By invoking brand community principles in the development of a strong internal brand, it is possible that organizations can leverage one of their most powerful corporate assets, their own committed workforce.

But it is necessary to validate the branding community concept as it applies to internal branding initiatives prior to implementation. A study aimed at better understanding the inherent relationship between the branding community and internal branding is therefore essential and findings could significantly enhance efforts to apply these brand community principles, or save organizations the time and money involved with implementing a powerful branding tool in an inappropriate environment.

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EMOTIONAL INTELLIGENCE AND CUSTOMER ORIENTATION IN THE PHARMACEUTICAL INDUSTRY

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ABSTRACT

Pharmaceutical salespeople experience significant challenges in managing their physician-customers. The clientele for these salespeople are unique compared with other sales situations. By virtue of their training, education, and experiences physicians may be described as being difficult customers to overtly influence. Given the fact that physicians are among the most highly educated members of society, who have experienced numerous daunting tasks, and who have also engaged in life and death decisions, one could reasonably conclude that salesperson persuasive tactics may not be overtly successful. This fact, combined with the fact that pharmaceutical salespeople are engaged in missionary sales activities rather than in persuasive sales activities, creates a situation in which evaluation of salesperson performance becomes difficult.

The unique aspects of the customer base and the sales role require sales representatives who are better equipped to work toward long-term goals without immediate reinforcement. Emotional intelligence has been described as a learned behavior which may lead one to engage in activities designed to promote optimal decisions in a work situation. Emotionally intelligent individuals have been described as being able to sacrifice short-term needs for long-term results, as able to engage in a focus on others, and as being in possession of empathy and self-recognition. It would seem that these characteristics would be critical ingredients for a successful pharmaceutical salesperson.

Customer-oriented selling is often believed to be a critical factor for salespeople engaged in a variety of sales roles. However, one could argue that customer-oriented sales activities might be crucial for a pharmaceutical salesperson. Customer-oriented selling has been described in numerous ways, but it typically focuses on the practice of the marketing concept at the level of the exchange process. Customer-oriented sales activities include those that emphasize satisfying the customer's long-term needs while simultaneously satisfying those of the salesperson.

This research was designed to evaluate, empirically, the relationships existing between salesperson emotional intelligence and salesperson customer-orientation levels. The basic hypothesis for the research is that salesperson emotional intelligence will be positively and significantly related to salesperson customer orientation.

To test the hypothesis, 75 salespeople engaged in the marketing of pharmaceuticals in the United Kingdom were surveyed. Each respondent completed the Schutte, et al. scale to measure his/her emotional intelligence and the SOCO scale to measure his/her level of customer-orientation. The findings indicated support for the proposition that a salesperson's emotional intelligence level is related to his/her level of customer-orientation.

The findings lead to the conclusion that pharmaceutical firms in the U.K. would be well-advised to use salesperson emotional intelligence levels in their selection and training processes.

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UNDERSTANDING SALES CAREER PLATEAUING AMONG SALESPeOPLE: CAN BORING ASSIGNMENTS SLOW US DOWN?

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ABSTRACT

Career plateauing may appear when employees experience their jobs as unchallenging or meaningless in term of job variety and task significance (Hackman & Oldham 1980). The authors reviewed marketing literature and those from related disciplines, and the following propositions were developed.

Employees who find their jobs unchallenging and meaningless, feel unmotivated to exert themselves on their jobs or to get ahead (Near 1985). The likelihood of promotion for these employees will be low, thus they can be classified as being plateaued.

- P1: Job variety will negatively influence sales career plateauing.
- P2: Task significance will negatively influence sales career plateauing.

Additionally, Katzell et al.(1992) found that job satisfaction is determined substantially by the magnitude of intrinsically rewarding conditions, such as interesting work and challenge. Salespeople working in unchallenging job assignments will be likely to be less satisfied with their job than their counterparts who have more job variety.

- P3: Job satisfaction will mediate the relationship between job variety and sales career plateauing.

Research on task design shows that the nature of the job has a significant impact on employee motivation (e.g. Hackman and Oldham 1980). If a salesperson feels the job has no impact on the lives of others, the salesperson may feel less motivated to work hard. This condition will lead to lower job satisfaction (Arnold and House 1980). Consequently, the salesperson is likely to become plateaued.

- P4: Job satisfaction will mediate the relationship between task significance and sales career plateauing.

This paper aims at borrowing the developing theory of career plateauing from other disciplines and applying it to sales force research. Specifically, this paper will focus on developing a better understanding of the effects of intrinsic job motivation on sales career plateauing.

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RATIONALE FOR A SALES MINOR

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ABSTRACT

This study provides rationale to faculty and administrators in undergraduate business programs for developing and offering Sales minors. The literature review explains the increased demand for college-educated sales professionals and discusses successful sales programs. The data analysis compares and identifies patterns in course offerings in Sales minors at ten different universities, including required courses and electives. In the conclusion, labor statistics are presented to reinforce the importance of addressing the sales representative talent shortage.

INTRODUCTION

At colleges and universities which do not offer Marketing majors or minors, a Sales minor program offers an excellent alternative. College students are expressing more interest in professional selling as a career due to major changes occurring in the marketplace in the past 20 years (Weilbaker 2004). In fact, employment opportunities for qualified sales representatives rank the highest of all job categories (see Manpower Inc. 2007) in the United States and abroad. The work activities and expectations of salespeople have become more complex. As a result, the market demand for college graduates who have taken sales courses is becoming an important factor in the job market.

This study provides rationale to faculty and administrators in undergraduate business programs for developing and offering Sales minors. The literature review explains the increased demand for college-educated sales professionals and discusses some successful sales programs. The data analysis compares and identifies patterns in course offerings in Sales minors at ten different universities, including required courses and electives. In the conclusion, some labor statistics are presented to reinforce the importance of addressing the sales representative talent shortage.

LITERATURE REVIEW

Increased Demand for College Educated Sales Professionals

The Manpower Inc. “Annual Talent Shortage Survey” (2007) states that 41% of employers worldwide are having difficulty finding qualified job candidates. In the United States, the number-one ranked position hardest to fill for employers is that of

sales representatives (Manpower 2007). Employers are demanding higher skill sets of their new hires, including industry-specific experience and proven sales abilities. To deal with the sales talent shortage, Galea (2006) recommends the following: (a) Companies should explain upfront the type and skill levels expected in their job descriptions for new representatives; (b) if there is a shortage of candidates who meet all the criteria, companies need to consider training applicants who are the closest fit; and (c) companies should plan ahead for hiring needs to allow more time to find the right person for the job.

In the constantly changing marketplace, satisfying the needs of customers is becoming increasingly difficult. Nachnani (2007) explains that the Sales Executive Council, which consists of over 500 major corporations, is concerned with the difficulty of finding, developing, and retaining sales talent. Over 69% of senior sales executives believe their current salespeople do not have the skills needed to meet the future performance requirements of the market. Further, sales compensation is growing at approximately twice the rate of other company jobs. To deal with the problem, many businesses are responding in the following ways (Nachnani): 1. Companies are creating formal sales operations. 2. Sales organizations are using coaching as a way to improve sales performance. 3. Businesses are seeking new pools of talent and sponsoring sales programs at universities.

According to Jones and Frawley (2007, p. 6), “Formal university sales programs are reducing companies’ sales training costs, turnover costs, and increasing the likelihood of college students succeeding in sales more quickly after graduating from their program.” Because of the significant changes in the sales profession in recent years, more

companies require a college degree prior to being hired. For example, salespeople are increasingly expected to know the background information of a buyer's company prior to the first sales call. In the past, the first sales call often involved the buyer sharing this information with the salesperson. With the availability of information online, however, buyer expectations have increased significantly (Jones and Frawley 2007).

Leisen, Tippins, and Lilly (2004) conducted a gap analysis study about the typical Marketing curriculum of the Association to Advance Collegiate Schools of Business (AACSB) accredited universities. Their study compared the differences between course offerings at AACSB schools to what business executives considered to be the most important marketing topics. Based on an analysis of over 100 individual schools, the most common course requirements in marketing were as follows: (a) Marketing Strategy at 93.1%, (b) Marketing Research at 81.2%, and (c) Consumer Behavior at 74.3%. The number of schools that required an undergraduate Sales course was only 21.8%. These results suggest that academia, in general, considers the subject of sales of somewhat low importance.

In the second portion of their research, Leisen, Tippins, and Lilly (2004) did a focus group study with 22 business executives from various companies. The group discussed the subject of creating an ideal Marketing curriculum. Interestingly, most of the executives considered marketing professionals to be synonymous with sales professionals. And they agreed that sales instruction should be included as part of the required core curriculum in business schools. Leisen, Tippins, and Lilly found that (p. 200) "...the overwhelming gap was identified in the area of sales and sales-related skills. About 75% of the executives placed sales skills highest on their list of all marketing areas they would include in a required curriculum." Moreover, they recommend that business departments attempt to align their curriculum with the needs of businesses. To do this, business departments should develop their sales course offerings, teach students how general marketing topics can be applied in a sales context, and incorporate some non-sales marketing courses into a broader sales education.

Weilbaker (2004) found that students' attitudes about working as a sales professional after college have improved over the past 20 years. This appreciation of the Sales discipline correlates with an increased demand by companies for businesses graduates who are highly qualified to fill sales

positions. Academia has responded by offering more sales courses and related materials. For example, in the summer of 2004, there were 15 textbooks available for teaching professional selling and 12 textbooks focused specifically on sales management (Weilbaker).

Companies transact business with each other every day. Salespeople are usually the business contacts who develop the relationships with several individuals at client companies. As a result, salespeople need to have extensive general business knowledge, as well as expertise in sales, to be able to communicate effectively with decision makers. With the increased use of buying teams, the process of selling to the key influencers in organizations has become more sophisticated. As a consequence, a major shift in the selling process has occurred. Rather than a somewhat emotional and qualitative decision-making process, the buying decision process has become more logical and quantitative in nature. More often, buyers expect salespeople to know how to propose and form strategic alliances and comprehensive solutions for their companies; not just sell products (Jones and Frawley 2007; Weilbaker 2004; Nachnani 2007).

In the past, businesses have been willing to train recent college graduates from various disciplines about selling skills and product knowledge. With the higher costs of training and increased customer demands, businesses are now seeking graduates who have been formally educated in sales. If graduates have taken a course in professional selling and sales management, employers can reduce their training costs. Moreover, graduates who are interested in sales as a career are less likely to leave their employers (Weilbaker 2004).

Anderson et. al. (2005) explain that the marketplace is becoming filled with more demanding customers. As a result, highly-educated salespeople are needed by companies from business schools. Specifically, schools offering sales programs are getting significant financial support from companies, while students who participate in these sales programs are being offered lucrative careers. Anderson et. al. found that college graduates who are trained in sales generate revenues faster than other students. Before college graduates start a career in sales, Jones and Frawley (2007) recommend that students become educated in both the theories and practices of real-world selling. With the expected changes in the Sales discipline in the future, some colleges and universities are designing their

curriculum using feedback from companies; and requiring students to get practical experience in the form of sales internships.

Successful Sales Programs

The 3M Company, headquartered in St. Paul, MN, has partnered with 10 business schools that emphasize sales. Their program is called Frontline Initiative and involves sponsoring schools that develop Sales curricula and enhance the Completion of the five courses results in a certification and is available to all undergraduate students at the university. Over the past 10 years, interest in the program has grown significantly along with the number of employers seeking PES graduates (Anderson et. al. 2005). The Ohio University has embraced sales education by offering six different Sales Certificates, including (a) Professional sales, (b) Retail sales, (c) Media sales, (d) Financial Services sales, (e) Sports Management sales, and (f) Technical sales (Ohio University 2007; Hartung and Frawley 2007). The College of St. Catherine in Minneapolis, an all-women's college, has three majors in Sales, including (a) Business-to-Business, (b) Financial Services, and (c) Medical (College of St. Catherine 2007; Sales & Marketing Management 2002).

DATA ANALYSIS

This section involves an analysis of ten different universities that have existing Sales minor programs. By investigating the website of each university, the researcher was able to identify and organize a variety of data. As shown in Table 1, 60% of the minors' are named either Professional Sales or Professional Selling. The total number of credits required for a Sales minor ranges from 12-18 credits. The researcher was only able to find evidence of 14 Sales minor programs in the United States. The other four universities with Sales minors include (a) Aurora University, IL; (b) DePaul University, IL; (c) University of Connecticut, CT; and (d) Western Kentucky University, KY. Although these universities were verified by The HR Chally Group in the Selling Power article called "Top University Sales Education Programs 2007," the researcher was unable to find the related data on their websites.

Table 3 shows that Advanced Selling is the fourth most frequently offered course in a Sales minor. There are, however, four out of ten universities in this comparison not offering an Advanced Selling course, including (a) University of

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attractiveness of sales careers with students. Through various arrangements, Business schools offer 3M executives and sales managers opportunities to be guest speakers and share their information about jobs offerings with students. 3M recruiters are also encouraged to recruit and hire students for sales internships and jobs after graduation (Chang 2007).

The University of Houston has a Program for Excellence in Selling (PES), which consists of five dedicated courses in sales and sales management. Houston, (b) Southeast State Missouri University, (c) University of Akron, and (d) Kennesaw State University. The course Negotiations is offered by just 30% of the universities, which makes it fifth on the list. Furthermore, there are two psychology courses offered 20% of the time, including Interpersonal Communications and Consumer Behavior. Interestingly, Leisen, Tippins, and Lilly (2004) found 74.3% of all Marketing degree programs (i.e., AACSB) require a Consumer Behavior course. Because additional courses offered in Sales minors vary significantly between universities, business schools have some flexibility in working with their existing curricula.

CONCLUSIONS

Only 21.8% of AACSB accredited undergraduate programs in Marketing require one Sales course to be taken as part of their degree program (Leisen, Tippins, and Lilly 2004). Conversely, there has been a significant increase in market demand for highly qualified sales professionals. Academia needs to fill the gap by creating more opportunities for students to get educated in the Sales discipline. Students' attitudes about the sales profession are improving and will continue to improve as more colleges and universities offer sales programs.

Professional selling courses are popular on campuses; and frequently, there are not enough sections to handle the student demand. In addition, finding professionally and academically qualified Sales professors is difficult. Sometimes, Marketing faculty will avoid teaching sales courses if they do not have field experience in sales. Considering the needs of students and businesses alike, however, faculty and administrators should consider making more sections of sales courses available; updating their sales course offerings to reflect changes in the business environment; and developing more Sales minors.

TABLE 1			
Ten Universities with Sales Minors			
University	State	Name of Minor	Number of Credits
Kennesaw State University	GA	Professional Sales	15
William Patterson University	NJ	Professional Sales	18
Bradley University	IL	Professional Sales	12 credits over major
University of Toledo	OH	Professional Sales	15
Ball State University	IN	Professional Selling	18
College of New Jersey	NJ	Professional Selling	16.5-18
University of Houston	TX	Sales	15
College of St. Catherine	MN	Sales	16.5-18
Southeast Missouri State University	MO	Sales Management	15
University of Akron	OH	Sales Management	18

TABLE 2			
Required Courses for Sales Minors	# Required	# Elective	% Offered
Professional Selling	10		100
Sales Management	8	2	100
Principles of Marketing	8	2	100

Table 2 indicates that 100% of the ten universities offer the same three courses. While Professional Selling courses emphasize the selling process, Sales Management courses involve the management and organization of sales personnel. Lastly, a Principles of Marketing course is usually a course requirement in an undergraduate degree in Business Administration.

TABLE 3			
Additional Courses Offered in Sales Minors			
Additional Courses	# Required	# Elective	% Offered
Advanced Selling	5	1	60
Negotiations	1	2	30

Sales Technology	2	0	20
Marketing Research	1	1	20
Consumer Behavior	1	1	20
Interpersonal Communications	0	2	20
Marketing Management	1	0	10
Advertising	0	1	10
Purchasing	0	1	10

Students completing their undergraduate degrees in Marketing will usually start their careers as salespeople. Additionally, the increased student demand for sales courses correlates with the unusually high number of sales job opportunities for college graduates. According to the U.S. Department of Labor (2007), there were over 3.6 million professional sales jobs in year 2004. On average, professional salespeople can earn over \$58,000 in annual income (see Appendix). It is important to note professional sales jobs do not include retail sales clerk and cashier positions. As shown in the Appendix, there is an 8:1 ratio when comparing the total number of professional sales jobs to non-sales marketing jobs.

Career opportunities in professional sales are extensive and diverse. Jobs can be found in the following areas: (a) Industrial companies selling products or services for construction, packaging, engineering, mechanics, chemicals, and electronics; (b) manufacturers and wholesalers selling consumer foods, beverages, and other goods; (c) medical companies selling pharmaceuticals, medical equipment, or related supplies; (d) real estate; (e) financial services; (f) insurance; and (g) advertising. Students who take classes in both professional selling and sales management can increase their employment opportunities and compete more effectively in the marketplace.

According to the U.S. Department of Education (2006), the highest numbers of bachelor's degrees conferred each year are in business. In 2003-2004, business degrees accounted for 22% of all undergraduate degrees in the United States. During the same period, master's degrees in business were the second largest field of study. When looking at the big picture, it is clear colleges and universities rely heavily on their business departments for major

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portions of their total revenue and growth opportunities (e.g., graduate and online programs). Because there is a huge talent shortage of sales professionals in the United States and worldwide (Manpower Inc. 2007), business departments have a tremendous opportunity to fill this gap by developing their Sales curriculums.

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APPENDIX

Number of Sales and Marketing Jobs in Year 2004 in the United States

A. Professional Sales Jobs (Retail sales clerk and cashier positions are not included).

Job description	# of jobs	Median salary (\$)
1. Sales reps., manufacturer & wholesale	1,900,000	58,580
2. Real Estate brokers	345,000	58,720
3. Real Estate sales agents	115,000	35,670
4. Insurances sales agents	400,000	41,720
5. Sales Managers	337,000	84,220
6. Financial sales agents	281,000	69,200
7. Advertising sales agents	154,000	40,300
8. Sales engineers	74,000	70,620
Total jobs	3,606,000	

B. Marketing Jobs (No sales positions are included in the section below).

Job description	# of jobs	Median salary (\$)
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1. Marketing Research Analysts	212,000	56,140
2. Marketing Managers	188,000	87,640
3. Advertising and Promotion Managers	<u>64,000</u>	63,610
Total jobs	464,000	

Source: United States Department of Labor (2007), Bureau of Labor Statistics

CONSUMER CHOICE AND INTELLECTUAL PROPERTY THEFT: AN EXPLORATORY EXAMINATION

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ABSTRACT

The purpose of this research is to integrate current theory and knowledge into the beginnings of a model to explain the consumer decision with regard to the theft of intellectual property. Both economic (Time Allocation and Crime) and non-economic (Reasoned Action and Channel Choice) theories are integrated into a single model. It was then pretested on the consumer's choice to steal or buy music. The results indicate that economic motivations are among the primary drivers of intellectual property theft (e.g., retail prices and costs or potential costs). In addition, personal ethics and ability/opportunity also have significant effects on this decision.

Intellectual Property theft, specifically the downloading of music or other copyrighted materials from the internet, has characteristics of several different decision processes. Since the activity is inherently illegal, it can be viewed from the perspective of criminal activity. Because it also involves both a psychological and social aspect, the Theory of Reasoned Action is applicable. In part, the consumer is also making a choice of creating something in the household (e.g., burning a CD/DVD) rather than buying it, thus the action resembles household production. Finally, at a conceptual level, the consumer faces a choice of channel for downloading, thus the decision involves that of store or channel choice.

Although preliminary, this study does tentatively imply a few recommendations for the music industry. First, it appears that the current industry strategies of suing individuals who download (thus increasing the perception of probability and punishment of being caught) may be an effective tool against potential intellectual property thieves. This finding, in addition to the lack of effect of the Attitude toward the Industry, suggests a viable continuing strategy for intellectual property owners/distributors. In addition, individual ethics and price seem to be the major motivators of the decision process. Continuing to communicate that downloading is unethical and illegal (e.g., ads on video rentals and music TV channels), seems also a viable long term strategy. The other main driver of theft is the high price of music, thus the setting of price needs to consider supply and demand factors along with the potential to steal.

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COUNTERFRAMING AN ANTI-CORPORATE CAMPAIGN: COMMUNICATION STRATEGIES AT NIKEBIZ.COM

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ABSTRACT

This study examines four key Web texts from Nikebiz.com to demonstrate how the company used framing techniques to counteract a massive anti-corporate campaign during the 1990s. The results of this analysis reveal that these texts rely primarily for their effect on thematic, episodic, empowerment, root cause, and collective agency frames.

INTRODUCTION

As Manheim (2001) reports, the 1990s were the decade of the great anti-corporate campaign, and the campaign against sports shoe giant Nike was arguably the most intensive and widely publicized. Therefore, when Nike founder and CEO Phil Knight addressed the National Press Club in May of 1999, his speech captured the widest possible audience of stakeholders around the world not because he was introducing the latest, best-selling athletic shoe but because he was finally announcing a corporate communication effort that would effectively rebut the company's vociferous critics. Actually, preparation for this counter campaign began months earlier when Knight charged former Microsoft executive Maria Eitel with developing and packaging an ambitious new public relations campaign designed to reposition Nike in relation to the emotionally charged sweatshop controversy, especially damaging allegations that Nike sanctioned the violation of the human rights of its Asian female contract workers. Primarily using a special purpose Website, Nikebiz.com, Eitel's group has skillfully reframed the public debate on the human rights abuse issue in a way that has largely succeeded in strengthening Nike's claim to being a socially responsible corporation.

THEORETICAL BACKGROUND

Frames play a central, universal role in public affairs communication. Frames are designed to reconstitute selected aspects of reality surrounding a public issue. In essence, a frame binds together carefully chosen concepts, information, judgments, arguments, claims, and value statements into a tightly compressed noetic narrative that guides the frame holder's interpretation of events as well as discourse related to those events (Schlechtweg 1996; Price, Tewksbury, & Powers 1997; Entman 2007).

Frames operate on three different levels. On the cognitive level, frames convey new thematic elements or reactivate pre-existing thematic elements, make desired discourse elements salient and suppress other material not compatible with the frame, and drive the formulation of opinions compatible with the frame's thematic core (Entman, 1993; Schlechtweg 1996; Hallahan 1999; Kendall 2005). On a rhetorical level, frames rely on metaphors and similes, appeals to ethos and pathos, and causal arguments (Andsager 2000; Simons, Morreale, & Gronbeck 2001; Johnson-Cartee 2005). On an ideological level, frames contain information on how a society works—or should work—as well as the proper relationship among its members; frames contain fundamental assumptions regarding social priorities and problems (Schlechtweg 1996; Kendall 2005).

If a frame achieves sufficient prominence, it exerts a demonstrable influence on the discussion and resolution of a public issue. Empirical studies by Kahneman and Tversky (1984) and Price, Tewksbury, and Powers (1997) show conclusively the capacity of frames to ensure high topicality, to guide issue construction, and to impact the decision making that follows such a construction. However, just as a frame can manage an audience's perception of an issue, a stronger, more resonate counter frame can radically alter that audience's initial perception (Fairhurst & Sarr 1996).

Policy elites sponsor the creation of frames by actors (ranging from activist entrepreneurs to corporate communication professionals) who consciously or unconsciously embed purpose-specific frames in issue-oriented discourses (Andsager 2000; Johnson-Cartee 2005; Entman 2007). The format of these frame-bearing discourses include press briefings, news releases, white papers, annual reports, corporate Website texts, speeches, public letters, e-mails, audio/video clips, and other electronic messages (Witmer 2000; Holtz 2002). Of

course, these elites and their allies often have sharply different objectives, interests, and agendas, and therefore, important public policy debates inevitably become a mass mediated clash of issue frames.

THE CONTEXT

Though slow to start, Nike eventually capitalized on the rising concern about physical fitness and on the enormous popularity of professional sports far more successfully than rivals Adidas and Reebok. Nike achieved this success through a series of far-sighted strategic moves. Nike assembled a research team that designed multiple lines of stylish specialty shoes for the Nike brand and sub-brands and transitioned from being strictly a supplier of shoes to high-level athletes to being a purveyor of shoes for a wide variety of popular fitness and exercise activities (Goldman & Papson 1998; Bedbury & Fenichell 2002). Between 1987 and 1997, Nike's marketing budget increased almost exponentially. A substantial amount of these resources were used to target women consumers, thus adding a potentially vast new market for the company. Also, these resources were used to support the development of the world-renowned, award-winning "Just Do It" campaign and to sign an impressive array of professional athletes to the company's endorsement program (Bedbury & Fenichell 2002). In addition to these marketing initiatives, Nike dramatically expanded its product supply by outsourcing manufacturing work to a huge network of contractors in Asia. After terminating its U.S. production, Nike embarked on an ambitious outsourcing program that tapped the massive factory complex in East and Southeast Asia owned and operated by South Korean and Taiwanese contractors (Pollach 2003). Operating in the almost total absence of government regulation and union work rules, these factories offer almost unlimited production capacity, low-cost labor, and proximity to vast reserves of necessary raw materials (Goldman & Papson 1998; Manheim 2001).

The combination of these marketing and operational initiatives produced spectacular results. By 1997 Nike far outdistanced its competitors, grossing nine billion dollars and gaining a 43.6 percent domestic market share to rival Reebok's 15.9 percent. Nike CEO Phil Knight's stock portfolio was valued at more than five billion dollars, advancing him on the *Forbes* list of wealthy individuals from 138th to 7th place (Goldman & Papson 1998). At the same time, however, outsourcing operations earned Nike a number of determined enemies, particularly labor unions and social activists that were successfully making the company's labor practices and human rights record a highly visible, reputation-threatening issue with real potential to limit the company's growth and financial success.

The task of leading the anti-Nike campaign was eventually assumed by the Working Group on Nike, a coalition of labor and activist non-governmental organizations (NGOs) that included the Campaign for Labor Rights, the National Organization of Women, the Global Exchange, the Interfaith Center on Corporate Responsibility, Amnesty International/USA, and the pension board of the United Methodist Church (Manheim 2001). This coalition also attracted strong support from opponents of economic globalization (Pollach 2003). The coalition made singularly effective use of white papers, news releases, press briefings, staged media events, designated Websites, and issue advertising in mass circulation newspapers. Anti-Nike labor and social activists maintained close personal relations with CBS and other news organizations (Manheim 2001; Post, Lawrence, & Weber 2002).

As a result of these efforts, at the outset of the Nike controversy, the preponderance of media discourse—while there were some attempts to achieve balance—framed the whole labor practices issue in ways that portrayed the company as an outlaw organization that violated long-standing, internationally recognized labor standards and that ignored flagrant human rights violations, all the while grossly enriching its stockholders, top executives, and celebrity sports endorsers. Nike authorized two audits of its Asian contract factories by Ernst & Young along with a third report from former UN ambassador Andrew Young, but these reports failed to halt the momentum of the anti-Nike campaign (Pollach 2003). In the late 1990s, Nike did modify its operational policies, management structure, and reporting procedures, but it steadfastly refused to relinquish its total commitment to outsourcing. Therefore, the challenge for the Eitel team was to use Nikebiz.com in the same way that Heath (2002) envisions the use of media by all corporate issue managers: "Communicate in appropriate ways to counter unwarranted claims that could affect the organization's brand equity" (p. 212).

ANALYSIS

The human rights abuse issue involving Nike basically evolved from the sweatshop controversy. Because some 90 percent of the employees at Nike's Asian contract facilities are female (Post, Lawrence, & Weber 2002), many of the charges of labor abuse were eventually transformed into highly damaging charges of human rights abuse. Obviously if Nike paid below subsistence wages, this practice weighed most heavily upon women, and *Harper's Magazine* gave credence to this charge by publicizing the pay slip of a Nike contract employee who earned an average of 14 cents an hour

during one pay period (Post, Lawrence, & Weber 2002). The media also carried reports on how women were disproportionately exposed to dangerous machinery and chemicals (Post, Lawrence, & Weber 2002). A 1996 U.S. tour of Indonesian and Vietnamese female factory workers attracted extensive media coverage; participants in the tour, which was organized by the anti-Nike coalition, made sensational claims of sexual and physical abuse against several of Nike's purported Asian contractors.

In counter framing the larger sweatshop issue, Nikebiz.com directly addresses charges that the company systematically violates international and national labor laws, standards, and regulations. Using compliance frames, Nikebiz.com presents a series of Web texts entitled "Workers & Factories" that detail how the company meets all relevant legal and regulatory requirements in its Asian operations. However, in contrast to the direct counter framing measures taken in regard to the larger sweatshop issue, Nikebiz.com takes an essentially indirect approach to the human rights abuse issue as the following four Web texts illustrate. These four texts do not directly address accusations that Nike abuses the human rights of its female Asian contract workers; instead, these texts construct Nike as a dynamic organization that supports the empowerment of women everywhere—most especially in underdeveloped countries.

The first of the Web texts that indirectly address the human rights issue, "Community: Giving," approaches the topic of female poverty in underdeveloped countries with a thematic frame. In composing a journalistic text, the author may choose a thematic frame, which treats a topic from an abstract perspective with a narrative that relates general situations or conditions, or an episodic frame, which develops a narrative around a specific individual or a small group of individuals (Iyengar 1991). Deploying a thematic frame in this context provides a means for the corporate author to distance the discourse from the inherent emotion of the topic. An empowerment frame is introduced in this Web text as well, and it is this empowerment frame that dominates Nike's discourse on this entire topic. "Community" opens with what Johnson-Cartee (2005) terms a roots frame to explain the fundamental causal factors behind the poverty that women experience in such countries as Thailand, Vietnam, Indonesia, and China. The "root cause" of poverty in such underdeveloped countries, according to this text, is the lack of access to capital. While the media has framed Nike as an important party to the injustices inflicted upon impoverished women in these and other underdeveloped countries, through this text and the three that follow, Nike includes itself in what Gamson (1992) calls a collective agency frame, which in this case

conspicuously associates the company with other actors endeavoring to remedy the plight of these women. To that purpose, the text claims that the Nike Micro Enterprise Program "is a proven development strategy, expected to benefit 100 million of the world's poorest families by 2005." The text then uses exemplification to support its claim by describing the Micro Enterprise Program's successful partnership with the Population Development & Community Association, the Vietnamese Women's Union, Opportunity International of Indonesia, Mercy Corps of China, and China Foundation for Poverty Alleviation.

The next two Web texts, "Nike Foundation: Who We Are" and "Nike Foundation: Why Focus on Girls?" reintroduce empowerment and remediation frames. Once more, the frames are both action and value oriented. Nike is seen as investing, contributing, and envisioning. "Why Focus on Girls?" declares that Nike is committed to "empowering girls and young women" because this "increases the pace of social and economic progress. When girls miss out on opportunities, the world misses out as well." Both texts introduce yet again collective agency frames that align Nike with actors engaged in socially desirable problem solving. Additionally, both Web texts make use of thematic frames, frames dealing abstractly with general conditions, and in so doing, magnify Nike's contribution to improving the economic conditions and social status of millions of women in the world's poorest nations.

The fourth and final Web text in this sequence is "Nike Foundation: Case Studies/Bangladesh/Ethiopia/Zambia." This text is extremely important because it is so unusual: It is one of the few on the entire Nikebiz.com Website that makes use of episodic frames. It introduces Naseema of Bangladesh who married at 14, 11-year-old Kidan of Ethiopia, and young Patricia of Zambia. Of course, these episodic frames are intended to shorten the emotional distance between these young women's touching narratives and the undoubtedly sympathetic audience. Again, the text deploys Gamson's (1992) collective agency frame; the text frames the problem that these three young women—and by extension millions like them—face as dysfunctional societies in which adolescent pregnancy, sexually transmitted diseases, and marital violence are the rule. Again, Nike conspicuously situates itself as an actor capable of remediating—at least in partnership with others—these seemingly intractable social ills and empowering the women who are the main victims of these social ills primarily through access to capital, financial and business training, and information on reproduction and legal rights.

Collectively “Community: Giving,” the three “Nike Foundation” Web texts, and others like them on Nikebiz.com substantially but indirectly counter frame media constructions of Nike as a human rights violator and instead construct the company as a catalyst for positive change by empowering millions of poor women in underdeveloped countries to lead better lives.

CONCLUSION

While there those who argue passionately that Nike still refuses to address human rights issues related to its Asian female contract workers (Boje 2001), Nike’s successful communication strategies have nonetheless effectively counter framed these issues in a manner that protects, and even enhances, its reputation for corporate social responsibility. This success was achieved in large part due to Nike’s ability to reframe the debate on its human rights record in a way that won over major media actors, some activists and academicians, the investment community, and a broad range of young people and female consumers. A *New York Times* editorial called Nike a standard setter for contract labor practices abroad, and the *Washington Post* declared that Nike had significantly advanced the human rights agenda (Hollender & Fenichell 2004). The *Journal of Business Ethics and Business and Society* carried pieces that lauded Nike’s corporate values and its cooperation with human rights NGOs (Fombrun & Van Riel 2004). Perhaps most tellingly of all, the investment community and consumers positively responded to Nike’s communication strategies. Although Nike’s sales and share prices stagnated in the late 1990s at the height of the anti-corporate campaign (Klein 2000), the company’s sales, earnings, and share prices had all gained their former momentum by 2003 (www.nike.com-nikebiz: Investors).

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A LONGITUDINAL INVESTIGATION OF ETHICAL DECISION-MAKING: A CONTINGENCY APPROACH

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ABSTRACT

A longitudinal study, following MBAs for ten years, examines influences and resources that managers consider when resolving ethical dilemmas in the workplace. Using a mixed methodology panel study that includes surveys and in-depth interviews, we test theoretical models that assert complex and multi-factorial ethical decision-making processes managers use day-to-day.

INTRODUCTION & LITERATURE

In light of the myriad known and increasingly suspected corporate ethics meltdowns, business ethics has been receiving vigorous attention on many fronts. Post-secondary ethics instruction, especially MBA instruction, has been subject to renewed debate concerning focus and pedagogies (e.g., Driscoll & Finn, 2005; Friedland, 2005; Lund Dean & Beggs, 2006). Codes of ethics and punishments for ethical breaches have been examined for effectiveness (e.g., McCabe, Butterfield, and Trevino, 2006). The role of personal character, a millennia-old favorite, has earned fresh debate (e.g., Hartman, 2006). How legislation and other rules inform ethical decision-making has been spotlighted, especially since Sarbanes-Oxley was signed into law (e.g., Beggs & Lund Dean, 2007; Coates, 2004). And finally, research in moral reasoning has been revitalized (e.g., Conroy & Emerson, 2004; Marnburg, 2003; Mc Devitt & Van Hise, 2002).

The business ethics literature has also grown in a lively and multi-disciplinary fashion. Once perhaps housed in Management, recent literature has explored ethics and its application in all aspects of the business field. Accounting ethics has received almost too much ‘practice’ for academics to explore (e.g., Bampton & MacLagan, 2005; Mele, 2005); Finance also has experienced fresh data and corporate activity to investigate (e.g., Young, 2003). As consumers get increasingly sophisticated at tuning out marketing messages, the Marketing discipline finds itself exploring new, increasingly invasive methods for attracting consumers (e.g., Beard, 2007; Cavusgil, 2007). Management Information Systems/Computer Information Systems research has exploded with relevant content as issues like intellectual property, debugging, and hacking take center stage (e.g.,

(McGowan, Stephens, & Gruber, 2007). And, of course, Management has been deluged with wide-ranging new material, especially related to corporate governance (e.g., Jeffers, 2005; Lacznak & Murphy, 2005). If we may ascertain one major theme within this massive literature, it is that organizational stakeholders are increasingly interested in figuring out why organizational actors make poor, ethically unsustainable decisions, and more importantly, how to combat it.

Emerging in the business ethics literature, both empirically and conceptually, is a third option to the longstanding bifurcation of ‘explaining’ why corporate actors make poor and unethical decisions. In the first field of thinking, called character ethics or virtue ethics, ethical integrity is a function of personal moral strength and fortitude. Virtue ethicists have their roots in Aristotelian thinking and believe that a key to facilitating better organizational decision-making is to have corporate actors reflect upon their own moral compasses and thus choose their own characters (Hartman, 2006). Values systems are applied consistently, regardless of situational pressures or anomalies. Ethics education includes making students aware of possible ethics morasses, distributing self-assessment exercises to discover students’ values, and emphasizing self-respect as a buffer against unethical environments and people (Hartman, 1998; Heath, Hutton, Thorne McAlister, Petrick, & True, 2005). For virtue ethicists, remaining ethical in organizational settings requires knowing one’s moral standards and being willing to act on them consistently.

In the other ‘traditional’ way of understanding ethics, called situational ethics or simply situationists, ethical integrity is dependent upon how organizational conditions affect the organizational

actor. Situationists believe that organizational conditions including culture, leadership, rewards systems, modeling and peer behavior deeply affect ethical decision-making (e.g., Sims & Brinkmann, 2003; Trevino & Brown, 2004; Driscoll & Finn, 2005; McCabe, Butterfield, & Trevino, 2006). In most forms, situationists believe that personal character and organizational conditions interact in complex ways to inform decision-making; employees' decisions stem from how they personally make sense of external messages about right behavior. In extreme forms, researchers such as Harman (2000, 2003) believe that personal character or moral compass is irrelevant in organizational settings with respect to ethical decisions—organizational conditions are simply too powerful to be counteracted by personal ethics or moral grounding.

An increasingly recognized third way of viewing ethical decision-making is understood as a dynamic interaction between individual and organization. One's character, while relatively stable, is also subject to change and maturation and does indeed respond to organizational stimuli (Solomon, 2003). Trevino has been at the forefront of making such a case for a more complex and interactive view of ethical decision-making (Trevino, 1986; Trevino & Brown, 2004; Trevino & McCabe, 1994). Anand, Ashforth, and Joshi (2004) chronicle how organizational norms engage members in a cycle of rationalization toward acceptance of unethical behavior, increasing conceptual understanding of this interaction. Alzola (2007) contends that situational ethicists' arguments are fundamentally flawed and derive from a mis-interpretation of experimental psychology results that suggest ethical character becomes inoperative in organizational environments, and that in fact the relationship is much more organic than has been recognized.

Our study is one of the few empirical examinations of this new option and the only longitudinal ethical decision-making study that we know of in the field. This research project seeks to extend extant knowledge of the factors managers consider when resolving ethical dilemmas in the workplace. The respondent group is former and current MBA students from two universities, Idaho State University and Illinois State University who are working full-time. The title includes 'A contingency approach' to specifically extend extant research into the decision-making context and environment. For example, Conroy and Emerson (2004) and Mc Devitt and Van Hise (2002) tested respondents using a scenario technique wherein respondents rated the

importance of various workplace contingencies on their ethics decision-making. Conroy and Emerson found that respondents' self-reported religiosity significantly affected ethical decision-making outcomes. Weber, Kurke, and Pentico (2003) and Weber and Wasieleski (2001) assert that organizational context, such as the type of dilemma and how employees perceive their direct manager might respond, fundamentally affects ethical judgment and moral reasoning in individuals that, outside the workplace, might have made different decisions. Rettinger and Jordan (2005), in a study of college students, found that a climate of acceptable behavior, or what we would consider to be organizational culture, significantly affected decision-making outcomes in a variety of scenarios respondents rated. This links with Sims and Brinkmann's (2003) findings about the role a "free-for-all" and extremely competitive organizational culture had on the Enron fall. Thus, evidence is mounting that organizational contingencies have significant interplay with how decisions are made in organizational settings, and whether or not those decisions may be considered ethically grounded.

