PROCEEDINGS OF THE ANNUAL MEETING OF
THE ASSOCIATION OF COLLEGIATE MARKETING EDUCATORS

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Albuquerque, NM
March, 2013

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EDITORIAL PREFACE

I would like to thank everyone who participated in, helped with, and arranged the 2013 Association of Collegiate Marketing Educators proceedings. I would like to acknowledge all track chairs for their masterful handling of the reviewing process in the given time, and would also like to thank all the reviewers for their expert critiques. Special thanks to the track chairs for coordinating the submission process with me. That was of great help.

I would like to thank all authors and co-authors for their timely submissions and adherence to our proceedings standards. Without your efforts my task would have been next to impossible. I would like to thank Shreyas Panambur for helping me with editing the proceedings.

Last, but not least, I wish to acknowledge the assistance of A-CME Conference Chair Nacef Mouri in helping me with providing me with all information, finalizing these proceedings, and being cheerful about all the emails and questions I sent his way.

Malini Natarajarathinam, Ph.D.
2012 ACME Proceedings Editor
Texas A&M University
College Station, TX
MESSAGE FROM THE PRESIDENT

Greetings to all members and welcome to Albuquerque, New Mexico for our annual ACME meeting!

What are the odds of us coming back to the “Land of Enchantment” – the place where I started my professional and academic career in this country! Unlike any conference in the past, this is the first time we visit New Mexico and I am very excited to welcome you.

Nacef Mouri, program chair, has worked tirelessly to put together the conference program. He could not have done that without authors, reviewers, workshop participants, panel and special session organizers, discussants and ACME officers as well as all members. Our proceedings editor, Malini Natarajarathinam, must be thanked for her efforts to assemble, proofread and structure the most important document that shows what we have achieved in just one year. Since I have joined ACME as a doctoral student, I have never felt more ‘home’ professionally and personally. I am very honored, privileged and thankful to all and every one of you for letting me serve as 2012-2013 President. I would like to thank all officers for their wisdom, dedication and vision: Sharon Thach, Past-President, Program Chair Nacef Mouri, VP Membership Prashant Srivastava and Secretary Vivek Shankar Natarajan. A very special thank you goes to one of the longest serving officers and now outgoing Treasurer Dennis Emmett. Tennessee State University has been very supportive in my efforts and I would like to thank everyone in our department for that. Very special thanks go to my wife Jurgita and my children Elze and Adomas for their patience while I was attending ACME matters. Without their sacrifice I could not have done what I did. Thank you from the bottom of my heart.

Vaidas Lukosius, Ph.D.
2012-2013 ACME President
Tennessee State University
Music City USA – Nashville, Tennessee
MESSAGE FROM THE PROGRAM CHAIR

Dear Colleagues,

It is my pleasure to welcome you to the 40th Annual Association of Collegiate Marketing Educators conference, held in beautiful Albuquerque, New Mexico. This is the first time the conference is held in Albuquerque and I am delighted to report that this year’s program continues the tradition of excellence established over the history of the conference.

I would like to extend my heartfelt gratitude to everyone who helped make the 2013 ACME conference a great success. This includes officers, authors, reviewers, track chairs, special session organizers, session chairs, and general attendees. Many thanks go to Vaidotas Lukosius, this year’s ACME President, who was always available to answer my questions, sometimes in the wee hours of the night. I also truly appreciate the hard work of all ACME officers, Prashant Srivastava, Vivek Natarajan, Dennis Emmett, and Sharon Thach. The conference would not have been a success without their diligence and commitment. We also express our sincere gratitude to Malini Natarajarathinam, our Proceedings Editor, for her help in the compilation of the proceedings.

Next year’s meeting will be in Dallas, Texas. Prashant Srivastava, the 2014 ACME Program Chair, is already hard at work assembling a great team of track chairs. Please get involved by submitting your work and serving as a track chair and/or reviewer. As always, we expect next year’s conference to be both intellectually stimulating and an exciting place to be.

Again, welcome to Albuquerque. I am sure you will find the 2013 ACME conference an exciting and rewarding event. We hope you enjoy the program as much as we enjoyed putting it together.

Nacef Mouri, PhD
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Fairfax, VA
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B–to–B, Technology Commercialization and New Product Development
Management:

Entertainment, Fine Arts, and Music Marketing:

Ethics, Legal and Public Policy:

Experiential and Service Learning:

Global and Cross-Cultural Marketing:

Logistics and Supply Chain Management (IDEA Academic and Practitioner Tracks):

Marketing Education:

Marketing Research:

Marketing Strategy and Entrepreneurship:

New Media, Advertising and Marketing Communications:

Personal Selling and Sales Management:

Pharmaceutical and Health Care Marketing:

Retailing and Services Marketing:

Student Papers:
BEST OF THE TRACK PAPER AWARD WINNERS

Ethics, Legal and Public Policy
Green Advertising to Investors
Bruce Huhmann, New Mexico State University
Suzanne Connor, American University in Dubai

Global and Cross Cultural Marketing
Brazil’s Accession to TRIPS and Its Engagement with the Pharmaceutical Industry
Sharon Thach, Tennessee State University
Susan J. Marsnik, University of St. Thomas

Experiential and Service Learning
Volunteer Tourism and Transformative Learning: A Platform to Engage Constituents from Both Universities and their Local Communities
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Top Management Risk-Taking, Strategic Orientations and New Product Performance
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Gary L. Fenwick, The University of Texas at El Paso
Jarwon Yoo, Soongsil University

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Haithem Zourrig, University of Regina

B-to-B, Technology Commercialization & New Product Development
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Zhening (Jimmy) Xu, University of Texas at El Paso
Binh H. Nguyen, New York Institute of Technology-Vancouver campus
Gary L. Frankwick, University of Texas at El Paso

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EXTENDED ABSTRACT

Growth in socially responsible investing (SRI) among consumers encourages seeking green advertising messages to aid investment decisions. The Dow Jones Sustainability Index (DJSI) is the oldest SRI index. DJSI-listed firms are assessed based on economic, social, and environmental sustainability criteria. DJSI-listed firms may share their inclusion through their annual reports or websites. Being DJSI listed should signal green business activity engagement as well as improve corporate image among and product sales to consumers who support green business activities.

Most prior green advertising research has focused on inexpensive low-risk goods, such as shampoo or detergents (e.g., Chang 2011; Schuhwerk and Lefkoff-Hagius 1995), but investments are expensive high-risk utilitarian services, which may decrease the amount and effectiveness of green advertising found in prior research. Thus, a content analysis of marketing communications targeted to investors -- annual reports and corporate websites -- determined:

(1) the degree to which green business activities are promoted,

(2) any differences between DJSI-listed and non-DJSI firms, and

(3) if green advertising to investors impacts stock performance.

The most recent corporate annual report 10-k filings available in January 2010 and 2012 for the 35 DJSI-listed and a randomly selected comparison group of 35 non-DJSI firms from the Dow Jones Consumer Goods and Consumer Service Sector Indexes were content analyzed.

Six green business categories were coded: compliance, ethical treatment of employees, sustainability, philanthropy, CSR, and other economic. Other economic activities refer to anti-corruption, bribery, crisis and risk management.

Binary logistic regression results suggest that firms may be overlooking annual reports and corporate websites as vehicles for reaching stakeholders, such as investors, interested in supporting green business activities, or for signaling corporate commitment to and quality of green business activities. DJSI-listed corporations are missing an opportunity
for green advertising to interested investors. DJSI-listed corporations only mentioned CSR activities in their annual reports and sustainability activities on their corporate websites more than non-DJSI counterparts. But non-DJSI corporations mentioned code of conduct, corporate governance, and ethical treatment of employees in their annual reports more than the DJSI-listed corporations. Also, consumer goods providers mentioned compliance, other economic, and sustainability in their annual reports and sustainability on their websites more than consumer services providers. Finally, annual report mentions of compliance activities increased, but mentions of CSR activities decreased, over time.

Downplaying green advertising is not limited to annual reports and corporate websites. Few print or television ads mention products’ environmental benefits or firms’ environmental actions either (Banerjee, Gulas, and Iyer 1995).

An explanation for why DJSI-listed firms not promote their green business activities via annual reports, corporate websites, or advertising is to avoid appearances that they engage in these activities for insincere (e.g., raising the stock price or selling more goods or services) than sincere (e.g., the firm truly cares about the environment, workers, or the community) purposes. Consumers form more favorable images of a firm when motives for green activities are perceived to be sincere rather than insincere. For example, when consumers learn about CSR activities on their own from an impartial source, Yoon et al. (2006) found that firm image is unharmed, unlike when consumers learned about CSR activities via a corporate source.

The current research provides further support for the idea that consumers attribute an insincere motive to firm-provided CSR information. CSR mentions in annual reports hurt stock performance. Stock price performance from the year-end market close of 2006 to 2011 increased for firms mentioning philanthropic and sustainability activities, but decreased when CSR was mentioned, according to a stepwise regression analysis. Neither a DJSI listing nor mentioning green business activities on a corporate website was related to stock performance.

Consumers have shown that they will reward firms that address environmental concerns and punish those who don’t. Many consumers choose brands they believe will help the environment during brand selection decisions instead of choosing competing brands that they believe will not benefit the environment (Carlson, Grove, and Kangun 1993). Also, the current research finds that investors will reward firms that emphasize philanthropic activities and sustainability in annual reports with higher stock prices. This complements prior research that found philanthropy and sustainability to positively impact consumer brand evaluations (Mohr and Webb 2005).

In sum, the extent to which green activities are promoted in relation to high-risk, utilitarian services, such as investments, was less than with lower-risk consumer goods. But, given the impact on stock prices, the effectiveness of promoting green activities is undiminished. Just like consumers in a supermarket, investors are willing to pay more to support firms that promote their green business activities.
REFERENCES


AN ETHICAL FRAMEWORK FOR GUIDING GOVERNMENT DE-MARKETING POLICIES

Kimball P. Marshall, Alcorn State University

EXTENDED ABSTRACT

This paper introduces a discussion of the need for ethical guidelines for government policies to de-market commercial products. The term “de-marketing,” as used here, refers to efforts to reduce demand for a good or service on a temporary or permanent basis. Private sector marketers carry out de-marketing activities to phase out a product or manage demand beyond the firm’s capacity. Government policy, expressed through legislation, regulation, and enforcement, often initiates “government de-marketing programs,” efforts by government agencies to reduce demand for a product or to limit or completely prevent market access to a product. Such programs may take many forms including taxation, import or export restrictions, or regulations regarding restrictions on sales, licensing, or other methods that constrain distribution of sales activities. However, government de-marketing programs may also take the form of “public media campaigns,” systematic, government communication programs designed to reduce buyer demand for certain goods or services. Such campaigns may be seen as "social marketing" programs.

On the surface, government de-marketing programs may seem socially beneficial and non-problematic. However, when government sponsored public media campaigns or other forms of government de-marketing programs involve reducing purchases of a product sold in the commercial market, ethical issues involving property rights and the public good may be raised. Viewing the value of products as determined by market demand as private property, we ask the question “By what right and with what justification does government diminish the financial value of private property?” This is an important question because citizens with conflicting social values and objectives may seek to influence policy makers with the intention of stimulating government programs to restrict free market activities related to specific products or services. Such efforts may be made by vendors seeking competitive advantage in the marketplace, or by citizens taking a “moral” stand that they perceive to be in the public interest. Ethical guidelines are needed to guide policy makers in determining appropriate responses to such pressures.

To date, no theoretical or research literature has systematically addressed ethical guidelines for maintaining government credibility in addressing appropriate governmental responses to pressures for regulatory activities. It is not the intention of this paper to provide firm or fixed guidelines for evaluating proposed government de-marketing programs. The current intention is only to raise the question for broader discussion. When market demand is constrained by government action, government de-marketing results and the legitimate market value of the private property represented by the branded product is diminished. Examples of products to which such actions have been applied range from guns and protective vests, to drugs, sin trade services, and real estate. Other examples could be cited, but these clarify the point.

Justifications for government de-marketing action rest in the legal views of the legitimate functions of government. These may vary from society to society. In the United
States, our current example, the purpose of government is often seen to rest in constitutional mandates involving three basic roles of government: to provide for national security; to permit the pursuit of happiness; and to promote the general welfare. The conflict comes when a fourth role of government is recognized: to protect private property. Government actions often promote free market competition through enforcement of a variety of laws that seek to minimize the development of monopolies; to assure free, honest, and open flow of information by vendors regarding products offered; or to assure that commitments to buyers are enforced. In these regards, commonly cited laws include the Sherman Act of 1890 and the Anti-merger Act of 1950 that are used to prevent the development of monopolies; the Clayton Act of 1914; the Federal Trade Commission Act of 1914; the Robinson-Pattman Act of 1936 that seeks to assure fair, free market competition; and the Wheeler-Lea Amendment of 1938 and the Magnuson-Moss Act of 1975 that seeks, with the Federal Trade Commission Act and the Robinson-Pattman Act, to assure honest communications regarding products and warranties. In general, such laws promote national security, the pursuit of happiness, and the general welfare by providing a business environment that encourages free markets and informed choices by buyers. In so doing, such laws facilitate the development of free market demand for market-desired products, and so facilitate the development of market equity accruing to desired products.

In contrast to laws intended to promote competition and the free flow of products and information, government de-marketing programs seek to reduce market demand and reduce buyer access to products. Justifications for such programs might also be made in the context of promoting national security, pursuit of happiness, or the general welfare. For example, in the 1970’s and 1980’s, restrictions were placed on the export of “mini-computers” to countries deemed antagonistic to the United States (although certain type of more powerful “micro-computers could be exported to those same countries). The justification for these export restrictions was national security. Export restrictions may be seen as a form of de-marketing in that export restrictions restrict the distribution channel and reduce buyer access. Restrictions on drug trade are justified in the interest of public health and safety. Restrictions on sin-services such as strip clubs are often justified by public health considerations.

However, what guidelines assure objective assessment of the risks to national security, public health, or protection of other property rights, or individual pursuit of happiness? This is not to say that no government de-marketing programs are justified, but to ask, what should be the guidelines, and what are the risks? If a branded product is restricted, a competitor may benefits, and regulatory bodies are influenced by lobbyists of various competitors. Consider restrictions on the sale of Sudafed as an effort to reduce illegal methamphetamine production. Disputes around such issues may have recourse in the State or Federal courts in the United States, but there are no guidelines to guide the courts. To resolve this dilemma, we suggest that ethical guidelines be grounded in statistical demonstration of public risk. All too often government de-marketing programs have been based on anecdotal evidence and emotional reactions rather that clear statistical evidence. The objectivity of statistical demonstration of public risk would seem to be a reasonable starting point for assessing a proposed government de-marketing program.
ALTRUISM OF COLLEGE STUDENTS – AN EXPLORATORY EXAMINATION OF VOLUNTEERING INTENTIONS

Julie Roberts, College Of Public Service And Urban Studies
Ramaprasad Unni, College Of Business, Tennessee State University, Nashville, TN

ABSTRACT

This paper explored factors that influenced volunteering intentions of college students. Existing attitudinal frameworks were used to examine the role of attitude toward volunteering, perceived behavioral control, subjective norms, gender, and prior volunteering in influencing volunteer intentions among college students (n = 167). Preliminary analysis revealed that only subjective norms and perceived behavioral control had significant effects on volunteering intentions. Implications of the results are discussed in the context of initiatives by universities to get students involved in community activities.

INTRODUCTION

There is a growing interest in infusing civic engagement and community service across the society. Corporations are increasingly viewing community engagement, specifically volunteerism among its ranks, as a core competency (Brady, 2012). Universities have long recognized the value of community service and espoused it in many ways. A better understanding of how to motivate altruistic behaviors and engage students in socially responsible acts will allow the student population and the university to continue to achieve these ideals. Additionally, altruistic behaviors, such as volunteering, instilled in college students have the potential to lift up the communities where they study and carry over into the communities in which they will eventually settle as adults. These engaged individuals have the potential to fill a societal need to assist with non-profit and charitable missions and activities. Many non-profit organization depend on volunteers to fulfill their mission.

There is limited empirical research in understanding what affects volunteerism among college students. This paper examines volunteerism through the framework of Theory of Planned Behavior (Ajzen, 1991). It explores the role of attitude toward volunteering, subjective norms, and perceived behavioral control on intentions to volunteer. Such an approach improves our understanding of what motivates college students to volunteer. It provides direction to decision-makers interested in increasing participation by college students in volunteering. A brief literature review on volunteering is presented.

VOLUNTEERING AND ALTRUISM

Studies have examined why people volunteer and the benefits they derive from volunteering. One perspective is that altruism is key to volunteering when the reward for volunteering is intrinsic to the act of volunteering (Bussell and Forbes, 2002). The literature on altruistic behaviors identifies several classifications of altruism, summarizes several findings, and evaluates theories of altruistic behaviors. First, conflicting definitions of altruism have been identified and are explored, especially in the context of various academic
disciplines. The strongest consensus revolves around the definition of “true” altruism. One definition that is widely accepted and encompasses the key components of true altruism comes from the work of Piliavin and Charng (1990). Their definition states that altruistic behavior should benefit another person, should be performed voluntarily and intentionally, and no external reward should be expected. Although, this is a relatively widely accepted definition, most scholars agree that true altruism is a rare phenomenon in practice.

From here, several different perspectives have emerged. Theories of impure altruism and warm-glow giving paint the picture of an individual that is motivated for selfish reasons instead of selfless reasons. These motivations can range from increased social status and job opportunities to a feeling of self-worth or self-satisfaction from the altruistic act (Andreoni, 1990). Several studies suggest that most people fall somewhere in the middle of these two extremes and can be acting on several different motivations at the same time (Clary and Snyder, 1999 and Crumpler and Grossman, 2008). Verhaert and Van den Poel (2011) introduce empathy as an added component as it relates to altruism. They suggest that evaluating empathy in altruistic behaviors aids in the predictive capability of whether or not individuals that have not donated in the past will behave in the future. Several themes that continue to emerge emphasize that altruistic behavior is influenced by multiple aspects. For example, Losco (1986) reviews and critiques research that looks at both behavior and motivational approaches to the study of altruistic behavior and concludes that each approach adds insight into the behavior, but neither on its own can fully explain altruism.

It is clear from the literature that the study of altruism should be looked at from several different perspectives with the understanding that altruistic motivation stems from various areas depending on the situation and the person. This can be related back to the Theory of Planned Behavior.

**Theory of Planned Behavior**

The literature on the Theory of Reasoned Action and the Theory of Planned Behavior is both theoretical and applied. They have both been used widely in research designs in health and psychology. Some of the research related to health issues concerns condom use (Albarracín, et al., 2001); weight loss (Schifter and Ajzen, 1985); and smoking-cessation (Babrow, Black, and Tiffany, 1990). On the psychology side research includes: energy use and savings behaviors (Abrahma, and Steg, 2009); behavioral control issues (Notani, 1998); and implementation intentions (Orbel, Hodgldns, and Sheeran, 1997). Although there has been much work done in these areas, there has been limited research using these theories on altruistic behaviors with much of the research being conducted outside the United States and primarily in Australia. Some of these studies include a look at volunteer participation in Australia, (Greenslade and White, 2002); frequency of blood donation in Quebec, Canada (Godin, et. al., 2008) and blood donation behaviors in Australia (Robinson, et al., 2008). Another application was used in the United States when David Harrison (1995) applied the model to determine volunteer motivation using volunteer participation at a homeless shelter in Texas.

The Theory of Planned Behavior began through the work of Fishbein and Ajzen as The Theory of Reasoned Action (1975, 1980), but as it was refined, Ajzen expanded it into the Theory of Planned Behavior (1985). The difference between the two theories is attributed in large part to the inclusion of the perceived control over the ability to turn an intention into a behavior. This shift is an integral part of the Theory of Planned Behavior.
This model also incorporates the individual’s actual ability to perform the action, and not just the perceived control. This addition is especially important in the behavior intervention phase of the research model, but also acknowledges that although an individual may want to engage in a particular behavior it may not actually be possible due to a limitation outside of their control.

The Theory of Planned Behavior is driven by three considerations that guide human behavior:

- **Behavioral Beliefs**
- **Normative Beliefs**
- **Control Beliefs**

Behavioral beliefs are the attitudes the individual holds about the behavior under consideration. This includes their perception of the likely consequences of engaging, or not engaging, in the behavior. In the model, behavioral beliefs lead to specific attitudes about the behavior, and are expressed as the strength of each belief as compared to the weight of the evaluation.

Normative beliefs are the perceived social pressures associated with the behavior. This attribute looks at what the individual feels is expected of them in respect to the specific behavior by family members, friends, peers, etc. These beliefs lead to subjective norms that are evaluated by the strength of the normative belief weighted with the motivation to comply. Control beliefs are the perceptions of how easily the task can be achieved, and also how much control the individual has over the accomplishment of the desired behavior. This leads to perceived behavioral control which is evaluated by the strength of the control belief weighted by the perceived control.

The combination of these three areas leads to a behavior intention, and the more positive the outcome in each stream, the more likely a positive behavior intention will emerge.

**HYPOTHESES**

In order to determine volunteer intentions of Tennessee State University students and test a portion of the Theory of Planned Behavior, hypotheses were tested in each of the three behaviors (attitude, subjective norm, and perceived behavioral control) and volunteer intention. This model can be summarized as:

![Diagram](image)
H1 – Attitude toward volunteering will be positively associated with volunteering intentions.
H2 – Subjective norms favoring volunteering will be positively associated with volunteering intentions.
H3 – Perceived behavioral control to volunteer will be positively associated with volunteering intentions.

METHOD
A convenience sample of undergraduate students from a university in the Southeast was used. The sample size was 167. The university is classified as a Carnegie Engaged University which signifies that the institution has made a commitment to community engagement. This commitment highlights the need for student interaction in charitable activities as part of coursework, student organizational commitments, and individual acts. The first set of questions was selected based on research by Madden, Ellen, and Ajzen (1992) and measured attitude using a seven item semantic differential scale. The following measures were used to determine student attitudes toward volunteering: good-bad; pleasant-unpleasant; harmful-beneficial; useful-useless; and enjoyable-unenjoyable. The remaining scales utilized a seven-point Likert scale (1 = “Strongly Disagree” and 7 = “Strongly Agree”). Subjective norm scale was composed of three items, adapted from Taylor and Todd (1995).
The questions to assess perceived behavioral control and volunteer intention were taken from Warburton and Terry (2000).

RESULTS
All scales had acceptable reliability. Linear regression was used to test the hypotheses. The regression model was significant (p< .001; r-squared = .59). Interestingly, H1 was not supported (p=.08). However, H2 and H3 were supported. In other words, favorable attitudes towards volunteering were not as likely to predict intentions to volunteer as perceived behavioral control and subjective norms around volunteering.

DISCUSSION
Social activation of college students is one way to fill the growing need for volunteers in the non-profit sector. Stakeholders that would have an interest in this area include government entities that are funding non-profit initiatives, public administrators that are ensuring services are delivered to the public, and higher education institutions. The ability to leverage an altruistically motivated donation base of college students would be of interest to each of these groups for specific reasons. Our exploratory study suggests that subjective norms surrounding volunteering and feeling of control over being able to volunteer are likely to important indicators of volunteerism among college students.
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Mere measurement effects on frequency of blood donation. Health Psychology, 27 (2), 179-184. Retrieved from: 10.1037/0278-6133.27.2.179


RE-INVESTIGATING THE RELATIONSHIPS ABILITY, PERSONAL, AND BEHAVIORAL VARIABLES HAVE WITH ACADEMIC PERFORMANCE: ROLE OF PERCEPTION OF CLUSTERED DEADLINES

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EXTENDED ABSTRACT

Studies have consistently shown that student ability measured by ACT composite, personal variables such as academic self-efficacy and behavioral variables such as time management relate to academic performance (Multon, Brown, & Lent 1991; Nonis et al. 2005). However, at a time when students have to deal with a multitude of scheduled exams and due dates for projects, presentations, and other assignments, throughout a typical semester (defined here as clustered deadlines), it is important to re-investigate these relationships. This study explores the moderator influence that clustered deadlines has on the relationship between ability, personal, and behavioral variables and academic performance. The rationale for the hypothesis is as follows.

Assume in reality that the coming week is going to be a busy one for students because of many exams, projects, quizzes etc. all due (high clustered deadlines). While one student might perceive and interpret this situation demand as a normal week that is manageable (under estimate the real situation), another student might interpret it as a very busy week where he or she will have to make some behavioral changes to meet the demands (appropriately estimate the real situation). Undoubtedly, on the basis of alternative interpretations of the same situation, individuals will perform differently. In fact, research has shown that some individuals are better at discriminating among situations than others (Cheng, et al., 2001). Based on this line of thinking, the influence that personal variables such as self-efficacy, proactivity and procrastination, ability variables such as ACT-composite, and behavioral variables such as time management interventions (e.g., goal-setting and prioritizing) have on academic performance will be much higher for those students who appropriately estimate the situation compared to those students who underestimate it. The hypothesis tested in this study is:
Perception of clustered deadlines will moderate the relationship between personal variables such as academic self-efficacy, proactivity, and procrastination, ability variables such as ACT composite, and behavioral variables such as time management and academic performance in that the relationships between personal, ability, and behavioral variables and academic performance will be stronger for those who appropriately perceive clustered deadlines compared to those who don’t.

Data were collected from students enrolled in several different face-to-face and online classes offered by the College of Business in an AACSB accredited mid-size university (about 13,000 students) in the Mid-South. Students completed an online survey on a voluntary basis. Sample size was 130 and the response rate was 52.1%. Except for the four items that measured perceived clustered deadlines, all other multi-item scales used in the survey have been developed and used in multiple studies with acceptable reliability coefficients. In this study also, reliability coefficients were acceptable as per Nunnally (1978) and varied between 0.84 and 0.94.

The hypothesis was tested using the subgroup comparison approach using a median split (the median score for perceived clustered deadlines was used to create the two groups of “perception of low clustered deadlines” and “perception of high clustered deadlines”). This was followed by two multiple regression analyses using CGPA as the dependent variable. Sharp differences in the $r^2$ values for the two subgroups were observed.

When perception of clustered deadlines was low, none of the five variables were significant in predicting academic performance. Also, the variation explained by the five variables was 14% and not significant at the $p < 0.05$ level. However, when perception of clustered deadlines was high, the predictor variables (ACT composite as well as academic self-efficacy explained 47% of variation in academic performance and were significant at $p < 0.05$. These results supported the hypothesis that student’s perception of clustered deadlines moderates the relationship between the personal variable academic self-efficacy and the ability variable ACT composite and academic performance. Self-efficacy (belief that I can do it) and ACT composite have a positive influence on academic performance only for those who perceive high levels of clustered deadlines. For those who perceive low levels of clustered deadlines, self-efficacy and ACT composite did not play a role. This is a significant finding indicating the importance of students being able to correctly perceive reality when it comes to deadlines for those important personal and ability variables to have a positive influence on academic performance.


THE USE OF NETNOGRAPHY AND STORYTELLING IN ONLINE RESEARCH: AN EXPLORATORY STUDY ON CONSUMERS’ MOTIVATIONS AND ROLES TO SUPPORT BETRAYED CUSTOMERS

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ABSTRACT
This paper applies netnography and storytelling methods to gain deeper insights into consumer-to-consumer interactions, in order to understand consumers’ motivations and roles in supporting and rooting against powerless customers who bring publicly their battle against offending firms, referred here as underdogs. A storytelling approach drawn from a TV show on real cases of dissatisfied customers was employed as a communication medium to relate tales. A netnography approach was subsequently used to analyze online participants’ postings. We identified two types of roles: supportive roles (e.g. the Rebel, the Opportunist, etc.) and unsupportive roles (e.g. the Sarcastic, the Elitist, etc.).

INTRODUCTION
Wronged customers may adopt different tactics to voice the betrayal of consumers’ rights and to mobilize consumers against the perpetrator firms (Ward and Ostrom, 2006; Grégoire et al., 2009; Zourrig et al., 2009). In turn, the persuaded consumers may give praise and support wronged customers in their battle against the offending firms. Nevertheless, consumers may react differently regarding fighting legitimacy; while some consumers display their commitment to the protesters’ cause, others may disagree and disapprove their fight (Kozinets and Handelman, 2004).

From a consumer culture theory (CCT) perspective, consumers are not viewed as passive dupes (Bradshaw and Holbrook, 2008), but rather as interpretative agents who critically create resistant interpretations and define roles and positions that fit with their identities (Kozinets and Handelman, 2004). Thus, consumers are enactors of social roles who use market-generated materials to construct a self-defining sense of identity and hold different positions that oppose dominant norms (Arnould and Thompson, 2005).

In line with CCT, Luedicke and Giesler (2008) coined the concept of contested consumption comprising a set of influential interactive practices whereby consumers explicitly challenge and critique each other’s consumption choices. In this vein, consumers may defend and reinforce their own ideas of a market culture, by “passionately contesting the behaviors of individuals that transgress their perceived boundaries of legitimacy in everyday life” (p. 812).

The existence of such opponent standpoints raises the question of the array of patterns that shape consumers’ motivations for either supporting or undermining victimized customers, referred here as underdogs.

In this light, the insights gained from the CCT are valuable to study the social influences as well as divergent motives and opponent roles in either rooting for and against
victimized customers. In accord with the CCT, the consumption world is neither unified nor monolithic and consumers may endorse different and even opponent roles and positions in the marketplace (Arnould and Thompson, 2005).

In this study, we explore ways whereby consumers support and even more root against underdog consumers who bring publicly their fight against perpetrator firms. Indeed previous studies (e.g. McGinnis and Gentry, 2009) have only focused on the underlying motives in supporting underdogs. However, little is known about the motives behind rooting against underdogs in terms of expressing disapproval and resistance to other customers. In claiming so, we address the following two research questions: what are the motivations to root for or against an underdog consumer? How can these motivations shape different supportive and unsupportive roles?

In fact, not all persons would root for the underdogs and disagreements can readily occur even between consumers. This issue was discussed by Kozinet and Handelman (2004) who advocate that some consumers (i.e. the adversaries to the activists) may perceive the protesters’ discourse as elitist and overzealous, and may interpret the mobilization efforts as an attempt to undermine their free choices.

Overall, little is known about consumers’ approval and disapproval with powerless customers or underdogs in their protest against perpetrator firms. In fact, investigating consumers’ motives for rooting for or against underdogs is salient to address a comprehensive view of the exchanges within consumer-to- consumer interactions and to understand consumers’ power in virtual dialogues. Further, this allows for portraying different roles that consumers may endorse in supporting or undermining underdogs’ battle against firms. This portrayal can be helpful for marketers in directing their defensive marketing efforts aiming at reducing the harmful effects of angry customers on the firm reputation as well as potential escalations. Hence, gaining and maintaining the support of con-underdogs and countering the anti-attitude toward of the pro-underdogs are a critical issue for the business survival (Tuzovic, 2010).

In this paper, we identify different roles that could be observed within online audiences. We first investigated the potential motives that drive consumers to engage in supporting or rooting against underdogs. We then employed a netnography approach (Kozinets, 2002) to analyse consumers’ postings and to identify different roles observed within online audiences. As we proceed, we provide illustrative examples of the enacted roles from selected postings. Finally, we discuss marketing challenges and managerial implications that can be useful to prevent or at least reduce the impact of potential damage to business firms and their reputation.

**LITERATURE REVIEW**

**Underdog Consumer**

The term “underdog” was first coined in the political field (Ceci and Kain, 1982). Contrasting with “upper dog” or “top dog”, the underdog refers to an entity, a person or a group of persons that is disadvantaged or perceived as unlikely to prevail in a struggle (Vandello et al., 2007). In the marketing context, an underdog may refer to a non-market
dominant brand or company, or a disadvantaged person (McGinnis and Gentry, 2009). An underdog was often associated with pejorative descriptions such as a person with low-status who is disadvantaged and less likely to win. In a context of conflict, an underdog can be defined as a wronged customer who is perceived as powerless, victimized or helpless and who has a relative low-status that makes him disadvantaged toward powerful perpetrator firms. Nevertheless, defending the little status that one can possess may turn into a powerful source of motivation and aspiration (Aquino and Douglas, 2003). In this vein, McGinnis and Gentry (2009) argue that an “underdog has few to do with losing but more to do with more desirable trait of persistence and fighting against the odds” (p.195).

To express their disappointment, underdog customers bring their fights publicly. For example, such customers may post viral messages on blogs, and use media technologies (e.g. audio and broadcast media) to make viral videos and to give a testimony of their battle against the offending firms. A meaningful example of this can be represented in the case of a passenger, who posted a viral video on YouTube and subsequently spread it on Facebook, after having his guitar broken, while travelling with United Airlines from Halifax in Nova Scotia to Nebraska via O’Hare airport in Chicago. The video was shared widely forcing the company to pay for the repairs (The Gazette, 2009). Such a case illustrates how a victimized customer who despite his low-status of power, fights publicly and turns from an underdog to an upper dog.

From a CCT perspective, research on supporting or rooting against underdogs may fall under “mass mediated marketplace ideologies and consumers’ interpretative” research program (Arnould and Thompson, 2005), that addresses the question of how do consumers make sense of victimized consumer's messages and formulate critical responses. In such research program, consumers from the public are conceived as interpretive agents whose meaning-creating activities range from those that tacitly embrace the dominant representations of consumer identity (i.e. underdog supporters) and lifestyle ideals portrayed in mass media to those consciously deviate from these ideological instructions (i.e. underdog adversaries).

**Motivations for Supporting Underdogs**

Kim et al., (2008) refers to the motivation for supporting the underdog as “the underdog effect” and describe it as “people’s tendency to support or root for an entity that is perceived as attempting to accomplish a difficult task, and that is not expected to succeed against an explicit or implicit advantaged opponent” (p.2551). If so, one can ask why do people, overwhelmingly, support a person who is perceived as disadvantaged and is expected to lose. Vandello et al., (2007) suggest that individuals are often motivated to make favorable character judgments about disadvantaged groups (e.g. seeing poor people as more honest, moral and likable than rich people) as a way to rectify or at least to rationalize inequalities. This stems from the belief that the world is a fair place where there is some balance in outcomes. Hence, rooting for an underdog consumer and viewing his performance in a positive light may create a psychological balance for the other consumers who cannot directly control the outcomes.

Furthermore, Goldschmied (2007) distinguishes between two types of motivations in supporting underdogs namely: justice versus utilitarian based motivations. The former derive from people’s desire to restore fairness while the latter stem from a logical calculation constraining the expectations for success with the predicted emotional payoff. Moreover, Kim et al., (2008) argue that individuals who identifies themselves with the underdogs as well those who cling to uniqueness, are likely to support underdogs.
In the marketing context, McGinnis and Gentry (2009) identified many motives that drive support for the underdogs. Empathy toward low-status entities, individuality or feeling of being unique and values of freedom of choice as a way to affirm self-expression are some examples that have been shown as potential triggers to entice support for the underdogs. Finally, the inspiration may mobilize consumers to support an underdog since it procures a feeling of empowerment and reinforces ones belief that there is a chance for everyone, regardless ones status, to succeed even if he will experience a similar situation.