This research project seeks to extend knowledge, using important longitudinal methodology, of the factors managers consider when resolving ethical dilemmas in the workplace. Major research questions include:

1. What organizational contingencies, or situational elements, affect decision-making in a managerial role, outside of objective situational facts?
2. What organizational actors (superiors, peers, etc.) influence managerial decision-making in ethical dilemma resolution?
3. What non-work actors (family, volunteer peers, friends, etc.) influence managerial decision-making in ethical dilemma resolution?
4. What ethical dilemmas did respondents expect to encounter as managers, and which did they not expect but have encountered? How were they resolved?
5. How would respondents have resolved ethical dilemmas differently if they had the chance?
6. What organizational infrastructure (codes of ethics, executive role-modeling, etc.) assists managers in

decision-making?

7. What educational experiences helped respondents make defensible decisions?
8. What training experiences helped respondents make defensible decisions?
9. How has the nature of ethical decision-making changed over time (as we continue to follow respondents through their early careers)?

METHODOLOGY

Resolving some of the methodological deficiencies of past research, our approach is a mixed methodology panel study over ten to twelve years while respondents are moving along in their careers. In a Herculean review, O'Fallon and Butterfield (2005) report that the majority (55%) of extant empirical work in ethical decision-making uses scenario techniques, wherein representative and hypothetical organizational scenarios are rated (usually on a Likert scale) on the acceptability of the decision in an ethical context. Other methods include simple surveys using Likert scales with moderate qualitative information also gathered (e.g., McCabe, Butterfield, & Trevino, 2006). After obtaining signed consent forms, we will use a pre-tested Likert-scaled instrument to gather demographics and preliminary attitudinal information about common organizational contextual issues gathered from the literature, and follow up with respondent telephone interviews using a pre-tested set of questions for extensive qualitative data. Responses will be kept confidential but not anonymous to the investigators, since we'll be matching responses over time. Results will be reported anonymously.

MBAs are particularly attractive as respondents as their career trajectories are generally hastened as compared with their non-MBA peers (Peterson & Ferrell, 2005) and as such they will be exposed to more decision-making scenarios at a faster rate. And, MBAs are 'generalists' in the sense that all business specialist majors are represented. MBAs can be found in any sector of business, making multi-disciplinary study possible. Panel study recommendations (e.g., Creswell, 2003; Patton, 2002) along with current estimates of time spent in most jobs (slightly over two years) put our follow-up with respondents at every two and one-half years as the goal. In our extensive literature review we found no reported longitudinal studies, although given the increased scrutiny of managerial ethics since Enron,

Worldcom, etc., we must believe others have undertaken such studies.

Based on panel study recommendations, the nature of qualitative data analysis (e.g., Creswell, 2003; Rogelberg & Stanton, 2007), and personal consult from the Editor of *Organizational Research Methods*, Herman Aguinis (Aguinas, 2007, June 28), our goal is a minimum of 30 respondents at each institution (Idaho State University and Illinois State University). The methodology is organic in the sense that new respondents may be added on a 'rolling' basis as long as the follow-up intervals are kept constant. A web-based survey including a Likert-scaled rating and ranking process went live in December 2007, and interviews also began at the end of December 2007. We expect close to 100% response rates due to the significant amount of preliminary work done in gaining respondents' agreement to participate, as well as on-going monitoring and nominal incentives (small gifts, thank you notes, etc). To reduce social desirability bias in the survey, survey responses will not be matched with interview responses. To reduce social desirability in the interview, questions will be triangulated during the discussion and examples/stories will be integrated and encouraged. There is no generally accepted norm for respondent drop-out rates in this kind of panel study (Creswell, 2003; Aguinis, 2007) but we are warned to be mindful of the reasons why respondents drop out (if they do) to ascertain impact on representativeness of the sample.

EXPECTATIONS

We expect a representative sample to the extent that each MBA program is representative of managerial corps; any non-representativeness will be acknowledged during analysis and discussion. Commensurate with a mixed methodology, we also acknowledge limitations in generalizability in each article submitted for peer review. We expect that the data will allow us to cluster relatively precise organizational conditions that influence ethical decision-making in the organization. We plan to explore the extent to which respondents believe their own moral compasses influence their decisions. As time goes on, we also expect more complex examples of ethical dilemmas to be shared as managerial responsibility grows.

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CROSS-CULTURAL DIFFERENCES IN EVALUATING EXPERIENTIAL PRODUCT CHARACTERISTICS: THE CASE OF MOTION PICTURES

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ABSTRACT

As a consequence of globalization, marketing scholars are increasingly interested in the limits of generalization of US developed models and theories across cultures. In our study we analyze culture and its influence on the way people evaluate different movie characteristics.

We examine the moderating effect that two of Hofstede's (2001) cultural dimensions, Uncertainty Avoidance and Masculinity, have on five important movie characteristics related to film success as measured by total revenues it generates in different countries. The Uncertainty Avoidance deals with the approach of society toward the uncertainty of the future. Famous actors and big budgets are associated with increased credibility and thus, their presence in a movie will be considered a positive signal and will reduce the perceived risk. The fact that a movie is a sequel also reduces risk because information about the quality of the previous version of the product is already available. A movie's genre provides the consumer with the first, and often most significant, reference point. Societies with prevailing feminine values will prefer "soft-genre" films that emphasize relationships, love and harmony, such as Drama, and Romance. In contrast, countries with prevailing masculine values will prefer "hard-genre" films, such as Action or Thriller, which emphasize ostentatious manliness and portray heroes in a pursuit of visible achievement.

Our sample consists of 136 films distributed in 48 countries from www.mojoboxoffice.com. The total international revenues per capita for each film in different countries serve as our *dependent variable*. Following Sharma, Durand, and Gur-Arie (1981) we perform Moderated Multiple Regression and subgroup analysis together. We find that budget, the presence of stars and being a sequel are considered positive signals for the quality of a movie across cultures, associated with higher revenues only in countries with high Uncertainty Avoidance. In terms of film genre, our results demonstrate, in agreement with our expectations, that Drama as a genre is preferred in cultures with lower Masculine scores. However, the Action genre seems to be a universally attractive genre regardless of the culture of the viewers, and is associated with positive increase in revenues in all countries. On the other hand, Romance as genre has a negative effect on revenues regardless of the cultural values of the audience. Thriller is also negative throughout the whole sample but not significant in the countries with highest Masculine score.

The findings related to movies can be extended to other experiential products such as books, theatrical performances, etc. Future research can identify other factors that are important for the success of movies in international context. After identifying relevant factors countries may be clustered into homogeneous segments and different strategies may be developed and targeted to specific segments.

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GLOBAL BRANDS: COUNTRY-OF-ORIGIN EFFECTS AND TRUST – ANOTHER LOOK

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Abstract

This paper reports the preliminary results of a global, online survey exploring the importance of purchasing global brands in 23 product categories. Product categories ranged from high involvement, durable goods to low involvement, fast moving consumer goods. Respondents reported brands from within their region were more trusted than global brands.

INTRODUCTION

The research reported here extends the literature and discussion of global brands in countries underrepresented in the marketing literature. We look at global brands mainly from the perspective of consumers living outside the United States, in countries such as Nepal, Bulgaria and India. Our research falls within the intersection of country-of-origin and trust. Our article is divided into four sections: First, we review relevant global branding literature. Second, we describe the online survey used to collect the data. Third, we present our preliminary analysis of some of the results. Finally, we draw implications from the data.

GLOBAL BRANDS

Cateroa and Graham (2007) define a global brand as “the worldwide use of name, term, sign, symbol (visual and/or auditory), design or combination therefore intended to identify goods or services of one seller and to differentiate them from those of competitors” (p. 360). For Cateroa and Graham, a global brand is a product or service with uniform characteristics (name, sign, symbol) sold in multiple countries. This approach seems to follow Ted Levitt’s logic that global product standardization creates leverage through economies of scale and reduced costs. Levitt (1993), in his pioneering article, “On the Globalization of Markets,” said, “A powerful force drives the world toward a converging commonality and that force is technology...[This results in] a new commercial reality – the explosive emergence of global markets for standardized consumer products on a previously unimagined scale of magnitudes . . . Gone are accustomed differences in national or regional preference . . . The

globalization of markets is at hand. (pp. 20-22). While the last part of Levitt’s statement *is* true (markets *have* globalized), there is still debate about whether national and regional preferences are gone.

Barron and Hollingshead (2004) provide an alternative definition of a global brand. They state that a global brand is one that “expresses the same values in all of its markets and owns a similar position vis-à-vis its competitors around the world” (p. 9). By defining a global brand in terms of values and positioning, Barron and Hollingshead extend the global brand definition into elements of a consistent marketplace position, wherever in the world the product is sold. This universal platform gives the global brand several advantages including increased leverage with channel partners, economies of scale and increased revenue.

Recently, Holt, Quelch and Taylor (2004) reported findings of their mixed method exploration of how global brands compete. From qualitative interviews conducted in 41 different countries, they explored the importance of global brands as quality signals, as symbols of cultural ideals, as representatives of socially responsible actions and as embodying American values. The first three domains were supported in their research. Holt, Quelch and Taylor developed four global consumers segments as a result: (1) the global citizen, the global dreamer, (2) the antiglobalist and (3) the global agnostic. Four global brand management strategies resulted: (1) think globalness, (2) manage negative brand perceptions, (3) create myths that consumers will believe and (4) treat antiglobalists as consumers.

Central to the research described below is country of origin. Country of origin is the consumer’s

association of a particular country with where a product is designed, assembled or manufactured. Country of origin influences consumer purchase because of the positive and/or negative meanings individuals associate with a specific country. Country of origin is a very well-researched topic. Pharr (2005), most recently, reviewed 51 different studies, some of which were early meta-analyses of the country-of-origin concept (Verlegh & Steenkamp, 1999; Peterson and Joilbert, 1995; Liefeld, 1993; Ozsomer & Cauvusgil, 1991). Pharr (2005) noted that over the years, the country of origin construct has been decomposed into a nuanced concept that includes Hofstede's work on culture, brand image, brand name, consumer levels of involvement, country stereotypes, quality/price relationships, and differentiation (if possible) between country-of-assembly, country-of-parts and country-of design.

Samiee et al. (2005) postulate a new construct called, "brand origin recognition accuracy." Their research found that (a) consumers varied in their accurate recognition of a brand's true country of origin, and (b) respondents inferred country of origin by associating the brand name with a language thought to be representative of a specific country. Samiee et al.'s work supports the general observation that consumers often have and act on stereotypes associated with a particular country.

Research Methodology

The research reported began with an exploration of the global brand perceptions in Nepal. Over time, however, respondents from other countries (such as Bulgaria and India) were added to the core database. The survey's opening section explored the importance of buying a global brand in 23 different consumer categories (Table 1).

The survey also explored which countries were most closely associated with brands the respondents trusted most. We limited country choice to China, France, Germany, Great Britain, India, Japan, Korea and the United States. Respondents could note if the brand they trusted most came from a country not in the list. We also collected basic demographic information: age, gender, home country, employment status, highest education level and whether the respondent was living outside their home country when taking the survey. The entire survey was written in English.

We pre-tested the online survey by having colleagues review and critique it. Based on their feedback, we revised the survey by deleting some of

the original product categories and adding others. Additionally, colleagues confirmed that all product categories had a single meaning. We posted the survey on SurveyMonkey.com. The survey's first page assured all respondents that their answers would be kept confidential and that the identity of every respondent would remain anonymous.

PRELIMINARY RESULTS

A total of 215 individuals, residing in over a dozen different countries, took the survey. Ninety percent of the respondents came from five countries: United States (42.3%), Nepal (27.9%), Bulgaria (9.3%), India (7.9%) and Poland (3.3%). The mix of men to women taking the survey was almost evenly split, with men representing 49.1% of total respondents and women representing the remaining 50.9%. Forty-five percent of the sample reported having some college, while almost 38% of respondents had completed college. A much smaller percentage of respondents had completed a master's agree (16.4%), and a negligible percent their doctorate (0.9%). Respondents' age was skewed toward younger respondents with 47.5% of total respondents being between 19-23 years old. Mean age for all respondents was 26.2 year, with the modal age of respondents was 21 (16.4% of all respondents).

Global Brand Importance

Table 2 presents mean scores for all 23 product categories in rank order. If we look at the first ten products in Table 2 (mobile phones through running shores), we see that these products are all high risk, are all high involvement and, except for a checking account and running shoes, are all technological -- in the broad sense of the word. A credit card is technological in the sense that it embodies the technology part of banking and purchasing. The high risk, high involvement nature of these ten products places increased consumer emphasis on product reliability and dependability. In each case, the consequence of product failure can be significant. We consider a checking account to be high risk because errors in reporting or the inability to access accounts on-demand can result in serious negative consequence for the consumer (e.g., overdrawn accounts, reduced credit scores, account surcharges, etc.).

Table 1. Produce Categories Explored		
A bank checking account	VHS player	Clothes dryer
Shampoo	Refrigerator	Personal credit card
Disposable batteries	Soft drink	Mobile phone
Hamburger - Fast Food	Rice cooker	Coffee
Home computer	Toothpaste	Bottled drinking water
DVD player	Washing machine	Jeans
Running shoes	TV	Motorcycle
Chocolate candy bar	Yogurt	

Table 2. Importance of Buying a Global Brand: Ranked Order of Importance		
Product	Mean	n
Mobile Phone	5.98	202
Home Computer	5.78	199
TV	5.76	205
Credit Card	5.56	184
Refrigerator	5.37	188
Checking Account	5.26	193
DVD	5.11	193
Washing Machine	5.00	183
Running Shoes	4.91	199
Motorcycle	4.92	144
Shampoo	4.78	202
Jeans	4.75	197
Clothes Dryer	4.56	158
Coffee	4.52	180
Toothpaste	4.50	204
Soft Drinks	4.40	196
Bottled Water	4.39	198
Rice Cooker	4.37	157
VHS	3.96	146
Hamburger-Fast Food	3.90	182
Chocolate	3.90	186
Yogurt	3.85	188
Disposal Batteries	3.78	189

Note. Rated on a seven point scale with 1=very unimportant and 7=very important.

We also note the preponderance of durable goods (a TV, a washing machine, a refrigerator, a home computer) in the list of products for which buying a global brand is most important. As noted above, 58% of our sample is from countries with emerging or transitional economies. We hypothesize that in these countries, a durable good's purchase is a risky purchase since it accounts for a larger percentage of total household or total personal budgets than in fully developed economies. Adding to the risk level of these products is the lack of enforceable warranties and guarantees in many of the respondents' home countries (e.g., India, Nepal, Bulgaria, Senegal).

Buying global brands serves to reassure buyers due to their perceived dependability and reliability.

Table 2 also suggests that purchase of a global brand is not very important for low involvement products, such as fast food hamburgers, chocolate candy bars, yogurt and disposable batteries. We suggest, then, a relationship between risk and the importance of buying a global brand. The greater the perceived risk, the more important it is to buy a global brand – and vice versa. Existing research suggests that global brands serve as surrogates for quality. The rankings in Table 2, we believe, confirm

this.

Clearly, all product categories are not created equal relative to the importance of purchasing a global brand. Table 3 presents statistically significant gender differences for the importance of purchasing a global brand. Buying a global brand is much more important for women than men when purchasing a computer, toothpaste, bottled water, a washing machine, yogurt, shampoo, a fast food hamburger, a rice cooker and coffee. Gender roles and patriarchy in countries like India and Nepal can help explain why women more than men would prefer purchasing a globally branded washing machine and rice cooker. In these two product categories, women will have more knowledge about both local and global brands than men. More traditional shopping and family roles in countries outside the United States might likewise explain why women more than men would prefer a global brand of coffee, bottled water, hamburgers and yogurt. With personal grooming products, like shampoo and toothpaste, women may be able to more clearly discern the differences between global and domestic brands than men. Lastly, the importance of buying a computer that is a global brand is again greater for women than it is for men. We hypothesize that buying a global brand reduces the functional, financial and psychological risks associated with computers.

Trusted Countries

Table 4 lists the top three countries for all 23 product categories. Brands associated with the United States were most trusted in 16 categories, while brands from Japan were most trusted in six categories. These results, we believe, can be explained not only by the large proportion of respondents from the United States but also by the intense and highly visible brand campaigns developed for American consumers. To test further the validity of these associations and to remove the distortions caused by unequal numbers of respondents from different home countries, we ran a chi-square test for respondent's home country the country associated with most trusted brand. We reduced the number of respondent home countries to wider geographic regions in the world to increase test power.

Table 5 suggests that respondents trusted brands associated with their specific region of the world. Thus, Eastern European respondents (Bulgarians, Serbians and Poles) trusted primarily brands associated with "Europe," in this case Germany, while respondents from South Asia (Nepalis and

Indians) trusted Indian brands the most. Americans trusted brands associated with the United States. Blanks in Table 5 represent a category in which there was no relationship between product and country associated with the most trusted brand.

DISCUSSION

Overall, our research into the importance of global brands confirms that global brands function as quality surrogates for consumers. Across a wide variety of categories, global brands help reduce the uncertainty and risk associated with high involvement products, many of which are durable goods. Table 5 raises the most interesting questions. Fundamentally, it asks: What is a global brand? Is a global brand, as academics suggest, simply the consistent use of the name, logo, trade dress, value proposition and positioning everywhere the product is marketed? If we look at Table 5, two product categories crystallize the issue: running shoes and TVs. Respondents from the United States said that the brands they trusted most for running shoes were from the United States. We could infer they might mean Nike. Respondents from South Asia (Nepal and India) said they trusted an Indian brand of running shoe. Yet what is a major Indian brand of running shoes? Liberty and Action Shoes, two well-known Indian shoe manufacturers, market running shoes. Yet Adidas, Reebok, Nike market in India as well. Table 5 suggests that these local brands are more trusted than the powerhouse, global marketing machines of Adidas, Reebok and Nike. If local brands are more trusted, global brands would need to make themselves appear "more local." Can global brands be positioned as "global"? This is an intriguing finding that requires more research.

Further, Table 5 leads to speculation about whether consumer ethnocentrism influences country choice of most trusted brand. Eastern Europeans seem to show less ethnocentrism than do respondents from the US or India. Eastern Europeans said they trusted French brands the most for chocolate, DVD players and shampoo. Outside these categories, however, each region consistently preferred brands they perceived as being from their region.

One interpretation is that respondents were unable to distinguish between global brands with consistent positioning everywhere in the world they are marketed and local brands of global companies. For example, respondents from South Asia would be saying that they trust Thums Up, a domestic cola brand owned by Coca-Cola, more than they trust the

Table 3. Importance of Buying a Global Brand By Gender

Product	Means
Computer	Male--5.54 Female--6.03
Washing Machine	Male--4.72 Female--5.34
Shampoo	Male--4.32 Female--5.25
Rice Cooker	Male--3.71 Female--5.05
Coffee	Male--4.14 Female--4.89
Bottled Water	Male--3.91 Female--4.88
Toothpaste	Male--4.17 Female--4.87
Hamburger-Fast Food	Male--3.52 Female--4.28
Yogurt	Male--3.47 Female--4.22

Note. All reported mean differences are significant at the .05 level or less.

Table 4. Brands from this Country Most Trusted

Product	Most Trusted	2 nd Most Trusted	3 rd Most Trusted
Computer (n = 200)	US (37.3%)	Japan (38.7%)	Other Country (4.3%)
Toothpaste (n = 172)	US (58.7%)	India (23.8%)	Other Country (8.7%)
Bottled Water (n = 176)	US (53.4%)	Other Country (26.7%)	India (7.4%)
DVD Player (n = 182)	Japan (67%)	China (10.4%)	US (9.9%)
Washing Machine (n = 167)	US (35.9%)	Japan (35.3%)	Germany (9.6%)
Jeans (n = 174)	US (60.9%)	Other Country (13.2%)	China (7.5%)
Running Shoes (n = 177)	US (54.8%)	China (12.4%)	Other Country (9.6%)
TV (n = 186)	Japan (65.6%)	US (15.1%)	China (7.0%)
Motorcycle (n = 131)	Japan (43.5%)	India (19.1%)	US (18.3%)
Chocolate Bar (n = 167)	US (46.1%)	Germany (10.6%)	Other Country (10.6%)
Yogurt (n = 152)	US (48.7%)	Other Country (28.9%)	India (11.2%)
Checking Account (n = 172)	US (73.8%)	Other Country (11.6%)	India (6.4%)
VHS Player (n = 139)	Japan (561.%)	US (16.5%)	China (13.7%)
Clothes Dryer (n = 141)	US (44.0%)	Japan (17.7%)	China (9.9%)
Shampoo (n = 172)	US (56.4%)	India (14.5%)	France (8.7%)
Refrigerator (n = 170)	US (43.5%)	Japan (27.6%)	India (6.5%)
Credit Card (n = 167)	US (78.4%)	Other Country (10.2%)	India (4.8%)
Batteries (n = 150)	US (39.3%)	Japan (28.0%)	India (8.7%)
Soft Drinks (n = 165)	US (70.3%)	India (12.7%)	Other Country (12.1%)
Cell Phone (n = 186)	Japan (38.2%)	US (27.4%)	Other Country (14.0%)
Hamburger (n = 166)	US (75.9%)	Other Country (11.4%)	India (4.8%)
Rice Cooker (n = 131)	Japan (41.2%)	US (20.6%)	China (11.5%)
Coffee (n = 150)	Other Country (34.7%)	US (32.0%)	India (16.7%)

flagship, Coke. If true, this raises interesting questions about brand advertising strategy and how global brands can build equity.

On the other hand, perhaps the issue is that consumers do not know or care about where a brand has its worldwide headquarters. Maybe respondents are suggesting that a “local brand” is any brand that is sold in my country, independent of corporate headquarters and other marketing campaigns.

Table 5. Country associated with most trusted brand grouped by geographic region.

Product	Region		
	US	Eastern Europe	South Asia
Toothpaste	Trusted US	Trusted Germany	Trusted India
Bottled Water	Trusted US	-----	Trusted India
DVD Player	-----	Trusted Germany and France	-----
Washing Machine	Trusted US	Trusted Germany	Trusted Japan
Running Shoes	Trusted US	-----	Trusted India
TV	Trusted US	Trusted Germany	Trusted India
Motorcycle	Trusted US	Trusted Germany	Trusted India
Chocolate	Trusted US	Trusted France	Trusted India
Yogurt	Trusted US	Trusted Germany	Trusted India
Checking Account	Trusted US	-----	Trusted India
VHS Player	-----	Trusted Germany	Trusted India
Clothes Dryer	Trusted US	Trusted Germany	Trusted India
Shampoo	Trusted US	Trusted France	Trusted India
Refrigerator	Trusted US	Trusted Germany	Trusted India
Credit card	Trusted US	-----	Trusted India
Batteries	Trusted US	Trusted Germany	Trusted India
Soft Drinks	Trusted US	-----	Trusted India
Mobile Phones	Trusted US	Trusted Germany	-----
Hamburger	Trusted US	-----	Trusted India
Coffee	Trusted US	-----	Trusted India

Note. Eastern Europe consisted of Bulgaria, Serbia, Poland while South Asia consisted of India and Nepal. Chi squares were significant at the .05 level or less.

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CONSULTATIVE SALESPERSON CHARACTERISTICS AND DEALER SATISFACTION: AN ENERGY PROVIDER'S OPPORTUNITY

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ABSTRACT

Successful channel relationships have been examined extensively in the marketing literature. Channel member conflict, power, interdependence, satisfaction, trust, and commitment are some of the most extensively studied constructs to date. However, one area which relates to situations in which long term relationships may be devoid of conflict, but where there is a gap between what the more dependent channel partner desires from its more powerful channel partner has not been examined in depth. This paper attempts to fill this gap by studying a seemingly successful channel relationship in the energy sector. In particular, the study addresses the relationship between a multinational energy provider and its U.S. based dealer network. It finds that even in a successful relationship there are significant gaps between what the dealer wants and what is being provided by the more powerful channel partner.

INTRODUCTION

Dimensions of successful channel relationships have been examined extensively in the marketing literature. In fact, the channel literature within marketing is one of the “oldest”—as evidenced in the pioneering works of El-Ansary and Stern (1972) and Stern and Gorman (1969). A multitude of constructs and criteria have been investigated in considerable depth within the context of channel partners’ viability, sustainability, and long-term impact on performance and other outcome measures. The basic premise of much research in the channels literature stems from the fact that successful channel relationships are essential to long-term success of the partners to the exchange (Dwyer 1980; Andaleeb 1996; Houston and Gassenheimer 1987) and that these long term relationships are critical to the viability of the firms in the relationships as they seek “access to markets, generation of repeat purchase, creation of exit barriers.” (Andaleeb p. 77). Channel member conflict, power, inter-dependence, communication, satisfaction, trust, and commitment are some of the most extensively studied constructs in the marketing literature (Anderson and Weitz 1989; Frazier, Gill and Kale 1989; Gaski 1984; Gaski and Nevin 1985; Hunt and Nevin 1974; Lusch and Brown 1982; Boyle et al. 1992; Reukert and Churchill 1984; Dwyer 1980). As early as 1984, Gaski remarked that the rich tradition of channels research was “approaching maturity” (p. 9) as

evidenced by the “regular, empirical attention” (p. 9) given to the subject area.

However, one area which seems to be less examined, at least as evidenced in the extant literature, relates to those situations where long-term relationships between channel partners may be devoid of conflict, but where there is a gap between what the more dependent channel partner desires from its more powerful channel partner. As is well documented in the literature, satisfaction is a key component to channel member success and viability (Dwyer 1980) but this success may be inhibited if there are “member differences in goals, expectations and perceptions” (Dwyer 1980; p. 45).

The primary research question this paper attempts to answer is whether partners in a seemingly successful channel relationship can differ in terms of their needs and indeed the perceived needs of each other, and how the more powerful channel partner can use this information to facilitate a better relationship with its less powerful and more dependent member.

LITERATURE REVIEW

As noted earlier, the channels research has examined channel member satisfaction in

considerable detail. Andaleeb (1996) and others (Dwyer 1980; Frazier 1989) note that firms enter into relationships with others in order to achieve goals which are desired by and benefit both partners. These include market access, market expansion, and profits. Since these relationships are also characterized by inter-dependence, reciprocity, and the ability of one partner to influence the other, they may also create conflict. Research suggests that member satisfaction is a key ingredient to channel success (Robicheaux and El-Ansary 1975; Andaleeb 1996; Crosby, Evans and Cowles 1990; Stern an Reve 1980) and that satisfaction is governed by trust, commitment and dependence (Andaleeb 1996). Andaleeb (1996) found that the sustainability of long term relationships in a channel environment is greatly affected by trust, which in turn leads to satisfaction and commitment. He argues that while power is inherent in any channel relationship, the attainment of power to influence channel relationship may, in fact, be detrimental to the long-term success of the relationship.

In addition, research has shown that satisfaction in a channel relationship is related to other important behaviors such as higher morale, greater cooperation, and fewer relationship problems (Ruekert and Churchill 1984). Research suggests (Ruekert and Churchill 1984) that satisfaction is not a unidimensional construct but rather comprises of five underlying dimensions including social interaction, product, financial, cooperative support, and other assistances. However, these may be a function of the context in which the relationship is being examined. For example, what constitutes satisfaction for the manufacturer in a manufacturer↔retailer relationship may be different from what comprises satisfaction for the retailer.

It is this premise upon which this paper is based—are dimensions of satisfaction indeed different even in a seemingly successful channel relationship? In particular, it addresses the relationship between a major energy provider and its channel members, and assesses what the energy provider considers the needs of its channel partner (and accordingly fulfills these needs) and what the channel members themselves view as their most critical needs.

METHODOLOGY

The study sample comprises of a major multinational energy company and its U.S. based dealer network. A multi-phase study was conducted to develop, refine, and administer the survey. The

survey instrument was pre-tested with 20 members of the dealer network and subsequently administered to over 200 dealers. Dealers were contacted by corporate management and encouraged to participate in the study. They were assured confidentiality in the process. The surveys were completed by dealers within a two-week period. Once collected, the data was entered into SPSS for analysis. In addition, dealers were provided open-ended questions and their responses were coded and analyzed using thematic content analysis.

FINDINGS

Initial editing found that all 219 surveys completed and submitted by the dealers were acceptable for data analysis. Consultative salespeople represent the energy provider and are responsible for developing and maintaining profitable relationships with the dealer network. A total of 21 different consultative salespeople were represented in the study with dealer responsibility ranging from 7 to 19 dealers per consultative salesperson. Four general areas of dealer satisfaction with their respective consultative salespeople were addressed: 1) Consultative salesperson personal characteristics; 2) Consultative salesperson value adding activities and dealer perceived importance of these activities; 3) Consultative salesperson skill sets, and 4) Consultative salesperson–dealer interface frequency.

In general, the energy provider's dealers are relatively satisfied with the overall performance of their consultative salespeople. Two anchor variables concur that most dealers believe that their consultative salespeople are generally helpful with their business concerns and that the overall service provided by their consultative salespeople is acceptable. It should be noted, however, that not all dealers have similar opinions of their consultative salespeople and their performances. As is illustrated in Table 1, while the means of both anchor variables are generally positive (3.85 and 3.73 on a 5-point scale with 5 being positive), there is a broad range of responses.

Dealers also have a good deal of professional respect for their consultative salespeople. With all but one of the personal characteristics addressed in the study, consultative salespeople receive a mean score of 4.00 or higher on a 5-point scale with 5 being positive (Please see Table 2). Dealers find their consultative salespeople to be professional and trustworthy, and to a slightly lesser extent, reliable,

Table 1: Dealer Satisfaction

Anchor Variables	Mean	Std. Dev.	CS Low	CS High
CS is helpful with my business concerns	3.85*	1.33	2.50	4.86
The overall service that my CS provides is:	3.73**	1.33	2.50	4.71
Dealer Satisfaction Mean	3.79			

*1 = Strongly Disagree; 5 = Strongly Agree; **1 = Unacceptable; 5 = Excellent,

Table 2: Consultative Salesperson Personal Characteristics

Personal Characteristics	CS Personal Characteristic Mean	Std. Dev.	CS Low	CS High
Professional	4.30*	1.08	3.45	4.80
Trustworthy	4.27	1.15	3.50	4.93
Reliable	4.05	1.28	2.92	4.86
Responsive	4.00	1.31	2.67	4.86
Efficient	3.94	1.28	2.75	4.71
Mean of all five personal characteristics	4.11	1.22	3.06	4.83

*1 = Strongly Disagree; 5 = Strongly Agree

Table 3: Consultative Salesperson Performance--Value Adding Activities

Dimension	CS Perf. Mean	Std. Dev.	CS Low	CS High
CS is easily accessible	4.03*	1.32	2.75	4.86
CS has adequate business experience	3.91	1.28	2.38	4.71
CS has the required skills	3.85	1.31	2.50	4.71
CS is genuinely concerned	3.78	1.41	2.25	4.86
CS communicates dealer concerns to Dealer	3.72	1.49	2.29	4.71
CS has the necessary training	3.72	1.40	2.25	4.71
Meetings with CS are productive	3.54	1.46	2.38	4.43
CS spends enough time at dealership	3.18	1.58	1.75	4.50
CS has enough authority	3.15	1.57	2.25	4.70
CS is a business partner	3.06	1.62	1.83	4.29
I consult w/my CS prior to making decisions	3.06	1.60	2.00	4.10
CS consults w/me regularly to improve my sales	2.98	1.58	1.83	4.20
CS consults w/me regularly to improve my profits	2.87	1.58	1.75	3.80
Mean of all 13 value-adding activities	3.45	1.48	2.17	4.51

*1 = Strongly Disagree; 5 = Strongly Agree

responsive, and efficient. With a mean score of 4.11 regarding the 5 personal characteristics examined, it is evident that dealers view their consultative salespeople very positively. As before there exists a broad range of scores on this dimension as well.

The energy provider considers a number of tasks to integral to the success of their consultative

salespeople when interacting with their dealers. These characteristics are listed in Table 3. Survey participants were asked evaluate their consultative salespeople on each of these dimensions.

As is illustrated in the table, accessibility, business experience, genuine concern, and communication abilities are examples of some of the

Table 4: Consultative Salesperson Skill/Capability – Dealer Perceived Importance/Performance

Skill/Capability	Importance	Performance	Difference
1. Communication	4.50*	3.98**	0.52***
2. Customer Service	4.33	3.93	0.40***
3. Energy Marketing	4.22	3.60	0.62***
4. Leadership	4.18	3.79	0.39***
5. Retail Operations	4.14	3.64	0.50***
6. Strategic Thinking	4.13	3.61	0.52***
7. Time Management	4.02	3.68	0.34***
8. Category Management	3.96	3.51	0.45***
9. Business Plan/Dev.	3.94	3.42	0.52***
10. Merchandising	3.80	3.42	0.38***
11. Financial Analysis	3.64	3.34	0.30***

*1=Not at all Important; 5=Extremely Important; **1=Not Very Well; 5=Extremely Well

***Significant at p< 0.05

skills that a consultative salesperson is expected to have. It should be stressed, however, that dealers rated their consultative salespeople on how well they *perform* these value adding activities, *not how important* each of these activities are to the dealers. Findings indicate that consultative salespeople are, in general, quite competent with regards to activities that could be considered more tactical in nature, but are perceived to be less resourceful with bigger picture or strategic activities. Activities such as being accessible, having necessary experience and skills, showing genuine concern, and communicating are obviously important value adding activities but they may not be viewed as being as strategic in nature as some other activities. It is probably not a coincidence that the bottom three ranked activities *all* contain the word “consult”. This could mean that the consultative salespeople may be more tactical in nature, or that they respond well to dealer needs, but are providing less strategic guidance.

In order to better understand what dealers considered as more important activities, they were asked to rate various skill sets that they believed were important in a consultative salesperson. These skills are listed in descending order of importance in Table 4.

Interesting comparisons can be made between the *importance* that dealers place upon specific salesperson skills/capabilities and the *level of performance* that salespeople demonstrate. What is particularly intriguing is that in several cases, the difference between *importance* and *performance* is significant considerable. For example, dealers believe that “communication” is the most important skill required of their consultative salespeople and also believe that their consultative salespeople are

more competent with this skill than they are with any other skill/capability tested. Dealers consider communication to be the most important skill. However, salespeople perform at a relatively lower level than the importance placed on this skill. This difference as evidenced by the lower score for *performance* than for *importance* is common among *all* of the skills/capabilities tested, and in all cases the difference is statistically significant.

On the other hand, dealers generally believe that their consultative salespeople are considerably more competent in terms of their more important (as perceived by the dealers) skills than they are at less important skills. It should be noted that consultative salesperson performance generally declines as one reads down the list in Table 4. It is also interesting that while dealers believe some skills are more important than others, nearly all the skills evaluated are considered to be relatively important (9 out of 11 skills have scores of 3.9 or higher on the 5-point scale).

As shown in Table 5, six value activities were identified by dealers in their open-ended responses as being important to dealer satisfaction. These activities include: 1) Accessibility and responsiveness; 2) Better link to corporate management; 3) Assistance with long strategy development; 4) More authority with critical decision making; 5) Help with pricing, and 6) Specific help with marketing and promotional activities. While some of these activities were previously addressed with questions designed with energy provider input, others are unique to dealer insight.

These findings are quite consistent with results that were reported earlier on the value adding

Table 5: Dealer Opinion of Activities that Could Add Value Responses to Open-Ended Questions

Activity	Percent of Total Dealers
1. Accessibility and responsiveness	25%
2. Better link with Energy Provider	20
3. More help with long-term strategy (e.g., competitive conditions, market conditions, trends, merchandizing ideas)	16
4. More authority to make decisions that matter	16
5. More help with pricing	13
6. Specific help with marketing and promotions	7

Table 6: Dealer Visit Frequency

Visit Frequency	Actual	Desired	Difference
1. More than once/week	3.7%	2.7%	1.0
2. Weekly	14.6	19.2	-4.6
3. Monthly	45.7	60.3	-14.6
4. Quarterly	18.3	7.3	11.0
5. Bi-Annually	9.1	0.5	8.6
6. Annually	2.3	0.5	1.8
7. Less than once/year	1.4	0.5	0.9
8. Never	2.7	2.3	0.4
9. Don't Know/Refused	2.3	6.8	-4.5

activities in Table 3. The terms responsiveness, accessibility, authority, communication, link with the energy provider, assistance with routine operations as well as strategic guidance come up often. Clearly, these are the competencies that the dealers value most and that they expect the salespeople to provide. It is pertinent to note that dealers generally believe that their consultative salespeople are doing what they can given their limited authority for decision making and the limited time they can devote to each dealer. They appreciate their consultative salespersons' responsiveness and concern but are frustrated because the consultative salesperson has little time to devote to helping dealers with their long-term strategic decisions. This feeling is further validated by the finding that many dealers would like the salespeople to visit more frequently. As Table 5 illustrates, over 60% of dealers are visited monthly, weekly, or more than once a week, but over 80% of dealers would *like to be* visited monthly, weekly, or more than once a week. On the other hand, over 27% of dealers note that they are called upon only quarterly or bi-annually; very few dealers (less than 8%) desire such infrequent visits.

The importance of more frequent visits is clearly related to dealer satisfaction. As illustrated in Figure 1. Dealers who receive more frequent visits are more pleased with their consultative salespeople.

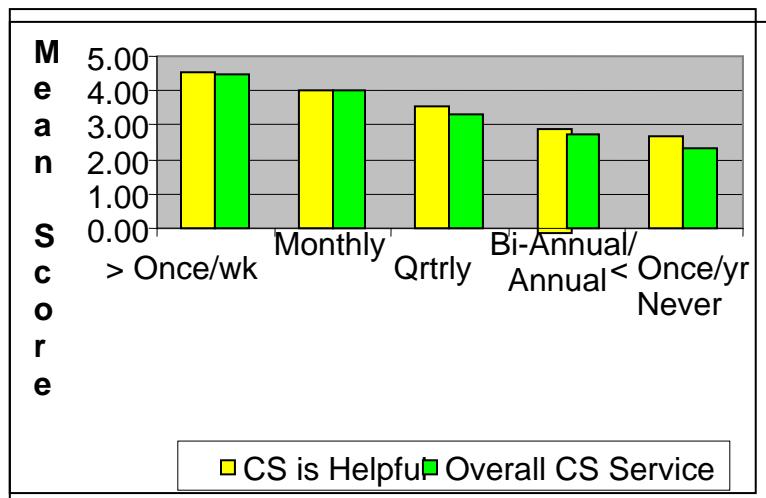
There appears to be a clear and positive correlation between the frequency of consultative site visitations and dealer satisfaction with the consultative salespeople.

DISCUSSION AND SUMMARY OF FINDINGS

The study investigated four distinct aspects deemed important to dealer satisfaction as identified by the energy provider's corporate management — value adding activities that consultative salespeople perform for dealers, the specific skills that consultative salespeople possess, consultative salesperson's personal characteristics as seen by the dealers, and the nature of the dealer-consultative salesperson interface.

Findings suggest that dealers are relatively satisfied with the overall performance of their consultative salespeople, even though there is a wide variation in the performance of individual salespeople. This definitely suggests that there may be room for improvement in this dimension. What is perhaps more problematic is that while consultative salespeople perform better in areas deemed more important by their dealers, there is a significant gap between consultative salesperson performance and the importance that dealers place on salesperson activities. It is also clear that more frequent

Figure 1: Consultative Sales Person Dealer Visit Frequency and Dealer Satisfaction



salesperson visits are correlated with a higher level of dealer satisfaction.

Marketing literature has investigated the concept of channel member satisfaction in much detail. However, much of this research has been conducted with an underlying premise that if channel relations are harmonious, i.e., devoid of conflict, power imbalances, and coercive behavior, channel member satisfaction will be high. However, little has been said about those channel relations where there is no apparent conflict. As our findings suggest, even in these relationships attention must be paid to what the more dependent channel member (in this case the dealer), requires from the more powerful channel member (in this case the energy company) and what is being provided. Significant gaps in these expectations can, in the long run, result in dissatisfaction for both channel members, which in turn can affect the relationship negatively. From a managerial perspective, more attention needs to be paid to better understand the needs of channel partners to sustain a more satisfactory channel partnership.

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A DIFFERENT TYPE OF RADICAL INNOVATION FOR INCUMBENT FIRMS

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ABSTRACT

Studies have described how different radical innovation projects are compared to incremental innovation projects. In this study, a new type of radical innovation project is identified, one that is low in future-market focus. This type differs dramatically from the high future-market focus radical innovations that have been described.

INTRODUCTION

Today's business environment is marked by intense competition, globalization, shortened product life cycles, high rates of technological change, and indeterminate industry boundaries (Day 1996; Griffin 1997; Leifer et al. 2001). Innovation is seen as the key to new product success and corporate renewal and growth (Danneels 2002; Hurley and Hult 1998; Kohli and Jaworski 1990; Leifer et al. 2000; Lukas and Ferrell 2000; Narver et al. 2004; O'Connor and Rice 2001). Innovation has been an important topic of debate and discussion within both the academic and practitioner communities over the past decade.

In studying innovation, scholars generally agree that there are two dimensions against which innovations are measured: technological change and market impact. Innovations that are low on both dimensions are known as incremental innovations, and are usually improvements to existing products. The vast majority of all innovations are incremental, and they have helped businesses continually improve their business processes through benchmarking, developing, and monitoring metrics of performance (Garcia and Calantone 2002; Griffin 1997; Lynn et al. 1996). Innovations that are high on both dimensions are generally referred to as radical innovations. These are relatively rare, but have the potential to dramatically impact industry structure and firm dominance (Garcia and Calantone 2002; Leifer et al. 2000; Leifer et al. 2001; O'Connor and Veryzer 2001).

Because of their potential for reshaping entire industries, radical innovation new product development projects have been the subject of a great deal of scholarly research in recent years. In particular, the question of whether new market entrants were more likely to introduce disruptive

technologies (a concept related to radical innovation, and described in the Literature Review section) than incumbent firms was introduced by Christensen (1997). This debate sparked a longitudinal study by a team of researchers from the Rensselaer Radical Innovation Research Project that examined radical innovation new product development projects at large, established firms. The team members described, in a book and a number of articles, how different radical innovation projects were compared to incremental innovation projects. Specifically, radical innovations follow a process that iterates between innovation, discovery, and opportunity recognition that could take several years before a concept could proceed along the traditional new product development process (Leifer et al. 2000; Lynn et al. 1996; O'Connor et al. 2002; O'Connor and Rice 2001; O'Connor and Veryzer 2001; Rice et al. 2001).

The debate about firm incumbency led another team of researchers to examine attitudinal traits of incumbent firms that successfully commercialized radical innovations. Chandy and Tellis (1998) found that companies that successfully commercialize radical innovations have an attitudinal trait – they are willing to cannibalize existing investments (in products, assets, or organizational routines) in order to innovate. One factor that positively impacted firms' willingness to cannibalize is what the authors termed a *future-market focus*. Business units rated high in future-market focus pay relatively more attention to future markets and competitors than existing markets and competitors (Chandy and Tellis 1998). Although this study showed a positive relationship between future-market focus (FMF) and successful commercialization of radical innovations, there have been no follow-on studies that examine whether radical new product innovation projects rated high in FMF are different than radical new

product innovation projects rated low in FMF. This is an important question because incumbent firms have rich experience with existing products and competitors, access to existing customers, and may be more ideally suited to search for and successfully introduce low-FMF than high-FMF radical innovations. The purpose of this paper is to explore the differences found between the concept generation and evaluation stages of a low-FMF and a high-FMF radical new product innovation project.

LITERATURE REVIEW

Most scholars studying innovation agree that there are two dimensions to innovation: technology and market impact. Innovations have been classified in a number of ways: incremental, radical, disruptive, really new, and new-to-world, to name a few. The terms incremental and radical are widely embraced; there is, however, general recognition that there are innovations between the two ends of this innovation continuum. Chandy and Tellis (1998) proposed a typology that included the two dimensions, and further specified that market impact is measured by customer benefit per dollar. Table 1 depicts this typology, which introduced the categories of technological breakthrough and market breakthrough. A technological breakthrough is a product that is based on new technology but that does not yield a higher customer benefit per dollar. An example is electronic imaging, which at least initially did not offer substantially improved resolution over celluloid film (this is no longer the case, but at its introduction it was). A market breakthrough is based on core technology that is similar to existing products but that offers substantial improvement in benefit per dollar. An example is cable television signal compression, which offers a dramatic improvement in the number of cable channels available over the existing cable infrastructure. A radical innovation is based on new technology and offers substantial improvement in terms of benefit per dollar (Chandy and Tellis, 1998). An example is the personal MP3 player, which is based on new technology and provides a user with thousands of songs at their fingertips in a device scarcely bigger than a credit card. This typology was selected for adoption in this study because it incorporates the two main dimensions, and it clearly indicates that radical innovations must be rated high on both market impact and technological change.

The Rensselaer team detailed many characteristics of radical innovation projects in the early stages of new product development (i.e., concept generation and screening). In a longitudinal study of 12 radical innovation projects in large

established firms with central R&D labs, the team documented that the projects did not proceed smoothly from ideation through to commercialization. In fact, the front-end of the process was marked by iteration between innovation, discovery, and opportunity recognition that can take many years. DuPont's Biomax, a radically new, environmentally-friendly polyester film that can be recycled or decomposed, represents an example. Over a ten-year period, the project was marked by starts and stops, discontinuities, and changing team members while a market application for the new technology was sought (Leifer et al. 2000). O'Connor and Veryzer (2001) studied the process of market visioning, in which an advanced technology is linked to market opportunities (i.e., the concept generation and evaluation phases). They stated that this process has three components: motivation, insight, and elaboration. Motivation focuses intent, attention, or energy and can be provided by a number of drivers. Insight is the critical connection or leap in thinking that allows the idea to germinate or advance. Elaboration is when the technical feasibility and market opportunity are brought together. They found that direct customer input was rare in the visioning process, but that a sense of the customer need and potential market impact needed to be provided by at least one member of the early new product team. They also found that traditional financial measures were not used to evaluate early radical innovations; instead, the potential for opening new lines of businesses or the possibility to provide benefits to a variety of markets were examined (O'Connor and Veryzer 2001). The implication of these studies is that the familiar stage-gate process does not work for radical innovations, and yet a new process that works for radical innovations has yet to be identified or theorized.

Christensen's (1997) original work on the subject contradicted Schumpeter's (1942) seminal piece that stated that large firms pursue innovation more intensely than small firms. The rationale was that large firms have greater access to scientific talent and financial resources, and they are able to spread risks more widely than small firms. However, Christensen (1997) and Christensen and Overdorf (2000) pointed out several disadvantages that large firms have for innovation. Large firms are more bureaucratic, slower to react, unwilling to risk sales cannibalization of existing products, risk averse to pursue initially small and uncertain markets, enamored by their own success, and held captive by existing value networks of customers and suppliers.

Table 1. Levels of innovation.

Newness of technology	Customer need fulfillment per dollar	
	Low	High
Low	Incremental innovation	Market breakthrough
	Technological breakthrough	Radical innovation
High		

From "Organizing for radical product innovation: The overlooked role of willingness to cannibalize" by R. K. Chandy and G. J. Tellis, 1998, *Journal of Marketing Research*, 35(4), p. 476.

In addition, he argued that listening too closely to existing customers is dangerous, particularly to incumbent firms. Existing customers tend to express needs that result in incremental improvements to existing products, and they may not necessarily understand or value new products that are based on what he called *disruptive innovations*. By Christensen's evolving definition of disruptive innovations (Christensen 2006), these could include three of the four cells of the Chandy and Tellis (1998) matrix (all cells except incremental innovations).

The concept of future-market focus was developed in the context of the debate of whether large, incumbent firms could successfully commercialize radical new product innovations. By definition, firms or strategic business units rated high in FMF paid relatively more attention to future markets and customers and the actions of future competitors. Chandy and Tellis (1998) found that firms rated high in future-market focus were more willing to cannibalize existing investments in order to innovate. These authors specifically tied this future market orientation to radical innovation. However, their findings are consistent with other studies that differentiate between firms that are oriented to the future more than the present. Narver, Slater, and MacLachlan (2004) differentiated between responsive market orientation, in which the business attempts to discover, understand, and satisfy the expressed needs of its existing customers, and proactive market orientation, in which the firm attempts to understand latent needs of both existing and potential customers. Similarly, Jaworski, Kohli, and Sahay (2000) differentiated between market-driven behavior and market-driving behavior. Future-market focus, proactive market orientation, and market-driving behavior have a common attribute or trait: firms that focus on the future more than the present. The unique aspect of future-market focus is that it includes the concept of future competitors or

competitors' future actions, thereby taking a more holistic view of the market.

The current literature on radical innovation acknowledges that radical innovations require different processes and evaluation criteria than other types of innovation. The debate about firm incumbency and size has resulted in a number of case studies illustrating examples of incumbents that both fumble and succeed in commercializing radical innovations. A future market orientation has been shown to be a factor in successfully commercializing radical innovations. What is missing in the literature is an understanding of how the level of future-market focus interacts with the creation of radical new innovations.

METHODOLOGY

This paper focuses on two cases that were a part of a larger study of seven new product development projects. The larger study was designed to evaluate how future-market focus interacted with concept generation and evaluation for each of the four types of innovation. It paired high-FMF projects with low-FMF projects in each of the four quadrants of the Chandy and Tellis (1998) innovation typology. The project only included seven projects because a high-FMF technological breakthrough was not found. This paper focuses on the low-FMF and high-FMF radical innovations.

Because no rich theory exists that addresses the research question, a qualitative, exploratory study was appropriate as prescribed by Eisenhardt (1989), Eisenhardt and Graebner (2007), and Glaser and Strauss (1967). To further specify the examination of FMF and its role in the early phases of innovation, the study focused on four specific aspects of concept generation and evaluation: a) sources of new product ideas, b) project team selection, c) processes used, and d) favorable initial screening decisions based on the studies of radical innovation projects.

Sampling for case study research for developing theory is done using theoretical rather than statistical sampling. Cases are selected in a purposeful way so that variation is maximized. This allows for the development of rich theory that allows the researcher to obtain evidence on the distribution of variables and factors in the population of interest (Eisenhardt 1989). Firms were recruited to participate in the study from a convenience sample of firms to which the researcher had sufficient access at an executive level. The goal was to identify incumbent firms that operated in similar market environments so that the

different market environments did not interact with the results. The researcher evaluated ten projects from four firms in order to ultimately obtain seven projects from two firms used in the study. The senior contact at each firm was shown the typology of innovation and asked to identify a few recent projects of different innovation types. The two firms selected for the study were somewhat similar and could offer the widest variety of products. The projects were rated on FMF using a measure based on the original Chandy and Tellis (1998) FMF measure, but modified to reflect project-level FMF (the original study examined SBU-level FMF). Semi-structured interviews were conducted with team members who were personally involved in the early stages (concept generation and evaluation) in each project. In each of the areas, the skills of individuals involved, the role of upper management, the level of existing and evolving market and competitor knowledge, and the strategic background of the project were examined.

FINDINGS

The high-FMF radical innovation project, offered by Company B, exhibited many of the characteristics documented by the Rensselaer team in their study of radical innovations at incumbent firms. The project was initiated by the scientific discovery of a new material and a process to manufacture it at a relatively low cost. The new material provided a dramatic increase in the customer benefit on the main performance factor, but at a higher price than existing material. Prior to this project, the vast majority (more than 90%) of Company B's revenues came from the lower end of the market, which was seasonal and easily affected by economic downturns. The company's President and CEO had long sought to find ways to compete in the more profitable and stable higher end of the market. When he heard of the new discovery, he obtained a sample. Coincidentally, the size of the sample was just right to be used in a product that would be targeted to a particular market segment in the higher end of the market. The president proceeded with the project because he envisioned the potential impact the new technology could have for all market segments. The reaction to the original product was favorable, and now the company continues to pursue other market segments in a probe-and-learn fashion. The company is competing against a new breed of competitors in market segments it had not addressed in the past, which is essentially the definition of a high-FMF project. This project demonstrated the market visioning and probing-and-learning processes described in the literature.

The low-FMF project, offered by Company A, was dramatically different. In the four specific aspects of concept generation and evaluation examined, the differences in two aspects (concept generation and team composition) can be explained as firm-specific or project-specific differences. However, there were marked differences based on FMF level in the remaining two aspects, processes used and screening criteria for initial approval.

This project was initiated by upper management; their specific charge to the team was to come up with a breakthrough in a particular product area. The team was given the time and resources necessary to thoroughly study both the competition and the market needs. This interdisciplinary team of senior engineers, technicians, and one product manager spent approximately one year in certain up-front activities: thoroughly benchmarking the performance of all available products in the industry on a number of performance factors, discussing with current customers what key performance factors they valued and attempting to uncover unmet needs, and meeting and talking with experts in related industries and external testing organizations. At the end of this process, the team planned a brainstorming meeting and invited some additional technical experts. This meeting yielded a basic concept that to the meeting participants appeared to be the most promising approach of any discussed during the brainstorming. The technicians on the team had an initial prototype done within days of the meeting.

The prototype evolved over time, and later versions were given to customers to use. The feedback was not consistent. Some customers thought the product would be too disruptive to their current processes. Others loved the product. Internal testing showed that the product did not exceed existing products on one performance factor. However, it was a different performance factor that was deemed important by the customers that favored the product. Because of the inconsistent feedback and worse-than-anticipated internal testing performance, the project was at risk of being killed by management. The team, at the urging of a senior sales executive that was a proponent of the product, went back to a customer who loved the product and videotaped a short segment, showing the customer using the product and discussing why it would be beneficial to their operation. This video, which was shown at a meeting to decide whether to terminate the project, is credited for saving it. The product has since been released, and has gained widespread customer support.

This project is different than the high-FMF radical innovation (and other radical innovations documented in the literature) in that it was initiated with a strategic intent to create a breakthrough product, not by the availability of a new technology. The processes in the early stages started with a deliberate and deep understanding of the market and competitive environment. The team commercialized a single product that was fairly fully-formed once the concept was proven, while the high-FMF project was marked by probing-and-learning to create multiple products. The team required enough positive response by the existing customer base to make management comfortable with releasing the product, while the high-FMF radical innovation was easily approved by the President and CEO because he was performing market visioning.

CONCLUSIONS

The results of this study are important to both scholars and practitioners. It identifies a new type of radical innovation, the low-future-market focus type, that offers a more complete view of radical innovation projects in the early stages. High-FMF projects are usually initiated by the scientific discovery of new materials or other basic technologies. By contrast, the low-FMF project was initiated by a strategic intent on the part of management to radically change an existing product area. High-FMF projects can take years to identify the appropriate market application of the technology, and iteration as new market opportunities are sensed is not unusual. By contrast, the low-FMF product concept was almost fully formed as soon as the new technical approach was validated. High-FMF projects are often supported because of market visioning, the imagining of key decision makers of how the radical innovation could eventually impact the industry. Low-FMF projects face a difficult dilemma. By definition, these products are defined to meet the needs of existing customers. Yet, the radical level of technological change may be rejected by these very same customers.

The low-FMF case offers some insight into what management at incumbent firms can do to successfully identify and commercialize radical innovations aimed at existing customers and competitors. First, the team must be given the time and resources to fully study existing solutions. Market research at this stage should be focused on understanding the key performance factors sought by customers and their relative importance and understanding the limitations or frustrations of existing approaches. When a product concept is

formed after this period of study, validation of the concept should be sought from a variety of customers, and the team and management must understand that some customers will resist radically new technology and some feedback will be negative. If a segment of customers can be found that will embrace the new technology, every attempt should be made to capture the feedback, using it to refine the target market for the radical innovation. But this type of innovation is possible, and it could be an important source of corporate renewal for incumbent firms.

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CUSTOMER VALUE CREATION: AN EMPIRICAL INVESTIGATION OF A MARKET-ORIENTED MODEL

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ABSTRACT

This paper reports a study that focuses on the role of market orientation, perceived value and market performance in the context of customer value creation. This has been the subject of numerous conceptual discussions but to date few empirical findings have been advanced. Conceptualising customer value creation involves considering the contributions of four strands of literature: research into market-oriented strategies, into the consequences of market orientation, into how value is perceived by the customer from a dual perspective and into a subjective market performance indicator: customer satisfaction. Customer value creation is conceptualised in the form of a sequence of relationships between these variables, within the reference framework of integrated "market-oriented value creation" models. These models notably identify the market mechanisms through which organisational performance passes, i.e. how market orientation influences perceived value, which in turn influences market performance (i.e. customer satisfaction). We also assume a direct relationship between market orientation and market performance (i.e. customer satisfaction).

The methodology consisted of a double data collection: 146 managers from 54 corporate brands evaluated their market orientation level and 425 customers/purchasers evaluated the perceived value of the branded products that these companies market and expressed their level of satisfaction regarding these same products. Scale measures are validated via exploratory and confirmatory factor analyses. The influence of market orientation on perceived value and satisfaction is examined using multiple regression analyses based on an "average/aggregate score" per variable.

Study findings support the theory relating to correlation between market orientation, perceived value and market performance. Moreover they indicate how perceived value affects market performance (i.e. customer satisfaction) whereas market orientation has no direct effect on market performance (i.e. customer satisfaction). This corroborates the theory that a business that creates value which the consumer perceives to be superior will see improved market performance (i.e. customer satisfaction).

In terms of managerial implications, managers should consider the gap that exists between normative and behavioural dimensions, or those observed, of an organizational culture. The reduced gap between stated, anticipated and effective market orientation, i.e. as it is practiced on a day-to-day basis, would then be a critical factor influencing performance. This issue reminds that managers should focus less on the definition and more on execution problems that a customer value creation strategy deals with. Anyway, creating more customer value leads to better market performance (i.e. customer satisfaction).

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AN EXAMINATION OF DECLINING FIRST-MOVER LEAD-TIME: A TWENTY-YEAR STUDY OF NEW PRODUCT ANNOUNCEMENTS

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ABSTRACT

This paper examines first-mover lead-time, widely believed to be the key variable in determining the value of first mover advantage. Specifically it is suggested, that first-mover lead-time has been significantly decreasing since the mid nineteen eighties. If true, it is likely that the value of first-mover advantage has been correspondingly decreasing.

Several studies support the concept of declining lead-times. The most compelling evidence to date of a constricting lead-time for first movers is provided by Agarwal and Gort's (2001) study of 46 new product introductions, which showed a decline in lead-times from an average time span of almost 33 years at the end of the Nineteenth Century to 3.4 years for innovations from 1967 to 1986.

A structured content analysis was performed, utilizing the *Wall Street Journal* to identify the timing of new product announcements and subsequent announcements by competitors of their entrance into the market, because it is considered the newspaper of record for financially relevant events. Because announcements of second and third entrants are often not considered newsworthy enough to warrant their inclusion in the *Wall Street Journal*, the *New York Times* and Lexis/Nexis database were also searched to identify followers in order to achieve an adequate sample size. The sample was divided into two ten-year timeframes (1985-1994) and (1995-2004) to assess whether first-mover lead-time was indeed decreasing.

In this twenty year study of 423 new product announcements (1985-2004) it was discovered that average first mover lead-time (the time elapsed between the first mover's announcement and the second entrant's announcement of an imitation product) did decline markedly to 321 days, far less than the 3.4 years found in Agarwal and Gort's 2001 study. In addition, average lead-time declined from 369 days (1985-1994) to 266 days (1995-2004), a 28% decrease. This finding was extremely important because if the average time during which the first-mover can earn monopoly-like profits and achieve innovator status in the minds of consumers has decreased by 28% during the 1995-2004 timeframe, then it is likely that the value of first mover advantage would have decreased as well.

In conclusion, this work has been successful in extending the research effort of Argarwal and Gort (2001) by confirming that first-mover lead-time has continued to decline over recent years. However, despite the potential detrimental effects of declining lead-time, it can be surmised from this research and previous work that first-movers can put themselves in a more favorable position if they can build adequate capacity, innovate to meet changing technologies and customer needs, develop and sustain a reputation for quality, and fill up market niches. In addition, more rigorous new product advertising, coupled with a penetration pricing strategy, could also expedite the adoption process of the first-mover's product offering.

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MANAGING SPORT SPONSORSHIP ACROSS BORDERS: EXAMINING FIT BETWEEN A SPONSOR AND A SPONSEE IN A MULTIPLE-COUNTRY SAMPLE

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ABSTRACT

In today's competitive global environment companies have become more vulnerable to competitors from all corners of the world while at the same time the establishment of sustainable competitive advantage by companies has become a complex and difficult task. One way firms have been successful in maintaining competitive advantage has been in establishing strong brand and corporate names that are synonymous with quality, durability, and value (Keller 1993). In order to strengthen their brands, companies spend significant amounts of money and resources on marketing-related activities. Although a significant number of alternative methods are being used to communicate brand message to the consumer, the majority of marketing resources are spent on traditional advertising. Sponsorship is one of these alternative methods.

The purpose of this paper is to address sponsorship, a marketing activity on the rise which promises to be a contributory factor to the establishment of stronger and more durable brands of tomorrow. Specifically, we examine the fit between a sponsoring firm (brand) and a sport team being sponsored. This area lacks in research, and as such, presents a gap in literature that needs to be addressed. By utilizing secondary data, we examine four factors (geographic proximity between partners, global exposure of partners, partners' common audience, and number of sponsors that each sponsee has) that potentially contribute to the development of fitting relationship between sponsors and sponsees in the context of football (soccer) leagues around the world. Addressing this issue is an important area of study since fitting relationships between parties involved in sponsorships has been shown to contribute to the development of positive attitude toward sponsorship and toward the firm (Roy 2000; Zdravkovic et al. 2006). This is an exploratory study and its goal is to present the current state of affairs in sponsorship management and the degree to which fitting relationship between partners are being established around the world.

Results from this exploratory study demonstrate that, in geographic terms, Japan, Brazil, Croatia, and the G-14 group predominantly match local firms with local teams. England, undoubtedly the league with the most worldwide recognition, has the majority of regional and global firms affiliated with their teams. Finding that local firms predominately support teams with local aspirations is not surprising and was found to be true in all of the countries except those in the G-14 group. In addition, each league observed indicates the overwhelming sponsorship of teams comes from firms producing and distributing consumer goods. This indicates that teams and firms sponsoring them have a high level of common audience. Finally, the biggest discrepancy between groups in our sample is evident when we take into consideration the number of sponsors present on team uniforms. English, Japanese, and G-14 teams are sponsored by a single sponsor while in Brazil and Croatia teams have multiple shirt sponsors.

Sponsorship is becoming a much more important tactic in a firm's marketing strategy. Empirical studies that would take us one step closer to developing a strategic sponsorship framework are needed and could prove to be beneficial for the future research of sponsorship endeavors. In light of such possibilities we are obligated to empirically test, by collecting primary data from a representative population sample, and evaluate the value of proposed congruence determinants and the effect congruence in sport sponsorship has on the attitude toward the firm. This should be done in different countries, as well as with different sports, since sports are becoming a global phenomena and sponsorship is more important now than ever before.

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RECONSIDERING CONSUMER EVALUATIONS OF GLOBAL BRANDING: THE CASE OF THE WORLD BASEBALL CLASSIC AS A PROMOTIONAL STRATEGY FOR MAJOR LEAGUE BASEBALL

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ABSTRACT

After years of planning, Major League Baseball (MLB) staged an international baseball tournament known as the World Baseball Classic (WBC) from March 3-20, 2006. Its purpose is to promote baseball globally by showcasing the game's best players as they represent their countries. The WBC staged a total of 39 games at seven international venues over 18 days. Financially, the WBC was deemed successful, with Major League Baseball garnering an estimated \$10-15 million past costs of \$45-50 million.

In this research, MLB's utilization of the WBC as a promotional strategy aimed at developing a global brand is examined. MLB's efforts are considered in the context of Holt, Quelch, and Taylor's (2004) framework on global branding strategies, which (a) offers a theoretical construct of important dimensions of global brands and (b) categorizes global consumer segments into four groups, both of which were utilized by MLB in its efforts with the WBC. Suggestions for future research into the brand impact of the WBC include assessing consumer response to the tournament in different countries and measuring the effectiveness of the WBC as a sponsorship platform.

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MOTIVES FOR CORPORATIONS TO ENTER SPONSORSHIP AGREEMENTS WITH NCAA DIVISION 1-A ATHLETIC PROGRAMS

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ABSTRACT

The following study elucidates the motives for corporations to enter sport sponsorship agreements with NCAA Division I-A athletic programs, the athletic properties' perception of what motivates corporations to enter sponsorship agreements, and suggests that there is a disconnect between actual corporate motives and the motives perceived by athletic properties.

An adaptation of Howard's Consumer Decision Model was used to examine the process by which information from evaluative criteria and relationships with the athletic properties develop corporations' attitudes toward sport sponsorships that may then yield purchase intention and actual sport sponsorship purchases. Participants in the study included current corporate sponsors and athletic administrators responsible for sponsorship sales at NCAA Division I-A athletic programs. Findings indicated that although athletic administrators do perceive marketing and corporate objectives of importance to corporations, athletic administrators overestimate the importance corporations place on personal objectives and the relationships with the athletic property.

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THE COLLEGE ADMISSIONS COUNSELOR AS EFFECTIVE RELATIONSHIP MARKETER

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ABSTRACT

This paper presents the results of a case study on the effectiveness of relationship marketing strategies employed by admissions counselors at a small private college. New students were surveyed to investigate their perceived level of importance and satisfaction of several relationship marketing strategies and mediators which lead to customer loyalty, or student matriculation. Institutional measures for admissions yield and student retention were also recorded. Student responses indicate that relationship marketing strategies enhance the student experience and positively influence recruitment and retention. Implications for relationship marketing in higher education and recommendations for future research are also discussed.

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DETERMINANTS OF PURCHASE INTEREST IN BED-AND-BREAKFAST SERVICES

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ABSTRACT

This study examines the determinants of consumers' interests in bed-and-breakfast (B&B) inn accommodation. The results revealed that positive evaluations on service atmospherics of B&Bs, and opportunity for social interaction with others were related to greater repatronage intentions. Further, positive evaluation of hedonic benefits (feeling of warmth and excitement) derived from a B&B stay enhanced repatronage intentions. Additionally, any negative opinion with regard to lack of amenities in B&B reduced interest in repeat visits. The results also showed that lower perceived service convenience was unrelated to repatronage intentions.

INTRODUCTION

Understanding the decision making process of lodging customers has been an important topic of research in hospitality services literature (Morgan and Dev 1994). Prior studies in this arena have examined a range of topics including the determinants of customers' choice of lodging establishment, brand switching, and repeat purchase behaviors (Morgan and Dev 1994). The different types of lodging establishments vary in terms of physical structure, amenities, and services offered to the customers. For example, while the hotels and motels attempt to satisfy consumers' basic needs, the other lodging establishments (e.g., resorts, Bed & Breakfast Inns) are positioned to deliver more than a basic overnight accommodation. In particular, the Bed & Breakfast inns by incorporating elements those appeal to consumers' visual senses and desire for charming experiences have established an identity and competitive position in the marketplace.

In the past two decades or so, the Bed & Breakfast (B&B) inn segment has established itself as niche player in the vibrant lodging industry. Now, there are about 20,000 B&B inns serving over 55 million guests every year (Professional Association of Innkeepers International 2004). With the acceptance of B&B inns as a viable overnight accommodation, this segment is well positioned to benefit from the future growth opportunities. However, in spite of its growing popularity, the B&B sector has not drawn the attention of academic researchers. In this research, our focus is to study how consumers' evaluations of B&B experiences relate to their repatronage intentions.

An examination of consumers' attitude towards B&Bs will enhance our understanding of what elements of B&B service experiences positively relate to their intention to patronize B&B establishments. The characteristics of B&Bs that distinguish them from traditional hotels are atmospherics of the facility, opportunity for social interaction with other guests, potential hedonic enjoyment derived from B&B stay, limited amenities and services available at B&B inns (Gillam 1995). It is highly probable that consumers' evaluations of these elements are likely to influence their interest in B&Bs. Therefore, this study was designed to examine how consumers' evaluations of atmospheric of B&Bs, perceived hedonic benefits, opportunity for social interaction with other guests, amenities and services available at B&Bs relate to their intentions to repatronage B&B establishments.

Understanding purchase intentions

A better understanding of consumers' interest in purchasing a product or service can be achieved by examining their attitude towards the product or service itself. The attitudes and motives influence most aspects of consumer behavior (Ajzen and Fishbein, 1980). Conceptually, it is been acknowledged that attitudes determine consumers' predisposition to relate positively or negatively to product/service offerings. When studying the linkage between attitude towards multiple attributes of a product or service and purchase intentions, Fishbein's attitude-toward-object model (Fishbein 1963) can be employed as a theoretical framework to guide the investigation. Fishbein's attitude-toward-object

model advocates that consumer attitudes are a function of how positively or negatively the various attributes are evaluated. The overall attitude towards the product or service would be positive when evaluations are positive and on the other hand, the attitude would be negative for unfavorable evaluations of the attributes. The resulting attitude has been shown to influence purchase intention or actual behavior. In the context of this study, by studying consumers' evaluations (i.e., attitude) of multiple attributes of the B&B service offerings, it is possible to explain consumers' purchase intention of B&B accommodations. The theory of reasoned action, a multiattribute model advocated by Fishbein and Ajzen (1975), suggests that purchase intention is a good predictor of consumers' future buying behavior, which happens to be the variable of interest in this study.

HYPOTHESES

The importance of servicescape on customers' evaluations of service quality and loyalty is well known (Bitner 1992; Wakefield 1994; Reimer and Kuehn 2005). It is apparent that service atmospherics or physical environment cues such as ambience and furnishings play an influential role in shaping perceptions of service quality and also in communicating the firm's image in the case of service businesses such as hotels, restaurants, and theme parks (Bitner 1992). Consumers look for cues within a service firm's physical environment to assess its capabilities and quality. The servicescape plays a greater role in customers' evaluations of hedonic service experiences (Reimer and Kuehn 2005). A significant part of the B&B inn consumption experience is derived from the ambience or physical environment of the establishment itself (Zane 1997). The environmental psychology literature suggests that people relate cognitively, emotionally, and psychologically to the elements of the physical surroundings and these internal responses impact overall evaluation of the environment and the resulting behavior. The atmospherics of B&B inns, by not following the standardized design of traditional lodging establishments, usually include varied design, architectural elements, and artifacts. Further, a large number of B&Bs operate in quaint homes that are designated as historic structures (Emerick and Emerick 1994) with distinctive characteristics. Since the studies suggest that servicescape plays a key role in determining customer affective and behavioral responses to the service (Wakefield 1994), it is likely that atmospherics of B&B will have a positive

influence on consumers' evaluations and patronage intentions. Therefore,

H1: Service atmospherics of B&B inns will be positively related to consumers' intentions to repatronage B&B inns.

Consumer researchers have explored hedonic consumption to assess "multisensory, fantasy, and emotional arousal" elements associated with product experiences (Hirschman and Holbrook 1982). According to Hirschman and Holbrook (1982), the hedonic benefits are derived from the psychological relationships that consumers perceive during the consumption process. While the utilitarian consumptions are characterized primarily by functionality or practicality, the hedonic consumptions are differentiated by their experiential elements. Consumers are known to derive hedonic benefits in the consumption of leisure services (Wakefield and Barnes 1996). The lodging services, with wide variations in format (e.g., from basic service to addition of diverse leisurely components), deliver a mix of utilitarian and hedonic benefits, which include pleasure, enjoyment, and sensation seeking. In particular the B&B accommodations, with their distinctive physical and service environments, provide substantial hedonic consumption experiences as well. The service atmospherics of B&Bs, symbolic meaning of the architectural elements of facility and artifacts, thematic decoration of guest rooms, home like atmosphere, opportunity to interact with other guests and innkeeper, are likely to arouse a feeling of warmth, pleasantness, emotional arousal, and excitement. It is likely that these hedonic benefits will evoke a positive feeling towards B&Bs, and thus heighten consumers' interest in B&Bs.

H2: Perceived hedonic benefits will be positively related to consumers' intentions to repatronage B&B inns.

Many people view a B&B inn as home away from home. The appeal of B&B inn, apart from the uniqueness of the facility, includes personal touch brought in via interaction between innkeeper and guest, and a homelike feeling inherent in such an establishment (Brener 1994). Further, some of the elements that distinguish a B&B inn from a traditional hotel are the cozy atmosphere, home cooked breakfast, intimacy and opportunity for social interaction with other guests at the breakfast table and in other locations (Gillam 1995). Researchers in services marketing have found that many consumers like to engage in social conversations with other

consumers in service settings and as such consider the need for human contact in a service encounter to be important to them. A recent study also noted that customers exhibited greater satisfaction and loyalty with the service firm when they interacted with fellow customers (Moore, Moore, and Capella 2005). Apparently, the conversations between strangers provide not only an opportunity for social interaction, but also offer a stabilizing effect that results in reduction of consumer anxiety. The B&Bs provides opportunities for social interactions between and among customers and innkeepers during scheduled serving of breakfast, and guests meeting with each other at common areas (e.g., common lounge for guests to relax). Based on the findings cited above, it is possible to expect that the customers who like to interact with others during their lodging stay will respond favorably towards B&B inn accommodations.

H3: Favorable attitude towards opportunity for interactions with others in B&B inns will be positively related to consumers' intentions to repatronage B&B inns.

According to Lanier and Caples (2000) a significant number of inns still have one or more guest rooms with shared baths. It means that the individual guest rooms in many B&Bs are not equipped with a private bath, which is a common tangible physical feature in traditional lodging establishments. In addition, a typical B&B guest room is not equipped with gadgets such as television, telephone, air conditioner, and fax machine. Though an increasing number of B&Bs have begun to offer added amenities and private bath in their attempt to satisfy greater preference for privacy by the American travelers (Lanier and Berman 1993), many B&Bs still lack these elements. Interestingly, over two-thirds of first time B&B guests considered availability of private bath as a crucial factor in their decision to stay in a B&B inn. Any uncertainty about the availability of attached private bath, television, etc. in B&B inns could negatively affect potential customers' interest in staying at B&B inns. Hence, the following hypothesis:

H4: Perceived lack of amenities in B&B inns will be negatively related to consumers' intentions to patronage B&Bs.

Convenience is recognized to be increasingly important to consumers in the purchase decisions of goods and services. Building on the concept of product convenience, Berry et al. (2002) introduced the concept of *service convenience* to specifically

examine the factors that contribute to consumer convenience in the context of service consumption. According to Berry et al. (2002), service consumers would perceive greater convenience when the service firm provides transaction convenience (i.e., ability to complete service transaction easily, little or no restrictions in reservation policy), access convenience (i.e., service facility location, operating hours, etc. are convenient) and decision convenience (i.e., time and effort required to select a service provider). When deciding whether to stay in a B&B inn, an individual is likely to assess the benefits and hassles (i.e., inconvenience) involved in staying at a B&B inn versus traditional lodges. In particular, such comparison may assess the quality of services that can be expected at B&B inns, availability of services that are standard practices at traditional hotels (e.g., room service, etc.), and policies that are specific to B&B inns, etc. It is very likely that any perception of inconvenience in terms of transaction, access, and decision elements of planned stay in B&B inn would have a negative impact on consumer interest. Hence, the following hypothesis:

H5: Lower perceived service convenience of B&B inns will be negatively related to consumers' intentions to patronage B&Bs.

METHOD

Data collection and analysis

The data for this study were collected through a self-administered survey of B&B customers identified with the assistance of B&Bs located in the northeastern region of the U.S. The two-stage sampling involved contacting a randomly selected 120 B&Bs with a request to mail out the survey to their customers. Of the 120 B&Bs contacted, about 78 of them agreed to participate in the study after hearing the purpose of the study and tasks involved. Each of the B&Bs was supplied with 15 surveys and stamped envelopes with a request to mail these surveys to guests who had stayed at the property within the last six months period. A total of 1170 questionnaires were mailed out after periodic follow up with the participating B&Bs. A total of 322 respondents returned the completed questionnaire, resulting in a response rate of 27.5%. Nearly sixty percent of the respondents were female. The age, education, and household income distribution of the respondents showed that majority of the participants were above 45 years of age, college educated, and reported higher than national average on income. This distribution is comparable to what is identified

Table 1 Results of Factor Loadings

Item #	Factor Loadings
Factor # 1: Service Atmospherics	
Like B&B inn's distinctive settings and ambiance	0.745
Like the appeal of B&B inn's charming and pleasing décor	0.751
Like the individually decorated rooms with distinctive features	0.611
Factor # 2: Hedonic Experience	
I enjoy the warmth and welcome to guests in B&Bs	0.852
I experience a home like atmosphere in B&Bs	0.515
Stay at B&Bs is very exciting	0.751
Factor # 3: Social Interactions	
The interactions with innkeepers are always pleasant in B&B stay	0.822
Interaction with other guests was quite enjoyable	0.739
Interaction with other guests is not a disturbance to my privacy	0.874
I like the guidance to local attractions by innkeepers	0.851
Factor # 4: Amenities	
Absence of telephone, TV, and air conditioner in guests' rooms is acceptable	0.904
Absence of FAX & photocopiers in B&B inn enhances its appeal	0.819
Absence of a private bathroom in B&B does not bother me	0.628
Factor # 5: Services Convenience	
Lack of room service in B&Bs is a concern to me	0.924
Limited breakfast hours is an inconvenience when staying in B&Bs	0.825
It takes time and effort to find quality B&B inn where I would be happy with my choice	0.714
Some B&B policies (e.g., No children allowed, return to room by certain hours) are inconvenient	0.951

as the profile of B&B customers (Laniner and Berman 1993; Zane1997) at the national level.