**Motivations for Undermining Underdogs**

People are likely to distance themselves from those who are viewed unfavorably (Schimel et al., 2000; Snyder et al., 2000), especially those with low-status who are perceived as unworthy and incompetent (Vandello et al., 2007; Goffman, 1963; Ridgeway, 2003). Therefore, people tend to reduce links with unsuccessful individuals and increase their connection with successful groups (Cialdini et al., 1976; Snyder et al., 1986). Undermining a low-status individual or group may also be viewed as a defensive coping pertaining to protect self-identity from the risk of aligning with underdogs and aiming to avoid the social stigma associated with disadvantaged or marginalized parts.

In fact, many motives may work to counter support for underdogs and prompt rooting against them. For instance, Wilkinson (2006) found negative relationships between the support for underdogs and several motives such as social dominance, belief in a just world and conformity (i.e. favoring the status quo in terms of social structures and hierarchies). Further, Feather and Sherman (2002), and Vandello et al., (2007) posit that undeservingness may foster rooting against the underdogs. Indeed the perception that the underdog is asking for something that he didn’t deserve conveys to a feeling of resentment and contributes to undermine underdogs. The motivations for supporting and undermining underdogs are summarized in table 1.
Table 1: Motivations for rooting for and against underdogs

<table>
<thead>
<tr>
<th>Motivations for Supporting Underdogs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice-based and Utilitarian-based motivations (Goldschmied, 2007)</td>
</tr>
<tr>
<td>People may root for underdogs as a way to restore a sense of fairness. Rooting for underdogs is perceived as just and stems from the need for equity. Rooting for underdogs, costs very little, but rewards of an unexpected success are great, and results in a biggest positive emotional payoff.</td>
</tr>
<tr>
<td>Empathy (McGinnis and Gentry, 2009)</td>
</tr>
<tr>
<td>Empathy drives individuals to support underdogs. Empathetic persons are likely to identify with the plight of those who worked harder and perhaps longer in order to get to a better status.</td>
</tr>
<tr>
<td>Freedom of choice (McGinnis and Gentry, 2009)</td>
</tr>
<tr>
<td>Supporting underdogs keeps the competitive forces alive and allows the consumer to have the best choices (i.e. products, prices, etc.)</td>
</tr>
<tr>
<td>Self-Identification (Kim et al., 2008)</td>
</tr>
<tr>
<td>Persons may support underdogs as they feel that they are in a situation that is similar to theirs.</td>
</tr>
<tr>
<td>Inspiration (McGinnis and Gentry, 2009; Kim et al., 2008)</td>
</tr>
<tr>
<td>The inspiration makes people feel empowered and motivated to support underdogs, as “heroic accomplishments” of underdogs serve as inspiration and a guide for socially sanctioned behaviours.</td>
</tr>
<tr>
<td>Individuality and Uniqueness (McGinnis and Gentry, 2009; Kim et al., 2008)</td>
</tr>
<tr>
<td>The belief that the world is a fair (i.e. American dream), believes in success on one’s own, and in risk- taking may nourish the aspiration to overcome the imposed limitations of underdog status and motivate people to root for underdogs. As rooting for underdogs is generally perceived as unusual, people satisfy their need for uniqueness.</td>
</tr>
</tbody>
</table>

Motivations for Undermining Underdogs

| Undeservingness (Feather and Sherman, 2002; Vandello et al. 2007)                                  |
| Rooting against underdogs may stem from the fact that their achievement is seen as undeserved.       |
| Social dominance orientation (Wilkinson, 2006)                                                     |
| Individuals who cling to the social dominance orientation tend to view social hierarchies as necessary and as reflective of one’s relative merits, and therefore support the favorite as they view him to have earned an advantaged and dominant position. |
| Belief in a just world (Wilkinson, 2006)                                                            |
| Belief in a just world- people deserve what get and get what they deserve-, drives people to support favorites rather than rooting for underdogs. |
| Conformity (Wilkinson, 2006)                                                                       |
| Individuals, who stress the value on conforming to social norms and group attitudes, are more likely to root for a favorite rather than underdogs as a consensus pick. |
Consumers’ Roles

Customers may enact different roles that stem from different motives. In the context of retail setting, McGrath and Otnes (1995) have identified proactive and passive roles shaped by different motives. For instance, the help-seeker role is driven by the customer’s need to protect or enhance self-image, while the follower role is driven by the need to reduce the risk of inappropriate purchase.

In the context of service failures, Funches et al., (2009) have distinguished between three mains roles namely the avenger who react to punish the offending firm, motivated by the desire to teach the perpetrator a lesson about social deference, the altruist who works to protect other customers from enduring the same sort of injustice and the victim who expresses a low sense of self-efficacy and believes that any action he undertakes will not change the service provider’s current or future behaviours.

In the context of consumer protest and anti-consumption movements, Kozinets and Handelman (1998) and Ward and Ostrom (2006) designated protesters who seek social change as crusader. More interesting, Kozinets and Handelman (2004) distinguished between slavish adherents, wicked and selfish,, idiots and foolish consumers who are portrayed as unaware asleep and unenlightened consumers, and activist who are described as awake empowered and enlightened.

However, the notion that consumers may play different roles either to support or not a victimized customer in their battle against powerful firms, has not been previously theorized. This study investigates the existence of underdog consumers and attempts to provide insights to the motivations for supporting or rooting against underdogs. This will explain why some consumers actively support other customers while others do not.

METHOD

Storytelling

Stories and storytelling are central to get a deep understanding of consumer psychology (Woodside et al., 2008). Storytelling is the conveying of events, characters and narrative points of view. Storytelling” can be defined as an account of incidents or events that are recounted to other people in detail (Reaume, 2011).

In this research, a television program titled UNDERDOGS diffused on the Canadian Broadcast (CBC) was used as a medium for the storytelling. The program relates real fights with real frustration of helpless customers who are engaged in a battle against perpetrator firms. The show portrays 16 cases of wronged customers who are self-proclaimed underdogs and are fed-up with powerful corporations. The cases ranged from small to major complaints outlining product and service failures as well privacy concern issues (see Table 2). These underdogs wanted to get back at the firms by bringing publicly their fights. The legitimacy of their battles against the offending firms was documented throughout postings in the CBC blog either to support or undermine the underdogs.
Table 2: Real stories of betrayed Customers borrowed from Underdogs Program TV on CBC

<table>
<thead>
<tr>
<th>Story # 1</th>
<th>Liz &amp; Fabian versus Big Appliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liz &amp; Fabian</td>
<td>bought a well-known brand name vacuum cleaner through an infomercial. After more than a year, the vacuum cleaner still has not arrived. The appliance company says it isn’t responsible... but Liz &amp; Fabian want them to take responsibility for the problem.</td>
</tr>
<tr>
<td>Story # 2</td>
<td>Burt versus Big Funeral</td>
</tr>
<tr>
<td>Burt and his wife changed their minds about their funeral plans and cancelled their contract. They got their money back, except for the money for a cremation urn. Burt wants the funeral company to cough up their 'urgings'.</td>
<td></td>
</tr>
<tr>
<td>Story # 3</td>
<td>Tom versus Big Auto</td>
</tr>
<tr>
<td>Tom bought into the dream of a vehicle that would last a decade. But when the transmission in his $40,000 van went kaput just past its warranty, Tom's dream died with it. Now he's trying to wake up the company, and he won't be satisfied until they've paid the cost of his new transmission.</td>
<td></td>
</tr>
<tr>
<td>Story # 4</td>
<td>Patrick versus Big Phone</td>
</tr>
<tr>
<td>When Patrick's family signed up for long distance service, he thought they were getting a great deal. But Patrick says the company ended up charging him for 6 years of internet service that he insists he never asked for and never used. He wants that money back.</td>
<td></td>
</tr>
<tr>
<td>Story # 5</td>
<td>Mark versus Big Phone</td>
</tr>
<tr>
<td>Mark agreed to renew his cell phone contract for unlimited calling at a great low rate, but when the bills came in the charges were substantially higher. Mark wants the company to honour the contract he signed.</td>
<td></td>
</tr>
<tr>
<td>Story # 6</td>
<td>Antoinette versus Big Office Supply</td>
</tr>
<tr>
<td>Antoinette was shocked to discover that the crashed computer she returned was repaired and sold to another customer, along with the personal files she stored on it. She wants the company to only sell computers with clean hard drives.</td>
<td></td>
</tr>
<tr>
<td>Story # 7</td>
<td>Nathan versus. Big Rewards</td>
</tr>
<tr>
<td>Nathan had not used his loyalty program card in years, and then discovered that because of company policy, his points had been wiped out. Nathan believes he earned his points and he wants them back.</td>
<td></td>
</tr>
<tr>
<td>Story # 8</td>
<td>Dawn versus Big Car</td>
</tr>
<tr>
<td>Dawn says a faulty passenger door on her new minivan put her family in danger. After repeated attempts to have the faulty door fixed, Dawn was left angry and frustrated at the company's inability to satisfy her concerns.</td>
<td></td>
</tr>
<tr>
<td>Story # 9</td>
<td>Victoria versus Big Cellphone</td>
</tr>
<tr>
<td>Victoria purchased a new phone, assured of the local calling rate. But instead, her phone number was based in another city 300 km south of where she lives and many of her calls have been charged the long distance rate, even checking her voicemail.</td>
<td></td>
</tr>
<tr>
<td>Story # 10</td>
<td>Faye versus Big Gas Co.</td>
</tr>
<tr>
<td>When Faye's husband died last year, she removed his name from their gas bill. The utility gave her a new account and charged her at a higher rate. Faye says she's owed money.</td>
<td></td>
</tr>
<tr>
<td>Story # 11</td>
<td>Catlin versus Big Toilet Paper</td>
</tr>
<tr>
<td>Catlin won a contest, but found it impossible to actually receive his prize: an iPod. Now he's fighting a big paper company, and he's got his whole high school behind him.</td>
<td></td>
</tr>
<tr>
<td>Story # 12</td>
<td>Nick versus Big Auto</td>
</tr>
<tr>
<td>Nick bought a new minivan in 2003. Since then, the van has been in the shop nearly two dozen times, for a total of about 6 months. Nick says his van is obviously a lemon, and he believes the car company should replace it.</td>
<td></td>
</tr>
</tbody>
</table>
Netnography
We adopted the netnography method (Kozinets, 2002) to analyze consumers’ postings on the CBC blog with the aim of identifying key motivations that drive consumers to root for or against an underdog customer. Using netnography is appropriate for the purpose of this study because it focuses mainly on the observation of textual discourse in which the ultimate unit of analysis is the behaviour or the act (i.e. rooting for or against the underdog), rather than the person (Kozinets, 2002). Further, the netnography “uses the information publicly available in online forums to identify and understand the needs and decision influences of relevant online consumer groups” (Kozinets, 2002, p. 62). Hence the use of the netnography allows for deeper insights to understand the key motives in supporting or undermining underdogs.

Data Collection
All postings from the CBC blog were retrieved, downloaded, archived and printed. We pursued an iterative process to examine with scrutiny the underdog cases and consumers’ postings with the aim to contextualize the online data. At the first stage, we selected cases based on the number and frequency of postings to ensure that we achieved the criteria of “a more focused topic” and “a higher traffic of postings” (Kozinets 2002). At the second stage, we classified the collected postings into two pools: pro versus con-underdog messages. However, postings without clear directions (neutral position: neither for nor against the underdog) were dropped from the analysis. Finally, we retained a sample of 4 cases entailing 80 postings for the purpose of this study. A description of these cases is shown in table 3.

Table3: Selected Cases of Underdogs’ fights against perpetrator firms

<table>
<thead>
<tr>
<th>Stories of Underdogs fighting against perpetrator firms</th>
<th>% of postings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“for”</td>
</tr>
<tr>
<td>Patrick versus big phone company</td>
<td>10%</td>
</tr>
<tr>
<td>When Patrick's family signed up for long distance service, he thought they were getting a great deal. But Patrick says the company ended up charging him for 6 years of internet service that he insists he never asked for and never used. He wants that money back.</td>
<td></td>
</tr>
<tr>
<td>Antoinette versus big office supply</td>
<td>64%</td>
</tr>
<tr>
<td>Antoinette was shocked to discover that the crashed computer she returned was repaired and sold to another customer, along with the personal files she stored on it. She wants a service recovery.</td>
<td></td>
</tr>
<tr>
<td>Faye versus a big gas company</td>
<td>83%</td>
</tr>
<tr>
<td>When Faye's husband died last year, she removed his name from their gas bill. The utility gave her a new account and charged her at a higher rate. Faye says she's owed money.</td>
<td></td>
</tr>
<tr>
<td>Nathan versus an airplane company</td>
<td>45%</td>
</tr>
<tr>
<td>Nathan had not used his loyalty program card in years, and then discovered that because of company policy, his points had been wiped out. Nathan believes he earned his points and he wants them back.</td>
<td></td>
</tr>
</tbody>
</table>

Analysis and Interpretations
The postings were read through several times. Emergent conceptualizations were structured following successive reviewing. Multiple coding of the topical focus of postings was supplemented with frequency coding for two main aspects: (1) the attitudes toward underdogs (pro and con-underdog), and (2) the underlying motivations either to support (e.g. empathy, inspiration, etc) or to undermine underdogs (e.g. undeservingness, conformity, etc.). The findings were summarized then explained and interpreted. The analysis yielded various
themes (e.g. sarcasm, opportunism, rebellion, etc.) that guided us to define the endorsed roles in rooting for as well against underdogs. Finally, two marketing researchers who are familiar with the qualitative studies audited the identified roles, formulated suggestions and made corrections in the interpretations.

FINDINGS

We performed an inductive coding with close readings of the postings and a consideration of the multiple meanings that are inherent in the quotations. The ten themes underpinning the motivations for supporting and rooting against underdogs guided the analysis of the data. We then identified text segments that contain meaning units, and created a label for each new role into which the text segment is assigned. Additional text segments were also added to the category where they are relevant. The first sub-section of the findings examines the pro-underdog roles and emphasizes consumer motivations to support underdogs. The second sub-section summarizes the co-underdog roles as well the underlying motivations in rooting against underdogs.

Supportive Roles

The Admirer

Underdog supporters may root for underdogs to do justice to their courage and perseverance in fighting against offending firms, as following poster demonstrates:

I just want to say Thank You to this dedicated woman who has literally set a standard for a major corporation [the perpetrator company] (...) I would like to compliment Antoinette [the underdog] for all her effort and also for truly contributing to society; being a mother is proof enough that she's contributing! (Posted by Rosie on January 13, 2007).

Herein, the supporter compliments the underdog for standing-up in front of a powerful firm and shows praise and continuous approval. The feeling of empathy and admiration toward powerless consumers may motivate consumers to support an underdog. In this context, the supporter turns into admirer of underdogs.

Likewise, acknowledging “heroic accomplishments” of a victimized customer may serve as a guideline for socially sanctioned behaviours and inspiration as reported in this posting:

We all go thru similar experiences in day to day life - so thanks for being an inspiration and your persistence. It is indeed a general reflection of the society we live, but we all can contribute and make a difference (Posted by Sandeep, on January 27, 2007).

Hence, inspiration is another common motive that drives an Admirer to root for underdogs. Therefore, the admirer role may stem from empathy and inspiration motives.

The Rebel

For many underdog supporters, the achievement of social betterment is central. The following posting underscores how a consumer may vigorously defend and with tenacity an underdog and incites him to never give up fighting:
Nathan [the underdog] what happened to you is a travesty and should not be ignored. They have people with their fingers on the wipe button (…) Keep the fight and NEVER give an inch (Posted by Stan Weatherbee on November 30, 2006).

When clinging to the rebellion, consumers usually portray marketing practices as misleading and subtly deceiving consumers, as the following poster reveals:

Way to go! You did a great job for the right reasons. But I just want to add that you are really contributing to society (…) look at the difference you have made for future customers of Staples’ [the perpetrator company] computers. Don't sell yourself short (Posted by Shauna Clark on November 24, 2006).

Thus, the rebel role is driven by a need to regain the freedom of choice, and pertains to bring changes to the consumption culture.

The Learner
By supporting underdogs, a consumer may gain valuable insights from underdogs’ experiences that could be perceived as enlightenment to consumer education and awareness. The following quotation is referring to such support:

As a user of a computer, i have never thought about what info was on my hard drive. Thank you for opening my eyes. Please give my thanks to Antoinette [the underdog] for all the hard work and fortitude that she has shown (…) (Posted by Bob Marshall on November 23, 2006).

Obviously, when a consumer wants to learn from other consumers’ experiences, his curiosity works to the underdog’s advantage. Thus, learning from underdogs can be helpful to avoid enduring the same injustice. The following post converges to the same idea:

Thank you Faye [the underdog] for your inspiration!!! (…) you have only proven my point. I have learned a great deal from you and the segment that aired. (…). Thank you, thank you, thank you.... (Posted by Rose Marie on January 28, 2007).

Herein, the underdog support may stem from inspiration and self-identification motives.

The Opportunist
Rooting for an underdog can be supported by a cost-benefit analysis that legitimates taking advantage of circumstances that may arise, in order to achieve deterrence. This poster below conveys this trend:

There is a solution....The same thing happen to me with another program. I received the same answer...«if you take your card again for a cost of 120$ or so, you will receive your points». Well i took their advice, bought back my card...claimed my point the next day (bought a plane ticket to Vancouver with my points) and cancel my visa card right after. on 120$ or so, i ended up paying 10$ or so for one month of use......take my advice play their game...and let them think they won!! (Posted by Rino on December 1, 2006).
Herein, a vindictive opportunism aims at punishing the perpetrator firm. Obviously, justice motivations (i.e. situation redress) and values of individuality (i.e. self-interest) shape the role of the opportunist in supporting the underdogs’ battle. Overall, the opportunist role arises when a customer attempts to take advantage ethically or unethically, from any circumstance of possible benefits with little regards to principles or consequences. This role is basically structured by justice motivations and values of individuality motives.

The Lawyer
When expressing their support to his battle, some consumers may take the advocacy of the underdog. The following quotation underscores this trend:

There is a little know principle in law that you cannot change a contract without the consent of the all who are party to the agreement. When you join a loyalty program you are agreeing to a certain set of rules that are in place at the time. Aeroplan [the perpetrator company]’s decision to change the rules in the middle of the game should not affect those who agreed to join their program many years ago. These new rules should only effect those who join the program after the changes have taken place. (Posted by: C.D. on January 31, 2007).

Herein, an underdog supporter endorses the role of lawyer, as he refers to laws, rules and moral principles. In clinging to compliance with laws, the support to underdog stems from a justice based motivation.

Unsupportive Roles

The Sarcastic

When rooting against underdog, some consumers deny the legitimacy of the underdog’s fight and portray the underdog's claim as unworthy of respect and consideration. The following posting underlines this:

“That is ridiculous!! (…). Don't expect them to call you for the reading of "the fine print"...Fine print is "fine" for a reason... (…). Please take a little responsibility and read it! Checking your own account from time to time is easier than a company warning it's millions of non-active members... And just a quick note; it is easy to have simply 1 activity per year...Read the agreement! (Posted by Scott, on December 4, 2006).

Herein, the underdog adversary blames the underdog for irresponsibility and shortness, and points to the no-merit of his claim (i.e. undeservingness). For him, the underdog wants simply to get something that he didn’t deserve.

In believing so, the underdog opponent may express his disapproval with an ironic and even a sarcastic style:

He [the underdog] was extremely arrogant and unreasonable. (…). Being so ignorant of your own finances that for more than 70 months you don't realize you're being charged for a service you didn't order would make most people hide in shame, not call the CBC to promote their ignorance on national television. (…)

35
SHAME on the CBC for taking up the fight of [the underdog]’s stupidity. (Posted by: R. A, on November 23, 2006).

Here, the use of pejorative connotations such as “arrogance”, “ignorance” and “stupidity” is a manner to undermine the underdog. The use of ironic utterance is usually associated with the intent of a sarcastic opponent to wound the underdog. In sum, the sarcastic role is shaped by undeservingness motive.

**The Elitist**
Underdog adversaries may cling to the belief of “getting what you deserved”, when rooting against underdogs. The following poster converges to this view:

(…) Antoinette [the underdog] should have verified what was going to happen with her data on a computer hard-drive rather than assume Staples [the perpetrator company] would take care of it (…) How hard is to tell the clerk "This hard-drive still has my files on it, what is going to happen to them?" If you leave your front door open, can you blame the lock company when you get robbed? (Posted by Jay on November 23, 2006).

From this, undermining an underdog is mainly motivated by the belief that the world is just: you get what you deserve and you deserve what you get.

Further, underdog opponent may distance themselves or other class of customers from the underdog case, and portraying the underdog unfavorably as unawake customer. In doing so the opponent clings to elitism. The following posting mirrors the elitist style in rooting against underdog:

Poor treatment of a loyal customer ??!!! A loyal customer is somebody who uses the program or patronizes the business. Nathan [the underdog] did not use the program for over 3 years. How is that loyal? (...) If you purchase a gift certificate from a retailer it expires after a year. (...) As long as you are a loyal customer (an active customer) your account will not expire. All it takes is a little bit of reading to be informed about the product (Posted by Erin on December 2, 2006).

Herein the Elitist believes in a just world that is the underdog deserves what he get and get what he deserves. Hence, the belief in a just world favors rooting against underdogs.

**The Conformist**
When rooting against underdogs, opponents may call for compliance with norms, rules and even the contract terms. The following posting highlights this fact:

(…) Every contract has terms and regulations! (…) Please respect the rules and regulations. Another example, if you broke a traffic violation by over speeding you cannot possibly ask the duty officer to refrain from giving you a ticket. RULES ARE RULES - FOR EVERYONE!!! (Posted by: Ashish Bhattarai on December 1, 2006).

Obviously, the conformist role is structured by the values of conformity that stress the need to conform to regulations and rules for everyone. Hence, the values of conformity may compel some customers to root against underdogs.
The “Schadenfreudist”
Rooting against an underdog may stem from the malicious satisfaction to see him suffering. The following post gives a testimony for such attitude:

Another case of an un-informed "Customer" wasting everyone's time, (...) Good for Aeroplan [the perpetrator company] for sticking to the rules they have clearly laid out. Nathan [the underdog] if you are not going to fly any more on behalf of the travelling public I say "Thank you!!" (Posted by Rob on November 30, 2006).

Herein the underdog adversary expresses implicit pleasure in reacting to the underdog’s misfortune, as he stands by the service company and asks the underdog to not use the company’s services anymore.

In this vein, feeling of undeservingness can motivate some customers to take pleasure from underdogs’ misfortune and ultimately to root against them. The following poster gives support to this view:

Of course a company won’t credit from SIX years back. He should have noticed it before (...). I could see if it was a year or so but six years? You're loss. (Posted by Mike on November 23, 2006).

Herein the underdog is portrayed as having no merit to get what he is asking for. In addition the underdog opponent argues that his battle is condemned to be lost by expressing a kind of delight saying "You're loss”. In psychology field, this refers to schadenfreude and defined as the experience of pleasure in response to another’s misfortune (Smith et al., 1996). Overall, the schadenfreudist role is motivated by undeservingness feeling.

DISCUSSION
The promise of this research is to shed light on the underlying motivations and different roles that consumers may enact when rooting for or against an underdog. The motivations and roles of rooting for and against an underdog consumer are depicted in Figure 1, all relationships are positive.

The research identified five supportive roles namely the Admirer (who compliments underdogs to do justice to their perseverance in fighting against offending firms), the Learner (who gains knowledge and expertise from the underdog experience to not endure the same fate), the Rebel (who wants radical changes in the consumption culture), the Opportunist (who takes advantage from opportunities that may arise for a social deference), and the Lawyer (who clings to achieve the social justice), and four unsupportive roles including the Elitist (who seeks to regulate the morals of others or to imbue others with a sense of morality), the Conformist (who clings to the compliance with corporations’ rules and the contract terms), the Sarcastic (who expresses with sarcasm and irony his disapproval with the underdog), and the Schadenfreudist (who experiences pleasure toward the underdog’s misfortune).

Furthermore, some motivations were found to shape specific roles, while others are likely to be triggers of more than one role. For instance, with respect to pro-underdog roles, both empathy and inspiration shape the admirer role, whereas freedom of choice favors the enactment of a rebellion role. Further, the role of learner is shaped by both inspiration and identification motives. The Lawyer role stems from justice based motivation, whereas the
opportunist is shaped by individuality as well justice based motivations. Regarding con-
underdog roles, undeservingness was found to be a main trigger of the sarcastic role, while
both undeservingness and social dominance shape the schadenfreudist role. Moreover, the
belief in a just world shapes the elitist role, whereas values of conformity are the main driver
of the conformist role.
Figure 1: Conceptual model of consumers’ roles and motivations to root for or against underdogs

Motivations

For supporting underdogs
- Empathy
- Freedom of choice
- Inspiration
- Self-identification
- Individuality
- Social justice

For undermining underdogs
- Undeservingness
- Belief in a just-world
- Conformity
- Social dominance

Roles

Pro-underdog roles
- The Admirer
- The Rebel
- The Learner
- The Opportunist
- The Lawyer

Con-underdog roles
- The Sarcastic
- The Elitist
- The Conformist
- The Schadenfreudist

Behaviors

Rooting for underdogs

Rooting against underdogs
CONCLUSION

We used netnography and storytelling methods to gain insights into consumer-to-consumer interactions, with the aim of getting a better understanding of consumers’ motivations and roles in supporting and rooting against powerless customers who decide to bring publicly their battle against offending firms.

From a managerial perspective, understanding what makes consumers support underdogs is useful for companies in directing their efforts to restore their corporate reputation. For instance, to counter the rebellion role, the firm could persuade public with the value of the freedom of choice and allow more facilities to consumers in an attempt to dilute the harmful effect of rebel consumers on the corporate image. Conversely, the firm could foster the role of elitist and the conformist by rewarding compliance to the business rules.

The typology of roles and motivations suggested here are also useful for segmentation and targeting purposes. For instance, in the context of crisis management, the public relations messages need a good understanding of the consumers’ motivations to be mobilized, to support or not underdogs. This will be helpful to conceive more persuasive messages and to target specific consumers from the public.

Despite the interesting insights achieved here, we must note that findings of this research should be considered in light of its limitations. First the representativeness of the sample of posters as well the generalizability of the findings, are questionable. Indeed, the lack of informant identifiers present in the online context can make somewhat difficult to extend the generalizability to other online communities (Kozinets, 2002). Accordingly, more cases are needed to ensure covering a large range of the identified roles. Furthermore, some roles are likely to be enacted more than others depending in the context and the case reported by the underdog. The fact that some consumers may enact more than one role or switch from one side to another while the textual discourse is evolving, is an intriguing phenomenon that requires a deep analysis of postings over time. Doing so may allow the researcher to account for the motives behind shifting from one role to another role. In this vein, the social identity theory (Tajfel and Turner, 1986) can be useful to study such transformative process.
REFERENCES


REFLECTING IN AN ACADEMIC COMMUNITY
ENGAGEMENT STRATEGIC MARKETING MANAGEMENT
COURSE
Sanjay S. Mehta, Sam Houston State University, Huntsville, TX

EXTENDED ABSTRACT

Academic Community Engagement (ACE) refers to a teaching pedagogy that combines community engagement with academic instruction. While ACE pedagogy (sometimes referred to as experiential learning, service learning, and community involvement) began in the 1960s, business schools did not embrace it until the 1990s (Gujarathi et al., 2002). Today, numerous types of ACE pedagogies exist, for example, internships (paid or unpaid; working for profit or not-for-profit organizations) and class projects/activities (field work; consulting projects for actual clients). As business schools struggle with teaching students personal responsibility, social responsibility, business ethics, communication, problem solving, and leadership, ACE pedagogy can be considered a viable methodology to instill these core values.

The ACE pedagogy benefits students in many ways (Eyler et al., 2001; Razzouk et al., 2003; Madsen, 2006; Astin et al., 2000; Michaelsen, 2000; Munter, 2002; Gujarathi et al., 2002; Godfrey, 1999). This pedagogy helps students master course material (content); gives students the ability to translate course material to the real world, helps students learn problem-solving and decision-making skills, helps them develop critical thinking and cognitive development skills, helps students learn presentation skills, the course seems more relevant to a student’s career, interaction with the community partner may provide future job prospects, students learn how to learn, and students tend to be more motivated in ACE courses than non-ACE courses. In addition, ACE courses create an environment of active (versus passive) learning and encourage collaborative learning. The pedagogy has shown to help students develop leadership and communication skills, small group collaboration skills, teamwork dynamics, time management skills, networking skills, synthesis and analysis skills, conflict resolution skills, writing skills, and more.

While the benefits to students are tremendous, students taking ACE courses also tend to express some apprehension (Madsen et al., 2006). They find the courses overwhelming and too time consuming, they feel that service should be voluntary and not mandatory, the course tends to be too unpredictable and uncertainty tends to be widely prevalent throughout the semester, students feel there is a high level of ambiguity within the course, sometimes students tend to experience setbacks and frustrations, finding time to meet outside of class can be challenging (e.g., for non-traditional students and commuters), sometimes they feel not needed or valued by the community partner, ACE course are in conflict with the pressures they feel at home and at work, inexperienced instructors tend to provide insufficient information, and frustration tends to set in when phone calls and emails are not returned by community partners in a timely manner.

To help students think about their experience, below you will find a written reflection assignment that can be used in an undergraduate and/or graduate Strategic Marketing Management course that uses the ACE pedagogy. The reflection assignment carries a small
weight (5%) when computing students’ overall grade. To receive an honest reflection from the students, it must be graded on a completion scale.

Instructions: Your reflections are to be written to reveal your personal thoughts/experiences with regard to being a volunteer consultant. The object of this assignment is to synthesize what you have learned in this course with your personal knowledge and experience. It is hoped that this reflection will be useful in guiding your thoughts as a business strategist. The reflections are to be approximately four to five pages in length, typewritten, double-spaced with the paragraph headings below.

Previous Perceptions: Had you previously volunteered in your community before taking this course? If so, where and what did you do (give a specific example)? If not, why not? Do you think all “citizens” have a responsibility to serve their community?

Current Experience: Briefly identify and describe the needs of the client along with your personal interaction with the client (i.e., your opinion of the client). What did you learn from your client? In your opinion, did the client understand his/her business environment that his/her organization was operating in (give specific example)? Do you think the client was fully “engaged” while you were volunteering?

Link between Theory and Practice: Did the community service in this course help you apply the subject matter in a real world situation? Did it help you better understand the material in the textbook? Do you think you would have learned more from this course if more time was spent in the classroom lecturing instead of doing/discussing the community service project? Do you think this idea of combining volunteering in the community with university coursework/material should be (or shouldn’t be) practiced in more classes?

Long Term Impact: How has the community service aspect of this course helped you become more aware of the needs in your community? Do you think you will (or won’t) volunteer in the community after this course? Do you believe that you can make a difference in the world? Will you continue to volunteer after this course?

Strategy Implications: What new insights did you learn regarding the strategic direction of your client’s business? In what ways did you modify the strategic and business performance recommendations you made to the client? Did the community service component in this course assist you in defining work that you would want to pursue? Do you think that the community service component in this course has made you more marketable?

Conclusion: Do you think interacting with the community helped you enhance your leadership skills and helped improve your communication skills? Did working in the community help you define your personal strengths and weaknesses? At the beginning of the semester (when you were first told about being a volunteer consultant), were you uneasy about the service component of the course? Now at the end of the semester, do you think that the service aspect of this course was valuable? Would you recommend this class (with its volunteerism component) to others? Do you think and/or feel you have made a difference in the client’s life?
REFERENCES


THE INFLUENCE OF PSYCHOLOGICAL NEEDS AND MODERATORS ON STUDENT EFFORT

Michael W. Pass, Sam Houston State University, Huntsville, TX

EXTENDED ABSTRACT

Instructors may encourage students to undertake learning activities with greater effort by conveying the benefits of reaching a goal related to the activities. For instance, they may stress the benefits of obtaining a marketing degree as they assign learning activities to the students. This study complements the goal-oriented approach by examining students’ perceptions of relatedness to the instructor, competence and autonomy that form as they pursue their goals. Self-Determination Theory (SDT) identifies these innate psychological needs as the basis for a person’s self-motivation (Ryan & Deci, 2000; Deci & Ryan, 1985). We develop and test a model representing hypothesized interrelationships among them and their influence on the quality of student effort. The instructor’s teaching methods and student’s goals are also examined as mediators and moderators to the main model.

The need to place attention on improving student effort is highlighted by a study of 3,000 college students in 29 four-year colleges and universities that revealed many students during a two year period did not improve their ability to perform tasks requiring critical thinking, complex reasoning, and written communication (Arum, Roksa, & Cho, 2011a; Arum & Roksa, 2011b). Students reported they “experience only limited academic demands and invest only limited effort in their academic endeavors” (Arum & Roksa, 2011b, pg 204). This suggests the need to determine more ways to increase student effort.

Questionnaires were administered to students enrolled in seven upper division marketing courses at a public university. Of the 168 questionnaires completed, 160 were retained for data analyses. Published scales were used to measure perceived competence and autonomy (Williams & Deci, 1996). Measures for perceived relatedness to the instructor and
the intensity of student effort were developed for this study. Exploratory factor analysis and confirmatory factor analyses were completed on all measures. Measurement and structural equation models were generated to evaluate hypotheses. The main model has an acceptable fit. Figure 1 reports standardized loadings and t-test values (in parentheses); all relationships are significant with t-test values above 2.00.

Findings suggest the importance of encouraging students to choose *on their own* to put forth the time and effort to learn, thus exhibiting autonomy. Relatedness to the instructor must be considered because it influences autonomy and also the perceptions of competence, which influences autonomy. As perceptions of relatedness increase, an instructor may improve the student’s understanding of material and perceived value of the information, thus increasing competence perceptions and increasing student autonomy.