The study variables (listed in Table 1) were measured using a seven-point scale with anchors "1 = strongly disagree," and "7 = strongly agree." These items were developed based on discussion with a small group of customers who had stayed in B&Bs and the review of the marketing literature (Reimer and Kuehn 2005; Bitner 1992; Hirschman and Holbrook 1982; Moore, Moore, and Capella 2005; Berry et al. 2002). This process resulted in identification of 19 elements designed to measure the five study constructs. The initial questionnaire was pre-tested for clarity of the wordings by administering to a convenient sample of 70 students attending a regional university located in the northeastern U.S.

The 19 items that measured respondents' evaluation of key aspects of B&B accommodations were subjected to principal components factor analysis with a varimax rotation. A five factors solution emerged. The factor solution was examined to identify items that had factor loadings of above 0.4 on multiple factors. Two items that had factor loadings of above 0.4 on more than a factor were

eliminated and the factor analysis was performed with the remaining 17 items. The resulting factor solution was free from any anomaly in factor loadings in that none of the remaining items had loaded on multiple factors. The five factors collectively explained 62.3 percent of the total variance. The values of Cronbach's alpha ranged from 0.73 to 0.88. The dependent variable, repatronage intention, was measured using multiple items scale with anchors of 1 = strongly disagree and 7 = strongly agree. The three items to measure repatronage intention were "I am very likely to stay in a B&B in future; If given the opportunity, I would choose to stay in B&B inn; I would recommend B&Bs to friends and family for an overnight accommodation." The reliability of this scale, estimated using Cronbach's alpha, was 0.86. Therefore, the three items were averaged to create a measure of repatronage intentions for analysis purposes.

Regression analysis was employed to study the nature of the influence of consumers' attitudinal evaluations on the service atmospherics, hedonic benefits, social interaction, amenities, and service convenience dimensions of B&B accommodation to their patronage intentions. To maintain orthogonality

Table 2 Summary Results of Regression Analysis

Independent Variable	Parameter Estimate	Std. dev.	t-value	p-value
Intercept	1.023	0.541	1.89	0.059
Service atmospherics	0.835	0.067	12.46	<.001
Hedonic experience	0.149	0.036	4.13	<.01
Social interactions	0.174	0.054	3.22	<.01
Amenities	-.215	0.093	-2.29	0.0284
Service convenience	-.047	0.038	-1.23	0.2222
Goodness of Fit:				
R ²		0.6833		
Adjusted R ²		0.6783		
Cross validation:				
Cross validity correlation coefficient		0.8210		

among the explanatory variables, factor scores for each of the identified factor was computed and used as independent variables.

Prior to parameter estimation, survey respondents were randomly assigned to the estimation (226 respondents) or to the holdout (96 respondents) data sets for the purpose of cross validation of the fitted regression model. The parameters of the regression model were estimated using the data of 226 responses in the estimation data set. Table 2 presents the parameter estimates and goodness-of-fit statistics for the regression analysis. The fitted regression equation has a significant overall level of goodness-of-fit as indicated by the model F-value of 136.34 with p-value < 0.0001. This result suggests that at least one of the explanatory variables is significantly related to patronage intention. The R² value of the fitted equation indicates that approximately 68 percent of the variance in patronage intention was explained by the explanatory variables.

The regression results shown in table 2 reveal that the explanatory variables, service atmospherics (t-value = 12.55, p < 0.0001), perceived hedonic benefits (t-value = 4.13, p < 0.01), social interaction (t-value = 3.22, p < .01), and amenities (t-value = -2.29, p < .05) are significantly related to repatronage intention at the significance level of 0.05 or less, thus supporting H1- H4. However, the explanatory variable service convenience (t-value = -1.23, p > .05) was not significantly related to repatronage intention. The parameters of the regression model fitted using estimation data set were used to predict patronage intention in the holdout data set. Then, the predicted intentions were correlated with actual

intention in the holdout data set to assess cross validity correlation coefficient, which for this study was 0.821 (p < 0.01).

DISCUSSION AND MANAGERIAL IMPLICATIONS

The results indicated that, four of the five study variables, atmospheric of B&Bs, perceived hedonic benefits, social interaction, and amenities are significantly related to repeat purchase interest in B&B accommodations. In contrary to study hypotheses, the dimension of service convenience was not significantly related to purchase interest. The results indicated that atmospheric of B&Bs and perceived hedonic benefits dimensions are positively related to and lack of amenities was negatively related to purchase interest. The finding underscores the importance of service atmospherics or ambiance in determination of patronage intentions in B&Bs. It appears that many are drawn to B&Bs for its distinctive décor and unique furnishings. Certainly the importance of service atmospherics on customers' evaluations has been very well documented, and it appears that the service atmosphere is even more significant when determining customers' interest in B&Bs. Further, a positive relationship between atmospherics and patronage intention observed in context of B&Bs also reinforces Reimer and Kuehn's (2005) position that atmospherics indeed is a relevant factor in shaping customer evaluation for hedonic services.

A positive relationship between perceived hedonic benefits and interest in B&Bs suggests that those who are emotionally aroused from the warmth and welcome from innkeepers, enjoyment of décor,

history of the facility, experience of home like atmosphere in B&Bs are likely to view B&Bs as their choice for future overnight accommodations. The results of this study indicate that availability of amenities (attached private bath, telephone, TV in each room) is important in shaping consumers' interest in B&Bs. Many innkeepers have responded to increased expectations of consumers for added amenities in the guest rooms and have equipped guest rooms with T.V., air conditioner, private bath, and even mini refrigerators to match the quality of service experience commonly available in traditional hotels.

Many studies have demonstrated the positive impact of interactions between customers and service providers on customers' assessments of service quality and future loyalty intentions (e.g., Hennig-Thurau et al. 2006). Reflecting a similar theme, this study also reports that socialization between innkeeper and customer and among the customers can heighten consumers' interest in B&Bs for their future lodging accommodations. The innkeepers have recognized the value of interacting with customers and are engaged in activities that foster healthy conversations with their guests.

Contrary to the proposition advocated in services literature (Berry et al. 2002), this study found no significant relationship between service convenience and purchase interest. It is possible that these two variables are unrelated because service convenience is not a critical factor for pleasure travelers who happened to be primary respondents in this study. It is also plausible that people do not expect B&B to provide service convenience and therefore, absence of service convenience fails to lessen their interest in B&Bs as hypothesized. However, before drawing a conclusion that absence of service convenience is not a determinant of purchase interest, the relationship between these two variables should be examined for each of the sub groups such as pleasure versus business travelers across different age and income groups.

The findings provide a number of important managerial implications. Given that the service atmospherics is a strong predictor of consumer interest, the innkeepers should place greater importance on accentuating the service ambience in their facility. Further, the innkeepers may want to organize their facility and individual guest rooms on highly appealing themes and add artifacts, furnishings, and accent pieces that are eye catching to enhance potential customers interest in a B&B stay. Additionally, facility layout, space, and group activities can be organized to facilitate interaction

between the guests and innkeepers as well as among the guests.

This study has some limitations that warrant attention. It is noted that, due to cost consideration, the data for this study were collected from customers of B&Bs located only in the northeastern U.S. A future study should adopt a better approach and attempt to collect data at the national level. Second, majority of the respondents in this study were pleasure travelers. Therefore, caution should be exercised in generalizing the findings to business travelers.

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DOES INFORMATION DISCLOSURE AFFECT CONSUMER IMPRESSIONS: A COPY TEST OF FOOD PRODUCT CERTIFICATIONS

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ABSTRACT

Research has consistently shown that consumers are influenced by product certifications. Unfortunately, research has also shown that consumers often attribute more meaning to certifications than is justified by objective verification standards and conditions for use. This study examines whether or not information disclosure mitigates the potential for misleading impressions using a 2x2 factorial design (with a control group) and advertising copy-test procedures. The treatment groups are: (1) disclosure of independent verification versus disclosure of no verification and (2) disclosure of monetary payment based on sales volume versus disclosure of monetary payment based only on the cost of administering the certification. Recommendations for future research and implications for public policy are included.

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CUSTOMER RELATIONSHIP MANAGEMENT IN THE ENTERTAINMENT INDUSTRY

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Abstract

Customer Relationship Management (CRM) involves connecting consumers, business processes, and technology to form long-term, mutually beneficial relationships, along with maximizing the potential of those relationships (Goldenberg 2003). CRM is especially important within the entertainment industry, in which customers expect an exciting experience that leaves them satisfied and keeps them coming back (Berman 2002). Implementing CRM software, programs, and practices allows businesses to understand their customers and learn how to meet their needs (Bland 2003).

The purpose of this paper is to discuss how information technology has influenced and changed the use of CRM for businesses specifically in the entertainment industry. Included are the specific benefits and problems associated with CRM in the entertainment industry, details on how entertainment properties can implement effective CRM systems, and examples of entertainment properties who have successfully implemented CRM programs and practices. Lastly, this paper provides additional insight into how entertainment companies can improve relationships with their customers and build a strong rapport with them through the use of CRM.

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STUDENT EVALUATIONS OF TEACHING AND MEASUREMENT OF ITEM IMPORTANCE: A TEST OF EQUIVALENCY

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ABSTRACT

When using student evaluations as a measure of teaching effectiveness, an underlying assumption is that the items being measured are equally important. Unfortunately, this assumption could have important implications if it does not hold. In particular, faculty might inadvertently devote resources toward improving performance on evaluation items that are not highly valued while devoting less effort to areas of greater importance. Until we know how students rate the various evaluation items, instructors cannot objectively allocate their resources effectively or efficiently. The purpose of this study, therefore, is to test the item equivalency assumption using a survey design and quasi-longitudinal sample of business students. Nine course and ten instructor items are evaluated in terms of importance and the resulting scores are then compared across gender, major, and class year. Differences between student evaluations and the faculty "ideal" are also examined and discussed.

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THE INFLUENCE OF REMORSE AND JUSTIFICATION ON PERCEPTIONS OF STUDENT CHEATING

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ABSTRACT

Research has shown that remorse and self-justification can influence perceptions of an ethical infraction. Remorse has been shown to reduce the perceived severity of an ethical infraction. Conversely, self-justification has been shown to improve perceptions of an otherwise negative evaluation. However, neither of these factors has been examined in the context of cheating behavior involving an educational setting. Given that student cheating at U.S. colleges is reportedly at an all time high, additional research appears warranted. To address this issue, this study uses an experimental design and scenario analysis. The control scenario describes a student who visits a professor for help on an upcoming exam. When the professor leaves the office for a few minutes, the student notices that an exam is partially hidden under the professor's computer keyboard. The student leans over the desk and is able to read many of the questions. The student is not caught. The two treatment scenarios describe: (1) a remorseful student who experiences emotional distress (deep feelings of guilt) and psycho-somatic illness (headaches, sleeplessness) following the event and (2) a student who self-justifies the behavior by reasoning that the professor was at fault for leaving the exam where a student could see it. Implications for future research, the development of ethical compliance systems, and the teaching of ethics are included.

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OBESITY STIGMATIZATION IN THE MARKETPLACE: REAL PEOPLE AS SPOKESPERSON

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ABSTRACT

In this paper we exam the impact that being overweight has in the selection of a spokesperson candidate. We use the stigmatization literature and recent research regarding attitudes toward overweight individuals as our foundation. We hypothesize the effect that being overweight has on attitudes toward a potential spokesperson; the intention to hire the individual; and, the potential carry over effect of prejudicial attitudes toward the associated firm.

We employed a scenario based experiment in which participants were told that a bowling alley was planning to hire a new spokesperson. Participants read a short bio of an individual (depicted as either about the right weight or as overweight for her height) along with several other characteristics, then evaluated the candidate. Covariates including attitudes toward overweight individuals as well as participants body mass index as well preferred female body shape were also collected. Results indicated that the overweight candidate was significantly liked less personally and less likely to be hired than the candidate described as about the right weight. Additionally, there was no finding of a carry-over effect of participants' prejudicial attitudes. We conclude with a discussion of firm and public policy implications.

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FROM ADVERTISING AS INFORMATION TO ADVERTISING AS ENTERTAINMENT: THE IMPACT OF MUSIC ON THE EFFECTIVENESS OF CURRENT ADVERTISING

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ABSTRACT

This study argues that advertising should be first and foremost entertaining rather than informative if any impact is to be made on the consumer. The more entertaining the ad, the greater the likelihood of eliciting a strong emotional response. Music centric ads will be more effective in capturing the viewer's attention.

INTRODUCTION

In a world where the consumer has constant access to a plethora of information sources and entertainment devices, advertisers find it increasingly hard to reach their audiences. With the advent and widespread reach of Tivo, iTunes, and online entertainment, consumers are no longer sitting ducks that are being forcefully fed information through advertisements. They have become moving targets, and advertisers have to devise innovative techniques to get their message across. In addition, advertisers also have to face a new breed of consumers. The next wave of consumers with purchasing power, the 20 to 30 somethings, are smarter, sharper, better informed, have a constant need for entertainment, and love to be in control. As Kelly Kahl, executive vice president of scheduling at CBS put it *"In a hyperactive society with so many choices, viewers are used to being entertained every minute"* (Peyser 2005, p1). Spoiled by entertainment on demand, these audiences have a limited attention span and no tolerance for boredom. In what can be construed as an effort to adapt to the new viewers, broadcast television shows (e.g. Lost) have recently reduced their titles and/or opening songs almost to the point where they are nonexistent (Peyser 2005). The consumers expect nothing less from their TV programming and commercials than high levels of entertainment condensed in small brackets of time. These new and improved consumers are also very much aware of the old advertising tricks and do not like to be cajoled into doing anything. Feelings of being advertised to, automatically trigger skepticism and activate defense mechanisms (Koslow 2000). And to make things worse for the advertising

companies, these consumers live in a world where terrorist threats are a daily news item, overworking is the norm, and a functional and supporting family is becoming a thing of the past. Still, not all is lost and advertisers still stand a chance, because if there is one thing this new breed still likes, wants, and needs is entertainment. Entertainment and advertising are becoming one and the same, as proven by the constantly increasing product placements tied into TV programming. Television ads should be no exception from this new rule. So how can an advertiser in today's world reach this new and improved breed of consumer? The argument proposed here is that, in order to reach the consumers, a TV ad has to be music centric and entertaining. This new consumer can only be reached through their hearts, by eliciting an emotional response and not through their brains because, with their enhanced capabilities, they are information processing machines. Furthermore, we expect that for this generation that grew up with MTV, music will be an essential component of an entertaining ad. Advertising research indicates that in non decision-making situations information has less of an impact and that what appears to account for the subsequent choice behavior is the pairing of the advertised product with music (Gorn 1982). Based on current advertising trends, we argue in this paper that music-centric, entertaining ads elicit an emotional response and make the ad more memorable.

EMOTION

It was never disputed in the advertising literature that emotions were an important component of

consumers' attitudes towards brands and ads, and an essential element in the advertising process. What has been disputed over time, is the exact role that emotions play, and their position relative to the cognition and conation components of the consumer information response models adopted over time. Although attitude was defined as a general and enduring positive or negative feeling about a person, object, or issue (Petty and Cacioppo 1981), the majority of previous research in advertising was focused primordially on cognitive-based attitude and suggested that cognition predominated over affective processing and that cognition always mediated affective reactions (Morris et al 2002). The advertising literature was dominated for years by the so-called "hierarchy of effects" models, which were variations of the AIDA advertising model. The hierarchy of effects models had, however, many limitations and researchers could not fully support the causal linkages proposed by the model: cognition->affect->conation (Smith and Swinyard 1982). In all variations of the model, emotions always had a secondary role to cognition, and sometimes even conation. Furthermore, in the 1990s the notion of cognitive-based attitude was introduced to suggest that the consumers' attitude is a function of cognitive beliefs, which in turn predict consumers' intentions (Fishbein and Middlestadt 1995). Even when affect was considered as a mediator component, the attitude measures relied almost entirely on cognitive scales and it comes as no surprise that they found affect to be driven by cognition (Morris et al. 2002). However, even in the early 1980s, there were authors who argued that emotions can function independent of cognition and even take primacy over it (Zajnoc 1980). In the 1990s some researchers started arguing that emotions can directly influence attitudes and suggested that cognitive-based models fail to properly measure feelings (Morris et al. 2002). Their ideas were supported and gained momentum under the influence of recent influential findings on emotions by neuroscientists (LeDoux 1996), which led to the general conception in marketing and other disciplines that emotions are essential for rational thinking and behavior (Poels and Dewitte 2006). The most recent view is that emotions dominate cognition and should be considered as the most crucial factor in the advertising process (Poels and Dewitte 2006). In a study of over 23,000 responses by non-student subjects to 240 advertising messages over 3 mediums and 6 different formats, Morris et al. (2002) found that affect clearly dominates over cognition in predicting conative attitude and action.

Based on the above discussed literature, we propose that advertisements which elicit the strongest

pleasant emotional reaction from the viewer will be the ones that will leave a lasting trace in their memory and, as a direct consequence influence their conative intentions and behaviors. Classical conditioning theory suggests that a desired consumer response, such as inclusion in the evoked set, recommendation, and even purchase, may occur when the product is repeatedly associated with a pleasant emotion.

CONSUMER SELF-DEFENSE MECHANISMS

Consumers are essentially skeptical when dealing with potentially misleading claims (Mohr, Erglu, and Ellen 1998), and research demonstrates that this skepticism is their main protection against fraud (Friedman 1998). They rely on skepticism so much that they end up mistrusting even honest advertisements because skepticism helps them "...resist or cope with an advertising system that is frequently perceived as trying to sell them rather than inform them." (Koslow 2000, p. 265) The mechanism which accounts for consumer skepticism was explained using the psychological reactance theory which suggests that individuals will resist to persuasion attempts when they are perceived as a threat to personal freedom, namely to the freedom to choose (Eiser 1990). This psychological reactance can take two forms. First, consumers can develop a schemer schema (Wright 1985), or beliefs about the tactics that advertisers use to try to persuade them and coax them into buying products. Consumers believe that advertisers are trying to take advantage of them and feel motivated to take countermoves in anticipation (Koslow 2000). The second defense mechanism takes the form of a change-of-meaning event (Friedstad and Wright 1994), when a consumer feels tricked as a result of becoming aware of having fallen for an advertising ploy. Koslow (2000) calls such consumers who make use of one of the two defense mechanisms defense motivated, and the common goal for the defense motivated consumers is to avoid being taken for fools. He suggests that reactance will occur in situations that seem to restrict expected freedom, particularly when the persuasive argument appears one-sided, devoid of logic, and when the persuader has a vested interest in the consumer's choice. Moreover, we now live in a society in which children are being educated to be consumers from the youngest age, and skepticism is naturally a part of this education. Research indicates that adolescents show discernible patterns of beliefs about television advertising tactics, or in other words a schemer schema, by grade 6 and that their level of knowledge develops in the direction of adult knowledge throughout the school year and across

grades (Boush, Friestad, and Rose 1994).

In this light we argue that the only way to circumvent the consumers' defense mechanisms and to prevent them from becoming defense motivated when faced with an advertisement is to appeal to their hearts instead of their judgments. Skepticism and the defense mechanisms are primordially cognitive reactions - consumers engage in reasoning about the hidden motivations behind the ad - which ultimately result in a negative emotion being associated with the product or advertised brand. Information is perceived to be too good to be true, and thus will be discounted. Or, the ad is nothing but a sales pitch with a plethora of product information, and the consumer feels that he/she is being sold at, discounts the information, and dislikes the brand. Therefore we propose that the ads that will result in a positive attitude towards the product and the brand are the ones that have a low informational content and a high emotional content. We also propose that ads that take the emphasis away from the product, to the point of almost ignoring the product in the visual presentation, are more effective in generating a positive attitude than ads that focus on the product. Emphasizing other elements than the product in the visual presentation, prevents the consumer from entering in defensive mode and prevents him/her from feeling that they are being sold at and persuaded to buy. With these defense mechanisms deactivated, the consumer is more susceptible to receiving the emotionally charged message that is embedded in the visual and musical presentation of the advertisement, and more likely to make a positive association with the advertised brand, or even feel a personal connection to it. Making a positive association with a product or brand can be more powerful than knowing about the many features and benefits of a product. Research shows that, given a choice set, the presence of a positive association in memory for an item in the set can lead to substantial positive distortions of the attributes of that item relative to those of the other comparison items in the choice set (Russo, Medvec and Meloy 1996).

MUSIC

Another manner in which advertisers can circumvent the consumers' defensive mechanisms is by making the ads look less and seem less like ads and more like a sponsored piece of entertainment, an essential element of which will be music. We live in a music centric society where everybody walks around plugged into their iPods and aspires to be an American Idol. We live through music and connect through music. We use music as an eternal

soundtrack of our own life story, and we learn from an early age to find in music deeper meanings that connect it to us, that make it speak to us and about us. "In a fragmented, stressful and dangerous world seemingly stuck on fast forward, one of the resulting points is a drive for connection with those around us and a search for deeper meaning" (de Chenecey 2005, p. 21). Due to its widespread use and its ability to enhance viewers' affect and arousal, music was initially just an important background feature or executional cue in advertising studies (MacInnis and Park 1991). Taking an oversimplified approach, researchers were following a clear dichotomy between types of processing, involvement, and executional cues: high involvement consumers engaged in message based processing triggered by attention to the advertised message itself and ignored peripheral cues, while low involvement consumers engaged in non-message-based processing and their attitudes were predominantly influenced by executional cues such as music, pictures, source characteristics, etc. (MacInnis and Park 1991). More recently, marketing researchers such as Hung (2000) have come to realize that music is more than an effective inducer of emotions, and have moved beyond emphasizing its sensual properties towards emphasizing and analyzing its semantic properties. However, whether it adhered to the dichotomous view of processing or not, most previous research focused on the impact of the characteristics of music. MacInnis and Park (1991) examined the impact of two characteristics of music, fit and indexicality, on the message-based processing (attention to the message) and non-message-based processing (attention to the music, emotion, and Aad) of high and low involvement consumers. Indexicality was defined as "the extent to which music arouses emotion-laden memories," while fit was defined as "the consumers' subjective perceptions of the music's relevance or appropriateness to the central ad message" (MacInnis and Park 1991, p. 162). Indexicality had similar effects on attention to the music and affective response for both high- and low-involvement consumers, and different effects on message-based processing. It significantly enhanced message processing for low involvement consumers, while it may have had the opposite effect on high-involvement consumers by distracting them. Fit focused the attention of both high- and low-involvement consumers in a similar manner on the music or the message, while it had different effects on their affective responses, in the sense that a lack of fit generated more negative emotions for low-involvement consumers. Hahn and Hwang (1999) examined the effect of tempo and familiarity of background music in TV advertising and found that

an inverted-U-shape relationship exists between tempo and message recall for familiar music, but not for unfamiliar music. Numerous other studies have found familiarity to be a moderator for the impact of music in particular (Roehm 2001), or the ad as a whole (Pieters, Warlop, and Wedel 2002). We propose that familiarity will have a negative influence only on narrative and message centric ads, and no influence or a positive influence on non-message and music centric ads.

Hung (2000) was the first marketing researcher to practically examine how music creates meaning in an advertising context. The result of the study indicated that viewers can read music-evoked meanings from commercials. In this case, music worked with the visual elements of the ad to help cue a cultural context that framed the meaning communicated to the viewer. Contrary to previous research that assumed that the function of music is context free, Hung (2000) shows that music will not perform in a consistent manner independent of the ad context. When the meanings evoked by the ad components are congruent, a context is created that helps viewers not only read the commercial and transfer the congruent meaning onto the brand, but also emphasize meanings that were not apparent in the ad components, while de-emphasizing some apparent meanings. Scott (1990) was the first to propose an alternative theory to the study of music in advertising, namely that music is meaningful and language-like, and that the study of music should draw on notions of culture, rhetoric, and symbolic action. This last point is particularly relevant in today's environment. We argued earlier that one way of preventing a defensive reaction from a consumer who feels as being sold at and tricked was by eliminating or reducing the actual product narrative of the advertisement (the voice over). Based on the above discussed research we argue that the ad should instead seek to convey meaning to the consumer and, hopefully, determine him/her to transfer it to the product/brand, by using music and its interplay with the visual elements. This musical and visual narrative, by being more symbolic and much less intrusive, will be perceived as less blatantly persuasive and less threatening by the viewer. MacInnis and Park (1991) found that music affects both message-based and non-message based processing, the former by attracting/distracting attention to/from the message, and the later through emotion. Some of the current ads (e.g. Cadillac SRX ad "Sun") take this a step further and are music centric instead of message centric, to the point that the message is eliminated altogether. The symbolic nature of such ads determines processing through

emotional channels rather than rational ones, and appeal to consumer sentiments rather than thinking. We argue that this will allow the ad to slip under the consumer's defensive radar and plant the brand/product in his/her mind, along with a positive association – a pleasant emotion (e.g. a warm and fuzzy feeling, a sense of belonging, a sense of joy, etc.). When the choice time comes, the consumer will judge the brand associated with the strong positive emotion as better than the competition, as shown by Russo, Medvec and Meloy (1996).

CONCLUSIONS

The above discussion extensively explains why we propose that music centric ads are more effective than message centric ads starting from the assumption that they are both watched by the consumer. If we consider the information response models, we proposed that in music centric ads affect->cognition->conation. After all, it has already been suggested in the literature that emotions are the gatekeeper for cognitive and behavioral reactions (Poels and Dewitte 2006). However, if we take a step back, and take into account the fact that the first requirement in an information response model is attention, the question arises: Which of the two types of ads, music centric or message centric, are more effective in attracting the viewer's attention to the ad, considering the current state of affairs when consumers usually either ignore ads on TV or avoid them altogether? We argue in this study that the characteristic of an ad that will determine the amount of attention given to the ad is its degree of entertainment. We live in an entertainment culture, with an increasingly disconnected and disengaged consumer, in which likeability is an absolute must and brands have stand out above mere image-based banality (de Chenecey 2005). We propose that the more entertaining an ad, the greater the likelihood of eliciting a strong emotional response, which in turn will determine the advertised brand/product to leave a lasting memory trace. Furthermore, we propose that music centric ads will be more effective in capturing the viewer's attention, while their degree of entertainment will determine their success in holding that attention. This argument for the effectiveness of advertising as entertainment was developed based on a set of theoretical proposition. While the argument is logically sound and is based on the extant literature, it remains for future research to prove whether it is empirically valid. We recommend that visual self-report measures be used to empirically test our theory. While verbal self-report measures have been traditionally used in advertising studies, they were found to distort the original emotional reaction for

lower order emotions due to the inevitable amount of cognitive processing it involves (Poels and Dewitte 2006). Recently, due to the important validity and reliability limitations of verbal self-report measures, researchers have begun moving towards visual self-report measures, moment to moment reports, or even autonomic measures, such as facial expressions and physiological reactions (Poels and Dewitte 2006). Moment-to-moment ratings are not a recommended approach here due to the fact that they are not designed to capture the richness of emotional reactions we expect subjects to have to some of the ad stimuli. Therefore we strongly encourage the use of visual self-report measures because, instead of relying on a list of emotion words, they allow the subjects to identify their emotions based on static or animated cartoon-like figures representing different emotions or emotional states.

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A COMPARISON OF GENDER ROLE PORTRAYALS IN MAGAZINE ADVERTISING: THE USA, CHINA AND THAILAND

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ABSTRACT

This study used content analysis to investigate gender role portrayals in magazine advertising across three countries: capitalistic United States, socialist China (with weaker Confucian values), and capitalistic Thailand (with strong Confucian values). Comparisons were made regarding gender, age, working versus non-working scenarios, and role portrayed. The economic and cultural backgrounds of these nations were used to explain the similarities and the differences in gender role portrayals.

Specifically, there was a significant difference in how females and males were portrayed in working roles. Males were more often portrayed as high-level executives in Chinese advertisements. More women than men were portrayed as professionals, but the relationship is reversed if you look at the combination of the top three categories: high level executives, professionals and entertainer/professional sports. No significant differences were found in the Thai and American advertisements; females and males were equally portrayed in different professional levels. Blue collar working roles were not depicted in either the Chinese or the Thai advertisements. In non-working situations, Chinese and American advertisements more frequently depicted women in decorative non-working roles, while men were more often portrayed in recreational roles. Thai advertisements show no significant gender differences in male and female portrayals in recreational or decorative roles.

Overall, our research found that Chinese magazine advertisements show the most gender stereotyping and Thai advertisements show the least gender stereotyping of the three countries studied. Considering that the Chinese government has exerted considerable effort to eliminate gender inequality, it was surprising to find more gender stereotyping in China than in Thailand and the United States.

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SCHOOL AS A KEY FACTOR IN DESIGNING RESEARCH METHODS FOR YOUNG CHILDREN

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ABSTRACT

The research presented in this paper was conducted in two different stages. The first one was a multi-method approach based on verbal and non-verbal methods applied to a cross-cultural environment. This first stage provided evidence about the key role of school in developing specific verbal and non verbal skills in 7 year-old children. In the second stage we developed a computer-based method that allows children aged from 3 to 6 to autonomously participate in interviews and we applied it to the same cross-cultural environment. Evidence demonstrated that while children are not at school, there is no need for cultural adaptation in data collection methods. Instead, when starting their alphabetization process, children are strongly influenced by the educational system they live in and therefore data collection methods should be culturally adapted.

These findings are relevant for marketers because of the double difficulty of the task, resulting from both the cross-cultural dimension of the research and from the lack of skills and maturity of the target, which makes them hard to interview. Market research being time-consuming and expensive, companies should make sure that the data collection methods fit in with the culture and are thus reliable. In order to compare results, companies should use research methods that allow children to fully express themselves and eliminate cultural bias. Indeed, when searching for comparisons, practitioners tend to use the same method in order to obtain same type and thus comparable data. Nevertheless, this decision can lead companies' conclusions far from the truth, because if data-collecting methods are not consistent with the ways of expression children are used to, their responses will be very poor. Evidence from this research shows that school should be the place researchers will find information about how to adapt their methods.

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CONJOINT ANALYSIS AND SEGMENTATION APPLIED TO AN EASTERN EUROPEAN PACKAGING COMPANY

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ABSTRACT

Conjoint analysis is applied to an Estonian packaging company. Market segments are identified and differentiated in terms of the values that they seek. Using conjoint analysis is novel in Estonia, especially when applied to industrial customers, but it can provide useful market insights and could be applied in different settings.

INTRODUCTION

Conjoint analysis is one way of investigating the relative needs of customers in various market segments. As the name suggests, potential customers are asked to make judgments about the attributes that affect their purchase decisions conjointly, rather than evaluate each attribute individually. Despite the extensive use of the method in American, Western-European and Scandinavian companies, conjoint analysis is relatively unknown to Estonian marketing practitioners and theorists. The marketing research companies Emor AS and Turu-Uuringute AS are the main users of conjoint analysis in Estonia, though their know-how originates from foreign partners.

The aim of current article is to analyze the applicability of conjoint analysis for examining the needs of an Estonian plastic packaging material producer's customers. The Estonian packaging company is Estiko-Plastar, which is located in Tartu, the second largest city in Estonia.

USING CONJOINT METHOD FOR ANALYZING VALUE CREATED TO CUSTOMER

Conjoint analysis uses customer's preference-estimations towards a set of experimental product concepts as an input. Hypothetical product concepts are presented as the descriptions of the products in the form of a bundle of particular product attributes. Concepts are shown on "concept cards" (Dahan and Hauser 2002). Based on data gathered with conjoint analysis it is possible to find the utility of the examined product attributes to a particular customer and thereby calculate the relative importance of different product attributes (Green and Krieger 1991).

Regression can be used to analyze the data to determine the part-worth utilities for different product attributes. Part-worth utilities are used to determine the "global utility" or relative importance of different product attributes to the customer. As customers' needs and preferences usually vary to a quite large extent the conjoint analysis is applied on an individual customer level. Every subject's needs are modeled by an individual utility function – the functional form of the model is the same for all subjects, but the parameters of the function (betas) will differ. An aggregate model (using one model for all subjects) is also possible. However an aggregate model is likely to mask differences in preferences for different market segments. Individual models or models for separate market segments are likely to have greater predictive validity than aggregate models, using one model for all subjects (Green and Srinivasan 1990).

CHOOSING THE PRODUCT ATTRIBUTES TO BE INVESTIGATED

To create concept cards it is necessary at first to choose the five to ten most relevant product attributes, preferably corresponding to the customer's most important needs, but company's intention for altering certain product attributes may also be decision criteria.

The number of product attributes examined is limited in conjoint method. Greater numbers of product attributes necessitates a greater number concept cards (in order to get reliable estimates of utility function parameters). At the same time the number of concept cards that a respondent can effectively rank is quite small. In different studies it is found that the tolerance level of a respondent is between 12-30 concept cards and 6-8 product attributes, depending on the motivation and product awareness of the respondent (Oppewal and Vriens 2000). That is why the correct choice of product

attributes is often considered the most demanding phase of conjoint analysis (Walley et al. 1999). For initial identification of customer wishes different techniques are used.

The easiest is perhaps to use information gained from past customer interactions. Mail questionnaires, focus groups and in-depth interviews can also be used (Chan and Wu 2002). It has been stated that for finding out 90-95% of all customer needs concerning a product, an experienced interviewer needs to make about 20-30 in-depth interviews with customers (Griffin and Hauser 1993). However, the majority of studies have been limited to 5-17 interviews (Pullman et al. 2002). Aaker et al. (1997) have tackled in more detail the issues of the number of respondents and other research issues.

In addition to picking out the most relevant product attributes, the performance levels for every attribute have to be determined. A majority of studies have used 2-4 performance levels for every attribute (Oppewal and Vriens, 2000). Two criteria are usually kept in mind when choosing the product attributes and their performance levels (Gustafsson et al., 1999):

1. The attribute levels should describe as closely as possible the real-life situation facing customers. Also, the attributes should be closely related to those products that are available to customers.
2. It is worthwhile to include factors which are considered to be company's key competencies in gaining a competitive edge.

COMPOSING THE CONCEPT CARDS

In a full-concept approach, if the number of attributes is relatively large, it is practical to use only small part of all possible concept card alternatives. In an experiment with, for example, six product attributes where each attribute has three performance levels the number of alternative concept cards is $3^6=729$. Most researchers have used only the minimum amount of concept cards that is needed to estimate efficiently the main effect of different attributes on the dependent variable (consumer's stated purchasing preference). Normally, possible interaction effects are omitted from analysis, assuming they are not strong (Gustafsson et al., 1999). It has been found (Dahan and Hauser, 2002) that in conjoint analysis the gain from including interaction variables in the model and raising thereby the descriptive power of the model will not compensate the loss in predictive power of the model. The procedure of orthogonal design (also called partial factorial planning)

allows to reduce the number of concept cards in the case presented above from 729 to 18, which is enough to estimate efficiently (with sufficient reliability) the main effects.

DATA GATHERING

The procedure of sorting concept cards is usually perceived by respondents as complicated and tedious. Consequently data are best gathered through personal or group interviews. In the interview each respondent is asked to look through all the concept cards as possible products on sale and rank them according to their personal purchasing preferences. Interview helps to avoid distrust, give guidelines, control the ranking process and eventually get better data. The advantage of conjoint analysis compared to usual interviews is that it does not ask the respondent directly "what is the importance of different product attributes for you." Rather the importance is based on sequential choices made in ranking of the cards. This method can therefore minimize response error. For example, a respondent who is asked "how important is it that your car has low emissions" might, because of social pressures, say that it was more important than it really was. However, in conjoint analysis, the importance would be inferred from the rankings and the respondent is not directly asked the question.

BUILDING THE MODEL

It is common practice to estimate the preference functions in conjoint analysis by ordinary least squares regression (Smith 2005). Research has shown that the efficiency (predictive power) of this technique is often quite similar to more complex techniques like Logit, Monanova, Linmap etc., but the results are easier to interpret (Oppewal and Vriens 2000).

The aim of the conjoint analysis is to predict consumers' purchasing patterns, so the model's predictive power is more important than its statistical significance. It has to be noted, that usually the micro-models' statistical characteristics can be attacked by critics. But, on the other hand, this method produces significantly more accurate results than any alternative research method (Green and Krieger 1991). To assess the model's validity, the correlation between predicted preferences and actual preferences is used – the correlation between predicted rank order of cards and consumer given rank order of cards (Green and Srinivasan 1990; Hagerty 1985). In different studies the average correlation has been between 0,7-0,8 (Oppewal and Vriens 2000), though in some studies even correlations of 0,99 have been achieved (Jaeger et al. 2001).

IMPLEMENTING CONJOINT ANALYSIS IN CASE OF ESTIKO-PLASTAR

To analyze the applicability of conjoint analysis in a business-to-business setting Estonia's leading packaging material producer Estiko-Plastar (E.P.) was selected. This company's main activity is the production of printed and non-printed plastic bags and plastic film for different packages (in rolls). The company's turnover in 2004 was 11.4 million Euros. The majority of the turnover comes from sales of plastic bags and film made from polyethylene. About 75% of E.P.'s production is sold in Estonia. The largest export countries are Latvia, Lithuania and Finland (AS Estiko-Plastar Annual Report 2004). The company is especially interesting because it operates in business-to-business markets and most of its production is made by order (Kotri and Miljan 2004). This may be a challenge for conjoint analysis which is mostly applied in consumer markets and with fairly standardized products. This gives a fairly unique opportunity to test the flexibility of conjoint analysis method in a typical business market.

To identify the broad range of E.P.'s customers' needs the interview protocols of customers and their results from a study performed a year before, in 2003, were used (Kotri 2003). Primary interviews with 8 customers were carried out using the critical incidents technique; questions to the customers had the form: "What have you especially liked about a plastic package and its supplier," and "What have you especially disliked about a plastic package and its supplier." A few more than 50 needs and wishes emerged. In discussion with E.P.'s sales personnel the needs/value creating factors were grouped to 22 secondary dimensions and 11 primary need dimensions based on consensus.

Secondly a questionnaire-based customer needs and satisfaction study was used to pick out 7 most important product and service attributes to analyze using the conjoint method. A customer satisfaction study had also been performed a year before, in 2003. The importance of customer needs (as well as satisfaction) was measured on simple 10-point scale. In selecting the 7 most important attributes, E.P.'s key success factors and sales managers' opinions were also taken into account - the factors coincided to a large extent with attributes considered as most important by customers. The major value creating attributes were: quality of plastic material, quality of welding, delivery time, quality of printing, price level, sales manager's proficiency and production flexibility.

Next the correlations among product attributes were studied relying on the data from the 2003 customer study. Though the association of product attributes wouldn't violate any assumptions of conjoint method *per se*, the accurateness of utility parameters estimations would still be reduced. Because of small amount of data and presumption of non-normal distribution, Spearman's R was used. It turned out that the correlations between product attributes are, for the most part, not significant (in table 1). However, because of moderately high correlations, the attributes "quality of plastic material" and "quality of welding" were consolidated into a more general attribute, "quality of plastic material and welding." There is a common sense reason for this: it is very difficult for the customer to differentiate between these factors. For example, if a plastic shopping bag (or any other plastic bag) tears from the bottom it is almost impossible for a non-expert to say if it was caused by defects in plastic material or welding. Nevertheless these are two totally separate value creating operations in the production process of E.P.

As the number of most important value creating factors could efficiently be narrowed down to only 6 it was decided to employ a full-concept approach (ranking of cards) in case of E.P. As most of E.P.'s production is made to order, there are no general attribute levels, which would apply to all customers. Consequently it is not possible to determine the specific attribute levels to be included in the analysis. A somewhat more general "market average" level was chosen as a reference base. The attribute performance levels were chosen to reflect the differences in the offerings in the real market, in an effort to help to assure a high validity of responses as proposed by Pullman et al. (2002). Price difference of $\pm 40\%$ from market average is not real, it was reasonable to stay in the $\pm 10\%$ range. The same procedure was repeated for each individual attribute to find valid performance levels. Finally the product attributes and the attributes' performance levels that were included into the analysis were following.

1. Quality of plastic material and welding:
 - a bit lower than market average (at times low quality),
 - market average,
 - a bit higher than market average (practically always high quality).
2. Delivery time (order fulfillment time):
 - 14 days,
 - 21 days,
 - 30 days.
3. Quality of printing:

Table 1. Correlation between importance estimates given by customers to product attributes

Attributes	Material quality	Welding quality	Delivery time	Printing quality	Price	Salesman proficiency	Flexibility
Material quality		0.54**	0.07	0.38	0.46*	0.04	0.32
Welding quality	0.54**		0.11	0.35	0.25	0.24	0.20
Delivery time	0.07	0.11		0.42*	0.16	0.24	0.52*
Printing quality	0.38	0.35	0.42*		0.56*	0.16	0.54*
Price	0.46*	0.25	0.16	0.56*		0.05	0.30
Salesmen proficiency	0.04	0.24	0.24	0.16	0.05		0.34
Flexibility	0.32	0.20	0.52*	0.54*	0.30	0.34	

** - significant at 0.01 level

* - significant at 0.05 level

- a bit lower than market average,
- market average,
- a bit higher than market average.

4. Price:

- 10% lower than market average,
- market average,
- 10% higher than market average.

5. Sales manager's proficiency:

- not very proficient and poor communication,
- very proficient and good communication skills.

6. Production flexibility:

- relatively rigid, can satisfy only 60% of our special requests,
- quite flexible, can satisfy almost all (95%) of our special requests.

To reduce the number of concept cards before data gathering, the orthogonal planning procedure was executed with the aid of SPSS software. The number of concept cards was reduced from 324 to 18, which still makes it possible to effectively estimate the main effects.

Concept cards with two data columns were used to study the value creating factors. The left column stated the attributes and the right column the corresponding performance levels (figure 3) according to the orthogonal plan. The task for respondents was to simply order the 18 cards by their purchasing preference. The preference could have also been estimated with points (on preference scale), which would have captured more information in every answer. But as stated by Gustafsson et al. (1999), this may also make responses less consistent and unreliable. For a consumer it is easier to decide which value offering is preferred rather than to say how much one offering is better than another.

Because of the complex nature of card the ranking procedure, in-depth interviews with

customers in their working places were used.

Because of the time and effort required to conduct these interviews, the sample was limited to 36 of E.P.'s most important customers (E.P.'s total customer base exceeds 1000), who represent more than 70% of E.P.'s turnover. These customers were active in different industries – from peat, textile and foodstuffs production to retailing. 30 customers were located in Estonia and 6 in Latvia. 29 interviews were made in Estonian language and 7 in Russian. For the Russian language interviews, the concept cards were translated into Russian. Respondents were people who claimed that they make purchasing decisions for the company. They were clearly interacting regularly with packaging material suppliers and had a clear picture of the customer company's needs and limitations. Interviewees were working as purchasing managers or as higher managers.

RESULTS OF CONJOINT ANALYSIS IN ESTIKO-PLASTAR

Based on the part-worth utilities, on average the most important attribute for customers is the plastic material and welding quality (an importance weight of almost 24%). This result is logical because the plastic package is the core product. Next in importance are the price and delivery time attributes, which form 21% and 19% of average customer's purchasing decision. Printing quality, Salesmen's proficiency, and Production flexibility were about 13%, 12%, and 11%, respectively.

Using average part-worths and the averaging of consumer needs may lead to incorrect conclusions if the consumers needs are not homogenous. Therefore the conjoint analysis results were further processed by k-means cluster analysis to check for possible sub segments with similar needs. For cluster analysis the attributes' relative importance values were used because it has been found that they discriminate customers with similar needs better than part-worths or even the ranking of cards (Green and Srinivasan 1978). Four clusters emerged in the analysis with following

Table 2. Attributes relative importance in four different needs based customer segments

Product/ Service attribute	Relative importance				
	average n=34	segment 1 n=11	segment 2 n=7	segment 3 n=10	segment 4 n=6
Material and welding quality	24	19.8	14.3	35.5	23.6
Delivery time	19	37.7	12.7	8.1	10.2
Print quality	13	9.8	10.2	8.6	28.9
Price	21	15.2	14.9	32.9	18.4
Proficiency of sales manager	12	7.6	29.8	7.0	9.0
Production flexibility	11	9.9	18.0	7.8	9.9

principal needs (see table 2 for the relative importance of the attributes):

- 1) short delivery times
- 2) the professionalism of sales manager and the flexibility of production
- 3) good quality of plastic material with reasonable price
- 4) good quality of print and good quality of plastic material

DISCUSSION

It is interesting to note that even customers who belonged to the same industry and who could have been expected to share similar needs belonged sometimes to different segments. For example dairies could be found in the second, third and fourth segments. The fourth segment “good quality of print and plastic material” includes dairies and candy producers. The customers in this segment were especially concerned with how their products looked on store shelves. Discussions with E.P.’s sales managers confirmed the grouping of the customers. They commented that customers who seem similar on the surface often have very different needs.

This study has demonstrated the potential usefulness of conjoint analysis in a business to business marketing application in Eastern Europe, possibly one of the first applications of conjoint analysis in this area. It gave the company additional insight into the differential weights put on attributes by four distinct market segments.

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MARKETING IMPLICATIONS OF VALUATING RESIDENTIAL PROPERTIES USING REGRESSION METHODS

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ABSTRACT

In this paper, we show how to value unsold residential properties using information related to recently sold properties. We use the single equation linear regression model for this purpose under least squares and other methods including regression quantiles. We present the unexpected consequences of the modeling as an ethical situation.

INTRODUCTION

Consider the problem of assessing the value of a residential property. Clearly, it is a function of the physical characteristics of the property. Because properties differ in their physical characteristics and comparable homes differ widely in market value, home owners, realtors, and taxing authorities make errors in valuation. For the taxing authority, errors in assessment have significant consequences. Over-assessments result in larger tax base but may be accompanied by appeals of homeowners that can be costly to resolve. Under-assessments of properties will not generally result in appeals but do lower the tax base. The subject of this paper is the valuation of residential property for the purpose of taxation using the single equation linear regression model and its implications.

The single equation linear regression model is often represented as

$$y = X\beta + \varepsilon \quad (1)$$

where y denotes an $n \times 1$ vector of observations on the response variable corresponding to X , the $n \times k$ matrix of the values of k regressor (or predictor) variables that may include a column of ones to represent an intercept term. The β is the $k \times 1$ vector of unknown parameters and ε is the $n \times k$ vector of unobservable errors in y . In the valuation of residential property, y is the sale price of the property and X contains its corresponding attributes such as frontage, lot size, living space, etc. A sample of n sold properties that includes sale price and k attributes of the property are used to estimate the elements of β where β_j , the j th element of β , is the market value of each unit of attribute j ($=1,\dots,k$) in dollars of sale price.

The estimates of the β_j , $j=1,\dots,k$, of β can be obtained from a variety of methodologies. The most common method is estimation of β under the principle of least squares, Ihlanfeldt and Martinez-Vazquez (1986). More recently, alternatives to the least squares model for residential property valuation have been proposed, Coleman and Larsen (1991), Caples, Hanna, and Premeaux (1997). Narula and Wellington (1977, 2007) proposed use of the minimum sum of absolute errors (MSAE) principle for estimating the β of (1). Isakson (2001) discussed the pitfalls of using the multiple linear regression model in real estate appraisal.

Let b be the $k \times 1$ vector containing estimates of the elements of β in (1). Then the estimate of market value y is obtained from

$$\hat{y} = Xb. \quad (2)$$

If b is derived using the least squares method, then (2) is known as the least squares model or predictor of y . If b is obtained under the MSAE methodology, (2) is the MSAE predictor or model. The predictor (2) is used to value sold and unsold residential properties.

Consider the real estate data (available from the authors) that consists of 54 observations on y , the sale price of the property, and twelve predictor variables x_1, \dots, x_{12} that represent taxes, number of baths, frontage (feet), lot size (square feet), living space (square feet), number of garages, number of rooms, number of bedrooms, age of home (years), construction type, style, and number of fireplaces, respectively. Because the sale price of a property is

Table 1: Over-assessment Minus Under-assessments Versus θ

Model	Maximum Over-Assessment	Dollar Value of Over-assessments Minus Under-assessments	Number of Over-assessments above 10%	Number of Over-assessments above 20%
MSSE ¹	50.51%	\$2 449	13	8
MSAE	56.25%	\$166 360	16	8

¹Least squares also known as the minimum sum of squared errors estimation principles.

zero when the values of all attributes are zero, we use the model in (1) without the intercept term. For the fitted least squares regression model, the over-assessments minus the under-assessments equal \$2,449, i.e., if the model were used to assess property values of the sample for the purpose of taxation, the tax authority would receive excess tax revenue proportional to \$2,449. For the fitted MSAE model, the tax authorities will receive excess tax revenues proportional to \$166,360. For both models, the maximum over-assessment is above 50%. Table 1 is a display of some features of the results for both models.

In some ways, gain in revenue due to over-assessment compensates for the loss in revenue due to under-assessment. The property owners who have been over-assessed may complain whereas the undervalued residential property owners may not. Therefore, it is desirable to find a model that is appealing to both the taxing authority and the tax payers. That is, the taxing authority should not lose tax revenues and the tax payers should not be unduly over-assessed.

If neither the least squares nor the MSAE models produce good results, few alternatives are available. In this paper, we propose use of regression quantiles modeling for assessing property values. The method offers a parameterization of the search for useful models between the extremes of universal over-assessments and under-assessments. In between, the methodology produces a finite number of successively meaningful models in which the tradeoff between over-assessment and its gain in tax base can be contrasted with under-assessments and the loss in tax base unique to each regression quantile model. We also show how to incorporate concern for possible appeals due to perceived over-assessment of property value in evaluating alternate models.

The paper is organized as follows. In the next section, we introduce regression quantiles and in the following section illustrate its use with an example. We conclude the paper with a discussion.

REGRESSION QUANTILES

Under some conditions, the popular least squares regression and regression by MSAE may not be optimal in the statistical sense and may not provide full insight into a data set. Unlike either, regression quantiles provide alternative forms of the specified model. In the case of model (1) for residential property valuation, regression quantiles modeling parameterizes the magnitude of over-prediction (over-assessment) and under-prediction (under-assessment) among the various models that result from the method.

The regression quantiles parameter θ ($0 < \theta < 1$) may be viewed as the fraction of the observations that are on or below the fitted regression plane. The modeling may start with $\theta = 0$ where all residuals are positive, Bassett and Koenker (1982). As the value of θ increases, the number of positive residuals decreases and the number of negative residuals increases until we reach $\theta = 1$ where all the residuals are negative. In the case of the residential property valuation model (1), positive residuals indicate under-assessments/valuations and negative residuals reflect over-assessments/valuations when the sample data used for fitting consists of recently sold properties.

The problem can be formulated and solved as a linear parametric programming problem. Koenker and Bassett (1978) have shown that b may be obtained efficiently from the solution of the following equivalent (primal) linear parametric programming problem:

$$\begin{array}{ll} \text{Minimize} & \theta \mathbf{1}' e^+ + (1-\theta) \mathbf{1}' e^- \\ \text{Subject to} & Xb + e^+ - e^- = y \\ & e^+, e^- \geq 0 \\ & b, \text{unrestricted in sign.} \end{array} \quad (3)$$

Let $e = y - \hat{y}$ denote the $n \times 1$ vector of residuals

where $\hat{y} = Xb$ and $e = e^+ - e^-$. The non-zero elements of e^+ are the under-predictions (under-assessments) and the non-zero elements of e^- are the

over-predictions (over-assessments) associated with the θ th regression quantile model and its b.

When $\theta = 0$, all the residuals will be positive because they have zero weight in (3). On the other hand when $\theta = 1$, all residuals will be negative. Observe that $\theta = \frac{1}{2}$ results in the MSAE regression problem. Furthermore, for a given value of θ , regression quantiles retain the essential features of the MSAE regression problem, Narula and Wellington (1986). Each fitted regression quantile model passes through at least as many data points with zero residual as the number of unknown parameters in the model, i.e., the number of observations with zero residual equals at least k , the number of parameters in the model. Because each regression quantile model is determined by all observations but defined by only a subset of them, they are more resistant to outliers than the least squares regression. Computer programs given in Wellington and Narula (1984) and Koenker and D'Orey (1987) may be used to compute all regression quantiles associated with a data set.

Regression quantiles are to regression analysis what percentiles are to univariate data.

EXAMPLE

Tax authorities assume that if the assessed value of a property (and hence the property tax) is not in excess of the market value by a certain percent, there may be no complaints. However, if the assessed value is low, there is definitely a loss of tax revenue proportional to the amount of under-assessment. The contrary is also true. If a newly assessed value of a property exceeds its market value set through recent sale or the owner's perceived value by a certain percent say 10% or 20%, the property owner will appeal. Although over-assessments do increase the tax base, they may cause appeals that are expensive to resolve. Clearly, the objective of the tax authorities is to assess the property values in order to maximize the tax base and in doing so minimize the potential for complaints.

We fitted the empirical quantile function to real estate data available from the authors. There are 102 regression quantiles associated with the data. When the value of θ equals zero, all the residuals have positive values, that is, all the residential properties of the sample are under-assessed. On the other hand, when the value of θ equals one, all the residuals have negative values, i.e., all the properties are over-assessed. Clearly, the models for values of θ near

zero are not desirable because the tax authority loses revenue. Models for values of θ near one are also undesirable as they will result in many complaints and poor public relations. This is evident from Figure 1 where we displayed the residuals for a few selected values of θ . Note how the scatter of negative residuals or errors of fit indicating overvaluation of properties of the sample shift from left (at top of the graph) to right as θ declines. The display indicates the loss in tax base and gain in possible complaints (over-evaluations) with the decline in θ .

The preferred θ th regression quantile model should not result in excessive under- and over-assessments of the properties and, hopefully, should offer some gain in tax base with only a few complaints from property owners. Therefore, it may be reasonable to select that value of θ that will maximize $1'e^- - 1'e^+$ (net addition to the tax base) with few potential complaints. That is, we desire to find the θ th regression quantile model(s) that represents good balance between the two competing objectives – increase in the tax base and few resulting complaints. In Table 2, we display values of over-assessments minus under-assessments for a few selected regression quantiles models associated with this data. The entries of Table 2 illustrate the tradeoff in the increase in the tax base (difference between sum of over-assessments minus sum of under-assessments) and the number of properties over-assessed by 10% or 20%. The latter is indicative of potential complaints.

For some of the regression quantile models, either the increases in the tax base are lower or the number of over-assessments above ten or twenty percent are higher than other models. In this case, they are said to be dominated and not interesting to the analyst. The non-dominated regression quantiles are listed in Table 2

From Table 2, the decision maker may choose a model that is satisfactory in terms of the value of over-assessments minus under-assessments and the number of potential complaints resulting from over-assessments above ten and twenty percent. One such regression quantile model may correspond to $\theta = 0.6407$ for which the net over-assessment minus under-assessments is \$519,519 and number of potential complaints from above ten and twenty percent over-assessments are 16 and 10, respectively. The fitted regression quantile model for $\theta = 0.6407$ is

Table 2: The Regression Quantiles with the Difference between the Sum of Over- and Under-assessments and the Number of Over-assessments above 10% and 20%.

θ	Maximum % over-assessment	Difference between Over- and under-assessment (\$)	Number of Over-Assessments above 10%	Number of Over-assessments above 20%
.9022	102.70	1 560 756	34	24
.8869	87.86	1 275 056	33	21
.8852	79.40	1 125 006	28	20
.8838	76.83	1 080 750	26	16
.8681	72.34	1 000 296	24	17
.8546	72.09	994 245	23	17
.8528	70.74	971 678	22	17
.8444	70.40	956 631	22	16
.8383	69.42	941 161	21	16
.7632	56.48	720 566	21	14
.7580	60.84	687 612	20	14
.7447	66.36	659 082	18	15
.6665	66.60	598 435	17	11
.6616	63.52	537 630	16	11
.6407	62.61	519 519	16	10
.6373	60.60	502 611	16	9
.5723	61.56	424 708	14	8
.5598	60.55	401 853	14	7
.4742	58.48	11 253	12	5
.4727	56.98	-34 062	11	5

$$\hat{y} = 58.74x_1 + 8.81x_2 - 0.14x_3 + 2.84x_4 - 21.43x_5 - 5.47x_6 \\ + 5.04x_7 - 6.89x_8 + 0.23x_9 + 0.63x_{10} + 1.29x_{11} + 7.33x_{12}$$

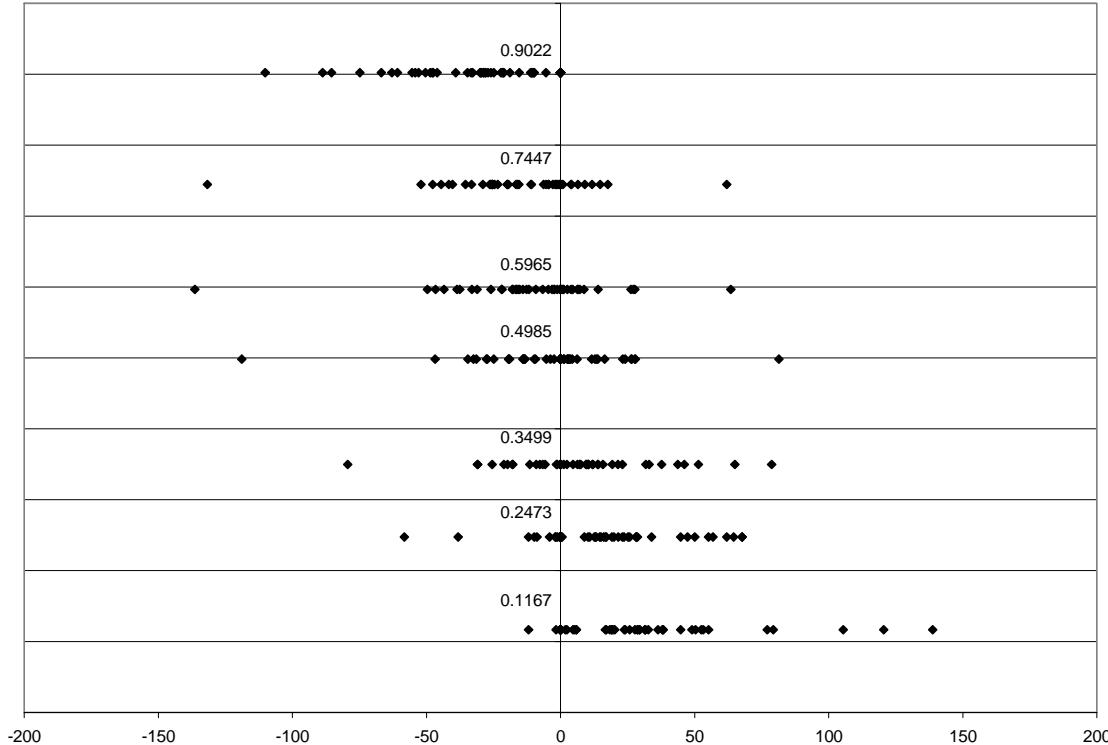
For this model, 64% of the observations lie on or below the fitted model. For the analyst and the decision maker, this means no more than 36% of the residential properties are over-valued. Another desirable regression quantile model may correspond to $\theta = 0.6665$. For this model, the over-assessments minus under-assessments is \$598,435 and number of

potential complaints above ten and twenty percent are 17 and 11, respectively, i.e., for one additional possible complaint the gain in tax revenues is proportional to \$78,916. The fitted regression quantile model for $\theta = 0.6665$ is

$$\hat{y} = 57.06x_1 + 10.34x_2 - 0.17x_3 + 2.74x_4 - 18.65x_5 - 4.13x_6 \\ + 5.61x_7 - 8.31x_8 + 0.20x_9 + 0.69x_{10} + 1.42x_{11} + 6.73x_{12}$$

For this model, no more than 37% of the residential properties are over-assessed.

Figure 1: Residuals for a Few Selected Regression Quantiles.



DISCUSSION AND PRACTICAL IMPLICATIONS

Regression quantiles modeling offers alternatives for consideration. As such, the analyst and the decision maker (taxing authority) have choices in selecting the most “appropriate” regression model instead of a unique model offered by the least squares or the MSAE regressions. Because the decision maker has more information and is involved in the selection of the final model, it may have more appeal and greater chance for implementation.

The use of this methodology does raise ethical considerations. First, the taxing authority must decide the value (percentage) of reappraisal (10% and 20% used in the example) that would move property owners to appeal. As we suggested in the example, a new appraisal less than 10% of the former valuation may not generate an appeal but one greater than 10% may. In this context, the threshold value is driven by the capacity of the assessor’s office to handle complaints and not by a consideration of equity or fairness to property owners. Secondly, is the

assessor’s office obligated to inform property owners of a reduction in property valuation that results from implementation of the model? With any modeling principle whether least squares, MSAE, regression quantiles or others, some values of the response variable (home property value) will be overestimated and some under-estimated. Thirdly, property owners may appreciate the process (regression modeling) that removes in their eyes subjective reappraisal based on visual inspection of an assessor. The challenge is how to resolve these issues and to frame them for public consumption. The theory of exchange so often appealed to in attempting to understand buyer behavior may help.

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VISUAL AND VERBAL LEARNERS AND NEED FOR COGNITION: LEARNING STYLE VS. PREFERENCE

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ABSTRACT

Need for cognition was found to be significantly correlated with high scores on both the verbalizer and visualize subscales of the Verbalizer-Visualizer Questionnaire, which measures cognitive learning style, but not with scales used to measure learning style preference. Implications of these findings are discussed.

INTRODUCTION

While a significant amount of scholarly activity has been devoted to developing scales to measure cognitive abilities, learning styles and preferences and a to examining how scores on certain of those scales influence learning under certain conditions, the connections between the cognitive learning measures and other measures of personality related to learning have not been considered. This study aims to begin to close this gap by looking at the relationship between cognitive learning styles and preferences and one of the personality variables most closely related to learning, need for cognition.

Need for cognition is a well-established concept that reflects an individual's interest in engaging in activities that require high levels of cognitive effort. Originally identified by Cohen, Stotland and Wolfe (1955), the concept was developed into a widely used 18-item scale by Cacioppo and Petty (1984). Those with a high need for cognition will voluntarily and deliberately seek out and reflect on information in order to evaluate people or situations (Cacioppo and Petty 1984). Individuals low in need for cognition will tend to rely on others, on cognitive heuristics, or on social comparison processes to make sense of stimuli and events (Cacioppo et al. 1996). Need for cognition does not mean the same thing as level of cognitive ability or quantity of knowledge, although it may be expected that perhaps by virtue of their actively seeking and pondering information, people who have a high need for cognition will tend to do better on intellectual tests that focus on knowledge of information. Such results have been found in the context of knowledge of Vietnam War events and personalities and correctly identifying political positions of presidential candidates (Holbrook 2006; Tidwell, Sadowski and Pate 2000).

The link between need for cognition and learning has not been completely established, however. Kaplan (2006) found no link between need for cognition and learning of statistical techniques. Need for cognition was also not an important moderator in a test of whether intensive classes produced better learning results than semester-long classes (Seamon 2004). However, Casper (1999) found that where humor was introduced into the learning environment, need for cognition was a predictor of learning regardless of the type of humor and the presence or absence of laughter. In addition, need for cognition has only a modest correlation with intelligence quotients (IQ), and experimental studies have shown that people with a low need for cognition can engage in levels of effortful cognitive processing comparable to those of people with a high need for cognition when the social context requires it (Cacioppo et al. 1996; Evans, Kirby and Fabrigar 2003). On the other hand, need for cognition appears to be part of the same higher-order learning construct as deep processing (seeking information and thinking about it, forming connections with prior information, as opposed to surface learning, which focuses on rote and heuristics) and the adaptive control style of strategic flexibility (Evans et al. 2003).

In addition to learning via deep processing versus surface processing, one means by which individuals are distinguished in their learning styles is that some are visualizers while others are verbalizers (Ausburn and Ausburn 1978). For example, when learning new words in a foreign language, a verbalizer will "see" a mental picture of the letters of the word, while a visualizer will form a mental picture of the object being learned (Kirby, Moore and Schofield 1988; Plass et al. 1998). The extent to which learning style influences the actual quantity of learning has not been determined conclusively, with arguments about the importance and the

circumstances in which learning style might matter going both ways (e.g., Bostrom et al. 1990, 1993; Ruble and Stout 1993).

A number of scales have been developed to distinguish visualizers from verbalizers. Mayer and Massa (2003) looked at several of these and used a factor analysis to divide them into three types, with a particular scale determined to measure cognitive ability, cognitive style, or learning preference. One very widely used scale, called the Verbalizer-Visualizer Questionnaire (VVQ), was found by Mayer and Massa to be a measure of cognitive style. The VVQ, originally developed by Richardson (1977), was found by Kirby et al. (1978) to be 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. One problem is that the factor loadings obtained by both Richardson and Kirby et al. were rather weak, suggesting that a number of the questions did not load on either factor. Despite this, the VVQ has been widely used and has been shown to have significant correlations with other measures of learning (Mayer and Massa 2003). Mayer and Massa also examined some original measures of learning styles, one of which they referred to as the Santa Barbara Learning Style Questionnaire. On the Santa Barbara scale, a high rating reflects a verbalizer learning style.

Where cognitive style measures how people actually learn, learning preference measures how they prefer to learn, and thus how they will choose to receive information if given a choice. Mayer and Massa (2003) developed an instrument – called the Learning Scenario Questionnaire – that presented people with different learning scenarios and scored them based on how many times they chose a visual learning method over a verbal learning method. An alternative measure developed by Friedman (2007) uses a three- or four-question scale to identify verbal versus visual learning style preference; these can be called Learning Style Preference 3 and 4, respectively (LSP3 and LSP4). On both of these scales, a high score reflects a preference for verbal learning.

HYPOTHESES

Because of the link between need for cognition and interest in seeking information and thinking, it was hypothesized that the correlations between the two-dimensional cognitive style measures and the need for cognition would be positive. That is, people

scoring high on both the verbalizer and visualizer subscales presented by Kirby et al. (1978) would score high on the need for cognition. These subscales are referred to in the results below as Kirby Verbal and Kirby Visual, respectively. Because fondness for reading is commonly believed to reflect an interest in learning, it was also hypothesized that those with a preference for verbal learning would show a higher need for cognition than those with a preference for visual learning. In practice, this meant that there would be a positive correlation between the scores on the Santa Barbara scale and the LSP3 and LSP4 with score on the need for cognition scale, and a negative correlation between the Learning Scenario Questionnaire score and the need for cognition score.

METHODOLOGY

A total of 95 participants completed questionnaires. The participants were recruited from undergraduate and graduate business classes at two universities in the Northeast and completed the survey as part of an optional extra-credit assignment chosen from a list of possible extra-credit assignments. Because of the nature of the study – learning – and because prior work has used student samples or has found no significant differences in results between student samples and general population samples, this was considered acceptable (e.g., Friedman 2007; Kirby et al. 1978; Mayer and Massa 2003). To measure learning styles, the survey included questions from the VVQ, the Santa Barbara scale, the Learning Scenario Questionnaire, and the LSP4, which includes the LSP3 plus an additional question. In addition, Petty and Cacioppo's 18-question Need for Cognition scale was included along with questions seeking demographic information.

RESULTS

The data were analyzed using SPSS 15.0. The correlations appear in Table 1. The hypothesis that cognitive style would correlate significantly with need for cognition was supported with respect to the Kirby subscales, with the Kirby visualizer subscale having a correlation of .237 ($p = .032$) and the Kirby verbalizer subscale having a correlation with need for cognition of .402 ($p = .000$). The results in terms of verbalizers having higher need for cognition than visualizers did not support the hypotheses. The correlations for all three of the learning preference measures with need for cognition were not significant and in two cases were essentially zero. The Santa Barbara scale had a correlation with need for

cognition of .193 ($p=.083$), narrowly missing statistical significance.

Table 1. Correlations with Need for Cognition

Scale	Correlation (p value)
Kirby Verbal	.237 ($p = .032$)
Kirby Visual	.402 ($p = .000$)
Santa Barbara	.193 ($p = .083$)
LSQ	.011 ($p = .919$)
LSP3	-.013 ($p = .904$)
LSP4	.105 ($p = .347$)

DISCUSSION

While the initial hypotheses were not completely supported, the findings suggest that there is an important link between learning styles and need for cognition. First, it is worth noting that the learning preference of a student is not linked to need for cognition. Both students who prefer to learn verbally and those who prefer to learn visually may have high (or low) need for cognition. The near-significance of the Santa Barbara scale suggests that there may be some conditions under which verbal learners (cognitive style) show greater need for cognition than visual learners, but those cannot be determined using currently existing scales. That both of the Kirby subscales had positive correlations with need for cognition suggests that those who are strong learners – whether verbal, visual or both – are going to find thinking to be a more desirable activity than are those who are weaker learners. One result of this is that it suggests that those who are strong learners will be the ones doing more thinking about what is covered in the class and thus more likely to gain more from the class than those who enter the class with weaker cognitive style scores. If you will, the “rich” (high cognitive style scores) get “richer” due to greater personal need for thinking. The challenge will be how to engage those scoring lower on the cognitive style measures so that they too benefit significantly from course work.

Holbrook’s (2006) findings that need for cognition is correlated with education, use of both newspapers and television, and political interest are relevant here. The combination of those findings and the ones in the present study suggest an element for future research, specifically how learning preference relates to student study habits. Since much out of classroom work involves reading, especially textbooks, and since that favors verbal learners,

future work may be helpful in determining the link between learning preference and student study habits, as well as the link between need for cognition and student study habits. Anecdotal conversations with college instructors in numerous distinct disciplines at various institutions of varying types – community colleges, small and large state and private colleges and universities – suggests that a common complaint is that a large fraction of students do not do assigned reading. A future study could identify whether this is due to lack of interest in learning for its own sake (low need for cognition) or a mismatch between the assignments and students preferred method of learning (learning preference) or cognitive style that makes the reading undesirable or unhelpful. The link between need for cognition and deep as opposed to surface learning already suggests why those students who rely on rote learning do not get as much out of classes as those who engage in deeper processing. Future work should establish whether learning styles – both cognitive styles and preference – are related to the choice between deep and surface learning and study habits.

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FACULTY EFFORT, CLASSROOM CLIMATE, STUDENT – FACULTY RATIO, AND UNIVERSITY BUSINESS SCHOOL PERFORMANCE EXCELLENCE

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ABSTRACT

We reward Jaworski and Kohli's (1993) "overall performance" scale for use within the higher education context, and (employing a national survey of business schools deans) report percentages of faculty effort devoted to various activities, variety of teaching techniques, and student/faculty ratio for each of eight levels of performance. Additionally, we employ a series of t-tests to further analyze differences between performance levels for selected variables. Levels of these variables (argued by the college guides as indicators of quality) exhibited particularly among the best and worst performing business schools may provide insight as to the "ideal" levels.

INTRODUCTION

College guides published by U.S. News & World Report, Peterson's, and others instruct prospective students and their parents as to the indicators of a quality program, accrediting bodies provide guidance to faculty and administrators for the achievement of quality and continuous improvement, and the prestigious Baldrige National Quality Program has developed criteria for the achievement of performance excellence in education. Clearly, quality and performance excellence are critical components to the continued success of higher education programs. This manuscript addresses some of the many indicators of quality education, as applied to university business schools. Reporting the results of a national survey of business school deans, we examine faculty effort, classroom climate, and student/faculty ratios in terms of overall performance levels exhibited by the business schools.

Accrediting bodies and others (AACSB International 2005, Baldrige National Quality Program 2005, Elfin 1996, Karathanos and Karathanos 1996) join the college guides in suggesting that, while quality instruction is important, other factors also contribute to university business school quality and performance excellence. These additional factors include faculty effort toward other activities (research, service, advising, consulting) in addition to teaching, a "classroom climate" that includes a variety of teaching techniques (group projects, discussion/debate, videos/video exercises, case analysis, student presentations, field trips) in addition to lecture, and a

lower student/faculty ratio that would indicate better contact between faculty and their students.

We outline the objectives of the study in terms of specific research questions, complete the analysis that addresses the questions, and present the findings. Managerial implications, limitations of the study, and future research directions are provided.

METHODOLOGY AND RESEARCH DESIGN

Objectives

Part of a larger effort, this study is an extension of previous research by the authors. The focus of this study is limited. We address a limited number of research objectives, which are expressed below in terms of five specific research questions.

1. What is the mean percentage of effort within university business schools toward (a) teaching, (b) research, (c) consulting, (d) advising, and service (e) university, (f) community, (g) profession), per performance level, as reported by business school deans?
2. What is the variety (mean number) of teaching techniques employed in marketing classes at university business schools for each performance level, as reported by business school deans?
3. Do university business school marketing classes exhibit statistically significantly different measures of variety of teaching techniques, based on performance level of the business school? Which performance levels, if any, are significantly different?

4. What is the mean student – faculty ratio within university business schools, per performance level, as reported by business school deans?
5. Do university business schools exhibit statistically significantly different student – faculty ratios, based on performance level of the business school? Which performance levels, if any, are significantly different?

Previous research efforts (Authors), using ANOVA and profile deviation analysis (Van de Ven 1985) to test the statistical significance of the effect of the faculty effort variables on performance, produced mixed results. These previous empirical results identified (per ANOVA) no statistically significant effect on performance by any of the seven "faculty effort" variables individually, but did identify (per profile deviation analysis), in partial support of the theory noted above, a statistically significant effect on performance of the mix of effort used. Accordingly, the first research question above addresses the identification of the particular mix of effort used at each level of performance.

We also examined (through ANOVA) and reported previously (Authors) a significant effect of variety of teaching techniques (used within individual majors) on overall performance of the business school. Post-hoc tests of marketing majors in that study indicated a much lower mean overall performance (3.25 on the 7.00 scale) for the few respondents that reportedly rely entirely on lecture. Respondents reporting three, four, five, six, or seven techniques all had significantly higher performance scores, ranging from 5.11 to 5.44. We extend the previous research by calculating and reporting the mean number of teaching techniques at each performance level (second research question, above), and also the statistical significance of any differences between performance levels (third research question).

Though theory suggests a negative correlation, as noted earlier, previously reported correlation analysis results (Authors) indicated no statistically significant relationship between student/faculty ratio and overall performance. The fourth and fifth research questions further address this issue by providing and examining the ratios for each performance level.

Data are gathered, tabulated, and presented to address the research questions. The variables included in this study (faculty effort toward teaching, research, and other activities, classroom climate emphasizing a variety of teaching techniques, and

low student/faculty ratios) are among the indicators of quality suggested to lead generally (AACSB International 2005, Baldridge National Quality Program 2005, Boyer 1997, Karathanos and Karathanos 1996) to higher levels of performance in higher education. We address the research questions through calculation of mean scores and application of t-tests. The results of this study will identify mean scores of the variables associated with each of eight overall performance levels. Mean scores associated with the higher performance levels, compared to scores at the lower levels, should provide us with guidance as to the "ideal" levels.

Instrument

The project was undertaken as a part of a larger study by use of mail surveys. Cover letters and surveys were sent to deans of 1052 schools of business in the United States, along with a cover letter. Schools were selected for the survey based on membership in either American Assembly of Collegiate Schools of Business (AACSB) or Association of Collegiate Business Schools and Programs (ACBSP). Deans of schools of business, as key informants (Campbell 1955; Phillips 1981), were asked to provide information concerning a broad array of topics. To enhance participation, postage paid return envelopes were provided and confidentiality was assured.

Analysis

Specifically, respondents were asked to estimate percentage of effort (100% total) spent on average by business faculty on teaching, advising, research, consulting, service to the university / school / department, service to the community, service to the profession, and "other" activities. We calculate and present overall mean responses to the percentage of effort survey questions.

Respondents were also asked to estimate percentage of instruction time (100% total) devoted on average in business classes to the following activities: lecture, group projects, discussion/debate, videos/video exercises, case analysis, student presentations, field trips, and "other." Though the responses were obtained separately for different business disciplines, we report results in this study for marketing classes only. The number of teaching techniques is calculated (for marketing classes) as a measure of classroom climate discussed by Karathanos and Karathanos (1996) and the Peterson college guides as an indicator of college quality.

Generally, the suggestion is that the use of less lecture and the use of a greater variety of other teaching techniques should lead to higher levels of performance.

A final quality measure collected from respondents was the mean student/faculty ratio for business classes. As noted above, the suggestion from the college guides is that a relatively lower student/faculty ratio is an indicator of higher levels of quality, which should lead to higher levels of performance excellence.

"Overall performance" is measured using the Jaworski and Kohli (1993) two-item measure that is based on executive opinion of performance. The two questions appeared as follows in the survey:

1. Overall performance of the business school / department last year
Poor 1 2 3 4 5 6 7 Excellent
2. Overall performance relative to major competitors last year
Poor 1 2 3 4 5 6 7 Excellent

The measure incorporates differences in performance goals that exist from school to school by requesting that executives indicate recent performance of their business schools. The wide range of possible performance goals are not assumed for all schools. Each respondent should answer the questions about actual overall performance relative to the expectations and performance goals of that particular business school. Slater and Narver (1994) echo Jaworski and Kohli's defense of the use of subjective performance measures, noting that the measures "are used commonly in research on private companies or business units of large corporations." They also noted the "strong correlation between subjective assessments and their objective counterparts" that have been indicated in previous research.

We separate the responses for overall performance into eight levels of performance for university business schools. The highest performance group, labeled Group 1, consists of eleven respondents with a 7.0 performance rating. The lowest performance group (Group 8) includes 14 respondents with performance levels under 4.0. The Pearson correlation coefficient for the two overall performance items was .708 (sign. .000), indicating reliability for this two-item scale.