A moderator analysis is completed to determine conditions that change modeled relationships. Congruence of an instructor’s teaching methods with student preferences, perceptions of quality and student learning styles are examined to determine if they influence the H1 relationship. Potential mediator, or moderator, relationships with Achievement Goals (i.e., Mastery Achievement Goals, Performance Approach Goals and Performance Avoidance Goals) is also explored to determine if they influence hypothesized relationships.
A celebrity is a person of renown who commands great public fascination and influence. Despite much social philosophy speculation (King 2010), the cultural meaning of celebrity status is often unclear. Clarifying such meaning is a useful step toward exploring the creation of celebrity status from a marketing perspective. Here we explore the etymology of “celebrity” and its implications in secular society. New Webster’s Dictionary (1981) defines the word “celebrity” as “a celebrated or famous person; the state of being celebrated, extolled, or talked about; fame; renown.” The roots of the word “celebrity” and associated words such as “celebrant” (an officiating priest), “celebrate” (to perform appropriate rites and ceremonies including religious ceremonies), and “celestial” (pertaining to “the sky or visible heaven, or the divine) imply that to achieve celebrity status is to “rise above” secular people by possessing god-like qualities so valued by the society such that ordinary people “look up” to the celebrity. This suggests that the celebrity personifies ideal values of the endowing society. Emile Durkheim suggested that “God” was society personified and the ideal values of the society come to be associated with the societally defined image of God. In the modern secular world, celebrities are created by “fans” that elevate the celebrity above ordinary persons by endowing the celebrity with higher representation of the then current societal values. Thus, we see shows such as “American Idol” that allow fans to “inspect” would be celebrities and choose which ones best exemplify the entertainment and social values of the viewers (Fairchild 2007). Similarly, we see individuals such as Paris Hilton and Martha Stewart as being raised to celebrity status through their own self-promotion by which they demonstrate secular values of the fans they attract.

Here, we hold that the meaning of celebrity is to be raised to the status of a secular god who personifies the secular values of the society as a whole, or of a sub-group within the society. In a mass society, fan identification with a celebrity may be a mechanism by which individuals enhance their own self-esteem. However, as secular values are transitory, secular celebrity status is transitory, and fame is, in itself, insufficient for celebrity status. Not only is celebrity status, dependent on time in social history, cultures and sub-cultures provide the values for creating celebrities. A person who garners fame in one culture may be less celebritized in another. Regional radio personalities, newscasters, or politicians might just be local or regional celebrities, but people such as Mother Theresa and Nelson Mandela have achieved global celebrity status for their humanitarian causes and spiritually inclined natures.

Hirshman (1990), addressing the secular value of affluence, identified achievement themes such as entrepreneurship, conspicuous consumption, artistry and craftsmanship that often form the basis of secular celebrity status. Similarly Rien et al. (2005) recognize professional success as a basis for promoting celebrity status, that then and enhances professional success. Lewis (2010), observing “ordinary experts” (Martha Stewart and Jamie
Oliver), suggests that “expert” value can be enhanced by establishing “celebrity” status in the mind of the consumer. Creating a celebrity has become much easier today with the availability of new media and the ‘right team of celebritizers (Wagner 1998). PR experts, marketing agencies, publicists, dressing consultants, image designers, and literary agents may turn any person with enough money into a short-lived celebrity, but deeper social recognition of the personification of cultural values is necessary for an extended stay in the secular celestial realm. Forbes magazine provides the Celebrity 100 list of the highest paid celebrities in which entertainment or sports figures dominate (Hedges, 2010), signifying the importance of media and marketing. Celebrity status brings the opportunity for paid endorsements. Although some question the benefits of celebrity endorsements (Kirby 2007), celebrity endorsements are often sought due to the identification consumers may desire with their chosen celebrities. However, endorsements may tarnish a celebrity’s own brand if the endorsed company falls into disrepute (Eisenberg 1987), and obvious materialistic exploitation can dangerously diminish celebrity status (Schrof 1996).

References


Marketing practices are far older than marketing as a discipline. Marketing is also one of the few academic fields in which neither the history of the discipline nor the history of its topics are subjects of graduate study. A consequence is that often our mid-level “theories” are moored to a particular time and context or else are so general as to be uninteresting in an intellectual sense. Historians and sociologists, on the other hand, are quite interested in the history of consumption, the behavior of consumers, and the motivations of both the consumers and those who provided the goods. Their interests and explanations proceed from a different narrative and theoretical set than a marketer’s approach to the same topics. Nonetheless, there are accounts and arguments that we might profitably explore in order to refine and enrich our own study of consumers, product classes, consumption choices, and the actions of providers of the products.

As historical research into what people ate, possessed, and reacted to are confined to the remaining artifacts and whatever governmental accounts (or in more modern times, observers’ comments in surviving letters and books), fine and applied arts are the most studied. Across a wide variety of times and cultures, similar patterns seem to recur. What is interesting are both the similarities and the differences: by looking at these we might start to isolate what is human in general from the conditional characteristics of particular cultures or technologies, enabling us to develop those richer theories. Much of the social history literature has examined consumption from the perspective of modernization and various social theories derived from a Marxist influenced perspective that posits that consumption and consumerism are not very good things. For example: individuals do not so much seek satisfaction from products, as from the self-illusory expression which they construct from their associated meanings. The essential activity of consumption is thus not the actual selection, purchase or use of products, but the imaginative pleasure-seeking to which the product image lends itself, ‘real’ consumption being largely a resultant of this ‘mentalistic’ hedonism (Campbell, p. 89, 1987).

This view, widely accepted in some circles, would strike a typical marketing person as both “so what” and “what products are you describing.” The more moderate view expressed in this literature confines its description of consumption rather as a device for displaying status and wealth, pushed by modern marketing, and enabled by developed economies (Nenadic 1999). Neither of these approaches considers the variety of products, purchasing situations, etc. common to our models of consumption behavior. However, explorations of the past and present taken from these perspectives provides much new data to consider in refining our models and in locating them more directly in human behavior rather than as a result of a economic system.
**Bibliography**


A CASE STUDY IN THE ETHICS OF CROWD FUNDING: AMANDA PALMER AND THE GRAND THEFT ORCHESTRA

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EXTENDED ABSTRACT

This presentation will present the results of exploratory, qualitative research and case development on the entertainment industry’s use of crowd funding to finance artist projects.

Social media continues to dramatically change the lives of persons in developed countries, in fascinating and sometimes ethically challenging ways. One recent manifestation of this is the phenomenon of crowd funding. USlegal.com defines crowd funding (CF) as “the collective cooperation, attention and trust by people who network and pool their money and other resources together, to support efforts initiated by other people or organizations” (Definitions). CF has been used to raise monies for a wide range of purposes, including charitable activities, educational opportunities, entrepreneurial ventures, theatrical and musical projects for aspiring artists. The growth of CF has led to greater attention from mainstream media and a broader audience, evidenced by recent publications of resources that claim to survey the entire spectrum of CF categories and platforms.

There are many factors which could account for the rapid growth of interest in CF, by both investors and seekers. CF lowers the risk for individual investors by offering a wide range of investment levels, so it may attract capital in a way that other forms of investment cannot. In the case of creative projects like art or music, CF provides the small investor a greater sense of ownership with the finished work.

For the recording artist CF may be the only alternative in a shrinking industry. Over the past decade the number of record labels has shrunk from five to three (SONY, Universal and Warner). Both the major labels and the independents have cut back their artist rosters and the number of albums released each year making it even more difficult for recording artists to pursue the traditional path to success.

Record labels serve three functions for the artist: project capitalization, marketing and distribution. With the Internet taking care of distribution and arguably, marketing, CF has stepped in to fill the role of capitalization. Artist Share is the first and most exclusive of the CF companies. Others include gofundme.com and the most visible, kickstarter.com. All three companies charge the artist a five percent fee. Artistshare.com and kickstarter.com limit fundraising to creative projects while gofundme.com allows anyone to raise money for anything legal (www.gofundme.com/).

CF also raises a number of issues in relation to business ethics: First, it often leads to situations where an entrepreneur can be too cash flush too soon, leading them to spend money on things they wouldn't normally consider pertinent. This can lead to poor strategic decision-making. Second, it can lead to spending on things that the recipients simply shouldn't do. Third, there is actually growing legal concerns as to what these investors should be entitled to in cases in which ventures do succeed. As a result, taking this type of money early can actually inhibit the ability to raise money later. Consequently, legal and ethical issues have caused government regulatory agencies to closely examine CF; However, the complexities associated with CF have substantially slowed the implementation of guidelines governing CF activities (Mandelbaum, 2012).

This paper examines the ethical issues of one particular case: Amanda Palmer and the Grand Theft Orchestra. On April 30, 2012 Amanda Palmer launched a Kickstarter campaign to raise $100,000 to market a new independent album. By the time the funding closed on May 31, 2012
Palmer had raised more than $1.19 million (www.billboard.biz). In response to a question on Twitter Palmer posted the following on her blog on May 13, 2012:

first i’ll pay off the lovely debt – stacks of bills and loans and the like – associated with 
readying all of the stuff that had to happen BEFORE i brought this project to kickstarter. for the 
past 8 months or so, i wasn’t touring – and therefore wasn’t making much income – but every 
step of the way, there were expenses. so, during that time, i borrowed from various friends and 
family who i’d built up trust with over the years (Amanda Palmer).

Palmer goes on to layout the estimated expenses for the entire project, including art books and shows that were part of the fundraising effort. In the end she claims she will do well if she has $100,000 left over.

The information about this CF effort was presented to sixty students at a private southern university. After reading the case the students were asked the following questions:
1. Is it ethical for the artist to take more funds than asked for?
2. Would your answer be different if the amount raised is posted on the site before one contributes?
3. Does the website have an obligation to monitor the amount raised?
4. Does the website have an obligation to monitor how the funds are spent?
5. What would you do if the artist did not deliver on their promise? Would your answer differ if you had given $1000 or more?

This presentation will present the results the preliminary exploratory study and seek input to guide the remainder of the research process.

References


HOW SOCIAL MEDIA CREATES CELEBRITY: A PREVIEW OF CURRENT TRENDS

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EXTENDED ABSTRACT

A celebrity is a person who is well known by the general public and captures a degree of public attraction and influence in day-to-day media. The term is analogous with wealth (commonly denoted as a person with fame and fortune), implied with great popular appeal, prominence in a particular field, and is easily recognized by the general public (Wikipedia 2012). Although this has been a generally accepted definition it does not take into consideration the effect of social media in creating celebrity. Mass media in our commercial culture supports the creation of celebrity (Gamson, 1992). Everywhere we turn the ubiquitous celebrity is involved in an activity that we care about.

People and even animals gain celebrity status because of their role in life and the related achievements. Careers in the fields of sports and entertainment are commonly linked with celebrity status as they engender a level of public attraction and notoriety. These are just two industries where celebrity is produced because it is prominent in our everyday life. The odds of becoming well known enough are so high that the achievement creates the celebrity.

While people may gain celebrity status as a result of a successful career in a particular field (primarily in the areas pertaining to sports and entertainment), in other cases people become celebrities due to media attention for their extravagant lifestyle, Paris Hilton or wealth (as in the case of a socialite), Donald Trump; for their connection to a famous person (as in the case of a relative of a famous person), Tom Arnold; or even for their misdeeds (as in the case of a well-known criminal), John Gotte. Celebrities may be known around the world (e.g., pop stars and film actors), within a specific country (e.g., a top Australian rugby player); or within a region (e.g., a local television news anchor) (Wikipedia 2012).

How it Happens

Relatively unknown people are often thrown into the spotlight through a technology byproduct known as “Social Media”. Social media is devised in many forms but owe their existence to and use the Internet. The primary and most popular types of social Medias are Facebook, YouTube and Twitter. These are only a few among many social media outlets available in open format. Other less popular media are Wikipedia, MySpace, LinkedIn and of course any variety of blog, all important but they do not necessarily add to the building of celebrity. Social media create an atmosphere of marketing where people can use mass distribution arenas to enhance their own personal identity. Businesses are using social media for advancing their products and creating a better level of association with their customers. Charities are able to find ways to reach benefactors and other contacts to promote a cause through multiple social media venues Heisler 2012). The problem faced by non-celebrity is getting the follower base.

Celebrities have found social media to be especially kind to them in allowing for the creation of buzz amongst their fans. It also provides a way to attract new fans and build upon
their fame. It's estimated that Lady Gaga has over 23 million followers on Twitter (Rogers, J 2012) with many others boasting over a million connections in Twitter. Celebrities by nature attract attention based on even small events. If they are communicated properly to their fans. The social media and especially Twitter provide the opportunity for almost instantaneous connection between a celebrity and their fans without making the commitment of being in a public contact situation. For people seeking to advance their celebrity status creating a video for YouTube may provide exposure that may go viral. Facebook is a more active media requiring fans to activate the system while Twitter is passive with messages delivered from the sender. A problem with celebrity and Facebook is that individuals can create a Facebook for a celebrity and actually imitate a celebrity. (Rogers, K 2012).

Social media marketing of celebrities encourages user participation and dialogue. To be successful a celebrity campaign must fully engage and respect users. The concept of celebrities using social media is to create conversation to get people talking about the celebrity in some positive manner. Therefore, the celebrity’s job or that of their agent is to create situations that cause a buzz and reflect well on the celebrity. Although Watts (2007) contends it's not the “person” who starts the process but the “susceptibility” to spread the message. This is essentially a PR move that is sweeping that only Hollywood, but the world.

We see how powerful social networks are in a recent Arab spring riots and recent regime changes. It was estimated during the first presidential debates for 2012 that more than 80,000 Tweets had been sent. More than 696,000 comments were made on social media after American Idols 12th season and 12th season finale as reported by (Thurston, 2012).

References


EXPERIENTIAL AND SERVICE LEARNING

AN EXAMPLE OF EXPERIENTIAL LEARNING THROUGH INDUSTRY PARTNERSHIPS

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ABSTRACT

A shift to experiential learning is occurring at many colleges and universities throughout the United States. This paper describes an example of an experiential learning project that excited students and allowed them to apply concepts learned in the academic environment to market an event on campus. A review of experiential learning and a description of the design and implementation of the project are discussed.

INTRODUCTION

Changes in the education and business environment have prompted a demand for student-centered approaches to teaching (Lamont and Friedman 1997). Business managers seek students with skills which apply concepts learned in college. Today’s business managers seek employees with strong communication skills who are able and ready to apply knowledge in a business setting. Additionally, businesses are looking for employees with experience and leadership abilities. Methods of developing experiential learning projects that excite students and allow them to apply concepts learned in the academic environment are sought out by innovative instructors. Experiential learning methods engage students and make them active participants in their education. In this paper a review of experiential learning is presented. The design and implementation of a successful project is also described.

EXPERIENTIAL LEARNING

In recent years marketing education has evolved into a student-centered approach. This approach represents a shift from an instruction paradigm to a learning paradigm (Saunders 1997). In a learning paradigm, students are more engaged because they are active participants in the process as opposed to passive learners (Bobbitt, Inks, Kemp, and Mayo 2000). Other terms for this shift include collaborative learning, experiential learning (Kolb 1981) and service learning (Brown 2000).

There are many activities and techniques that fall under the realm of experiential learning including but not limited to simulation games, internships, live cases, field projects
(Gentry 1990), live cases studies (Cheney 2001) and working with organizations outside the university to solve real problems (Kennedy, Lawton, and Walker 2001). Service learning fits under the umbrella of experiential learning. According to Furco (1996), service learning is different from other types of experiential learning in that service learning projects “equally benefit the provider and the recipient of the service” and ensures “equal focus on the service provided and the learning that is occurring” (p. 6). In service learning service learning students are engaged in community service activities that enhance classroom and personal learning (Petkus 2000)

VALUE AND CHALLENGES

Experiential approaches benefit students, faculty members, the academic institution and the company involved. For example, Benigni, Heng and Cameron (2004) found that clients involved in experiential student exercises are very satisfied with the experience and often this satisfaction translates into offering students internships or jobs based on the performance in the projects. In addition, local media coverage often followed such projects. The Association to Advance Collegiate Schools of Business (AACSB International) requires active student involvement in the learning process as a part of their accreditation criteria (AACSB 2003). Many times experiential projects demand additional time and approaches than traditional lecture-style courses. Demands can include obtaining institutional permission, finding an industry sponsor, organizing transportation, organizing student and sponsor interactions, dealing with logistical problems (Kenworthy-U’Ren 2003), students dealing with variable situations, uncertainty and incomplete information (Elam and Spotts 2004).

Each year, the National Association of Colleges and Employers (NACE) surveys its employer members about their hiring plans for the upcoming class of new college graduates and other employment-related issues. According to the NACE Job Outlook 2001 report, employers say they consider communication skills to be important in job candidates, but find that many potential employees lack strong communication skills. Other skills deemed important include, a strong work ethic, teamwork skills, analytical skills, and motivation/initiative. Partnerships with industry provide students the opportunity to experience real-world issues.

PROJECT DEVELOPMENT

In order to develop an effective project that excites students, input must be solicited from the students who will be involved in the project. For the project described in this paper, four focus groups made up of senior marketing majors were used to choose the project. This occurred in the semester prior to the project’s implementation. The main idea that came out of the focus groups was to bring some form of entertainment to campus that focused on diversity education. Based upon the focus group findings, additional secondary research was undertaken to examine potential shows/events on which the class could focus. Budget was a consideration in choosing a show since the students had to find sponsors and raise money to bring the show to campus. A show was selected entitled “Ghost in the House”. Ghost in the House is a “live” one-man show about the life of Jack Johnson, America’s first African-American Heavyweight Champion. Inherent in the show are numerous issues of diversity. The show was selected because of the association to sports (boxing) which attracted the attention of some seniors interested in sports. Additionally, the show’s star, Ernie Hudson at the time, generated excitement among all of the students.
One of the problems with experiential learning is the funding of projects. Because of the cost of the show, sponsors were needed to make sure there was enough funding to continue with the project. A national association was approached, The Center for Retailing Solutions (CRS), of which the professor is a member, and students pitched on the idea of a sponsorship. Because of the nature of the project, the Center became the sponsor and the Center’s members provided capital and in-kind donations to make sure the project was a success. In addition, the campus multicultural center also sponsored the event. Although the project would pay for itself, start-up funds were very important to allow the students to initiate differing forms of integrated marketing communication and to provide the students a budget from which to work as well as providing some financial objectives (i.e. a required ROI on the project).

IMPLEMENTATION

Once the primary sponsor was secured, several meetings were held with a team of the sponsor’s upper-level regional management. It is ideal to get upper-levels involved because these individuals have decision-making power as well as access to funding. Roles and responsibilities were determined in the initial meeting. Committees were formed to divide the work.

The students involved were given full responsibility and accountability. The professor’s input must be as a participant so as not to take away from the students’ perceptions of responsibility and accountability. The professor acts as a sounding board and mentor to guide students in decision making. If the students are headed in the wrong direction, it is the professor that must keep them on track.

The “Ghost in the House” was undertaken as part of an upper-division marketing communications course. The class was set up to mirror a marketing promotion organization, with a president and several vice presidents. Account Executives (AEs) were selected after they “applied” for the positions via letters of application and resumes given to the professor and the student agency’s president. Four agency departments were created: Accounts Management/Research; Integrated Marketing Communication; Creative; and Media. Vice presidents were selected for these departments. Each department created their own set of objectives and provided them to the agency’s president. The agency president worked closely with the professor to finalize objectives and decisions. During the first two months of class a marketing communication’s plan was developed along with a creative supplement that showed examples of the creative executions to be utilized.

Course assessment and assurance of learning were inserted into the lesson plan for the course. Assessment was based upon the objectives the student’s developed. If they achieved the objectives, they received higher marks. A short comprehensive examination was given at the end of the project asking the students to provide data and information about where each theoretical concept was used in development and implementation of the program. Critical thinking was also assessed by asking the students what went “right” and what went “wrong” with the program. They were asked “what could be done to correct the mistakes made” and were required to provide research documentation in regard to their responses.

The project and show were very successful. The students created an objective of “selling out” the show, which they did. Additionally, they created a “meet and greet” with
the star, director and writer of the show. The Center for Retailing Solutions (The Sponsor) reacted extremely positively to the reception, show and project and three of the business people on the Center’s Board asked if they could sponsor next year’s event. The “project/show” has become an annual event following the beta test.

**IMPLICATIONS**

The project, based upon any type of metric, was successful. The show was created during the fall semester and the show was staged during the spring semester. The students met their objectives. Objective number one was to sell out the show. They did. The theatre held 244 seats, the students sold 250 tickets. The second objective was exposure for the Center for Retailing Solutions and the show. The project generated over 5 million exposures with coverage in numerous national papers including the Chicago Tribune (remember the university is located in Pennsylvania). Objective number three was to increase membership for the CRS. At the “meet and greet”, fourteen new practitioner members joined the CRS as well as twenty student members. The Center also picked up an academic member.

In terms of the academic outcomes, the students had to develop and implement a project from start to finish. They created objectives, strategy and tactics for the event. They sought out the help of industry professionals for feedback on their marketing communication. The students used selling skills to find sponsors and to sell tickets. They had to figure out how to staff the event. Because oral communication is also a key to business success, the students were required to orally present their plan to the CRS (the main Sponsor before implementation). The students had to develop a media plan and because many had no experience doing this, they had to learn about media plans. Their efforts generated millions of exposures and brought in capital to help fund the next year’s project.

During the debriefing portion of the project, students realized how much they learned. The key take-away was about the importance of relationship marketing and the value of networking. Students also learned about the struggle that African Americans went through in the early 1900s. Many students could not believe that minorities were treated so unfairly by the U.S. government. Additionally it spurred discussions about other prominent minorities and how they overcame obstacles.

Teamwork was also a key objective for this project. During the debriefing, students expressed a level of frustration with having to work with free-loading students, who did not give their best. Thoughts about how to motivate teammates were discussed during class sessions. The class agency president implemented some of the ideas talked about and this helped create a unified team. Two of the outcomes here that worked well included having a “Gripe Session” where issues and problems could be discussed and potential solutions to those problems could be addressed. Motivation was also discussed. The types of things could be done to engage and motivate the student workers was the issue of discussion. From those discussions, the agency initiated a reward system for work. One of the rewards that worked extremely well was having the class vote on the hardest worker. The executive board of the agency was not allowed to be considered. All of the students responded and began to work harder – the winner of the hardest working student got to go to dinner with the show’s star.
Perhaps much of what was learned occurred when things did not go right. The hard part about undertaking this type of project is that the professor does not always have control. Thus, this type of project comes with its own set of problems. For each problem that occurs, a response must be in place, thus the students were required to insert contingency plans into their plans book. This concept was brought to light when the star of the show was hospitalized prior to the performance. Ernie Hudson (Ghostbusters I & II; HBOs Oz; The Hand that Rocks the Cradle; Desperate Housewives, etc.) is one of the co-writers of the show and was scheduled to star in it but couldn’t. Calls were placed to the director (by the professor and the student agency president). A substitute actor was selected, Tony Todd (Candyman; Platoon, etc.), and inserted into the show. Students had to adjust to the change in plans, put out new press releases and explain to the sponsors. The replacement actor did well. Although the change in plans was stressful, the additional press generated 1.5 million more exposures for the show.

The other issue was scenery. There were key stage props missing, so students had to find, paint and place on stage numerous pieces of furniture and scenery. Student agency members were up all night preparing the scenery for the director. They learned that a business person must be able to adapt to change. The students also realized that much more goes on behind the scenes than they ever imagined.

Overall the project was developed to equip students with a real world experience. Feedback from the students was very positive. At times during the research phases, students would complain about how much work there was, but in the end, the students were amazed with how much they knew and that they impressed the sponsors with their work. Additionally the students got to meet and greet numerous business professionals as well as some Hollywood heavyweights. Students, faculty, administrators, staff, alumni and parents were pleased with the project.

The authors were happy with the results of the project and in the future hope to repeat the approach. Based upon the model, an entertainment retailing course is being developed for future execution. This class will be an intensive one-week course which focuses on entertainment retailing. The course will have academic and theoretical knowledge provided during the first day, three days of workshops and the development of a marketing plan for a show. Two “A”-list, well-known Hollywood actors will then be brought in to give the students two-full days of insight from the actor’s perspectives. A show will be developed and staged as the final examination. A cost estimate would be around $15,000. Are you interested?

REFERENCES


VOLUNTEER TOURISM AND TRANSFORMATIVE LEARNING: A PLATFORM TO ENGAGE CONSTITUENTS FROM BOTH UNIVERSITIES AND THEIR LOCAL COMMUNITIES

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EXTENDED ABSTRACT

“Coming together is a beginning; keeping together is progress; working together is success.”
Henry Ford

Volunteer tourism as a form of community based tourism is gaining in popularity at the moment among those who seek a more sustainable, productive, and interactive experience (Lyons & Wearing 2008; Wymer, Self, & Findley, 2010). Vacations with significant volunteering is undertaken by many and not simply college students. The Tourism Research and Marketing Group (2008) estimated the world volunteer tourism market at $1.76 to 2.63 billion. While mass tourism often involves large groups and fixed itineraries some distinguishing features of volunteer tourism is relatively smaller groups volunteering abroad with a non-profit organization engaged in community or conservation-based development work (Brown & Lehto, 2005).

While educational institutes have made great strides in providing service learning opportunities for students, the engagement by the local community in such activities have been limited to donations, scholarships, and the like. This paper makes a case for college students to extend a hand to local community leaders to participate in such projects especially when it involves foreign travel. While, the student learning that happens in such travels is well documented, there is little that is available about the amount of adult learning that can happen among community leaders if they have an opportunity to participate in such projects.

The manuscript discusses through the eyes of an observer in detail a “big build” organized by Habitat for Humanity in Sri Lanka where 24 houses were built within a week by 158 volunteers, both college students as well as individuals from their respected communities from around. Habitat for Humanity provided the platform for individuals from all walks of life to work side by side with those would be homeowners. Using the framework of Meziro’s (1991; 1997) framework of transformative learning, the manuscript provides several examples of adult learning experiences individuals reported during the project. In addition to expanding the global mind set of college students through these experiences, engaging individuals from the local community provides an excellent opportunity for college students and instructors to establish important long term relationships that will benefit both constituents. It also brings the higher education institute and the local community together, especially in university towns where the long term survival and growth of both constituents may very well depend on them working together as they face challenges and opportunities because of anticipated changes relating to limited resources, technology changes, and demographic shifts.
REFERENCES

A UNIVERSITY EXPERIENTIAL LEARNING OPPORTUNITY: THE TWICE AS NICE MERCHANDISING PROJECT

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ABSTRACT

As many retail companies hold high expectations of community-mindedness and civic engagement roles for successful employees, university graduates seeking employment must have a clear understanding of the importance of volunteerism. To engage students enrolled in a Fashion Promotion course in community service, a team experiential learning activity, the Twice as Nice Merchandising Project, was designed to allow student teams to work together to solve problems and manage situations while gaining practical retail merchandising experience in project management, visual merchandising, and development of promotional strategies. Effectiveness of the project and implications are discussed.

INTRODUCTION AND BACKGROUND

With a weak economy and high unemployment rates, the U.S. job market has become increasingly more competitive, and strong competition for entry-level career positions in retailing companies does exist. As a result, retail industry firms interview many college-educated candidates from whom to choose for store and corporate-level management and merchandising training positions and seem to consider a multitude of criteria when making hiring decisions. However, in today’s competitive workplace, a majority of these recruiters consider prior retail work experience as the most important qualification possessed by recent college graduates during the interview and hiring process because of the skills and knowledge gained through this directly relevant experience.

Even though many merchandising students work in retail settings while in college, most are front-line employees that make very few decisions in the workplace. Yet, when interviewing for entry-level career positions at top companies, the majority are required to discuss, write about, or respond to imaginary scenarios that require the proper use of management or merchandising skills for successful outcomes. As a result, as undergraduate merchandising and retailing programs strive to meet the needs of students and employers, university faculty must teach students practical and professional skills, not just through didactic learning situations, but also through experiential learning activities and opportunities.

Experiential learning can be described as a pedagogical method in which students learn and develop through participation in thoughtfully organized activity. Eric Kandel of Columbia University, who won the Nobel Prize for his work on learning and memory, depicts experiential learning as the ability to obtain new ideas from experience and retain them as memories, and, additionally, has suggested that many psychological and emotional processes are built on experience and specifically on learning (Kandel 2001). Additional research expands on Kandel’s beliefs by suggesting that learning occurs through a combination of (a) personal experiences, (b) storing personal experiences in long-term memory, (c) personal conversations and interactions with others, and (d) reflections. Finally, research results have
suggested that individuals forget about 50% of what is thought to be learned in approximately 40 minutes unless the new knowledge is applied or a new skill is practiced. As a result, a 70:20:10 teaching method model is suggested as effective and consists of 70% learning from experience, 20% learning from others, and only 10% learned from structured courses and programs. Consequently, these results suggest that experiential learning is the basis for about 90% of actual overall learning (Jennings and Wargnier 2010).

Experiential learning can take many forms, however, all experiential activities allow student learners to (a) carry out a particular action and then see the effect of the action in the situation, (b) learn to understand the effect so that if the same action was taken in the same circumstance, the student would be able to anticipate what would follow from the action, and (c) understand the general principle under which the particular instance would occur (Smith 2001). As a result, in response to demands from college recruiters in the retailing industry, the authors of this paper, who are faculty teaching in a mid-sized university undergraduate fashion merchandising program, have developed specific experiential learning projects that have been incorporated into a four-year curriculum to expand the foundation of classroom learning and add to the university educational experience.

While lower-level course projects tend to focus only on learning basic merchandising and retailing skills, projects in upper-level courses are focused on combining community outreach and/or volunteerism activities with discipline-based learning to enhance the knowledge gained by the students. Because retail companies of all sizes have a solid history of providing support to communities through a variety of ways, many retailers hold high expectations of community-mindedness and civic engagement roles for management and corporate-level employees, and, thus, college graduates interviewing for positions with retail firms must have a clear understanding of the importance of volunteerism.

Therefore, as a result of the needs of college graduates seeking positions with retail companies, university faculty developed a project that would engage students enrolled in a fashion promotion course in an experiential learning activity with a volunteerism component. This team activity, the Twice as Nice Merchandising Project, was designed to allow upper-level, undergraduate fashion merchandising majors to work together in teams to solve problems and manage situations while gaining practical retail merchandising experience. Consequently, the Twice as Nice Merchandising Project provided immediate experience in project management, visual merchandising, and development of promotional strategies, while learning about the importance of volunteerism and civic engagement and, ultimately, gaining valuable experience that will be used in future career ventures.

**PROJECT DESIGN**

In order to more clearly understand the depth and breadth of the experiential learning projects required, this section of the paper outlines the development, design, execution, and evaluation of the Twice as Nice Merchandising Project. Details are provided to allow other programs to replicate the project. Team membership responsibilities are included.

**Project development**

Prior to the beginning of the semester, the instructor contacted a local charitable agency, Twice as Nice Resale, to develop a partnership with the university and students enrolled in an
upper-level fashion promotion course. Subsequently, the course instructor visited the store to meet with directors and staff and thoroughly investigate the needs of the store in relation to fashion merchandising and promotion. Twice as Nice Resale is a thrift store that sells gently used and upscale recycled clothing and home furnishing items with proceeds benefiting a pregnancy resource center in the community in which the university is located. This store was approached for participation in the experiential learning project because faculty regularly donate to the store and were aware of the merchandising needs of the store; the facility is operated and staffed by community volunteers that have very little retail experience. As a result of the needs of the store, the instructor developed the Twice as Nice Merchandising Project.

At the beginning of the semester, students enrolled in the fashion promotion course were assigned the two-part Twice as Nice Merchandising Project that included (a) Window Display Design and Execution and, (b) Promotional Campaign Development. For completion of the project, the instructor appointed each student to one of five independent teams that would work to successfully complete the project. For each of the two segments, student teams were provided with a project worksheet that outlined project segment objectives, a timeline for completion, and team member responsibilities. Subsequently, after initial lecture about the project in class, all student teams and the instructor visited Twice as Nice Resale as a group to receive an orientation that included a tour of the store and warehouse with discussion of student expectations during completion of the project. While at the store, all students and the faculty member were required to complete volunteer applications for the agency. After the visit and orientation, all teams set forth to execute the project.

Project design and execution

Overall, the project required student teams to develop promotional campaigns for Twice as Nice Resale; and to design, create, and install window displays throughout the semester. As a result, a schedule was developed that would allow window displays to be changed 5 times, 1 time per team, during a 15-week semester, while all promotional campaigns were delivered at the end of the semester to the instructor and the agency by each team through written reports and scheduled oral presentations. This project would allow students to engage in experiential learning that leads to a more thorough understanding of visual merchandising and effective promotional strategies through personal experiences. Both project segments required student teams to (a) successfully complete objectives with team members using effective and appropriate leadership, management, and/or team membership skills; and (b) clearly and accurately communicate outcomes to an audience of peers in visual, verbal, and/or written formats.

Window display design and execution

The objective of the Window Display Design and Execution segment of the project allowed students to utilize knowledge and skills learned about visual merchandising in course lecture and through work experience by completing a successful demonstration of promotional implementation of display components in retail store windows. One large and two smaller display windows at Twice as Nice Resale that faced busy city streets were used for the project. Professional window displays featured merchandise from the resale store,
along with props, backgrounds, lighting, and signage provided either by the store, the students, and/or university fashion department. While creation of aesthetically pleasing window displays that told a story was central to the execution of the project, students encountered challenges of merchandise selection from a diverse inventory. In addition, students were challenged with the time management skills and organizational skills needed to work as a team within the time frame provided for project completion by the instructor and the hours available to work in the store during open hours.

**Promotional campaign development and execution**

The *Promotional Campaign Development* segment of the project allowed students to gain actual experience in applying course concepts while developing an integrated promotional campaign for Twice as Nice Resale. Student teams were required to develop an integrated promotional campaign consisting of a series of promotions coordinated to accomplish one or more of the following for the company: (a) target a new consumer market segment, (b) position the company in a different way than previously observed by consumers, or (c) introduce a new promotional strategy. The campaign was in the development process throughout the semester and was used as a basis for class discussion leading up to the final presentation.

Rationale for the integrated promotional campaign had to be thorough, logical, and documented based on an investigation of the store’s product offerings, current customers, and potential customers within the community. Execution of the campaign required student teams to develop two to three promotional pieces for at least two different media formats from within newspaper, radio, television, direct mail, outdoor, social media, or magazine. If television commercials were used as a medium, teams had to create at least two commercials as part of the campaign. If magazine advertisements, newspaper advertisements, radio commercials, direct mail pieces, outdoor billboards, or social media pieces were used, teams had to create at least three items as part of the campaign. Each team had to create the actual advertising pieces (e.g., audio tapes, prototypes) that were shown to the class during a multimedia presentation. The exception was outdoor billboards that had to be created on a presentation board only. The instructor expected student teams to apply elements of creativity and innovativeness to the project.

**Project evaluation**

The project worksheets provided to the students outlined the requirements for completion of the project segments and also the responsibilities of the team members. Each team, as well as each individual team member, was responsible for completing each team’s project. Within each team, a manager was chosen by fellow members to coordinate the team. The team leader was provided with contact information for each member of the team, and if any member of the team is unable to attend a scheduled meeting or is unable to complete an assignment, the leader should be notified. In addition, because the instructor established each of the teams on Blackboard, the team leader was responsible for communicating with team members through this virtual learning environment tool.