The possibility of non-response bias was investigated by comparing early and late respondents (Armstrong and Overton 1977). The

tests indicated no significant differences between early and late respondents (at the .10 level of significance). Also, Berdie (1989) found that, even in the event of non-response bias in mail surveys, typically the bias did not alter the survey findings. We proceeded on the basis that significant non-response bias did not exist.

RESULTS AND CONCLUSIONS

Completed questionnaires were received from 225 respondents. Eight additional respondents indicated that they do not feel the survey questions apply to their school or that their school "fits" in the sampling frame. Forty respondents refused participation for other reasons. The response rate was 22.1%, calculated considering the ineligibility of the eight respondents (Churchill 1991).

The results of this study provide answers to the research questions. Mean responses were calculated for percentage of faculty effort (research, teaching, service, advising), variety of teaching techniques used in the marketing discipline, and student/faculty ratio. Means were calculated for each variable within each of the eight performance levels. The mean scores are presented (Tables 1 and 3), along with minimum and maximum scores, standard deviations, and number of responses.

Additionally (addressing the third and fifth research questions), we provide results of the t-tests used to examine the differences in mean scores of variables per performance level when compared to scores at each of the other performance levels. Results are discussed below.

Faculty Effort

An examination of Table 1 reveals mean responses regarding levels of faculty effort toward teaching, research, service, advising, and consulting. Presumably, faculty effort toward the various activities matches fairly closely the expectations from the university. While some universities provide release time to faculty for research or other endeavors, others do not. Some universities may expect (and encourage) higher levels of consulting, service to the profession, service to the community, or service to the university. Obviously, tradeoffs exist which hopefully match the mission of the particular university business school. Relatively heavy teaching and advising loads, for example, would necessarily reduce the percentage of effort expended toward research, consulting, and service. Though most universities expect some level of effort

in all of the areas that we examined, those expectations definitely (and understandably) differ.

We (and the accrediting agencies and the college guides) are not suggesting a linear relationship

Table 1. Mean Faculty Effort Responses by Performance Level

	Teaching	Research	Service Univ.	Service Comm.	Service Prof.	Advising	Consult.
Perf. Group (Score) N	Min. Mean Max. (S.D.)	Min. Mean Max. (S.D.)	Min. Mean Max. (S.D.)	Min. Mean Max. (S.D.)	Min. Mean Max. (S.D.)	Min. Mean Max. (S.D.)	Min. Mean Max. (S.D.)
1 (7.0)	30.00 60.91 n = 11	0.00 16.27 80.00 (15.463)	0.00 5.18 15.00 50.00 (4.834)	0.00 1.82 20.00 (1.991)	0.00 2.00 5.00 (2.098)	0.00 9.09 25.00 (7.355)	0.00 4.18 10.00 (4.285)
2 (6.5)	30.00 52.08 n = 12	0.00 15.42 40.00 85.00 (15.442)	4.00 10.42 20.00 (5.854)	0.00 3.33 10.00 (3.025)	0.00 3.33 5.00 (2.229)	0.00 9.25 30.00 (8.656)	0.00 4.25 10.00 (3.494)
3 (6.0)	30.00 57.63 n = 49	0.00 15.00 40.00 85.00 (15.356)	0.00 8.67 20.00 (4.421)	0.00 3.94 15.00 (2.954)	0.00 3.71 10.00 (2.901)	0.00 7.65 20.00 (4.702)	0.00 3.16 15.00 (3.727)
4 (5.5)	35.00 57.12 n = 42	0.00 16.83 50.00 90.00 (12.309)	0.00 7.69 20.00 (4.447)	0.00 3.93 10.00 (2.522)	0.00 3.57 10.00 (2.520)	0.00 7.36 30.00 (5.893)	0.00 3.12 20.00 (3.664)
5 (5.0)	40.00 63.18 n = 44	0.00 12.68 60.00 90.00 (14.562)	0.00 8.07 20.00 (5.748)	0.00 2.91 10.00 (2.260)	0.00 2.50 10.00 (2.833)	0.00 7.55 20.00 (5.249)	0.00 3.93 53.00 (8.165)
6 (4.5)	30.00 56.86 n = 22	0.00 14.14 40.00 85.00 (12.881)	0.00 8.23 15.00 (3.598)	0.00 5.68 35.00 (7.067)	0.00 2.64 5.00 (2.216)	0.00 10.09 30.00 (7.843)	0.00 2.50 5.00 (2.263)
7 (4.0)	30.00 60.47 n = 17	0.00 10.88 35.00 90.00 (16.659)	0.00 8.59 15.00 (4.199)	0.00 4.29 15.00 (3.917)	0.00 3.18 10.00 (3.844)	0.00 9.88 25.00 (6.294)	0.00 2.71 5.00 (2.339)
8 (<4.0)	40.00 61.00 n = 14	0.00 7.21 30.00 86.00 (13.462)	0.00 9.29 20.00 (4.631)	1.00 3.86 5.00 (1.610)	0.00 5.57 20.00 (5.345)	0.00 7.57 20.00 (6.847)	0.00 6.00 30.00 (7.616)

between levels of effort and performance. As noted earlier, previous empirical research (Authors) indicated a relationship between particular mixes of effort and performance, but no linear relationship between the individual effort variables and performance. College guides and accrediting agencies agree, suggesting that an appropriate mix of faculty activities is an important indicator of a higher quality, better performing university / business school. College guides encourage prospective students and their parents to seek out universities that

encourage faculty to perform a variety of activities in addition to teaching. Accrediting bodies encourage business schools to develop their mix of expectations for faculty effort around the mission of the school.

Faculty, obviously, spend most of their time teaching. The highest mean percentage of faculty effort spent teaching (63.18% of faculty effort) was demonstrated by the 44 respondents within Performance Group 5 (5.00 overall performance score). The lowest mean percentage of faculty effort spent teaching (52.08%) was demonstrated by 12

respondents that comprise Performance Group 2 (6.50 overall performance score).

Table 2. Variety of Instruction Techniques and Student/Faculty Ratio Responses by Performance Group

Variety of Instruction Techniques (Marketing Classes)								
Perf Grp (Score)	<i>n</i> = 5	<i>n</i> = 6	<i>n</i> = 30	<i>n</i> = 24	<i>n</i> = 28	<i>n</i> = 18	<i>n</i> = 11	<i>n</i> = 9
	1 (7.0)	2 (6.5)	3 (6.0)	4 (5.5)	5 (5.0)	6 (4.5)	7 (4.0)	8 (4.0)
	Min.	4.00	4.00	2.00	3.00	3.00	2.00	3.00
	Mean	5.40	5.67	5.00	5.08	5.43	5.17	4.55
	Max.	7.00	7.00	7.00	7.00	7.00	6.00	6.00
	(S.D.)	(1.14)	(1.03)	(1.36)	(1.14)	(1.29)	(0.820)	(1.90)
	Average Student/Faculty Ratio (Business School)							
	<i>n</i> = 10	<i>n</i> = 11	<i>n</i> = 44	<i>n</i> = 37	<i>n</i> = 40	<i>n</i> = 20	<i>n</i> = 14	<i>n</i> = 14
	1 (7.0)	2 (6.5)	3 (6.0)	4 (5.5)	5 (5.0)	6 (4.5)	7 (4.0)	8 (4.0)

Table 3. Variety of Instruction Techniques and Student/Faculty Ratio Analysis of Differences by Performance Group

Variety of Instruction Techniques (Marketing Classes) Performance Group Comparisons: T (stat. sign.)			
1 vs. 2 : -.407 (.693)	2 vs. 3: 1.128 (.267)	3 vs. 5: -1.228 (.225)	4 vs. 8: 1.441 (.180)
1 vs. 3 : .618 (.541)	2 vs. 4: 1.140 (.264)	3 vs. 6: -.417 (.678)	5 vs. 6: .671 (.505)
1 vs. 4 : .566 (.576)	2 vs. 5: .423 (.675)	3 vs. 7: 1.033 (.308)	5 vs. 7: 2.102 (.042)
1 vs. 5 : -.046 (.963)	2 vs. 6: .855 (.402)	3 vs. 8: 1.563 (.127)	5 vs. 8: 2.369 (.024)
1 vs. 6 : .364 (.719)	2 vs. 7: 2.464 (.026)	4 vs. 5: -1.015 (.315)	6 vs. 7: 1.421 (.167)
1 vs. 7 : 1.717 (.108)	2 vs. 8: 1.819 (.092)	4 vs. 6: -.221 (.826)	6 vs. 8: 1.707 (.100)
1 vs. 8 : 1.371 (.195)	3 vs. 4: -.240 (.812)	4 vs. 7: 1.403 (.170)	7 vs. 8: .639 (.537)
Average Student/Faculty Ratio (Business School) Performance Group Comparisons: T (stat. sign.)			
1 vs. 2 : -.444 (.662)	2 vs. 3: .476 (.636)	3 vs. 5: -.004 (.997)	4 vs. 8: 2.874 (.006)
1 vs. 3 : .030 (.976)	2 vs. 4: .276 (.784)	3 vs. 6: 1.376 (.174)	5 vs. 6: 1.345 (.184)
1 vs. 4 : -.322 (.749)	2 vs. 5: 475 (.637)	3 vs. 7: .303 (.763)	5 vs. 7: .239 (.812)
1 vs. 5 : .028 (.978)	2 vs. 6: 1.646 (.121)	3 vs. 8: 2.276 (.029)	5 vs. 8: 1.763 (.084)
1 vs. 6 : 1.028 (.323)	2 vs. 7: .823 (.419)	4 vs. 5: .452 (.652)	6 vs. 7: -1.017 (.317)
1 vs. 7 : .282 (.781)	2 vs. 8: 2.445 (.023)	4 vs. 6: 2.248 (.029)	6 vs. 8: 1.341 (.189)
1 vs. 8 : 1.870 (.075)	3 vs. 4: -.476 (.636)	4 vs. 7: .761 (.450)	7 vs. 8: 1.915 (.067)

The highest mean percentage of faculty effort spent performing research (16.83% of faculty effort) was demonstrated by the 42 respondents within Performance Group 4 (5.50 overall performance score). The lowest mean percentage of faculty effort spent performing research (7.21%) was demonstrated by the 14 respondents in Performance Group 8 (<4.00 overall performance score), the lowest performing group of respondents. Note also, interestingly, that the top four performing groups all

exhibit higher mean levels of faculty effort toward research than the bottom four groups.

Table 1 also reveals insights regarding service. The top performing group demonstrates the lowest level of effort toward each of the three service

categories (reporting an average of less than ten percent of effort toward all forms of service combined). The other performance groups reported

mean percentage of effort toward service ranging from about 14% to 18% or more. Faculty of the few top performing business schools then, on average, appear to devote relatively less time to service (especially university service) and more time to other activities (research, teaching, consulting). Further (from Table 1), levels of effort devoted to advising reportedly range from a mean of 7.36% (Group 4) to 10.09% (Group 6). Faculty effort spent consulting ranges from 2.50% to 6.00%.

Variety of Teaching Techniques

The variety of teaching techniques per performance level is presented in Table 2. Differences are analyzed further and the results are presented in Table 3. Applying the Bonferroni inequality for the 56 t-test comparisons examined in this study (Hair et. al. 1995), we set the .10 significance level at .002. None of the comparisons (Table 3) reach this threshold of significance. Note that, though not statistically significant, the lowest performers (Groups 7 and 8) do indeed use the lowest variety of teaching techniques.

Student / Faculty Ratio

Mean reported student / faculty ratio per performance level is also reported in Table 2, with differences compared in Table 3. In support of previous correlation analysis results (Authors), none of the t-test comparisons (considering the .002 significance threshold established by the Bonferroni inequality) are statistically significant. Note that, though not statistically significant and contrary to what might be expected from the college guides as discussed above, the lowest performing group of respondents (Group 8) actually has the lowest student / faculty ratio.

Summary

All of the measures used in this study (faculty effort, variety of teaching techniques, and student / faculty ratio) are purported by the college guides to be indicators of a quality program. The reported mean scores at each performance level can be combined to provide a description (at least in terms of these particular quality indicators) of the groups of respondents at that level of performance. Teaching techniques and student / faculty ratio should help us to better understand the classroom climate that can be combined with the unique (ideal?) mix of faculty effort to characterize the best performers.

STUDY LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Two obvious limitations of this study are that the sampling frame included only AACSB and ACBSP member schools, and only schools in the United States. In both cases, schools excluded from the study could be different from the included schools in some way that could significantly affect the results of the study. We must use caution in attempting to generalize these findings to those universities.

Due to the limited scope of the study, we also did not consider the possible effects of other measures used by the college guides to indicate quality. Examples of these measures include admission standards, alumni giving rate, percentage of applicants who attend, retention rate, and graduation rate. We did not consider the effects of faculty incentives or rewards. We also did not consider organizational characteristics such as size of the business school, public/private classification, business school accreditation, or highest degree offered within the business school. All of these are potentially factors which may impact the variables or the relationships between the variables that we examined.

Future research is needed to address all of the limitations outlined above. Efforts should be made to further examine previous theoretical and empirical research into the effects of various practices on quality, continuous improvement, and performance within higher education.

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THE BENEFITS OF RECORDING CLASS LECTURES

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ABSTRACT

An exploratory study of the benefits of recording class lectures for undergraduate marketing students' later use. The study reveals that students firmly believe lectures to be educationally valuable. There were no differences found in attendance and class performance when comparing students who did and who did not download recorded lectures.

INTRODUCTION

Faced with yet another request, "I wasn't in class Tuesday. What did I miss?" I tried in vain to summarize ninety minutes of lecture and its class discussions and drew a blank about the spontaneous work that I had assigned mid-way through the class. I thought there must be a better way to accommodate student needs and create a more lasting learning experience than just posting the classes' overhead slides on the course's intranet web site. Okay, I thought. I'll make audio recordings of the lectures and post them also. I did, however, have concerns about the benefits of recording lectures and the possible changes in student behavior: do students want lectures recorded; will they perform better with the additional study aid; will they come to class less often if recorded lectures are made available; and will class discussions be restrained due to students' fears that their comments are being recorded?

The purpose of this study of undergraduate marketing students at a private, four-year liberal arts college is twofold. The study attempts to understand students' attitudes toward the prospect of lectures being recorded and made available for playback at their convenience. Second, the study considers students' attitudes toward the audio recordings of lectures after a full semester's worth were recorded and posted on the course web site and the differences in behavior between students who did and students who did not download the recorded lectures.

Although it might be tempting to tell an absent student to "Get the notes from someone who was in class," many factors are working to the contrary, especially shifts in student expectations and the availability of instructional technology. The current generation of students is not like those of the 1970s and 1980s. Called the "Millennials" by some, they present instructors with a challenging set of expectations and behaviors. They are used to being

indulged, have difficulty maintaining their focus, tend to seek instant gratification, and want to learn in their own way and according to their own timetable (Tucker, 2006). Given the recent concerns about student retention, administrators and faculty at higher education institutions are paying closer attention to gaps between students' expectations and the service quality they receive (Parasuraman, Zeithaml, and Berry, 1988; Zeithaml and Bitner 2003).

Apple, Inc. and its iPod's audio and playback capabilities have contributed to advances in course technology. Students can use the devices not only for listening to music and watching videos but also as educational tools because they "serve as powerful learning tools" (DeLong, p. 78). Students can visit a separate section of the Apple iTunes Store called iTunes U and download audio and visual course content from schools such as Massachusetts Institute of Technology (MIT) and the University of California at Berkeley. Duke University made headlines when it gave away iPods to 1,600 freshmen in the fall of 2004. Instructors at Duke have continued to find ways to develop the educational uses of iPods with forty-seven courses incorporating them into their pedagogy during the spring 2006 semester (Read, 2006). Not all students, however, are inclined to listen to recorded lectures and the few who do, do so because they missed class (Fernandez, 2007).

METHODOLOGY

Informational forms (pre-course surveys) were completed by students on the first day of class in seven undergraduate marketing courses over a single academic year. All courses were taught by the same instructor. An average of almost nineteen students (range: ten to thirty) were enrolled in the seven courses. In addition to the usual information, such as preferred first names and hometowns, I asked a series of questions regarding their experience with recorded

lectures or podcasts (audio plus graphics) and how busy they expected to be (in hours per week) with work and sports during the coming term. Students were also asked to express their level of agreement with ten statements about recorded lectures. Students could choose among the Likert scale responses to the ten statements: Strongly agree; Agree; Somewhat agree; Neither agree nor disagree; Somewhat disagree; Disagree; Strongly disagree.

Students were asked on the pre-course survey to express their level of agreement with the statements below.

1. Listening to recorded lectures will help me learn the material.
2. Listening to recorded lectures will help most students learn the material.
3. I would listen to many of the recorded lectures available for this course.
4. Most students would listen to many of the recorded lectures for this course.
5. I would come to class less often if I could listen to recorded lectures.
6. Most students would come to class less often if they could listen to lecture recordings.
7. I enjoy spending time on the computer.
8. I enjoy listening to music.
9. I expect to have a busy schedule this term.
10. Recording lectures in this course would be a good idea.

A total of 131 useable pre-course surveys were collected from sixty-six male and sixty-five female students. The ratio of male to female students was skewed because of the school's enrollment but did not have a statistically significant impact on the results.

A second survey (post-course survey) was administered to each of the seven classes at the end of their respective terms. All students completed the survey whether or not they had completed the pre-course survey or had or had not downloaded recorded lectures. To increase the likelihood of unbiased answers, students were not required to identify themselves on the post-course survey. Students were asked to complete different sections of the post-course survey depending on whether or not they had downloaded recordings of the lectures. If they had not downloaded lecture recordings, they selected among a number of reasons that they hadn't and were instructed to indicate which was the most important reason. If they had downloaded course lectures,

students were asked how many they downloaded and to check off the reasons they had and how they listened to the lectures they had downloaded. Students were also asked if they were more or less busy than they expected to be during the term. Finally, students were requested to express their level of agreement with seven statements by choosing among the same Likert scale responses as on the pre-course survey.

To this data set was added information about individuals' final course grade, measured as a grade point value, and attendance, expressed as a percent of classes missed during the term.

Students were asked on the post-course survey to express their level of agreement with the statements below.

1. Downloading the recordings was convenient and easy.
2. The recorded lectures were an aid to learning the material.
3. All instructors should record their lectures.
4. I attended class less often because I knew I could listen to the recording later.
5. I spoke up less in class because my comments were being recorded.
6. The recordings were clear and understandable.
7. I could easily find what I was looking for on the recordings.

RESULTS

Analyzing the results of the data provided by students on the first day of class provides insights into the attitudes of students toward the perceived value of recorded lectures and their expected behavior given that lecture recordings would be available.

From the 131 useable surveys it was found that few students had experience with podcasts or recorded lectures: 75% had not listened to a single podcast or recorded lecture in the previous twelve months. Students, on average, expected to be busy outside the classroom during the term: almost nine hours a week at a paying job and almost eight hours a week participating in sports. For both activities outside the classroom, there was a high standard deviation and wide range of responses. The results of the Likert scale questions on the pre-course survey clearly indicate that students perceive recorded lectures to have value and believe that the availability

Table 1. Students' Level of Agreement with Statements on Pre-Course Survey

Statement	Mean	Std. Dev.	t-Value	p-Value
Listening to recorded lectures will help me learn the material.	2.98	1.274	-9.19	0.000
Listening to recorded lectures will help most students learn the material.	2.92	0.985	-12.60	0.000
I would listen to many of the recorded lectures available for this course.	2.95	1.312	-9.12	0.000
Most students would listen to many of the recorded lectures for this course.	3.27	1.101	-7.62	0.000
I would come to class less often if I could listen to recorded lectures.	4.61	1.639	4.27	0.000
Most students would come to class less often if they could listen to lecture recordings.	3.50	1.326	-4.35	0.000
I enjoy spending time on the computer.	2.24	1.0216	-19.76	0.000
I enjoy listening to music.	1.54	0.636	-44.26	0.000
I expect to have a busy schedule this term.	1.95	1.0367	-22.59	0.000
Recording lectures in this course would be a good idea.	2.30	0.917	-21.24	0.000

Notes: Sample size (n) = 131. 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 131 of degrees of freedom, the critical value of t is 1.970. 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.

of recorded lectures would not have a negative effect on their attending class and would fit into their busy lifestyles.

Studying the relationships among student attitudes about the prospects of recorded lectures as expressed on the pre-course survey and their expected behavior when lectures were recorded from the pre-course survey reveals a number of significant associations. Correlation analysis of the responses shows significant (p value < 0.05) strong positive associations among statements regarding the likelihood of listening to the recorded lectures, the belief that the recorded lectures would be an aid to learning the material, and the feeling that recording lectures would be a good idea. There was a significant positive association between the belief that others would attend class less often and that the respondent would come to class less often if recorded lectures were available. A positive significant relationship (p value < 0.05) was found among enjoying music, believing that recording lectures was a good idea, and expectations of listening to many recordings of the lectures.

Lectures were recorded in mp3 file format and posted on the course's web site immediately following each class. Attendance was recorded via a sign-up sheet for each class whether or not there was an attendance policy in place.

A total of 128 useable post-surveys were obtained, sixteen of which did not include a name. Sixty-two students (48%) indicated that they had not downloaded lectures recordings during the term. The survey allowed students to check more than one reason that they had not downloaded the lectures and the opportunity to check the most important reason. "Being in class was enough" was cited eleven times by the nineteen students who indicated their most important reason for not downloading the lectures. A total of 143 responses for not downloading the lectures were checked; the leading reasons were: (1) being in class was enough (31%); (2) text was enough (24%); and (3) taking notes in class was enough (20%).

Table 2. Students' Level of Agreement with Statements on Post-Course Survey

Statement	Mean	Std. Dev.	t-Value	p-Value
Downloading the recordings was convenient and easy.	2.03	1.134	-14.66	0.000
The recorded lectures were an aid to learning the material.	2.34	1.195	-11.72	0.000
All instructors should record their lectures.	2.30	1.188	-12.09	0.000
I attended class less often because I knew I could listen to the recording later.	5.35	1.708	6.67	0.000
I spoke up less in class because my comments were being recorded.	5.52	1.575	8.14	0.000
The recordings were clear and understandable.	2.27	0.985	-14.82	0.000
I could easily find what I was looking for on the recordings.	2.99	1.488	-5.74	0.000

Notes: Sample size (n) = 71. 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 71 of degrees of freedom, the critical value of t is 1.995. 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.

Sixty-six students (52%) indicated that they had downloaded lectures, and slightly more than 50% of these students stated that they had downloaded three or more lectures. Respondents could check more than one reason for downloading lectures. A total of 120 responses were checked; the leading reasons were: (1) absent from class (32%); (2) help with quiz/project (30%); and (3) clarification of lecture topics (23%). Sixty percent of all students indicated that they were busier than expected during the term. Fifty-five percent of those who downloaded the recorded lectures listened to them on their computer speakers, and 41% used headphones.

Seventy-one students expressed their level of agreement with the seven statements concerning their behavior and attitudes toward the downloaded lectures. Data from the five students who completed the Likert scale questions but did not download lectures were included in the data set: their stated feelings toward statements that assumed actual downloading of the lectures were neutral. The results of the Likert scale questions on the post-survey show that students feel strongly about the positive value of the recordings; that the availability of the recording did not impact their attending class; that the recordings were easy to download, use, and navigate; that recordings did not inhibit class discussions; and that all instructors should record their lectures.

The final data file comprised records for 112 identifiable students with their responses to the pre- and post-surveys, attendance as a percent of classes missed, and final course grade. Women expected to spend more time working on or off campus than men, and female students earned almost half a letter grade higher than male students. For both genders, the number of hours they expected to work on or off campus was positively correlated (p value < 0.05) with final course grades. The more recorded lectures students listened to and the more they thought of recorded lectures as a learning aid, the more they believed that all instructors should record lectures. No significant relationships existed between downloading recorded lectures (or not) and being busy outside the classroom. The average grade earned by the 112 students was a just above a B. While the final course grade of those who downloaded the lectures was slightly lower than those who did not, the difference was not statistically significant (p value < 0.05).

An attendance policy was in effect for five of the seven classes included in the study. In the two courses not covered by an attendance policy, students could miss as many classes as they wished without fear of negative consequences. Students did not attend an average of 14.3% of classes; overall the percent of classes missed ranged from 0% (perfect attendance) to just under 60%. There was no statistically significant difference (p value < 0.05)

between male and female student attendance and no significant difference in attendance rates between those who did and did not download lecture recordings. Actual attendance and final course grade were positively correlated: students who attended class more often earned higher course grades. The number of missed classes and the level of agreement with the statement, "I attended class less often because I knew I could listen to them later" was positively correlated (p value < 0.05); in other words students missed class because they could listen to the lectures at a later date. There was a statistical difference in attendance when an attendance policy was in place, students attended more often if there was a policy.

DISCUSSION AND CONCLUSIONS

The exploratory study unequivocally shows that students want lectures to be recorded, that the recordings were thought to be an aid to student learning, and that they believe that all instructors should record their lectures. One would think that the opportunity to download lectures would have had an adverse effect on attendance levels and that those who did download lectures would perform at a higher level than those who did not. Neither of these outcomes, however, was found. Downloading recording lectures had little or no effect on attendance rates as predicted by student responses on the pre-course surveys. Being busy during the term had little or no impact on whether or not lectures were downloaded. Although students perceived downloaded lecture recordings to be learning aids, final course grades were higher for those who attended class more often but were not significantly related to downloading the lectures.

This study is limited in that it used as subjects only marketing students at a four-year, private liberal arts college; the results may or may not be applicable

to all subject areas or at other educational institutions. Attendance and the factors that influence absence from class could be explored further in the context of there being recorded lectures available to students who miss class. A number of variables affecting course performance were not accounted for, including students' prior academic performance, variability in assigning final course grades, and course rigor. Future research could strive to clarify cause and effect relationships by studying variables (e.g., attendance policy, course content, and performance assessment) in a more controlled environment.

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HOW LEARNING STYLE PREFERENCES OF BUSINESS PROFESSORS COMPARE TO THEIR OVERALL TEACHING STYLES IN THE COLLEGE CLASSROOM

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ABSTRACT

The purpose of this exploratory research is to examine the learning style preferences of business professors and compare those preferences to their overall teaching style. Frequency distributions and correlations analysis have been used as tools to shed some initial light on this investigation. Last spring 152 business professors completed the Index of Learning Styles (ILS) which provided information on four categories of preferred learning styles as well as teaching styles: active-reflective, sensing-intuitive, visual-verbal and sequential-global.

Frequency distributions suggest that the professors are almost balanced between the active-reflective preferred learning style, but predominately use an active teaching style. In the other categories professors tend to prefer learning styles that are intuitive, visual and global. Correspondently, professors use in their classes teaching styles that are predominately intuitive, verbal and sequential. Overall correlation coefficients did provide some insight into the relationship between professors' learning preference and their teaching style. For each of the learning and teaching style dimensions the correlation coefficients were positive and statistically significant at the .01 level.

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STUDENT ATTITUDES TOWARD TEAM PROJECTS

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ABSTRACT

Marketing education at the postsecondary level has undergone a clear evolution from purely individual assignments toward team projects, to better reflect needed skills and competencies for real-world career positions. This paper examines student attitudes toward team projects, based on a survey of over 300 respondents, in areas such as relevance to learning objectives, roles played, skills used, team dynamics, and impact on grades, to inform future pedagogical and assessment strategies for future marketing courses.

INTRODUCTION

The use of work teams and the importance of teamwork skills have both increased dramatically over the last two decades in business (Hansen 2006, Applebaum & Blatt, 1994; Taninecz 1997). Numerous studies indicate that more than 80% of organizations, particularly those with over 100 employees, utilize multiple types of workplace teams (Cohen & Bailey, 1997; Sundstrom 1999; Gibson, Randel, & Earley, 2000; Jones, 2004). As a result of this trend, there has been a concomitant rise in the use of team-based learning in business education (Gillespie 2006; Stone 2007). These techniques have been shown to have both benefits and challenges from a pedagogical standpoint, and the purpose of this study is to examine student attitudes that can inform the future of team-based learning.

Hansen (2006) reports that a direct result of this demand for teamwork in business is the trend within business schools to incorporate team building exercises and group projects into their curricula. The literature states that certain skills and benefits are learned and developed through the use of team building exercises and group projects, including teamwork, problem solving, communications and leadership (Alexander & Stone, 1997; Ashraf, 2004; Bolton 1999; Kunkel & Shafer, 1997). Hernandez (2002) additionally reports that team learning promotes active and higher level learning and thinking.

Haberyan (2007) and others have reported that team-based learning has been utilized in science, education, business, and medical education disciplines with positive results (Haidet, O'Malley, & Richards, 2002; Michaelsen, Knight, & Fink, 2004; Seidel & Richards, 2001). Specific benefits include

improved student communication skills, group interaction skills and comprehension of complex course concepts, better performance for both high and low achieving students, improved retention of course information, enhanced higher order reasoning and social support within the classroom, and improved critical thinking skills (Gabber, Johnson & Johnson, 1986; Johnson, Johnson & Buckman 1985; Johnson, Johnson & Taylor 1993; Mesch, Johnson & Johnson, 1988; O'Donnell et al, 1985; Vasquez, Johnson & Johnson, 1993; Johnson, Johnson & Smith 1998; White 1998). These benefits also extend to student perceptions, with Haberyan (2007) finding that students view team-based learning as motivating, interesting, and enjoyable, while Hernandez (2002) reported that it improved student motivation and classroom perceptions.

Conversely, problems do exist in team projects, including inadequate preparation, unclear goals, mismanagement, conflict, unequal participation, lack of leadership, scheduling conflicts, and lack of team development (Hansen 2006; Bacon, Stewart & Silver, 1999; Bolton 1999; Ettington & Camp, 2002; Rotfield 1998; Cox & Bobowski, 2000; McCorkle et al, 1999; Rau & Heyl 1990). Brooks and Ammons (2003) detailed free-riding or social loafing as being a prevalent problem in collaborative learning, which can be mitigated through the use of a group evaluation instrument including early implementation, multiple evaluation points and specific evaluative criteria. Fiechtner and Davis (1984 - 1985) reported that factors such as group formation, grading policies, feedback provided, and tasks influenced student perceptions. Moreover, students often cited the instructor's attitude or lack of competence as the reason for dissatisfaction with their learning experience.

At the same time, team-based learning appears to have become a permanent addition to the landscape of post-secondary business education. Gillespie (2006) has indicated that over the past twenty years the use of small groups has become commonplace within college and university classrooms, while Stone (2007) states that teaching students to be effective team members should be a top priority for today's business schools. Stone further states that although the widespread use of student teams by the world's business schools is fortunate, business schools can do more to improve this pedagogical technique.

Buckenmyer (2001), Chen et al (2004) and others indicate that more can be done to explicitly develop teamwork skills and group project abilities in today's business students. At the same time, it is clear that despite these problems and shortcomings, team-based learning and the use of group projects is an effective method of teaching skills necessary to be successful in the business world. Within this context, the purpose of this study is to investigate students' perceptions and expectations of team based learning, to inform its future evolution within marketing curricula, at both a pedagogical and a structural level.

METHODOLOGY

A twenty-question survey was administered to students by the Marketing Management Club at a liberal arts college on the East Coast, over a five-day period at the student center. Although individual survey results were confidential, respondents were tracked to prevent duplicate responses. This survey examined student attitudes towards their experiences with team projects together with demographic information.

A total of 305 responses were received. Demographic information was captured from each of these respondents, but all other questions were only answered by students (n=222) who had actual team project experiences. Respondents included students from freshman through senior class levels, distributed 23.9%, 27.5%, 23.6%, and 18% respectively (with the remaining 7% responding "other"), and approximately a 2.6 to 1 ratio of females to males (220 versus 85). The largest single group (22.3% or 68 respondents) was students of business, with other major groups including social sciences (20.3% or 62 respondents), liberal arts (18.0% or 55 respondents), and education (10.2% or 31 respondents). Survey questions were as follows:

I. Demographic and qualifying information

The following questions were asked to classify the demographics of the respondents, and limit the remainder of the survey questions to students who had been involved in previous class projects:

1. What year did or do you expect to graduate from college?
2. What is your gender?
3. What is your major or specialization?
4. Have you been involved in "team projects" for class projects?

Students answering "no" to this latter question were asked to stop the survey at this point.

II. Team project experiences

5. For your course assignments, how many team projects have you been involved in one academic year? (0, 1-2, 3-4, 5-6, 7-8, 9-10, more than 10)
6. Did you find the team project meaningful and relevant to your learning objectives for the course? (Often, Sometimes, Occasionally, Never)
7. Did you find the team project meaningful and relevant to your learning objectives and your future career goals? (Often, Sometimes, Occasionally, Never)
8. Did you find that there were any members in your team that consistently failed to produce the results required of them for your project? (Often, Sometimes, Occasionally, Never)
9. In your last team project for a course, what was your primary role? (Check one: Organizer, Project Leader, Researcher/Detective (Gathering Info), Creative, Other)
10. Do you believe the instructor should formulate the teams for the class project? (Yes, No)
11. From your past experiences, how has your team tried to create a cohesive and productive group to meet your goals for your course project?
12. List the top two things you learned from working in a team.
13. How confident are you in your ability to: (Rate 1-4 where 1=No confidence, 2=Limited confidence, 3=Moderate confidence, 4=Strong confidence)
 - i. work in team projects for course requirements?
 - ii. match your work style to suit your team members schedule?
 - iii. use time effectively?
 - iv. use negotiation skills?

- v. organize ideas and explain them clearly to your team members?
 vi. use listening skills effectively?
 vii. use writing skills effectively in a team project assignments?
 viii. handle team conflict?
 ix. trust your team members commitment to an academic project?
14. Please indicate how much you agree or disagree with each of these statements: (Strongly disagree, Somewhat disagree, Neither agree or disagree, Somewhat agree, Strongly agree)
- i. Overall, classroom team projects affect my course grade positively
 - ii. Overall, classroom team projects affect my grade negatively
 - iii. Class-related team projects and teamwork will help me in my future career-related work experiences
 - iv. Peer evaluations are important in determining each team member's grade for the project
 - v. Instructors should require team-building exercises to create a more cohesive team
 - vi. Teams should submit interim reports to the instructor prior to the final team project report
 - vii. Teams should record meeting times and attendance at team meetings to submit to the instructor with the final project
15. Considering your most recent team project, rank in order which characteristics best described your role(s) in that project. (Lead the group discussion, Be the mediator/decision maker, Manage and assign responsibilities, Brainstorm ideas for the group, Listen/observe/take notes)
16. What is your perception of characteristics of an excellent team for a class project?
17. Please explain any bad experiences you have had working on a team project for a class.
18. Do you believe a team should have the ability to "fire" a member for not contributing to the class project? (Yes/No)
19. If you were completing a peer evaluation form specifically to be used in determining each team member's grade; what percentage do you believe should be the weight of the peer evaluation to your final grade in the team project? (0, 1%-5%, 6%-10%, 11%-15%, 16%-20%, 21%-25%, 26%-30%)

20. What suggestions do you have for making team projects in academic courses more effective?

Results from the survey questions listed above were then coded as follows for further analysis:

- Major and specialization values were grouped into one of the following overall categories: Business, Education, Social Science, Science, Liberal Arts and Other.
- A content analysis was performed on responses to questions 11, 12, 16, 17, and 20, quantifying these responses into "buckets" of between four and six finite responses. In cases where multiple responses were given, the first of these was chosen as a "top of mind" value for analysis purposes.
- Other survey responses were coded as quantitative values as specified by respondents.

Responses to these questions were compiled, and this data was then analyzed for both aggregate responses. In addition, responses to qualitative questions (i.e. 11, 12, 16, 17, and 20) were analyzed relative to demographic factors such as gender and declared major, to assess potential differences in attitudinal responses. The majority of these questions showed minimal differences between males and females, and between business and non-business majors, with exceptions in two areas (questions 11 and 17) noted in the results discussion.

RESULTS AND DISCUSSION

The results of this survey show three clear trends:

- Students are increasingly being exposed to team projects in their coursework,
- They acknowledge the benefits of such projects for both their learning and career objectives,
- At the same time, they have clear and consistent reservations that could be addressed at a pedagogical level.

For those respondents who had been involved in team projects, the median number of such projects was in the range of 3-4 per academic year, with close to 10% of these (21 out of 222 respondents) having seven or more such projects, and four of them reporting more than 10 such projects per academic year. Students experienced a broad range of roles within these projects, with Figure 1 showing a broad distribution between organizing, research, leadership, and creative roles.

Figure 1. Primary roles within team projects.

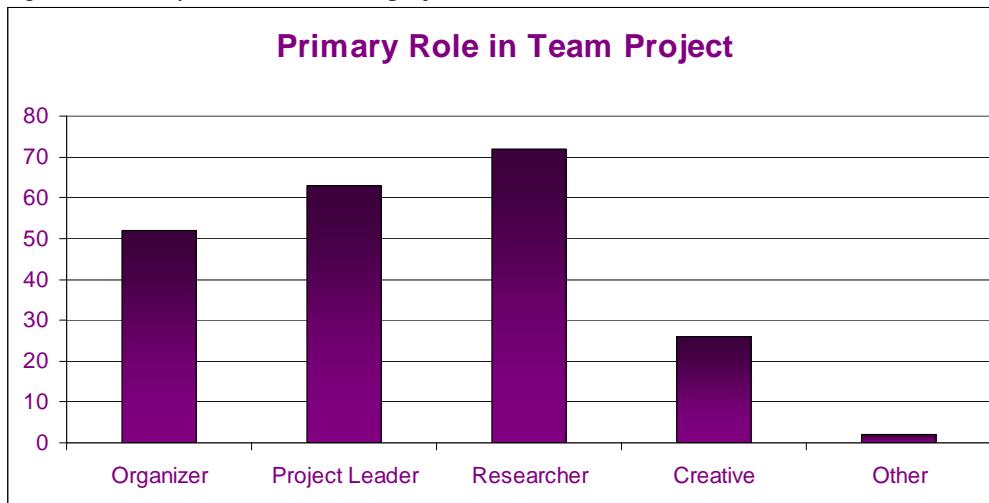
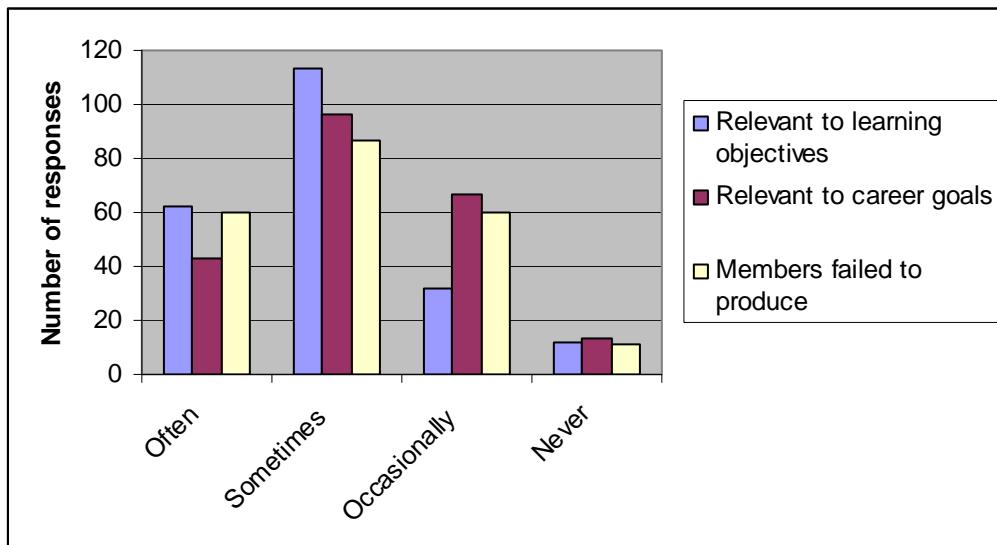


Figure 2. Student ratings of relevance of team projects to their learning objectives and career goals, versus their experiences with team members failing to meet expectations.

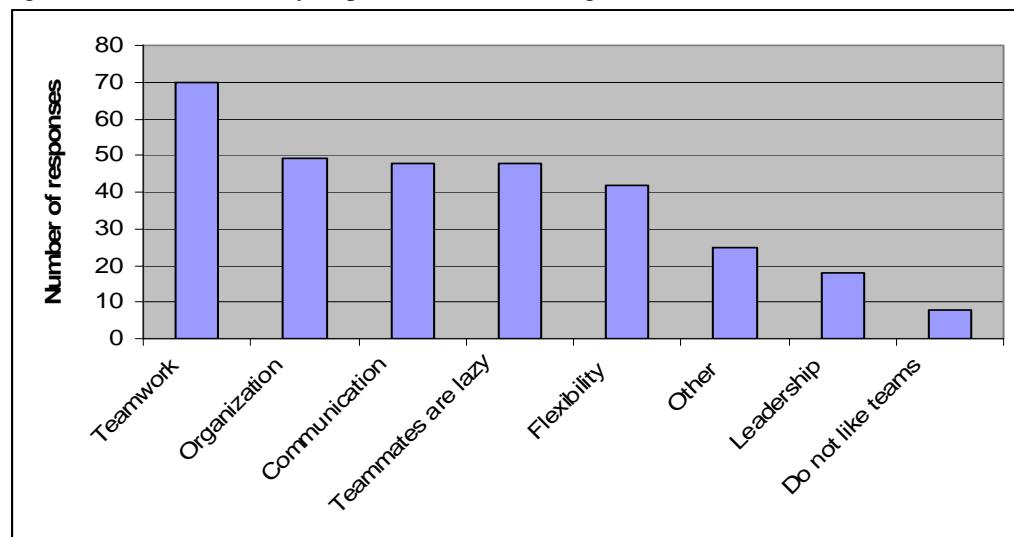


As shown in Figure 2, a clear majority of students feel that team projects are relevant to the learning objectives of their course, with 175 out of 219 students responding to this question ranking this “often” or “sometimes”, as well as their long-term career objectives, with similar results from 139 of 219 respondents. At the same time, a plurality of these students (147 out of 218) have experienced projects where one or more members often or

sometimes failed to produce results expected from them.

Student self-assessment of learned experiences from team projects reveals a similar dichotomy: Figure 3, which summarizes the results of question 12 (i.e., list two things you have learned from working in a team), shows the perception of “lazy” teammates as ranking highly compared with actionable skills such as teamwork, organization, and communications skills.

Figure 3. Lessons learned by respondents from working in a team.



Other findings revealed by the survey results include the following:

Students have a clear sense of what would make a team experience go well. When asked about how their teams have tried to create a cohesive and productive group, there was a clear consensus on areas such as well-defined assignments (51% of 128 non-blank responses), holding regular team meetings (37.5%), and effective communication (22.7%). This was one of few questions where there were clear differences involving gender and declared major, with men and business majors ranking each of these three factors almost equally.

Regarding characteristics of an excellent team experience, respondents overwhelmingly cited effective teamwork (69.4% of 216 responses) and good communications skills (24.4%) along with other traits ranging from flexibility to having fun. Similarly, their recommendations for improving the team project experience included more structure (27.7% of 65 responses), such as better guidelines and more intermediary check points, more control over choosing team members (16.9%), and more time to complete projects (12.3%). Notably, 13.8% percent of these respondents recommended doing away with team projects entirely, representing less than 5% of those surveyed who had been involved with team projects, yet a significant percentage of those offering recommendations.

Students frequently report bad team experiences.

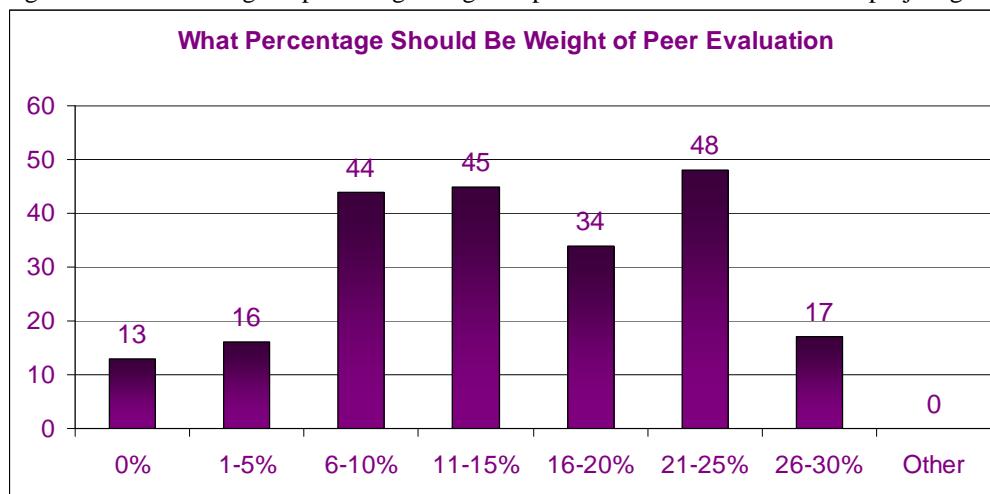
A majority of respondents who have been involved in team projects (131 out of 222 total respondents) described one or more issues that they characterized as bad experiences. Far and away the majority of these (69.5% of these 131 responses) reported one or more team members not carrying their fair share of

the project, while another 16% had team members who were “no-shows” for part or even all of the project activities. Here as well there was one gender difference, with a smaller percentage of men (38.6%, or 22 out of 57 responses) expressing concerns about unproductive teammates. Other concerns shared in the survey included:

- **Coping with different skill levels and perspectives:** For example, one respondent noted, “Someone (had) absolutely no idea what she was talking about,” while another noted that the group’s evaluation suffered from taking a direction the respondent was opposed to.
- **Conflict:** Common complaints include issues of control, often centering around people battling over leadership roles, taking credit, or reaching consensus on decisions.
- **Impact of other students on each person’s grade:** As one respondent put it, “Some (people) don’t want to do anything or care about it and it affects my grade”, while others reported incidents of team members dropping the course and taking information with them – in one case, even skipping out at the last minute on the team presentation. Conversely, several respondents complained about getting the same grade as the rest of the team after doing a disproportionate share of the project work.

Students have confidence in themselves, but less confidence in the team. Students rated themselves highly in their overall ability to work in a team (3.41 out of 4) and listening skills (3.46 out of 4), and less highly in their ability to handle conflict or trust the commitment of other team members (3.0 and 2.62 respectively), with other competencies such as time management, negotiation, and writing skills rated

Figure 4. Student ratings of percentage weight of peer evaluation in overall team project grades.



between 3.0 and 4.0. Similarly, while students felt overall that their team projects affected their grades positively and not negatively (3.64 and 2.37 respectively on a scale of 1 (strong disagreement) to 5 (strong agreement)), and that these projects will help their future careers (4.01) they also in favor as a group in measures such as peer evaluations, interim reports, and attendance records (3.88, 3.46, and 3.55 respectively), as well as being slightly positive toward being taught team skills (3.18).

Overall, the results of this survey point toward three key recommendations for improving the experience of team projects for students, while preserving its current benefits:

1. Re-examine the teambuilding process. Respondents were nearly evenly split (155 versus 150) on the question of whether instructors should take responsibility for forming teams in the future; conversely, among those who responded to the question (217 total responses), respondents felt that students should be able to “fire” non-performing team members by over a three-to-one margin (167 yes versus 50 no). Moreover, while some respondents preferred the ability to work with friends, others welcomed the opportunity to learn from the viewpoints of new participants. Examining alternatives for team formation and orientation serves as a promising area of research for the future, as well as an opportunity to better frame the expectations of a team process for students.

2. Explore ways to assess individual contributions to team projects. The single biggest concern of students remains the impact of unequal levels of effort within a team on personal grades and project outcomes. As a result, it makes sense to examine appropriate metrics and/or weighting for individual

efforts within the context of a team project for the future. Similarly, there was strong sentiment for the concept of peer evaluation of performance, as shown in Figure 4, with a median response that this should represent 11-15% of the overall project grade.

3. Build more accountability into the process. Somewhat surprisingly, students overall expressed little desire to be formally taught team skills, and do not rank team skills issues such as negotiation or conflict resolution as major concerns. At the same time, a significant number of respondents are clearly in favor of accountability measures such as interim reports and attendance records, both of which are simple, procedural steps that can both foster greater equity and motivate better individual performance.

SUMMARY

Working in teams has become a fact of life in business and marketing workplaces, and academic curricula in marketing have quickly kept pace with this trend. The level of team projects that now form a part of postsecondary education in marketing reflects the modern reality that team skills as well as individual skills are needed for success following graduation.

At the same time, the results of this survey reveal that we don't yet succeed at imparting effective team skills at the level that we teach our own subject matter. It is all too possible for students to let others do the heavy lifting of a team project, and yet reap the benefits of the eventual outcome. Similarly, it is possible for high levels of individual accomplishment to go unrewarded, or even punished, as a result of the factors beyond their control. Above all, it is possible to go through the motions of a team project exercise and still not learn fundamental lessons about the

essence of working in teams, ranging from communications skills to the ability to motivate others.

We as educators have the ability to change this situation at a fundamental level, and in the process change the way we prepare students for future marketing careers. By making structural and pedagogical changes that balance the lessons of team projects with accountability for individual and group effort, we have the potential to change both student perceptions and educational outcomes for such team experiences. These changes represent modest but potentially high-impact enhancements to the practice of marketing education, and the study and measurement of such changes remains a promising area for further study.

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ATTITUDE TOWARDS GLOBALIZATION: THE ROLE OF CULTURAL VALUES, GLOBAL IDENTITY AND REGULATORY FOCUS

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ABSTRACT

The potential benefits and costs of globalization often generate attitudes that are emotion laden and politically charged. Understanding the mechanism that drives these attitudes may help marketers identify segments of the population that will be more likely to embrace global products and services. Alden, Steenkamp, and Batra (2006) found that consumers exhibiting a global consumption orientation (driven by materialism, normative influence, and exposure to mass media) were more likely to exhibit positive attitudes towards global brands such as Sony and Coca-Cola. Attitudes towards globalization itself may have similar consequences, thus understanding the drivers of globalization attitudes is important.

In this study, individuals' attitudes towards globalization of the marketplace are posited to be a function of their cultural values, identification with the global community, and self-regulatory focus, i.e. promotion or prevention orientation. After controlling for variables such as age, income, and education, the results from multivariate regression analysis suggest that the cultural values of long-term orientation and individualism, along with global identification and a promotion regulatory focus are strongly related towards positive attitudes towards market globalization. One proposed potential consequence of such positive attitudes is a preference for, or openness to, global brands.

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A CROSS-CULTURAL ANALYSIS OF ELECTRONIC WORD-OF-MOUTH

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ABSTRACT

Word-of-mouth has been shown to differ across cultures but the extent to which these differences extend to the online environment has not been investigated. This study examines the content of 5,993 discussion postings to U.S.- and China-based discussion boards during two 90-day periods in 2004 and 2005. Using Hofstede's Individualism and Collectivism dimensions, the results show significant differences in the behavior of participants on the different discussion boards based in China and the U.S.

INTRODUCTION

Product recommendations or 'word of mouth' (WOM) between consumers have long been of interest to marketers and researchers, but previous research has largely focused on interpersonal (or face-to-face) influence (Anderson 1998; Bearden and Etzel 1982; Katz and Lazarsfeld 1955; Rogers 1983). More recently, however, the Internet's global nature has created a medium for *electronic word-of-mouth* (*eWOM*) communication between consumers who have never met (Gruen et al. 2006). Although marketers are now beginning to realize the importance of *eWOM*, attitudinal differences amongst consumers from different cultural backgrounds still appear to be a major obstacle for companies extending their e-business in an online environment where national boundaries are not apparent (Chau et al. 2002; Singh et al. 2005). The large number of discussion boards where *eWOM* can be freely exchanged has made such sites a focus of some recent research (Godes and Mayzlin 2004; Kozinets 2002; Nelson and Otnes 2005). For example, Godes and Mayzlin (2004) used discussion boards to study the volume and dispersion of *eWOM* concerning new television shows while Nelson & Otnes (2005) investigated the effects of *eWOM* contained in postings to an online wedding planning website. Although the marketing literature has used discussion boards to explore *eWOM*, there has been limited investigation into any cross-cultural differences in *eWOM* on discussion boards and no studies which have specifically analyzed and compared *eWOM* across discussion boards based in different countries over time. As the two largest online communities, the U.S. and China provide ideal contrast points for a cross-cultural study of online behavior. The U.S. represents the most researched culture in the world, as well as the sample basis for much consumer research theory. China, in contrast, is

culturally very different from the U.S. and has been the subject of relatively little research (Doran 2002). The purpose of this study was therefore to investigate cross-cultural differences in *eWOM*, by conducting an ethnographic and textual analysis of discussion boards based in the U.S. and China over a two-year period. By comparing the online behavior of consumers from different cultural backgrounds over time, the study contributes to the literature on cross-cultural analysis in a computer-mediated environment and extends the literature on online behavior of consumers.

LITERATURE REVIEW

Individualism and Collectivism

Among the many different ways that culture has been classified by researchers, Hofstede's (1980; 1991) and Hofstede and Bond's (1988) dimensions of culture are the most widely accepted and cited among researchers. Hofstede and Bond (1988) identified four dimensions of culture: individualism-collectivism, uncertainty avoidance, power distance and masculinity. In this study, we focus on the individualism-collectivism dimension, which explains the extent to which the society values group norms or individual freedom (Singh et al. 2005). In individualist cultures, there is said to be a strong "I" consciousness, self actualization is valued, and people are encouraged to express private opinions (Laroche et al. 2005). Therefore, individualist cultures such as the U.S. emphasize self-reliance, independence, and freedom (Hofstede 1980). In collectivist cultures, the opposite occurs where there is said to be a "We" consciousness and maintaining group consensus and avoiding loss of face are important considerations (De Mooij 2004).

The literature has shown that culture affects a consumer's decision making process and in particular, the extent of information search before a purchase decision (Long-Chuan et al. 1999; McGuiness et al. 1991). Collectivist cultures have been shown to display differences from individualist cultures in information-seeking behavior. For example, in an offline cross-cultural study of information search, Doran (2002) found that Chinese consumers were more likely than American consumers to search for, and rely on, personal sources of information. In contrast, American consumers did less directed search and relied more on their internal knowledge and personal experience with products. Doran suggested that the Chinese, living in a collectivist culture, were less likely to make individual decisions and more likely to let reference groups influence choices, while the Americans were more individualistic and were more likely to make their final decisions alone. In another study which compared information-seeking for a financial decision by American and Asian cultural groups, Tseng and Stern (1996) found that the Asians desired higher levels of interpersonal communication, which in turn affected the perceived trustworthiness of the information source. This supports Wong and Chan's (1999) argument that collectivist cultures regard information sharing as a way to share favors and build *guanxi* while individualist cultures tend to focus on self-reliance. [The word *guanxi* originates from the Chinese culture and can be translated into "personal network", "connections" or "special relationship" (Lam and Lin 2003).] Their findings suggest that the Chinese rely more on information obtained within a reference group, because use of this information is seen as a relationship-enhancement behavior. Individualist cultures, in contrast, are said to place higher value on self-reliance and independence and may therefore rely less on others in the information-seeking process (Ordonez de Pablos 2005).

However, whether these cultural differences extend to the online environment has not been investigated, and this study aims to investigate information seeking and giving online and draw a comparison between users of China and U.S.-based discussion boards. Discussion boards are virtual communities organized around interest specific topics, and they thus represent market segments whose interests are very similar and much more specific than the population at large (Pitta and Fowler 2005). Discussion boards therefore appear to be collectivist by nature, because of the common interest that discussants share, but it is still unclear if participants

on these discussion boards exhibit the full collectivism behavior shown in offline communities. A study by Cummings et al. (2002) has suggested that discussion boards do not appear to be intimate social groups because they are relatively large in size and have high churn rates with 22% of original members dropping out annually and double this number joining the group. Thus, Cummings et al. (2002) posit that discussion boards participants are at best "weak-tie collectives". The cross-cultural literature has not examined or compared the extent to which the commonly described dimensions of individualism and collectivism extend to online behavior; it is possible that individuals' inherent cultural characteristics will also be displayed online, but alternatively, the collectivist nature of discussion boards may mask offline differences by encouraging collectivist behavior in individualist societies. Extrapolating from offline research, however, and consistent with Wong and Chan's (1999) argument that collectivist cultures value information sharing, we therefore propose and test Hypothesis 1 regarding the effect of individualist and collectivist cultures on information seeking online:

- H1.* Discussion board participants from collectivist cultures will engage in more information seeking online than those from individualist cultures.

In contrast with information seeking, the effect of culture on information giving is not clear; as discussed previously, Wong and Chan (1999) argued that collectivist cultures regard information sharing as a way to share favors and build *guanxi*. This would suggest that collectivist cultures may engage in higher levels of information giving. However, information giving often requires people to be prepared to stand out and express an opinion, which in some cases may result in the individual expressing a view which is contrary to others within the group. It is, therefore, possible that people from individualist cultures will provide more information, opinions, and recommendations, consistent with research suggesting that individualist cultures encourage the expression of private opinions (Laroche et al. 2005). Since the effect of culture on information giving is therefore not clear, we propose and test a non-directional hypothesis:

- H2.* There will be no difference in the level of information giving between discussion board participants from individualist or collectivist cultures.

In summary, the literature does not provide clear guidance on any differences in the online behavior of consumers from individualist and collectivist cultures.

Although prior research has suggested that the Chinese, living in a collectivist culture, will engage in more WOM and are more likely to be involved in information search (Doran 2002), other research suggests that consumers from individualist cultures will be more likely to express an opinion, and may thus be more likely to engage in WOM. With increasing numbers of consumers using the Internet as a source of information, and as a guide to product choice, understanding cross-cultural differences in information seeking and information giving will become increasingly important for marketers selling products in a global marketplace.

METHODOLOGY

The study investigated the behavior of individuals who visited six discussion boards with a focus on "Digital Photography". These discussion boards are based on six different Internet portals; eBay, Yahoo, Google, EachNet, Sina and Netease. The first three of these discussion boards are U.S. based and thus classified as primarily reflecting an individualist culture, while EachNet, Sina and Netease are China based and classified as representing a collectivist culture. The languages used on the U.S.- and China-based discussion boards were English and Mandarin respectively. These discussion boards were selected based on the recommendations by Kozinets (2002) that study sites should have a high level of interaction and a sufficient amount of web traffic. All sites were observed to have at least 1000 members on their discussion boards. Data was collected from the "Digital Photography" discussion boards since digital cameras are considered to be a "technological product" with high consumer involvement (Poieszcz and deBont 1995). Online observation was carried out on these discussion boards that had a focus on "Digital Photography" and all discussion postings that related to digital cameras were downloaded daily over a three-month period from March to May 2004. This same process was repeated a year later from March to May 2005. The observation process is consistent with the established practice of "Netnography", which is defined as "a written account resulting from fieldwork studying the cultures and communities that emerge from online, computer mediated, or Internet-based communications" (Kozinets 1998, p. 366). Information from each posting such as the author's pseudonym, subject line, and date of posting was first recorded onto a database. Each posting was then examined within their respective threads and coded for a number of measures: Information Seeking;

Information Giving; CoO effects; Brand Mentions; Number of Questions Asked; Pleasantries and Word Count of each posting. The first fifty postings were coded by a bilingual research assistant and by the bilingual first author. Agreement of coding was checked, and differences resolved by discussion. A further random sample of 50 postings was then coded by both, with 100% agreement on coding. For the U.S.-based discussion boards, a total of 4,308 discussion postings from a 90-day (March-May) period in 2004 and for an equivalent period in 2005 were downloaded and coded. For the China-based discussion boards, 1,685 discussion postings over the same 90-day periods in 2004 and 2005 were downloaded and coded. In all, a total of 5,993 postings were analyzed for the fifteen month period.

RESULTS

Information-Seeking Behavior

All discussion postings were coded to identify direct requests for digital camera recommendations and the percentage of requests for information, as a percentage of all postings on the discussion boards, was then calculated. Table I shows the results of the comparison of direct requests for recommendation across the U.S.- and China-based discussion boards in 2004 and 2005. In both years, there was a significantly higher percentage of discussion postings containing direct requests for recommendation on the China-based discussion boards than the U.S.-based discussion boards ($p < 0.001$). This higher frequency of requests for recommendations suggests that the Chinese participants, as hypothesized, were more likely to request product recommendations and/or information. Hypothesis 1 was thus supported.

Information-Giving Behavior

Since there was a higher number of requests for recommendation on the China based discussion boards, it was considered inappropriate to compare the raw percentage of discussion postings containing recommendations (since these would be expected to vary as a function of the number of requests, which was higher on the Chinese sites). Willingness to provide information was therefore assessed by comparing the average number of camera recommendations provided in response to each request. Table II summarizes the results for the average number of digital camera recommendations in response to requests across the U.S.- and China-based discussion boards. There was a significant difference between the mean number of recommendations among the U.S.- and China- based discussion boards in both 2004 and 2005 ($F = 23.61$;

$p < 0.001$). Follow up t -tests showed that the U.S.-based discussion boards had a significantly higher number of recommendations per request than the China-based discussion boards in both 2004 ($t = 5.73$; $p < 0.001$) and 2005 ($t = 3.70$; $p < 0.001$). Hypothesis 2 was therefore rejected; participants on U.S. based discussion boards were significantly more likely to

engage in information provision than participants on Chinese discussion boards. The number of recommendations also increased significantly for both countries from 2004 to 2005 (for the U.S., $t = 2.29$; $p = 0.023$ and for China $t = 3.04$; $p = 0.003$).

Table 1. Postings with Direct Requests for Recommendation (2004 vs. 2005)

	U.S. (N = 2,060 Postings)		China (N = 969 Postings)	
	Number	Percentage (%)	Number	Percentage (%)
Direct Requests for Recommendation in 2004	148	7.2	212	21.9
		Z = 10.17; $p < 0.001$		
Direct Requests for Recommendation in 2005	U.S. (N = 2,248 Postings)		China (N = 716 Postings)	
	Number	Percentage (%)	Number	Percentage (%)
117	5.2	114	15.9	
		Z = 7.41; $p < 0.001$		

Table 2. Average Number of Digital Camera Recommendations per Request

Discussion Boards	N	Mean	Std dev.	F	P
U.S. 2004	148	1.89	2.18	23.61	<0.001
U.S. 2005	117	2.56	2.52		
China 2004	212	0.78	1.06		
China 2005	214	1.43	2.14		

DISCUSSIONS AND LIMITATIONS

This study found quantitative differences in eWOM in the content of discussion boards based in the U.S. and China. Participants from the China-based discussion boards engaged in more requests for product recommendations, asking for recommendations more than three times as often as the participants of the U.S.-based discussion boards (21.9% as opposed to 7.2% in 2004 and 15.9% as opposed to 5.2% in 2005). This suggests that Chinese participants may be more likely to seek out, and respond to eWOM. This behavior is consistent with the collectivist culture of the Chinese, which encourages information sharing and a higher reliance on personal sources of information. The higher frequency of requests for information on Chinese discussion boards is also consistent with suggestions

from the literature that Chinese consumers, being from a collectivist culture, will show a higher level of group reliance when making a decision compared to discussion participants from an individualist culture, who might be expected to show a higher degree of self reliance (Laroche et al. 2005). In contrast, as shown in the rejection of hypothesis 2, participants from the U.S.-based discussion boards provided significantly more digital camera recommendations for each request than their China-based counterparts. One reason for the rejection of hypothesis 2 can be drawn from a study by Laroche et al., (2005) which suggested that consumers from individualist cultures are more vocal and more willing for their opinions and recommendations to be heard. This greater apparent willingness of U.S.-based participants to

provide information and recommendations has important implications for marketers attempting to build and capitalize on favorable WOM. One limitation of the study was our inability to ascertain the true nationality of the participants on the discussion boards. The discussion boards are based in the U.S. and China respectively, and are likely to reflect a majority of discussants from those countries, but will almost certainly include non-U.S. and Chinese nationals, since there are no barriers to inhabitants of other countries using these discussion boards. Despite that, the results do provide the first cross cultural comparison of English- and Mandarin-speaking respondents on different language discussion boards over time. Future research may benefit from replicating this research with other product categories on other discussion boards.

CONCLUSION

In the first cross-cultural study of eWOM, the study finds consistent and important differences between participants on U.S.- and China-based discussion boards across two separate years. Participants on the Chinese discussion boards engaged in higher levels of information seeking, consistent with a collectivist culture. In contrast, participants on the U.S. discussion boards engaged in higher levels of information giving (and thus higher levels of eWOM) consistent with an individualist culture. Overall, these findings have important implications for marketers who are selling their products especially to the Chinese market. The Chinese consumer appears to seek more information on discussion boards than the American consumer. Hence, using discussion boards as an information tool may be useful within the Chinese market. Also, with the American consumers engaging in higher levels of information giving, companies should take an active approach in monitoring these discussion boards to correct any potential mis-information about their products which may occur online.

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INCREASING RETAIL SALES AT GOLF CLUBS IN THE CAROLINAS: THE ROLE OF EMPLOYEE AND FACILITY QUALITY

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ABSTRACT

An online survey gathered data from 98 PGA Class A professionals managing golf clubs in the Carolinas. Results indicate PGA Class A members should focus on both the quality of employees as well as the quality of facilities in order to raise retail sales across the board.

INTRODUCTION

Tourism is a major industry in the Carolinas. Within tourism, golf vacations and the resulting greens and cart fees are a main ingredient in the economy of both North and South Carolina. Through a grant program sponsored by WebSurveyor (now VOVICI) an online survey tool, it was possible to conduct a survey of the professional golfers who are Class A members of the Carolinas PGA section, one of the largest in the country. Consequently, WebSurveyor was integrated into four courses including Principles of Marketing, Marketing Strategy, Retail Management, and Tourism. A main area of interest was retail sales at golf clubs in the Carolinas. Although, golf clubs generate most of their revenues from greens and cart fees, the additional income from retail sales of apparel and food and beverages in the clubhouse are always needed for profitability. This is especially true since The National Golf Foundation (NGF) has reported a decline nationally from 2001 to 2004 of -4.5% in golf rounds played (NGF, 2004). A similar trend (-4.3%) has been observed in the southeast region during that period. In service industries like hotels and golf clubs, the quality of employees and the quality of the facilities many times are determining factors in business success or failure. Some observers (Graves, 2006) believe these marginal sources of revenue drive profits in the golf industry. The purpose of this project was to conduct a survey of PGA Class A professionals managing golf clubs in the Carolinas to determine how the quality of their employees and facilities drive increases in apparel retail sales and food and beverage retail sales. The

main hypothesis is that *both* employee and facility quality are key drivers of *both* apparel and food and beverage retail sales increases.

METHOD

The Class A PGA member's survey provided data concerning golf course employee and facility quality and retail sales utilizing an email recruitment and WebSurveyor. There were 72 students in two Retail Management classes who participated in fielding the PGA web survey. Each student had a list of approximately 20 PGA members to contact through email. The first round of email invitations produced few completed survey responses without an endorsement letter. The second round of email invitations included an endorsement letter from the Secretary of the Carolinas Section of the PGA. In addition, a specific subject line was provided which said, "A Message From Karl Kimball, Secretary of the Carolinas Section of the PGA." Students were also required to copy the Retail Management professor on all outgoing emails to keep track of their efforts so they could receive course credit and so the PGA respondents could receive a summary of the results after the responses were analyzed. This approach to survey control ensured that email invitations were sent out in a timely fashion, had an appropriate and inviting subject line, included an endorsement by an appropriate source, and offered an incentive for participation in the form of a summary of the results (Goodman, 2006). As a result 107 completed surveys of which 98 contained retail sales data and were available for analysis.

Employee Quality

Employee Quality was measured on a bi-polar five point scale as follows:

- 5 = Strongly Agree
- 4 = Agree
- 3 = Neutral
- 2 = Disagree
- 1 = Strongly Disagree

There were eight measures of Employee Quality including:

1. Employees are punctual
2. Customer oriented
3. Well trained when hired
4. Go beyond the call to help
5. Make customers feel welcome
6. Are loyal to our club
7. Get regular training
8. Have financial incentive to improve

The measures of Employee Quality were factor analyzed using principal components restricted to one factor. The resulting factor accounted for 50% of the common variance among the eight measures and was used to form factor scores using the regression approach

Facility Quality

Facility Quality was also measured on a bi-polar five point scale with different anchors as follows:

- 5 = One of the Best
- 4 = Above Average
- 3 = Average
- 2 = Below Average
- 1 = One of the Worst

The measures of Facility Quality were also factor analyzed using principal components restricted to one factor. The resulting factor accounted for 38% of the common variance among the thirteen measures and was used to form factor scores using the regression approach.

Retail Sales

CPGA Class A members were also asked if their Apparel Sales and their Food and Beverage Sales as a Percentage of their Total Sales were increasing, static, or declining. These two responses served as the dependent measures.

RESULTS

Sample Demographics

The demographics of this sample of CPGA Class A Members indicate most golf clubs are either private or semi-private (62%), serve either mostly permanent residents or serve permanent residents (51%), have been a PGA Class A member at least 11 years (72%), and been at their current club at least six years (56%).

Employee Quality

Employees at golf clubs in the Carolinas make customers feel welcome, are punctual, customer oriented, are loyal, and go beyond the call to help customers. Figure 1 presents the top-box ratings for Employee Quality. The top three Employee Quality issues were making customers feel welcome (47%), having punctual employees (39%), and having customer oriented employees (38%).

Facility Quality

Over 40% of the PGA Class Members at golf clubs in the Carolinas believe their pro-shop appearance and personnel, as well as their cart fleet and greens are one of the best around. Figure 2 presents the top-box ratings for Facility Quality. Notably, food and beverage options have the lowest percentage of PGA Professionals rating this component of Facility Quality as one of the best.

Retail Apparel Sales

The net improvement in clubhouse retail sales of apparel (21%) and food and beverages (30%) was not large. Net improvement is defined as the percentage saying retail sales increased minus the percentage saying retail sales decreased. A graph showing net improvement in clubhouse retail sales appears below in Figure 3.

The correlations among the dependent (Retail Sales) and independent (Quality) variables were calculated. Modest correlations were found with the largest between the two dependent measures (.67), but were all statistically significant at $p < .05$.

Retail Sales Increase Analysis

Stepwise Multiple Regression was used to assess Employee Quality and Facility Quality as key drivers of Retail Sales of Apparel and Food and Beverages. The results of the Stepwise Multiple Regression

Figure 1: Top-Box Ratings of Employee Quality

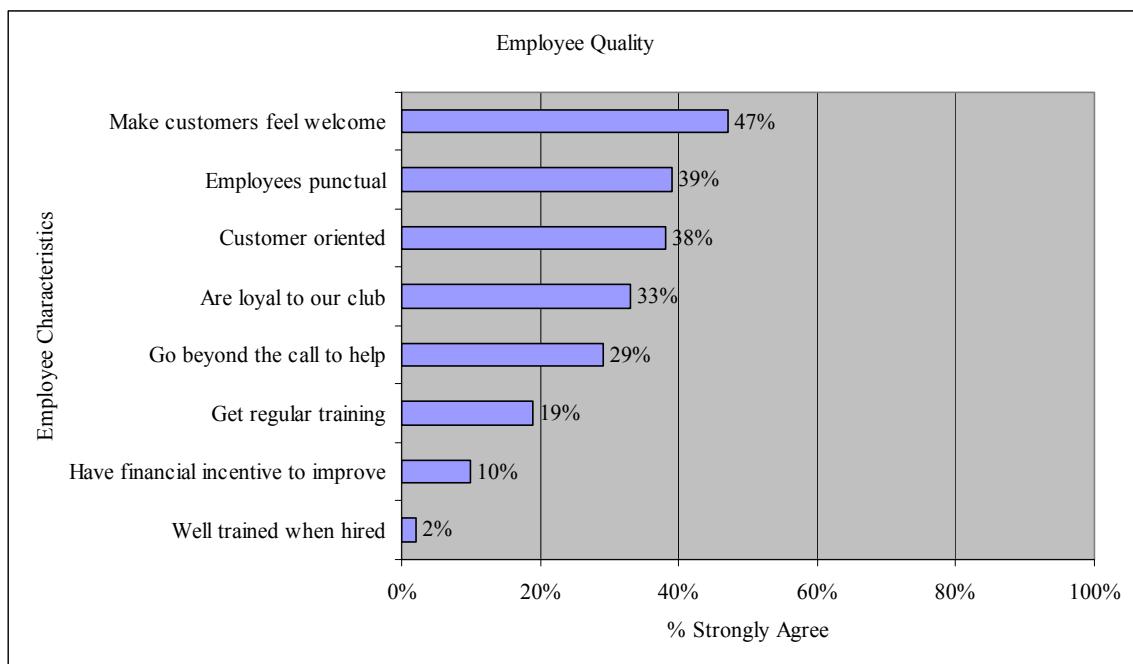


Figure 2: Top-Box Ratings of Facility Quality

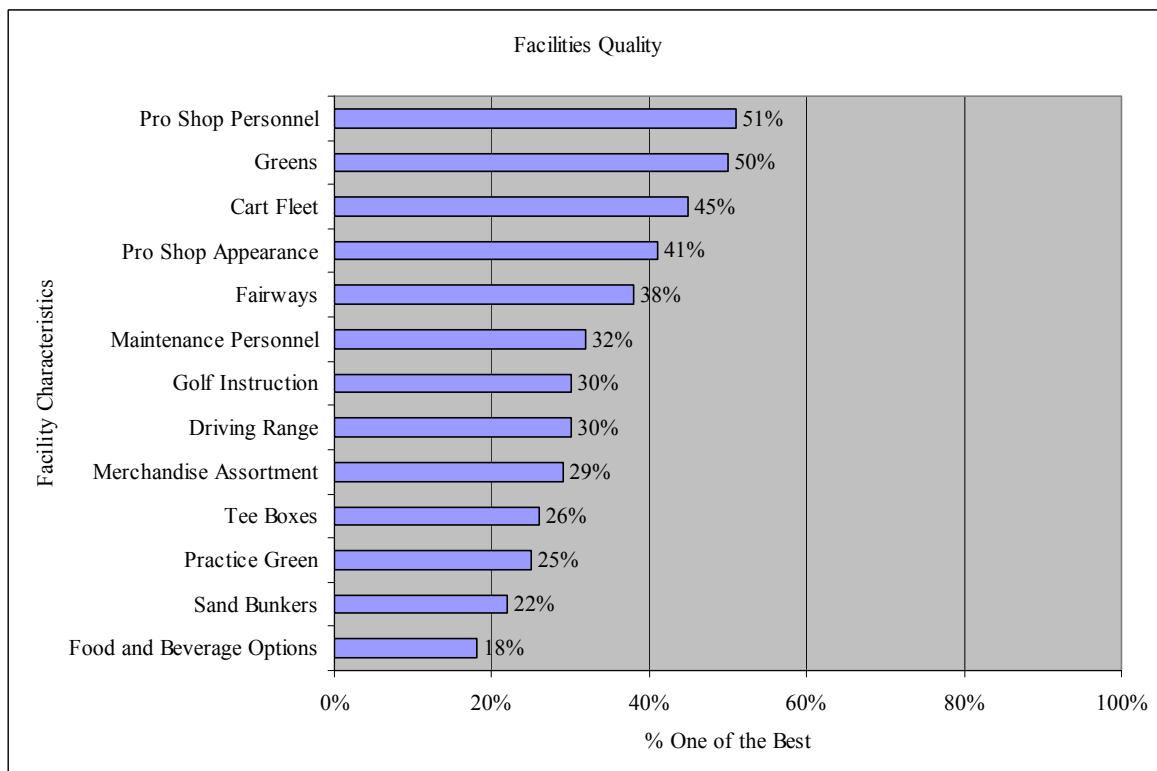
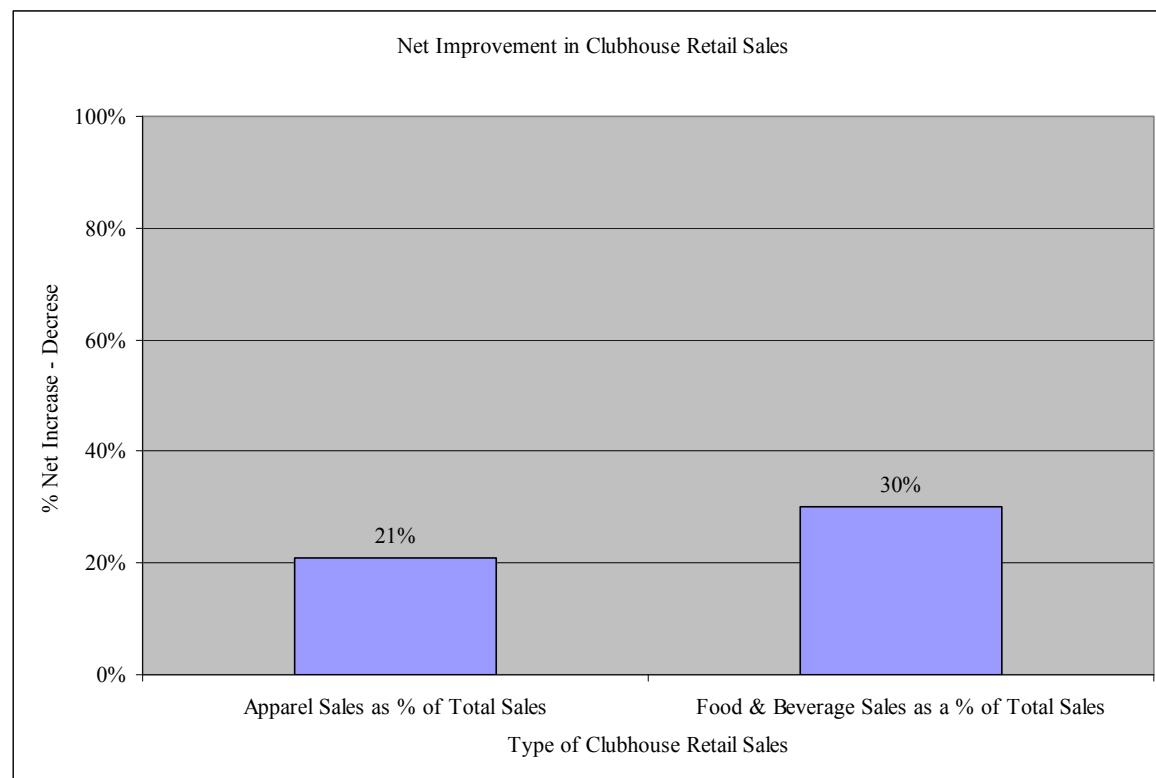


Figure 3: Net Improvement in Clubhouse Retail Sales



analysis indicated a difference for the two dependent variables defining Retail Sales increase. Thus, the main hypothesis that both Employee Quality and Facility Quality would be significantly related to Apparel and Food and Beverage Retail Sales Increase was not supported. For Apparel, the model showed an $R^2 = .325$, and was statistically significant [$F(1,81) = 9.58$, $p < .003$]. However, only Facility Quality was a significant predictor of Apparel Retail Sales Increase ($\beta = .325$). On the other hand, for Food and Beverages, the model showed an $R^2 = .285$, and was statistically significant as well [$F(1, 81) = 7.83$, $p < .006$]. In this case, only Employee Quality was a significant predictor of Food and Beverages Sales increase ($\beta = .285$).