Halfway through the period of completion for each segment of the project, each team was required to meet with the instructor to discuss progress toward achievement. The instructor established the calendar of meetings and all team members were required to attend. At those meetings, team members were asked to verbally discuss all activities that have been completed to date and timeline for completion. Also, each team member was required to
submit written project activity documentation in the form of a weekly diary that indicated tasks accomplished to date. Finally, the instructor inquired about issues within the team, including any problems with team members’ participation.

If issues existed, particularly if the issue was non-contribution to the progress of the project, the instructor provided the team with suggestions for resolving the issues, but did not attempt to solve the problem. This course of action was taken to enhance student learning about management of a team and a project. If an issue with a member was resolved within one week, with written documentation from all other team members and agreement by the instructor, the negligent member could be fired from the team. If a team member was fired, the team still had to complete the entire project, but the fired team member had to individually complete the entire project as assigned.

For course credit for the Window Display Design and Execution segment of the project, each team was evaluated by the instructor on the final display installed as well as an oral presentation presented to the class at a designated time. The panel format presentation by each student team documented all of the steps involved in the planning and window design process through the use of a PowerPoint presentation and/or a short video. Successful oral presentations required the participation of all team members and were evaluated on professional appearance, professional presentation and delivery, content quality, and idea conveyance. After the presentation, the instructor and students provided oral feedback to the team.

For course credit for the Promotional Campaign Development segment of the project, each team was evaluated by the instructor on the actual promotion pieces produced as well as a comprehensive report and an oral presentation presented to the class at a designated time. The report formed the framework, provided the rationale for the promotional campaign, and was written in a professional, research reporting style. Successful multi-media oral presentations required the participation of all team members and were evaluated on professional appearance, professional presentation and delivery, content quality, and idea conveyance with a distinct focus on the advertising and promotional campaign pieces that were created for Twice as Nice Resale. Because of the comprehensive nature of the project, within both the report and the presentation, student teams had to address each of the following areas:

- **Situation Analysis** with a focus on the general dynamics of the industry and the market that influenced decisions regarding the promotional strategies, the specific consumer behavior characteristics in this product category, the competitive situation of the brand or product that is driving promotional strategy decisions, and the objectives of the promotional campaign;
- **Target Market Analysis** with a focus on target market demographics, psychographics, and behaviors;
- **Promotional Strategy** with a focus on the positioning strategy to be used, the message that will be communicated to the target consumer, and the rationale for the strategy;
- **Media Strategy** with a focus on media used to communicate the message, how the media will be used and how frequently, and how different types of media will be integrated to achieve objectives; and
- **Evaluation** with a focus on how the effectiveness of this promotional campaign can be evaluated to determine if objectives were achieved.
Finally, project grades were given only to each student team’s work product; individual team member grades were based on team member peer evaluations submitted to the instructor. The form that was used for peer evaluations was provided by the instructor and had to be included when the final project, report, or presentation was submitted or made to the instructor. In addition, to assist the instructor in validating peer evaluations, each team member had to submit written project activity documentation in the form of a weekly diary that listed all of the tasks accomplished during the project duration. Thus, depending on the results of peer evaluations, the final grade given to each individual may have been higher or lower than the grade given to the team product.

EFFECTIVENESS AND CONTINUATION OF THE PROJECT

Productively, the project outcome surpassed the expectations of the initial plan, and the coordination of segments throughout the semester to complete one community-minded project that clearly made a positive change for the store proved to be successful based on instructor analysis, store director comments, and the sustained interest of the students. The instructor was very pleased with the enthusiasm as well as seriousness with which the students approached the project. After the store orientation, students very quickly realized that their efforts toward completion of the project would very likely bring additional revenue into the store that then would be used to benefit community members in need. As a result, students felt a great sense of pride throughout the completion of the project and communicated to many others about the needs of the charity. In addition, the store director and store volunteers commented on the hard work that the students brought to the project and were extremely pleased with results. In fact, store volunteers commented that they learned aspects of visual display by observing and talking with the students, and, thus, service learning also occurred.

The students consistently commented that the project was a great opportunity for them to put their visual merchandising skills into practice while helping the community and also learning strategies to work together better in a team environment. One student even stated, “I feel like I have been on Project Runway.” Ultimately, the project was truly “twice as nice” for the students because students obtained valuable real world knowledge through the experiential learning activities inherent in this comprehensive Twice as Nice Merchandising Project while also helping others.

After the initial project, because of all of the positive discussion among students about the experience, students enrolled in the fashion promotion course in subsequent semesters have looked forward to continuing the department’s involvement with Twice as Nice Resale and always are anxious to begin the project in week one of the semester. Therefore, this project has been and will continue to be used for future classes. The project may be applied to other retail stores, if possible, to allow future students to utilize their merchandising knowledge while gaining a valuable understanding of the importance of volunteerism in business practice today.

Throughout all courses in this fashion merchandising program, faculty communicate to students that the students must be engaged in their own personal learning experiences. In fact, the following responsibility statement appears on all program syllabi:

ultimately, the student is responsible for personal success in this class. successful students generally are engaged in the subject matter, appropriately
interactive in the classroom with fellow students and with the instructor, dutiful in completing readings and assignments, and making a complete effort to successfully complete the course. In order for students to emerge from the course with success, the instructor expects a high level of commitment from each and every student enrolled.

Hopefully, through the continuation of a fluid and dynamic curriculum that includes effective teaching methods, group projects, problem solving, decision making, creating, evaluating, modeling, goal setting, self-assessments, and student-teacher conferences, students will continue to be occupied with their learning activities and more clearly begin to realize the level of personal engagement required for career success in the ever-changing, global fashion industry.

Obviously, experiential learning is a powerful tool in learning and is focused on action, rather than just processing information. The actual hands-on experience, practice, networking, and reflection on what works best and what does not, are the best approaches for a successful learning experience. Thus, within the university setting, the process of experiential learning is an approach that allows students to learn by providing them with experiences via a dynamic course curriculum.

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MARKETING STRATEGY AND ENTREPRENEURSHIP

THE RELATIONSHIP BETWEEN TECHNOLOGY ORIENTATION AND SERVICE INNOVATIVENESS IN TECHNOLOGY SERVICES FIRMS

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EXTENDED ABSTRACT

Technology orientation is an important type of firm strategic orientation, yet it is sparsely addressed in the literature (Zhou et al., 2005). This study examines the relationship between technology orientation and product innovativeness, an important organizational outcome, and proposes that firm aggressiveness and the level of autonomy that the firm provides individuals within the organization moderate the relationship between technology orientation and product innovativeness. We investigate these relationships in the context of technology services organizations, defined as organizations that provide technology based services in the form of technology system design, implementation, analyses, studies, plans, management consultations, purchasing advice, and other artifacts and services (Das and Joshi, 2012). These firms need to acquire a substantial technological background for deploying technology in their products and services, and therefore provide a suitable context to study the relationship technology orientation and product innovativeness.

We first posit that technology orientation and product innovativeness are positively associated. Then, we argue that the firm's level of aggressiveness positively moderates this relationship. Aggressiveness is indicated by both the level of the organization’s deployments of corporate resources and the level of risk that these deployments entail (Fombrun and Ginsberg, 1990, Khandwalla, 1977). Both these aspects of aggressiveness should enhance the relationship between technology orientation and product innovativeness. We also argue that the relationship between technology orientation and product innovativeness is negatively moderated by the level of autonomy provided by the firm. Autonomy is defined as the amount of freedom and discretion the organization provides individuals in carrying out their tasks (Hackman, 1983, Langfred and Moye, 2004). Due to the diverse and specialized nature of technology related information in a technology-oriented firm, high levels of autonomy can hamper the process of deploying technology for the development of new products/services. Providing more autonomy can lead to less information search and knowledge utilization, resulting in inferior task outcomes (Corwin and Louis, 1982). Since higher levels of technology orientation in TSOs entail the performance of technical, knowledge-intensive tasks with high levels of interdependence and complexity, increased autonomy will weaken the relationship between technology orientation and product innovativeness.
Our results show that product innovativeness is positively associated with technology orientation, and that this relationship is positively moderated by firm aggressiveness. We surmise that aggressiveness fosters an organizational environment that encourages R&D and development of technologies related to exploitation of market opportunities, and facilitates resource commitments for unproven and risky technology-related projects with promise of high returns, thereby enhancing the relationship between technology orientation and product innovativeness. We also find support for our hypothesis that autonomy negatively moderates the relationship between technology orientation and product innovativeness. While research on organizational behavior suggests that autonomy can have a positive impact on organizational outcomes, higher levels of technology orientation are characterized by greater degree of task interdependence and task complexity, which require relatively high levels of interaction, close coordination, and joint decision making (Wageman, 1995) in order to achieve higher levels of innovativeness.

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EXPLORING THE MARKET ORIENTATION- NEW PRODUCT PERFORMANCE LINKAGE IN THE MANUFACTURING SECTOR: 
THE ROLE OF ORGANIZATIONAL CAPABILITIES

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EXTENDED ABSTRACT

The high product failure rate has been a major concern for businesses for decades. The increasing level of technological advancement, consumer expectations, and domestic as well as international competitive pressures continue to reduce the product life cycle for new products. In this environment, it has become extremely important for companies to understand the critical drivers of new product success and failure and to be able to develop successful products for markets.

A number of scholars have realized the importance of the potential link between market orientation and innovativeness and have stressed the need for additional research on this issue (e.g., Deshpandé 1999; Hurley and Hult 1998; Jaworski and Kohli 1996; Lukas and Ferrell 2000). Deshpandé (1999) posited that since organizational innovativeness might have an important effect on business profitability, the linkage between a market orientation and a firm’s innovative capability should be investigated (p.5-6). Hurley and Hult (1998) suggested that future research should deeply explore the relationships among organizational innovativeness, market and learning orientations in the cultural context. Hurley and Hult (1998) maintained that “taking a process approach and examining how firms innovate and develop new capabilities to compete, along with the role of learning and market orientation in the process, should enhance our understanding of how firms learn, change, and perform” (p.52-53). This study aims to answer these research calls and explores the link between market orientation and new product performance through a structural model by taking into account the mediating effects of the organization’s strategic capabilities—organizational innovativeness and learning orientation. The current model presupposes that market orientation is positively linked to new product performance, and this possible positive link is facilitated by these strategic organizational capabilities that act as mediators. A total of 6 hypotheses were proposed.

The proposed theoretical framework was tested over a sample of 1,804 marketing managers/executives from U.S. manufacturing companies drawn from D&B Million Dollar Database Premier. A pilot test of the questionnaire was conducted over a representative sample of 40 marketing managers/executives. Few changes were made in the questionnaire according to the pilot test results. Each questionnaire package contained a cover letter, a questionnaire booklet, and a postage-paid return envelope. The cover letter briefly explained the general purpose of the research along with appeals for cooperation and assurances of anonymity (Ayers, Dahlstrom, and Skinner 1997). The participants were offered to receive a summary report of the research findings as a reward for each complete and usable questionnaire (e.g., Maignan, Ferrell, and Hult 1999). Organizations that did not respond within the time frame of three weeks after the initial mailing were automatically sent a second wave of mailing. A total of 111 companies responded.

The fit of the hypothesized full structural equation model (SEM) was evaluated using AMOS (Arbuckle 1999). The estimation of the final model resulted in a discrepancy value of 39.009 (P=0.035) with degrees of freedom of 36. The fit between the model and the sample data was found to be very good (GFI=0.941>0.90; IFI=0.996>0.90; TLI=0.993>0.90; CFI=0.995>0.90; RMSEA=0.028<0.08; P-close fit=0.729>0.05). The value of ECVI (0.9) improved and is less than
the ECVI values (respectively, 1.2 and 6.727) of the alternative models (saturated and independence models). This model was accepted as a final best-fitting model.

The study results revealed that market orientation positively affects learning orientation and new product performance. Learning orientation is also positively linked to organizational innovativeness. Managerial implications of the research findings were discussed.

**SELECTED REFERENCES**


TOP MANAGEMENT RISK TAKING, STRATEGIC ORIENTATIONS AND NEW PRODUCT PERFORMANCE

Prashant Srivastava, The University of Akron
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EXTENDED ABSTRACT

The research investigates the effect of top management risk taking on organizational strategic orientations and their effects on new product development (NPD) performance. By employing a sample of 183 companies and using PLS path analysis to test hypotheses, the study shows positive effects of top management risk taking on technological orientation and proactive market orientations and positive effects of technological orientation and proactive market orientation on NPD performance. Hence, the study explains the importance of top management risk taking on strategic orientations and highlights the importance of converting firm strategic orientations into NPD performance. The paper advances theory development by contributing to the understanding of the effect of top management risk taking on proactive market orientation and technological orientation and combined effect of these two as drivers of NPD performance. Though each one of these theoretical constructs has previously been studied as antecedents of NPD performance, little is known about the importance of the sequence of one construct with others. This study is unique in that it incorporates all these constructs as antecedents of NPD program performance.

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NEW MEDIA, ADVERTISING AND MARKETING COMMUNICATIONS

CYBERSPACE MEETS PERSONAL SPACE: USE OF SOCIAL MEDIA TO SUPPORT DIRECT SELLING ACTIVITIES

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EXTENDED ABSTRACT

The Direct Selling Association (www.dsa.org) reports that more than 15.1 million people are involved in direct selling in the United States and over 66 million people are involved in direct selling worldwide. In addition, worldwide direct sales totaled $113 billion in 2008. Such large numbers of individuals involved in direct selling would necessitate that greater attention be given to this phenomenon in the marketing literature. However, direct selling has received scant attention in the marketing literature (Peterson and Wotruba 1996). Since this article, this author finds that few articles have been published in the major marketing journals on this subject, despite the size of this industry.

Meanwhile, direct sellers have enthusiastically embraced social media as a way to promote their products. For example, Ferrel and Ferrel (2012) found that approximately 76% of direct sellers use social media for promotional purposes and 55% use social media to recruit new distributors. Additionally, direct selling organizations are leveraging the power of the Internet through blogs and websites to market both the products and the opportunities of direct selling. However, the degree of marketing proficiency of the 66 million direct salespeople using social media and the Internet varies widely. This article investigates some of the best and worst practices of social media in the direct selling industry. By distilling this information into a set of principles, this article then creates a set of recommendations by which direct sellers can leverage the Internet and Social Media to increase revenues and brand awareness.

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http://www.dsa.org/about/faq/
BUSINESS OPERATIONS PERFORMANCE: THE IMPACT OF COMMUNICATIONS ON IT/BUSINESS ALIGNMENT
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EXTENDED ABSTRACT

Addressing the dilemma of IT/Business alignment is an extremely important area to investigate. IT/Business Alignment is considered as a main important issue in order to harmonize IT strategic goals with organizational goals (Tapscott & Caton, 1993). Research over the past three decades has consistently found that the IT-business alignment is widespread and persistent. Another reason is the empirical evidence showing a relationship between the dimensions of "IT/Business alignment" with the dimension of “competitive advantages". Recent studies have found a positive correlation between high levels of IT/Business alignment and high levels of Competitive Advantage for Businesses (Luftman, 2008). These findings add credence to the importance of achieving a high level of maturity in the IT/Business alignment.

Strategic alignment focuses on the activities that management performs to achieve cohesive goals across the IT and other functional organizations (e.g., marketing, H/R, manufacturing, finance). Therefore, alignment has to addresses both how IT is in harmony with the business, and how the business should, or could be in harmony with IT.

There is wide evidence in the literature about communication and how it leads to the mutual understanding and alignment. Boynton et al. (1994) Suggests that effective implementation of IT depends on the interactions and exchanges that link IT and executives, Rogers (1986, p. 199) states that "participants create and share information between them to achieve a mutual understanding, such as sharing information through time leads individuals or converge or diverge from them in their mutual understanding of a certain topic." Clark and Fujimoto (1987) denotes that a successful link depends on direct personal contact through cross functions, roles links in each unit, cross-functional task force and cross functional project teams. Littlejohn (1996) states that as communication increases is how group members will share common ideas. Rockart et al. (1996) suggests that communication capabilities ensures that business and IT are integrated within the business efficiently. An empirical support was reported for the connection between the frequency of communication and convergence in the understanding by Lind y Zmud (1991). Luftman (1997) made several proposals and reported that the degree of relationship between IT executives and business is a factor that influences the alignment.

So the answer to the question, is it important to get IT/Business alignment? The answer is yes. Now, once this is clarified, here comes the next question, how can organizations get the IT/Business alignment through the communications dimension? To answer this question a lot of people are turning to see “the promise of ITIL (Information technology infrastructure Library) framework” which ensures that when it is used, the IT organizations can align, integrate, fusion, link or harmonize its IT organizations with their businesses. ITIL was first released to the public in the late eighties and was created by the Central Computer and Telecommunications Agency (CCTA), an office of the British government, and as such was and still is vendor-neutral (Best Management Practice, 2009).
The last edition of ITIL books was consistently improved and released by the cabinet office on July 29th, 2011.

This statement seems to be logical but it is characterized by limited quantitative and/or qualitative validity and has not reached a real conclusion to clearly and precisely explain how through ITIL IT Organizations can achieve the long awaited alignment with the business. After all how can a framework state this if there is no a single business around the world who can confirm that through ITIL they have the IT/Business alignment and if other businesses around the world adopt ITIL they will have it too.

To assess the ITIL variables the research is based on ITIL theory, the variables considered are:

The process of **Financial Management for IT Services** Financial management provides the business and IT with the quantification, in financial terms, of the value of IT services, the value of the assets used to provide those services, and the qualification of operational forecasting (Cabinet Office, 2011).

The process of **Service Level Management** is responsible for agreeing and documenting service level targets and responsibilities within SLAs and service level requirements (SLRs) for every service and related activity within IT. If these targets are appropriate and accurately reflect the requirements of the business, then the service delivered by the service providers will align with business requirements and meet the expectations of the customers and users in terms of service quality (Cabinet Office, 2011).

The process of **Availability Management** is responsible to ensure that the level of availability delivered in all IT services meets the agreed availability needs and/or service level targets in a cost-effective and timely manner. Availability management is concerned with meeting both the current and future availability needs of the business (Cabinet Office, 2011).

The process of **IT Service Continuity Management** supports the overall business continuity management (BCM) process by ensuring that, by managing the risks that could seriously affect IT services, the IT service provider can always provide minimum agreed business continuity-related service levels (Cabinet Office, 2011).

The process of **Capacity Management** ensures that the capacity of IT services and the IT infrastructure meets the agreed capacity and performance-related requirements in a cost-effective and timely manner. Capacity management is concerned with meeting both the current and future capacity and performance needs of the business (Cabinet Office, 2011).

The process of **Incident Management** is in charge to restore normal service operation as quickly as possible and minimize the adverse impact on business operations, thus ensuring that agreed levels of service quality are maintained (Cabinet Office, 2011).
The process of **Problem Management** manages the lifecycle of all problems from first identification through further investigation, documentation and eventual removal. Problem management seeks to minimize the adverse impact of incidents and problems on the business that are caused by underlying errors within the IT Infrastructure, and to proactively prevent recurrence of incidents related to these errors (Cabinet Office, 2011).

The process of **Change Management** gets the control of the lifecycle of all changes, enabling beneficial changes to be made with minimum disruption to IT services (Cabinet Office, 2011).

The process of **Release & Deployment Management** plans, schedule and control the build, test and deployment of releases, and to deliver new functionality required by the business while protecting the integrity of existing services (Cabinet Office, 2011).

The process of **Service Asset & Configuration Management** ensures that the assets required to deliver services are properly controlled, and that accurate and reliable information about those assets is available when and where it is needed. This information includes details of how the assets have been configured and the relationships between assets (Cabinet Office, 2011).

The function of **Service Desk** is a vitally important part of an IT organization and should be the single point of contact for IT users on a day-by-day basis. It not only handles incidents, escalates incidents to problem management staff, manages service requests and answers questions, it may also provide an interface for other activities such as customer change requests, maintenance contracts, software licenses, service asset and configuration management, availability management, financial management for IT services, and IT service continuity management (Cabinet Office, 2011).

To assess the alignment variable the research is based on (Luftman’s, 2006) strategic alignment model. This model was adopted and adapted to the context of this research, the main dimensions considered for alignment variable are: 1. Communications Maturity; 2. Business Value Measurements Maturity; 3. Governance Maturity; 4. Business Relationship Management Maturity; 5. Technology Scope Maturity; 6. Skills Maturity. The scope for this abstract is only for the **Communications Maturity** which is the effective exchange of ideas and a clear understanding of what it takes to ensure successful strategies are high on the list of enablers and inhibitors to alignment.

**RESEARCH METHOD**

To provide a representation of each organization’s alignment maturity level at the time of the study, a cross-sectional design was employed utilizing 12 survey assessment instruments that were developed based on ITIL theory and Strategic Alignment Model.

**INSTRUMENT DEVELOPMENT**

The alignment instrument were developed using Likert items for the scales to be able to measure maturity levels. To assess the maturity of each variable all of the ITIL instruments were developed using nominal scales and each item were assessed on a dichotomous scale. The ITIL processes were operationalized as independent variables and the alignment model operationalized as dependent variable through a congruence matrix.
PILOT TESTS OF THE QUESTIONNAIRES
To determine whether the instruments demonstrated acceptable reliability a pilot test was administered first to 15 IT and business executives within three different businesses, revealing that all items were not interpreted as intended, so there were some changes to the instruments and then administered to another 12 IT and business executives, this time all items were interpreted as intended, resulting in no changes to the final questionnaires. All the ITIL and Alignment questionnaires were submitted to Cronbach’s alpha tests to be sure that the instruments were reliable.

DATA COLLECTION
These results just consider the first analysis to the data, this time it includes around 620 ITIL and Alignment questionnaires in 18 organizations (Telecommunications, Outsourcing, Financial Services, Government) across 4 Latin American Countries.

RESULTS
In order to get a right interpretation of the results and that they were able to differentiate maturity levels among organizations with a positive correlation between variables, descriptive statistic with cross tables, Chi square for goodness of fit and Fisher tests were used.

FINDINGS
IT Organizations that shows a higher maturity in Financial Management, Service Level Management, Incident management, Release and Deployment Management processes and Service Desk function shows a strong correlation with Businesses that have a higher maturity levels in Communication dimension.

Proposition 1: The level of communication between IT executives and business will positively influence the level of alignment.

Proposition 2: Mastery level of knowledge sharing within the business units... will positively influence communication between business executives and IT as well as the connections between the processes of business planning and IT.

Proposition 3: The level of success in implementing IT will positively influence the level of communication between IT and business executives as well as connections between the planning processes between business and IT and the connections between planning processes business and IT

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THE RISK ADJUSTED DIFFERENTIAL METRIC: DEFINITION, PROPERTIES AND CORRELATION WITH THE ADVERTISING BUDGET AND INTANGIBLE VALUE CREATION

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EXTENDED ABSTRACT

Managing a business strategy as the advertising one, of publicly firm, can be very complex. Top executives of public firms compete for customer and capital, managing a variety of resources, including advertising budget, trying to get a business model that provides a competitive advantage and sustainable profit maximization (Hunt and Morgan 1995), or market value. However, addressing these challenges requires a wealth of timely, meaningful and relevant business strategy and advertising budget performance metric capable to capture the interaction between two competitive markets: customer and capital.

Trying to capture business strategy performance in the customer and capital world in one simple metric, Cook (2003) proposed a new one called “Risk Adjusted Differential (RAD)” which is the standardized value of the difference between share of value and share of revenue for firm $i$ in a strategic group $j$ consisting of $n$ firms at time $t$ is calculated with the following equation:

$$\rho = \frac{\delta_{ij} / \sigma(\delta_i)}{\delta_i}$$

Where

$$\delta_{ij} = \frac{(V_{ij} / \sum_{i=1}^{n} V_{ij}) \times 100 - (r_{ij} / \sum_{i=1}^{n} r_{ij}) \times 100}{-100 \leq \delta_{ij} \leq 100}$$

$(v_{ij} / \sum_{i=1}^{n} v_{ij}) \times 100$ is a firm’s share of market value (SOV) and $(r_{ij} / \sum_{i=1}^{n} r_{ij}) \times 100$ is its share of sales revenue (SOR) within a group of competitors.

However, RAD has not been tested with sufficient number of companies from all competitive sectors in order to contribute to the understanding of RAD and its relations with firm’s sustainable business strategy, intangible value creation and the advertising budget performance.

This research is focused to analyze robustness, determinants and properties of RAD by testing 4 hypotheses: (1) RAD observations fit a Gaussian-Normal distribution with mean different than zero at different level of firms aggregations, and that it is correlated with the Strategic Risk (2) RAD is robust with variations of number of competitors, market concentration, firm’s revenue and value growth, (3) RAD behavior can be explained by the advertising budget, and the percentage of intangible market value created by a firm and, (4) RAD power to capture intangible market value, by using a correlation analysis with Tobin’s Q indicator.

Compustat database was used in this study. Data from 1993 to 2002 of all public firms contained in database was extracted and analyzed. Consistent methodology with previous research by Cook (2003) was performed in this study, in order to be aligned with its objective. Also, new rules to define strategic groups are presented.
Theoretical framework is oriented to support the research hypotheses considering researchers in three main business research fields. First, a literature review of Business Strategy related research was made in order to set new rules to define a strategic group of competitors (Peteraf and Bergen 2003) as well as to understand the findings related to the importance of the intangible values in the business strategy sustainability (Villalonga 2004; Srivastava et. al 1998), and main metrics in this field. Also, a review of the main performance metrics and their calculation considered in the Marketing and Finance fields such as market share (Bell et. all 1975) and firm’s market value (Fama 1970). Lastly, a review and understanding of researches related to the impact of advertising spending in a firm’s value (Luo and de Jong 2012).

Interesting findings were obtained with this research, which contribute to expand the knowledge and understanding of RAD. The findings show statistical evidence to suggest that RAD behaves normal at strategic group level and that its mean is different from zero. An interesting statistical correlation between RAD and Strategic Risk was found suggesting the sustainability of value oriented business model. Also, it was found that RAD is robust with different market structure and that the percentage of intangible market value significantly explain the variations of RAD. The advertising budget-RAD analysis is still without statistical conclusion due to the amount of missing data in the database, however theory suggests correlation. Finally, the power of RAD to capture the level of intangible value was somehow suggested by the positive correlation with Tobin’s Q and the analysis of this metric behavior and the correlation of RAD and Strategic Risk.

Also, a conceptual model is presented in Figure 1, which portrays the process by which RAD suggests the level of intangible value created by firm’s business model and its sustainability.

Figure 1. The Competition for Intangible Market Value
This conceptual model suggests that: 1. A firm’s business strategy/model is at the core of a public firm competition for intangible market value. The firm’s business strategy/model is supported by the intangible and tangible resources available. 2. The degree to which the firm’s business model, including the marketing/advertising strategy, attracts both customers and investors relative to a group of competitors, is easily measured by its market share in each market. 3. In product markets, the firm’s market share varies with the level of intangible customer value and, in stock markets the firm’s market share varies with the level of intangible capital value, in both cases, that the business model creates. 4. A sustainable competitive advantage (or disadvantage) in the stock market is measured by the degree to which a firm outperforms (underperforms) its competitors. This is measured by its share of market value. 5. A sustainable premium in intangible capital value (or discount on tangible value) of a firm can be captured by the difference between its share of market value and share of revenues within a competitive environment. It is important to mention that, theoretically, a difference is necessary. Also, using a differential rather than a ratio, we have a statistic that is bounded by the unit interval. 6. The volatility in the difference between its share of capital value and share of sales revenue will reflect the level of a strategic risk created by the firm’s business model and RAD captures all these effects, setting, after its calculation, ideal numeric limits in order to maintain a sustainable strategy.

Several statistical analyses using separate finance and marketing measures have been run by many marketing, business management and finance researchers to proposed conceptual models that help to understand the business performance in capital and customer markets, separately. With the statistical evidence found in this research about RAD robustness, it is expected that this contribute and set the basis for future research on business performance and its sustainability to create intangible market value, and on creating a bridge between these worlds, marketing and finance.

The usage of RAD is important to know the performance of a firm’s business strategy operating in the customer and capital market, considering a competitive environment, and in conjunction with the strategic risk to visualize, as a suggestion, if such business strategy is sustainable creating intangible value or not, or if there is some likelihood to be sustainable. Also, the findings in this study provide with new tools to define more direct competition.

SELECTED REFERENCES


According to the World Federation of Direct Selling Association (2009), the number of individuals in online network marketing has increased. Despite its importance online social and business (marketing) networks relating to entrepreneurial firms has rarely been studied (Sigfusson and Chetty, 2012). We examine how entrepreneurs (between 20 and 49 years old) in Mexico use online social and business network sites to develop advertising activities. To study these social and business networks, I use a combination of participant observation on LinkedIn and face-to-face semi-directive interviews. The framework for this study is based on networks, resource-based view and entrepreneurship theories. I found two different patterns of entrepreneurial advertising. This is associated to the Entrepreneurial Orientations activities (Miller, 1983). This study provides evidence demonstrating a positive relationship between entrepreneurial orientation and the advertising activities developed. The second contribution is to find out the process of how entrepreneurial networks are different for youth and old entrepreneurs for advertising activities.
TRADE CHARACTER CHANGES: AN HISTORICAL PERSPECTIVE

Tom Smith, Texas Wesleyan University
Melinda Noël Smith, Texas Wesleyan University

EXTENDED ABSTRACT

Businesses spend millions of dollars researching, designing, and implementing trade characters to represent their firms, products, or services, but there is often little coverage of this in marketing textbooks. Kleppner’s Advertising Procedure, which was one of the first advertising textbooks and has been in publication since 1925, lists Betty Crocker as its one example of a fictional trade character (Lane, et al 2011). Contemporary Marketing, the number one undergraduate marketing principles textbook, has one paragraph that discusses “brand marks,” (i.e. Jolly Green Giant), but no other mention of trade characters in the book (Boone and Kurtz 2013). Brand Babble, a text devoted to the study of branding, does not address trade characters at all (Schultz and Schultz 2004). This lack of coverage may mean that students miss out on an important aspect of branding in marketing communications.

A primary part of the study of trade characters relates to changes in the characters, which receives little coverage even in texts that do discuss trade characters. Strategic Brand Management allocates 5 out of 767 pages to trade characters, and less than half of those five to changes in the characters (Keller 2003). Another book dedicated to the study of trade characters discusses at length “American advertising icons,” but does not mention the changes in the characters over the years (Dotz and Morton 1996). The importance of the changes in characters lies in the study of why companies choose to make the changes. If students are not aware of the changes that occurred, they cannot study the reasoning behind the changes.

There are myriad ways that a trade character can change. Some changes are very subtle, some immediately obvious. There have been trade character changes which have been ill-advised and changed back. Changes can involve updating old looks, changing character names, changing color schemes, altering typefaces, or any combination of one or more of the above. The name of the character may be a very important part of the character’s image and the appearance may change, but not the name; or the character’s image may be highly recognizable, and the name may be changed, but not the appearance. The reasons behind the changes in trade characters are often due to environmental factors: legal, competitive, social-cultural, political, etc. Some are implemented because of changes in the target market(s). These changes are usually well thought-out and are front-page news in the business press, but (again) rarely mentioned in books for college classes, depriving students of an understanding of the decisions made by companies regarding a vital aspect of branding.
REFERENCES


THE INFLUENCE OF MARKETING COMMUNICATION ON CAPABILITIES: AN EMPIRICAL STUDY OF THE ANTECEDENTS OF PERFORMANCE IN INTERNATIONAL NEW VENTURES

Silvia L. Martin: Lynchburg College

EXTENDED ABSTRACT

International new ventures (INVs) are firms that from inception seek to gain substantial competitive advantage from the use and deployment of capabilities for the international sale of outputs. INVs have received considerable theoretical and empirical attention as they tend to break the traditional paradigms of internationalization (Oviatt & McDougall, 1994) as opposed to a more traditional approach espoused by Johanson and Vahlne (1977).

“Capabilities are complex bundles of skills and collective learning, exercised through organizational processes that ensure superior coordination of functional activities” (Day, 1994:38). Capabilities are deeply embedded in the organizational routines and practices that they cannot be traded or imitated easily (Collis, 1994). It is not an easy task to enumerate all possible capabilities, because every business develops its own configuration of capabilities that is rooted in the characteristics of the market, previous commitments and anticipated requirements. However, certain types of capabilities can be recognised in INVs, corresponding to the core processes for creating value (Sapienza, Autio, George, & Zahara, 2006).

There are multiple studies suggesting that the success of INVs under globalization depends in a large part on the formulation and implementation of strategy (Cavusgil & Zou, 1994; Gabrielson & Al-Obaidi, 2004; Knight, 2000; Moen & Servais, 2002). The possession and development of capabilities in creating a competitive strategy in the international market reflects the degree of success or failure of INVs (McDougall, Shane, & Oviatt, 1994).

In theory, the interplay among capabilities, competitive strategy and performance explains how exporting firms might gain competitively from their marketing activities (Hughes, Martin, Morgan, & Robson, 2010; Morgan, Kaleka, & Katsikeas, 2004). However, the question of how to create these combinations of capabilities and how to make them interact with competitive strategies has been neglected by researchers, in spite of the fact that it is a top priority for practitioners.

The INV firms’ awareness and understanding of the marketing environment is based on information interchange. The growing importance of marketing communication takes into consideration the information interchange not only with customers, but also with stakeholders, employees, suppliers, channel members, and the community. While communication has always played a role in attracting and keeping customers and other stakeholders, with advances in new media and computer technologies, the benefit of understanding the interplay of marketing communication with the capabilities that firms need to develop never been greater (Duncan & Moriarty, 1998).

The author argues about the interaction of marketing communication for realizing a competitive strategy to enhance performance in INVs. In doing so, this author demonstrate how marketing communication mediates the relation between capabilities and competitive strategy, thus offering a solid extension to marketing theory on marketing communications and export venture performance in INVs. Performance is considered in this study as a multidimensional approach supported by recent IB literature (Hult et al., 2008).
Data was collected from 260 INV firms in Mexico. Structural equation modeling was used to test measurement veracity and proposed relationships between the constructs constrained in the measurement model. The study findings support the hypotheses and signify the efficacy of the measurement approaches used to capture the focal constructs. The results strongly support the central role of marketing communication as a mediator in the process of attaining superior INVs performance. These results indicate that the rapid environment that INV’s find themselves produces a need to develop new philosophies and strategies from which to attain competitive advantage. In the case of INV’s a focus on marketing differentiation and delivery differentiation can achieve superior performance.

The results show that marketing communication may facilitate the adoption of a cost advantage in a particular international market, indicating lacunas in the fulfillment of customer needs for low-cost products. The possession of information related to doing business in the international market and the knowledge of the competitors, would lead to an effective response to competitor’s pricing tactics. This superior quality in the channel relationships may be employed to achieve production cost reduction based on a cost leadership competitive strategy. Alternatively, by reducing the cost of the delivered offering firms are likely to both attain higher profit margins and thus increase their profitability, or lower the product price and achieve larger sales volume and greater profits.

REFERENCES


CONSUMER BEHAVIOR AND CUSTOMER RELATIONSHIP MANAGEMENT

THE IMPACT OF A PRODUCT HARM CRISIS ON CUSTOMER PERCEIVED VALUE

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Ying Sun, Beijing Institute of Technology
Gao Wang, China Europe International Business School
Fei Li, Tsinghua University

EXTENDED ABSTRACT

Product-harm crisis refers to well-known incidents when a firm’s products are found to be defective, harmful or even dangerous (Mullan, 2004). Product-harm crisis is often associated with costly product recall, in which the implicated firm has to retrieve the products from all distribution channels and from the end consumers (Chen, Ganesan, and Liu, 2009). The purpose of this research is to help better understand the effects of product-harm crisis on crisis and non-crisis brand’s customer perceived value and market competitive structure in the auto industry.

The research first develops a four-dimensional customer perceived value measurement, and then uses the measurement to collect data before, during and after the recent 2009-2010 Toyota product-harm crisis. These data are analyzed and compared to investigate the impacts of the product crisis.

Similar to Gao, Knight, Zhang and Mather (2011) and Dahlen and Lange (2006), this research also suggests that product harm crisis’s impact is beyond the crisis brand. Non-crisis brands and the entire market structure are also affected. For example, the COO effects may post threats to some non-crisis brands, while the crisis may bring opportunities to other brands. Therefore, companies not only need to be responsive of their own product harm crisis, and they also need to prepare to respond to widespread product crisis incident in their industry.

The results show that the crisis can have negative impact on the crisis brand’s CPV and intensify the competition of the brands. Some non-crisis brands with the same country of origin (COO) will also be negatively affected by the crisis. Moreover, the brands with significant higher CPV will benefit from the crisis. Therefore, all companies need to handle the product crisis carefully, so that they can adjust their strategy accordingly in the dynamic market.
This study also shows that the negative effects of a product harm crisis on CPVs can be eliminated if appropriate actions are taken. These findings confirm the practical importance of CPV and have implications for understanding and management the influences of product harm crisis.

SELECTED REFERENCES


FACTORS INFLUENCING GREEN PURCHASING BEHAVIOR

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Grace K. Dagher, Lebanese American University
Abdul-Nasser Kassar, Lebanese American University

EXTENDED ABSTRACT

Our environmental situation nowadays requires serious attention. We can find all around us the problems our environment is facing such as and not limited to air pollution, ozone depletion, global warming, hazardous waste, smog, acid rain and water pollution. This situation could be changed if the behavior of consumers, businesses, and governments became greener. Nowadays, consumers are aware that their individual consumption behavior has effects on their environment. Consumers are increasingly more conscious for the weightiness of environmental poverty, leading these consumers to increase their environmental consciousness and to buy environment friendly services and products with high interest in businesses that use environmental practices (Roberts, 1996; Kalafatis, Pollard, East and Tsogas, 1999; Laroche, Bergeron and Barbaro-Forleo, 2001). In order to examine consumers and their green behavior, factors that may affect green purchasing behavior must be studied.

Green purchasing behavior is a recommended behavior and can help achieve a sustainable environment. Four factors (Perceived Seriousness of Environmental Problems, Perceived Environmental responsibility, Perceived Effectiveness of Environmental Behavior and Concern for Self-Image in Environmental Protection) were examined in this study that may influence green purchasing behavior. We collected data using an online questionnaire. Our target sample for this study was all Lebanese consumers in Lebanon who ensures an independent purchasing power. The total of 101 questionnaires out of the total of 140 questionnaires sent was completed by respondents, resulting in a response rate of 72%. All respondents participated voluntarily.

The results of our study found a positive relation between the perception seriousness of environmental problems and the green purchasing behavior, a positive relation between the perception of environmental responsibility and green purchasing behavior, and a positive relation between the concern of self-image in environmental behavior and green purchasing behavior. These three factors can be used to enhance the green purchasing behavior at the consumer level. The greater the consumers are environmentally responsible the more they are willing to buy green substitutes, and consumer’s self-image is improved when individuals purchase green products (Nyborg, Howarth and Brekke, 2006). On the other hand the positive relationship between the perception of effectiveness of environmental behavior and green purchasing behavior was not supported. These findings present empirical support to previous studies. Future study should explore additional variables that may influence green purchasing behavior and combine methods for data collection. Future studies may examine the impact of a moderator variables example, personality types, culture, and others.
REFERENCES


THE SERVQUAL MODEL OF CUSTOMER SERVICE: AN APPLICATION TO AN INTERNATIONAL MANUFACTURING PLANT

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Roger N. Conaway, Tecnológico de Monterrey, San Luis Potosí

ABSTRACT

Our paper reports a case analysis of service marketing and communication in an international manufacturing plant located in Mexico. We applied the SERVQUAL customer service tool (Parasuraman, 1985) as a value proposal assessment at the plant to measure the difference “gap” between customers’ expectations of customer service and the actual performance by the company (what the customers’ perceive to be their service experience). We found significant differences between customer expectations and perceived experience at a Kenworth Trucking plant. The areas where perceptions between employees and customers varied most were in the Service Warranties area and tangibles.

INTRODUCTION

Our research examined service marketing in an international manufacturing plant located in Mexico. We applied and analyzed the SERVQUAL customer service tool (Parasuraman, 1985) as a value proposal assessment at the plant. Briefly, the SERVQUAL instrument measures the difference between customers’ expectations of customer service and the actual performance by the company (what the customers’ perceive to be their service experience). This difference or “gap” between customer expectations and perceived experience is assessed by the SERVQUAL tool.

Kenworth Trucking Company manufactures medium and heavy duty trucks in the U.S., Canada, Mexico and Australia and exports throughout other parts of the world. Kenworth is a part of PACCAR, which operates “under the Kenworth, Peterbilt and DAF nameplates” (PACCAR, 2012). Kenworth Mexico began in 1959 and has steadily expanded in several locations in the country over the years. The central Mexican plant we studied produces about 60 units a day.

The widely used SERVQUAL model was first reported by Parasuraman, Zeithaml, & Berry (1985) and originally developed with 10 dimensions: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/ knowing the consumer, and tangibles. Parasuraman, Zeithaml, & Berry (1988) reduced the 10 dimensions to five three years later, and we will emphasize the dimensions of communication and service quality:

1. SERVICE QUALITY: We use the definition of Service Quality cited by Parasuraman, et. al. (1985), as a “measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customer expectations on a consistent basis” (p. 42). Customer service is a complex and multidimensional concept, and to verify this complexity and further investigate dimensions of customer service, Mels,
Boshoff, & Nel (1997) conducted an exploratory factor analysis of Parasuraman’s, et al. (1988) five dimensions, investigating the empirical structure of the SERVQUAL instrument. They concluded only two fundamental dimensions of customer service exist in the SERVQUAL, which they termed ‘intrinsic’ and ‘extrinsic’ service quality. Their results led them to believe they had empirical evidence to support early European authors who wrote that service quality perceptions are largely determined by two (rather than five) dimensions. We believe the lack of agreement on the dimensionality of customer service does not invalidate the usefulness of the SERVQUAL instrument based on the results of our study.

2. COMMUNICATION. Parasuraman, et. al. (1985) described the communication dimension as “keeping customers informed in language they can understand and listening to them. It may mean that the company has to adjust its language for different consumers – increasing the level of sophistication with a well-educated customer and speaking simple and plainly with a novice” (p. 47). This “plain language” communication to customers includes describing clearly the service itself, stating the cost of the service, explaining trade-offs between service and cost, and assuring the customer that the problem will be handled.

METHODOLOGY

For the current study we adapted the original 10 dimensions to seven in our current study to fit the Kenworth plant. The newly modified instrument was constructed by first identifying the unique elements that create customer value at Kenworth. From this information we reviewed manufacturing plant processes in order to introduce areas of improvement. Ultimately, we omitted five dimensions from the original Servqual: competence, access, courtesy, security, and understanding/knowing the consumer and added two dimensions that were labeled professionalism and empathy. We believed Professionalism corresponded to credibility and communication and Empathy to an intrinsic ability communicate understanding/knowing to the customer. Thus, the following list identifies the seven dimensions we applied:

- Tangible elements
- Reliability
- Responsiveness
- Professionalism
- Communication
- Credibility
- Empathy

The modified SERVQUAL was applied in four different areas of the plant: (1) sales, (2) service, (3) parts and (4) the bodyshop. We obtained two data sets from Kenworth, one of which involved employees and the other involved customers.

The first data set contained information from customers (N=94) who had utilized vehicle service in three of the departments: selling, service, and the bodyshop. These customers were contacted via telephone for interviews based on the SERVQUAL questionnaire. The list was based on the previous two years. Interviews were conducted via either telephone or, if customers agreed, a face-to-face interview. Approximately 85 percent (N=80) of the customers responded to this application of the SERVQUAL.
As part of the first data set, customers (N=324) from the Parts Department also were contacted. Approximately ten trained interviewers contacted each customer in the database via telephone and asked if the customer would be willing to participate in the survey. Following the phone call, interviewers mailed the SERVQUAL questionnaire to customers who wished to receive the survey by mail and other interviewers conducted either face-to-face or telephone interviews. Approximately 40 percent of the Parts customers responded to this application of the survey. We sorted the questionnaires for each department and obtained results related to the service and expectation in each of the seven components of the SERVQUAL survey.

The second data set involved face-to-face interviews with all 40 employees at the plant. One hundred percent of the plant employees participated in the survey.

RESULTS

This section of our presentation reports the results of the surveys. We discuss closing customer-expectation gaps (displayed in Figure 1), according to the SERVQUAL model.

A. Parts Area Results

1. Perceptions of Tangibles

<table>
<thead>
<tr>
<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.958</td>
<td>1.88</td>
<td>0.078</td>
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</tbody>
</table>

Tangibles include physical evidence of the service, including physical facilities, appearance of personnel, tools or equipment used to provide the service. Kenworth’s Parts team manages the area of spare parts, facilities, appearance of employees, and promotional brochures. Results showed that in general the perception of customers and employees is not significantly different. The gap is minimal and both ratings tend to approach scores between 1 and 2 on the scale that approaches the excellence of qualification according to the issues comprising the tangible. We concluded that in these areas the company meets the expectations of customers.

2. Perceptions of Reliability

<table>
<thead>
<tr>
<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.85</td>
<td>1.542</td>
<td>0.308</td>
</tr>
</tbody>
</table>

Reliability is based on situations and promotional fulfillment, the interest charged for the service, customers in the area of parts, service efficiency and adherence to schedules set. We found that, in general, new employees and customers gave similar ratings. However, the rating given by customers was less than that given by the employees. A recommended strategy to improve this gap is to implement a system of zero errors to achieve better customer satisfaction.

3. Perceptions of Responsiveness

<table>
<thead>
<tr>
<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.91</td>
<td>1.7</td>
<td>0.21</td>
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</tbody>
</table>

Responsiveness involves the willingness or readiness of employees to provide service. It also means timeliness of service, such as mailing a transaction slip immediately, calling the customer back quickly, and giving prompt service. Results showed that perceptions of both customers and employees are very similar and tend to grade 1 to 2, which is on a rating scale approximate to excellence.
4. Perceptions of Guarantees

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<th></th>
<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.69</td>
<td>1.23</td>
<td>0.46</td>
<td></td>
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</tbody>
</table>

Despite not having a big difference between what employees perceive and what customers perceive, it is important to try to improve these points and reduce the gap. The most appropriate way to make the reduction of gaps is based on training, and the way in which knowledge and added value that gives the company are properly pushed their employees, which will have a better overview of the company.

5. Perceptions of Empathy

<table>
<thead>
<tr>
<th></th>
<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.73</td>
<td>1.46</td>
<td>0.26</td>
<td></td>
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</tbody>
</table>

Understanding customers and understand them to give them a good personal attention is not an easy task, the best way to perform these actions satisfactorily is a general database, updated and real data. By having a database, we can fully access each of your customers and therefore could reduce the gap in the care provided and improve the points earned, seeking to have the absolute best value. The trust that is given to a brand or a company by customers is linked to the care received by workers.

**B. Service Area Results**

1. Tangibles:

<table>
<thead>
<tr>
<th></th>
<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.65</td>
<td>3.25</td>
<td>0.60</td>
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</table>

Innovating technology to provide greater security to employees and customers with greater confidence.

2. Reliability:

<table>
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<th></th>
<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
</tr>
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<tbody>
<tr>
<td>2.32</td>
<td>3.25</td>
<td>0.93</td>
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We concluded that the company needed to create a friendly atmosphere within the company for employees to convey confidence to customers and developing activities for employees, whether sports, family and so on.

3. Responsiveness:

<table>
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<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
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<tbody>
<tr>
<td>2.38</td>
<td>3.67</td>
<td>1.29</td>
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We concluded that employees have a bad perception of responsiveness. Customers, however, perceive it positively. We recommended Kenworth needed to work with the employee to project security to customers.

4. Warranties:

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<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
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<tbody>
<tr>
<td>2.38</td>
<td>4</td>
<td>1.62</td>
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</table>

Results showed the safety of employees is not consistent with the perception of customers. Employees do not trust their security or their way of working.

5. Empathy:

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<th>Customer</th>
<th>Employee</th>
<th>Difference</th>
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<tbody>
<tr>
<td>2.48</td>
<td>3.13</td>
<td>0.65</td>
<td></td>
</tr>
</tbody>
</table>
By improving specific aspects globally, it is necessary first of all to develop projects that help develop the trust and confidence of the employee staff.

**CONCLUSIONS**

Finding practical ways to help international businesses assess and improve customer service presents researchers with a challenge. Yet this challenge also provides opportunities for researchers to develop partnerships in helpful business relationships. Our case study revealed customer service insights for Kenworth trucking to include in their employee training and develop programs. Our conclusions also helped validate the modified version of the SERQUAL instrument. We concluded from the results, according to Figure 1, that we can improve customer service at the Kenworth plant by specifically focusing on communication and the four provider gaps, which are the underlying causes behind the customer gap:

Gap 1: Not knowing what customers expect
Gap 2: Not selecting the right service designs and standards
Gap 3: Not delivering to service standards
Gap 4: Not matching performance to promises.

**Figure 1**

![Diagram showing customer service insights and gaps](image)

**References**


A CONCEPTUALIZATION OF THE IMPACT OF SELF-REGULATORY FOCUS ON LONG-TERM COMPLIANCE BEHAVIOR IN HIGHER EDUCATION

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ABSTRACT

Literature suggests that the customer needs to comply with specific actions and behaviors prescribed to them in personal interaction with the provider, and to independently continue to do so over a period of time. While many studies relate to compliance-dependent services (CDS), literature relating to academic settings is scarce. In addition, studies point to the impact of self-regulatory focus (SRF) on CDS, and the greater effectiveness of specific measures of SRF over generalized measures. This theoretical research examines the effect of self regulatory focus (SRF) on long term student compliance behavior within a higher education setting. The proposed methodology is also included.

Key words: higher education, regulatory focus, long-term services, compliance behavior

INTRODUCTION

Literature addresses service situations where the customer’s actions when away from the service provider are essential to the achievement of desired outcomes. Such services are referred to as compliance-dependent services (CDS), examples of which include education, weight loss, retirement savings, education, and credit repair (e.g., Dellande and Gilly 1998). We propose an exploratory study of the effects of self-regulatory focus (SRF) on long-term student compliance behavior in the field of education. As an example, student success impacts indices such as graduation rates, tuition cost, student attrition, future enrollments, continuing education, and workforce supply, and is relevant to educators, administrators, families, funders, employers, and lawmakers alike (e.g., AASCU State Relations and Policy Analysis Research Team, 2010). Students’ compliance is not a matter of assumption, but merits investigation.

Numerous studies highlight issues in higher education such as policy, implementation and productivity (e.g., AASCU State Relations and Policy Analysis Research Team, 2010; Malandra 2011). Malandra 2010 spoke to the Texas Higher Education Plan, “Closing the Gaps 2015” which outlined a framework of reforms, strategic initiatives, investments, and cost control. For 146 public and private institutions, these authors reported a significant increase in enrollment, about 40% during the previous decade, with the highest enrollment of about 122,00 students in 2009. Degrees awarded during the same period increased by 42%, and students enrolling in 2003 on an average graduated in six years. Despite the reported gains, the higher education system continues to be plagued by problems such as fiscal crises within the states, high tuition and fees, limited enrollment capacity, financial aid programs,
the nationwide priority given to community colleges, and effective learning. (AASCU State Relations and Policy Analysis Research Team. 2010).

Recent literature focuses on issues that include graduate education (Cowan 2012, Middlebrook 1996, Koole, McQuilkin, and Ally 2010, Kumrow 2007, Piercy and Lee 2006, Turman 2001), especially among minorities (Hines 2007), undergraduate education (MacDonald, vanDuinkerken, and Stephens 2008, Lutrell and Richard 2001), and learning strategies of adult non-traditional students (Turnam 2011). Other researches include distance learning (Cowan 2012, Koole, McQuilkin, and Ally 2010, Kumrow 2007, MacDonald, vanDuinkerken, and Stephens 2008, Middlebrook 1996, Piercy and Lee 2006, Turman 2001), value gaps and program satisfaction (Middlebrook 1996), and value structure (Luttrell and Richard 2011). However, few studies examine the impact of specific self-regulatory mechanisms on success in an academic environment (e.g. Kumrow 2007), or investigate the nature and role of self-regulatory focus (e.g. El Samen 2011). We hope to fill this gap through the present study in which we investigate the role of specific SRF in CDS, in higher education.

LITERATURE REVIEW AND HYPOTHESES

During emotional upsets, people give more importance to feeling better, that to achieving self-regulatory goals such as reducing debt, weight-loss, or other things that might lead to terminal goals (Tice, Bratslavsky, and Baumeister 2001). Hedonism is inherent in human nature, and if a person is upset, there is a high probability that self-control will yield to immediate gratification, such as eating unhealthy items (Baumeister 2002). Further, an upset person has a higher probability of rejecting goals, hoping that immediate gratification will help them feel better (Mick 1996). People who exhibit lower self-control are susceptible to temptations, as an example, alcohol consumption contributes to lowered self-restraint in numerous areas of behavior (Baumeister, Heatherton, Tice 1994), which would suggests that these individuals are also likely to forgo academic goals.

Further, and in general, consumers with a high level of self-control or self-regulation tend to sacrifice immediate gratification, and have a lower probability of making detrimental short-term choices, with poor outcomes in the long run (Howlett, Kees, and Kemp 2008). For example, people that are successful in losing weight are conscious of their diet and its caloric content.

Higgins (1997, 2002) distinguished between two forms of self regulatory focus (SRF). People that have a promotion focus use the “approach” strategy wherein they focus on gains linked with an ideal desired state. Conversely, people that have a prevention focus employ an “avoidance” strategy, focusing on cutting losses or setbacks to goal achievement. Literature suggests that a promotion focus fosters higher persistence and motivation in goal achievement (Roney, Higgins, & Shah 1995). Further, a promotion focus provides a hedge against temporary setback (Crowe & Higgins 1997), and results in greater goal realization (Higgins 2002). Based on the preceding, we hypothesize:

H1: Compared to students with a prevention focus, students with a promotion focus will be more likely to engage in compliance behavior.

In addition SRF moderates behavioral intentions. We can expect that, in comparison to persuasive messages which promise loss prevention, persuasive messages that promise gains will elicit a differential response from people with different kinds of SRF (Keller and Lehman 2008). Hence, our second hypothesis is stated as:
H2: Messages promising gains will have a greater direct effect on compliance behavior of promotion focused students, and messages promising loss prevention will have a greater impact on prevention-focused students. As such, there will be a two way interaction of the SRF and the regulatory focus (or promise) of the message.

Furthermore, in light of the preceding, SRF scales purport to measure regulatory focus, which is deep-seated. Measures of SRF specific to a situation would tend to have a higher explanatory power, compared to generalized measures, given students’ stated goals, and the long-term nature of their compliance behavior toward grade improvement. We state this, specifically in view of the methodological debate in current literature, pertaining to SRF scale validity and reliability issues (e.g., El Samen 2011, Haaga et. al., 2008, Higgins et. al., 2001, Lockwood, Jordon, and Kunda 2002, Summerville and Roese, 2008). Following from this discussion, we propose the hypothesis:

H3: Compared to general measures of SRF, situation-specific measures of SRF will yield evidence of more significant results in Hypotheses H1 and H2.

**METHODOLOGY**

We propose to conduct an experiment using 100 students at each of two universities in U.S. where the subjects attempt at marginal improvement in cumulative course scores over sixteen week courses. Students’ scores will be tracked via a pretest at the beginning of the semester; after that a midterm examination will be given, and lastly a final examination will be given at the end of the sixteen week semester. At the start of the course, students will participate in a survey covering a number of scales of regulatory focus, an involvement scale, a cynicism scale, as well as a question related to the reasons for wanting to pass the course. Subjects will be randomly assigned to one of three conditions. Following an eight-week cycle, Group 1 (gains focused message) will be provided a progress report which will also include a list of some benefits to be realized by improving course scores. Group 2 will received the same progress report, but with the same benefits expressed as an avoidance focused message (i.e., how to avoid the negative consequences of poor performance on the course). Group 3 will be given a progress report with the same benefits listed in both formats (gains focused and avoidance focused), in random order. New benefits will be added in each cycle of reporting.

**MEASURES**

We propose to employ four SRF were used, scales of RFQ (Higgins et. al., 1994), along with the General Regulatory Focus Measure (GRFM; El Samen 2011) a 10-item modified version of the original 18-item measure used by Lockwood, Jordon, and Kunda (2002). Further, we will use a single-item measure adapted from Galinsky, Leonardelli, Okhuysen and Mussweiler (2005), where we modified the scale to be specific to academic success. The item was worded, “Do you tend to focus more on avoiding the negative outcomes that may occur if you do not do well in a course, or do you tend to focus more on approaching positive outcomes that may occur by doing well in a course?” The scale will be anchored by 1 = focus more on avoiding negative outcomes and 8 = focus more on approaching positive outcomes. We will also ask subjects to list reasons for passing the course, via instructions: “Below, please list reasons why you want to pass this course. Please begin each reason with the words ‘In order to’ or simply ‘To’”. Coding will be completed by two independent judges.

Lastly, the number of prevention focused reasons for wanting to pass the course (SRF-Reasons), as listed by each subject, will be deducted from the number of promotion
focused reasons. Subjects that score higher than the median will be coded as promotion focused; those that score lower than the median will be coded as prevention focused. For Hypothesis H3, RFQ and GRFM will be considered as the general measures of regulatory focus (only selected items in the modified GRFM inventory will be specific to course success); SRF-G and SRF-Reasons will comprise situation specific measures of regulatory focus. The dependent variable will be the eight-week course percentage improvement (i.e., CGA).

DATA ANALYSIS

Scale validity will be measured with correlation analysis, and scale reliability through Chronbach’s α (Nunally, 1978).

Hypothesis 1 will be tested by using four single-factor ANOVAs, with CGA as the dependent variable, and one of the four SRF measures, the factor comprising the two SRF levels. Hypothesis 2 will be tested via two four-factor ANOVAs, using CGA as the dependent variable, with the message framing comprising one factor, and SRF (two levels) being the second factor. Hypothesis 3 will be tested from observing the mean percentage CGA resulting from interaction of the message framing and SRF’s.

CONCLUSION

Noncompliance in long-term services could result in numerous negative outcomes for a broad group of stakeholders (Hausman 2001). Stakeholders in higher education are likely to find the results of the present study to concentrate on achieving long-term compliance behavior on the part of students. In addition, we expect the results of this study to be relevant to other providers of CDS too (Howlett et al. 2008).

REFERENCES


Dellande, Stephanie and Mary Gilly (1998), “Gaining Customer Compliance in Services,” Advances in


Consumer Affairs, 42 (2), 223-242.


ABSTRACT

This paper explores the effects of environmental uncertainty on interfirm relationships. The global oil industry serves as an example throughout. The model developed for this paper relies on four related, but conceptually unique, frameworks: 1) traditional economic theory, 2) channel power and influence theory, 3) relational exchange theory, and 4) commitment-trust theory. It is posited after a thorough review of the marketing literature that a need for a more reliable and valid measure of environmental uncertainty exists and that more attention given to environmental uncertainty as a key and central construct in the relationship marketing literature is warranted.

INTRODUCTION

The development and management of buyer-seller relationship are important challenging tasks. Environmental forces can have the greatest effects on relationship management decisions (Duncan 1972; Pfeffer and Salancik 1978). The level of environmental uncertainty faced by decision makers has been cited as a key determinant of behavior (e.g., Thompson 1967; Duncan 1972). Environmental uncertainty (Ashill and Jobber 2001, p. 546) “exists when decision-makers do not feel confident that they understand what the major events or trends are, or when they feel unable to accurately assign probabilities to the likelihood that particular events and/or changes will occur (Duncan 1972; Milliken 1987).” Environmental uncertainty is a construct with that has received extensive attention in the organizational research literature. However, the construct of environmental uncertainty has received relatively little attention in the marketing literature and has been defined and operationalized in various ways.

The oil and gas industry was chosen as the focus of our review because this industry has experienced many great changes over the past thirty five years. A significant change began when Oil Petroleum Exporting Countries (OPEC) asserted power in the early 1970’s. This continues today and is evidenced by the historically high price per barrel of oil. In addition, the prices consumers pay at the pump continue to reach new all time highs, competition continues to increase with major discount retailers now selling gasoline, and lawsuits continue between independent dealers and the major oil suppliers.
The model (Figure 1) developed for this paper relies on four related, but conceptually unique, frameworks: 1) traditional economic theory, 2) channel power and influence theory, 3) relational exchange theory, and 4) commitment-trust theory (Figure 2).

**FIGURE 1**

**The Effects of Environmental Uncertainty on Exchange Relationships**

![Diagram of Environmental Uncertainty, Key Channel Member Response, and Dependent Member Consequences]

**FIGURE 2**

**Evolution of the Understanding of Marketing Relationships**

![Timeline of Marketing Thought from 1700 to 2012 with stages including Economic Theory, Channel Power & Control, Relationship Marketing, Trust & Commitment, and ???]

**Traditional Economic Theory**

Traditional economic theory (Stigler, 1966; Samuelson, 1964) states that as environmental uncertainty increases that shifts in demand and supply will occur based on the “law of scarcity” (Samuelson, 1964, p. 16). It follows then, by definition, that respective shifts in power, influence and control along with other behavioral processes will occur within an industry. Shifts within an industry (environmental changes and uncertainty as seen in Figure 1) could lead to “imperfect competition” and may eventually lead to a reorganization of resources and development of strategic initiatives (key player responses as labeled in Figure 1). This reorganization of resources by key players, commonly known as strategic alliances and mergers and acquisitions, will have consequences for dependent players of the channel (see Figure 1). Samuelson (1964, p. 489) mentions that antitrust legislation is one such consequence.
To illustrate this sequence of events consider the past events of the last thirty years within the oil industry (See Figure 3; visit www.eai.gov for complete details). In the early 1970’s OPEC (Oil Petroleum Exporting Countries) began to exert power and influence by establishing their cartel (environmental uncertainty for refineries). This exertion of power and influence, in turn, lead refineries to reorganize. Weston (2002, p. 70) commented on this change and uncertainty in “…the oil industry…has been forced to adjust to the massive change forces of technology, globalization, industry transformations, and entrepreneurial innovations. Weston (2002, p. 69) further states,

“Repeated oil price shocks have caused the oil industry to engage in a wide range of adjustment responses. Substantial merger activity took place between 1980 and 1985. Diversification efforts into unrelated activities were unsuccessful, and restructuring efforts sought to lower operating costs.”

FIGURE 3


World Oil Price Chronology: 1970-2002*

Source: Energy Information Administration

*For those interested in the individual events listed in this table, readers may go to www.eai.gov
The key channel member response (refineries in this case) of mergers and acquisitions (see Table 1) in light of environmental change and uncertainty has consequences for dependent members of the channel such as retailers and consumers including, but not limited to, questionable pricing practices by the refineries (e.g. zone pricing) and “squeezing” the margins (Robicheaux, Flight, and Henley 2004) out of the channel for the large oil companies. During the decade of the 1990’s further changes occurred within the industry. Consolidation continued at a rapid pace. The major oil companies of the world by market value today are:

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Value ($ Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exxon/Mobil</td>
<td>248</td>
</tr>
<tr>
<td>Royal Dutch/Shell</td>
<td>153</td>
</tr>
<tr>
<td>ENI</td>
<td>62</td>
</tr>
<tr>
<td>Conoco/Phillips</td>
<td>38</td>
</tr>
<tr>
<td>Repsol</td>
<td>21</td>
</tr>
<tr>
<td>British Petroleum</td>
<td>155</td>
</tr>
<tr>
<td>Chevron/Texaco</td>
<td>78</td>
</tr>
<tr>
<td>YukosSibneft</td>
<td>45</td>
</tr>
<tr>
<td>Schumberger</td>
<td>29</td>
</tr>
<tr>
<td>(Source: Cox 2003, p. 1-2 B.)</td>
<td></td>
</tr>
</tbody>
</table>

Also during the 90’s, the major oil companies experienced an 81.17% increase in refined product sales and a 162% increase in net margin over the same time period (1991-2001). These results are summarized in Table 2. Consumers and retailers have responded with litigation and legislation (Robicheaux, Flight, and Henley 2004).

### TABLE 1

<table>
<thead>
<tr>
<th>Year (millions)</th>
<th>Acquirer</th>
<th>Acquired</th>
<th>Purchase Price (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>Chevron Corp.</td>
<td>Gulf Corp.</td>
<td>$13,205.5</td>
</tr>
<tr>
<td>1981</td>
<td>E.I. DuPoint de Nemours &amp; Co.</td>
<td>Conoco Inc.</td>
<td>8,039.8</td>
</tr>
<tr>
<td>1981</td>
<td>US Steel Corp.</td>
<td>Marathon Oil Corp.</td>
<td>6,618.5</td>
</tr>
<tr>
<td>1984</td>
<td>Mobil Corp.</td>
<td>Superior Oil Co.</td>
<td>5,725.8</td>
</tr>
<tr>
<td>1981</td>
<td>Societe Nationale Elf Aquitaine-France</td>
<td>Texasgulf Inc.</td>
<td>4,293.7</td>
</tr>
<tr>
<td>1987</td>
<td>Amoco Corp.</td>
<td>Dome Petroleum Ltd.-Canada</td>
<td>4,180.0</td>
</tr>
<tr>
<td>1989</td>
<td>Exxon Corp.</td>
<td>Texaco Canada Inc.-Canada</td>
<td>4,149.6</td>
</tr>
<tr>
<td>1982</td>
<td>Occidental Petroleum Corp.</td>
<td>Cities Service Co.</td>
<td>4,115.6</td>
</tr>
<tr>
<td>1985</td>
<td>US Steel Corp.</td>
<td>Texas Oil &amp; Gas Corp.</td>
<td>4,094.4</td>
</tr>
<tr>
<td>1979</td>
<td>Shell Oil Co.</td>
<td>Belridge Oil Co.</td>
<td>3,653.0</td>
</tr>
<tr>
<td>1985</td>
<td>Occidental Petroleum Corp.</td>
<td>MidCon Corp.</td>
<td>3,085.6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$61,161.5</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Year</th>
<th>Petroleum Product Net Refining Margin</th>
<th>Refined Product Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1.04</td>
<td>13,015</td>
</tr>
<tr>
<td>1992</td>
<td>0.51</td>
<td>13,089</td>
</tr>
<tr>
<td>1993</td>
<td>0.91</td>
<td>13,178</td>
</tr>
<tr>
<td>1994</td>
<td>0.87</td>
<td>13,455</td>
</tr>
<tr>
<td>1995</td>
<td>0.57</td>
<td>13,641</td>
</tr>
<tr>
<td>1996</td>
<td>0.98</td>
<td>14,024</td>
</tr>
<tr>
<td>1997</td>
<td>1.58</td>
<td>13,294</td>
</tr>
<tr>
<td>1998</td>
<td>1.61</td>
<td>20,061</td>
</tr>
<tr>
<td>1999</td>
<td>1.15</td>
<td>21,416</td>
</tr>
<tr>
<td>2000</td>
<td>2.29</td>
<td>22,287</td>
</tr>
<tr>
<td>2001</td>
<td>2.72</td>
<td>23,579</td>
</tr>
</tbody>
</table>

*(Inflation-Adjusted Dollars per Barrel) *(Thousand Barrels per Day)

\(^a\): All nominal values are expressed in year 2001 dollars.

Sources: **Costs, margins, and sales**: Energy Information Administration, Form EIA-28 (Financial Reporting System). **GDP deflator**: Bureau of Economic Analysis, GDP and Related Data, "Current-dollar and 'real' GDP" (page active as of August 4, 2003).

**Channel Power and Influence Theory**

Much of the early research of power and the use of power can be traced back French and Raven's (1959) sources of power paradigm. French and Raven's taxonomy identified five specific bases of power including: coercive (punishment), reward, legitimate, referent, and expert. Influence is considered the control that one party achieves over another party.

A different explanation of the power construct was posited by Emerson (1962) in his power-dependency theory. Emerson (1962, p. 32) stated that “social relations commonly entail ties of mutual dependence between parties” and that “… the power to control of influence the other resides in control over the things he values.” Therefore, he concluded that A's power over B is directly related to B's dependence upon A. Emerson proposed that, since dependence provides the basis of power and since power is not always observable, power must then be defined as potential influence.

Influence strategies are closely linked to the sources of power (French and Raven 1959) possessed by a firm so that they may be referred to as “exercised power sources (Gaski 1988).” Empirical research (e.g., El-Ansary and Stern 1972; Hunt and Nevin 1974) has focused on the following five sources of power which seem to be the most important: reward, coercive, legitimate, referent, and expert power.

Bucklin (1973) presented a theory of channel control in which he suggests that influence strategies were chosen on the basis of their expected costs and their expected effectiveness. El-Ansary and Robicheaux (1974) presented a revision of Bucklin’s model where they recognized the use of influence strategies by both the supplier and the dealer, to insure control.