CONCLUSIONS AND IMPLICATIONS

The main hypothesis that *both* employee and facility quality are key drivers of *both* apparel and

food and beverage retail sales increases was not supported. PGA Class A members need to focus on both the quality of their employees as well as the quality of their facilities in order to raise retail sales across the board, but each of these quality areas affects a different type of retail sales.

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THE ROLE OF MUSIC IN AN EMERGING MARKET: AN EXAMINATION OF MUSIC VALENCE AND FIT WITH RETAIL IMAGE

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ABSTRACT

The purpose of this study is to examine the effects of music valence and fit with retail store image, on the evaluation and behavioral responses of consumers in an emerging retail market. The effects of music valence on customer appraisal of store offering and personnel, along with the length of shopping time and amount of purchase are examined via a structural equation model. The hypothesized relationships are examined via covariance analysis using store-intercept consumer data. Implications of the structural analyses results for future research and retail management are discussed.

INTRODUCTION

Music is one of the most studied “general interior cues” (Turley & Milliman, 2000), and has become a major element in the design and examination of atmospherics in the past decade. Because music involves low costs for the retailer and proven effects on consumers, it has become central in store atmospherics. Retailers have continued to express their commitment to the use of music as an integral component of the store environment (Anonymous, 1996; 2004a; 2005a).

Music elements including tempo and volume, along with music style and consumer preferences, as well as their effects on shoppers’ behavior, emotional responses and spending patterns have been investigated by researchers. Existing research has been focused in mature retail markets (particularly USA, Canada and Australia), and the majority, especially those focusing on the music pleasure effects, employed experimental designs in laboratory settings (Dube & Morin, 2001; Garlin & Owen, 2006). There is limited knowledge regarding the effects of music in the real-life store context and particularly in the context of emerging retail markets. This study examines the effects of music valence and music fit with the overall store image on consumer attitudes and behavioral responses. The objectives of this research are to assess the impact of music valence on customer appraisal of store offering and

sales personnel, and subsequently on the length of shopping time and the value of purchase. Furthermore, we examine the influence of the perceived music fit with the overall store image on the time spent in the store.

REVIEW OF LITERATURE

Empirical research on the impact of atmospherics, including music, on consumers’ behavior in service settings is based in environmental psychology, and has focused on relationships between environmental stimuli, emotional reaction and individual behavioral responses (Garlin & Owen, 2006; Herrington, 1996; Hui & Dube, 1997; Ward & Barnes, 2001). The M-R model developed by Mehrabian and Russell (1974) was based on this premise. The model examines the individual’s reactions to environmental cues through mediating nonverbal responses related to three dimensions: pleasure, arousal and dominance (PAD). A number of studies conducted in a retail setting confirm that shopper behaviors are linked to measures of pleasure and arousal, but not necessarily to dominance, the third dimension in the M-R model. A number of studies have explored the role of background music on affective and behavioral variables, based on the M-R model.

Caldwell and Hibbert (2002) found music tempo and music preference were significantly related to

time spent in a restaurant when each was analyzed separately. However, only music preference was significant when tempo and preference were analyzed together. The researchers concluded that only the amount of time spent in the restaurant had a significant effect on the total amount the customer spent. Yalch and Spangenberg (2000) found that customers mistakenly thought they had shopped longer when they were exposed to music they were familiar with; in fact, they actually shopped longer when exposed to unfamiliar music. These two authors concluded the shorter actual shopping time in the familiar music situation was linked to increased arousal. This study found no statistical significance in the liking of the music, only in familiarity.

Studies examining music tempo found that fast-tempo songs resulted in higher customer turnover in a restaurant and diners ordered three more drinks when medium-tempo music was played, while mall shoppers lingered longer and paid more attention to merchandise when slow background music was played (Bogomolny, 2003). Herrington (1996) found that tempo and volume of the music in a supermarket environment, did not significantly influence the shopping time or the purchase amount. Rather, the amount of time and money spent in the store were positively related to the shoppers' level of preference for the music; shopping time and expenditures increased with the level of preference for the music, regardless of the tempo or volume.

Another study that examined the effect of background music on the perceived wait time (Hui & Dube, 1997), found music valence (liking) had a positive effect on emotions, even though the subjects tended to report longer perceived waiting times. The results indicated that positive perceptions of the music resulted in more positive approach behavior toward the organization. Dube and Morin (2001) examined background music pleasure intensity in a field setting, and concluded that attitude toward the retail environment, sales personnel and overall store evaluation were more positive in the high-pleasure intensity scenario. This suggests that intense pleasure induces a more positive attitude toward the sale personnel and strengthens the relationship between consumers' attitude towards the personnel and store evaluation. Other studies support conclusions that the feelings of pleasure derived from background music can enhance shoppers' evaluation of the store and its elements (Gorn et al., 1993; Oakes, 2000; Yalch & Spangenberg, 2000).

RESEARCH HYPOTHESES

The review of literature indicates that there is a positive relationship between the music valence and how shoppers perceive the store merchandise and personnel; the amount of time and money spent in the store, a positive perception of store personnel is related to the time spent in the store and the amount of money spent in store; and music fit with store image has a positive impact on time spent in the store. Based upon the previous review of literature, the following five research hypotheses are proposed:

- H1a: Music valence (liking) has a positive influence on a shopper appraisal of the store offering.
- H1b: Music valence (liking) has a positive influence on a shopper appraisal of the store personnel.
- H2a: A shopper appraisal of the store offering has a positive influence on the time spent in the store.
- H2b: A shopper appraisal of the store offering has a positive influence on the money spent in the store.
- H3a: A shopper appraisal of the sales personnel has a positive influence on the time spent in the store.
- H3b: A shopper appraisal of the sales personnel has a positive influence on the money spent in the store.
- H4: The time spent in the store has a positive influence on the money spent.
- H5: The perceived fit of the music with the store image has a positive influence on the time spent in the store.

RESEARCH METHODOLOGY

The study was conducted in a natural setting using the mall-intercept method at two large supermarkets in the capital city of a new EU member state. Background music in this high-end retail chain was played at the same moderate volume throughout the data collection period, which took place over the course of a week at different times during the day. Customers were invited to participate as they were leaving the checkout counter. A total of 605 customers were asked to participate, however only 332 of them had paid attention to the music and were willing to complete the questionnaire. These shoppers then represented the study sample with a

mean age of 31.3 years (SD of 12.9). Other demographic characteristics indicate the sample consisted of 65.1% females, over 60% of the respondents attained at least a high school education, and over 55% of them were employed or self-employed.

The mean time spent in the store (a self-reported measure) was 21.5 minutes and the mean amount of money spent in the store (based on the checkout receipt) was \$21.83. No statistically significant differences were observed in the focal variables of this research as a function of the day, time of the day or the data collection site. In addition to demographic and purchase behaviour questions, the research instrument consisted of five-point Likert-type and semantic differential scales measuring the following constructs: *Music valence* (2 items related to liking vs. disliking, positive vs. negative affect on mood; $\text{pf} = 0.71$; $\text{pvc} = 0.55$), *Appraisal of the store offering* (3 items related to the store layout, merchandise selection, quality of merchandise; $\text{pf} = 0.75$; $\text{pvc} = 0.49$), *Appraisal of the sales personnel* (4 items related to availability, appearance, competence and helpfulness; $\text{pf} = 0.83$; $\text{pvc} = 0.55$) and *Music fit with the elements of store image* (calculated as an index), included items such as merchandise quality and selection, pricing, visual merchandising, advertising, store personnel and an overall atmosphere in the store. (See Table 1 for scale items)

ANALYSES AND FINDINGS

Hypotheses were tested via a Structural Equations Modeling (SEM) method. A measurement model was analyzed first, followed by the evaluation of a structural model in order to assess the hypothesized relationships. An exploratory factor analysis showed that all the latent constructs were unidimensional. All the indicators displayed characteristics that did not challenge the assumption of normality (Bollen, 1989). We then proceeded with a confirmatory factor analysis. The final measurement model included three first-order reflective constructs and the nine indicators used to measure them. The fit statistics of the model indicate a very good fit to the data ($\chi^2 = 31.8$, d.f. 24, $p = 0.13$; GFI = 0.979; NFI = 0.966; NNFI = 0.987; CFI = 0.991; RMSEA = 0.031). All constructs exhibited indices very close or superior to the reference values of $\text{pf} = 0.6$ and $\text{pvc} = 0.5$ (Bagozzi and Yi 1988). These construct indices, i.e., the composite reliability index - pf (Gerbing and Anderson 1988) and the variance extracted - pvc (Fornell and Larcker 1981)

were reported earlier in the Research methodology section.

The discriminant validity of each latent construct was then assessed by conducting three χ^2 difference tests where latent variables were evaluated two at a time. First, their correlation was constrained to be equal to one. Then, this model was compared to a second model where this constraint was released. A difference of χ^2 superior to 3.84 (d.f. = 1) indicated discriminant validity. All three scales passed this test easily with χ^2 differences of 47.9, 54.5 and 75.7. Once the construct reliability, convergent validity and discriminant validity were established, the structural model was evaluated in order to test the hypothesized relationships between constructs. The fit indices indicate an outstanding conformance of the model to the data ($\chi^2 = 47.3$, d.f. 38, $p = 0.14$; GFI = 0.974; NFI = 0.957; NNFI = 0.987; CFI = 0.991; RMSEA = 0.027). The model explains 32.6% of the variance in the dependent variable (the money spent in the store). While hypotheses H1a, H1b, H2a and H4 are verified, support was found neither for the relationship between shoppers' appraisal of store offering on the money spent (H2b) nor for the relationship between shoppers' appraisal of sales personnel on the time and on the money spent in the store (H3a, H3b). (See Table 2)

To test hypothesis H5, a two-group analysis was conducted. The variable was dichotomized around the median. The two-group analysis consisted of constraining the parameter to be evaluated (the intercept of the variable time spent) to be equal between the two groups. Then, the χ^2 of this model was compared with a model where this constraint had been released. A significant difference in χ^2 of 114.5 indicated very strong support for the hypothesis tested (significant at $p \leq 0.05$ if $\Delta\chi^2 > 3.84$ with a difference in d.f.=1). The difference in time spent in the store between the respondents that perceived a good music fit with the retail store image and those that did not perceive a good music fit with the retail store image was 22 minutes.

SUMMARY AND CONCLUSIONS

The results indicate that shoppers' liking of the music played in the natural retail setting and the perceived music fit with the store image positively affected the length of time shopping. Music valence indirectly influenced consumer expenditures. The finding that the music valence does not directly influence shoppers' behaviors seems consistent with

Table 1. Measures and Scale Properties

Music Valence
1 How would you evaluate the music playing in the store today?
2 To what extent has the music in the store affected your mood during your visit in the store today?
Appraisal of Store Offering
Based on your experience in this store, how would you evaluate the following characteristics of this store:
1 Merchandise selection
2 Quality of merchandise
3 Product layout
Appraisal of Sales Personnel
Based on your experience during your visit in this store, how would you evaluate the following characteristics of the sales personnel:
1 Availability
2 Competence
3 Helpfulness
4 Appearance

Table 2. Baseline Model Results: Hypotheses 1-4 Testing

Hypothesis	Antecedent	Criterion Variable	Standardized Regression Coefficient	T value*	RESULT
H1a	Music valence	Satisfaction w/offer	0.593	5.53	Supported
H1b	Music valence	Satisfaction w/staff	0.445	5.32	Supported
H2a	Appraisal of store offering	Time in the store	0.365	3.29	Supported
H2b	Appraisal of store offering	Money spent	0.105	1.13	not supported
H3a	Appraisal of sales personnel	Time in the store	-0.071	-0.71	not supported
H3b	Appraisal of sales personnel	Money spent	-0.089	-1.07	not supported
H4	Time in the store	Money spent	0.549	11.14	Supported

* Significant at $p \leq 0.05$ if $|t| \geq 1.96$.

the theoretical premise of M-R model in that the effects of pleasure/displeasure (music valence) on approach/avoidance responses (shopping time) are mediated through evaluative judgments (in our case, evaluation of the store offering only).

The analyses could not confirm the effect of music valence on shoppers' evaluation of the sales personnel. In a different context, Hui and Dube (1997) also found that positively and negatively valenced music does not produce significantly different effects on emotional evaluation of the service environment. Furthermore, we found that the shoppers' appraisal of the sales personnel affected neither the time nor the money spent in the store. These results may be attributed to the fact that this research was conducted in a large supermarket setting (although at a high-end, service-oriented retail chain) rather than in the smaller specialty store context as was the case in previous studies (Dube & Morin,

2001). Contrary to expectations, we found no effect of music valence (through the store offering

appraisal) on the money spent in the store, but only an indirect effect on the time spent in the store, which then, in turn, affected shoppers' expenditures. Thus, unlike other studies having used alternative analytical techniques to evaluate the effect of background music on attitudinal, temporal and expenditure dimensions (Anonymous, 2004b; Caldwell & Hibbert, 2002; Herrington, 1996), our study clearly identified shopping time as the only direct determinant of the amount of money spent in the store.

In response to the call for more research focusing on relationships between store music and other elements of atmospherics and retail branding (Dorsey, 2005; Garlin & Owen, 2006), this research delved not only into the role of music valence, but also highlighted the impact of the perceived music fit with the store image on the length of time shoppers

spent in the store. The finding of this study, indicating that the group of respondents who perceived the music to fit well with the overall store image, shopped significantly (22 minutes) longer in the store than the group of respondents who perceived the music to fit poorly the various elements of the store image, clearly indicates the need for adequate fit of the music with the retail establishment. While research on store music fit with other elements of store atmospherics or retail image seems scant, prior work in retailing and advertising pointed to the needed fit between music and commercial messages (Chebat, Chebat & Vaillant, 2001; MacInnis & Park, 1991). Hence, music should not only please the shoppers, but also be an intrinsic element of the store atmospherics and retail branding.

IMPLICATIONS AND FUTURE RESEARCH

Limitations of this study provide suggestions for future research. While the fact that this study was conducted in a real-life situation, offering some advantages over the laboratory setting, influences other than the music may have affected respondents' evaluations of the store and sales personnel. the time spent in the store was a self-reported measure, rather than observed. Since previous research (Yalch & Spangenberg, 2000) found that the actual and perceived time spent in the store may be correlated with atmospheric factors, the self-reported measure is a limitation of this study. These results may be generalizable to high-end supermarkets using moderate volume background music, but not necessarily to other types of retail formats using background or even foreground music, which is intended to be heard and enhance the view of the product (Dorsey, 2005; Rubel, 1996; Wilson, 2005). The issue of music valence on the sales personnel evaluation needs to be further examined in a high service context where delivering interpersonal performance may be of particular importance.

Findings in this study suggest the only behavior to be influenced by the music valence and by the music fit with the overall store image is the propensity to shop longer. Clearly, this indicates that store managers should carefully select the background music to closely match tastes and preferences of their core clientele. This may be particularly challenging due to highly idiosyncratic nature of musical tastes (Dube & Morin, 2001) and due to broadly defined target markets that supermarkets tend to serve. If store managers want to retain shoppers in their facilities, they should conscientiously design their trading space and select the music that corresponds to their positioning in the

market. In other words, managers should plan the music in the same way they plan their merchandise offering, store layout, colors, lightning, scents and visual merchandising if they want the time spent in their facilities converted into sales performance and into enhanced sensory experience for their shoppers. Reports indicate that managers still tend to take a somewhat random approach, based on employees' personal taste rather than on systematic customer research (Dube & Morin, 2001; Garlin & Owen, 2006; Anonymous, 2004b; 2005b)

While retailers in mature markets seem to have recognized the importance of atmospherics as means to creating differential advantage (Anonymous, 2005b; Embry, 2004), little is known about the use of music in retail settings and about consumer responses in fast growth retail markets such as those in the new EU member states. Considering that high growth usually translates into an enhanced competition, managers would do well to pay attention to the role of atmospherics in their retail settings in order to define and/or reinforce the image of their establishments.

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UNDERSTANDING CUSTOMER CHOICES IN SHOPPING CENTER SELECTION

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ABSTRACT

In the best-selling book *The Paradox of Choice*, Schwartz (2004) suggests that both mundane and complex decisions, such as ordering a cup of coffee, choosing a health care provider or setting-up a retirement account are becoming increasingly complex because of the abundance of choices available to consumers in the marketplace. This same scenario exists today in the retail shopping center industry, as consumers are bombarded with different combinations of stores, services, and dining and entertainment options, among many other factors, in determining where to go shopping. Consumers are becoming increasingly concerned about optimizing the efficiency of their shopping patterns (Dallaert et al, 1998), and as suggested by Underhill (2004) in *Call of the Mall*, “It could be much better – more vivid, intelligent, adventurous, entertaining, imaginative, alive with the human quest for art and beauty and truth. But it’s not. It’s the mall.”

Shopping center operators need a clear understanding of the choices customers make in determining where to shop as shopping malls are undergoing major changes (e.g. traditional anchor tenants are often no longer viable, competition from ‘lifestyle centers’) and as more shoppers become increasingly frustrated by the perceived hassle of visiting a mall. The underlying problem in understanding and predicting customer choices is that customer decisions are made on the basis of (potentially) many different criteria simultaneously, including factors such as brand, price, quality, performance, features and so on (McFadden, 1986). An effective method for ascertaining the key drivers in choosing a place to shop is discrete-choice analysis (DCA), an economic choice theory that assumes individuals’ choice behavior is generated by maximization of preferences or utility, which Louviere (1988) defines as “judgments, impressions, or evaluations that decision-makers form of products or services, taking all the determinant attribute information into account.”

As discussed by Verma, Plaschka and Louviere (2002), DCA is often compared to and confused with another strategic marketing research method known as conjoint analysis. While DCA and conjoint both examine customer responses to experimentally designed product and service profiles, the difference lies in the fact that Conjoint analysis data are obtained via ratings and rankings, or more rarely, through binary responses (yes or no) regarding specific attribute bundles. DCA places respondents in simulated choice-making situations derived from realistic variations of product and service offerings that might be available in the market, and is used to identify the relative weights that customers accord to product or service features and attributes. With this in mind, an overview of the DCA approach followed by a discussion of the managerial implications of DCA results in the retail shopping center industry will be presented based on several recent studies conducted by the authors in the U.S. and U.K. For other examples see previous articles by Verma and Thompson (1996) and Verma, Iqbal and Plaschka (2004).

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THE EFFECTS OF OPTIMUM STIMULATION LEVEL ON CONSUMER BEHAVIOR IN RETAIL STORES

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ABSTRACT

Retailers have recognized the critical role of store design on shopping behaviors, and have invested heavily spending billions of dollars in recent years. Why? Many scholars argue that organizing a store's physical elements is the first step toward managing the consumer shopping experience (Berry, Cabone and Haeckel 2002). However, consumers' perceptions of store elements may vary based on individual characteristics (Titus and Everett 1995). According to OSL theory, a person's optimum stimulation level (OSL) reflects one's desired level of environmental stimulation and predisposition to act in the presence of environments (Raju 1980). For retailers to take consumers' optimum stimulation levels into consideration, the primary question is whether consumers with higher needs for environmental stimulation have different evaluations of store element dimensions (e.g., ambient, design, layout and perceived retail density) and different shopping behaviors (e.g., spending amount and shopping trip duration).

To answer this question, two studies were conducted with shoppers in two different cultures: Taiwan and America. A field study was used in Taiwan while a snowballing sampling technique was employed to recruit American respondents. In both studies, measures included shoppers' evaluations of four store elements, self-reported amount of money spent, perceived shopping trip duration, and their OSL. Back-translation techniques were used to develop the English and Chinese questionnaires.

The two studies conducted herein in two distinct cultures provided consistent results regarding the influences of OSL on consumer responses toward store elements and shopping behaviors. Specifically, both Taiwanese and American shoppers with a higher OSL spent more money and stayed longer in retail stores than did those with a lower OSL. With regard to consumers' responses toward the four dimensions of store elements, the results found that consumers with a higher OSL in both cultures had more positive evaluations of ambient, design and layout elements. Overall, these results are consistent with the OSL theory (Raju 1980), implying that consumers with a higher need for environmental stimulation are more variety seeking and sensitive to store elements. Thus, the important role of OSL in retailing cannot be ignored in future retailing research.

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ADVANCES IN NEUROMARKETING: AN AGENDA TO KEEP PACE WITH CHANGES

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ABSTRACT

This paper examines the conceptual foundations of neuromarketing which are drawn from social cognitive neuroscience. We explore the relationship between neuroscience and marketing through extant theories in biological sciences that are making neuromarketing an ever evolving field. The paper provides examples of applications of neuroimaging in marketing research and strategy, and then proceeds to set an agenda for future research. We conclude by underscoring the need for continued basic research in the area that deals with theories and concepts of neurosciences and neuroimaging, and stressing the management of ethical and social dimensions of this emergent field.

INTRODUCTION

Deciphering wants and needs of customer segments served by a business is of utmost interest to the marketing strategists. It has been a difficult quest that has been addressed and explored using traditional methods and strategies that are now giving way to breakthrough advances in neuroimaging science. The application of neuroimaging technologies in marketing is often referred to as “Neuromarketing.” Neuromarketing is a amalgam of neuroimaging science (The Economist 2004) that utilizes medical technologies, such as functional Magnetic Resonance Imaging (fMRI), and Electroencephalography (EEG) to study the brain’s responses to marketing stimuli. Marketing researchers have used the fMRI to measure changes in activity in parts of the brain and to learn why consumers make the decisions they do, and what part of the brain is affecting the decision making in the subject. EEG is a more intrusive neurophysiological measurement technique that employs electrodes to measure electrical activity in the brain as the subject is exposed to decision-making scenarios and stimuli (Brushteyn and Buff 2007). Some other neuroimaging techniques that have found limited use in marketing include, psychophysics (reaction times/detection levels), magnetoencephalography (MEG), transcranial magnetic stimulation (TMS), skin conductance response (SCR), and positron emission tomography (PET).

While marketers have embraced the neuromarketing methodology, there is a dearth of literature that explores the myriad facets of neuroimaging and the underlying science of neuroimaging that is available to marketing scholars.

A detailed understanding of the conceptual underpinnings of neuroimaging and neuromarketing is the focus of this paper. We believe that this research will help marketers better understand the conceptual foundations of neuroimaging, thus resulting in most effective and appropriate application of the neuromarketing techniques. Further, we believe that this will lead to other neuroimaging based methodologies that are yet to find applications in marketing. Finally, a detailed understanding of the scientific underpinning of neuromarketing will lead to more ethically responsible application of these techniques.

We begin by providing some background and current applications of neuromarketing in the marketing literature and practice. We then proceed to enunciate some of the theoretical frameworks that are of importance to marketing scholars in order to further enhance and expand the appropriate and efficient use of neuromarketing techniques. We conclude with some ethical, social, and scholarly issues that need further attention. In each section we strive to make the neuroimaging theory more accessible to marketers and underline some of the associated research questions that could form the blueprint of a research agenda in the area of neuromarketing.

APPLICATIONS OF NEUROIMAGING IN MARKETING

Neuromarketing uses the traditional neuroscientific methods to map the brain patterns of consumer participants, to reveal how they respond to a particular advertisement or product and eventually the impact of these stimuli on consumer decision-

making. The information is most often used by marketers as the basis for new advertising campaigns and branding strategies. Neuromarketing is predicated on the notion that consumers largely exhibit brand choices based on subconscious thought processes. This means that the marketers need a way to research consumer decision making at the subconscious level to know what they are thinking and why, and Neuromarketing is believed to be the way to get those answers. As the participant is shown a particular stimulus, his or her brain is monitored with a neuroimaging monitor (any from the above mentioned alphabet soup – fMRI, EEG, MEG, PET, TMS, SCR). The brain patterns are then interpreted by determining whether or not the participant liked what he or she was experiencing, and to what degree. The empirical data thus obtained is considered to be direct and therefore unbiased - a position which is contested by some (Senior 2007, Briggs 2006).

Successful application of neuromarketing in the practical realm of marketing strategy is popularly attributed to the pioneering work of Gerry Zaltman at Harvard University (Haynes, 2002). In late nineties Zaltman patented a technique called “ZMET” (Zaltman Metaphor Elicitation Method), which uses pictures to help uncover deeply held thoughts and the metaphors they trigger. ZMET combines neurobiology, psychoanalysis, linguistics, and art theory to uncover consumer preferences. Early applications of ZMET used metaphors to elicit unconscious attitudes towards particular products and brands. Findings and results of ZMET are used in advertising strategy to develop emotionally compelling messages arrived through brain scans of experimental subjects. Companies that have reported successful use of ZMET in their marketing communication strategies include GM, Proctor and Gamble, and Coca Cola.

Brain scan and brain wave based research had found applications in advertising prior to ZMET in early Eighties. Burshteyn and Buff (2007) and Plassmann (2007) have built upon the work of Weinstein, Appel, Weinstein (1980), Nevid (1983), and Rothschild & Hyun (1990). The most recent study in this stream of literature has applied the neuromarketing EEG technique in determining subject reactions to manufacturer brand when compared to corresponding private-label brands within the conceptual framework of stimulus generalization (Burshteyn and Buff, 2007).

Brian Knutson, a Stanford neuroscientist, posits that people assess potentially good things and potentially bad things, and that our brain is naturally

attuned to seek survival through good outcomes. It's the match between the value of a product and its price that triggers an anticipation of pleasure or pain. Knutson tested his theory, by giving subjects \$20 each while in the fMRI machine and provided them with pictures of 80 products, followed by a price. They had the option of buying one of the products. Knutson recorded activity in the nucleus accumbens (associated with pleasant outcomes). If the price of the items were too high, there was increased activity in the insula, which is an area involved in anticipating pain. These tests have helped save time for advertisers and marketers because the brain says what the person is thinking, rather than having to study their behaviors to interpret what they are thinking, over time (Park, 2007).

Marketing scholars have focused on practical and often narrow applications of neuroimaging component of neuroscience (Kenning, 2007). While it is commendable that we have made progress in making this largely esoteric science amenable to creative practical applications, one might argue that a broader understanding of the scientific concepts, theories, and frameworks of the underlying science itself will make these applications more useful and perhaps lead to the next level of achievements in the area of neuromarketing.

SOCIAL COGNITIVE NEUROSCIENCE

The conceptual foundations of neuromarketing are largely owed to the broader area of social cognitive neuroscience. Social cognitive neuroscience is a comprehensive integrative theory that includes constructs from social psychology, economics, political science, behavioral science, as well as biological sciences. This section further focuses on relevant constructs and conceptual foundations of social cognitive neuroscience. In the narrative that follows, we discuss the constructs, explore the marketing ramifications of the theoretical constructs, and provide explanation of how the results obtained may be interpreted.

When practicing Neuromarketing it is important to be aware of the two primary goals of research in social cognitive neuroscience: first, to develop scientific theories, which may be complex, and interpret the theories by simplifying the content so that they can be applied towards solving future problems. Second, seeking explanations and possible solutions to problems that occur in everyday life that revolve around difficulties within judgment and decision making. The research needed to be able to understand the various aspects of decision making in

individuals is very complex and therefore can often be inconsistent. The subjective expected utility is also referred to as rational expectations principle, which proposes that each alternative course of action or choice option should be based on expected satisfaction (or dissatisfaction) with the consequences of the experience (Lieberman, 2007).

There are several limitations to this framework. First, it provides a very incomplete analysis of behavior since it pays very little attention to the perceptual construction of decision context being constructed by the decision-maker. By nature, humans weigh their options unequally depending on the context of the decision in question. This leads to a second limitation, *all* possible decision and action alternatives are thus beyond the scope of this theory. Thirdly, this theory assumes a static decision moment, which again is in conflict with the real life complexity of a dynamic environment.

Neuromarketing techniques may be seen as useful tools to overcome some of these limitations by studying the brain activities during decision-making. However, even an ardent supporter of neuromarketing would have to concede that most of the limitations listed above remain unaddressed by mere us of a sophisticated scientific technique. The researcher using neuroimaging tools would still have to rely on empathy – a subjective approximation of the subject's emotions and experience (Plassmann, 2007, Briggs, 2006, Lieberman, 2007). All a market researcher would be able to state at this point (based on brain activity) is if the subject in question is even aware of the product or service being offered, and perhaps if the outcome of product consumption is perceived in positive or negative light – given the past experience of the customer. Neuroimaging work on attitudes and prejudice has primarily focused on identifying the neural correlates of attitudes toward concepts, famous names, geometric shapes, or paintings. In such studies activation tends to increase in both medial and lateral frontoparietal networks (Hamilton, 2004; Lieberman, 2007).

Besides using technology to conduct brain scans to measure neuroactivity, consumers are also being hooked up to electrodes to measure skin changes and heart rates. Even the movement of a person's facial muscles, undetectable to the human eye, is being analyzed to interpret nonverbal communication. It is based on the assumption that every purchase decision creates a neurological reaction and neuroactivity is influenced by emotion. The EEG based neuroimaging techniques measure the intensity of emotion being felt and whether it is positive or negative. This test is

similar to facial recognition technology that prosecutors use to prove if a potential assailant recognizes a weapon from a crime (Melillo, 2006).

All such tests are drawing upon the literature on mirror neurons that evoke nonverbal communications, including gestures, facial expressions, and postures. There are scholars that have difficulty making this link due to the fact that there is a great deal of nonverbal communication that occurs without conscious effort which renders observation difficult at best and misleading at worst (Lieberman, 2007).

Mirror Neuron based tests have led retail advertisers to adopt cutting-edge technology such as hypersonic sound to beam commercials at individual store customers. Hypersonic sound works on the basis of regular audio principles, where air is vibrated to create an audible wave. This type of technology uses a thin film that sends out an ultrasonic tone that mixes with the air and is beamed with laser-like precision in a two-degree arc of dispersion. The ads will be aimed at consumers in a check-out line that only they can hear. The result is like a headphone-like experience for recipients. (Melillo, 2006).

GENERALIZABILITY OF NEUROIMAGING RESULTS

The concept of Neuromarketing is claimed to be the technique for closing the gap between business and science. Neuromarketing gives the marketers an unprecedented insight into the consumers' minds, and is said to be able to help in strengthening the consumers' emotional bonds with products. Advertising veteran, Allan Middleton, says that neuromarketing is in its early stages and is skeptical of what it can realistically achieve. He feels that there can't be one special neuroscientific strategy that will compel the consumers to buy something, because there are so many products and messages competing for their attention (Haynes, 2002).

The current challenge of neuromarketing is to establish the generalizability of the findings from an insulated lab setting to a real world marketing setting (Briggs 2006). The marketers will have to establish relationship between the experiments and experience, which will enable them to predict and comprehend the decisions and behaviors of their consumers. The research agenda in this field will only proceed further by a clear understanding of the relationship between the controlled experimental conditions and largely uncontrollable decision making environments. The questions of generalizability and validity of results

and the scope application are critical to the successful implementation of any experimental science. In the behavioral sciences, the usual examination of generalizability and validity of a concept begins with an understanding of any causal relationships proposed by the scientific advance. Only then can we examine the result in systematic fashion to establish the conceptual dimensions along which variation occurs from one setting (the laboratory) to the other settings of interest (real world). Thus, progress on the problem of generalizability and validity are largely dependent on empirical research studies that curb our enthusiasm to overgeneralize and overemphasize the application of this cutting edge technology (Helliker, 2006, Wilkinson, 2005).

SOCIAL AND ETHICAL RESPONSIBILITY

Neuromarketing is in its beginning stages, and is a controversial issue of discussion for many. Neuroimaging applications in marketing are relatively new, and the process is not described in enough details for an objective analysis to be conducted. There is a lingering suspicion that the researchers may not be using all neuroimaging procedures, frameworks, and models needed to be able to represent it positively, in the eyes of those outside of the research laboratories. Some feel that neuromarketing may be used in a manipulating sense. Neuromarketing raises the question of whether or not brain-scanning technology can provide an ethical and reliable means to assess the influence of marketing variables upon consumers. There have been no large-scale studies to draw upon, scans of a handful of subjects may not be a reliable guide to consumer behavior in general ("Inside the Mind of the Consumer", 2004).

Since Neuromarketing is not a widely used and examined area in market research, it is important that the marketer remain cautious about how and where the results are used. Gary Ruskin of Commercial Alert, a lobby group, thinks traditional marketing techniques are powerful enough. He states, "Already, marketing is deeply implicated in very serious pathologies" ("Inside the Mind of the Consumer", 2004). This is especially true of recent attention to childhood obesity and early onset of type-2 diabetes. Will neuromarketing serve as a tool to exacerbate such negative trends?

Another concern is that neuroimaging represents an invasion of privacy. The neuromarketing studies currently rely on small numbers of volunteer subjects, therefore, some believe the privacy issue is an unlikely concern. However, as the popularity and

application of these technologies gain momentum, one will have to grapple with this question soon. Critics also object to the use of medical equipment for marketing purposes, rather than medical purposes. Tim Ambler, who is a neuromarketing researcher at the London School says that, "A tool is a tool, and if the owner of the tool gets decent rent for hiring it out, then that subsidizes the cost of the equipment, and everybody wins" ("Inside the Mind of the Consumer", 2004). Most ethical concerns revolve around application of results to market harmful product offerings. The use of neuromarketing by companies that market vices such as tobacco, alcohol, junk food, or gaming could be detrimental to society.

CONCLUDING REMARKS

The most important step in successful research is the selection and definition of the research problem itself. We have attempted to alert marketers to the myriad possibilities and problems associated with the evolving field of neuromarketing. As the preceding narrative has underscored, one must not use a technique just because it is available. The attendant questions of propriety, scientific suitability, ethical acceptability, and social responsibility can not be overlooked merely to satisfy an urge to be "cutting-edge."

It might be critical for market researchers to cross-pollinate their research with collaborations in the area of neurosciences. Neuroimaging makes it possible to examine the impact of marketing stimuli at the deepest level of mental activity, which may lead to revolutionary ways to enhance brand equity and customer satisfaction. But in order to achieve this lofty goal, empirical studies that focus on current state of the techniques, the ethical and socially responsible applications of the techniques, and the potential benefits (and costs) of employing such techniques have to be the focus of our attention in the immediate future. We could also benefit from the furtherance of knowledge in other fields of work that use neuroscientific techniques and theories. For instance law enforcement agencies are embracing some of these techniques to increase the accuracy of a lie detector (Hamilton, 2004). We believe that a whole stream of research is needed before marketers rush to employ neuroscientific techniques without establishing the foundational and theoretical literature that would render the findings useful, valid, and reliable.

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SPYWARE AND ADWARE: HOW DO CONSUMERS PROTECT THEMSELVES

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ABSTRACT

The spread of broadband internet has resulted in the increase of several problems such as spam, spyware, adware, cookies, viruses, popup advertisements etc. While some problems can be dismissed as irritants others like spyware and adware can lead to serious consequences such as identity theft, illegal use of computer systems and remote attacks. This study is one of the very few in the marketing literature that investigates effects of both spyware and adware from the user's perspective. The damaging effects of spyware and adware are outlined and a model is proposed to explain how Internet users protect themselves.

Internet users may take several defensive measures to guard against spyware and adware. We classify these measures as either tactical or technical. The most common defensive measure employed by internet users is the installation of antivirus and firewall packages. We consider the use of such protective programs a technical defense measure. While this method is usually followed, many antivirus and firewall packages may not provide adequate protection. Many users therefore resort to a second type of protection by minimizing activities that may carry high risk, such as utilizing peer-to-peer networks. Deciding to restrict these activities or avoiding them altogether may be effective in keeping spyware at bay. We consider these measures as tactical measures because they result in a definite change in behavior with or without the inclusion of technical defense measures.

Internet users can choose between either technical defense measures or tactical defense measures or employ a combination of the above techniques. The proposed model suggests that the choice depends on their confidence, familiarity, previous experiences with spyware and adware, and on their concern for privacy. The model was tested using data collected by the PEW Internet and American Life Project. The results indicate adequate support. The results along with venues for future research into this little explored area are discussed.

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CONSUMER INTENTIONS TOWARDS USING MOBILE DEVICES TO OBTAIN COMMERCIAL MESSAGES

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ABSTRACT

The widespread adoption of mobile technologies has created an enhanced communicative experience. Technological advancements in handheld mobile devices such as cellular phones and personal digital assistants (PDAs) have created new opportunities for multimedia communications through audio, visual, and combined audio-visual modalities (Nasco and Bruner 2007). Such mobile media creates great opportunities for marketers to reach consumers through this alternative medium. Given this, there is dire need for a better understanding of mobile consumer behavior.

In this paper, we examine the phenomenon of mobile commercial messages (MCMs), or commercial advertising messages presented to consumers by an identifiable, paid sponsor. Specifically, we were interested in predicting consumer intentions to use MCMs, such that if a consumer received a MCM on their mobile phone (via a text message from a company), would he/she be likely to redeem the promotional offer? We explore factors that influence the likelihood of consumers to use mobile commercial messages, such as attitudes toward mobile commercial messages, attitudes toward text messaging, privacy concerns, and other behavioral indicators, such as how often the device is on and how many activities the consumer performs with the device.

One hundred and seventy-four cell phone owners completed an online survey containing psychometric measures of the above constructs. Regression results showed that consumers would be more likely to use MCMs if they held positive attitudes to MCMs and to text messaging in general. The likelihood of using mobile commercial messaging decreases for those consumers who value increased privacy. Interestingly, the more a consumer reported having their cell phone turned on, the less likely his/her intentions to use MCMs. Future research will tie intentions towards MCMs to actual redemption behavior of MCMs. Implications for marketers are discussed, as well as avenues for future research.

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