Frazier and Summers (1984) proposed a taxonomy of influence strategies which has been widely adopted by researchers (Boyle, Dwyer, and Oh 1989; Boyle, Dwyer, Robicheaux, and Simpson 1992). These researchers identified six influence strategies: promises, threats, legalistic pleas, recommendations, information exchange, and requests.
Frazier and Summers (1986) dichotomized the taxonomy of influence strategies as coercive and non-coercive.

Relational Exchange Theory
Marketing scholars view exchange as a central concept to the discipline. Bagozzi (1995, p. 272) went so far as to state that “relationship marketing is central (emphasis added) to marketing theory and practice.” Exchanges can be viewed along a continuum ranging from discrete to relational exchange. Goldberg (1976, p. 49) describes discrete exchange as a transaction in which “no duties exist between the parties prior to formation, and in which the duties of the parties are determined completely” in advance. Discrete or transactional exchange as described by Gundlach and Murphy (1993, p. 36) “involves single, short-term exchange events encompassing a distinct beginning and ending.”

In contrast, relational exchange occurs when transactions are linked or associated over an extended time period. Morgan and Hunt (1994, p. 22) state that “relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges.” Building on the work of Williamson (1985), Macneil (1978, 1980) and others (Stinchcombe 1985), Dwyer, Schurr, and Oh (1987) propose that transitions to long-term relationships evolve through the following five phases: 1) awareness, 2) exploration, 3) expansion, 4) commitment, and 5) dissolution. This view has resulted in numerous conceptual and empirical studies concerning relational exchange in distribution channels (Frazier, Spekman, and O’neal 1988; Porter 1987; Arndt 1983; Ruekert and Walker 1987; Anderson and Narus 1990; Beltramini and Pitta 1991; Moorman, Zaltman, and Deshpande 1992; Nueno and Oosterveld 1988).

Commitment-Trust Theory
The constructs of relationship commitment and trust in the marketing literature have evolved from a variety of sources of literature (e.g., marriage, communication) and a variety of theories (e.g., social exchange theory, organizational behavior theory).

In the marketing channels literature, the relationship between trust and commitment has received much attention after Morgan and Hunt’s (1994) research (e.g., Kim and Frazier 1997; Geyskens, Steenkamp, and Kumar 1999; De Ruyter, Moorman, and Lemmink 2001; Kim 2001; Kim and Oh 2002; Gilliland and Bello 2002). Each of these studies found a positive relationship between trust and commitment.

Morgan and Hunt (1994) significantly advanced relationship marketing theory and the marketing discipline by providing strong support that the constructs of commitment and trust are central to relationship marketing success and are not just two more “independent” variables that influence outcomes. Rather, these authors provide strong evidence that commitment and trust are key mediating variables to successful exchange relationships. Their work represents a significant advance in the relationship marketing literature upon which others have built.
Environmental Uncertainty

The environment can create uncertainty for both dealers and their primary suppliers. This environmental uncertainty increases the information processing activities of both dealers and suppliers since they must identify opportunities, identify and manage problems, and implement strategic adaptations (Galbraith 1973; Tushman 1977; Hambrick 1982; Culnan 1983; Jemison 1984; Daft, Sormunen, and Parks 1988). Managers in different organizations develop different perceptions about the environment and how it impacts them (Aldrich and Pfeffer 1976; Daft and Weick 1984; Dutton and Jackson 1987; Strandholm, Kumara, and Subramanian 2004). In a marketing channels context, this paper addresses the effects of perceived environmental uncertainty of dealers and their perceived relationship benefits with suppliers, and the perceived ethics and communication processes of suppliers.

Environmental uncertainty can be defined as the degree of dynamism and unpredictability of the environment (Duncan 1972). Perceptions of uncertainty increase when change is rapid and difficult to predict. Environmental uncertainty has also been defined as “the degree to which future states of the world cannot be anticipated and accurately predicted” (Pfeffer and Salancik 1978, p. 67). Achrol and Stern (1988) noted that environmental uncertainty in a channel system is best conceptualized in terms of the selection and ignoring of information during the decision process by exchange parties. Other studies (Achrol and Stern 1988; John and Weitz 1988; Celly and Frazier 1996) refined the definition and stated that environmental uncertainty “is the difficulty of making accurate predictions about the future.” Buvik and John (2000) define environmental uncertainty as “the unpredictability of the task environment.”

Although most definitions of environmental uncertainty describe the construct as a perceptual phenomenon (e.g., Weick 1969; Duncan 1972; Downey and Slocum 1975; Tung 1979; Daft and Weick 1984; Milliken 1987; Milliken 1990; Ashill and Jobber 1999, Ashill and Jobber 2001), they differ widely. Studies within the management literature (e.g., Dill 1958; Bourgeois 1980; Daft, Sormunen, and Parks 1988) suggest that the environment can be conceptualized as having two dimensions: (1) the “task environment” which includes competitors, suppliers, and customers, and (2) the “general environment” which includes social, demographic, and economic factors. This paper study will make no such distinction. In fact, the present study will include all of these factors that may effect managerial decision making as well as technological factors and political/legal/regulatory factors.

While some previous research (e.g., Dess and Beard 1984; Lamont, Marlin, and Hoffman 1993) has examined strategic adaptive responses to industry-wide environmental change, they have, in general, assumed industry environmental homogeneity. The present study makes no such assumption. In fact, previous empirical research (e.g., Hatten and Schendel 1978; Kim and Lim 1988) supports the notion that different organizations, within the same industry, face different environmental constraints (Dess and Beard 1984) and compete differently based on their unique perceptions of the environment (Aldrich and Pfeffer 1976; Daft and Weick 1984; Dutton and Jackson 1987).
We agree with Milliken (1987, 1990) and Ashill and Jobber (1999, 2001) who suggest that the various definitions of uncertainty fall into one of the following three categories: (1) “state uncertainty”—when managers perceive an organization’s environment to be unpredictable and are uncertain that they understand what the major trends and events for the industry may be or feel uncertain about the likelihood of those trends and events, (2) “effect uncertainty”—a lack of information about cause-effect relationships, and (3) “response uncertainty”—an inability to predict accurately what the outcomes of a particular decision may be (e.g., Milliken 1987, Morgan and Hunt 1994). This paper deals specifically with state uncertainty. One common theme emerges from the various definitions in the literature and that is the issue of “unpredictability.”

The environment has created uncertainty for both dealers and their primary suppliers in the oil and gas industry. This environmental uncertainty increases the information processing activities of both dealers and suppliers since they must identify opportunities, identify and manage problems, and implement strategic adaptations (Galbraith 1973; Tushman 1977; Hambrick 1982; Culnan 1983; Jemison 1984; Daft, Sormunen, and Parks 1988). Managers in different organizations develop different perceptions about the environment and how it impacts them (Aldrich and Pfeffer 1976; Daft and Weick 1984; Dutton and Jackson 1987; Strandholma, Kumara, and Subramanianb 2004). In a marketing channels context, this paper addresses the effects of perceived environmental uncertainty of dealers and their perceived relationship benefits with suppliers, and the perceived ethics and communication processes of suppliers.

The strategy literature (e.g., Child 1972; Duncan 1972) argues that changes in the manner of conducting business are not likely to be considered in stable environments. Instead, radical initiatives are more likely overall as environmental uncertainty increases. Etgar (1977) posited that when uncertainty is high, organizations may attempt to increase intrafirm coordination in general and thus reduce or buffer the effects of uncertainty.

Relationship marketing suggests that selection of a partner may be a key element in competitive strategy (e.g., Morgan and Hunt 1994). These “partners” must face environmental factors, uncertainty, and change. Responses by suppliers and dealers may be quite different based on differences in goals, objectives, and strategy. Morgan and Hunt (1994, p. 25) posit that “firms that receive superior benefits from their partnership---relative to other options---on such dimensions as product profitability, customer satisfaction, and product performance, will be committed to the relationship.” Kumar, Scheer, and Steenkamp (1995) provided evidence that environmental uncertainty has a negative influence on relationship quality between dealers and suppliers.

There have been severe measurement limitations of previous studies including definitions of the construct, dimensionality of the construct, and reliability of scales used to assess the environmental uncertainty construct. These limitations are summarized and presented in the next section of the paper.
Limitations of Past Research

Several limitations exist with some of the empirical studies mentioned earlier. The vast majority of previous research studies in the marketing literature are limited in their potential generalizability. Morgan and Hunt (1994), for example, cite this as a limitation of their research. Relationship marketing theory and research has evolved from the power, influence and control literature previously cited. However, some scholars today discount this entire stream of research and seem to separate themselves entirely from the power, influence, and control literature stream as though the two streams of research are mutually independent. Young and Wilkinson (1989, p. 109) stated that power and conflict as key concepts in the marketing literature has “distorted the understanding of how channels functioned. The emphasis was on sick rather than healthy relationships.”

Morgan and Hunt (1994, p.33) state that “noncoercive power is at best a non sequitur and at worst an oxymoron.” In fact, they discount considerably the relevance of channel power research and especially research on noncoercive (e.g., reward and referent power). These authors have ever explained how reward or referent power can be viewed as coercive. This is a serious shortcoming of previous research in the most recent relational exchange literature. We find that view to be shortsighted.

Finally, environmental uncertainty has been an under researched construct in the relationship marketing literature. In addition, environmental uncertainty has been defined and operationalized in the literature in numerous different ways. The contradictory results in the literature are, mainly, due to poor conceptualization and measurement of the construct.

As may be observed in Table 3, the environmental uncertainty scales have poor reliability coefficients that do not exceed the .70 level recommended by Nunnally (1978). Table 3 clearly shows a deficiency in the marketing literature. That deficiency is a reliable and valid measure of environmental uncertainty.
TABLE 3
PREVIOUS STUDIES ON ENVIRONMENTAL UNCERTAINTY

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Publication and Year</th>
<th>Items</th>
<th>Reliability</th>
<th>Validity Checks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spekman and Stern</td>
<td>JM* 1979</td>
<td>11</td>
<td>.68</td>
<td>None</td>
</tr>
<tr>
<td>John and Weitz</td>
<td>JMR** 1989</td>
<td>3</td>
<td>.65</td>
<td>None</td>
</tr>
<tr>
<td>Noordewier, John, and Nevin</td>
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*Journal of Marketing
**Journal of Marketing Research

Future Research Needs
The model (Figure 1) developed for this paper relied on four related, but conceptually unique, frameworks: 1) traditional economic theory, 2) channel power and influence theory, 3) relational exchange theory, and 4) commitment-trust theory (Figure 2). Where will the relational exchange literature take us in the future? It is strongly argued in this paper that relationships do not operate in a vacuum and must be studied within the context of environmental uncertainty. Researchers should take a closer examination of the environments in which relationships are built, grown, nurtured, and ultimately, terminated. Therefore, the next paradigm shift in the relational exchange literature should include the construct of environmental uncertainty as a central factor that affects the supplier-buyer relationships. This paper has clearly shown that there is a definite need in the marketing literature for a more reliable and valid measure of environmental uncertainty and more attention given to environmental uncertainty as a key and central construct in the relationship marketing literature is warranted.
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HOSPITAL AT HOME: IMPACT OF TECHNOLOGY

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ABSTRACT

The concept of “hospital at home” – the provision of what used to be exclusively hospital inpatient care – is explained. Based upon new and developing technologies, the improvement of communication between health professionals and between health professionals and patients is discussed, and the ability of these new technologies to allow the provision of complex medical care at home while recusing the associated costs of treatment is discussed. Finally, some potential future developments in this field are presented.

INTRODUCTION

Hospital medical practice in the United States is changing, at least partially in response to the efforts of managed care to reduce the number of inpatient hospital bed days. Additional drivers of change include improved diagnostic imaging, minimally invasive surgical techniques, outpatient treatment modalities, and evidence-based care, including acute home-based care, all of which have enabled the outpatient treatment of an increasingly diverse range of medical care (Hensher 1999; Montalto 2002).

Internationally, one of the fastest-growing approaches to what has been known for years as “inpatient” care is the provision of acute care to patients in their homes (Jacobs 2001; Papazissis 2004; Shepperd 2009a). Acute home care medical models have been accepted in many countries, particularly in the United Kingdom, Europe, and the Middle East (Danzi 2009; Kane 2007). Only a few such programs currently exist in the U.S. (Graham 2012a; Senior 2012). However, the increasing pressure in the U.S. to lower health care costs and improve the quality of medical care could lead to the widespread acceptance of such programs in the U.S. as the model become better understood (Graham 2012b; Klein 2011).

The most prevalent form of acute home medical care is “Hospital at home” (HaH), the provision of medical services normally associated with acute inpatient hospital care, but provided instead in a patient’s home (Leff 2009). Basically, HaH involves the provision of care in the patient’s home which:

1. eliminates or reduces an inpatient hospital stay;
2. is similar to care normally provided in a hospital;
3. is clinically appropriate; and
4. is not provided by usual community-based services (Lemelin et al. 2007).

The gap between care in the home and care in the hospital has been narrowed by improvements in technology. Home health technology is generally viewed positively (Wälivaara, Andersson, and Axelsson 2009).

More patients with more diverse diagnoses are receiving a greater diversity of hospital-type treatments at home than ever (Cheng, Montalto, and Leff 2009), including patients with chronic heart failure, chronic obstructive pulmonary disease, and cellulitis (Butcher 2012). Although the HaH model was initially developed with older patients with
chronic conditions in mind (Boult et al. 2009; Burton et al. 1998; Leff et al. 1997), now even infants with more acute problems can be treated via this approach (Firger 2012).

TECHNOLOGIES USED TO SUPPORT HaH SERVICE DELIVERY

Extensive use of new and existing technology facilitates new approaches to the provision of care to patients and to promote information sharing among caregivers (Hernandez et al. 2009). The use of technologies to support HaH is a subject of significant interest and importance, especially as a meta-analysis of five clinical trials including 844 patients demonstrated that the provision of hospital care at home and traditional hospitalization resulted in similar outcomes at lower cost for HaH (Shepperd et al. 2009a). However, there is little information about the benefits and drawbacks of technologies to support HaH.

Telemedicine is the use of technology to provide healthcare over a distance. Tele-homecare, a form of telemedicine based in the patient's home, is the use of communication and other technologies that enables the interaction of voice, video, and/or health-related data (Seigler et al. 2007). Many HaH services worldwide have adopted tele-homecare to assist with the care of the growing population of chronically ill adults and children (Bowles and Baugh 2007).

Potential benefits of telemedicine include:

- improved access to information (Skinner, Maley, and Norman 2006);
- improved communication between/among health professionals (Clemensen and Larsen 2007);
- the capacity to provide care in settings not previously possible (Zhang, He, and Wei 2008; Coons and Carpened, 2007);
- home monitoring and treatment (Wilson et al. 2000); and
- decreased health-care costs (Anonymous 2007).

Improved Communication between Health Professionals

Communication between health care providers, particularly between community and hospital-based providers, has traditionally been paper-based. Newer technologies are increasingly available to enable patient health records to be more accessible to both providers and patients, and to enable sharing of electronic information among providers. Electronic health records (EHRs) can avoid duplication of expensive and unnecessary investigations, improve clinical decision making, and reduce the time associated with preparation, dissemination, and reading of paper-based communication between providers (Zhang, He, and Wei 2008).

Information for Patients and the General Population

Electronically stored information is often accessed by patients through the Internet. The Internet provides patients with information about health and disease, thus providing opportunities which can assist patients in their better understanding the nature of their
disease, its treatment and prognosis, as well as information regarding diagnostic investigations and the effect that various treatments might have (Skinner, Maley and Norman 2006). Patient knowledge and understanding regarding of their conditions is essential to improving patient self-management. Provision of information via telemedicine is an effective strategy for delivery of health education to people from culturally and linguistically diverse backgrounds and for a range of chronic conditions (Gottlieb and Blum 2006).

**Provision of Care Not Previously Deliverable**

Telemedicine has been shown to enhance service delivery in small, rural communities as an alternative to travel, and to address local deficiencies in specialist care. Mistiaen and Poot (2006) have discussed how advances in communications technology have increased the range of methods and speed by which health-care professionals and patients can communicate, providing faster access to specialist clinical support, convenience, and time savings for patients, improved equity of access to care between and within regions, especially where specialized services are centralized in urban centers.

Telemedicine has also been demonstrated to improve verbal interactions in dermatology, ophthalmology and wound care; i.e. via videoconferencing for diagnosis and treatment (AHQR, 2006). Home-based telemedicine interventions in chronic diseases enhance communication between patients and providers and facilitates closer monitoring of overall health when conducted in settings with specialized equipment and dedicated staff (Artinian et al. 2007; Green et al. 2008).

Enhanced video-conferencing networks within health services, desktop video-conferencing using products such as Skype® and WebEx®, and the use of electronic professional networking (e.g. Sharepoint®, Wikis, web logs [Blogs] and Chat Rooms) may be useful to enhance communication between health professionals, to develop evidence-based policies, protocols and guidelines within organizations, for the remote attendance of the health professional at case conferences, multidisciplinary team meetings, treatment planning sessions and to facilitate electronic consultations between patients and health care providers, often reducing the need for transport and/or accommodation for the patient (Chen et al. 2006).

Clinical communication has also successfully been enhanced by the use of Email. A trial of email communication between patient and/or care giver and a specialist burn team investigated whether patients could capture suitable clinical images with a digital camera and add the necessary text information to enable a burn team to provide appropriate follow-up care. Participants did not require intensive training or support, low-resolution images were deemed sufficient for clinical diagnosis, and clinical information was generally accurate enough to enable appropriate diagnoses to be made (Johansen et al. 2004).

The systematic application of technologies such as these to HaH service delivery could address some of the professional isolation and supervision concerns regarding staff of HaH services. However, before this occurs, rigorous pilot testing and evaluation of these technologies in the HaH setting will be required.
Home Monitoring and Treatment

The miniaturization and simplification of other technologies formerly available only in a hospital have also facilitated HaH. Recent advances in home intravenous infusion technologies allow infusions to be delivered in a highly controlled manner with programmable pumps, also known as “smart pumps,” which have dose-checking capability, predefined dose limits, bolus delivery options, and the ability to recognize programming errors before medication delivery. Pumps have evolved from large stationary units to tiny portable devices that can even be carried on a belt clip (Wilson and Sullivan 2004). Ventilator technology has become increasingly portable with some being the size of laptop computers, weighing as little as 5 kilograms (Lewarski and Gay 2007). Oxygen therapy has evolved from reliance on bulky cylinders to safer, more compact, lightweight oxygen concentrators, devices providing oxygen therapy to a patients at minimally to substantially higher concentrations than available in ambient air. Most concentrators can run on either DC or AC current (Gallegos and Shigeoka 2006). Advances in radiology enable provision of home-based diagnostic services. Simple home-based x-rays are now available and are comparable in quality to traditional hospital x-rays (Bankhead 2011). Handheld ultrasound devices have been developed, which enable investigations such as echocardiograms and diagnosis of deep vein thrombosis or pleural, peritoneal, or pericardial fluid in HaH (Galasko, Lahiri, and Senior 2003; Lapostolle et al. 2006)

Continuous monitoring of patients in certain diagnostic categories, outside hospital environments, has been the subject of a number of studies. Some researchers have found little or no differences in outcomes between HaH and traditional hospitalization (Ho et al. 2007; Shepperd et al. 2008; Malasanos 2006). The application of technologies to the home monitoring and treatment of patients with a wide range of diseases could be applied to the delivery of HaH services, and may improve the quality, safety and efficiency of services. Families rated such services highly and valued the early reunification of the family at home through the use of the technology (Young et al. 2006). Patient satisfaction has also been shown to be higher with HaH (Shepperd et al. 2009b), as has stress on family members (Leff et al. 2008). However, further research is required to establish whether outcomes are improved with the use of home monitoring, and what the appropriate indications for the use of home monitoring technologies in HaH care will be.

Improved care and reduced health services costs associated with delivering care for heart failure via specialist nurse-led telephone calls have been demonstrated. Hospital readmissions, cumulative readmission costs, and length of stay were reduced for patient treated via HaH services (Benatar et al. 2003). Home-monitoring for heart failure is technologically advanced. It includes the use of peripheral devices for measuring and automatically transmitting electrocardiograms (EKGs), blood pressure, heart rate, medication use, bodyweight and symptoms (Oeff 2010).

Clinical trials of specialist nurse-led telephone-based care for provision of HaH care for patients with acute exacerbations of COPD have also been done. HaH patients demonstrated better knowledge of their disease; better self-management and higher patient satisfaction where achieved using this method to augment face-to-face service delivery (Hernandez et al. 2003).

Home monitoring has been demonstrated to improve the mental and physical needs of the elderly and chronically ill, and assist them to remain out of hospitals and other
institutions. This can improve their quality of life, as well as reduce the costs of prolonged stays in hospital care facilities (Gottlieb and Blum 2006). The installation of home monitoring systems to monitor physiological variables, such as the EKGs and blood pressure (Bratan, Jones and Clarke 2004; Frantz 2003; Guillén et al. 2002), and video-links (Autio et al. 2007) that allow health professionals and relatives to interact more frequently with the elderly.

Trials of the suitability of Internet-based video-phones for use in the homes of families in need of pediatric palliative care services have been undertaken. The technology is a feasible alternative to face-to-face service provision, but during the trial several technical problems were encountered, potentially affecting the reliability of the approach (Bensink et al. 2004). A videophone system was used to link cancer patients undergoing chemotherapy in HaH with care providers in the healthcare facility. An important outcome was an improvement in quality of life due to use of the videophone service (Laila et al. 2008).

Home dialysis is available for patients with chronic renal failure who are able to self-care, however, there are few reports on the use of telemedicine in dialysis treatment in general, and in home dialysis specifically (Rygh et al. 2012). This is likely at least partially because the U. S. Centers for Medicare and Medicaid in 2007 re-affirmed its position that dialysis centers were not approved sites for telemedicine (Whitten and Buis 2008). Whitten and Buis (2008) have demonstrated that patient’s confidence and ability to home dialyze can be improved through the use of video-links to supervise the dialysis procedures. Dialysis centers can use telemedicine to monitor patients, observe technique periodically, and provide care to patients in case of complications.

Telemedicine and associated technology (telephone, video and internet) have been shown to improve the delivery of HaH care for ulcers (Clemensen and Larsen 2007) and chronic wounds (Dobke et al. 2008). They have also been successfully used to monitor patients acutely ill with infections, such as community-acquired pneumonia, skin and soft tissue infections, and urinary tract infections, resulting in better satisfactory outcomes, cost savings and more rapid convalescence of the unwell patient achieved (Eron et al. 2004a, b; Chambers et al. 2002).

Several types of specialty care, including dermatology, ophthalmology, wound care, and treatment of infections, have been studied in small clinical trials and appear to allow accurate diagnosis and management through both real-time interactions and “store-and-forward” applications, in which clinical data, including video images, are collected and stored for later review by a clinician (Moreno-Ramirez et al. 2007).

A systematic review of 40 articles was conducted evaluating telehealth technology where peripheral medical devices were used to deliver home care for adult patients with chronic illnesses. Patients and providers were accepting of the technology and it appears to have positive effects on chronic illness outcomes such as self-management, rehospitalisations, and length of stay (Bowles and Baugh 2007).

Significant questions exist about where telemedicine should be used and whether or not its use is supported by high-quality evidence (Hersch et al. 2007). Early studies (Hailey, Ohinmaa and Roine 2004; Hersh et al. 2001) questioned the quality of both study design and sample size. A recent systematic review of 65 studies of home telemonitoring for 4 chronic diseases (pulmonary conditions, diabetes, hypertension, and cardiovascular diseases) suggests
that while telemonitoring is a promising patient management approach, further studies are needed to examine its clinical effects and cost effectiveness (Paré, Jaana and Sicotte 2007). However, since only a single study since 2008 (Bolton et al. 2011) was found to express concerns regarding the quality of evidence on which conclusions about telemedicine are based, the debate about evidence quality of studies of telemedicine seem to have been resolved.

**Reduced health-care costs**

Tele-homecare can contribute to a reduction in healthcare costs (Butcher 2012; Klein 2011; Shepperd et al. 2009). However, to date cost evaluations have predominately involved limited numbers of patients with varying kinds of tele-homecare interventions for a limited number and variety of few chronic illnesses. Further research is indicated to clarify how the best indications for tele-homecare and how its benefits can best be maximized (Bowles and Baugh, 2007).

A Swedish study of HaH services provided to infants and children with stable acute illness using mobile video-link units found HaH to be 30% cheaper than conventional hospital care with higher and patient satisfaction. At the conclusion of the Swedish study the program was deemed to be so successful that it became a permanent part of children’s care provided at the Karolinska Hospital (Bergius et al. 2001). More recently, a study of telemedicine in India found that costs of dialysis treatment there could be decreased 90% if telemedicine was employed instead of traditional hemodialysis (Govindarajan 2012).

**THE FUTURE FOR TECHNOLOGY IN HEALTHCARE**

What does the future hold for technology and health care? It’s difficult to predict technological advances and their potential applications, but some possibilities seem likely given the current trend of the size of technology decreasing. The trend toward increased miniaturization should certainly be expected to continue and the results should continue to affect the development of HaH. Nanotechnology has existed in healthcare for years (Feder 2004), but is still being touted as a potential major platform for healthcare technology development (Prasad 2012). In fact, despite the catastrophic consequences of the 2008-2009 meltdown of capital markets, the global market for nanomedicine is expected to grow from $63.8 billion in 2006 to $130.9 billion in 2016, a compound annual growth rate of 12.5% (BCC Research 2012). On a somewhat more macro scale, an electrical engineering research group at Washington State University – Pullman envisions “a lightweight, simple package caregivers can purchase from Home Depot or Lowe’s” that could be used to conduct hospital-level monitoring at home (Otto 2011, no page). Tablet computers, which are easy to use and completely portable, will help with both technology adoption and use of electronic health records (EHRs) (Sandomirsky 2012).

Healthcare data storage “in the cloud” looks promising, especially for larger healthcare organizations (Sharpe 2012), although certainly hurdles to its adoption do exist. Data storage “in the cloud” would allow institutions to pay for only what they actually use, instead of having to purchase expensive and potentially quickly obsolete systems; it would also make the sharing of EHRs much more feasible (Danios 2011). However, legal hurdles (e.g., HIPAA) would have to be overcome (Denzell 2012).
An important and growing trend is the use of electronic communication technology for patients. Mobile technology allows patients to access healthcare information easily on the Internet, while mobile applications (“apps”) allow the monitoring of personal health conditions such as diabetes via smartphones (Nayyar 2011). Although few such healthcare apps yet exist, their development is expected to accelerate in the future (Singer 2011). That technology has been and will continue to be an important driver of developments in healthcare seems indisputable. May the next decade be as exciting as the last!

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MODERATION EFFECTS OF PARTNER DEPENDENCE ON AMBIDEXTROUS ADAPTATION AND NEW PRODUCT SUCCESS

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Binh H. Nguyen, New York Institute of Technology - Vancouver campus
Gary L. Frankwick, University of Texas at El Paso

EXTENDED ABSTRACT

Data suggest deteriorating NPS over the past decade. During this time, new-to-the-world products were down by almost half, to 11% of the typical portfolio, while profits derived from new products dropped from 33.2% to 28.3% (Cooper, 2005, 2011). The large investment in new products and the deteriorating returns suggest the need for more research to explain the situation.

New product development has been studied from different perspectives, such as marketing strategy theory (Cooper 1979), organization learning theory (March 1991), factor and boundary analysis (Carlile 2002) and network externalities theory (Srinivasan et al. 2004). In the organization learning theory, the learning process is defined as exploitation and exploration for long-term success (March 1991). Carlile (2002) presented the key factors affecting new product success, the quality of R&D organization, the technical performance, value to the customer, the synergy of the new products with existing competence, and managerial support. Srinivasan (2004) revealed that the positive network externality of the product or service is likely to generate positive effects between the growth of users and the increase in value of the network and thus improve NPS. However, there is still little research addressing the moderation effect of partner dependence on NPS. The study proposes to fill in this gap in the literature.

With more firms employing partnerships to develop and commercialize new products, managers have increased interest in the effects of partner dependence on the relationship between learning and new product success. Employing learning theory a model examining these relationships was developed and tested using moderated regression on a sample of 108 managers in high tech firms. Results show a main effect of adaptation integration on new product success, and that partner dependence positively moderates the relationship between adaptation balance and new product success.

There are two types of adaptation learning—exploitation and exploration. Exploitation aims to improve firms’ existing knowledge and capabilities, while exploration discovers new knowledge and competences (Dodgson 2003). Compared to trade-off between adaptation balance and adaptation integration, ambidexterity offers better learning benefits. Extant research has examined ambidexterity from organization perspective. In this paper, we will study ambidexterity, a learning approach that focuses simultaneously on exploitation and exploration. The relationship between new product development and companies’ performance has not been researched sufficiently. This study investigated the relationship between new product development strategies and firm performance from the perspective of ambidexterity.

In marketing theory, adaptation is the mechanism for improving products and services and nurturing exchange relationships. Although the long-term success is the goal, companies
tend to overexploit existing products or market success for short-term survival. However, ambidexterity is a high level organizational learning process that can prove challenging when pursuing NPS. The balance and integration of adaptation has been defined as the two dimensions of ambidexterity. These two dimensions represent how companies are able to simultaneously pursue exploration and exploitation, while managing conflicting resource and organization goals that challenge companies attempting to implement exploration and exploitation. When developing new products, firms usually should answer how quickly and how costly do existing product lines need to be replaced. This involves the choice between Adaptation Balance and Adaptation Integration and thus the performance discrepancy between incremental innovation and radical innovation.

March (1991) suggests that exploration and exploitation are in opposite directions and compete for resources and orient companies to pursue different goals. A failure to obtain a balance between exploration and exploitation can leave a firm vulnerable to risk of obsolescence or the risk of impotence to appropriate the value of current technologies (Cao et al. 2009). We propose that both Adaptation Balance and Adaptation Integration are positively related to New Product Success.

A firm relies on trade partners for raw materials as inputs and markets for its output (Lauranneb 1992). Dependence is defined as the extent to which a trade partner provides important and critical resources for which there are few alternative sources of supply (Emerson 1962; Pfeffer & Salancik 1978). Dependence exists because trade partners offer resources that enable the firm to cope more effectively with critical contingencies (Hickson et al. 1971). With partner or alliance establishment gaining importance as an organizational structure, research on this phenomenon is to explain how partner dependence affects firm performance. In order to maintain partner dependence, partners need to invest their resources to ensure their continued partnership (Lauranne 1992). We also propose that the relationship between adaptation balance and New Product Success is stronger when partner dependence is high than when it is low. Accordingly, we propose that the relationship between adaptation integration and New Product Success is stronger when partner dependence is high than when it is low.

Our study suggests that companies should carefully seek better dependence partnership to facilitate new product development. The findings are Consistent with previous research by March (1999) and Cao et al. (2009), and have practical managerial impact on companies who are struggling in new product development. Asymmetric Partner Dependence is likely to impede companies’ ability to achieve better NPS performance, while symmetric Partner Dependence tends to improve NPS performance when companies seeking higher Adaptation Balance accordingly.
REFERENCES


EXTENDED ABSTRACT

The objective of this workshop is to familiarize marketing educators with the field of marketing metrics and to offer practical guidance for designing a marketing metrics course. The agenda includes: 1) recommendations for course content, objectives, materials, and student assignments; 2) online approaches for collecting, accessing, and sharing data to support metrics assignments; and 3) guidance in the development of marketing dashboards to monitor marketing metrics in real world situations. Part 1 begins with an overview of marketing metrics course concepts and topics, including a fifteen course objectives. Specific marketing metrics texts are then suggested as course requirements and supplemental reading, including that by Farris et al. (2006), and Hughes (1996), among others. The workshop then proceeds to a discussion of the use of experiential learning assignments based on micro-cases that instructors can develop. Sample assignments are presented that have students develop and use Microsoft Excel spreadsheets to compute assigned metrics given data students derive from the micro-cases and report findings in business-memo format reports that include interpretation of the assigned metrics and marketing program recommendations based on the findings.

Part 2 of the workshop addresses technologies to support classroom projects and assignments focusing on customer-centric data. The emphasis is on teaching students how to collaboratively collect and analyze survey data with online data management and survey analysis tools. Topics include: 1) an overview of QuestionPro online data collection software and sharing of data in CVS, Excel, and SPSS formats; 2) collection of data via hard copy or by using Ipads and advantages and disadvantages experienced in class projects; 3) the use of Google Documents for remote sharing of data and project activities, including integration with other software; and 4) the presentation data to clients via group meeting platforms such as Elluminate and WIMBA.
Part 3 of the workshop addresses Marketing Dashboards as decision support systems that visually display key marketing metrics used to monitor firm and marketing program performance in real world situations. Several definitions of marketing dashboards drawn for the literature are considered, the importance of well-designed marketing dashboards is explained, and recommendations from academic and practitioner literature for effective dashboard design are reviewed, as well as styles to avoid. Emphasis is given to screen simplicity, a user-friendly interface, organization of presented metrics around screen tabs, and graphical displays of data for easy, intuitive comprehension. Examples of both good and bad marketing dashboard screens are presented.

The workshop concludes with questions and discussion among participants, and offers to share student assignments and classroom exercises.

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DEVELOPING A NEW MARKETING CURRICULUM: A CASE STUDY AND PROPOSAL

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ABSTRACT

This case describes a procedure used to redesign the marketing course offerings at the undergraduate level at a small, publicly supported university.

INTRODUCTION

The Dean of the Business School at Normal University asked the marketing faculty to form a consensus on what marketing classes to offer. Normal’s catalog listed sixteen different undergraduate marketing classes, and the dean wanted this reduced to no more than nine. Two of the catalog courses had not been taught for a significant period of time, so choosing those as two of the courses to be deleted was no problem. Further, the Principles of Marketing course was not a candidate for deletion. This left five out of the thirteen remaining courses to be deleted. Further, there were possible marketing courses that Normal University did not offer which should actually be considered as additional courses. This would require the deletion of even more of the existing courses. Further, it is the content within a course that is important for the student to master. Perhaps creative repackaging of content could allow the deletion of less actual content.

Of the fourteen courses not previously considered for deletion, nearly every course was “defended against deletion” by at least one of the marketing faculty members. Many faculty members expressed opinions on which courses to keep and which to delete. However, professors are not the only stakeholders with an interest in curricular development. There are three major stakeholder groups:

1. Faculty: Need to accept what content should be required before certifying (with a degree) that a particular student has enough knowledge to have completed a marketing concentration or major.

2. Students: When students enter our programs, what content do they perceive as important to their future?

3. Future employers of our grads: What content, thinking abilities, and skillsets do employers expect from our graduates?

There are others with interests in the marketing program, but I believe their interests should be considered after we’ve developed something acceptable to the primary groups mentioned above. Other stakeholders would include the business school’s administration, the regional accrediting agency, and AACSB.

Normal University operates under the theory that the faculty “own” their programs, so the ultimate decisions on marketing curricular matters are made collegially by the marketing faculty. Figure 1 displays graphically how the marketing curriculum could be created.
The faculty should discuss what content, structure, and courses to include in the marketing curriculum. Creating good input from the other two major stakeholders — employers and students — may be more difficult. Normal University’s business school did not have an advisory council made up of alumni and employers of Normal’s graduates. If there had been an advisory council, a simple questionnaire could have been created to ascertain their opinions on adjustments to the curriculum. The marketing instructors at Normal University were able to create a questionnaire (See Appendix) and collect information from current students in their marketing classes.

Students were asked to rank 19 marketing courses. These were reverse scored, so that the students’ first choice would have a score of 19, and their last choice would have a score of 1. Hence, the higher the score, the more important the course was to the respondent students. Of 143 questionnaires turned in, 132 had at least some information that was usable. 111 of the questionnaires had usable data on rankings of the various marketing courses. 54 of these respondents were marketing majors, while 57 of them were other (mostly business) majors. Table 1 shows the results of the student ratings. Student ratings between those who were taking their first marketing course and those who had taken nearly all of the marketing courses were not significantly different, so concerns that students were rating courses based on the teaching style or personality of a given professor associated with the course rather than the course’s content were lessened.

Table 1. Student Ratings of Marketing Courses

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An issue had also arisen among Normal University’s marketing faculty about whether Advertising or Integrated Marketing Communications (IMC) should be taught, since there would no longer be curricular room to offer both. The rankings reported in Table 1 report that student opinion should not be in doubt, but we had other evidence of student interest in these two courses as well. During the last three years, Normal University had offered both Advertising and IMC classes during the same semester several times. Counting only the classes that were offered asynchronously on-line (thus avoiding scheduling conflict bias), 108 students enrolled in Advertising while 63 enrolled in IMC. Since the Advertising-IMC controversy occurred before the student survey went to press, this issue was directly addressed in the survey. It was assumed that all of the student respondents would know what advertising was, but it was not as certain that there would be 100% comprehension of IMC. Hence, the Normal University catalog description of both courses was included in the survey (See Appendix). When directly asked which course they would prefer, the following results were obtained. Of the marketing majors, 26% preferred IMC while 74% preferred Advertising. For all respondents, 27% preferred IMC to 73% for Advertising. Again, the conclusion is the same; students seem to strongly prefer Advertising.

The information from Table 1 and the discussion of the Advertising-IMC issue above helped to start discussions that led to a much more collegial discussion of what Normal University should do with the marketing curriculum. This information did not dictate what the program should include, but it did lead to a much closer consensus sooner than would have otherwise been possible.

The truncation of the number of course offerings also caused Normal’s marketing faculty to rethink how to package specific bits of content into courses. Several additional suggestions came forth which will be addressed in the future:

1. In the Advertising course—reduce the amount of material covered that is redundant with Principle of Marketing material. Use the additional time to introduce materials on Social Media Marketing.

2. Integrate Social Media Marketing into the Direct Marketing course.

3. Delete Sales Management as a course, but introduce the most important sales management materials into the Personal Selling course.

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<th>Direct Marketing</th>
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When redesigning a marketing curriculum, similar surveys could be done with current students, recent alumni, and any advisory council that might exist. These surveys should not dictate curricular matters to the faculty, but rather should guide their thinking and discussions. Further, specific questions can be included in these surveys to gain insights into issues like the Advertising-IMC one discussed here. Other issues that might be surveyed, for example, are Business Ethics vs. Marketing Ethics courses, Sustainable Marketing as a stand-alone course vs. being integrated into the content of several courses, or Social Media Marketing as a course vs. being included as a component in Advertising and/or Direct Marketing.
APPENDIX
The Availability of Marketing Classes

Every university reviews its course offerings on a regular basis. Normal University is no different. In order to create an appropriate curriculum, we need to satisfy (among others) faculty, students, and the future employers of our students. We are asking for your opinions about various marketing courses. There are no right or wrong answers! Please take a few minutes to consider and respond to the following ideas about our marketing course offerings.

First, in the future we will probably be able to teach only one of the following two courses—MKT 3xx Advertising and MKT 3xx Integrated Marketing Communications. Please read the following catalog descriptions and indicate which course you would prefer to take.

**MKT 3xx Advertising:** Normal University’s catalog description of Advertising was reproduced here verbatim.

**MKT 3xx Integrated Marketing Communications:** Normal University’s catalog description of IMC was reproduced here verbatim.

[On the surface, neither description seemed to be more attractive than the other.]

1. I would prefer to take (circle one):

   - Advertising
   - Integrated Marketing Communications

In spite of our many marketing courses at Troy University, others may be of interest to you. Please indicate your degree of interest in each of the following possible courses.

<table>
<thead>
<tr>
<th>None of the following courses are currently available through Normal University. Please indicate the degree of interest you would have if the following Marketing courses were available at Normal University.</th>
<th>Strongly Disagree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
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<tr>
<td>2. I would be interested in taking a marketing course in Green Marketing. (This might also be called Environmental or Sustainable Marketing.)</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>3. I would be interested in taking a marketing course in Marketing Negotiations.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>4. I would be interested in taking a marketing course in Persuasion.</td>
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<td>2</td>
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<td>5. I would be interested in taking a marketing course in Marketing Ethics.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>6. I would be interested in taking a marketing course in Social Media Marketing. (e.g., marketing using Facebook, Twitter, etc.)</td>
<td>1</td>
<td>2</td>
<td>3</td>
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I would also like to see marketing courses offered which would cover the following topics:

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Also, Normal University has 16 unique marketing courses, not counting independent studies and guided research courses. We probably should “weed out” those courses that students have the least need for.
Consider what courses you would **like** to take. Also consider which courses you believe would be the most **valuable** to you upon your graduation. Now, please rate these courses. Place a “1” beside the course that you believe is the most important, a “2” beside the course that you think is the second most important, etc. until you’ve rated all of the courses from 1 - 19. You may skip the last 3 or 4 ratings if they are all pretty much tied for last in your mind!

😊

<table>
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<th>Course</th>
<th>Rating</th>
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<tr>
<td>1. Advertising</td>
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<td>2. Transportation Management</td>
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<td>3. Services Marketing</td>
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<td>4. Integrated Marketing Communications</td>
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<td>5. Personal Selling</td>
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<td>6. Consumer Behavior</td>
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<td>7. Retailing</td>
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<td>8. Marketing Research</td>
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<td>9. Business Logistics</td>
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<td>10. Direct Marketing</td>
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<td>11. Sales Management</td>
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<td>12. International Marketing</td>
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<td>13. Marketing Management</td>
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<td>14. Selected Topics in Marketing</td>
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<td>15. Green Marketing (Environmental, Sustainable)</td>
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<td>16. Marketing Negotiations</td>
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<td>17. Persuasion</td>
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<td>18. Marketing Ethics</td>
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<td>19. Social Media Marketing (Facebook, Twitter)</td>
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29. Major: ____________________________ ➔ ➔ 30. *Approximate* graduation date: ______

31. **Including my current courses**, I have taken/am taking a total of _______ marketing courses.

32. My nationality is (circle one): USA Other (please specify): ____________________________

**Thanks for your help on our project!**
ENCORE ENCORE! OR NOT? FACTORS CONTRIBUTING TO REPEAT ATTENDANCE AND LOYALTY FOR MUSICAL VENUES

Sue Y. McGorry, DeSales University

EXTENDED ABSTRACT

Revenues in the music and performing arts industry have had a negative correlation to the total number of establishments offering this form of entertainment since 1997. While the number of arts establishments has decreased by 10% in the last few years, revenue in the industry has increased by 50%. Research suggests that while entertainment spending comprises only 5% of consumer spending, it is a considerable amount of consumer’s discretionary spending. From 2000 to 2004 for example, consumer spending on entertainment increased by 19% while consumer spending in general increased by only 14% (Americans for the Arts, 2012).

Spending by nonprofit arts and culture organizations was an estimated $61.1 billion in 2010, and leveraged an additional $74.1 billion in event-related spending by arts audiences. This $135.2 billion in economic activity supported 4.1 million jobs and generated $22.3 billion in total (Americans for the Arts, 2012). When patrons attend an arts event, they may pay for parking, eat dinner at a restaurant, shop in local retail stores, and have dessert on the way home. Based on an Americans for the Arts study, 151,802 audience members indicated that they typically spend $24.60 per person, per event, beyond the cost of admission (Americans for the Arts, 2012).

Given the most recent recession and decrease in consumer disposable income, arts organizations are attempting to employ customer relationship strategies, and develop strategies to identify and grow customer loyalty. This study is an attempt to explore the issue of repeat attendance at and loyalty to musical events.

From the artists’ perspective, little research has been conducted to determine how artists may improve audience satisfaction with the delivery of the music experience (Humes, 2011). It is difficult to determine whether and how the music itself, the artist, the venue or any ancillary services (such as beverage service, food items, other souvenirs or personal interpretations) may impact the delivery of the experiential musical programming. One would expect that improved satisfaction could possibly lead to improved loyalty and repeat attendance as well as financial commitment to the organization providing the experience.

The non-profit organization in this study is developing and promoting musical productions in a small tourist town one hour north of Philadelphia and two hours west of New York city. The organization offers a variety of performances including artists performing Celtic music, blues, jazz, African and opera music.
Which variables best predict the likelihood of patrons returning to the organization? The proposed hypothesis will explore the independent variables of price, number of previous performances attended, age and geographic location to determine which variables or combination thereof, would be the best predictors of return patrons. Additionally, issues relative to secondary tourist activities will also be addressed. A sample of 170 patrons were surveyed to explore the above hypothesis. Patrons were surveyed during one of the performances. All data will be analyzed using SPSS. Results will be shared at the conference.

This study will explore numerous issues related to musical performances and patron attendance and loyalty. One issue that will be addressed will be regional tourism. Given that patrons typically partake of other arts events and activities when visiting a particular region to attend an arts or cultural event, there may be significant implications for local economies which stand to benefit from the additional disposable income that may be spent.

The physical venue through which the performance is delivered will also be discussed, as the building has recently undergone significant renovation. Does this make the experience more rewarding for patrons or is this a non-issue?

Future research should include more investigation of peripheral services included in the entertainment venue. For example, are patrons more likely to return if they are offered some type of free gift or discount, or intermission snacks and beverages? Additionally, it may also be productive to explore issues such as level of financial commitment and likelihood to support a variety of events.
An increasingly creative technique for conveying advertising messages is to feature popular music prominently in an advertisement. This paper attempted to investigate the effectiveness of automobile manufacturers’ use of popular music in recent television commercials. It has been found that consumers often catch themselves singing lines from commercials, and disk jockeys often get requests for the musical commercial music. Additionally, music commercial artists often receive in-person appearance requests. Commercial songs have such memorable refrains that they have practically entered our folklore. The song may become so memorable that individuals do not buy the product, but rather buy the song. They may not even remember the name of the product, but they can hum the tune. The argument has been made by some practitioners that sales may be lost if the tune becomes too memorable. It has been advocated that advertisers who use commercial music will put a powerful added selling tool to work for them, put a memory halo on their product, and build a synergism into their total campaign. Music cannot only lend unification and continuity to a group of commercials or an ad campaign, but it can also act as a unifying force within a single commercial. Further, music can assist in the unification process by complementing, enhancing, and reinforcing the other elements of a commercial, thus making the entire message more understanding, believable and creditable. The added enrichment of music can aid in detailing visual imaginary and in deciphering the spoken message. It can add dramatic force to the movement of the commercial, while providing space to punctuate the message. In summary, several roles of the musical style or genre in television commercials are suggested:

- Music style can help create the emotional climate or atmosphere for a commercial, and in turn, can affect the emotional experience of the audience.
- Music can help create a personality, an identity, or an image for a brand, product or firm.
- Music style can assist in getting and holding the attention of the viewer.
- Music style can help sort prospect from non-prospects by genre.
- Music style can increase the longevity of a commercial by adding to its memorability.
- Music can serve as unifying force with a commercial or a campaign.
- Music is not for every commercial and can be very distracting element if it is not appropriate to the total commercial concept.

Therefore, to answer the overall research question, four hypotheses were developed and tested. First, does music increase commercial product awareness? This is a straightforward and most research seems to support this proposition. It was decided to test this supposition to lay a foundation for the other assumptions. The second supposition investigated is much more important and yet, has not been researched fully --- what links exist between music and brand recall? The next proposition examined was whether music always enhances commercial brand and message recall. The final postulation in this paper is
that recognition of the song/title or the artist in the advertisement is a necessary condition for brand recall (i.e., effectiveness).

The findings suggested advertisements that incorporate music aid in brand and message recall. However, as a caveat, an interesting twist was revealed not discussed previously in the literature. This discovery intimated that advertisers must employ the appropriate music to fit the brand and message or the effectiveness of integrating music will be minimal at best.

REFERENCES


AN ACTIVE LEARNING EXERCISE TO SIMULATE A TYPICAL DAY FOR A RETAIL MUSIC STORE MANAGER

Michael M. Pearson, Loyola University New Orleans
John W. Barnes, Associate Professor of Marketing

EXTENDED ABSTRACT

This exercise borrows from the in-basket and survival game pedagogies by creating a list of activities faced by a store manager at the beginning of a hypothetical day. We describe how the use of input by store managers facilitates an active-learning environment that challenges students to make decisions based on the given circumstances. The exercise has been used in both music marketing and traditional retailing classes. It has been used in the classroom with and without a computer to support the exercise. We conclude by demonstrating that the assignment is adaptable to other courses and inform instructors of challenges in its implementation.

INTRODUCTION

A primary focus of our teaching method is to create assignments that promote active learning which allows students to not only have knowledge and comprehension about a concept but also to engage in higher order thinking such as synthesizing and evaluating information to reach a strong conclusion. This focus is more critical now than ever. As Weldy and Turnipseed (2010) point out, many educators are revitalizing their coursework to incorporate more active learning techniques so that assessment challenges can be met for the accreditation standards set forth by the Association to Advance Collegiate Schools of Business (AACSB). Additionally, it continues to be demonstrated that students benefit greatly from real-world knowledge (Sweeney et al. 2009). Therefore, our challenge was to create an assignment that had elements of active learning as well as real-world application to simulate a retail store managers’ typical or not so typical day-to-day experiences.

OVERVIEW OF EXERCISE

At the outset of the assignment all students have had a good deal of experience as customers in retail stores, but varying degrees of experience as customers in a retail music store. Most students, however, have had little experience with the marketing or management of a retail store. Still, an individual student can make a ranking (however good) of the order in which a list of situations should be addressed. A group of students should also be able to improve the individual rankings and discuss some ways in which each situation might be handled by the store manager. These group rankings are then compared against the rankings of store managers. Forcing the individual student and the student group to make these rankings creates a commitment to these rankings which creates more discussion in later parts of this exercise, increasing the active learning goal of this exercise.

Steps in the Exercise

The following steps will show how the exercise is structured and used in the classroom.
**Step 1 – Gathering “expert” (store manager) input.** Working directly with music store managers, we developed a list of twelve situations that the manager might have to deal with in a “typical” day.

**Step 2 – Entering the “expert” rankings.** We next asked the store manager to rank the activities as to which he would deal with 1st, 2nd, 3rd…12th.

**Step 3 – Student handout.** Students individually rank the situations facing the store manager in the order they would complete the tasks.

**Step 4 – Group rankings.** Next, students are assigned to groups where they discuss their individual rankings to determine a group ranking. This phase of the assignment allows students to defend their individual ranking while listening to rationale for an alternative ranking.

**Step 5 – Master spreadsheet.** Each group then enters its ranking into a master spreadsheet. Prior to showing the groups’ rankings, the instructor leads the discussion by asking groups which situation they would handle first and why. Other groups either agree or disagree but all are required to defend their decisions. This discussion continues through all twelve situations.

**Step 6 – Group rankings vs. store manager rankings.** After discussion, the rankings of each group are compared to expert rankings provided by actual store managers. Table 1 shows this comparison with the spreadsheet calculating and totaling the absolute difference between the rankings. This is the survival game component of the exercise and is well-received by student groups that are very competitive and enjoy seeing how well they did against the experts. (In some classes the students performed these calculations themselves. In other classes the instructors used an Excel spreadsheet to do and project the calculations.)

**Assessment against Teaching Objectives**

A questionnaire based upon the objectives of the exercise was developed to assess student learning from this exercise. Students rated the exercise highly on several aspects. Two of the highest rated aspects were that it was a “good learning activity” and an “enjoyable classroom activity.” Also in the higher rated groups was “recognizing the store managers range of responsibilities.” The remaining five aspects tended to group together in student ratings at what we feel was still a high assessment level. It should be noted that most of the discussion around this exercise was from the students and not the instructor. The exercise generated enthusiastic discussion on a focused topic. It may or may not have been a “typical” day for this music store manager, but the exercise got the students to discuss how everyday activities had to be prioritized and quickly attended to by the store manager. The discussions were enthusiastic and sometimes even heated as to which items should be handled first and how these situations should be handled. We feel the “inbox” and “survival game” structure of this exercise deserves a lot of credit.

**Conclusions**

Overall, the assignment has exceeded our expectations in that it has provided us with an engaging project that allows instructors and students the opportunity to learn information from industry as well as promoting an active-learning environment with high levels of interest and participation by all parties.
GLOBAL AND CROSS CULTURAL MARKETING

A COMPARATIVE ANALYSIS OF KOREAN & JAPANESE COMPANY AND BRAND ICONS

Darryl W. Miller, University of Wisconsin River Falls
Ozcan Kilic, University of Wisconsin River Falls
Stacy M. Vollmers, University of Wisconsin River Falls

ABSTRACT
This study compares the characteristics of Korean and Japanese company and brand icons. A systematic analysis was conducted using some normative criteria for effective brand mark design reflected in the marketing literature. Results show that Korean and Japanese samples differed in the proportion of icons that were pictorial, balanced, or featured interactive imagery. These results are discussed within the contexts of culture and international marketing strategy.

INTRODUCTION
The global market place requires corporations to distinguish themselves and their products. A major element of differentiation is strong corporate identity and brands. These can provide companies benefits such as surviving undesirable economic circumstances, profiting from brand longevity, exerting superior control in distribution channels, and increasing sales and profits (Colman et al. 1995, Keller 1993). An important element of corporate identity and branding strategy is the corporate or brand mark. Often company names are used to brand products. Sometimes, however, a corporation name may not be used as a consumer brand, e.g., Procter & Gamble and Matsushita. However, it seems reasonable to assume that the company name can be considered a brand in B2B markets. Since the design principles for corporate marks and brand marks are identical we treat them synonymously.

Typical brand marks include brand names, logos, icons, and slogans. Brand marks constitute a very important element of marketing strategy for several reasons. They help consumers categorize brands by product type, draw correct inferences about attributes and benefits, and serve as a central cue around which other brand associations can connect (MacInnis & Mani 1999). Brand marks also help marketers build awareness and communicate differentiation and positioning strategy for an offering. Often used as a central element within integrated marketing communications campaigns to visually tie together the organization’s various communications and communicate a constant brand identity over a long period of time, brand marks are useful in building brand equity that may be leveraged via various forms of brand extension (Aaker 1990).
Since brand marks perform so many important tasks, their effective design is critically important. The best brand marks are those that are memorable, convey a sense of meaning, and produce positive affective responses (Henderson & Cote 1998). Most marketing textbooks typically list criteria for effective brand mark design. Commonly included in these lists are suggestions that brand marks should: 1) be distinctive, 2) convey appropriate meanings and, 3) suggest something about brand benefits. Several of these normative criteria were empirically tested by Henderson & Cote (1998).

The development of strong brands is especially important in the Pacific Rim. Pacific Rim companies are increasingly positioning themselves as global players. Their brands have become well known internationally. In addition, because U.S. companies also compete for business in the Pacific Rim, they need to know how to create strong brands that will appeal to the region’s residents. However, there is a challenge in creating brands and brand icons that will bridge the differences between cultures (de Mooij 2000). Marketing academics are focusing on how to build successful brands in a more and more globalized market (Abou Aish et al. 2003, Chan et al. 1997). Yet despite the importance of logo design in marketing communication and strategic brand management, empirical studies of logo design issues in marketing journals are rare. In particular, the evaluation of logo designs across different cultures and a systematic analysis of the characteristics of brand icons against the normative design criteria reflected in the marketing literature has received little attention. This study was conducted to bridge this gap in the literature. A systematic analysis of both Japanese and Korean companies’ brand icons was conducted using the normative design criteria for effective brand mark design reflected in the marketing literature. The similarities and differences across the two different cultures were investigated by analyzing brand icons used by Korean and Japanese corporations listed in the 2005 Forbes Global 2000. Also, since many of the elements of marketing strategy reflect the cultural values and norms of the home country of the marketer, one would expect to find differences between Japanese and Korean company icon designs consistent with their cultural differences. However, the extent of this cultural impact on company icons may be limited by companies using global strategies such as icons that are more transferable across global markets. The results of this study will be useful both to marketing managers in international firms and to marketing educators for evaluating the state of brand mark design currently in practice.

LITERATURE REVIEW

Brand marks: logos and icons

According to Kohli, Sari & Thakor (2002) three brand marks that constitute brand identity include brand name, logo, and slogan and that two aspects of brand mark design are content and style. Content refers to the meaning of text and graphics, and style refers to how elements are presented visually. Both content and style have been shown to influence recollection and affective responses to logos and other brand marks (Henderson & Cote 1998). The three elements are very often displayed in marketing communications together in a cluster.

A logo is a graphical element, (symbol, emblem, icon, sign) that, together with its logotype (a uniquely set and arranged typeface) form a trademark or brand. It is one of the most important brand mark elements used to communicate the brand with the target audience. Despite the importance and widespread use of logos, many existing logos evoke negative
evaluations, have low recognition, and hurt the corporate image (Schechter 1993). Therefore, careful selection and design of logos is very important as it may have a significant impact on how consumers perceive the brand, and thus, the product and company.

Logos may contain an icon that can stand on its own to represent the brand or company. An icon is an image, picture or representation; a sign or likeness that stands for an object, such as a brand. An icon also is used, particularly in modern culture, in the general sense of symbol; a name, face, picture or even a person recognized as having some well-known significance or having certain qualities (Schechter 1993; Henderson & Cote 1998). Schechter 1993 defines differences among logo categories, classifying them as pictorial, abstracts, letter symbols, characters, and word marks. The pictorial icon can add the most value to a brand by being suggestive of a recognizable objective which links to an image. A character representation as an icon mostly expresses who you are and personifies the essence of a brand.

**Strategic importance of logos**

Marketing and brand managers strive to establish a unique brand, which distinguishes their products from the ordinary. In brand creation, the development of a brand identity is crucial. Brand identity is a unique set of brand associations implying a promise to customers (Ghodeswar 2008). It represents what the corporation wants the brand to stand for (Aaker & Joachimsthaler 2000). A strong brand identity that is sound, clearly understood and experienced by the consumer supports the development of trust which, in turn, results in differentiating the brand from rivals (Ghodeswar 2008). This set of brand associations is closely related with brand awareness and thus with the consumer’s purchasing decision (Esch, Langner, Schmitt & Geus 2006; Boyle 2007). Therefore, if a marketing or brand manager is to create an impact on consumers’ purchasing decisions, a solid brand identity with the proper components and brand associations has to be developed (Uggla 2006). Logos are one of the most essential components of a firm’s brand identity programs (Schechter 1993).

In order to reach the consumer and create a positive impact on the consumer’s decision, marketers need to understand the cultural environment and aesthetic preferences of their target markets. Thriving brands are those brands which adapt well to the environment and thus survive and do well in the long term (Ghodeswar 2008). Attractive aesthetics enhance the impact of marketing communications and are a powerful tool in differentiating products, when products are perceived as identical (Schmitt, Simonson & Marcus 1995).

**Icon design**

Icon design can have a considerable impact on the way consumers perceive brand names. This impact can be positive or negative (Schechter 1993). A positive impact may enhance the brand image, while a negative impact may detract from the brand image. Thus, the importance of icon design cannot be overstated. Icons also are extremely significant aspects of company and brand communications, which do influence the company image. It is imperative for owners of valuable brand names to know precisely what effects their icons are having on their brand names. In addition, proper icon design may help brand managers and marketers to communicate corporate values, product benefits and brand images more effectively.
Icons can consist of letter marks, pictorial symbols, or abstract symbols. The use of pictorial logos has been quite common for many years. This popularity could relate to the facilitating effect that pictorial information has on the recall of information. Indeed, research in psychology has consistently shown that pictorial information is better recalled than is verbal information (MacInnis and Price 1987). It is believed that the superiority of pictorial over verbal information on facilitating recall is because the former tends to more easily produce visual mental imagery (Childers and Houston 1984). Mental imagery processing is thought to result in a stronger memory trace either through the production of dual verbal and visual (Paivio 1971) or very elaborate schemas containing perceptual information Kieras 1978).

Henderson and Cote (1998) conducted a study involving an examination of the characteristics of logos. They were interested in determining the elements of logo design important in helping an organization’s make an impact in their markets. Desired effects include correct recognition of the company or brand name as well as positive affective responses that might transfer to the brand. They found that logos representative of objects that have familiar and widely-held meanings are more effective at producing correct recognition and positive affect than are more abstract symbols. Also, logos that are balanced and symmetric in design are better liked than are those that are imbalanced and asymmetric.

To the extent that icons are integrated within brand mark clusters are integrated, they should be more memorable. Integration should allow easier interpretation and better recognition of the information. Forms of integration could include: 1) equivalence between letter marks and brand names, 2) conceptual similarity between pictorial icons and brand names and/or product types or categories, and 3) interactive imagery.

Childers and Houston (1984) discovered that conceptually equivalent pictorial and verbal information conveyed in print ads produced a superior effect on recall than did ads with conceptually different pictorial and verbal information. They suggested that perhaps conceptually equivalent information presented in different modes produces both visual and verbal codes in long-term memory producing a superior encoding that facilitates recall of the information. Similarly, enhanced recall might be produced by brand mark clusters containing pictorial icons.

Research in psychology has shown that presentation of information in the form of interactive images can facilitate better recall than presentation of similar information with either noninteractive images or in strictly verbal form (Mckelvie, Cooper, and Monfette 1992). Interactive images combine the images of different items in some integrated or reciprocal fashion. The superiority of interactive images on recall relates not only to their pictorial quality but also to their distinctiveness allowing consumers to encode them in a very accessible way (Childers and Houston 1984). A type of interactive image that can be featured in an icon is termed letter accentuation. This involves representing a letter mark with pictorial form. Another type of interactive image applicable to icons is superimposition where a letter is positioned within a pictorial figure and its size and shape adjusted to fit the figure (Lippman and Shanahan 1973).

Likeability and transferability of visual stimuli are critical for global brands (Pittard, Ewing & Jevons 2007). Can a logo or icon developed for a domestic market be attractive to
different cultures and transferred into a market different than the native one? The concept of visual transferability is supported by claims of cultural homogeneity in response to design (Henderson et al. 2003; Henderson & Cote 1998). At the same time, this notion is not unanimously shared. For instance, Schmitt and Simonson (1997) argue that some cultures have more distinct preferences for specific type of overall representations. Hofstede (1984) can help explain the array of values used in marketing across cultures. It can also explain aesthetic preferences. For example, symmetry is most valued in collectivist societies, whereas individualistic societies have a tendency to prefer more iconoclastic expressions of creativity (Henderson et al. 2003; Schmitt & Simonson 1997). Henderson and Cote (1998) found that simple icons can be more effective than complex ones. Balanced and/or symmetric icons also can create positive affect (Henderson & Cote 1998). Henderson et al. (2003) identified balance, symmetry, complexity as major design factors in the Japanese culture.

Next, the aesthetics of visual expression and writing systems of both cultures are briefly described. It is quite likely that these influences are reflected in some of the icons of each culture’s companies. At the same time, given the importance of markets in Western countries, Japanese and Korean icons may reflect global influences such as the use of letter marks featuring Latin alphabetic characters and Western artistic influences coming from the Total Design, New Objectivity, and Post Modernist movements (See Meggs (1998) for a full treatment).

Korean aesthetics

Kim (2007) a leading authority on the history of Korean art indicates that Korea has been influenced by many of the Chinese and Japanese artistic trends over the centuries but a distinctly Korean aesthetic character has emerged. This has been characterized as one that is strong on simplicity, spontaneity, and a feeling of harmony with nature. Korean does not reflect the majesty or detached character of much traditional Chinese art nor the decorative sophistication of the Japanese. Kwon (2007) elaborates further on some of the most basic principles of Korean aesthetics. He indicates that Koreans traditionally have leaned toward restrained expression. Important aesthetic principles include “classic beauty” (gojeonmi) which features the characteristics of symmetry, balance, and serenity. These qualities are consistent with the principle of simplicity (dansunseong) which rejects the flamboyant and complex. Korean expression also features inartificiality (mujagwi) or naturalness (jayeonmi) and a sort of naïve folk art flavor (minye) reflecting something less than perfection.

Korean writing system

In ancient times literate Koreans used Chinese characters in writing. However, Chinese characters were not perfectly suited to written expression in Korean so during the Choson Dynasty (1418-1450 CE) King Sejong instructed his scholars to develop a new system within which all Korean phonetic sounds could be expressed. The result was a unique alphabetic type of script known as Hangul. The script consists of forty characters (twenty-one vowels and nineteen consonants) which singly or in combination are capable of expressing any sound in the Korean language. Many of the characters have symbolic origins. The vowels are rooted in representations of cosmic and earthly objects and the consonants reflect the relative position of the vocal organs (position of the tongue within the mouth and the position of the lips) during their pronunciation (Han 1970). Thus, it is possible that letter mark icons featuring vowels may communicate pictorial information in a way similar to
Chinese characters. Hangul characters are much simpler than many Japanese characters and can be written with very few pen or brush strokes.

**Japanese aesthetics**

According to Ulak 2007, Japanese visual arts have been influenced by, native themes, Buddhist iconography, and American visual arts. The native elements include an emphasis on natural aesthetic symbolism, featuring representations of gardens, trees, flowers, etc. (Schmitt 1995). Another unique characteristic of Japanese artistic expression is *wabi-sabi*. This principle is difficult to understand in Western terms but it may be explained as an expression that features characteristics such as, rusticity, earthiness, murkiness, unpretentiousness, simplicity, imperfection, and irregularity. *Wabi-sabi* is indicative of the natural processes of wearing, aging, and weathering. It represents a distinctive divergence from the ornate perfection of traditional East-Asian expression. *Wabi-sabi* also features an abstract, nonrepresentational ideal of beauty. It reflects an artist’s desire to express the most basic essence of objects (Koren 1994).

A further principle of Japanese artistic expression is *yūgen*. This characteristic seems to indicate a vague suggestive sort of symbolism. Its aim is to express a spiritual effect, that is, to imply rather than to explicitly represent. *Yūgen* is characterized by a plain simplicity and lack of garnishment (Keene 1995). Thus, whereas complexity of expression and decoration is fundamental to many East Asian cultures, it is not a feature of Japanese art (Schmitt 1995).

**Japanese writing system**

In evaluating letter mark icons, some understanding of the Japanese writing system is necessary. The Japanese use a multiple-script writing system. It is a combination of three scripts. *Kanji*, includes over 2,200 Chinese characters, and is generally used to write nouns, uninflected verbs and adjective stems. Each kanji character is comprised of an array of brush or pen strokes that forms a syllabic unit and represents its own meaning for a word, phrase, or concept. In ancient times many of the characters were pictographic with direct environmental referents (Schmitt 1995). However, most characters in the contemporary system have not retained their pictographic qualities and have become essentially verbal stimuli.

The Japanese also use *hiragana* and *katakana* both of which are phonetic systems derived from kanji. Prepositions and the inflected parts of verbs and adjectives are normally written in *hiragana*. Foreign names and terms without Chinese or Korean origins are written in *katakana* (Reischauer & Jansen 1995). Moreover, it is anticipated that some Japanese with international or global markets employ the Western (i.e., Latin) script in their marketing communications.

**RESEARCH QUESTIONS**

The discussion above leads to the following research questions:
Will Korean and Japanese company and brand differ in terms of:
1) The proportion of icon by type (i.e., letter mark, abstract, pictorial),
2) Whether pictorial elements are representative of benefits,
3) Conceptual similarity with company/brand name,
4) Whether they are balanced or symmetric,
5) Whether they contain an interactive image, and
6) Their degree of complexity?

METHOD

Sample

A sample of 50 icons from Korean companies and 50 icons from Japanese companies was selected. The Japanese icons came from companies listed in the 2005 Forbes Global 2000. The Forbes Global 2000 listed only 21 companies using icons so other Internet-based lists of Korean companies were used to reach the sample size of 50. These lists included the Business Directory of Korea, and lists at Hoovers, Wikipedia, and AllExperts. The sampling procedure involved examining the website of each company searching for those with icons within their brand mark. Each webpage containing an icon was captured and copied into a presentation file for coding purposes. Icons used for this study represented the company, company subsidiaries, divisions, and/or brands of the companies.

Coding

Two applied foreign language students from Taiwan who had completed considerable coursework in Japanese language and culture independently coded the icons in the Japanese sample were assigned to independently code the Japanese icons. They participated in several training sessions before the main coding task. In the first session, they received the coding instructions containing definitions and examples. Subsequent training sessions involved practice coding rounds of icons not included in the main sample. The authors independently coded the characteristics of the Korean icons. Most variables were coded yes-no depending upon whether an icon exhibited a particular characteristic. The complexity variable had three levels, complex, moderate, and simple. For disagreements a third independent judge was consulted and the variable was ultimately coded consistent with the majority. Reliability coefficients ranged from 0.72 to 0.97, all above the minimum necessary for adequate reliability (Nunnally 1977).

RESULTS

The first research question (Table 1) asked whether there would be differences between the Korean and Japanese samples in the types of icon used. There was no significant difference in the proportion of letter marks used ($\chi^2 (1df) = 1.03, p > .05$). Thirty-six percent of the Korean icons were letter marks compared with 46.0% of the Japanese icons. Among the Japanese icons 9.0% employed the traditional Japanese script and 91.0% used the western Latin script. All of the Korean letter marks employed a Latin character except one. The proportion of abstract icons for the Korean icons (32.0%) was less than for the Japanese icons (40.0%) but the differences was not statistically significant ($\chi^2 (1df) = 0.69, p >.05$). A
significantly higher proportion ($\chi^2 (1df) = 9.65, p < .01$) of the Korean sample of icons (52.0%) was pictorial than was the Japanese sample of icons (22.0%).

![Table 1](image)

Research question two asked if there would be a difference in whether pictorial icons would represent product benefits. Almost 58% of the Korean icons were implied benefits and 50.0% of the Japanese icons did so. The difference was not significant ($\chi^2 (1df) = 0.17, p > .05$). The third research question asked whether Korean and Japanese icons differ in terms of conceptual similarity with company/brand name. Again, they did not ($\chi^2 (1df) = 0.68, p > .05$). Fifty percent of the Japanese and 38.0% of the Korean icons respectively featured this characteristic.

Research question four asked whether the proportion of icons between the two cultures would differ in terms of balance and symmetry, respectively. The Korean sample contained a significantly higher proportion of balanced icons (94.0%) than did the Japanese sample (78.0%) and the difference was significant ($\chi^2 (1df) = 5.32, p \leq .05$). However, a significant difference on symmetry did not emerge (Japanese, 40.0% and Korean 32.0%, $\chi^2 (1df) = 0.69, p > .05$). The fifth research question asked whether there would be a difference in the use of interactive imagery within icons. A significant difference emerged ($\chi^2 (1df) = 5.74, p \leq .05$). Twenty-six percent of the Korean icons featured interactive imagery compared with only 8.0% of the Japanese icons.

The final research question (RQ6) asked whether the icons of the two cultures would differ in terms of complexity. The data violated the requirements of the $\chi^2$ test so one could not be conducted using all three categories of complexity. However, the pattern of data (Table 2) indicates that Japanese icons may feature more simplicity overall with 68.0% judged to be simple compared with 54.0% of the Korean icons. A greater proportion of the Korean icons were coded as moderately complex (42.0%) compared with the Japanese icons (24.0%). Even so a $\chi^2$ test conducted using only the simple and moderate categories was not significant ($\chi^2 (2df) = 3.92, p > .05$). Neither sample contained many complex icons.
Table 2: Percentages of Categories of Complexity of Korean & Japanese Icons

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentage of Icons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Korean (n=50)</td>
</tr>
<tr>
<td>Complexity</td>
<td></td>
</tr>
<tr>
<td>Simple</td>
<td>54.0</td>
</tr>
<tr>
<td>Moderate</td>
<td>42.0</td>
</tr>
<tr>
<td>Complex</td>
<td>4.0</td>
</tr>
</tbody>
</table>

DISCUSSION

The results regarding the brand icons of Korean and Japanese companies have revealed only a few differences in terms of the characteristics measured in this study. This may not be very surprising given that international and global marketing factors have produced some degree of standardization in term of icon design. It is possible that icon designers from both cultures are aware of the criteria for effective icon design articulated by Henderson and her colleagues (1998, 2003). Indeed no significant differences emerged for the proportion of letter marks, abstract icons, symmetric icons, icons implying benefits, or icons that were conceptually consistent with brand/company names. The fact that there was a high proportion of Latin letters among the letter marks in both samples reflects the importance of the North American and European markets within the global strategies of Korean and Japanese companies.

It is interesting, however, that the Koreans seem to favor pictorial icons much more so than do the Japanese while the latter seem to favor more abstract designs. The reason for this is not clear and could be a subject for further inquiry. It may be consistent with the Japanese principle of wabi-sabi which includes an abstract, nonrepresentational ideal of beauty. It may also reflect the longer engagement in global markets by companies in Japan than those from Korea. Japanese managers may believe that abstract icons are more transferable across cultures.

The difference between the samples in the proportion of balanced icons can be explained by cultural differences. The high proportion of balanced icons in the Korean sample is consistent with the concept of “classic beauty” or gojeonmi. The relatively lower proportion of balanced icons in the Japanese sample is consistent with the principle of wabi-sabi. However, the majority of icons in both samples is balanced. This result is consistent with the normative design criteria.

The higher proportion of Korean icons exhibiting interactive images in the form of letter accentuation is interesting. As stated nearly all of the letter marks in the Koran sample involved Latin characters. Thus the tendency is consistent with the normative design criteria but may also reflect a cultural tendency as well. Finally, the low degree of complexity for both the Japanese icons and the Korean icons is consistent with cultural factors. The Japanese principles of wabi-sabi and yugen value are consistent with this result as is Korean principle of dansunseong. However in each case there were many moderately complex icons. Moderate complexity is consistent with the normative design criteria.
MANAGERIAL IMPLICATIONS AND PROPOSALS FOR FUTURE RESEARCH

This study was descriptive in nature. It included no empirical testing beyond the questions concerning the possible differences between Japanese and Korean icons. Thus, the managerial implications will be discussed in the form of suggestions for future research.

The major limitation of this study is that rather small sample of companies from each culture— the majority of which came from the Forbes Global 2000. This listing is dominated by companies involved in global or international marketing at some level. Perhaps larger samples including companies with primarily domestic target markets would reveal even stronger differences reflective of their respective cultural aesthetics. The Korean icons were coded by the authors, neither of whom is Korean or has received training in Korean culture. Thus, some of the meanings conveyed by the Korean icons were possibly missed or misinterpreted. Future research should use coders with more Korean experience.

Another limitation is that although these results seem to point to both cultural differences and marketing strategy differences related to global or international strategies it is impossible to sort out these effects. One issue is whether a company should match the design of its icons and logos to the geographic scope of its market presence. The finding that a high proportion of both Korean and Japanese icons contain letter marks with Latin characters probably reflects the significant involvement of Korea and Japanese companies in global markets. This assumes, of course, that company executive believe that employing more westernized brand marks would make their companies more competitive in global markets. It isn’t clear whether the use of icons with Latin characters by Korean and Japanese companies has had an effect on their ability to compete effectively in western markets. An association between type of icon and success of a company could be tested using Forbes 2000 ranking as an indicator of success.

An issue not addressed by this study is the connection between icons and country-of-origin effects. Research has shown that a positive country-of-origin effect can provide a company with a source of competitive advantage that should be leveraged. Alternatively a negative country-of-origin effect can detract from a firm’s competitiveness. In this case a company should either avoid drawing attention to its country-of-origin or find some way to counter balance it with other more positive associations (Roth and Romeo 1992). This would seem to suggest that if either a Japanese or a Korean company were operating in a product category where it has a positive country-of-origin effect using a very Japanese-like or Korean-like icon would be beneficial. On the other hand, under negative country-of-origin effect conditions, perhaps more westernized or abstract icons would be more appropriate.

REFERENCES


BRAZIL’S ACCESSION TO TRIPS AND ITS ENGAGEMENT WITH THE PHARMACEUTICAL INDUSTRY

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Intellectual property concerns the legal rights resulting from intellectual activity in a number of fields (WIPO 2004). Intellectual property rights (IPR) is further divided into two broad categories: Artistic property, covered by copyright and industrial property which includes both distinctive marks, such as trademarks, and inventions which may be protected by patent or trade secret.

Not all inventions are patentable. Patent law protects only those inventions that meet criteria of usefulness, novelty, non-obviousness, and meet legal requirements concerning disclosure of the invention. Patent reflects a social contract. In exchange for powerful rights to exclude others from making, using, and selling the patented invention, the inventor must completely disclose the invention. At the end of the patent period, the invention enters the public domain. Because of the monopolistic nature of the patent, tensions exist between society’s interests and those of the patentee. The traditional justification for patent protection is twofold. First, society as whole benefits when inventors profit from their efforts. Second, the limited monopoly offered by patent law is an incentive for invention and its commercialization. The first argument rests on the balance of rights and obligations among members of a society, making the proposition that inventors should receive limited monopoly rights to economically exploit their inventions in exchange for full disclosure about the inventions (Dutfield and Sutherland 2008; Blair and Cottler 2005). This directly relates to the second point: new goods and services may not be invested in or widely dispersed unless there is some protection incentive (Lerner 2002) although the correlations are not extensively researched (see Thach and Marsnik, 2009, for a review of the empirical literature).

Pharmaceuticals and International Intellectual Property Rights

However, the tension between inventor rights and social access is well-illustrated by the nexus of patents for both pharmaceutical products and processes. The public has a strong interest in access to drugs, particularly those treating life-threatening diseases. The industry producing those drugs has a desire to profit from the huge investments required to invent, test, and commercialize these products. This helps to create the capital to support further research and development. Although there are ways to reconcile the interests of both, the apparent competition between public health needs as an international priority (Bird and Cahoy 2008) and the demands for greater patent protection by the major pharmaceutical firms as the costs of new production rise has made accommodation difficult. The governments have attempted to create a compromise through the local adaptations of the Agreement on the Protection of Intellectual Property Rights (TRIPS, WTO, 1994).
Governments have largely pursued one of two strategies: 1) relaxing intellectual property (IP) standards, or 2) pursuing pharmaceutical industry growth through more IP protection.

There exists a strong relationship between protecting pharmaceuticals and the national legal requirements mandated by TRIPS. A fundamental change in national patent law mandated by TRIPS was that countries were required to provide patent protection for both patentable pharmaceutical products and processes. Patents are widely used in the pharmaceuticals industry and are considered necessary to recoup costs of research and development and, thus, support the development of new pharmaceutical processes and products. They allow the patent owner the exclusive rights to manufacture, sell, and license and distribute the technology. Conversely, society has an interest in ensuring the health benefits of these processes and products reach those in need. In response to this tension, during the 1960s and 1970s, many developing countries weakened or abolished patent protection for pharmaceuticals, in part to make low-cost versions of the patent protected pharmaceuticals available. Indeed, many industrialized countries did not fully provide patent protection in this sector until the latter quarter of the twentieth century. However, this has changed. In the last twenty years, pharmaceuticals industries in drug exporting countries succeeded in driving an agenda for heightened international IPR protection that changed the policies on protection for drugs and processes in many countries. This included industry involvement in producing the initial draft of the TRIPS (Gervais, 2007).

**Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) Treaty**

The scope of protection and enforcement of patent laws vary from one country to another. Since the nineteenth century (Paris Convention, 1883), countries have attempted to harmonize their national patent laws while leaving some aspects of the balance between protecting both inventors and society to national law (http://www.wipo.int/treaties/en/ip/paris/summary_paris.html). The Paris Convention was originally used to protect industrial processes and was largely applicable to the industrial countries in Europe and North America (and the associated colonies). The pharmaceutical industry as we know it did not really emerge until after World War II as a result of the discovery of penicillin and other new antibiotics.

The Paris Convention permits patent rights to be limited or relaxed under national law in certain instances, the most significant of which is the compulsory license (Art. 5(a), WIPO, 1967). A compulsory license is a government authorization allowing a third party to exploit the invention in exchange for a reasonable royalty (WIPO, 2004). In effect, government use of a compulsory license forces the patent owner to give up part of its property for the benefit of the public (Bird and Cahoy, 2008; Carrea, 1999). Compulsory licenses may be granted if the patent owner fails to exercise or work the patent rights in the territory or when a nation deems it necessary to protect a public interest, such as health. It was also the case that a number of countries did not have patent laws, did not enforce them, or had rules widely at variance with those of other countries. Under the Paris Convention, two problems emerged: first, there was no incentive for newly developing countries to enter into it; second, the
enforcement of treaty obligations was very weak. An associated issue was the necessity of seeking patent protection in every country under the patent laws applicable in each country. This is cumbersome and expensive. Furthermore, if could be ineffective. Some countries excluded pharmaceuticals from patentability. In other countries it might be possible to patent pharmaceutical products, but a lack of enforcement of IPR or actively seeking import substitution undermined protection.

TRIPS was developed through the World Trade Organization as a way of including newly developing countries in the intellectual property system. It was believed that this would serve both the rights of existing property holders and industrial countries while accommodating the different needs of the emerging countries. The power and importance of TRIPS lies in its requirement that its provisions concerning all forms of substantive IPR are translated into national law, including those for patents. Importantly, it mandates that a nation enforce its IPRs. Unlike the Paris Convention, there is an effective international dispute settlement mechanism if a member of the WTO does not comply with its TRIPS obligations. Other WTO members may bring an action before the WTO’s Dispute Settlement Body to enforce the obligations and trade sanctions may be imposed for failure to do so. Although the TRIPS was hotly debated, arguably it met the basic demands of all WTO members, particularly by providing the least developed contracting states until 2005 to fully implement the treaty (http://www.wipo.int/patent-law/en/plt.htm). This delay enabled the developing countries to assist their firms in making the changes necessary to enter into treaty compliance.

TRIPS has been characterized as a Paris Convention “plus” treaty with regard to intellectual property (Gervais, 2007). Like the Paris Convention, TRIPS requires members to translate minimum standards into national law, although the minima are more substantial. For instance, TRIPS mandates that both process and product patents be available in all fields of technology, including pharmaceuticals, provided that they meet the requirements of novelty, utility (industrial application), and non-obviousness (inventive step) (Art. 27(1), WTO, 1994). This has facilitated a substantial step forward in harmonization of patent laws and protection within the pharmaceuticals industry. Prior to TRIPS, many of those countries did not recognize product based pharmaceutical patents, allowing the legal manufacture of pharmaceuticals that would be protectable in countries recognizing product based patents.

Complete harmony is also neither required nor possible under TRIPS because it allows a nation flexibility in terms of the scope of patent protection in a number of areas, including compulsory licenses. TRIPS permits the grant of compulsory licenses only on a case-by-case basis (TRIPS, Art. 31(a)), which would make broad categories of licenses, such as those for pharmaceuticals, not TRIPS compliant (Gervais, 2007). Article 31(b) allows a nation to implement provisions into national law to grant compulsory licenses only in certain circumstances: (1) after efforts to obtain a voluntary license from the rights holder on “reasonable commercial terms and conditions” have failed, or, without the necessity of
negotiating with the rights holder, (2) in the case of “national emergency or other circumstances of extreme urgency” and (3) for public non-commercial use (TRIPS). Bird and Cahoy (2008) argue that implementation of the compulsory licensing exception has great potential to impact local and foreign investment practices, particularly in the area of healthcare. Eren-Vural (2007) provides examples from compulsory licensing regimes in India and Turkey that illustrate the relationship between how compulsory licenses are implemented and the survival and relative health of local pharmaceuticals industries.

DOHA Amendment

Despite the general agreement and acceptance of TRIPS, the pharmaceutical area continued to be a source of contention as nations balanced property rights and public access to needed drugs. Although the compulsory license was intended to provide some balance, many of the emerging and poorer countries felt that it was insufficient. The result was a proposed amendment to TRIPS, generally referred to as the DOHA amendment after the conference at which it was proposed. Adopted by the WTO membership as a proposed amendment, the Ministerial statement reported:

The 2005 Ministerial Declaration stated:

"We reaffirm the importance we attach to the General Council Decision of 30 August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, and to an amendment to the TRIPS Agreement replacing its provisions. In this regard, we welcome the work that has taken place in the Council for TRIPS and the Decision of the General Council of 6 December 2005 on an Amendment of the TRIPS Agreement." (Conference ends with agreement on new programme, World Trade Organization, 2001-11-14)

The relevant portions of the Doha amendment with respect to pharmaceuticals rest in paragraphs 4 through 6:

4. The TRIPS Agreement does not and should not prevent Members from taking measures to protect public health. Accordingly, while reiterating our commitment to the TRIPS Agreement, we affirm that the Agreement can and should be interpreted and implemented in a manner supportive of WTO Members' right to protect public health and, in particular, to promote access to medicines for all.

In this connection, we reaffirm the right of WTO Members to use, to the full, the provisions in the TRIPS Agreement, which provide flexibility for this purpose.

5. Accordingly and in the light of paragraph 4 above, while maintaining our commitments in the TRIPS Agreement, we recognize that these flexibilities include:

(a) In applying the customary rules of interpretation of public international law, each provision of the TRIPS Agreement shall be read in the light of the object and purpose of the Agreement as expressed, in particular, in its objectives and principles.

(b) Each Member has the right to grant compulsory licenses and the freedom to determine the grounds upon which such licenses are granted.
(c) Each Member has the right to determine what constitutes a national emergency or other circumstances of extreme urgency, it being understood that public health crises, including those relating to HIV/AIDS, tuberculosis, malaria and other epidemics, can represent a national emergency or other circumstances of extreme urgency.

(d) The effect of the provisions in the TRIPS Agreement that are relevant to the exhaustion of intellectual property rights is to leave each Member free to establish its own regime for such exhaustion without challenge, subject to the MFN and national treatment provisions of Articles 3 and 4.

6. We recognize that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of compulsory licensing under the TRIPS Agreement. We instruct the Council for TRIPS to find an expeditious solution to this problem and to report to the General Council before the end of 2002.

http://www.wto.org/english/thewto_e/minist_e/min05_e/final_text_e.htm#public_health

The adoption of the amendment requires affirmative adoption by two-thirds of the WTO members. Originally, the deadline for adoption was set for 2007, however the number of signatories is still far short and the deadline has been indefinitely extended. Nevertheless, those countries which have adopted the amendment have acted under it—most notably during the SARS outbreak in Asia. The obvious emergency pre-empted any protests against using the production and export of generics to those countries without sufficient internal resources. The position of countries under article 6 is still somewhat unresolved. The Doha amendment was most eagerly supported by those countries with weaker pharmaceutical firms or supporting firms in the industry trying to compete against the existing major players in the global industry. Especially supportive were India, China, and Brazil (see Reichmann and Abbott, 2007).

The key issue for rapidly developing countries, such as Brazil, was whether the acceptance of TRIPS would be sufficiently beneficial to offset some clear disadvantages. Brazilian adoption of the international standards appears to rest on three key issues:

- the structure of the prior domestic industry (Dolfsma 2006)
- the existence of a cumulative innovation platform so that product patent domestic industries are more vulnerable than are process patent industries (Blyde 2006)
- patent spillover leading to a positive welfare effect (Xu and Chiang 2005).
Brazil, Pre-TRIPS

In 1890, Brazil became the fourth country in the world to enact a patent law, became a founding member of the Paris Convention, and provided a constitutional basis for patent protection (Barbosa, 1997). It was a founding member of WIPO’s Patent Cooperation Treaty and its National Office for Industrial Property (INPI) is considered by WIPO a model patent office. It is, today, one of the handfuls of international offices recognized by WIPO as an international research and clearing center on patents.

In the late 19th and early 20th century, Brazilian firms produced mineral based medicines, although all the firms were small. The government established public laboratories beginning in 1897 to develop and produce vaccines. After the explosion of antibiotics after World War II, foreign pharmaceutical companies marketed in Brazil as elsewhere. Brazilian firms were technically and financially unable to compete since the foreign pharmaceutical firms took the profits from their sales and reinvested them in research and development of new drugs. The investment in research and development gave the foreign firms a sustainable competitive advantage. The government’s import substitution policy included pharmaceuticals, leading to the ban on product patents in medicines in 1945. Brazil hoped to encourage re-engineering and manufacturing capabilities. Unfortunately, the FDI policies with low exchange rates undercut that hope and foreign multinationals moved heavily into Brazil, exporting raw materials and setting up low cost manufacturing with imported equipment. Brazilian firms were purchased, some went out of business and the remainder were small. By 1960 non-Brazilian firms constituted 73% of the market.

After popular complaints that drugs cost too much and were often unavailable, the government instituted price controls in 1968, eliminated process patents in 1969, and created the government agency CEME to procure and distribute medicines to hospitals. The government also charged CEME with the responsibility to source from Brazilian firms from raw materials to finished products; and to encourage the development of new drugs and technology transfers (Quiroz, 1993).

For a variety of economic and policy administration reasons, the hoped for development of a strong indigenous pharmaceutical industry did not develop. Despite increasing protectionist measures and the creation of CODETEC (a research initiative with university and government laboratory cooperation) only 13 drugs reached the production phase and none were ever commercialized. Re-engineering never took off for two reasons. First, the import substitution policies, including high tariffs, prevented the small, undercapitalized Brazilian firms from importing the necessary equipment. Second, the absence of patents encouraged firms to simply copy foreign drugs and mass produce them at lower costs.

Brazilian economic and trade policies shifted dramatically in the early 1990s. In particular, several major changes dramatically impacted the pharmaceutical industry. Price controls were ended in 1991, leading firms to raise prices and finally earn profits. Then, the “Law of
Tenders” in 1993 encouraged price wars but did not support quality control (Urias and Furtado 2009).

**Transition to TRIPS**

In 1995, Brazil signed TRIPS and took advantage of the 10 year phase in policy. Despite much opposition to the adoption of international standards, Brazil yielded in seeking WTO membership to TRIPS and began its adoption in 1996. In that year, Brazil passed a new patent law, No. 9.279, that allowed both product and process patents for pharmaceuticals, gave a 20 year term for such patents, and prohibited the import of parallel products. If a patent owner fails to manufacture and exploit a patent within three years of the grant of a Brazilian patent, the government can issue a non-exclusive compulsory license (Art.6(1), Brazil 2001). The heart of Brazil’s compulsory licensing scheme is laid out in Article 71: compulsory licenses may be granted in cases of “national emergency or public interest.” In 1999, then President Fernando Henrique Cardoso reinforced this language, decreeing that “national emergency” is limited to conditions of “imminent public danger” and matters of public health are matters included in the public interests (Brazil, 1999). As such, all patented pharmaceuticals could fall within the purview of the compulsory licensing statute.

The Generics Act of 1999 was intended to improve the quality of available generics, increase their use vis-à-vis branded versions, and set price differentials for generics and branded drugs. ANVISA, similar to the US Food and Drug Administration, was created to oversee and police these efforts. The generics act also began the phase-out of “similares”—unlicensed copies of patented drugs. This did spur Brazilian firms to expand and improve production, moving massively into the production of generics. However, it did nothing to help develop the necessities for a vital pharmaceutical industry: Brazilian firms still needed help to obtain foreign patents, there were virtually no drug testing firms, and no research and development outside the government laboratories (Guennif and Ramani 2010).

**Post TRIPS**

In 2005, Brazil had to be fully compliant with and enforce TRIPS. The patent law is in place and there is a clear set of procedures for patents. Nonetheless, the Brazilian domestic industry continues to decline. The patent law is not the cause, although it complicates any further development.

Brazil is the sixth largest market in the world in terms of value for drugs, the fifth largest in unit sales, and the second largest market for medicines in Latin America. Most of that market is being served by non-Brazilian firms: the large multinationals as well as Indian and Chinese firms are exporting larger quantities of medicines to Brazil—the market share for Brazilian firms is now about 20%. Uncertainty surrounding Brazilian uses of compulsory licensing has limited the introduction of newer drugs into Brazil.

Facing these facts, the government policies intended to support a Brazilian industry post-TRIPS have actually aggravated the problem. The generics laws are stricter for Brazilian
firms than for imports, particularly from India where costs are lower. Multinationals buying Brazilian firms can apply for government aid designed to subsidize equipment investment and plant enlargement (PROFARMA). Brazilian firms have insufficient capital to take advantage of these programs, but the multinationals have no problem. By buying Brazilian licensed firms, they qualify for subsidies and have the capital to invest.

The ability to obtain patents is slow, expensive, and cumbersome (OSEC 2010), possibly the most lengthy process in the world.

“There is a general consensus among the study participants that the patenting process for medicinal products needs to be accelerated, streamlined, merit-based and free from subjective and speculative criteria. The present situation has substantially increased uncertainty with respect to whether and when patent protection will be obtained for novel technologies. This increased risk adversely affects private investments in new health technologies and impedes collaborative product-development arrangements, which often hinge on the sharing of intellectual property rights among partners” (Rezaie, et al., 2008).

Given the small amount of research outside government supported laboratories, the lack of testing infrastructure, and small profits, few Brazilian firms can afford to engage in drug development much less a drawn out patent process. In addition, unlike similar processes elsewhere, the data during the testing phases is not protected. As a consequence, Brazilian investment in research is actually declining. De Castro (2011) observes that the two main organizations supposed to support pharmaceutical research and development actually prevent collaboration and pooling of complementary scientific and financial resources in drug development.

The government has now instituted some new programs designed to offset some of these problems. As of 2012, for example, 80% of all vaccines must be manufactured in Brazil and source primarily from Farmquinhos, a state manufacturing group. Ryan (2009) argues that the Sao Paolo state policy with respect to bio-meds is spurring investments by Brazilian firms in that state into riskier but promising medicinal research, supported by public/private partnerships. Thus far, however, the returns have been somewhat disappointing.

Mota et al (2012) in their study of foreign trade and investment data found that Brazil was actually experiencing regressive specialization effects from trade. This may explain the direction of investment into bio-meds, as a still developing field, but one not yet yielding significant new commercializations.

Another government initiative, FINEP, is connected to the Ministry of Science and Technology. This is a research support program which so far has funded the largest of the Brazilian firms (Eurofarma, EMS Pharma, and Ache) to develop generics, create formulation and quality control centers, and research into native herbals as the basis of new medicines. Because the amounts of the subsidies are insufficient to support greater expansion, all three firms are contemplating either going public entirely or engaging in some form of merger with larger, non-Brazilian firms. This is a particular problem as the OTC market, formerly almost
entirely Brazilian, is now attracting increasing imports with resulting price wars, and idle capacity. In fact, Sanofi-Aventis is now the largest pharmaceutical firm in Brazil, with significant shares in generics, OTC, and branded pharmaceuticals.

**Analysis**

The structure of the Brazilian industry at the time of Brazil’s accession to TRIPS left it vulnerable to market entry by larger, better financed foreign firms. These firms offered a range of patented pharmaceuticals, the capacity to invest in generics, and strong, well-financed research and development programs. Government programs designed to support industrial development were poorly crafted if the intent was to invest in solely Brazilian companies.

Pre-TRIPS, Brazilian firms were skilled at producing generics and similares, but not experienced in developing, patenting, or commercializing new medicines. This weakness was both a result of industry structure insufficiency and the cause of those insufficiencies. As the firms themselves were unable to invest in research and development, they depended on the government funded laboratories to do so. Those laboratories, in turn, tended to research in the areas most closely tied to public policy and not to finding profitable and competitive niches for Brazilian firms. Recent attention to bio-pharmaceuticals may be too late as multinational firms acquire access to Brazilian plants and incorporate those into their own, well-funded research programs. The no-patent and difficult patent policies over the past 30 years drove Brazilian firms to the US, using the American generics rules to patent their re-engineered versions. The low numbers of patents sought, however, meant that no Brazilian legal expertise in patent was developed. Brazilian firms relied on US firms for advice and patent processing. Low drug development also prevented the rise of testing and data support services. Thus, neither innovation nor spillover effects from patent and FDI created an actual industry.

Currently Brazil has 60% of its licensed firms still operating although most are quite small. The larger ones are seeking funding in order to continue competing against both large multinationals and the Indian generics producers. There is a tendency to blame new patent regulations and open trade laws for the under-developed pharmaceutical sector. However, it is more likely that economic policies, public health initiatives, price controls, and underinvestment are the major causes of the structural deficits retarding industry growth.
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THE DIFFERENTIAL EFFECTS OF CONSUMER ETHNOCENTRISM ON PRODUCT EVALUATIONS AND WILLINGNESS TO BUY BASED ON PRODUCT CATEGORY: AN EXAMPLE FROM GHANA

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EXTENDED ABSTRACT

Many previous studies have demonstrated that the level of consumer ethnocentricity (CET) affects product judgments of both foreign and domestically made products (e.g. Pecotich and Rosenthal 2001). CET’s negative association with the respondents’ willingness to buy foreign products is moderated by several factors (Sharma, Shimp and Shin 1995; Wang and Chen 2004). This paper investigates the influence of product category on these relationships in Ghana.

CET has been defined as “the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products.” (Sharma, Shimp and Shin 1995; Shimp and Sharma 1987) Consumers high in this variable will prefer domestic rather than foreign products. CET has been shown to be useful when conducting research with respondents from Poland (Supphellen and Rittenburg 2001), Korea (Moon 2004), China (Wang and Chen 2004), Australia (Pecotich and Rosenthal 2001), and Nigeria (Festervand and Sokoya 1994). CET has also been associated with demographic variables (Sharma, Shimp and Shin 1995). CET affects the perceptions of value and purchase intentions (Pecotich and Rosenthal 2001). CET’s relationship with intent to purchase domestic products is moderated by the product’s necessity (Sharma, Shimp and Shin 1995), the threat it offers to domestic firms (Sharma, Shimp and Shin 1995), and the difference in quality and consumer conspicuous consumption (Wang and Chen 2004).

This study looks at whether the degree of preference for domestic goods is dependent on product evaluation and category as well as CET. In accordance with the literature review above, hypotheses 1 and 2 are offered. Hypothesis 3—in the null form—was tested to ascertain whether product evaluations differ based on the type of product being evaluated. Hypothesis 4 is offered to discover if the relationship between CET and product evaluations extends as well to the willingness to buy foreign products.

H1: Those who score higher in CET will rate foreign products lower than those who score lower in CET.

H2: Those who score higher in CET will rate domestic products higher than those who score lower in CET.

H3: The relationships noted in H1 and H2 will hold true for a wide variety of product categories.

H4: Those who score higher in CET will be less willing to buy foreign products (specifically those from the UK) than those who score lower in CET.
Participants in this study were a convenience sample of people from Ghana who were willing to complete the survey form in two venues, at a shopping mall in Accra, and at a university in Accra. Of 511 returned survey forms, 497 were found to be usable. The other fourteen were either incomplete or displayed non-thoughtful response patterns and were discarded from further consideration. The respondents had a mean age of 31, and the median education was at least some college education. The median annual income was 8 million Cedis, and 60% of the respondents were males.

CET, Willingness to buy, and Product judgments were measured using scales derived from Klein, Ettenson, and Morris (1998) and Darling, Arnold, and Wood, in various combinations (1988, 1990, 1993). Product type judgments were also measured by having respondents give unique judgments for a wide variety of specific products.

The data was analyzed using two methods, t-tests and regression. Regression was used to investigate the relationship between CET and the following variables: ratings of foreign products, ratings of domestic products, ratings for seven product categories, and willingness to buy products made in the UK.

RESULTS

In a t-test of H1, those higher in CET made product judgments of foreign products lower than respondents who scored lower in CET (Sig. = .011). With CET as the sole independent variable, a simple regression found a significant relationship with foreign product judgment (Sig. = .018). However, the adjusted $r^2$ was only .010. No significant relationship was found after introducing control variables. A t-test found no support for H2—(Sig. = .128). However, simple regression found a significant relationship. After introducing control variables, CET’s significance was <.000, and the adjusted $r^2$ had increased to .033. A series of t-tests were run to test H3. Fourteen significant differences and 14 non-significant differences based on an $\alpha$ level < .05 were found. A t-test showed that those higher in CET were less willing to buy products from the UK (Sig. = .022). Further, a simple regression showed an adjusted $r^2$ of .025 at a sig. <.000. These results supported H4. Hence, there was at least some support for hypotheses 1, 2, and 4, and there was evidence to reject the null hypothesis posited in hypothesis 3.

CONCLUSIONS, FUTURE RESEARCH, AND LIMITATIONS

As expected, our analysis shows that CET does have an effect on both product judgments and willingness to buy foreign products. We have also shown, however, that the degree to which CET affects product judgments depends on the product category. The type of product most likely to have a significantly different product judgment based on CET seems to be high tech and/or more capital intensive and/or more likely to be engaged in monopolistic competition. Determining which of these variables is most important to product judgments awaits further research. Caution should be used when interpreting the results of this study. It must be remembered that this study used a convenience sample of Ghanaians, so generalizing to any larger population may be problematic.
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DEVELOPING TOURIST SATISFACTION WITH DESTINATION: AN INTERNATIONAL PERSPECTIVE

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EXTENDED ABSTRACT

This study presents a cognitive appraisal model that identifies emotions and trust as the key mediators in the relationship between service fairness and behavioral intentions (i.e., revisit intentions and word-of-mouth referrals) in tourism marketing. Cognitive appraisal theory and justice theory explain how a customer’s evaluations result in cognitive and emotional outcomes. Using cognitive appraisal theory, Bagozzi et al. (1999) suggested that “emotions arise in response to appraisals one makes for something of relevance to one’s well-being” (p.185). Schoefer and Ennew (2005) concluded that a cognitive appraisal of perceived justice would elicit an emotional response, which would influence satisfaction with consumers’ complaint handling experiences. Justice theory states that a customer evaluates a service attempt as just or unjust. The primary tenant of justice or fairness is that satisfaction with a relationship exchange is based upon comparing the inputs personally contributed versus the outcome received. Undervalued and overvalued outcomes would be expected to cause distress that people seek to reduce (Adams, 1965; Homans, 1961). As such, the result of justice may affect customers’ behavioral intentions.

Together, cognitive assessment of service fairness can be considered as an exogenous variable, while positive and negative emotions and trust serve as important mediators in the customer service experience. Applying this to tourism, the tourism activity process may be expected to elicit behavioral outcomes such as revisit intentions and word-of-mouth recommendations. Based on an extensive literature review regarding cognitive appraisal theory, a comprehensive tourist behavior model that include service fairness, consumption emotions (both positive and negative emotions), trust, revisit intentions, and word-of-mouth referrals is proposed and empirically examined in this study. The major contribution of our model is the adaptation of cognitive appraisal theory to explain the mediating roles of emotions and trust between service fairness perceptions and behavioral intentions in the context of urban tourism.

Structural equation modeling (SEM) was used to examine the conceptual model using questionnaires answered by more than five hundred Chinese tourists. Findings support the mediating role of emotions and trust and so demonstrate that the travel behavioral intentions formation process is both an emotional experience process and a relationship building process linking tourists to their destinations. In fact, it was found that perceived service fairness has a positive effect on positive emotions and a negative effect on negative emotions. Prior research has largely adopted a uni-dimensional view of emotions, focusing largely on negative emotions. However, our results revealed that the positive and negative bi-dimensions of emotion are each powerful predictors of tourist behavioral intentions, suggesting the need to investigate formally a non-uni-dimensional approach incorporating positive and negative emotions. Consistent with existing research, our study found that
positive emotions increase the probability of revisit intentions and word-of-mouth referrals, and negative emotions decrease these. Using positive and negative emotions simultaneously, the current study extends understanding of the relationship of perceived service fairness and emotions to behavioral intentions, showing that positive and negative emotions each play partial mediating roles between service fairness, and revisit intentions and word-of-mouth referrals. The current findings revealed that trust was positively associated with revisit intentions and word-of-mouth referrals and that trust also plays a mediating role as an antecedent to these behavior intentions.

In the tourism industry, it is important to shape, retain and enhance a sound business relationship with tourists by establishing trust in order to form “relationships” with potentially returning travelers. Managers should develop procedures that maximize the trust and positive emotions that tourists associate with the destination, and so augment long-term tourist-destination relationships and positive behavior intentions. Another important finding of this study is that it also showed that there is a direct relationship between revisit intentions and word-of-mouth referrals. By understanding the mediating roles of emotions and trust, destination managers can develop effective managerial and marketing strategies to strengthen tourist loyalty, and revisit and word of mouth referral intentions.

References


